

Munich Re Group

Analysts' Conference 2009

Preliminary figures

Continuing a solid path




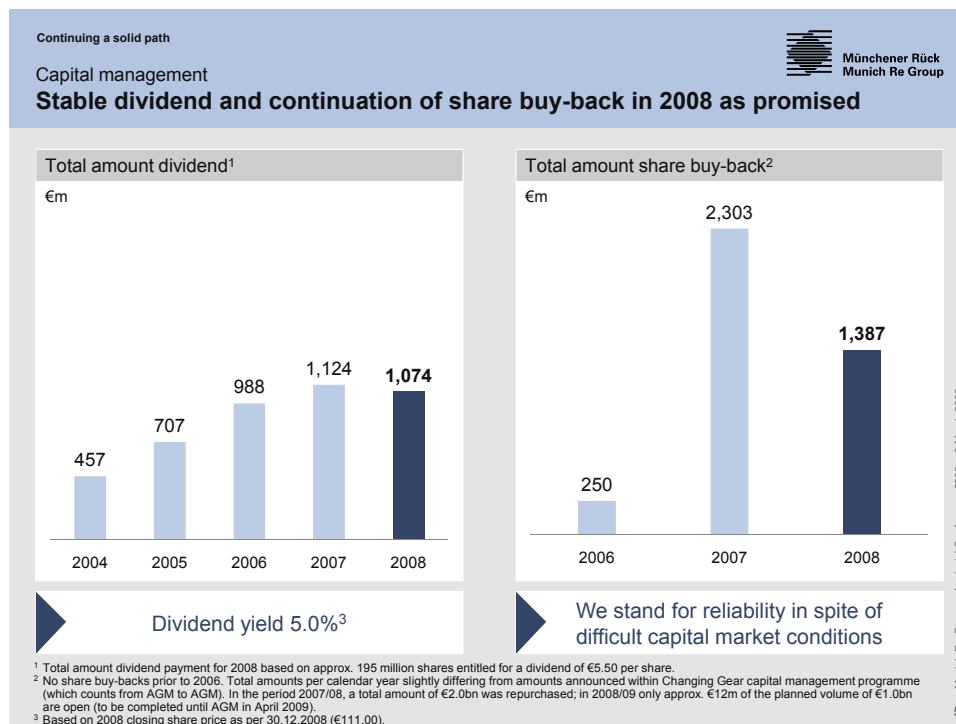
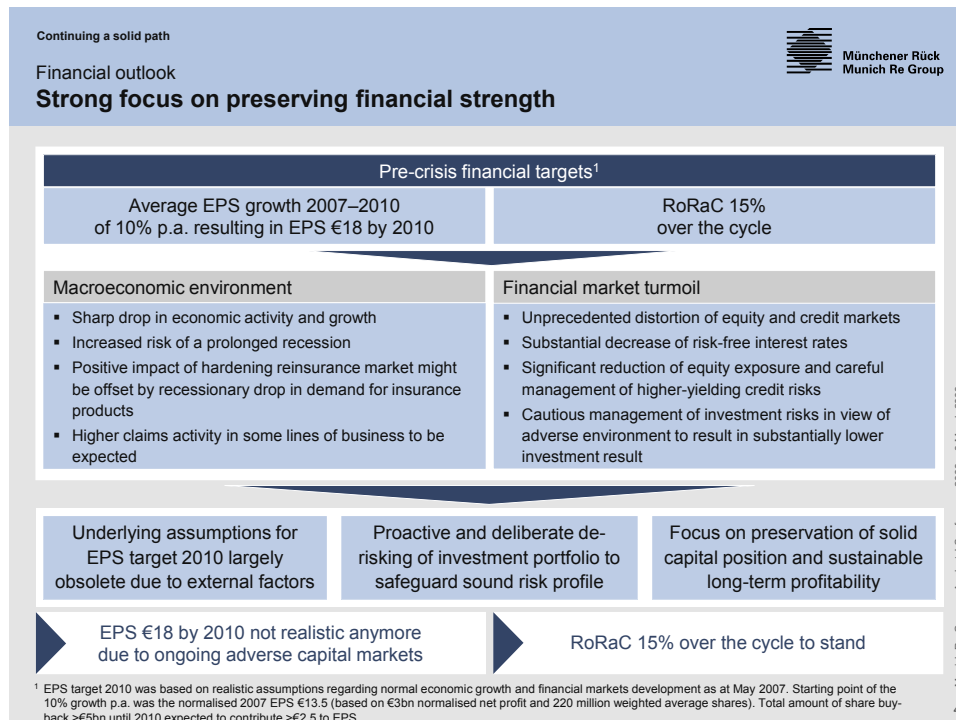
Münchener Rück
Munich Re Group

3 March 2009



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<div>Continuing a solid path</div> <div>Overview key figures 2008</div> <div>Satisfactory result considering challenging financial markets</div>	 <div>Münchener Rück Munich Re Group</div>
<div> €1.5bn consolidated result demonstrates resilience despite the severity of the financial crisis leading to a significantly lower investment result </div>	
<div> Sound capitalisation of €21.3bn shareholders' equity enables stable dividend for 2008; forward-looking risk management pays off </div>	
<div> Combined ratio strong in primary insurance (91.2%); reinsurance (99.5%) influenced by above-average major losses </div>	
<div> Improved portfolio quality in reinsurance financial stability allows participation in market opportunities within hardening reinsurance market </div>	



Continuing a solid path

Risk management

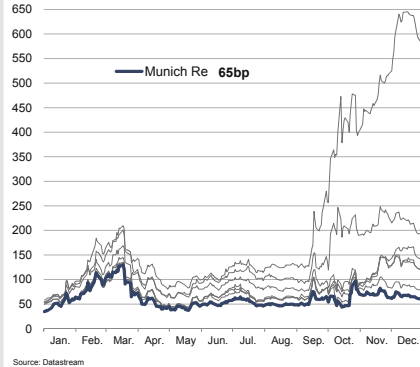
Forward-looking risk management and consequent de-risking pay off



Beta values¹
1.1.2004–31.12.2008²



CDS spreads¹
1.1.2008–31.12.2008²



Strong position of Munich Re to deliver solid performance

Confidence in forward-looking risk management

Financial strength evidenced by low CDS spread

¹ Peers: Allianz, AXA, Generali, Hannover Re, Swiss Re, Zurich Financial Services.

² Raw beta to DJ Stoxx 600, total return, daily basis, 1-year, 5-year credit default swaps (spreads in basis points p.a.).

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Continuing a solid path

Overview Group – Risk management

Solidly steering through capital market crisis



I Reduced impact of weak capital market

Hedging strategy proved successful in financial crisis

V Group-wide strategic risk management framework

Binding strategic risk criteria and operational limits driving Group-wide risk management

Proactive risk management

II Reasonable exposure to financial sector

~73% of overall exposure to the financial sector is attributable to Pfandbriefe and GWT¹

IV Ongoing analysis of scenarios

Swift reaction to changed market conditions and targeted measures across all lines of business

III Reliable risk modelling

Risks generally well captured by existing risk models

¹ GWT = Gewährträgerhaftung (Guarantors' liability).

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Reinsurance

Benefits from optimised portfolio and capturing profitable growth opportunities

Operational excellence

e.g.

- Strictly gearing portfolio to profitability and quality** (e.g. portfolio shift to shorter-tail lines of business)
- Value-based underwriting principles** with uniform worldwide standards and pricing discipline in renewals allowing for consistent steering based on RoRaC approach
- Client management** at the core with dedicated client managers focusing on profitability – implementation on track

Growth initiatives

e.g.

- Expansion into specialty and niche segments** in line with international growth strategy
 - Integration of Midland
 - Acquisition of Hartford Steam Boiler Group
- Further expansion of **successful business models** (e.g. agro business)
- Capturing profitable opportunities** arising from increased requests for capital relief in line with our risk appetite

Focus on profitability drives portfolio optimisation and risk-management capabilities

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Reinsurance

Munich Re benefits from sound capital base and positive customer feedback

Decreased capital base in global reinsurance in 2008 – Munich Re maintained sound capitalisation

Shareholder equity at year-end¹

US\$ bn

Year	Shareholder equity (US\$ bn)
2003	180
2004	210
2005	220
2006	260
2007	290
2008e	225

–21%

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

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

(1) 2006 ranks in brackets

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

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

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Primary insurance – Germany

Facing difficult environment, but multiple initiatives under way

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Operational excellence	Growth initiatives
e.g.	e.g.
Internal ERGO reorganisation established single back-office to increase efficiency	Joint ERGO broker channel to optimise service quality and strengthen sales platform
Ongoing cost-saving initiatives (lastly KVV ¹ programme)	Acquisition of remaining shares in direct insurer KarstadtQuelle Insurance to enhance direct sales activities
Value- and risk-based management Hedging programme in German life insurance to support MCEV	Integration of ERV ² and building centre of competence "travel"

Good progress on multiple operational initiatives – however, results impacted by financial market crisis

¹ KVV: Kontinuierliche Verbesserung der Wettbewerbsposition (ongoing improvement of competitive position).
² Europäische Reiseversicherung.

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Primary insurance – International

Various activities to drive internationalisation of ERGO

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Operational excellence	Growth initiatives
e.g.	e.g.
Full implementation of ERGO Turkey through acquisition of remaining stakes of ISVIÇRE	Establishing platform and building competence centre for bancassurance activities in Austria and CEE
Restructuring of ERGO Italy to reduce complexity, simplify internal processes and leverage synergies	Selective expansion in Asia under way with activities in South Korea, India and China
Initiated program to strengthen organisational capabilities and enable know-how exchange	Fostering organic Non-Life growth across core regions

Aspiration to generate one third of ERGO company value from international activities by 2012

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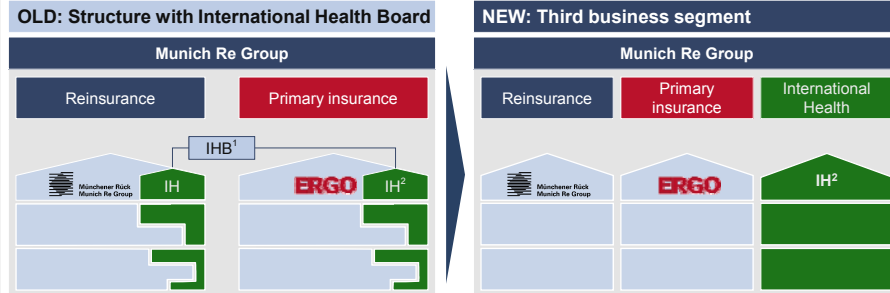
Continuing a solid path



International Health – Structure

International Health to become third business segment of Munich Re Group

Note: Management view



- Moving from a purely virtual structure to concentrating forces in a **new organisation** – forming a **third pillar next to reinsurance and primary insurance**
- International Health with **market responsibility for international primary insurance and reinsurance** – business will be conducted by the respective primary and reinsurance companies of Munich Re Group
- Implementing an organisation that makes **optimum use of all health-related business models in the Munich Re Group**

¹ International Health Board.
² DKV's German activities not included.

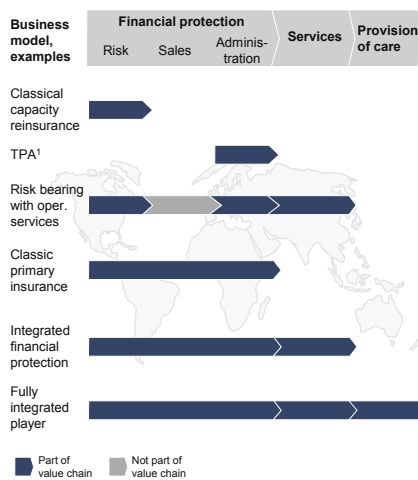
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International Health – Competence

Different business models meeting regional demand with regional organisation

Health value chain and business models



¹ Third-party administrator.

International know-how

International Health integrates a long tradition of experience in health business addressing different parts of the value chain

- Expert know-how in bearing of risks in primary and reinsurance
- Expertise in health services and provision of care

International organisation with regional hubs secures meeting regional and local demands of customers

- Princeton: North America
- Munich: Europe and Latin America
- Singapore: Asia
- Abu Dhabi: Middle East and Africa

Requirements fulfilled to support all parts of the value chain

Continuing a solid path



Growth – Strategic principles

Prudent approach for profitable growth will be maintained

Growth approach focused on **sustainability and profit over volume**
has proven to be right

Unchanged strict application of investment criteria despite numerous
opportunities arising from financial crisis

Adequate balance between acquisitions,
greenfield operations, partnerships and other internal growth

Diversification of growth activities across all lines of business
and selected regions pays off

No need to adjust our strategy

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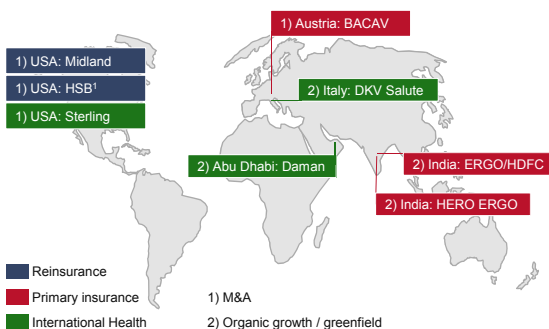
Continuing a solid path



Growth – Landscape

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

Selected transactions in 2007/2008



- Capturing opportunities for organic growth – leverage Munich Re's financial strength and know-how in greenfield operations
- Balanced investments across all three lines of business in key markets
- Overall ~€2.7bn investments in external growth opportunities during 2007/08²

Continued screening of attractive opportunities for further external growth

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

¹ Hartford Steam Boiler Group.

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

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Continuing a solid path			
Growth – M&A			
M&A deals are in line with our strategic rationale			
	Hartford Steam Boiler	Midland	Sterling
Acquisition rationale	<ul style="list-style-type: none"> Expand in US specialty business Track record of outstanding financial performance 	<ul style="list-style-type: none"> Strengthen position in primary insurance niche segments Strong underwriting profitability 	<ul style="list-style-type: none"> Build integrated health insurance solutions Strategic fit with existing Munich Re America Healthcare business
Facts	<ul style="list-style-type: none"> Leading specialty insurer in engineering risks Purchase price US\$ 742m 	<ul style="list-style-type: none"> US specialty insurer in short-tail, personal and niche commercial lines business Purchase price US\$ 1,345m 	<ul style="list-style-type: none"> US healthcare insurer in fast-growing US senior segment Purchase price US\$ 347m
Integration status	<ul style="list-style-type: none"> Closing expected for end of Q1 2009 Integration team established and milestones defined 	<ul style="list-style-type: none"> Synergy targets for 2008 achieved 2009/2010 top- and bottom-line targets on track Additional efficiency initiatives set up 	<ul style="list-style-type: none"> Successful integration completed early and below budget Financial targets 2008 achieved despite decline in investment income Changes in US regulatory context being addressed


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Continuing a solid path	
Summary	
Resilience of 2008 result supports existing strategy	
Satisfactory consolidated result of €1.5bn and sound capitalisation despite challenging financial market conditions	
Clear focus on value generation	
All segments actively managing adverse market impact and prudently continuing strategic initiatives	
Profitable growth solidly based on organic initiatives as well as value-oriented acquisitions	

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Agenda Annual financial statements as at 31.12.2008		 Münchener Rück Munich Re Group
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Munich Re Group in total		
Reinsurance segment		
Primary insurance segment		
Embedded value		
Outlook		

Financial reporting 2008 – Munich Re Group in total



Overview

Resilient consolidated result despite severe impact of capital markets

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

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

¹ Incl. legal expenses insurance.

² Adjusted pursuant to IAS 8.

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Financial reporting 2008 – Munich Re Group in total



Capitalisation

Sound capital base maintained even after capital repatriation

Shareholders' equity at €21.3bn;
stable development in Q4 versus Q3

Book value per share at €105.91;
5.2% CAGR since 1 January 2004

20.7% debt leverage¹ and 10.3x interest coverage²
reflects secure financial strength

Sound capitalisation according to all capital measures:

- Regulatory solvency capital ratio of 264%
- Low/mid single-digit €bn capital buffer according to rating agencies
- €8.1bn³ economic capital buffer according to internal model

¹ Strategic debt divided by total capital (= sum of strategic debt + shareholders' equity). All subordinated bonds treated as strategic debt.

² Earnings before interest expenses, tax and depreciation divided by finance costs.

³ Before announced dividends in 2009 of €1.1bn and €0.05bn outstanding from 2008/2009 share buy-back programme.

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Financial reporting 2008 – Munich Re Group in total



Capitalisation

Resilient development of shareholders' equity in Q4

€m	Q1–4	Change Q4 2008
Equity 31.12.2007 ¹	25,416	
Consolidated result	1,528	121
Changes		
Dividend	–1,124	–
Unrealised gains/losses ²	–2,720	314
Exchange rates	–35	–236
Share buy-backs	–1,414	–41
Other	–395	–313
Equity 31.12.2008	21,256	–155

Sound capitalisation despite financial markets turmoil,
in line with economic view³

¹ Adjusted pursuant to IAS 8.

² On other securities. ³ For details please refer to presentation on "Risk management".

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Financial reporting 2008 – Munich Re Group in total



Investments

Well diversified investment portfolio reflecting continued de-risking

ACTIVE PORTFOLIO MANAGEMENT

- In Q4 decrease of equity exposure accelerated, reinvestment in liquid government bonds
- Cautious expansion of exposure in corporate and covered bonds as well as structured credit in 2008
- All major asset classes with positive unrealised on- and off-balance-sheet reserves

EQUITIES/ALTERNATIVE INVESTMENTS

- Equity ratio reduced to 3.6% (13.8% as at 12/07) while hedge ratio increased to 52.3% (21.8% as at 12/07) ...
- ... leading to an equity exposure of only 1.7% after hedges
- Exposure to private equity and hedge funds of approx. €650m
- Strict de-risking and low-yield environment to impact future RoI expectations

Miscellaneous¹

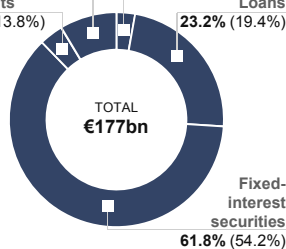
Shares, equity funds and participating interests 3.6% (13.8%)

Land and buildings

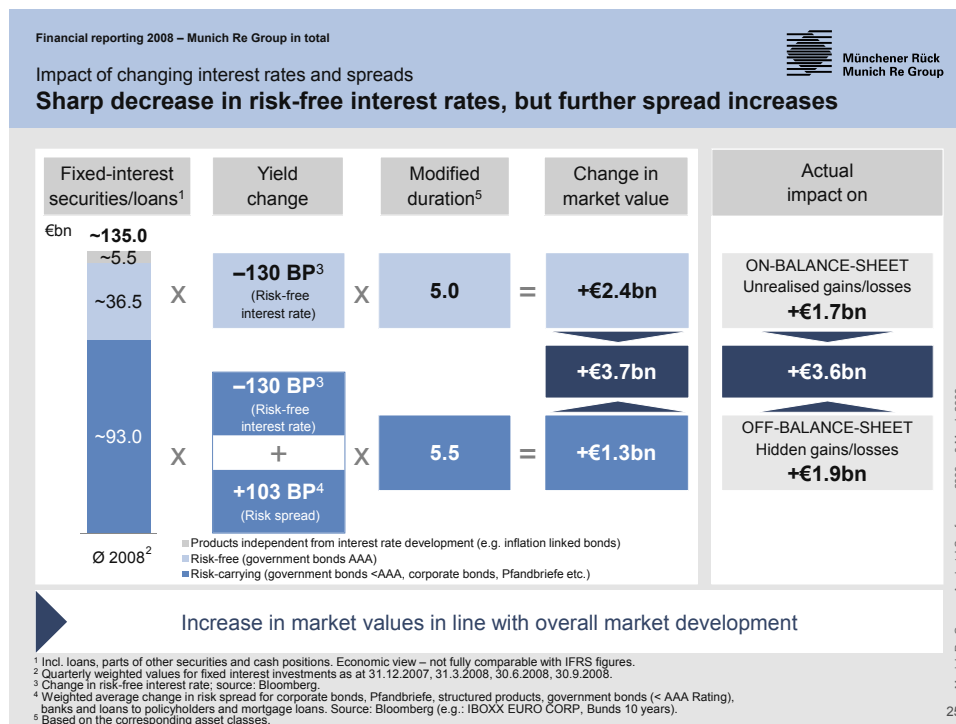
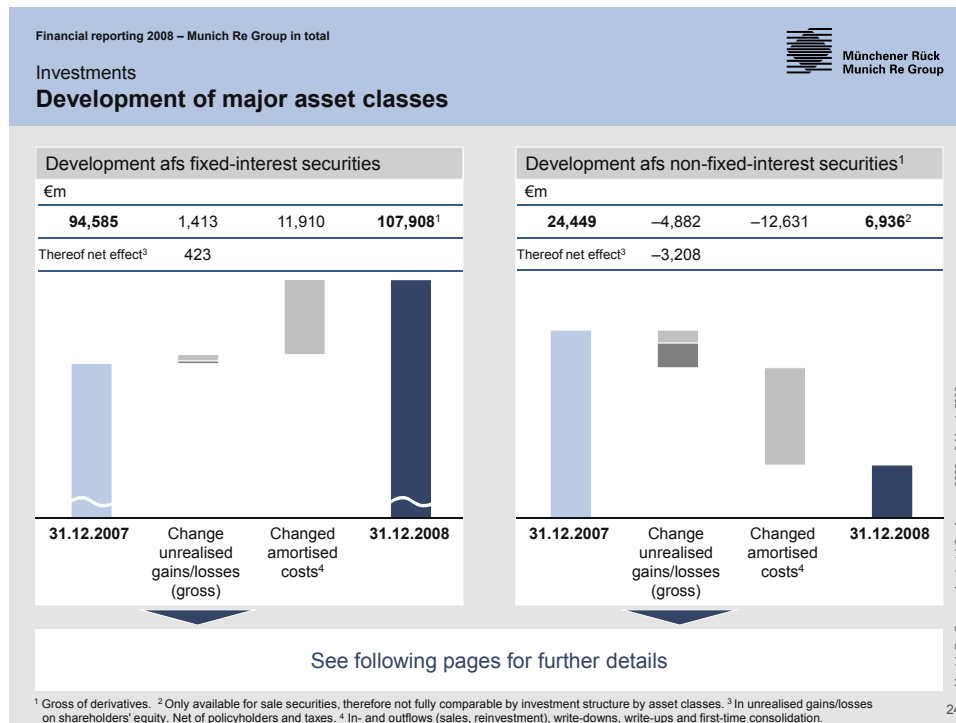
2.8% (2.8%)

FIXED-INCOME PORTFOLIO/LAND AND BUILDINGS

- Government bonds account for 47% of fixed-income portfolio
- Exposure to the financial sector mainly geared to Pfandbriefe (26% of fixed-income portfolio), limited amount of loss-bearing (€0.6bn) and subordinated (€1.5bn) bank bonds
- Relatively low amount of structured credit investments
- Land and buildings portfolio related to Germany by ~2/3


¹ Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property).
Economic view – not fully comparable with IFRS figures.

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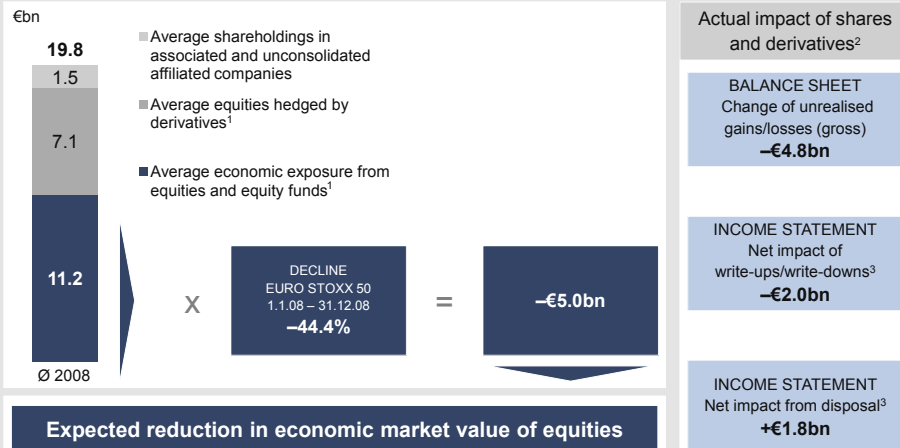


Financial reporting 2008 – Munich Re Group in total



Impact of weak stock markets

Total impact on economic equity exposure in line with market development



Reported losses on economic equity exposure in line with market development

¹ Quarterly weighted values for shares and hedging exposure as at 31.12.2007, 31.3.2008, 30.6.2008, 30.9.2008.

² Before policyholder participation and taxes.

³ After economic and direct hedging.

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Financial reporting 2008 – Munich Re Group in total



Investment result

Impact by distorted capital markets and successful hedging activities

Q4 2008			
	€m		Return ¹
Regular income	1,823		4.2%
Other income/expenses	-395		-0.9%
Gains/losses on the disposal of investments	1,004		2.3%
Write-downs/write-ups of investments	-509		-1.2%
Investment result	1,923		4.4%²
Q1–4 2008			
	€m		Return ¹
Regular income	7,838		4.6%
Other income/expenses	-1,295		-0.8%
Gains/losses on the disposal of investments	2,145	Major driver of deterioration 2 ³	1.2%
Write-downs/write-ups of investments	-2,842	Major driver of deterioration 1 ³	-1.6%
Investment result	5,846		3.4%²

¹ Return on quarterly weighted investments (market values) in % p.a.

