

Munich Re Group

Quarterly financial statements
as at 31 March 2009

Telephone conference
with analysts and investors


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6 May 2009




Münchener Rück
Munich Re Group



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<div> <div>Overview</div> <div>Summary</div> <div>Satisfactory result in view of challenging financial markets</div> </div>	
<div> <div>Satisfactory net profit of €420m in Q1 2009</div> <div>Well-balanced business profile and prudent risk management strengthening earnings resilience</div> </div>	
<div> <div>Increased shareholders' equity at €21.7bn</div> <div>Sound capital position according to all capital measures maintained</div> </div>	
<div> <div>Primary insurance: Financial crisis with significant accounting impact</div> <div>Lower investment result, higher claims and goodwill impairments</div> </div>	
<div> <div>Reinsurance: Ongoing active portfolio management</div> <div>Competitive advantage of financial strength allows for participation in market opportunities, April renewals confirm trend of market hardening</div> </div>	
<div> <div>Increased premium forecast for 2009</div> <div>RoRaC of 15% over the cycle confirmed</div> </div>	

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Financial reporting Q1 2009 – Munich Re Group in total		Münchener Rück Munich Re Group
Capitalisation		
Sound capital base maintained even after capital repatriation		
<p>Sound capitalisation according to all capital measures:</p> <ul style="list-style-type: none"> Regulatory solvency capital ratio of 258% Low/mid single-digit €bn capital buffer according to rating agencies €7.0bn¹ economic capital buffer according to internal model 		
<p>Book value per share increased to €108.4 5.4% CAGR since 1 January 2004</p>		
<p>20.1% debt leverage² and 10.2x interest coverage³ reflects secure financial strength</p>		
<p>Financial solidity reflected externally by:</p> <ul style="list-style-type: none"> Low beta of Munich Re stock, Low CDS spread of 62bps⁴ and AA-rating by all agencies 		
<p>¹ As at 31 December 2008, but after dividend payment of €1.1bn in April 2009 and €0.05bn outstanding from 2008/2009 share buy-back programme. ² Strategic debt divided by total capital (= sum of strategic debt + shareholders' equity). All subordinated bonds treated as strategic debt. ³ Earnings before interest expenses, tax and depreciation divided by finance costs. ⁴ As at 30 April 2009.</p>		
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Financial reporting Q1 2009 – Munich Re Group in total



Capitalisation

Increase in shareholders' equity in Q1

€m	Q1	
Equity 31.12.2008	21,256	
Consolidated result	420	
Changes		
Dividend	–	
Unrealised gains/losses ¹	–177	
Exchange rates	269	
Share buy-backs	–57	
Other	–48	
Equity 31.3.2009	21,663	

¹ On other securities.

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Financial reporting Q1 2009 – Munich Re Group in total



Investments

Well-diversified investment portfolio reflecting continued de-risking

ACTIVE PORTFOLIO MANAGEMENT

- In Q1 continued decrease of equity exposure by sale of equities and unwinding of equity derivatives
- Cautious further shift toward higher-quality fixed-income securities, improving sustainability at expense of conscious realisation of losses
- All major asset classes with positive unrealised on- and off-balance-sheet reserves

EQUITIES/ ALTERNATIVE INVESTMENTS

- Equity ratio reduced to 2.6% (3.6% as at 12/08), after hedges only 1.4%
- Exposure to private equity and hedge funds of approx. €0.7bn
- Strict de-risking and low-yield environment to impact future RoI expectations

Miscellaneous¹

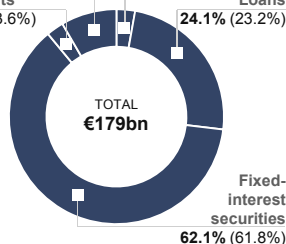
8.4% (8.6%)
Shares, equity funds and participating interests 2.6% (3.6%)

Land and buildings

2.8% (2.8%)
Loans 24.1% (23.2%)

FIXED-INCOME PORTFOLIO/ LAND AND BUILDINGS

- Fixed-income portfolio mainly geared towards government bonds (47%) and Pfandbriefe (26%)
- Low exposure to loss-bearing (€0.4bn) and subordinated (€1.4bn) bank bonds
- Gradual expansion of high-quality corporate bonds issued by non-financials
- 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 Q1 2009 – 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	
€m		%		%	
Q1 2008	9,842	Q1 2008	103.7	Q1 2008	87.8
Q1 2009	10,367	Q1 2009	97.3	Q1 2009	96.3
Acquisitions in addition to favourable FX effects		Improved due to moderate large losses		Random and seasonal impact, no sustainable trend	