² Return incl. change in on- and off-balance-sheet reserves: 2.5% for Q1–4 2008 and 3.4% for Q4 2008. ³ For details see next slides.

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Financial reporting 2008 – Munich Re Group in total



Investment result – Major driver 1 – Write-downs/write-ups of investments

Hedging partly compensated impairment on equities

€m	2008	2007	Change
Afs fixed-interest	-475	17	-492
Afs non-fixed-interest	-4,876	-354	-4,522
Derivatives	2,840	-533	3,373
Loans	-153	-14	-139
Real estate	-148	-149	1
Other	-30	1	-31
Total net write-downs/write-ups	-2,842	-1,032	-1,810

Main effects in Q1–4

Afs non-fixed-interest

- Strong impact from non-cash-related impairments (~€4.9bn) which are not completely tax deductible
 - Stocks hedged by derivatives ("hedge accounting"): ~€1.6bn
 - Due to "once impaired always impaired": ~€1.5bn
 - Due to 20%- or six month rule: ~€1.8bn

Derivatives

- Write-ups compensate for approx. 60% of write-downs, thereof big part hedge-accounting on shares

Afs fixed-interest

- Write-downs (thereof €0.4bn in Q4) with some lump sum element

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Financial reporting 2008 – Munich Re Group in total



Investment result – Major driver 2 – Gains/losses on the disposal of investments

Reduced gains on disposal

€m	2008	2007	Change
Afs fixed-interest	43	-666	709
Afs non-fixed-interest	49	2,972	-2,923
Derivatives	1,985	-43	2,028
Loans	-2	-161	159
Real estate	34	658	-624
Other	36	43	-7
Total net realised gains	2,145	2,803	-658

Main effects in Q1–4

Afs non-fixed-interest

- Reduced gains on disposal in 2008 after opportune and exceptionally high gains in 2007

Derivatives

- Partly offset by gains mainly due to closing of equity derivatives especially in Q4

Real estate

- Timely and exceptionally high gains on disposal in 2007; lower property sales in 2008

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Annual financial statements as at 31.12.2008



Financial reporting 2008

Munich Re Group in total

Reinsurance segment

Primary insurance segment

Embedded value

Outlook

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Financial reporting 2008 – Reinsurance segment



Highlights

Satisfactory underwriting, but above-average major losses in 2008

Gross premiums written

€m

2007² 21,517

2008 21,782

Organic growth and acquisitions over-compensating for adverse FX development

Investment result¹

€m

2007² 4,308

2008 4,034

ERGO dividend offset by high write-downs, lower result from disposals and declining regular income

Combined ratio – Property-casualty

%

2007 96.4

2008 99.5

Satisfactory combined ratio in Q4 (97.7%) due to below-average major losses in Q4

Operating result¹

€m

2007² 4,138

2008 3,756

Reduction due to lower investment result – moderate impact of financial crisis

¹ 2007 incl. dividend from ERGO of €114m.
² 2008 incl. dividend from ERGO of €947m.
² Adjusted pursuant to IAS 8.

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Premium development

Organic growth and acquisitions partly compensate adverse FX

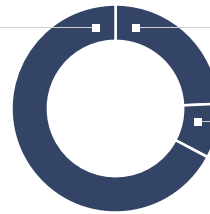
€m

Gross premiums written 2007	21,517	
Foreign-exchange effects	-1,315	
Divestment/Investment	1,113	
Organic change	467	
Gross premiums written 2008	21,782	

- Negative FX effects (mainly US\$ and GBP)
- Acquisition Midland (€562m) and Sterling Life (€538m)¹
- New business in property-casualty
- Planned reduction of large accounts in life business

Breakdown by segment
(segmental, not consolidated)

Property-casualty
14,652 (67%)
(▲ 3.0%)



Life
5,284 (24%)
(▲ -11.2%)

Health
1,846 (9%)
(▲ 37.8%)

¹ First-time consolidation in Q2 2008. Q4 stand-alone Midland €218m and Sterling €199m.

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Combined ratio – Property-casualty

High man-made losses, NatCat losses within budget of 6.5%

%	Loss ratio	Thereof NatCat ¹	Thereof man-made	Expense ratio
2006	92.6	64.7	1.0	27.9
Q4 2007	91.7	62.3	10.2	29.4
Q4 2008	97.7	65.0	5.9	32.7
2007	96.4	67.9	4.7	28.5
2008	99.5	69.6	6.2	29.9



- €832m NatCat losses somewhat below 5-year average (€984m)
- Main loss burden by Hurricane Ike €485m
- €675m man-made losses above 5-year average (€503m)
- Reserve strengthening at Munich Re America for 2001 and prior years

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

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Reserves

Reserving approach protects solid balance sheet

Group reserve position

Active
reserve
risk
management

- Monitoring of reserve risk through statistical range and Reserve Risk Heat Map
- Early indicators of adverse development trigger immediate reserve adjustments
- Signs of positive developments are given time to manifest themselves

Reserve margin to absorb unexpected volatility

Diversification

- ↑ Reserve increases: US workers' compensation, US Asbestos, Israel Medical Malpractice, Continental European Motor XL
- ↓ Reserve decreases: US Accident Years 2003–2005, Property, Primary Insurance

Overall balanced reserve position in 2008

Estimated ultimate losses – P-C reinsurance and primary insurance

Estimate of prior years losses remains stable

All figures in €m
(adjusted to exchange rates as at 31.12.2008)

Date	Accident year											Total
	≤1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
31.12.1998	24,345											
31.12.1999	24,138	9,580										
31.12.2000	23,247	10,294	9,276									
31.12.2001	23,357	10,516	10,080	10,871								
31.12.2002	24,687	10,829	10,297	11,974	12,810							
31.12.2003	24,785	11,014	10,660	12,508	12,287	11,651						
31.12.2004	25,241	11,072	10,712	12,407	12,516	11,343	10,901					
31.12.2005	26,741	11,295	11,042	12,624	11,286	10,621	10,957	11,965				
31.12.2006	27,131	11,328	10,996	12,679	11,210	10,503	10,951	11,824	10,487			
31.12.2007	27,781	11,328	11,158	12,621	11,209	10,207	10,811	11,942	10,245	11,342		
31.12.2008	28,090	11,443	11,086	12,685	11,218	10,061	10,473	11,675	10,126	11,596	12,261	
CY 2008 run-off € change	-309	-115	72	-64	-9	146	338	267	119	-254	n/a	191
CY 2008 run-off % change ¹	-1.1	-1.0	0.6	-0.5	-0.1	1.4	3.1	2.2	1.2	-2.2		0.1

- Ultimates of individual accident years show up and down movements of up to 3%
- For all accident years combined, the ultimate reduced by €191m (including –€84m WC accretion)
- Approx. 0.5% of prior year reserves

¹ Compared to estimated ultimate losses at 31.12.2007.

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Annual financial statements as at 31.12.2008



Financial reporting 2008

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Reinsurance segment

Primary insurance segment

Embedded value

Outlook

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Financial reporting 2008 – Primary insurance segment



Highlights

Good underwriting result in property-casualty, but difficult capital markets

Gross premiums written

€m

2007 17,286

2008 17,411

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

Investment result

€m

2007 5,565

2008 3,043

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

Combined ratio – Property-casualty¹

%

2007 93.4

2008 91.2

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

Operating result

€m

2007 1,253

2008 477

Good underwriting result partially balances lower investment result

¹ Incl. legal expenses insurance.

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Financial reporting 2008 – Primary insurance segment



Premium development

Organic growth in property-casualty and health

€m

Gross premiums written 2007 17,286

Foreign-exchange effects –90

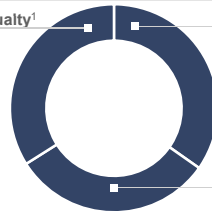
Divestment/Investment 194

Organic change 21

Gross premiums written 2008 17,411

Breakdown by segment
(segmental, not consolidated)

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



Life
6,047 (35%)
(▲ -4.5%)

Health
5,448 (31%)
(▲ 2.5%)

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

Life statutory premiums

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

¹ Incl. legal expenses insurance.

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Financial reporting 2008 – Primary insurance segment

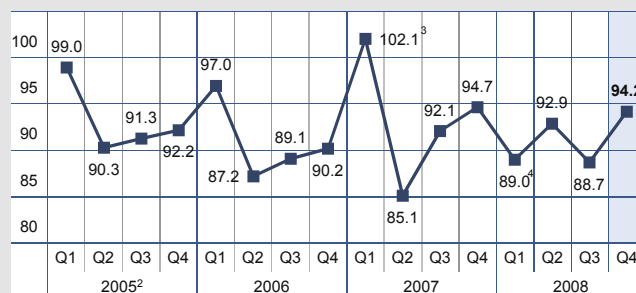


Combined ratio – Property-casualty

Improved combined ratio compared to 2007

%		Loss ratio ¹	Expense ratio ¹
2006	90.8	55.8	35.0
Q4 2007	94.7	57.8	36.9
Q4 2008	94.2	61.5	32.7
2007	93.4	58.6	34.8
2008	91.2	58.2	33.0

%



- Overall favourable development in 2008 with normal fluctuations on quarterly basis
- Declining loss ratio because of lower NatCat claims in 2008
- Expense ratio improved by almost 2% mainly due to implemented cost initiatives

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

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Agenda


Annual financial statements as at 31.12.2008

Financial reporting 2008

- Munich Re Group in total
- Reinsurance segment
- Primary insurance segment

Embedded value

Outlook



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Embedded value

Summary

Strict market-consistent valuation of EEV


Despite extreme market conditions, Munich Re consciously decided to strictly apply market-consistent valuation of EEV ...

... leading to substantially declining EEV in primary life insurance while reinsurance proves relatively stable

Munich Re consciously decided to refrain from any smoothening measures, thus low interest-rate levels and extreme volatilities at year-end 2008 massively impact EEVs

A comparison with the valuation as at 30 September 2008 illustrates the extraordinary conditions pertaining as at 31 December 2008

Market conditions expected to normalise over time; effective options for management to interfere if necessary



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European Embedded Value Report 2008 available online under www.munichre.com

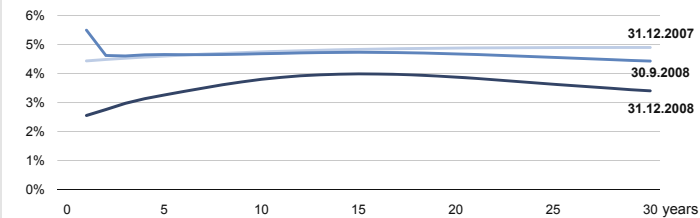
Embedded value

Market-consistent valuation

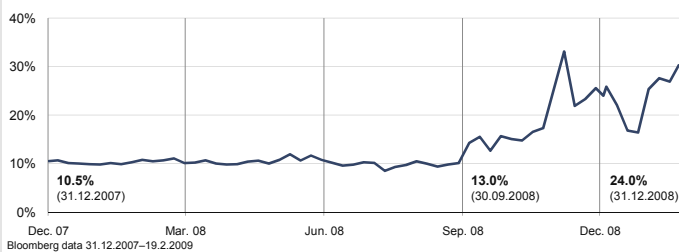
Significant change of market environment



€ Swap yield curve



Implied volatility for € swap yields (term of 10 years, tenor of 20 years)



- Decrease of swap yield curve by 100bp for 10 years and 150bp for 30 years
- Inverse term structure at the long end leads to low reinvestment yields below average guaranteed rate reducing the "intrinsic value" of the value in force
- At the same time, interest-rate volatility more than doubled, leading to a significant increase (e.g. by 880% for German primary life business) of the "time value" of the PVIF (TVFOG) ...
- ... however, negative impact mitigated by ERGO's swaption hedging programme

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Embedded value

Primary insurance

Strong impact of extreme capital markets on EEV earnings



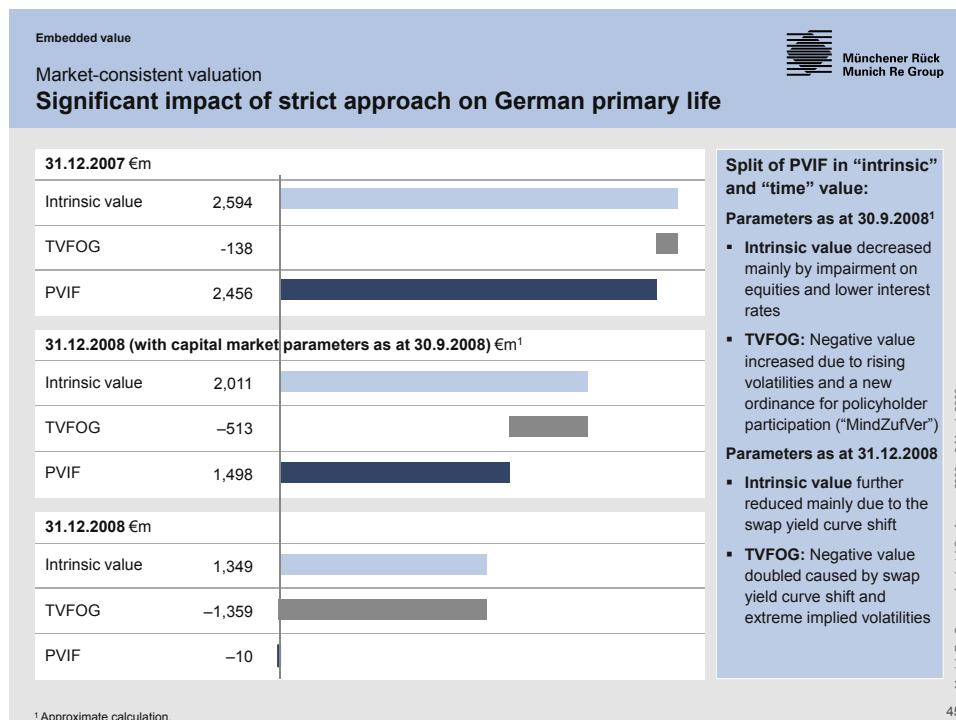
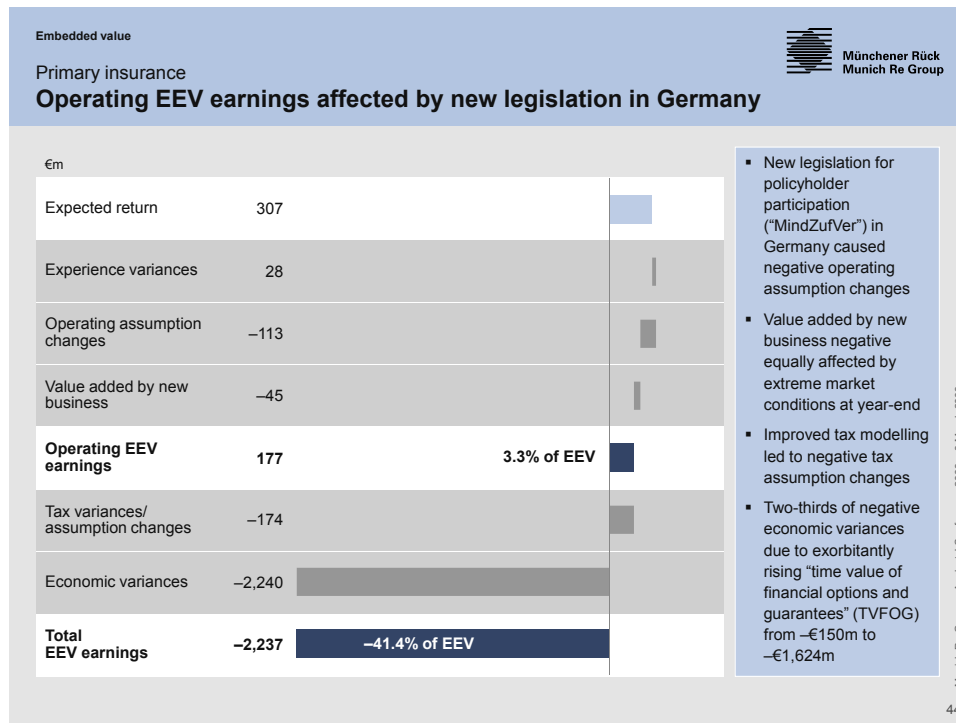
€m

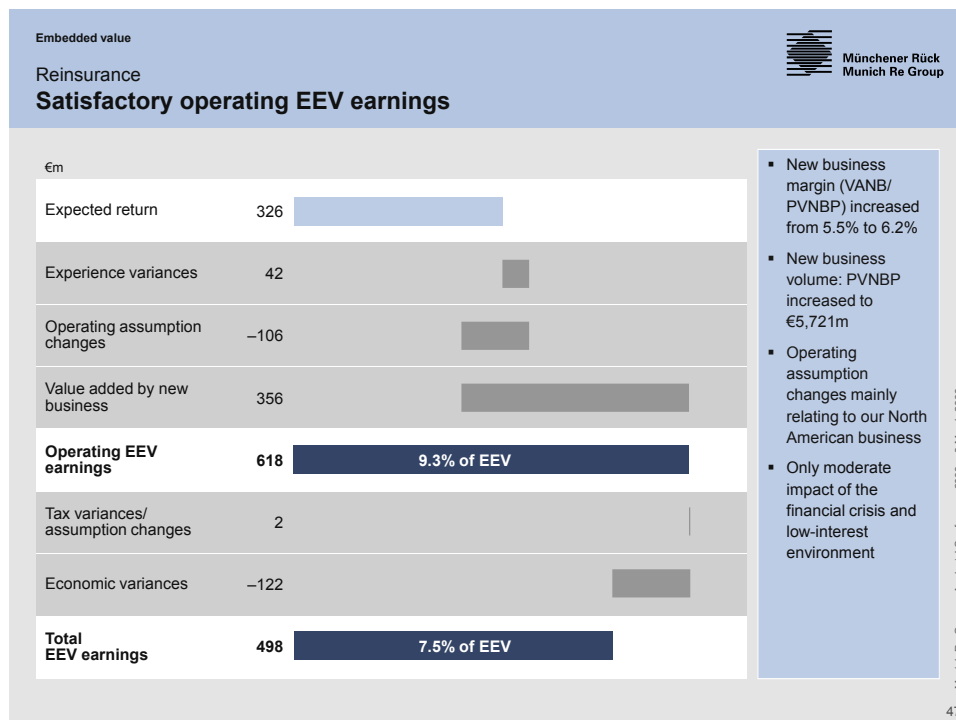
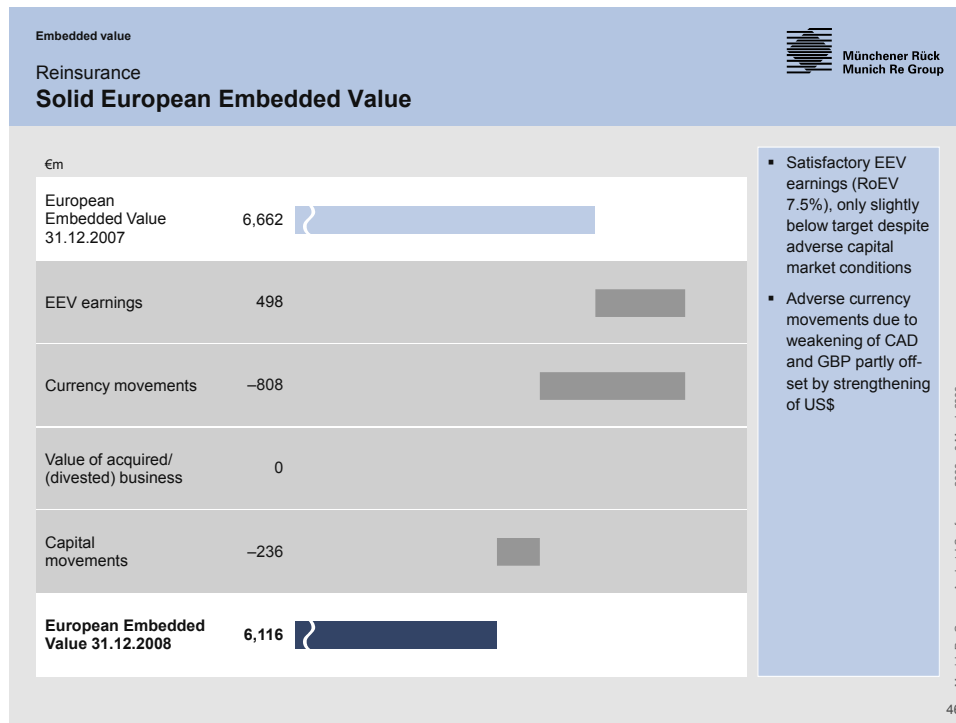
European Embedded Value 31.12.2007	5,406	
EEV earnings	-2,237	
Currency movements	-6	
Value of acquired/ (divested) business	388	
Capital movements	-42	
European Embedded Value 31.12.2008	3,509	

- Negative EEV earnings due to strict application of market-consistent valuation in dislocated capital markets
- Majority of EEV losses attributable to combination of low swap yields and extremely high implied volatilities at year-end 2008
- Positive contribution by acquisitions in Austria, increase of stakes in Germany and Italy

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Agenda


Annual financial statements as at 31.12.2008

Financial reporting 2008

- Munich Re Group in total
- Reinsurance segment
- Primary insurance segment

Embedded value

Outlook




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Outlook

Outlook 2009 reflecting high uncertainties



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Reinsurance	
<p style="text-align: center; font-size: small;">GROSS PREMIUMS WRITTEN</p> <p>€21–22bn provided stable currency exchange rates and limited impact by economic slowdown on premiums of primary insurers</p>	<p style="text-align: center; font-size: small;">COMBINED RATIO</p> <p>approx. 97% (thereof NatCat 6.5%)</p>
Primary insurance	
<p style="text-align: center; font-size: small;">GROSS PREMIUMS WRITTEN</p> <p>€17.5–18.5bn</p>	<p style="text-align: center; font-size: small;">COMBINED RATIO</p> <p><95%</p>
Investments	
<p style="text-align: center; font-size: small;">Current expectation of low risk-free interest rate and continued minimal equity exposure</p>	<p style="text-align: center; font-size: small;">Return on investment expected to (significantly) fall short of pre-crisis 4.5% guidance</p>
<p>Focus on preservation of sound capital base more important than short-term maximisation of profitability</p>	

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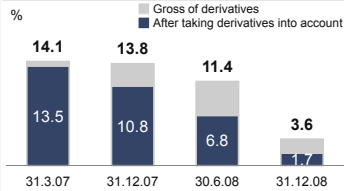
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Outlook

Financial target 2010 based on pre-crisis assumptions



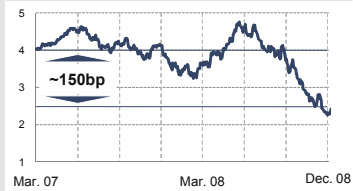
Significant reduction of equity exposure



Earnings impact approx. –€500m²

- RoI expected to fall short of pre-crisis guidance of 4.5%
- Intentionally refraining from compensating by increasing exposure to riskier asset classes

Substantial decrease of risk-free interest rates¹



Earnings impact approx. –€200m³

Underlying assumptions for EPS target 2010 largely obsolete due to external factors

Proactive and deliberate de-risking of investment portfolio to safeguard sound risk profile

Focus on preservation of solid capital position and sustainable long-term profitability

RoRaC 15% over the cycle to stand

¹ Yield 5 years government bonds; Source: Datastream.

² Return assumption equities: 8%; return assumption reinvestment: 4% before tax; earnings impact vs. equity exposure/risk-free interest rate level as at 31 March 2007.

³ Calculation based on total fixed-income portfolio of Munich Re, after policyholder participation and tax.

Agenda

Analysts' Conference 2009



Continuing a solid path

Nikolaus von Bomhard

Financial reporting 2008

Jörg Schneider

Risk management and the financial market crisis Joachim Oechslin

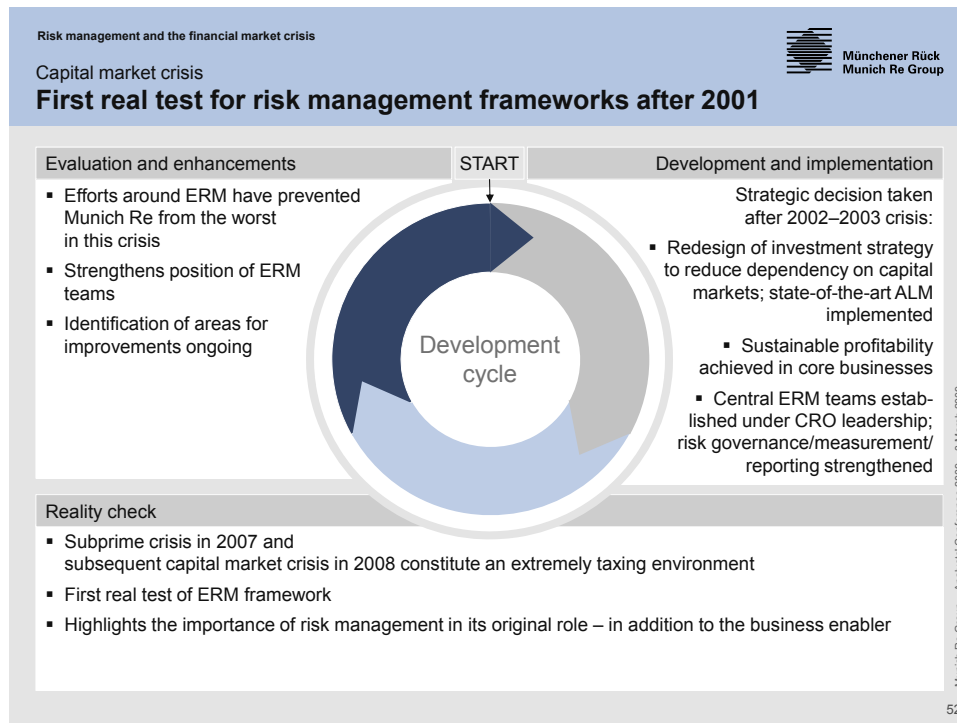
Reinsurance

Torsten Jeworrek

Primary insurance

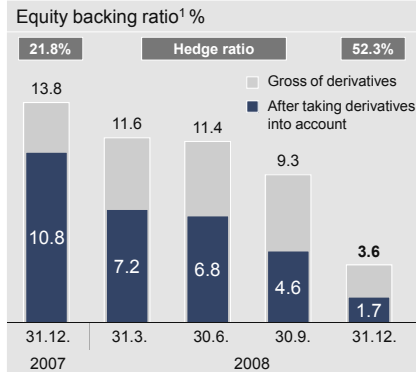
Torsten Oletzky

Backup



Capital market impacts reduced

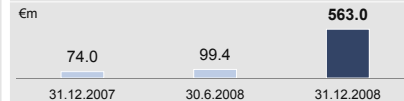
Equity hedging



Equity backing ratio strongly reduced throughout 2008

Interest-rate hedging

Market value of interest-rate hedges at ERGO



Interest-rate hedges have kicked in

Interest-rate sensitivities²

DV01 €m, (mod. Dur)	Assets	Net	Liabilities	
RI segment (4.7)	-27.3	-7.1	20.2	(5.1)
PI segment (5.9)	-47.2	11.9	59.1	(6.7)
Munich Re Group (5.4)	-74.5	4.8	79.3	(6.2)

Interest-rate risks in segments partly offset each other

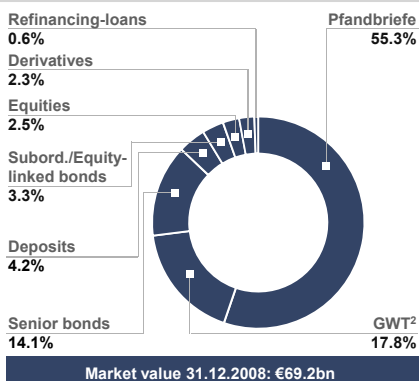
Hedging activities successful during 2008

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

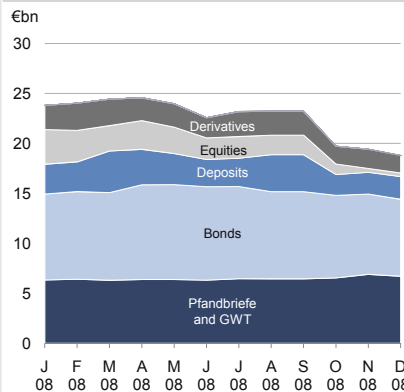
² DV01: Sensitivity in absolute terms (€m) to parallel upward shift of yield curve by one basis point. DV01 reflects the size of the fixed income portfolio.

Credit equivalent exposure continuously reduced throughout 2008

By security type¹



Development of CEE³ over time



A total of ~73% of market values is attributable to Pfandbriefe and GWT²;
Exposure to financial sector mainly focused on Germany (56%)

¹ Economic view – not fully comparable with IFRS figures. ² GWT = Gewährträgerhaftung (Guarantors' liability).

³ Credit equivalent exposure: Risk-weighted market values, e.g. Pfandbriefe 12.5%, equities 100%.

Examples underline thorough assessment

Concerns in 2008	Munich Re exposure
Lehman default	Impairment net of policyholder participation and taxes in 2008 ~€115m
AIG	Almost no investments; exposure out of (re)insurance (e.g. retro, DAC) <€100m
Automotive industry	<€1bn MV; almost no (<€30m MV) exposure on the three leading US automotives
Madoff	No investment exposure
Security lending	Volumes of ~€1bn fully collateralised on a daily basis
Variable annuities	New reinsurance and primary business in start-up phase with dedicated hedging strategy; run-off reinsurance business closely monitored and partially hedged
Icelandic banks	Exposure < ~€20m, ~€10m on Republic of Iceland
Freddie Mac/ Fannie Mae	<€1bn direct exposure; €3.2bn MBS
ABS credit card	<€450m; mainly in US; 99.7% rated AAA

All exposures captured in Munich Re capital model

Breakdown of Group required economic risk capital (ERC)

€bn						
Risk category ¹	Group		RI	PI	Div.	Explanation
Year ended	2007	2008	2008	2008	2008	
Property-casualty ²	7.0	8.0	7.8	0.6	-0.4	+€500m changed approach towards Storm Europe ³ , +€250m decreased external risk mitigation, +€200m exposure change
Life and health	3.3	4.0	3.5	1.1	-0.6	Higher PV of adverse scenarios due to lower interest-rates, mainly US and CAN
Market	7.9	5.4	4.3	3.7	-2.6	Reduction in equities exposures and increase in interest-rate risk
Credit ⁴	1.5	2.7	2.1	0.7	-0.1	Thereof +€750m due to higher credit spreads and +€200 due to increase of credit exposures
Operational risk	1.2	1.4	1.0	0.4	0.0	Enhanced operational risk model
Simple sum	20.9	21.5	18.7	6.5	-3.7	
Diversification effect ⁵	-4.4	-5.0	-5.5	-1.3	1.8	
Sum ERC	16.5	16.5	13.2	5.2	-1.9	

Group ERC stable

¹ Risk categories broadly based on refined "Fischer II" risk categories recommended for standardised industry disclosures.

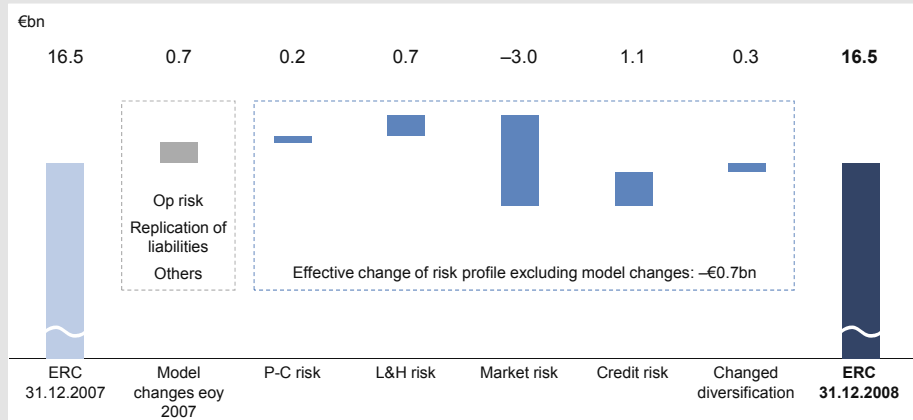
² Contains Credit reinsurance.

³ Different representation of scenario with neutral net effect on sum ERC.

⁴ Default and migration risk.

⁵ The measured diversification effect depends on the risk categories considered and the explicit modelling of fungibility constraints.

Development of Group ERC in 2008

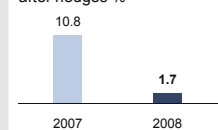


Significant changes in risk profile

Breakdown of Group required ERC for market risk

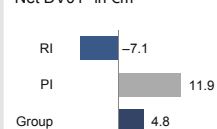
Risk category	Group		RI	PI	Div.	Explanation
Year ended	2007	2008	2008	2008	2008	
Equity	6.3	2.4	1.1	1.4	-0.1	Disposals and hedging strategies
Interest rate ¹	1.7	3.6	3.4	3.2	-3.0	Increase in investment volume in the RI segment and low interest-rate environment in the PI segment
Real estate	1.5	1.5	1.0	0.6	-0.1	No relevant changes
Currency	1.0	2.3	2.2	0.1	0.0	Refined replication of liabilities rather than change in positions
Simple sum	10.5	9.8	7.7	5.3	-3.2	
Diversification	-2.6	-4.4	-3.4	-1.6	0.6	
Sum ERC	7.9	5.4	4.3	3.7	-2.6	Diversification before consideration of fungibility constraints

Equity
Equity backing ratio after hedges %



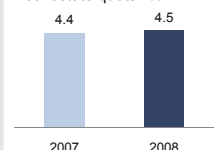
Interest rate

Net DV01² in €m



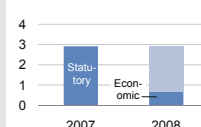
Real estate

Real estate quota² %



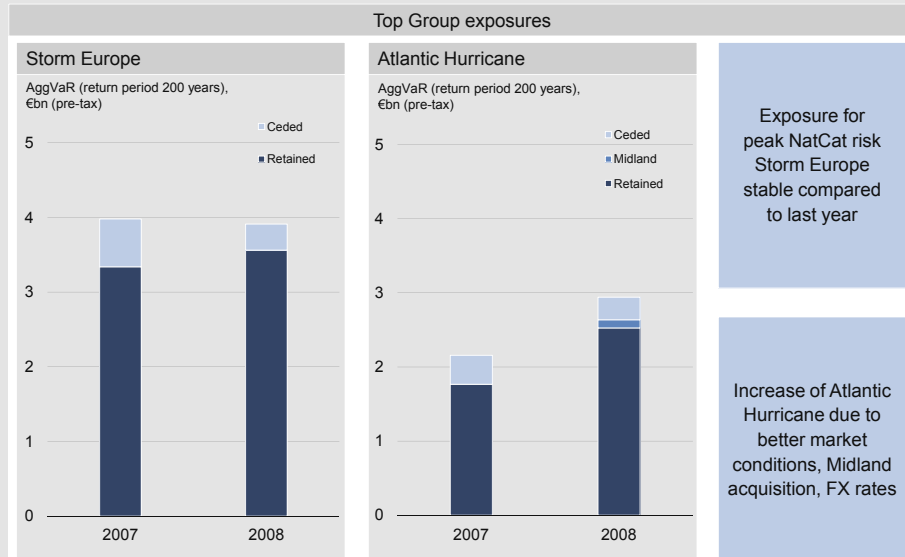
Currency

Changed view on CAD liabilities €bn


¹ Includes interest rate risk as well as spread risk.

² Proportion of property and real estate to total investments at market values.

Storm Europe stable, Atlantic Hurricane expanded



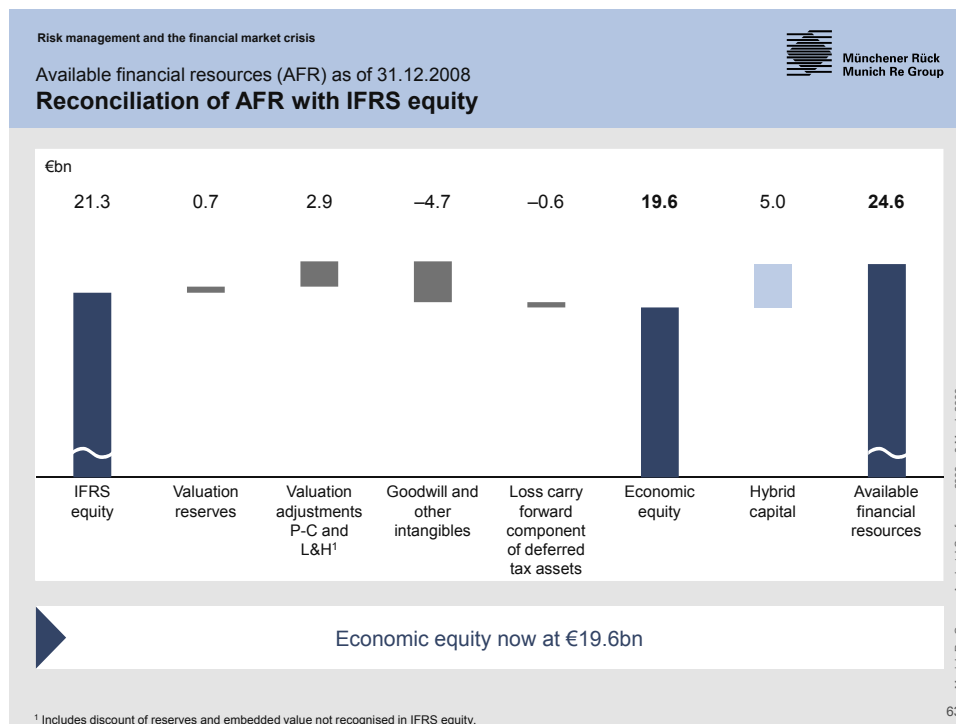
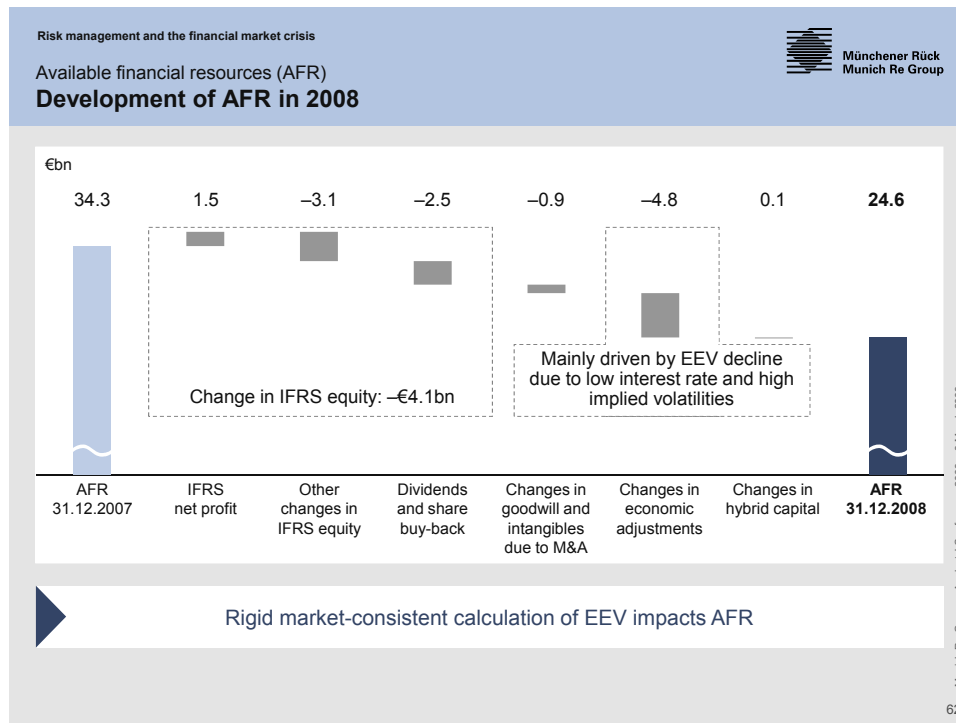
Summary of economic capital disclosure

Position as at 31 December 2008 (31 December 2007)				
€bn	31.12.2008		31.12.2007	
Available financial resources	24.6		24.6	34.3
Economic risk capital ¹	9.4	7.1	16.5	16.5
Economic capital buffer	3.1	5.0	8.1	17.8
Economic capital buffer after share buy-back and dividends ²	2.0	5.0	7.0	16.3

Solvency II capital
 Hybrid capital

Strong economic capital position despite capital market crisis and significant capital repatriation in 2008

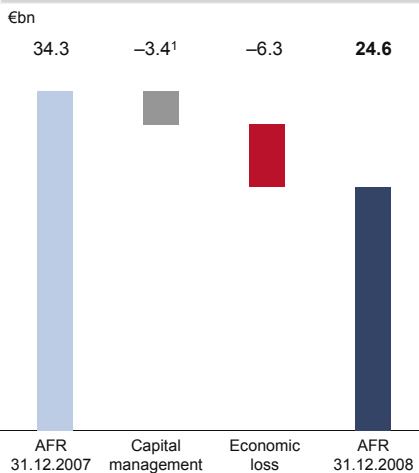
¹ Solvency II capital based on VaR 99.5%, Munich Re internal risk model based on 175% of Solvency II capital. Solvency I ratio is 264% as at 31.12.2008.
² Announced dividends in 2009 of €1.1bn, €0.05bn outstanding from 2008/2009 share buy-back programme.



¹ Includes discount of reserves and embedded value not recognised in IFRS equity.

AFR change and relation to economic earnings

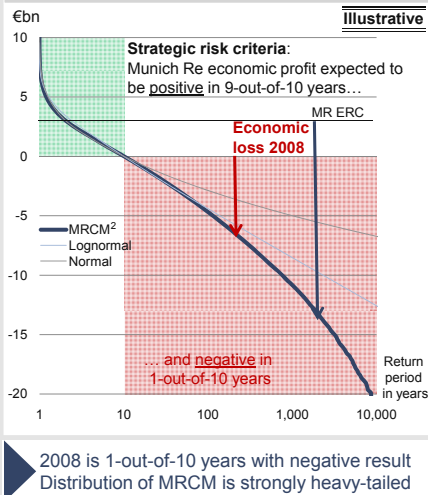
AFR development in 2008



¹ Dividends and share buy-back (€2.5bn) and higher goodwill/intangibles due to M&A (€0.9bn).

² Munich Re capital model.

Relation to probability distribution of MRCM²



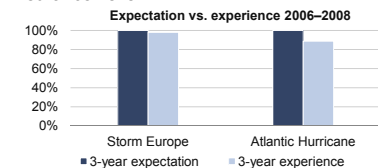
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Model validation: Comparison of expectation and experience

Majority of exposures well captured by Munich Re risk models ...

Insurance risks¹



Risk category	ERC 1.1.	ERC 31.12.	ΔAFR ² 2008	Explanation
Equity	6.3	2.4	-4.1	Euro Stoxx down 44%
Credit	1.5	2.7	-0.3	Lehman, others
Interest rate	1.7	3.6	-2.9	Yield curve decline and spread widening
Currency	1.0	2.3	-0.5	Losses in CAD and GBP
Implied volatility	n/a	n/a	-0.6	Sharp rise of IR volatility
All other effects			+2.1	Technical results, etc.
Economic loss			-6.3	

... but certain model components need review

- Credit default and migration**
Massive increase of ERC held for tradeable credit risks (+85%) due to widening of credit spreads during 2008. Pro-cyclical behaviour of credit risk models should be analysed and addressed
- Credit spread (part of fixed income)**
Calibration of spread volatility risk should be reviewed in the light of this crisis
- Implied volatility risk**
We will introduce an explicit risk category for implied volatility risk in our risk model

Munich Re risk model overall on track in an exceptional year, selected reviews necessary

¹ Storm Europe mainly composed of Emma and Kyrill, Atlantic Hurricane mainly composed of Dean, Gustav and Ike.

² Rough estimates, after tax and policyholder participation.


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Risk management and the financial market crisis		
Historical analysis		
Munich Re managed three major economic crises in Germany in the 20 th century		
	Economic environment	Impact on Munich Re
Hyper-inflation 1922/23	<ul style="list-style-type: none"> Default of German government and corporate bonds Depreciation of saving accounts and life insurance policies Collapse of economic life (salary depreciation, increasing unemployment) 	<ul style="list-style-type: none"> Initially, claims inflation leading to high combined ratios, subsequently new contract conditions introduced (e.g. interim premium adjustments) Munich Re investments only partially affected due to foreign participations and real estate Strong competitive position of Munich Re due to available capacity
World economic crisis 1929–32	<ul style="list-style-type: none"> Decreasing turnover of companies Crash in stock markets and high corporate default rates Protectionist trade policy High unemployment rates 	<ul style="list-style-type: none"> Drop in premium by 25% High losses in credit and life insurance Positive claims development Overall positive and relatively stable returns in each year
Monetary reform 1948	<ul style="list-style-type: none"> Increased money supply and subsequent inflation in Germany (Reichsmark) Default of German government and corporate bonds 90% depreciation of private pension policies 	<ul style="list-style-type: none"> Munich Re suffered losses due to the depreciation of Reichsmark Rebuilding of foreign business accelerated by rapid setup of the DM opening balance sheet Financial strength was re-established within three years (e.g. premium increase by 30%)
<p>Munich Re successful in mastering prior crises, but current situation requires analysis of further scenarios</p>		

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Risk management and the financial market crisis


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Scenario analysis

Stress-testing revealed impacts by segment and line of business

Development of broad range of scenarios

Development and refinement of economic scenarios with focus on global economic crisis since October 2008

Example 1: Global recession in industrialised countries

- Global recession/stagnation
- Loss of confidence leading to relatively slow regeneration process
- Further bankruptcies and downgrades of financial institutions possible
- In the course of expansive monetary policy, mostly further decreasing key interest rates expected
- Growing unemployment rates

Materialised

Example 2: Severe global economic crisis for several years

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

Likelihood increased

Mainly affected lines of business

Credit reinsurance

- Significant increase of losses due to higher default rates

Life primary insurance and reinsurance

- Existing business affected by lapses, low interest rates, increased claims
- Decreasing new business

Casualty reinsurance

- D&O and PI: increase of loss frequency at early stage of recession

Sensitivity of premium volume and claims varies by line of business

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Appendix

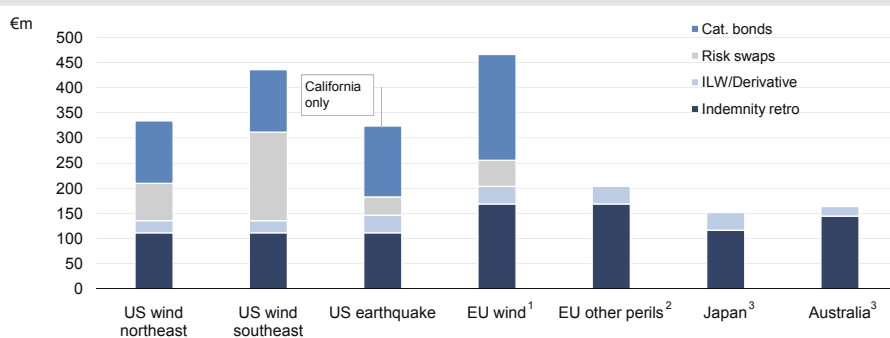


Appendix – Risk management and the financial market crisis



Risk transfer

Munich Re's maximum in-force NatCat protection (as of 02/2009)



Less indemnity retro and ILW capacity available at acceptable prices (compared to 2008)

Focus on economic efficiency and improvement of diversification

Risk swaps further increase diversification within NatCat portfolio

Munich Re's financial strength allows opportunistic purchase of protection

¹ Plus €70m aggregate protection.

² Flood Germany (Rhine), Storm Surge UK.

³ Earthquake and wind.

New approach towards operational risk

	Old model	New model	Impact
Model setup	Loadings benchmarked against external requirements	Aggregate of stochastic scenarios developed by experts and benchmarked against external data	Increase of stand-alone ERC for OpRisk at group level about 17%
Treatment of diversification	No diversification between OpRisk and other risk categories	High tail dependency between operational risk and the other risk categories leading to a low diversification benefit	No material change to overall ERC at Group level
Link to internal control system (ICS)	No direct link to ICS	Increasingly linked to ICS via explicitly defined top-down risk scenarios	Strong connection between measurement and management of operational risk

Best-practice modelling of operational risk
by use of scenarios and close link to internal control system

Agenda

Analysts' Conference 2009

Continuing a solid path Nikolaus von Bomhard

Financial reporting 2008 Jörg Schneider

Risk management and the financial market crisis Joachim Oechslein

Reinsurance **Torsten Jeworrek**

Primary insurance Torsten Oletzky

Backup

Reinsurance

Overview

Key takeaways



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Reinsurance segment

- 1

Our financial strength, clear strategic focus and organisational efficiency bolster our leading position in the reinsurance market
- 2

We thoroughly assess the impact of recession scenarios on our portfolio to identify systematic risks of change
- 3

Even greater focus on advanced underwriting and risk management to profitably steer our portfolio and reduce downside risks
- 4

We continue to capture profitable opportunities – evolving from crisis and in profitable niches


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Reinsurance

1 Munich Re strengths

Well prepared for profitable reinsurance business – now and in the future



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Business model principles

Financial strength	Sustainable strategy	Sophisticated methods/tools	Excellent portfolio steering	Efficient organisation
Sound capitalisation confirmed by rating	Focus on traditional reinsurance as core business	High attention to pricing and underwriting capabilities	Diversified portfolio across lines and types of business	Strict client orientation and responsiveness
Solid position reflected in CDS spreads	Selective growth in adjacent markets	Advanced risk modelling and management	Consistent cycle management	Ability to lead and service complex reinsurance programmes

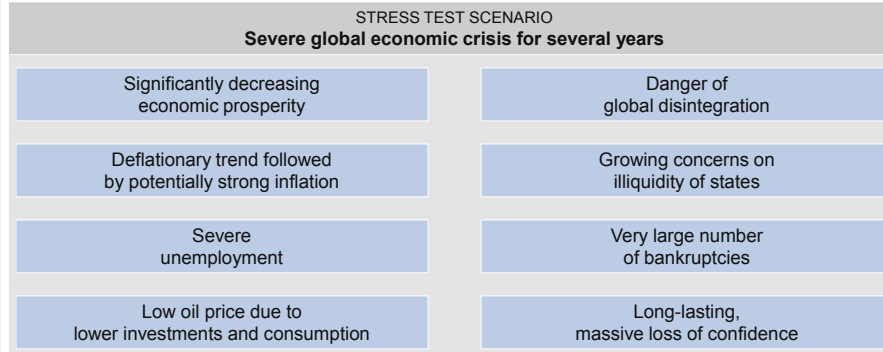
Resilience of business model demonstrated in current environment

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Portfolio permanently stressed with most severe recession scenario

Diverse scenarios assumed for portfolio analysis



Proactive measure to ensure successful underwriting and portfolio steering

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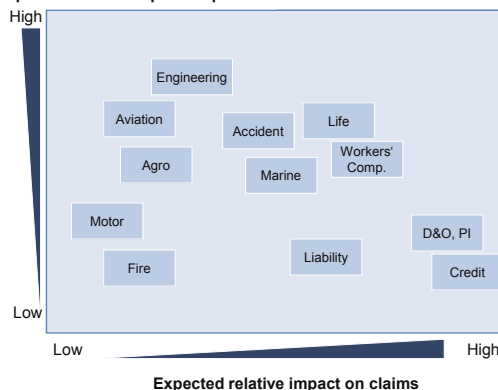
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Sensitivity of premium volume and claims varies by line of business

Impact of severe recession scenario on reinsurance portfolio

Illustrative

Expected relative impact on premium volume


Workers' Comp.: Higher number of midsize losses succeeding lay offs and decline in premiums

Liability: Lower investments, fewer quality controls and low cost components in production lead to higher claims

D&O and PI: Increase in loss frequency at early stage of recession, hardening of market with time lag

Motor: Slightly positive effect on loss ratios, but possibly decrease in demand

Fire: Decline in claims due to higher discipline, demand dependent on economy

Engineering: Declining premiums as consequence of reduced activities in building sector; claims ambiguous

Accident: Reduction in premiums, moderate increase of loss ratio due to moral hazard

Marine: Declining premiums due to lower shipping volume possibly moral hazard claims

Credit: Significant increase of losses due to higher default rates; higher rates

Aviation: Demand will decrease due to less passengers

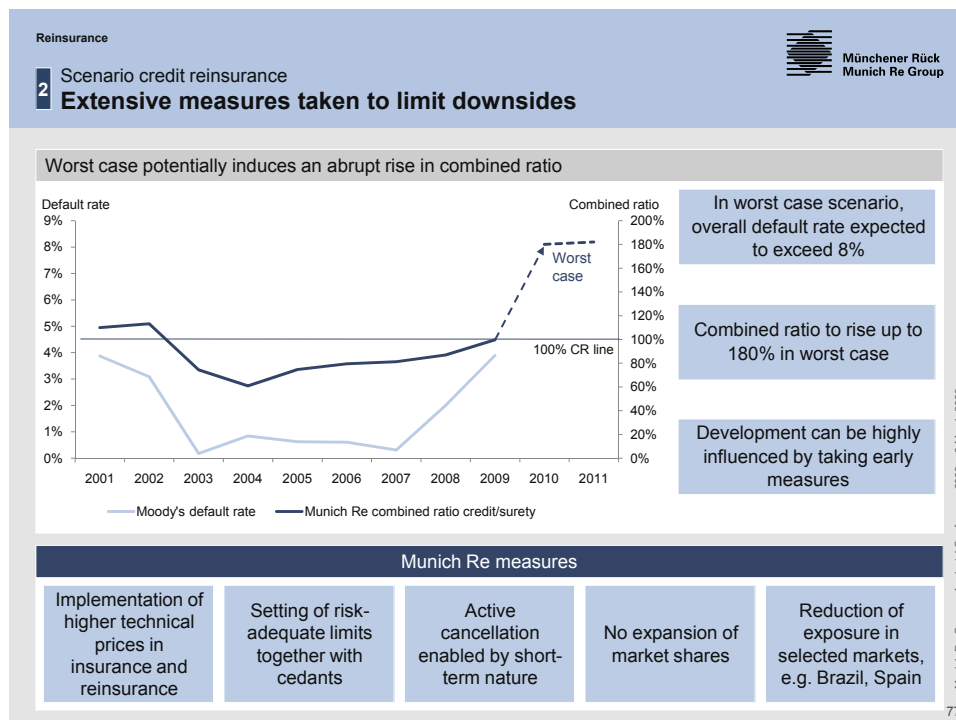
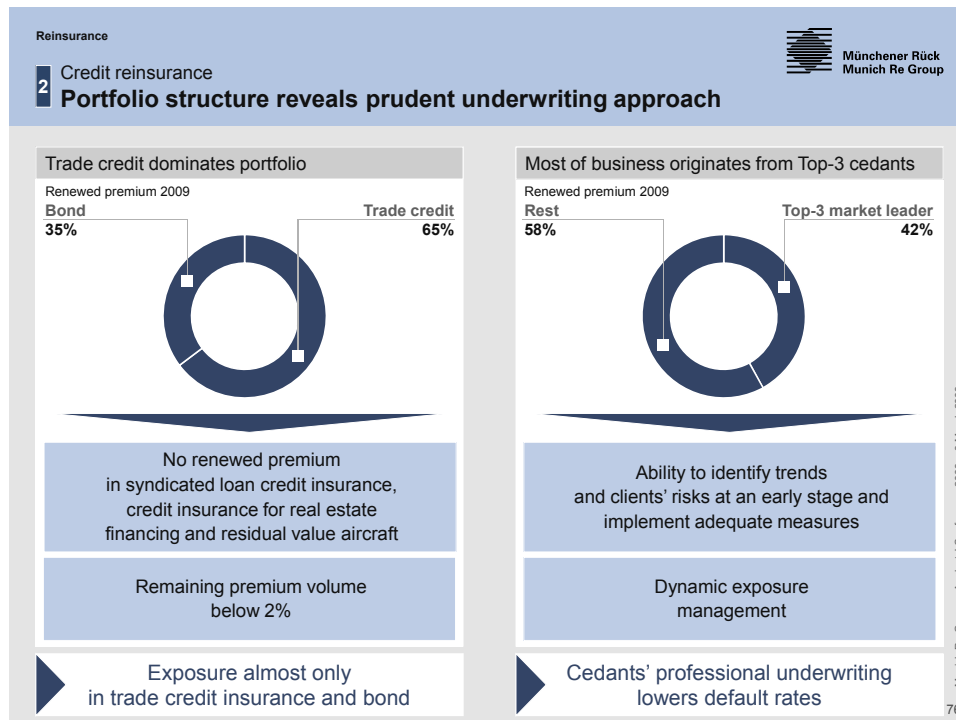
Agro: With stable rates, insured values depending on commodity prices

Life: Reduced volume, higher lapse rates, lower investment results, more suicides and disability claims

Closer monitoring required for lines with high vulnerability from crisis

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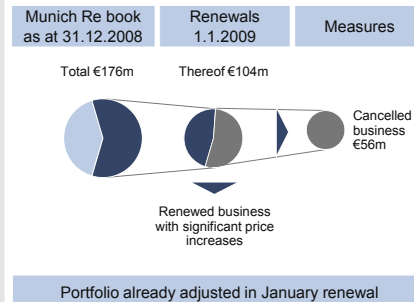
2 Financial institutions D&O and PI

Minimising exposure and strong positioning

Severity of recession will drive loss ratios

PI	Increase in notifications due to mis-selling already observed since start of subprime crisis
D&O	Increase of claims frequency expected, depending on length of recession, number of insolvencies, etc.
Market loss ratio	
Normal times	Worst case
50–70%	... could potentially exceed 200%

Active cycle management in January renewals



Munich Re measures

Substantially reduced appetite as long as economic situation does not turn

Further reduction of high hazard business (US, investment banking)

Permanent rate change and exposure monitoring

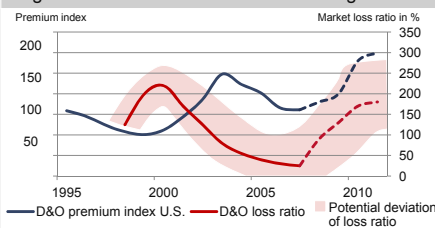
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2 Commercial D&O and PI

Sector-specific actions will limit impact of recession

Degree of correlation of loss ratio is ambiguous



... though recession with impact

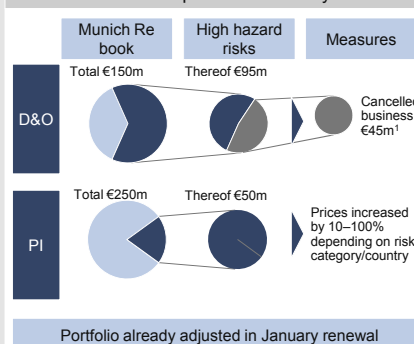
Increased losses expected for D&O and selected classes of PI

Premium increases expected with time lag

Market loss ratio

... could potentially exceed 200% in worst case

Actions to reduce exposure in January renewal



Munich Re measures

Limited risk appetite, no exposure increases

Further adjustment of technical prices in upcoming renewals

Enhanced transparency, e.g. separation of PI from general liability

Permanent rate change and exposure monitoring

¹ Thereof €30m cancelled in January renewal, further cancellation of €15m in addition to renewal.


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Reinsurance

3 Renewal overview

Improvements in portfolio quality



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Improving portfolio quality		Renewals on 1 January 2009
Cancellation of unprofitable business	<ul style="list-style-type: none"> Consistent cancellation of business not adequately priced Retraction from unattractive segments 	CANCELLED BUSINESS –€1,457m
Adding profitable new business	<ul style="list-style-type: none"> Taking advantage of significant price increases and demand for high security Strict underwriting discipline 	NEW BUSINESS €954m
Increasing profitability of portfolio	<ul style="list-style-type: none"> Substantial price increases in loss-affected regions and capital-intensive lines Strict avoidance of unattractive segments 	PURE PRICE CHANGE +2.6%
Implementation of differential terms and conditions	<ul style="list-style-type: none"> Improvements in terms reflecting Munich Re's strong position (e.g. exclusions, introduction of index clauses, sliding scales) 	Increased share of business at differential terms

Increased profitability


with further potential due to hardening of market and "flight to quality"

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Reinsurance

3 Renewal portfolio changes

Effectiveness of consistent cycle management shown



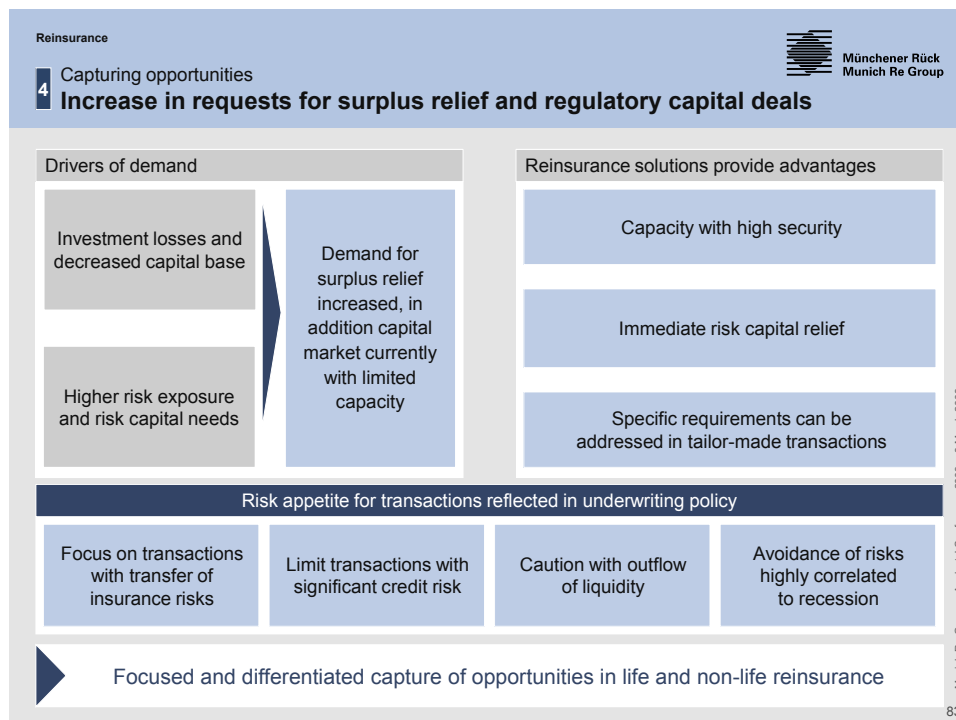
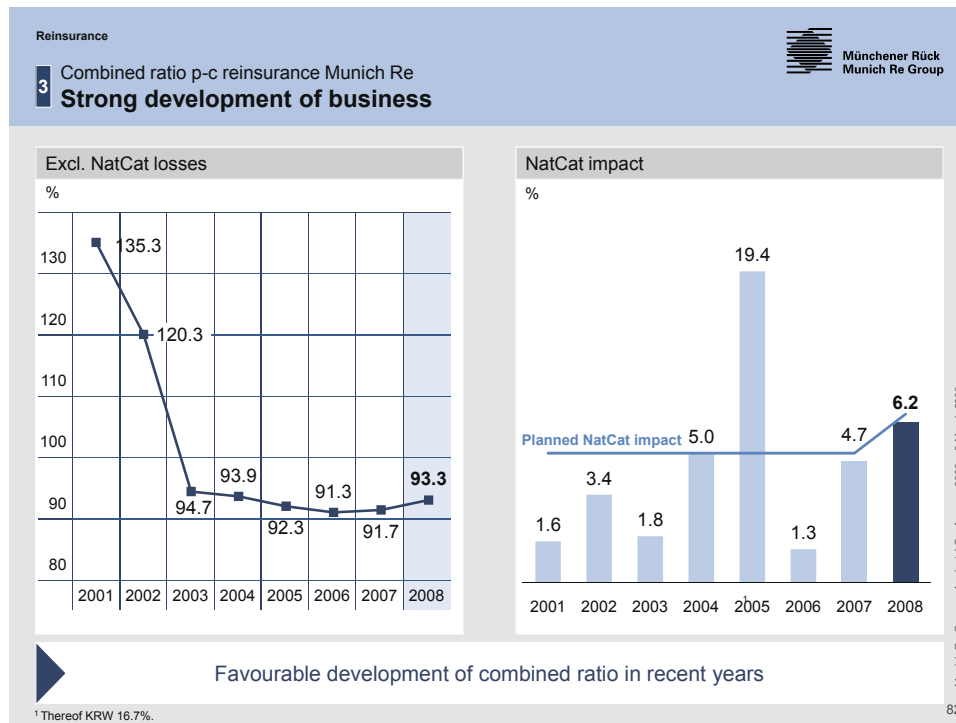
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Strict reduction of unprofitable business			Taking advantage of significant price increases	
Germany motor	–€67m	Proportional –30%, XL –50%	US property cat.	+€75m Double-digit price increases
Germany others	–€72m	Mainly other casualty –€23m Property proportional –€36m	Offshore energy	+€140m Double- to triple-digit price increases
US casualty	–€74m	Split equally into motor and workers' comp.	UK motor	+€39m Original market is hardening
China	–€207m	Proportional business	US agro	+€220m Further continuation of successful business model
Commercial D&O	–€30m	Substantial reduction of D&O business		

Exposure in unprofitable lines reduced irrespective of crisis

Strong expectation for further hardening in reinsurance markets

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Reinsurance

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4 Core competencies

Only few reinsurers with competencies to provide full-size business model

Proportional	Munich Re's core competencies	Non-proportional
Profound primary insurance know-how		Early cycle observance through fac. services
Local presence and customer proximity		Sophisticated risk modelling
Pre-quotation and claims audits		Claims services (in cooperation with TPAs)
Broad range of services (e.g. motor consulting)		Fungibility of capital ensuring fast loss pay-outs
Follow-the-fortunes		High capacities
Getting first-hand access to original risks	Benefits	Opportunistic approach
Less exposure to insurance cycle		Early participation in hardening market

Capabilities to assess original risks can be employed in profitable adjacencies

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Reinsurance

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4 Specialty business

Leverage Munich Re's proximity to original risks

Specialty business is a natural evolution of Munich Re's core business

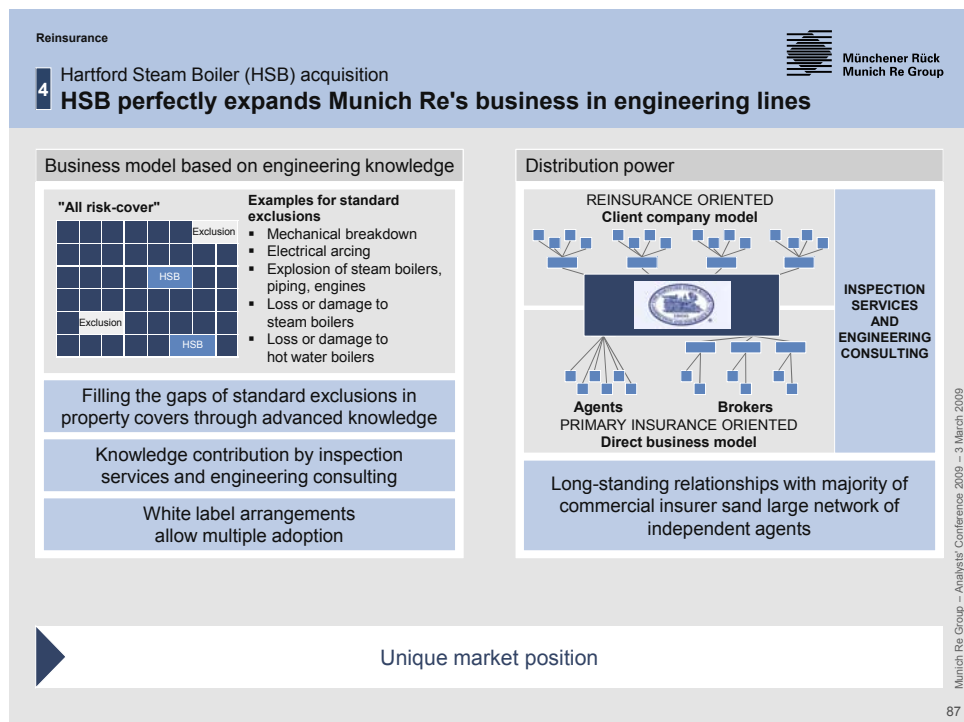
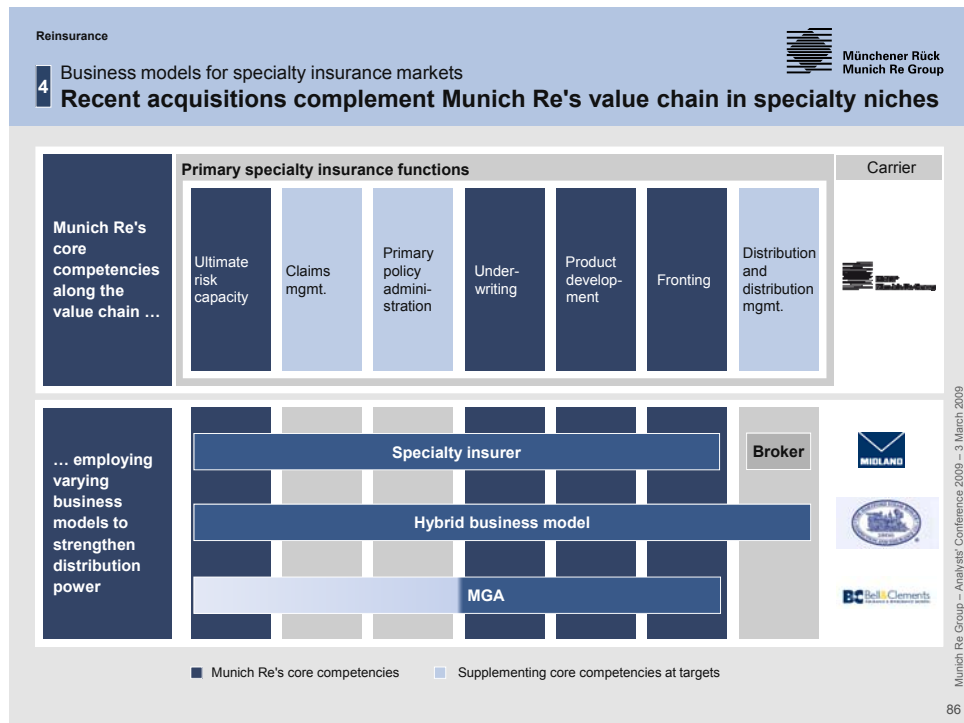
Illustrative

Specialty	Primary insurance market	Attractive niches avoiding highly competitive segments
Standard	Reinsurance market	Exhibits lower loss ratios due to good risk selection and active claims prevention
	Commercial	Relatively low exposure to cycle of traditional P-C reinsurance
	Personal	Suits Munich Re's capabilities of technical underwriting

Internal and external initiatives to facilitate profitable growth

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Reinsurance

Outlook

Clear signs of a continued favourable reinsurance market



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Outlook

Further hardening of market expected
as reinsurance remains a reliable capital source for insurers

Retraction from unprofitable business
continued to **improve portfolio quality**

Selective leveraging of core competencies
in profitable adjacencies to reinsurance core

Achievement of additional **>€250m profit target from growth initiatives for 2010**,
but current environment has to be monitored closely


Munich Re has the capabilities
to capture specific opportunities from capital market crisis

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Agenda

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Continuing a solid path	Nikolaus von Bomhard
Financial reporting 2008	Jörg Schneider
Risk management and the financial market crisis	Joachim Oechslein
Reinsurance	Torsten Jeworrek
Primary insurance	Torsten Oletzky
Backup	

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Primary insurance


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Overview


Staying on course in challenging times

		General situation	Current developments
1	Life insurance Germany	<ul style="list-style-type: none"> ▪ Top-3 player ▪ Declining market share ▪ Important to finance sales channels 	<ul style="list-style-type: none"> ▪ Significant pressure on top line from economic and capital market conditions ▪ VBM-driven hedging programmes
2	Health insurance Germany	<ul style="list-style-type: none"> ▪ Market leader ▪ Continuous political challenge 	<ul style="list-style-type: none"> ▪ Well prepared for market changes
3	Non-life insurance Germany	<ul style="list-style-type: none"> ▪ Top-10 player ▪ Superior profitability ▪ Growth above market average 	<ul style="list-style-type: none"> ▪ Excellent results in a highly competitive market
4	Cross-segment topics Germany	<ul style="list-style-type: none"> ▪ Presence in all distribution channels ▪ Strong direct business ▪ Remaining cost issues 	<ul style="list-style-type: none"> ▪ Some progress on distribution ... ▪ ... as well as on cost side
5	International business	<ul style="list-style-type: none"> ▪ Strong position in selected European markets ▪ Asian activities started ▪ Significant growth potential 	<ul style="list-style-type: none"> ▪ Encouraging organic growth ▪ Challenges from financial and economic crisis

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Primary Insurance


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1 Life insurance Germany

New business development 2008 not satisfactory

German new business development

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

Explanation of new business development

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

Initiative 1

Simplify and harmonise processes and systems

Initiative 2

Enhance target group orientation in product policy

Initiative 3

Improve transparency and customer orientation

Initiative 4

Growth focus on investment-type products

Initiative 5

Increase corporate pension business


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Primary insurance

1 Life insurance Germany


VBM: Hedge against low interest rates



Motivation

- Protection against long-term low interest rate scenario (Japan scenario)
- Reinvestment over a longer period of time might only be possible at low interest rates
- Average coupon might be near to or even lower than average guarantee of ~3.4%

10-year yield curve – Government bonds



Solution

- Acquisition of structured products: Receiver swaptions
- Gives buyer of receiver swaptions opportunity to invest in the future if interest rate environment is low at an interest rate agreed on today
- Works like an option – If future market rate is higher than agreed rate, value of option is zero
- Long-term programme started 2005 – Yearly adjustments according to change in portfolio

ERGO to withstand sustained period of low interest rates


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Primary insurance

1 Life insurance Germany

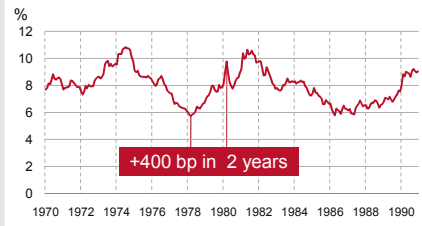
VBM: Hedge against strong increase of interest rates



Motivation

- Protection against sharp increase in interest rates
- Market coupon might be higher than average coupon of bond portfolio (in-force)
- Profit participation for policyholder may be unattractive relative to market interest rate for alternative forms of (low-risk) investments
- Pressure on new business may result

10-year yield curve – Government bonds



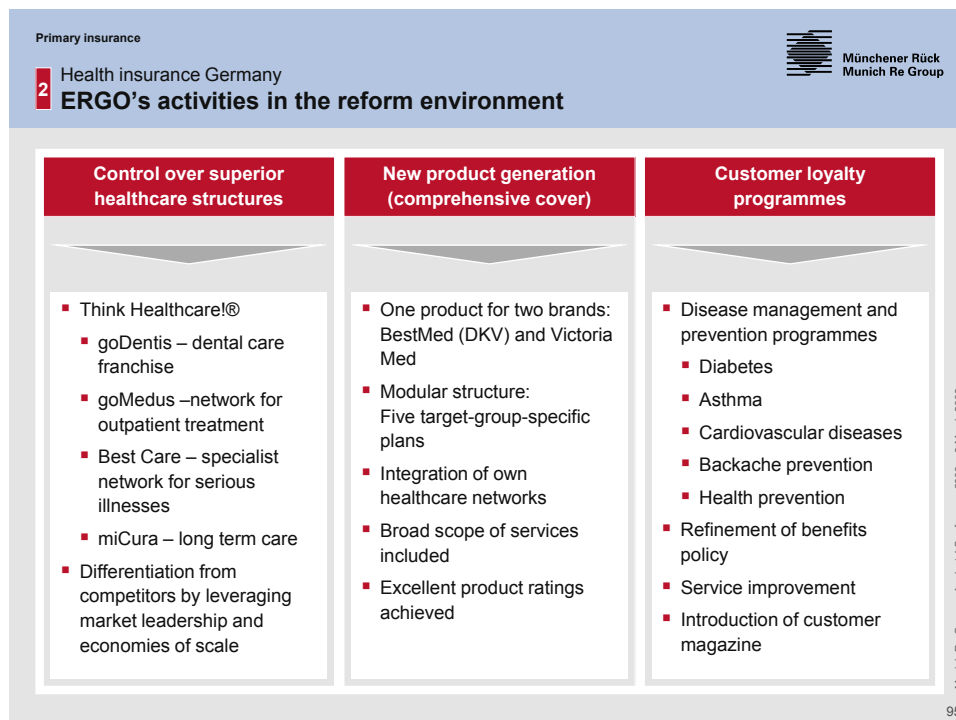
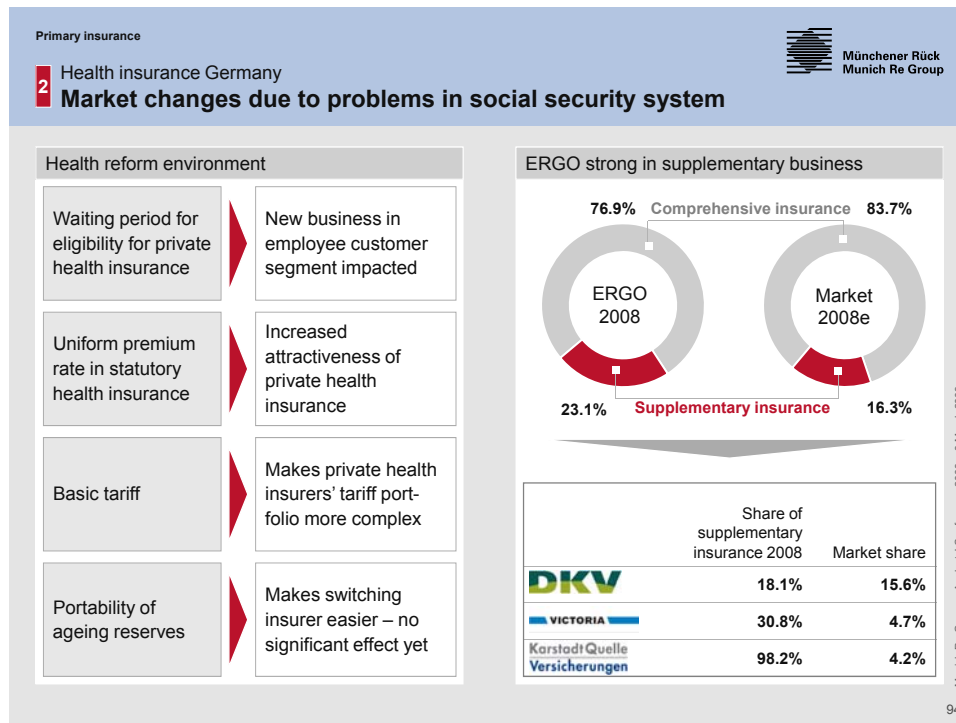
Solution

- Acquisition of structured products: CMS floater
- CMS floater allows participation in increasing interest rates, because coupon is updated yearly according to current swap rates
- CMS floater contains floor (minimum) coupon

ERGO to preserve competitiveness of life insurance product when interest rates rise

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Primary insurance



2 Health insurance Germany – Travel, assistance and services

ERGO acquires Europäische and Mercur Assistance from Munich Re

Travel business



- ERGO rounds off product portfolio through acquisition of a leading brand in the travel insurance sector
- Extending and focusing travel-insurance competencies to foster product innovations
- Additional sales opportunities through ERGO and ERV sales channels
- Potential for further internationalisation through ERV international company network
- Cost synergies through integration of core and support competencies in ERGO

GWP

€m

2008 395

CAGR
~7.5%

2012e 534

Assistance and service business



- Strong Munich Re Group-wide assistance and health services platform
- Extension of product and customer portfolio and generation of new business opportunities
- Cost synergies through integration of support functions
- Control of and access to international assistance and services network (Eurocenter)

Sales

€m

2008 21

CAGR
~11%

2012e 32

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Primary insurance



3 Non-life insurance Germany – Motor business

ERGO better than the market

Motor insurance in Germany

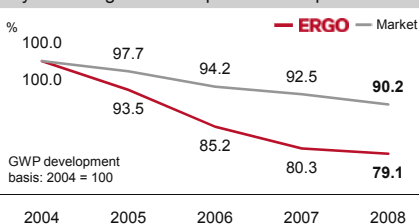
Market

- Prices begin to stabilise
- Earnings position becomes even more difficult
- Combined ratio 2008 expected to exceed 100%

ERGO

- Small price increases
- Lapses 5.7% below previous year's level
- New business up +1.7%

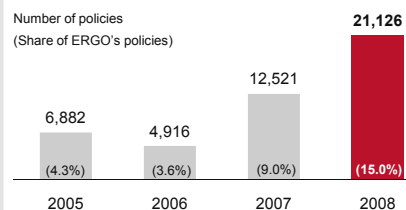
Cycle management: Prepared to lose premiums ...



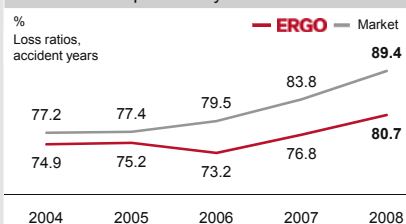
Cooperation with BMW accelerates

Number of policies

(Share of ERGO's policies)



... to maintain profitability



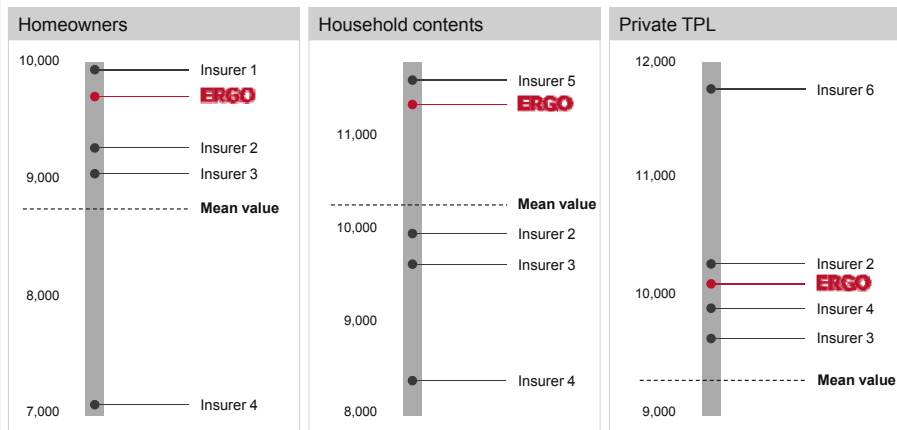
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Primary insurance

3 Non-life insurance Germany – Personal lines

High product quality in private customer business



Scale shows points awarded for product features included in analysed insurance products – high score stands for comprehensive insurance cover

Comparison of product quality with tool of independent rating agency Franke & Bornberg

ERGO among top providers of high quality insurance products for private customers

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Primary insurance

3 Non-life insurance Germany – Personal accident

Highly profitable tied agent business



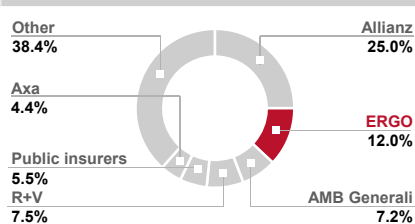
Very stable and profitable business

- GWP of €759m (€757m)¹
- Loss ratio at 36.2% (36.9%)¹
- Combined ratio at 77.3% (78.0%)¹
- Growth at +0.3% in line with market:
 - Pure risk business +0.8%¹
 - Premium refund business –4.8%¹

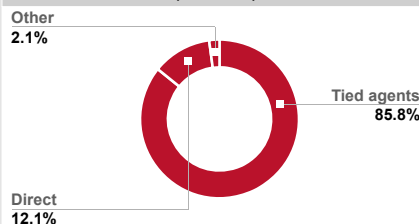
Strategic initiative to enrich products with services

- Strategic reorientation from pure reimbursement to problem solution and services
- Experience in managing networks – ERGO one of the leading insurers for "best agers"
- Target group oriented solutions with assistance and services

Personal accident market 2007²



ERGO distribution split 2008 personal accident


¹ German GAAP; 2008 vs. 2007.

² Includes pure risk policies as well as policies with premium refunds.

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Primary insurance



3 Non-life insurance Germany – Legal expenses

Building service components into products

Specialised and profitable business

- GWP of €440m (€440m)¹
- Loss ratio at 59.2% (63.0%)¹
- Combined ratio at 92.2% (96.4%)¹
- Access to more than 2 million customers in Germany

Business split Germany/International



¹ German GAAP, 2008 vs. 2007.

Evolution from pure insurer to legal services provider

- Leveraging expertise
 - From international business (e.g. UK)
 - From other lines of business (e.g. health)
- Introduction of telephone legal advice in 2006
- Promoting mediation to settle disputes out of court and reduce claims in 2008
- Cross-over product with health segment introduced in 2009: legal protection for patients
- Additional vehicle D.A.S. Prozessfinanzierung for add-on services
 - Process financing
 - Debt collection management

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3 Non-life insurance Germany – Commercial/industrial business

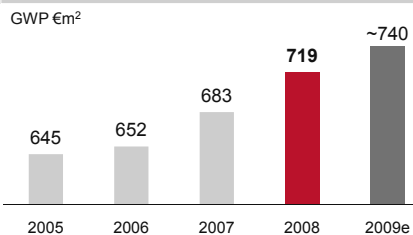
Profitable expansion continues

German market ¹

- Commercial business
 - GWP up ~3.0%
 - Combined ratio >100%
- Industrial business
 - GWP down ~1.3%
 - Combined ratio ~95%

¹ German GAAP 2008.

Steady growth to continue ...

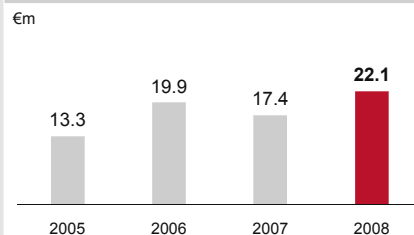


² German GAAP, direct business.

ERGO well positioned¹

- Top-10 player in all lines of business with market share >3%
 - No. 2 in professional liability
 - No. 3 in marine
- Significant premium growth in 2008 (+5.2%)
 - Particularly in commercial property (+9.0%)
 - Industrial business (+4.1%)
- Combined ratio 2008 at 92.0% (German GAAP)

... with good net technical results ³



³ German GAAP, before claims equalisation reserves.

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Primary insurance



4 Cross-segment topics Germany Strengthen ERGO's sales organisations

2008: Measures taken

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

2009: Measures to be taken

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

Business environment

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

Expected business environment

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

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Primary insurance

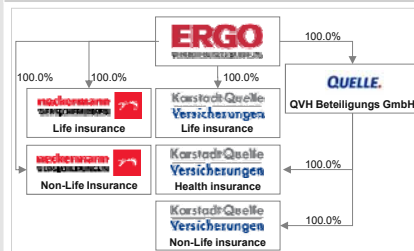


4 Cross-segment topics Germany Remaining shares in direct insurer KQV acquired

Acquisition rationale and potential

- Direct market in Germany with growth potential
- KQV with good new business growth
 - More than 4 million customers already
- Strong expertise in data mining and targeted customer approach
- Innovator, e.g. in dental supplementary health insurance (CAGR of 68% from 2002–2008)
- Synergies in product development, steering (ALM, risk management) and between sales channels (e.g. Maxizins)
- Creating a broader customer base, reduction of dependency on Arcandor customer file
- Know-how exchange between German and international business (e.g. ERGO Daum Direct)

New structure as at 1 January 2009



- ERGO becomes sole owner of KarstadtQuelle and Neckermann insurance companies
- Arcandor gets 100% of the stake in KarstadtQuelle Bank
- ERGO pays €67.5m cash settlement to Arcandor
- Exclusive sales partnership for insurance products between ERGO and Arcandor affirmed

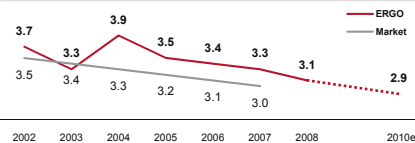
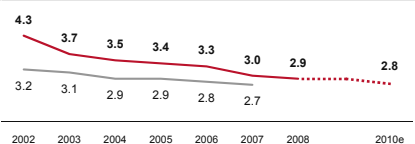
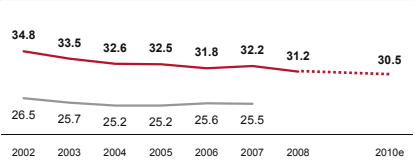
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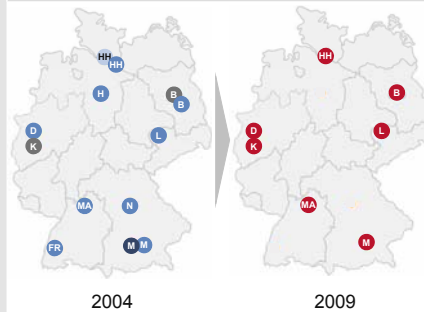
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Primary insurance

4 Cross-segment topics Germany

Realisation of ambitious cost-savings targets on its way


Administrative expense ratio – Life¹

Administrative expense ratio – Health¹

Operating expense ratio – Non-life¹

¹ Germany, gross figures German GAAP (HGB).

Consolidation of decentralised offices²


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

² Excl. KarstadtQuelle Versicherungen.

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Primary insurance

5 International business

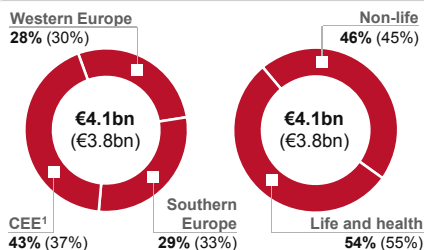
Good results and organic growth



ERGO in Europe



Total premiums in Europe 2008 (2007)


¹ Incl. Austria.

ERGO in Asia



Highlights Asia

- South Korea: Direct motor insurer ERGO Daum Direct with 2008 consolidated premium income of €106m
- India: Joint venture with HDFC Ltd. in non-life running; with HERO Group in life agreed
- China: Advanced process of seeking JV partner
- Singapore: ERGO Asia Management Pte. Ltd. founded in 2008


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5 International business

European activities well on track




<p>Poland</p> <div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> Excellent market position in non-life (No. 2) Two-brand strategy with MTU satisfying the demand for basic and standardised products GWP 2008 up 30% to €679m (€522m) Net profit 2008 up 45% to €37m (€26m) </div>	<p>Baltics</p> <div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> Excellent market position (No. 2 overall with approx. 14% market share; No. 1 in Baltic annuity and health market) Realisation of synergies through uniform and lean structures and processes Strong agency sales network throughout Baltic region GWP 2008 up 12.6% to €205m (€182m) Net profit 2008 up 18% to €12m (€10m) </div>
<p>Italy</p> <div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> Reorganisation of Italian activities <ul style="list-style-type: none"> Focus on new business profitability Strict cost control Reduce complexity, simplify internal procedures, create synergies Buyout of minorities under way GWP 2008 down 6.7% to €436m (€467m) Net profit 2008 up 2.9% to €45m (€43m) </div>	<p>Turkey</p> <div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> ERGO becomes sole owner of ERGOISVIÇRE Sigorta Turkey attractive market with favourable demographic structure GWP 2008 stable at €391m <ul style="list-style-type: none"> Non-life +2.8% Life -30.2% Net profit 2008 up to €25m (€5m) </div>



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Primary insurance

5 International business

Austrian activities a cornerstone for expansion in CEE region

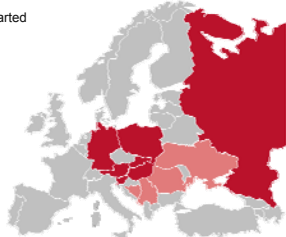


<p>Acquisition of Bank Austria Creditanstalt Insurance</p> <div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> ERGO buys an additional 60.5% and owns now 90% of BACAV Deal and valuation agreed in principle in 2007. Price paid in 2008: €416.1m Impairment test done in 2008 – in consequence write-down of €175m due to current outlook for bancassurance business model </div>	<p>Bancassurance centre of competence in Austria</p> <div style="display: flex; align-items: center;">  <ul style="list-style-type: none"> Activities in life and non-life ERGO 2008 with GWP of €755m no. 3 in life insurance and with GWP of €853m no. 5 in overall market Set-up of single back office <ul style="list-style-type: none"> ERGO Insurance Service for Austrian activities Vienna as centre for strong bank cooperation with UniCredit and Volksbanken in Austria and CEE </div>
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Strategic cooperation and activities with UniCredit

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

■ Cooperation started
■ Planned 2009



Additional extension of cooperations with Volksbanken in CEE

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Primary insurance

Economic environment outlook

Economic crisis with severe threats – and some opportunities

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Threats	Opportunities
LIFE <ul style="list-style-type: none"> Impact on investment result and profit participation Reluctance of customers to make major investment decisions Lapses might go up 	LIFE <ul style="list-style-type: none"> Guarantee products more attractive Less competition from fund/certificate industry
HEALTH <ul style="list-style-type: none"> Crisis might lead to higher illness rates Lower salaries limit new business opportunities for comprehensive cover 	HEALTH <ul style="list-style-type: none"> Public health system under additional pressure due to income related premiums might make private health insurance more attractive
NON-LIFE <ul style="list-style-type: none"> Lower demand to insure economic activity (e.g. goods in transit, building activity, etc.) Turnover-related premiums to decline Criminal activities/fraud might rise 	NON-LIFE <ul style="list-style-type: none"> Customers' need for safety rises Lower economic activity reduces claims

► Bleak economic environment poses severe threat – but has also some opportunities

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Primary insurance

Summary

Takeaways

Münchener Rück
Munich Re Group


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


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

► ... and strong commitment to more progress in 2009

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Agenda Analysts' Conference 2009		 Münchener Rück Munich Re Group
Continuing a solid path	Nikolaus von Bomhard	<small>Munich Re Group – Analysts' Conference 2009 – 3 March 2009</small>
Financial reporting 2008	Jörg Schneider	
Risk management and the financial market crisis	Joachim Oechsli	
Reinsurance	Torsten Jeworrek	
Primary insurance	Torsten Oletzky	
Backup		110

Agenda Backup – Annual financial statements as at 31.12.2008		 Münchener Rück Munich Re Group
Highlights Q4 2008 stand-alone		<small>Munich Re Group – Analysts' Conference 2009 – 3 March 2009</small>
Capitalisation		
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Backup: Financial reporting 2008

Highlights Q4 2008 stand-alone

Group in total



GROUP Gross premiums written		REINSURANCE Combined ratio property-casualty		PRIMARY INSURANCE Combined ratio property-casualty ¹	
€m		%		%	
Q4 2007 ²	9,185	Q4 2007	91.7	Q4 2007	94.7
Q4 2008	9,706	Q4 2008	97.7	Q4 2008	94.2

GROUP Investment result		GROUP Operating result		GROUP Consolidated result	
€m		€m		€m	
Q4 2007 ²	1,625	Q4 2007 ²	1,086	Q4 2007 ²	581
Q4 2008	1,923	Q4 2008	844	Q4 2008	121

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

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Backup: Financial reporting 2008

Highlights Q4 2008 stand-alone

Reinsurance



Gross premiums written		Investment result	
€m		€m	
Q4 2007 ¹	5,053	Q4 2007 ¹	805
Q4 2008	5,639	Q4 2008	1,069

Combined ratio property-casualty		Operating result	
%		€m	
Q4 2007	91.7	Q4 2007 ¹	932
Q4 2008	97.7	Q4 2008	1,072

¹ Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008

Highlights Q4 2008 stand-alone

Below-average man-made and NatCat losses in Q4 2008



Major losses¹ over €10m each – year-to-date

€m		Man-made	Natural catastrophes
2004	1,084	371	713
2005	3,134	531	2,603
2006 ²	585	446	139
2007 ²	1,126	492	634
2008 ²	1,507	675	832
5-year average	1,487	503	984

Major losses¹ over €10m each – stand alone

€m		Man-made	Natural catastrophes
Q4 2004 ³	394	130	264
Q4 2005 ³	1,615	301	1,314
Q4 2006 ^{2,3}	238	151	87
Q4 2007 ²	298	-62	360
Q4 2008 ²	287	215	72
5-year average	566	231	335

¹ Incl. losses in life.

² Incl. run-off-profits.

³ Major losses over €5m each.

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Backup: Financial reporting 2008

Highlights Q4 2008 stand-alone

Primary insurance



Gross premiums written

€m	
Q4 2007	4,466
Q4 2008	4,369

Investment result

€m	
Q4 2007	1,053
Q4 2008	934

Combined ratio property-casualty¹

%	
Q4 2007	94.7
Q4 2008	94.2

Operating result

€m	
Q4 2007	330
Q4 2008	-197

¹ Incl. legal expenses insurance.

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Backup: Financial reporting 2008

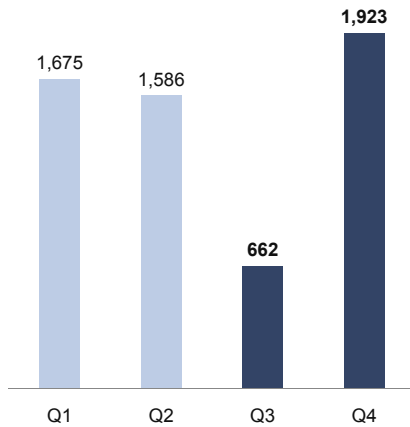


Investment result

Earnings drivers in Q4

Investment result 2008

€m

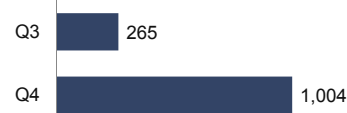

¹ Adjusted pursuant to IAS 8.

Write-downs/write-ups



- Q3: Significant impairments on equities exceeding positive impact of derivatives
- Q4: Almost matched net result of equities and derivatives, write-down on fixed-interest instruments

Realised gains/losses



- Q3: Positive result from equities, derivatives slightly positive
- Q4: Losses from sale of unhedged equity positions over-compensating positive contribution from settlement of protection structures, significant disposal gains from derivatives

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Backup: Financial reporting 2008

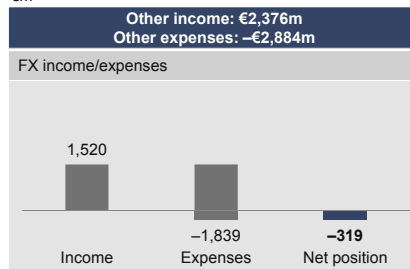


Highlights 2008

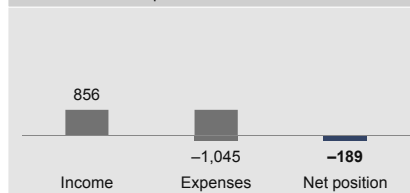
Other income and expenses

2007

€m

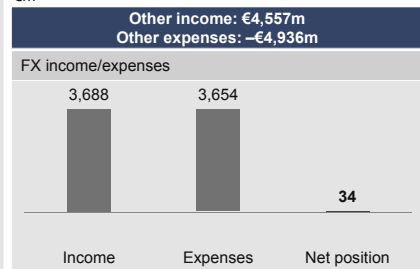


All other income/expenses

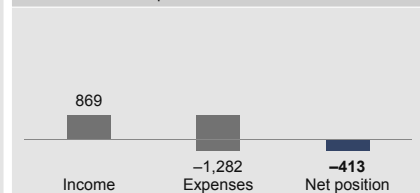


2008

€m



All other income/expenses



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Agenda Backup



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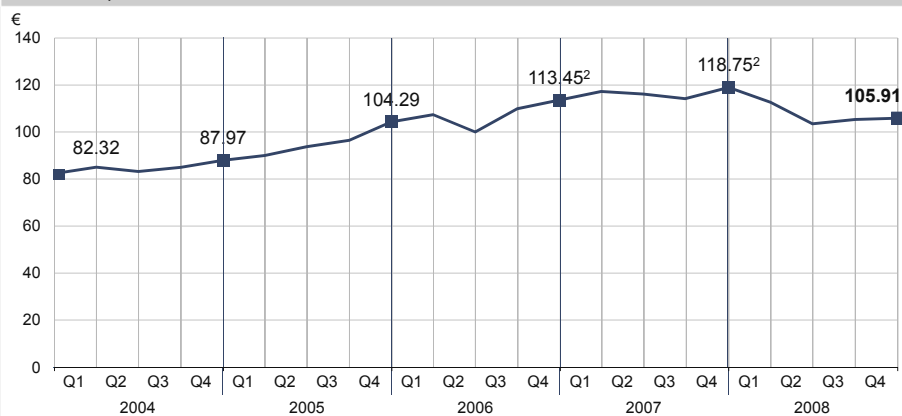
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Backup: Financial reporting 2008

Capitalisation – Book value per share Solid growth since 2004



Book value per share¹



5.2% CAGR since 1.1.2004 above annual performance of insurance index³

10.8% reduction in 2008 following changes in unrealised gains/losses

¹ Shareholders' equity excl. minority interests divided by shares in circulation (after consideration of share buy-backs).
² Adjusted pursuant to IAS 8. ³ Total return Euro Stoxx Insurance: -2.3% p.a.

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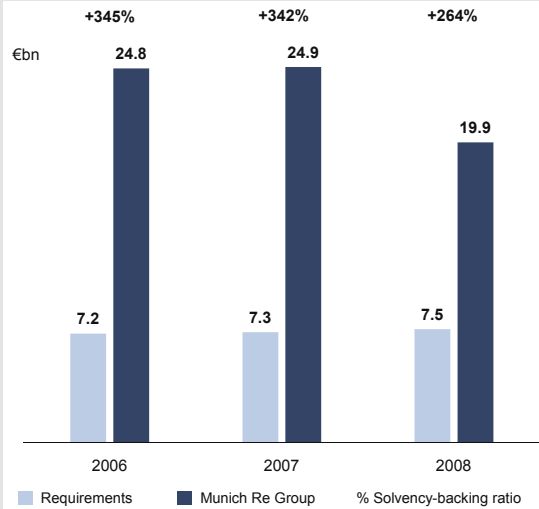
Capitalisation – Solvency capital

Very adequate solvency-backing ratio of 264%

Group solvency

- At 264%, solvency requirements exceeded by a significant margin (100% minimum)
- Deterioration in solvency figure due to reduced shareholders' equity
- Drop in own funds mainly due to IFRS shareholders' equity
- Solvency ratio of parent company even above 300%

Sound
financial strength



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Agenda Backup

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Investments

Significant reduction of equity exposure (net) to 1.7%

Investment structure by asset classes (market values)

	€bn	%	Land and buildings	Loans	Fixed-interest securities	Shares, equity funds and participating interests	Miscellaneous ¹
31.12.2004 ²	181		5.9	11.7	57.0	13.9	11.5
31.12.2005 ^{3,4}	180		4.0	14.3	56.0	14.0	11.7
31.12.2006	179		3.6	16.4	54.9	14.6	10.5
31.12.2007	176		2.3	19.4	54.2	13.8	9.8
30.9.2008	171		2.9	22.4	56.2	9.3	9.2
31.12.2008	177		2.8	23.2	61.8	3.6 ⁵	8.6
31.12.2008 (€bn)	177		5.0	41.1	109.4	6.3	15.2



Continued shift from equities to fixed-interest securities in Q4

- ¹ Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property).
² After reclassification of owner-occupied properties of Munich Reinsurance Company to other assets.
³ After reclassification of owner-occupied properties of Munich Re Group to other assets.
⁴ Decrease of €13.2bn in assets (market values) due to sale of Karlsruhe in Q4 2005.
⁵ After taking equity derivatives into account: 1.7%.

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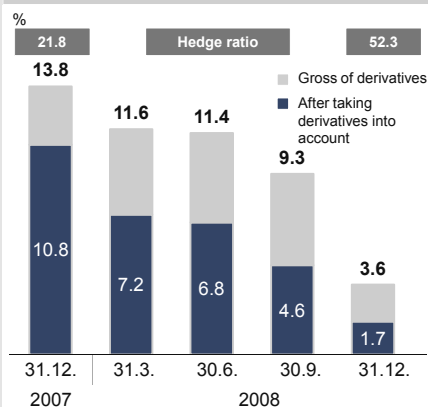
Backup: Financial reporting 2008



Investments – De-risking of equities

Further reduction of equity exposure through active management

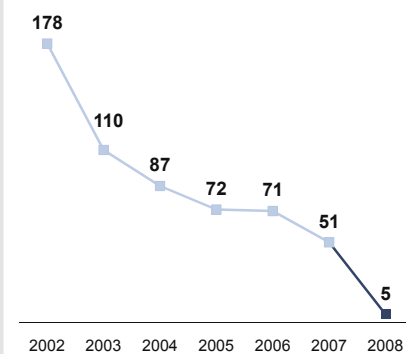
Equity-backing ratio¹ – including derivatives



Closing of derivative positions in Q4

Equity gearing²

% as at end of period



Exposure reduced due to sale of equities in addition to declining stock market

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

² Equity exposure (after hedges, net of tax and policyholder participation) divided by shareholders' capital (incl. net off-balance-sheet reserves, excl. goodwill).

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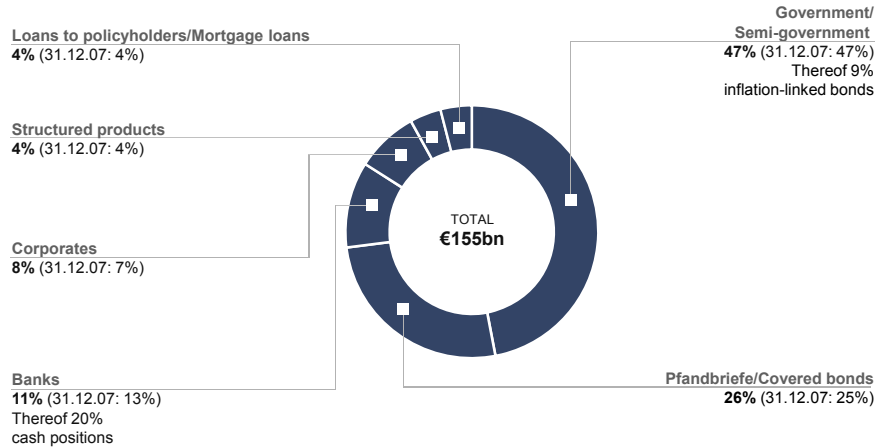
Backup: Financial reporting 2008



Investments – Fixed-income portfolio

Continued focus on highly rated credit risk

Fixed-income portfolio¹


¹ Incl. loans, parts of other securities, other investments and cash positions. Economic view – not fully comparable with IFRS figures.

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Backup: Financial reporting 2008



Investments

Approx. 90% of fixed-income investment rated A or better

Rating classification of fixed-income portfolio¹

%	AAA	AA	A	BBB	BB	B and worse	NR	Total
Government/Semi-government	71	23	5	1	–	–	–	100
Pfandbriefe/Covered bonds	87	13	–	–	–	–	–	100
Banks	7	24	40	2	–	–	27 ²	100
Corporates	8	10	45	31	1	–	5	100
Structured products	92	4	2	–	–	–	2	100
Loans to policyholders/Mortgage loans	–	–	–	–	–	–	100	100
Total	61	18	10	3	–	–	7	100

¹ Economic view – not fully comparable with IFRS figures.

² Incl. cash positions, which are not rated.

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Backup: Financial reporting 2008



Investments

Approx. 70% invested in EURO-zone, limited exposure in CEE countries

Geographic classification of fixed-income portfolio¹

%	Germany	France	UK	Spain	CEE	Other Europe	USA	Canada	Rest of World	Total
Government/ Semi-government	43	8	6	1	3	16	14	5	4	100
Pfandbriefe/ Covered bonds	59	9	3	9	–	20	–	–	–	100
Banks	42	7	8	0	1	19	15	1	7	100
Corporates	4	7	7	2	–	21	50	5	4	100
Structured products	3	–	2	–	–	10	84	1	–	100
Loans to policyholders/ Mortgage loans	99	–	–	–	–	–	–	–	1	100
Total	44	7	5	3	2	17	16	3	3	100

¹ Economic view – not fully comparable with IFRS figures.

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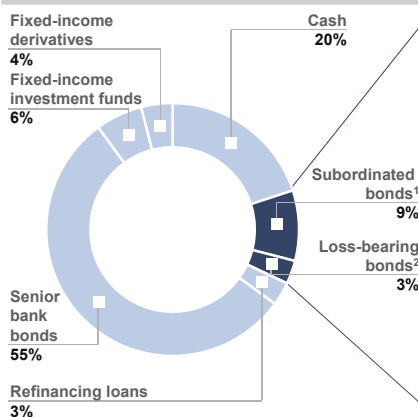
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Investments

Fixed-income investments – Banks

BANKS
Split by investment categories

BANKS
Subordinated and loss-bearing exposure by countries

Country	Market values €m (as at 23.1.2009)		
	Subordinated bonds	Loss-bearing bonds	
Germany	904	463	441
USA	530	496	34
Italy	183	175	8
Austria	166	158	8
UK	145	94	51
Spain	40	40	–
France	38	37	1
Belgium	31	3	28
Switzerland	16	16	–
Japan	13	9	4
Other	71	63	8
Total market values	2,137	1,554	583

Limited write-downs in 2008, no cause for concern on total hybrid exposure

¹ Classified as lower tier 2 and tier 3 capital for solvency purposes.

² Classified as tier 1 and upper tier 2 capital for solvency purposes.

Economic view – not fully comparable with IFRS figures.

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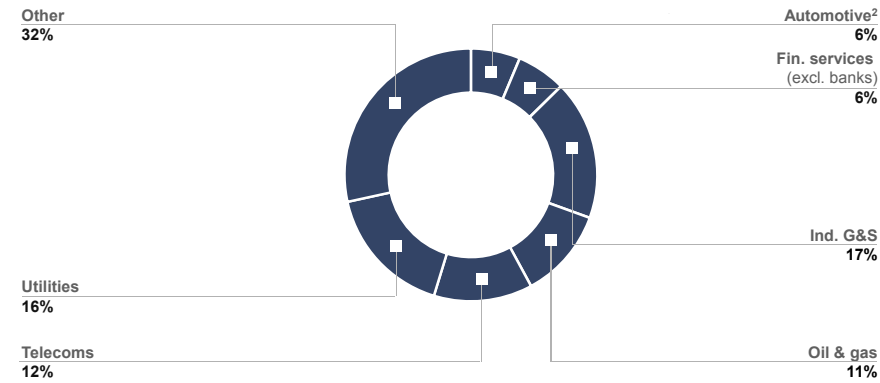
Backup: Financial reporting 2008



Investments

Fixed-income investments – Corporates

Corporate bonds: Sectoral split¹


¹ Economic view – not fully comparable with IFRS figures.

² Exposure on US automotive industry <€30m.

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Backup: Financial reporting 2008



Investments

Structured products portfolio with high quality

Structured products portfolio: Split by ratings and regions

€m		AAA	AA	A	BBB	<BBB	NR	USA	Europe	Total	Market-to-par value
ABS	Consumer-related ABS ¹	735	7	13	5	0	0	678	82	760	94%
	Corporate-related ABS ²	196	0	29	3	0	4	80	152	232	92%
	Subprime HEL	198	34	7	0	0	0	237	2	239	82%
CDO/CLN	Subprime-related	2	4	1	0	5	0	0	12	12	41%
	Non-subprime-related	79	36	65	2	0	87	2	267	269	80%
MBS	Agency ³	3,245	106	0	0	0	0	3,351	0	3,351	99%
	Non-agency prime	429	28	25	5	0	0	126	361	487	85%
	Non-agency other (not subprime)	162	3	2	0	0	0	163	4	167	69%
	Commercial MBS	558	7	1	0	0	0	545	21	566	75%
Total		5,604	225	143	15	5	91	5,182	901	6,083	92%
31.12.2008		92%	4%	2%	0%	0%	2%	85%	15%	100%	
31.12.2007		84%	7%	6%	1%	0%	2%	81%	19%	100%	

Strong ratings (92% AAA) and resilient market values despite severe downgrades of structured products in general

¹ Consumer loans, auto, credit cards, student loans. ² Asset-backed CPs, business and corporate loans, commercial equipment.

³ Exposure in Freddie Mac/Fannie Mae investments: €3.2bn.

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Backup: Financial reporting 2008



Investments

Fixed-income portfolio by accounting categories (IFRS)

Accounting categories

%	Loans and receivables	Held-to-maturity	Available-for-sale	Held-for-trading	Total
Government/Semi-government	24	–	76	–	100
Pfandbriefe/ Covered bonds	32	–	68	–	100
Loans to policyholders/ Mortgage loans	100	–	–	–	100
Structured products	2	–	98	–	100
Corporates	7	–	93	–	100
Banks	49	1	42	8	100
Total	29	–	70	1	100

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Backup: Financial reporting 2008



Investments – Fixed-income portfolio by accounting categories (IFRS)

Recognition and measurement of financial instruments (I)

Category	Features	Recognition and measurement
Financial instruments at fair value through profit and loss	<ul style="list-style-type: none"> Mandatory for securities classified as "held for trading"; intention to realise gains in short term, (speculative intention) Derivatives (unless used for hedging purposes) All financial instruments may be allocated to this category on first-time recognition (fair-value option; subsequent reclassification not possible) → Exception: equity instruments not traded in an active market for which no reliable fair value can be determined Since October 2008: reclassification of non-derivative financial instruments in the held-for-trading category is permissible subject to certain conditions 	<ul style="list-style-type: none"> Initial and subsequent measurement at fair value Positive and negative changes in fair value recognised in profit and loss
Financial instruments held to maturity	<ul style="list-style-type: none"> Fixed final maturity date, all payments fixed or clearly determinable Intention and capacity to hold the financial instrument until the final maturity date → sanctions in the event of infringement Excludes financial instruments matching definition of "loans and receivables" 	<ul style="list-style-type: none"> Initial measurement at fair value Subsequent measurement at amortised cost (effective interest method) Changes in value on subsequent measurement or impairment recognised in P&L (no qualitative criteria, indication-based, e.g. default on interest payments) Reversal of impairments recognised in P&L (upper limit: amortised cost)

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Investments – Fixed-income portfolio by accounting categories (IFRS)

Recognition and measurement of financial instruments (II)

Category	Features	Recognition and measurement
Loans and receivables	<ul style="list-style-type: none"> Financial instruments not quoted in an active market Fixed or at least clearly determinable payments Excludes financial instruments matching the definition of a held-for-trading financial instrument 	<ul style="list-style-type: none"> Initial measurement at fair value Subsequent measurement at amortised cost (effective interest method) Changes in value on subsequent measurement or impairment recognised in P&L (no quantitative criteria, indication-based, e.g. default on interest payments) Reversal of impairments recognised in P&L (upper limit: amortised cost)
Financial instruments available for sale	<ul style="list-style-type: none"> Catch-all category: includes all financial instruments not allocated to the other categories Financial instruments can be explicitly allocated to this category Disposal permissible at any time, but intention to sell a financial instrument not required for it to be allocated to this category Since October 2008: available-for-sale financial instruments may be reclassified as "loans and receivables" subject to certain conditions 	<ul style="list-style-type: none"> Initial and subsequent measurement at fair value Positive and negative changes in fair value recognised in equity (unrealised gains and losses) Impairments recognised in P&L (equities: 6 months or 20% below purchase price, or "once impaired, always impaired" criterion; fixed-interest securities: no qualitative criteria, indication-based – e.g. default on interest payments) Reversal of impairments not recognised in P&L for equity instruments, recognised in P&L for debt instruments (upper limit: amortised cost)

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Backup: Financial reporting 2008



Investments – Sensitivities to interest rates, spreads and equity markets

Low sensitivity to equities, manageable exposure to interest rates and spreads¹

Sensitivity to risk-free interest rates				
Basis points	–200	–100	+100	+200
Change in gross market value (€bn)	+19.3	+8.8	–6.9	–12.0
Economic impact for shareholder ² (€bn)	+5.5	+2.5	–2.2	–4.1
Sensitivity to spreads ³				
Spreads	–50%	–25%	+25%	+50%
Change in market value gross (€bn)	+4.8	+2.3	–2.0	–3.8
Economic impact for shareholder ² (€bn)	+1.3	+0.7	–0.7	–1.4
Sensitivity to equity markets ⁴				
	–30%	–10%	+10%	+30%
EuroStoxx 50	1.714	2.203	2.693	3.182
Change in gross market value (€bn)	–0.9	–0.3	+0.3	+0.9
Economic impact for shareholder ² (€bn)	–0.7	–0.2	+0.3	+0.7

¹ Rough calculation with limited reliability; linearity of relations cannot be assumed. Economic view – not fully comparable with IFRS figures; recently acquired companies not included.

² Change in unrealised gains/losses on-balance-sheet, off-balance-sheet and P&L impact assuming unchanged portfolio as at 31.12.2008. After rough estimation of policyholder participation and deferred tax.

³ Sensitivities on changes of spreads are calculated for every category of securities (governments, Pfandbriefe, banks, etc.) separately.

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Backup: Financial reporting 2008



Investments – On- and off-balance-sheet reserves

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

On-balance-sheet reserves on afs securities

Gross unrealised gains and losses	3,211
Policyholders' participation	-758
Deferred taxes	-316
Minority interests	-12
Consolidation	70
Shareholders' stake	2,195

Off-balance-sheet reserves

€m	
Land and buildings ¹	1,245
Loans	626
Other (mainly at equity)	169
Off-balance-sheet reserves 31.12.2008	2,040
Policyholders' participation	-997
Deferred taxes	-295
Minority interests	-9
Shareholders' stake	739

¹ Without reserves on owner-occupied properties.

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Backup: Financial reporting 2008

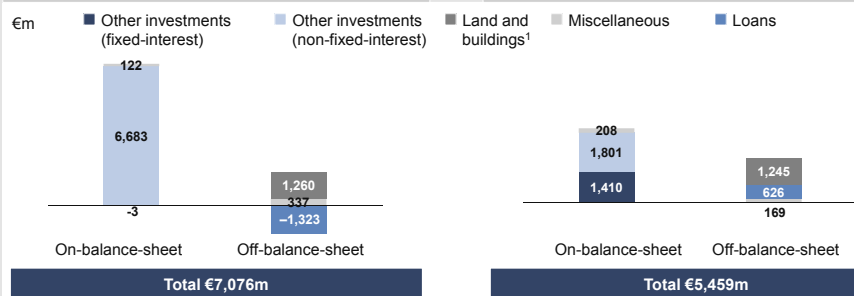


Investments – On- and off-balance-sheet reserves

Split by asset classes

31.12.2007

31.12.2008



Unrealised gains and losses – gross	7,076²
./. Provision for deferred premium refunds	936
./. Deferred taxes	466
./. Effects from consolidation and currency	-6
./. Minority interests	34
Unrealised gains and losses – net	5,646

Unrealised gains and losses – gross	5,459³
./. Provision for deferred premium refunds	1,783
./. Deferred taxes	613
./. Effects from consolidation and currency	-76
./. Minority interests	27
Unrealised gains and losses – net	3,112

¹ Without reserves on owner-occupied properties.

² Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €122m.

³ Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €208m.

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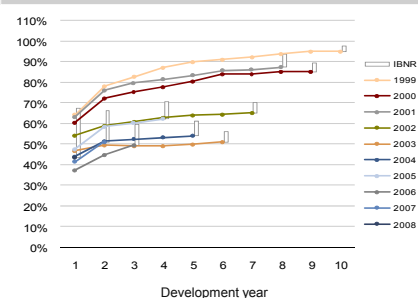
Backup: Financial reporting 2008

Reserves – Munich Re Group property-casualty Reinsurance and primary insurance

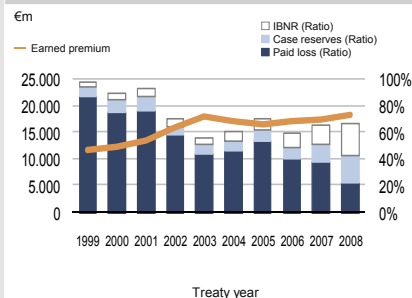


Treaty year	Earned premium €m	Development year										Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10				
1999	11,722	64.1%	78.0%	82.5%	86.9%	89.8%	91.0%	92.1%	93.8%	94.8%	94.9%	97.6%	87.9%	7.0%	2.8%
2000	12,384	60.4%	72.0%	75.4%	77.6%	80.5%	84.0%	84.1%	85.1%	85.2%		89.5%	75.7%	9.5%	4.3%
2001	13,542	63.2%	76.2%	79.7%	81.4%	83.5%	85.9%	86.1%	87.4%			93.7%	76.6%	10.8%	6.3%
2002	16,000	54.2%	58.9%	60.9%	62.8%	64.0%	64.6%	65.2%				70.1%	58.0%	7.1%	4.9%
2003	17,925	46.7%	49.5%	48.9%	49.0%	49.9%	51.0%					56.1%	44.2%	6.9%	5.1%
2004	17,138	43.9%	51.4%	52.4%	53.4%	54.0%						61.1%	47.1%	6.9%	7.1%
2005	16,529	47.4%	58.5%	60.2%	62.2%							70.6%	53.4%	8.9%	8.4%
2006	17,013	37.3%	44.7%	49.5%								59.5%	40.6%	8.9%	10.0%
2007	17,489	41.4%	51.1%									66.3%	38.5%	12.6%	15.2%
2008	18,230	43.6%										67.3%	22.9%	20.7%	23.7%

Reported loss ratio development – 1999–2008



Portfolio performance by treaty year – 1999–2008



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Backup: Financial reporting 2008



Reserves – Property-casualty reinsurance and primary insurance

Representative loss triangles

Legal entity €m	Line of business	Case and IBNR reserves
Munich Re Munich	Property (fire and engineering)	4,181
	Liability and motor	8,868
	Personal accident / workers' comp.	622
	Marine	1,072
	Subtotal	14,744
Munich Re America	Property	601
	Liability	3,597
	Workers' comp. / personal accident	2,935
	Subtotal	7,133
ERGO	Property-casualty	3,468
Munich Re Group	Asbestos and environmental	1,785
TOTAL		27,130

Disclosure addresses roughly 75% of carried net property-casualty reserves

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Backup: Financial reporting 2008



Reserves – Property-casualty reinsurance and primary insurance

Representative loss triangles

Data description	
Legal entity	Figures in triangle exhibits
Munich Re Munich	<ul style="list-style-type: none"> Net business of Munich Re Munich, i.e. Munich Re AG excluding special contracts and all major branches and subsidiaries, but including business fronted by Great Lakes UK Statistical figures (following client's development periods) as at 31 December 2008 before conversion to financial data (earning down, currency effects) Including reported amounts of large losses Converted into € with average exchange rates of 2007
Munich Re America	<ul style="list-style-type: none"> Net of specific retrocession and before variable quota shares and loss portfolio transfer to Munich Re Munich Financial figures as at 31 December 2008 Excluding latent losses, finite risk or natural catastrophe losses. Respective ultimates shown in separate column. Converted into € using the year-end exchange rates of 2008
ERGO	<ul style="list-style-type: none"> Net of corporate retrocession to Munich Re AG Financial figures as at 31 December 2008

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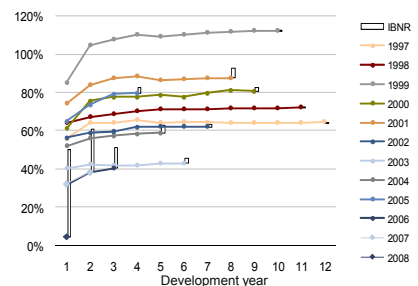
Backup: Financial reporting 2008



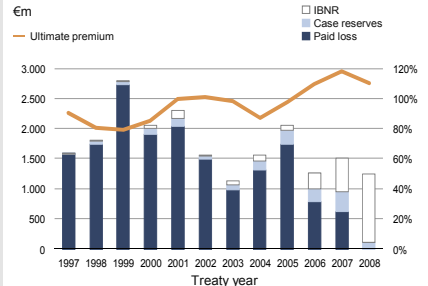
Reserves – Munich Re Munich Fire and engineering

Treaty year	Ultimate premium	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10	11	12				
1997	2,272	55.7%	63.8%	64.1%	65.4%	64.0%	64.2%	64.1%	64.1%	63.9%	64.1%	64.3%	64.3%	64.3%	63.8%	0.5%	0.1%
1998	2,017	64.0%	67.0%	68.7%	70.1%	70.8%	71.0%	70.8%	71.5%	71.6%	71.6%	72.0%	72.4%	70.2%	1.8%	0.3%	
1999	1,987	85.1%	104.4%	107.5%	110.1%	108.8%	110.1%	110.9%	111.6%	111.9%	112.0%		112.3%	109.5%	2.5%	0.3%	
2000	2,127	61.0%	75.4%	77.6%	77.5%	78.6%	77.6%	79.3%	81.0%	80.4%			82.3%	76.7%	3.7%	1.9%	
2001	2,499	74.0%	83.7%	87.4%	88.3%	86.4%	86.9%	87.4%	87.3%				92.2%	81.7%	5.6%	5.0%	
2002	2,529	56.1%	58.5%	59.3%	61.7%	61.9%	62.0%	61.8%					63.0%	60.4%	1.5%	1.2%	
2003	2,461	40.2%	42.2%	41.6%	41.8%	42.7%	42.8%						45.3%	39.7%	3.1%	2.5%	
2004	2,177	51.8%	55.8%	57.3%	58.1%	58.7%							62.5%	52.6%	6.0%	3.9%	
2005	2,446	64.8%	73.6%	79.2%	79.5%								82.5%	70.2%	9.3%	3.0%	
2006	2,743	31.7%	38.1%	40.2%									50.8%	31.4%	8.7%	10.6%	
2007	2,957	32.2%	38.1%										60.7%	24.9%	13.2%	22.6%	
2008	2,755	4.4%											49.9%	0.0%	4.4%	45.5%	

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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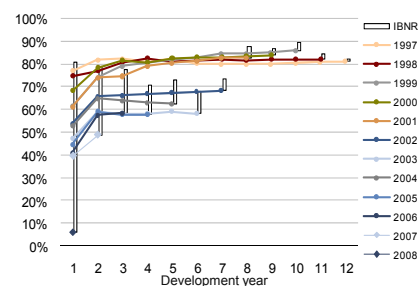
Backup: Financial reporting 2008



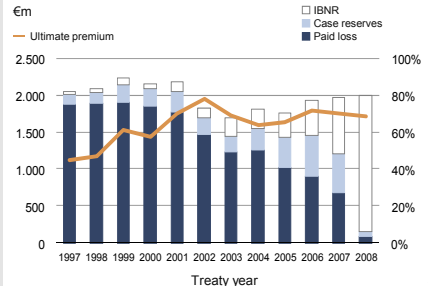
Reserves – Munich Re Munich Liability and motor – Proportional

Treaty year	Ultimate premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
1997	1,117	76.7%	81.4%	82.1%	80.8%	82.0%	80.1%	79.8%	79.8%	79.8%	80.1%	80.7%	80.9%	82.0%	75.2%	5.7%	1.2%
1998	1,172	74.5%	76.5%	80.5%	82.2%	81.0%	81.3%	81.5%	81.4%	81.5%	81.7%	81.7%		84.0%	75.8%	6.0%	2.3%
1999	1,525	61.2%	73.9%	79.0%	80.4%	81.7%	82.5%	84.3%	84.3%	84.9%	85.8%			89.4%	76.5%	9.3%	3.7%
2000	1,431	68.1%	78.2%	81.2%	80.7%	82.4%	82.7%	82.9%	83.1%	83.8%				86.6%	74.3%	9.4%	2.9%
2001	1,756	61.0%	73.7%	74.4%	78.9%	80.2%	81.2%	82.2%	82.4%					87.3%	71.0%	11.4%	4.9%
2002	1,957	53.5%	65.6%	66.1%	66.8%	67.4%	67.7%	68.2%						73.4%	59.1%	9.0%	5.2%
2003	1,727	47.0%	59.0%	58.2%	58.2%	58.9%	58.2%							67.9%	49.4%	8.8%	9.7%
2004	1,602	52.5%	64.6%	63.8%	62.9%	62.3%								72.6%	50.6%	11.7%	10.2%
2005	1,639	44.4%	59.0%	57.6%	57.6%									70.6%	40.8%	16.8%	13.0%
2006	1,796	40.9%	57.2%	58.2%										77.4%	36.1%	22.1%	19.2%
2007	1,759	39.4%	48.6%											78.9%	27.3%	21.4%	30.2%
2008	1,723	5.9%												80.3%	3.3%	2.6%	74.5%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

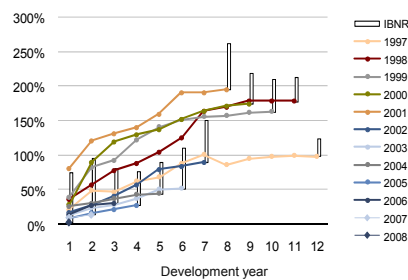


Reserves – Munich Re Munich

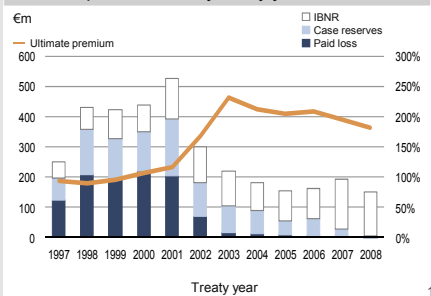
Liability and motor – Non-proportional and facultative

Treaty year	Ultimate premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
1997	186	21.7%	49.4%	46.9%	63.0%	68.5%	88.7%	101.2%	86.2%	95.4%	98.9%	99.2%	98.4%	123.7%	61.9%	36.5%	25.3%
1998	179	36.5%	56.9%	77.7%	88.3%	104.8%	124.9%	163.6%	169.4%	178.9%	178.4%	178.2%		213.8%	103.8%	74.4%	35.6%
1999	192	39.3%	82.7%	92.9%	122.4%	141.4%	151.0%	155.9%	156.8%	161.4%	163.1%			210.6%	97.4%	65.7%	47.5%
2000	213	28.5%	89.8%	119.8%	129.5%	137.2%	152.2%	163.7%	172.0%	174.5%				219.2%	109.6%	64.9%	44.7%
2001	233	80.9%	120.7%	131.3%	140.8%	160.2%	190.5%	190.6%	195.6%					262.1%	101.7%	93.9%	66.5%
2002	338	17.6%	28.7%	41.3%	57.5%	79.4%	83.8%	90.0%						150.2%	35.4%	54.5%	60.2%
2003	463	13.9%	23.8%	29.0%	37.1%	50.7%	52.0%							110.1%	7.6%	44.4%	58.2%
2004	426	26.2%	30.8%	37.2%	43.3%	44.4%								90.4%	6.3%	38.2%	46.0%
2005	409	9.3%	16.5%	21.8%	27.9%									76.8%	3.2%	24.7%	49.0%
2006	416	14.1%	28.3%	30.8%										81.0%	2.4%	28.4%	50.2%
2007	390	9.8%	13.8%											95.4%	2.8%	11.0%	81.6%
2008	363	2.9%												75.4%	0.0%	2.9%	72.6%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

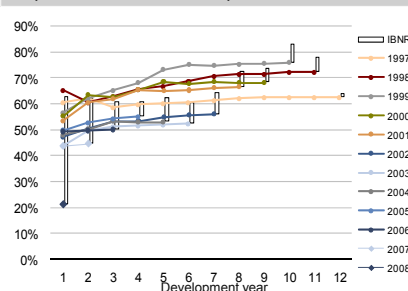


Reserves – Munich Re Munich

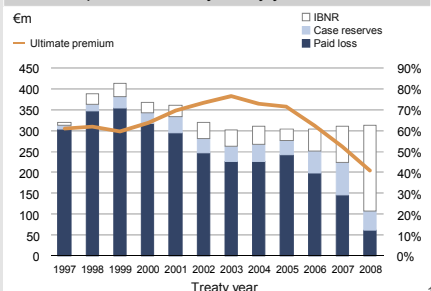
Workers' compensation and personal accident

Treaty year	Ultimate premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
1997	305	60.3%	62.2%	58.5%	59.6%	60.1%	60.3%	61.2%	61.9%	62.3%	62.4%	62.3%	62.3%	63.6%	60.4%	1.9%	1.3%
1998	309	65.0%	60.4%	62.6%	65.3%	66.7%	68.6%	70.6%	71.4%	71.6%	72.0%	72.2%		77.6%	69.3%	2.9%	5.4%
1999	298	56.5%	62.0%	65.0%	68.1%	73.3%	75.1%	74.8%	75.3%	75.6%	75.8%			82.6%	70.7%	5.1%	6.8%
2000	317	55.1%	63.5%	62.7%	65.3%	68.5%	67.9%	68.4%	68.2%	68.3%				73.4%	63.4%	4.9%	5.1%
2001	348	53.4%	60.4%	61.8%	65.1%	64.9%	65.1%	65.9%	66.4%					72.1%	58.5%	7.9%	5.6%
2002	367	47.1%	50.3%	53.2%	53.2%	54.7%	55.7%	55.9%						63.9%	48.9%	7.0%	8.0%
2003	383	43.5%	49.3%	51.0%	51.6%	51.9%	52.3%							60.2%	45.0%	7.2%	7.9%
2004	365	47.9%	50.1%	53.2%	52.7%	53.0%								62.1%	45.0%	8.0%	9.1%
2005	357	49.8%	52.6%	54.1%	55.0%									60.5%	48.3%	6.7%	5.5%
2006	310	49.2%	49.6%	50.0%										60.3%	39.2%	10.8%	10.3%
2007	260	43.6%	44.5%											61.8%	28.9%	15.6%	17.3%
2008	203	21.1%												62.5%	12.1%	9.0%	41.4%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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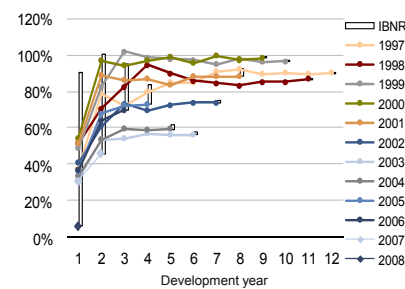
Backup: Financial reporting 2008

Reserves – Munich Re Munich Marine

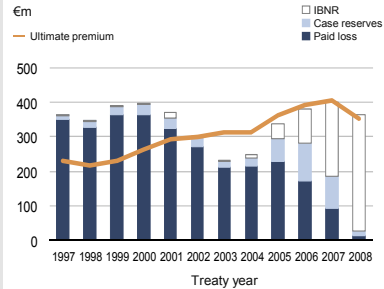


Treaty year	Ultimate premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR
1997	229	37.4%	78.7%	71.9%	79.9%	84.8%	84.6%	90.8%	92.3%	89.3%	90.6%	89.8%	90.2%	90.4%	87.6%	2.7%	0.1%
1998	214	51.6%	70.4%	82.4%	94.4%	89.7%	85.6%	84.7%	82.9%	84.9%	85.1%	86.7%		86.9%	81.8%	4.9%	0.2%
1999	226	48.7%	82.5%	101.9%	98.7%	97.9%	97.0%	94.9%	97.9%	96.2%	96.3%			97.1%	90.5%	5.7%	0.8%
2000	261	54.6%	96.9%	94.5%	96.9%	98.6%	95.6%	99.5%	97.2%	98.4%				99.0%	90.6%	7.8%	0.6%
2001	293	51.6%	88.8%	86.3%	86.9%	83.7%	87.9%	88.4%	88.2%					92.6%	80.5%	7.7%	4.4%
2002	299	40.8%	60.8%	73.4%	69.6%	72.4%	74.0%	73.7%						74.8%	67.7%	6.0%	1.1%
2003	313	31.7%	53.7%	54.4%	56.9%	56.3%	56.4%							57.5%	52.2%	4.2%	1.1%
2004	311	33.6%	53.8%	59.5%	59.1%	59.2%								61.3%	53.7%	5.6%	2.1%
2005	363	36.4%	67.9%	72.5%	73.0%									83.8%	56.8%	16.1%	10.9%
2006	391	36.8%	64.1%	69.9%										94.9%	42.8%	27.1%	25.0%
2007	405	30.7%	45.8%											100.1%	23.1%	22.7%	54.3%
2008	352	5.9%												90.6%	3.3%	2.6%	84.7%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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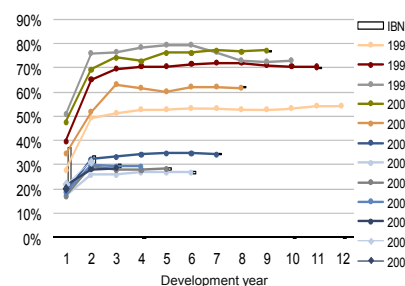
Backup: Financial reporting 2008

Reserves – Munich Re America Property

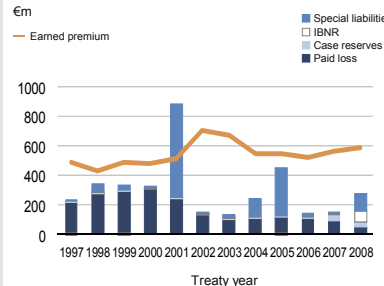


Treaty year	Earned premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1997	489	27.7%	49.2%	51.1%	52.6%	53.3%	53.1%	52.9%	52.6%	53.4%	54.0%	54.2%		56.3%	54.0%	0.2%	-0.1%	2.2%
1998	426	39.7%	65.3%	69.5%	70.3%	70.7%	71.3%	72.0%	71.8%	71.2%	70.7%	70.3%		85.0%	69.3%	1.0%	0.4%	14.3%
1999	487	50.9%	75.8%	76.6%	78.4%	79.3%	79.5%	76.5%	73.1%	72.8%	73.1%			82.4%	71.4%	1.7%	-0.2%	9.4%
2000	476	47.5%	69.6%	74.1%	72.8%	76.3%	76.3%	77.3%	76.9%	77.1%				80.0%	75.1%	2.0%	0.3%	2.6%
2001	511	34.4%	51.7%	63.2%	61.8%	60.1%	62.5%	62.0%	61.9%					219.9%	61.0%	0.9%	0.8%	157.2%
2002	704	18.6%	32.5%	33.5%	34.2%	34.8%	34.7%	34.5%						36.2%	33.7%	0.8%	0.3%	1.4%
2003	672	17.2%	25.8%	25.6%	26.7%	26.6%	26.5%							32.7%	26.0%	0.5%	0.7%	5.6%
2004	545	16.9%	29.2%	27.7%	27.9%	28.1%								58.9%	26.1%	2.0%	0.8%	30.1%
2005	540	18.3%	29.8%	29.5%	29.3%									110.7%	27.3%	1.9%	-0.5%	81.9%
2006	517	21.7%	28.0%	28.6%										33.4%	26.1%	2.5%	1.7%	3.1%
2007	564	21.7%	30.9%											37.0%	21.1%	9.8%	3.1%	3.1%
2008	582	20.0%												67.0%	10.2%	9.8%	17.4%	29.6%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

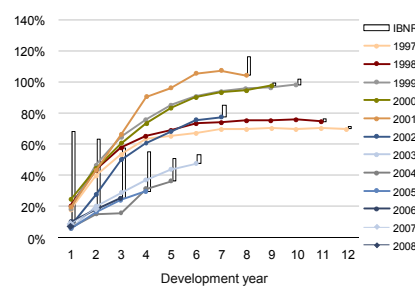
Reserves – Munich Re America

Liability and motor – Proportional

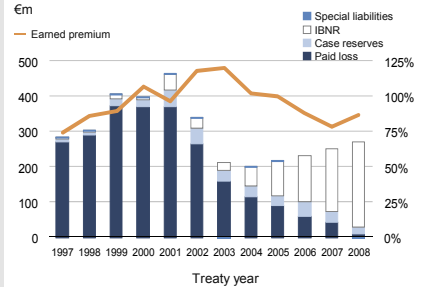


Treaty year	Earned premium €m	1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1997	297	17.6%	39.8%	53.2%	63.2%	65.2%	67.2%	69.5%	69.5%	70.2%	69.8%	69.9%	69.7%	71.3%	67.3%	2.4%	1.6%	0.0%
1998	345	20.1%	43.2%	57.4%	64.8%	69.1%	73.0%	73.9%	74.8%	75.4%	75.7%	74.5%		75.9%	72.5%	1.9%	1.4%	0.0%
1999	359	18.3%	46.6%	64.5%	75.9%	84.8%	90.6%	93.5%	95.5%	96.0%	98.1%			101.4%	93.2%	4.9%	3.3%	0.0%
2000	427	24.3%	44.3%	60.4%	73.2%	83.0%	89.8%	92.9%	94.5%	97.4%				99.4%	92.7%	4.7%	1.9%	0.1%
2001	386	19.3%	42.7%	66.2%	90.1%	96.1%	105.4%	107.0%	104.2%					116.5%	92.6%	11.6%	11.7%	0.6%
2002	473	7.5%	27.2%	49.6%	60.6%	67.8%	75.6%	77.4%						85.3%	66.5%	10.8%	7.6%	0.3%
2003	481	5.7%	19.8%	28.6%	36.7%	43.4%	47.4%							53.4%	39.6%	7.8%	6.0%	0.0%
2004	408	5.8%	15.0%	15.5%	31.3%	36.1%								50.5%	28.6%	7.6%	14.4%	0.0%
2005	400	5.5%	16.0%	24.0%	29.7%									54.7%	22.3%	7.4%	25.0%	0.0%
2006	354	9.9%	18.1%	25.3%										57.6%	14.8%	10.6%	32.3%	0.0%
2007	314	8.8%	18.4%											63.1%	10.4%	8.0%	44.7%	0.0%
2008	346	7.0%												67.8%	2.2%	4.8%	60.7%	0.0%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

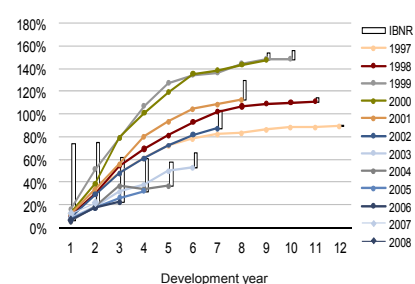
Reserves – Munich Re America

Liability and motor – Non-proportional

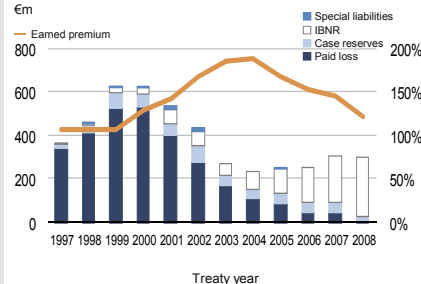


Treaty year	Earned premium €m	1	2	3	4	5	6	7	8	9	10	11	12	Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1997	422	12.1%	32.6%	47.5%	60.5%	72.0%	77.9%	81.8%	82.6%	85.8%	87.5%	88.3%	89.0%	90.6%	83.8%	5.1%	1.7%	0.0%
1998	423	10.0%	29.6%	54.0%	69.0%	80.9%	92.9%	102.0%	106.3%	108.7%	110.1%	110.9%		114.4%	101.8%	9.1%	3.5%	0.0%
1999	422	15.8%	51.1%	78.9%	107.3%	127.0%	134.1%	136.4%	143.9%	148.3%	148.3%			156.5%	130.2%	18.2%	7.6%	0.6%
2000	513	12.0%	38.2%	79.0%	101.1%	119.1%	135.2%	138.7%	144.0%	147.5%				156.7%	132.3%	15.2%	6.9%	2.2%
2001	568	11.2%	33.0%	55.8%	79.8%	93.2%	104.4%	107.9%	112.5%					133.6%	98.9%	13.6%	17.1%	4.1%
2002	672	8.4%	28.5%	47.4%	61.0%	72.4%	81.8%	87.3%						108.8%	68.6%	18.8%	16.5%	4.9%
2003	741	7.7%	17.9%	30.9%	37.6%	49.5%	52.7%							66.0%	41.2%	11.5%	13.3%	0.0%
2004	754	4.7%	17.5%	36.3%	33.1%	36.3%								58.0%	26.5%	9.8%	21.7%	0.0%
2005	669	7.0%	17.2%	25.9%	31.8%									62.1%	20.1%	11.7%	29.0%	1.3%
2006	609	6.0%	16.8%	22.4%										61.5%	9.7%	12.7%	39.1%	0.0%
2007	580	11.8%	21.3%											74.8%	10.7%	10.6%	53.6%	0.0%
2008	483	5.9%												74.1%	0.4%	5.6%	68.2%	0.0%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

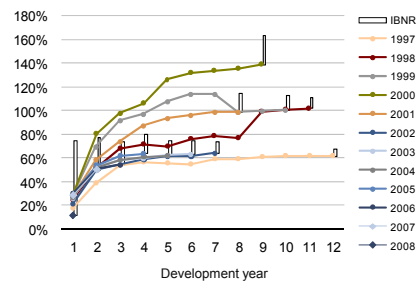


Reserves – Munich Re America

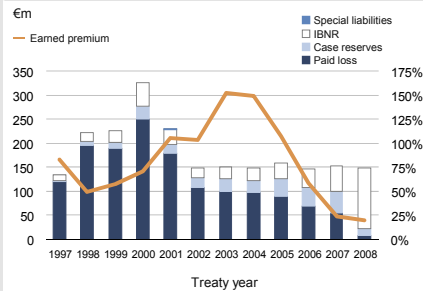
Workers' compensation – Proportional

Treaty Year	Earned premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1997	166	17.0%	38.7%	53.1%	56.3%	55.4%	54.4%	59.2%	58.8%	61.0%	61.3%	61.2%	61.5%	67.4%	60.0%	1.5%	5.9%	0.0%
1998	99	24.2%	51.7%	68.3%	71.5%	69.5%	76.4%	78.9%	77.1%	99.5%	100.8%	101.9%		111.2%	97.5%	4.4%	9.4%	0.0%
1999	115	27.2%	69.5%	91.4%	97.0%	107.7%	113.7%	113.5%	98.5%	99.6%	100.7%			113.2%	95.0%	5.7%	12.5%	0.0%
2000	141	27.2%	80.1%	97.5%	105.8%	126.1%	131.7%	133.8%	135.9%	139.1%				163.2%	125.4%	13.7%	24.1%	0.0%
2001	210	26.9%	67.9%	73.9%	87.1%	92.8%	96.0%	98.4%	98.5%					114.9%	89.7%	8.7%	16.4%	0.0%
2002	207	20.7%	49.9%	54.4%	58.7%	60.9%	61.7%	64.0%						74.1%	54.5%	9.5%	10.1%	0.0%
2003	304	25.7%	52.5%	57.6%	59.9%	62.5%	63.2%							75.0%	50.1%	13.1%	11.8%	0.0%
2004	298	26.5%	51.7%	57.8%	60.5%	61.5%								74.7%	48.6%	12.9%	13.2%	0.0%
2005	215	28.2%	53.6%	61.4%	63.6%									79.7%	44.8%	18.8%	16.1%	0.0%
2006	116	29.7%	50.3%	54.2%										74.0%	34.3%	19.8%	19.8%	0.0%
2007	49	28.0%	49.8%											76.9%	27.3%	22.4%	27.1%	0.0%
2008	40	11.1%												74.5%	4.0%	7.0%	63.5%	0.0%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

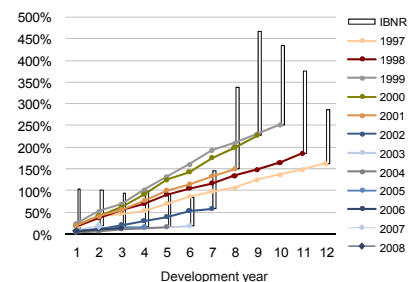


Reserves – Munich Re America

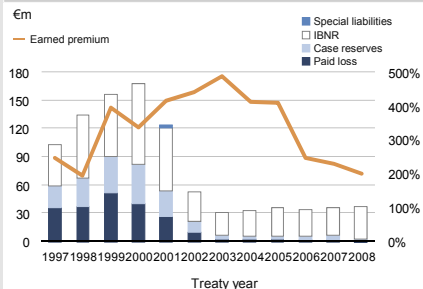
Workers' compensation – Non-proportional

Treaty year	Earned premium €m	Development year												Ultimate loss ratio	Paid loss	Case reserves	IBNR	Special liabilities
1997	88	13.2%	40.8%	45.6%	53.0%	69.3%	85.3%	97.4%	106.2%	124.0%	136.7%	148.3%	161.9%	284.3%	99.7%	62.2%	122.4%	0.0%
1998	69	17.9%	37.2%	55.7%	70.2%	90.6%	104.3%	116.5%	133.1%	148.1%	164.8%	185.4%		374.2%	102.2%	83.3%	188.8%	0.0%
1999	142	23.3%	51.0%	68.6%	100.6%	131.0%	160.2%	191.8%	209.2%	229.6%	250.5%			433.6%	143.2%	107.3%	183.1%	0.0%
2000	121	18.7%	41.2%	61.5%	90.7%	124.4%	142.1%	175.2%	198.7%	226.7%				466.5%	111.6%	115.1%	239.8%	0.0%
2001	150	18.7%	40.3%	54.5%	76.1%	99.3%	113.7%	131.5%	148.3%					344.7%	72.2%	76.1%	187.7%	8.7%
2002	158	5.8%	11.3%	20.0%	28.8%	39.2%	52.2%	56.9%						145.5%	25.9%	31.0%	88.6%	0.0%
2003	175	3.4%	9.3%	12.5%	14.0%	16.5%	17.7%							83.3%	7.1%	10.6%	65.6%	0.0%
2004	148	3.4%	6.9%	9.6%	14.4%	15.7%								91.3%	5.6%	10.1%	75.6%	0.0%
2005	147	6.4%	10.8%	14.3%	15.6%									98.5%	5.9%	9.7%	83.0%	0.0%
2006	88	6.3%	11.9%	13.2%										91.9%	2.7%	10.5%	78.7%	0.0%
2007	82	7.6%	18.0%											100.2%	1.8%	16.3%	82.2%	0.0%
2008	71	6.4%												101.5%	0.5%	5.9%	95.1%	0.0%

Reported loss ratio development – 1997–2008



Portfolio performance by treaty year – 1997–2008



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Backup: Financial reporting 2008

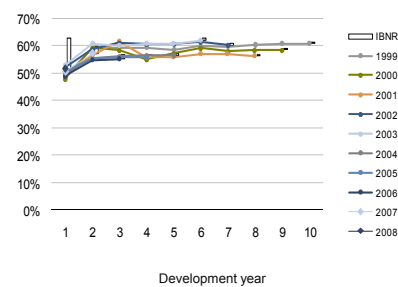


Reserves – ERGO

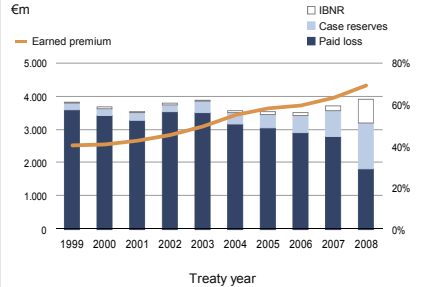
Property and casualty

Treaty year	Earned premium €m	Development year										Ultimate loss ratio	Paid loss	Case reserves	IBNR
		1	2	3	4	5	6	7	8	9	10				
1999	2,528	48.4%	59.1%	59.2%	59.2%	58.6%	59.8%	59.6%	60.2%	60.7%	60.8%	61.2%	57.9%	2.8%	0.4%
2000	2,555	47.6%	58.9%	58.4%	55.0%	57.1%	59.0%	57.9%	58.4%	58.4%		58.9%	55.1%	3.3%	0.5%
2001	2,675	49.4%	56.5%	61.4%	55.8%	55.9%	57.0%	56.9%	56.3%			56.8%	52.9%	3.4%	0.5%
2002	2,842	51.7%	58.5%	60.9%	60.6%	60.3%	61.2%	60.2%				60.7%	56.6%	3.5%	0.5%
2003	3,103	52.7%	60.8%	59.8%	60.7%	60.7%	61.8%					62.5%	56.5%	5.2%	0.7%
2004	3,445	49.6%	55.1%	56.0%	56.3%	56.3%						57.1%	50.8%	5.4%	0.8%
2005	3,648	50.6%	55.4%	55.5%	55.7%							56.6%	49.2%	6.5%	1.0%
2006	3,723	48.9%	54.6%	55.0%								56.4%	46.7%	8.3%	1.5%
2007	3,972	50.5%	57.2%									59.6%	44.7%	12.5%	2.5%
2008	4,339	51.5%										62.6%	29.4%	22.1%	11.1%

Reported loss ratio development – 1999–2008



Portfolio performance by treaty year – 1999–2008



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Backup: Financial reporting 2008



Reserves – Asbestos and environmental

Survival ratio 31 December 2008

€m – Net definitive

Munich Re Group (net)	Asbestos	Environmental	A&E
Paid	1,350.6	587.6	1,938.2
Case reserves	601.2	75.6	676.8
IBNR	878.4	229.9	1,108.3
Total reserves	1,479.6	305.5	1,785.1
3-year average annual paid losses	88.4	24.3	112.7
Survival ratio 3-year average	16.7	12.6	15.8

Non-€ currencies converted at rate of exchange as of 31.12.2008.

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Backup: Financial reporting 2008

Sensitivities

EEV as at 31 December 2008



€m	Reinsurance		Primary insurance	
	EEV	Change	EEV	Change
Base case	6,116		3,509	
Frictional cost rate +100bp	5,469	–647	2,938	–571
No frictional costs	6,887	771	4,119	610
Mortality/morbidity (life business) –5%	7,338	1,222	3,557	48
Mortality (annuity business) –5%	6,096	–20	3,471	–38
No mortality improvements (life business)	3,883	–2,233	3,509	0
Lapse rates –10%	6,221	104	3,526	17
Maintenance expenses –10%	6,175	59	3,587	78
Interest rates –100bp	6,559	443	1,945	–1,564
Interest rates +100bp	5,719	–397	4,477	968
Swaption implied volatilities +25%	6,114	–3	3,257	–252
Equity/property implied volatilities +25%	6,091	–25	3,527	18
Minimum solvency capital	6,270	154	3,879	370

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Backup: Financial reporting 2008



Sensitivities

2008 value of new business

€m	Reinsurance		Primary insurance	
	VANB	Change	VANB	Change
Base case	356		-45	
Frictional cost rate +100bp	283	-73	-65	-20
No frictional costs	435	79	-25	20
Mortality/morbidity (life business) -5%	468	112	-48	-3
Mortality (annuity business) -5%	356	0	-45	0
No mortality improvements (life business)	160	-196	-45	0
Lapse rates -10%	368	12	-43	2
Maintenance expenses -10%	365	9	-35	10
Interest rates -100bp	364	8	-117	-72
Interest rates +100bp	346	-10	-5	40
Swaption implied volatilities +25%	356	0	-63	-18
Equity/property implied volatilities +25%	356	0	-46	-1

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Backup: Financial reporting 2008



Experience variances and operating assumption changes

Track record of prudent operating assumptions

Traditional embedded value					Market-consistent embedded value				
REINSURANCE SEGMENT									
€m	2001	2002	2003	2004	2005	2006	2007	2008	Sum 2001–2008
Experience variances	-78	98	3	134	127	-83	160	42	403
Operating assumption changes	49	23	66	-10	-61	94	-72	-106	-17
Total	-29	121	69	124	66	11	88	-64	386
PRIMARY INSURANCE SEGMENT									
€m	2001	2002	2003	2004	2005	2006	2007	2008	Sum 2001–2008
Experience variances	-39	3	-3	10	62	202	-47	28	216
Operating assumption changes	3	-115	-5	-13	188	313	135	-113	393
Total	-36	-112	-8	-3	250	515	88	-85	609

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Backup: Financial reporting 2008



Reconciliation to IFRS equity IFRS uplift of €2.6bn

REINSURANCE SEGMENT

31.12.2007

€m

■ IFRS equity ■ Of which goodwill
■ Value not recognised in IFRS equity (IFRS uplift)

IFRS equity	4,096	
EEV	6,662	2,566

31.12.2008

€m

IFRS equity	3,900	
EEV	6,116	2,216

PRIMARY INSURANCE SEGMENT

31.12.2007

€m

IFRS equity	3,687	-1,165
EEV	5,406	2,884

31.12.2008

€m

IFRS equity	4,308	-1,217
EEV	3,509	417

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Backup: Financial reporting 2008



Reinsurance life EEV earnings in line with ambitious targets

IFRS operating result (life and health)

€m

2007 ¹	1,075	
2008	934	

IFRS net profit (life and health)

€m

2007 ¹	714	
2008	573	

European Embedded Value – Life

	€m	% of opening EEV
Operating EEV earnings	2007 701	11.8%
	2008 618	9.3%
Total EEV earnings	2007 859	14.4%
	2008 498	7.5%

High value added by new business of €356m (prev. €277m) exceeds 15% growth target

¹Adjusted pursuant to IAS 8.

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Backup: Financial reporting 2008



Primary insurance life and health

Challenging market conditions with adverse impact on EEV earnings

IFRS operating result			IFRS net profit		
€m			€m		
2007	579		2007	358	
2008	148		2008	7	

European Embedded Value					
	€m			% of opening EEV	
Operating EEV earnings	2007	478		11.5%	
	2008	177		3.3%	
Total EEV earnings	2007	1,206		29.0%	
	2008	-2,237		-41.4%	

Extreme capital market conditions with strong impact on operating EEV earnings and moreover on total EEV earnings

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Backup: Financial reporting 2008



Primary insurance – German life

Negative EEV earnings due to adverse capital market conditions

€m				
European Embedded Value 31.12.2007	2,882			
EEV earnings	-2,176			
Currency movements	0			
Value of acquired/ (divested) business	32			
Capital movements	-29			
European Embedded Value 31.12.2008	708			
Expected return	162			
Experience variances	-15			
Operating assumption changes	-400			
Value added by new business	-111			
Operating EEV earnings	-364		-12.6% of EEV	
Tax variances/ assumption changes	-132			
Economic variances	-1,680			
Total EEV earnings	-2,176			

- Result dominated by very low interest rates and extreme interest-rate volatility
- Operating assumption changes from new legislation on policyholder participation ("MindZufVer")
- Value added by new business also dominated by capital market environment
- Economic variance effected by exorbitant increase of time value of financial options and guarantees

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Backup: Financial reporting 2008



Primary insurance – German health

Solid development of European Embedded Value

€m		
European Embedded Value 31.12.2007	1,573	
EEV earnings	224	
Currency movements	0	
Value of acquired/ (divested) business	0	
Capital movements	-15	
European Embedded Value 31.12.2008	1,783	
Expected return	81	
Experience variances	47	
Operating assumption changes	317	
Value added by new business	40	
Operating EEV earnings	485	30.8% of EEV
Tax variances/ assumption changes	-35	
Economic variances	-226	
Total EEV earnings	224	14.2% of EEV

- Strong operating EEV earnings (30.8%)
- Moderate impact of capital markets on total EEV earnings (14.2%)
- Operating assumption changes affected by increase of projection period from 40 to 80 years
- Increased profitability of new business (VANB €40m)
- Small impact of capital markets: lower future interest rates can be balanced by changing the technical interest rate (therefore also no TVFOG)

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Backup: Financial reporting 2008



Primary insurance – International life

Positive contribution by acquisitions

€m		
European Embedded Value 31.12.2007	951	
EEV earnings	-285	
Currency movements	-6	
Value of acquired/ (divested) business	356	
Capital movements	2	
European Embedded Value 31.12.2008	1,018	
Expected return	64	
Experience variances	-4	
Operating assumption changes	-30	
Value added by new business	26	
Operating EEV earnings	56	5.9% of EEV
Tax variances/ assumption changes	-7	
Economic variances	-334	
Total EEV earnings	-285	-30.0% of EEV

- Positive contribution by acquisitions (BACAV and increase in stakes of ERGO Previdenza)
- Experience variance and operating assumption changes affected by interest-rate-induced rise in lapse rates
- Acquisitions and organic growth stabilise value added by new business in spite of capital markets
- Acceptable operating EEV earnings (5.9%)
- Significant impact of capital markets on total EEV earnings

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

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

¹ Adjusted pursuant to IAS 8.

Consolidated financial statements

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

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

¹ Adjusted pursuant to IAS 8.

Consolidated financial statements

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

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

¹ Adjusted pursuant to IAS 8.

Consolidated financial statements

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

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

¹ Adjusted pursuant to IAS 8.



Consolidated financial statements

Income statement

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

¹ Adjusted pursuant to IAS 8.



Consolidated financial statements

Income statement – Q4 2008

	Q4 2008			Q4 2007 ¹	Change	
	€m	€m	€m	€m	€m	%
Gross premiums written	9,706			9,185	521	5.7
1. Earned premiums						
Gross	10,086			9,628	458	4.8
Ceded	459			377	82	21.8
Net		9,627		9,251	376	4.1
2. Investment result		1,923		1,625	298	18.3
Thereof: Income from associates		–48		–6	–42	–700.0
3. Other income		1,865		804	1,061	132.0
Total income (1–3)		13,415		11,680	1,735	14.9
4. Expenses for claims and benefits						
Gross	8,191			7,469	722	9.7
Ceded	446			268	178	66.4
Net		7,745		7,201	544	7.6
5. Operating expenses						
Gross	2,692			2,449	243	9.9
Ceded	88			66	22	33.3
Net		2,604		2,383	221	9.3
6. Other expenses		2,055		999	1,056	105.7
Total expenses (4–6)		12,404		10,583	1,821	17.2
7. Result before impairment losses of goodwill		1,011		1,097	–86	–7.8
8. Impairment losses of goodwill		167		11	156	>1,000.0
9. Operating result		844		1,086	–242	–22.3
10. Finance costs		89		95	–6	–6.3
11. Taxes on income		634		410	224	54.6
12. Consolidated result		121		581	–460	–79.2
Thereof:						
Attributable to Munich Re equity holders		133		552	–419	–75.9
Attributable to minority interests		–12		29	–41	–
		€		€	€	%
Earnings per share		0.68		2.64	–1.96	–74.2

¹ Adjusted pursuant to IAS 8.



Segment reporting

Assets

€m	Reinsurance				Primary insurance				Asset management		Consolidation		Total	
	Life and health	Property-casualty	Life and health	Property-casualty	Life and health	Property-casualty	Life and health	Property-casualty	Life and health	Property-casualty	Life and health	Property-casualty	Life and health	Property-casualty
	31.12.08	Prev.yr. ¹	31.12.08	Prev.yr. ¹	31.12.08	Prev.yr.	31.12.08	Prev.yr.	31.12.08	Prev.yr.	31.12.08	Prev.yr.	31.12.08	Prev.yr. ¹
A. Intangible assets	396	331	1,868	1,231	2,104	1,666	978	1,024	12	11	-2	-2	5,356	4,261
B. Investments														
I. Land and buildings, including buildings on third-party land	399	452	696	649	2,487	2,501	90	94	61	58	-1	-1	3,732	3,753
II. Investments in affiliated companies and associates	2,207	2,480	3,720	3,427	509	559	3,883	3,132	61	99	-9,182	-8,529	1,198	1,168
III. Loans	839	235	1,387	308	39,293	35,130	2,283	1,720	1	7	-3,377	-1,898	40,426	35,502
IV. Other securities														
1. Held to maturity	-	-	-	-	138	192	5	8	-	-	-	-	143	200
2. Available for sale	11,457	11,146	44,724	48,009	52,779	53,655	5,841	6,197	44	27	-1	-	114,844	119,034
3. Held for trading	211	123	494	494	1,949	380	468	302	-	-	-	-	3,122	1,299
	11,668	11,269	45,218	48,503	54,866	54,227	6,314	6,507	44	27	-1	-	118,109	120,533
V. Deposits retained on assumed reinsurance	10,142	11,082	1,271	1,714	86	278	19	18	-	-	-4,872	-4,886	6,646	8,206
VI. Other investments	131	609	231	1,206	1,157	2,346	415	602	286	455	-228	-385	1,992	4,833
	25,386	26,127	52,523	55,807	98,398	95,041	13,004	12,073	453	646	-17,661	-15,699	172,103	173,995
C. Investments for the benefit of life insurance policyholders who bear the investment risk	-	-	-	-	2,874	2,178	-	-	-	-	-	-	2,874	2,178
D. Ceded share of technical provisions	374	761	2,712	3,024	6,844	6,612	1,510	1,489	-	-	-6,189	-6,263	5,251	5,623
E. Other segment assets	5,965	5,872	9,180	8,394	12,403	12,011	3,992	4,287	94	118	-1,801	-2,447	29,833	28,235
Total segment assets	32,121	33,091	66,283	68,456	122,623	117,508	19,484	18,873	559	775	-25,653	-24,411	215,417	214,292

Munich Re Group – Analysts' Conference 2009 – 3 March 2009

¹ Adjusted pursuant to IAS 8.



Segment reporting

Equity and liabilities

€m	Reinsurance				Primary insurance				Asset management		Consolidation		Total	
	Life and health	Property-Casualty	Life and health	Property-Casualty	Life and health	Property-Casualty	Life and health	Property-Casualty	Life and health	Property-Casualty	Life and health	Property-Casualty	Life and health	Property-Casualty
	31.12.08	Prev. yr. ¹	31.12.08	Prev. yr. ¹	31.12.08	Prev. yr.	31.12.08	Prev. yr.	31.12.08	Prev. yr.	31.12.08	Prev. yr.	31.12.08	Prev. yr. ¹
A. Subordinated liabilities	1,697	1,910	2,846	2,584	99	–	410	393	–	–	–73	–10	4,979	4,877
B. Gross technical provisions														
I. Unearned premiums	274	186	4,609	4,080	103	104	1,683	1,613	–	–	–248	–264	6,421	5,719
II. Provision for future policy benefits	14,060	14,666	300	748	88,840	83,958	345	310	–	–	–4,807	–4,749	98,738	94,933
III. Provision for outstanding claims	3,549	3,649	34,865	34,783	2,335	2,186	5,165	4,917	–	–	–883	–975	45,031	44,560
IV. Other technical provisions	818	850	165	274	8,409	9,554	132	122	–	–	–232	–264	9,292	10,536
	18,701	19,351	39,939	39,885	99,687	95,802	7,325	6,962	–	–	–6,170	–6,252	159,482	155,748
C. Gross technical provisions for life insurance policies where the investment risk is borne by the policyholders	–	–	–	–	2,940	2,308	–	–	–	–	–	–	2,940	2,308
D. Other accrued liabilities	290	302	654	477	761	767	1,252	1,287	47	44	–22	–84	2,982	2,793
E. Other segment liabilities	4,821	5,274	8,436	7,999	14,410	14,381	6,002	4,421	354	512	–10,245	–9,437	23,778	23,150
Total segment liabilities	25,509	26,837	51,875	50,945	117,897	113,258	14,989	13,063	401	556	–16,510	–15,783	194,161	188,876
													Equity	21,256
													Total	215,417

¹ Adjusted pursuant to IAS 8.

Segment reporting

Income statement

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

¹ Adjusted pursuant to IAS 8.



Segment reporting – Explanations to Group income statement

Investment income and expenses by segment

	Reinsurance				Primary insurance				Asset management		Total	
	Life and health		Property-casualty		Life and health		Property-casualty					
€m ¹	2008	2007 ²	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007 ²
Regular income	1,013	1,215	1,861	2,030	4,498	4,379	412	374	54	112	7,838	8,110
Income from write-ups	485	195	2,032	814	1,780	206	52	16	–	–	4,349	1,231
Gains on the disposal of investments	982	603	4,645	2,586	1,797	2,237	365	243	6	2	7,795	5,671
Other income	–	–	–	–	76	52	1	1	5	13	82	66
Total	2,480	2,013	8,538	5,430	8,151	6,874	830	634	65	127	20,064	15,078
Write-downs of investments	872	258	3,243	1,193	2,760	723	307	81	9	8	7,191	2,263
Losses on the disposal of investments	633	352	3,053	1,419	1,767	997	185	94	12	6	5,650	2,868
Management expenses, interest charges and other expenses	66	53	298	221	980	385	31	31	2	4	1,377	694
Total	1,571	663	6,594	2,833	5,507	2,105	523	206	23	18	14,218	5,825

¹ After elimination of intra-Group transactions across segments.² Adjusted pursuant to IAS 8.



Segment reporting – Explanations of consolidated income statement

Expenses for claims and benefits (gross and ceded share)

€m ¹	Reinsurance				Primary insurance				Total	
	Life and health		Property-casualty		Life and health		Property-casualty		2008	2007 ²
	2008	2007 ²	2008	2007	2008	2007 ²	2008	2007		
Gross										
Claims and benefits paid	4,229	5,446	9,132	8,875	10,392	10,057	3,144	2,986	26,897	27,364
Change in technical provisions										
– Provision for future policy benefits	518	412	19	23	640	1,771	27	38	1,204	2,244
– Provision for outstanding claims	54	–934	478	223	128	–66	352	202	1,012	–575
– Provision for premium refunds	–	–	6	–	551	2,047	15	21	572	2,068
Other technical result	17	1	28	10	129	188	37	14	211	213
Gross expenses for claims and benefits	4,818	4,925	9,663	9,131	11,840	13,997	3,575	3,261	29,896	31,314
Ceded share										
Claims and benefits paid	182	333	1,019	1,008	81	69	162	267	1,444	1,677
Change in technical provisions										
– Provision for future policy benefits	–15	–8	–	–1	59	95	–	–	44	86
– Provision for outstanding claims	–21	–128	–357	–579	3	3	107	–136	–268	–840
– Provision for premium refunds	–	–	–	–	–	–	1	1	1	1
Other technical result	8	–17	–4	2	–49	–66	1	2	–44	–79
Expenses for claims and benefits Ceded share	154	180	658	430	94	101	271	134	1,177	845

¹ After elimination of intra-Group transactions across segments.² Adjusted pursuant to IAS 8.

Segment reporting – Explanations of consolidated income statement

Expenses for claims and benefits (net)

	Reinsurance				Primary insurance				Total	
	Life and health		Property-casualty		Life and health		Property-casualty			
€m ¹	2008	2007 ²	2008	2007	2008	2007	2008	2007	2008	2007 ²
Net										
Claims and benefits paid	4,047	5,113	8,113	7,867	10,311	9,988	2,982	2,719	25,453	25,687
Change in technical provisions										
– Provision for future policy benefits	533	420	19	24	581	1,676	27	38	1,160	2,158
– Provision for outstanding claims	75	–806	835	802	125	–69	245	338	1,280	265
– Provision for premium refunds	–	–	6	–	551	2,047	14	20	571	2,067
Other technical result	9	18	32	8	178	254	36	12	255	292
Net expenses for claims and benefits	4,664	4,745	9,005	8,701	11,746	13,896	3,304	3,127	28,719	30,469

¹ After elimination of intra-Group transactions across segments.² Adjusted pursuant to IAS 8.

Segment reporting – Explanations of consolidated income statement

Operating expenses

	Reinsurance				Primary insurance				Total	
	Life and health		Property-casualty		Life and health		Property-casualty			
€m ¹	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Acquisition costs	-15	1	212	-33	1,303	1,320	1,184	1,153	2,684	2,441
Administration expenses	319	250	852	835	421	424	624	668	2,216	2,177
Amortisation of acquired insurance portfolios	6	5	-	-	25	22	-	-	31	27
Reinsurance commission and profit commission	1,405	1,556	2,948	3,045	7	16	39	9	4,399	4,626
Gross operating expenses	1,715	1,812	4,012	3,847	1,756	1,782	1,847	1,830	9,330	9,271
Ceded share of acquisition costs	18	9	15	15	-33	-1	-2	4	-2	27
Commission received on ceded business	55	52	179	240	21	21	34	53	289	366
Operating expenses Ceded share	73	61	194	255	-12	20	32	57	287	393
Net operating expenses	1,642	1,751	3,818	3,592	1,768	1,762	1,815	1,773	9,043	8,878

¹ After elimination of intra-group transactions across segments.



Quarterly figures
Munich Re Group

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

¹ Adjusted pursuant to IAS 8.

Quarterly figures

Reinsurance segment – Life and health

€m	Q1 2007	Q2 2007	Q3 2007 ¹	Q4 2007 ¹	Q1 2008 ¹	Q2 2008 ¹	Q3 2008 ¹	Q4 2008
Gross premiums written	1,791	1,867	1,861	1,774	1,676	1,713	1,794	1,947
Investment result	417	410	353	333	362	480	154	256
Total income	2,202	2,307	2,225	2,181	2,130	2,255	2,059	2,351
Total expenses	1,921	2,009	1,962	1,945	1,800	1,893	1,979	2,189
Operating result	281	298	263	233	330	362	80	162
Finance costs	23	26	31	35	27	30	28	27
Taxes on income	86	43	–79	196	8	75	–2	168
Consolidated result	172	229	311	2	295	257	54	–33

¹ Adjusted pursuant to IAS 8.

Quarterly figures

Reinsurance segment – Property-casualty

€m	Q1 2007	Q2 2007	Q3 2007 ¹	Q4 2007 ¹	Q1 2008 ¹	Q2 2008 ¹	Q3 2008 ¹	Q4 2008
Gross premiums written	4,029	3,306	3,610	3,279	3,814	3,476	3,670	3,692
Investment result	907	914	502	472	626	1,264	79	813
Total income	4,503	4,477	3,930	4,095	4,271	4,675	3,853	5,012
Total expenses	3,725	3,417	3,404	3,396	3,750	3,321	3,816	4,102
Operating result	778	1,060	526	699	521	1,354	37	910
Finance costs	41	45	51	55	52	59	57	54
Taxes on income	111	120	–65	119	186	113	79	467
Consolidated result	626	895	540	525	283	1,182	–99	389
Combined ratio (%)	101.8	94.9	97.1	91.7	103.8	95.4	101.3	97.7

¹ Adjusted pursuant to IAS 8.

Quarterly figures

Primary insurance segment – Life and health

€m	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Gross premiums written	2,855	2,810	2,726	3,256	2,857	2,801	2,724	3,113
Investment result	1,668	1,256	1,100	808	607	740	431	944
Total income	4,483	4,174	3,986	4,278	3,636	3,670	3,342	4,853
Total expenses	4,369	4,084	3,761	4,128	3,536	3,527	3,368	4,755
Operating result	114	90	225	150	100	143	-26	-69
Finance costs	–	1	–	–1	–	–	1	–
Taxes on income	58	46	47	70	42	83	2	13
Consolidated result	56	43	178	81	58	60	-29	-82

Quarterly figures

Primary insurance segment – Property-casualty

€m	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Gross premiums written	1,903	1,245	1,281	1,210	1,946	1,367	1,347	1,256
Investment result	295	117	76	245	109	153	69	-10
Total income	1,478	1,356	1,364	1,557	1,418	1,507	1,546	1,459
Total expenses	1,276	1,152	1,276	1,376	1,272	1,364	1,378	1,587
Operating result	202	204	88	180	146	143	168	-128
Finance costs	6	6	6	5	6	6	26	26
Taxes on income	2	81	-82	24	35	36	67	-29
Consolidated result	194	117	164	151	105	101	75	-125
Combined ratio (%) ¹	102.1	85.1	92.1	94.7	89.0	92.9	88.7	94.2

¹ Incl. legal expenses insurance.

Agenda Backup



Highlights Q4 2008 stand-alone

Capitalisation

Investments

Reserves

Embedded value

Results 2008

Shareholder information

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Backup: Financial reporting 2008



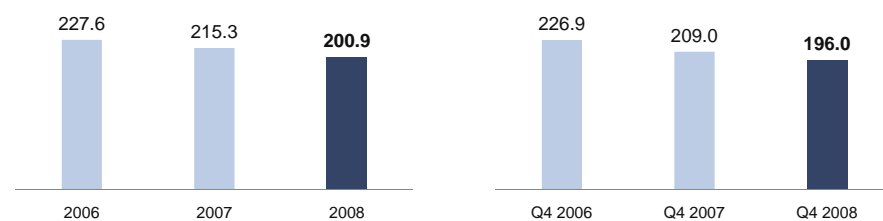
Shareholder information

11.1 million own shares, thereof approx. 9.0 million for retirement

Development of shares in circulation

Shares million	31.12.2007	Acquisition of own shares in 2008	Retirement of own shares in 2008	31.12.2008
Shares in circulation	207.8	–12.1	0.0	195.7
Own shares held	10.1	12.1	–11.5	10.7
Total	217.9	0.0	–11.5	206.4

Weighted average number of shares



Further 0.4 million own shares were acquired since January 2009

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Appendix

Shareholder information

Financial calendar



Münchener Rück
Munich Re Group

13 March 2009	Annual Report 2008
22 April 2009	Annual General Meeting
23 April 2009	Dividend payment
6 May 2009	Interim report as at 31 March 2009
4 August 2009	Interim report as at 30 June 2009; Half-year press conference
5 November 2009	Interim report as at 30 September 2009

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Appendix

Shareholder information

For information please contact



Münchener Rück
Munich Re Group

Christian Becker-Hussong

Head of Investor & Rating Agency Relations
Tel.: +49 (89) 38 91-39 10
E-mail: cbecker-hussong@munichre.com

Ralf Kleinschroth

Tel.: +49 (89) 38 91-45 59
E-mail: rkleinschroth@munichre.com

Christine Franziszi

Tel.: +49 (89) 38 91-38 75
E-mail: cfranziszi@munichre.com

Andreas Silberhorn

Tel.: +49 (89) 38 91-33 66
E-mail: asilberhorn@munichre.com

Martin Unterstrasser

Tel.: +49 (89) 38 91-52 15
E-mail: munterstrasser@munichre.com

Münchener Rückversicherungs-Gesellschaft
Königinstrasse 107, 80802 München, Germany
Fax: +49 (89) 38 91-98 88
E-mail: IR@munichre.com
Internet: www.munichre.com

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