GROUP Investment result		GROUP Operating result		GROUP Consolidated result	
€m		€m		€m	
Q1 2008	1,675	Q1 2008	1,193	Q1 2008	777
Q1 2009	1,365	Q1 2009	746	Q1 2009	420
Higher write-downs and lower realised gains		Satisfactory with view to resilient technical result		Clear profit despite resolute handling of crisis-related burdens	

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Financial reporting Q1 2009 – Munich Re Group in total



Implementation of IFRS 8

Transparency in financial reporting further improved

Segmentation	
Two-step concept for the business field of International Health	Separation of life and health in primary insurance

IFRS impact of technical changes limited – opportunity used for further improvement of disclosure	
Breakdown of operating result	
TECHNICAL RESULT Underwriting items plus income from technical interest	NON-TECHNICAL RESULT Investment result and other non-technical result components, deduction of income from technical interest
Separated from operating result	
Other non-operating result (e.g. foreign-exchange gains/losses)	Finance costs
Impairment of goodwill	Tax

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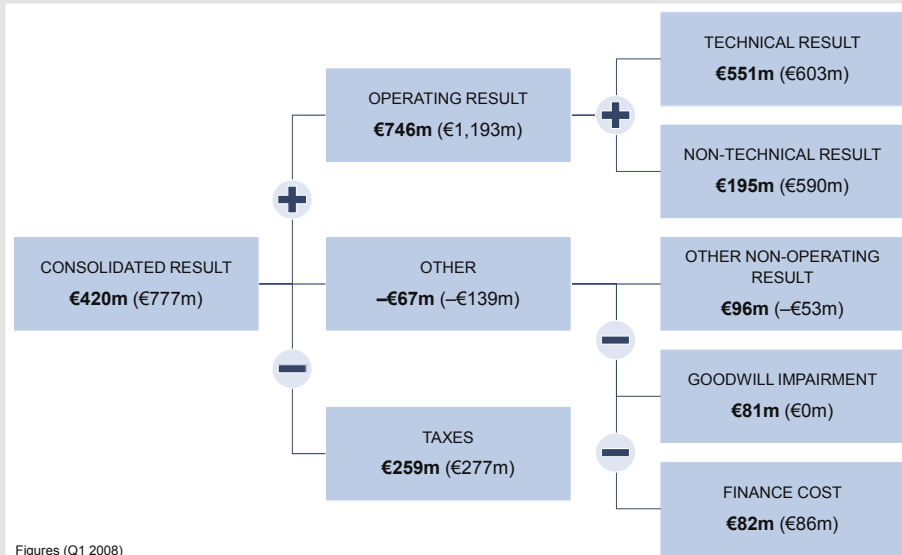
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Financial reporting Q1 2009 – Munich Re Group in total



Q1 result

Components of consolidated result



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Financial reporting Q1 2009 – Munich Re Group in total



Investment result

Satisfactory return despite negative impacts on fixed-interest securities

Q1 2009	€m	return ¹
Regular income	1,744	3.9%
Other income/expenses	-196	-0.4%
Gains/losses on the disposal of investments	359	0.8%
Write-downs/write-ups of investments	-542	-1.2%
Investment result	1,365	3.1%²

Main effects in Q1 2009

- Regular income slightly declining – reflecting continued low risk appetite
- Result from other income/expenses improved – mainly due to lower expenses (negative result) for unit-linked life insurance
- Net result from disposals halved – realised losses in afs fixed-interest securities following ongoing de-risking of portfolio
- Slightly lower result from non-cash write-ups/write-downs due to write-downs on afs fixed-interest securities and impact of interest-rate hedges

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

² Incl. change in on- and off-balance-sheet reserves of 1.8%.

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Financial reporting Q1 2009 – Munich Re Group in total



Investment result – Regular income

Shifting into fixed-interest asset categories

€m	Q1 2009	Q1 2008	Change
Afs fixed-interest	1,060	1,008	52
Afs non-fixed-interest	41	88	–47
Derivatives	37	36	1
Loans	457	403	54
Real estate	77	79	–2
Deposits retained on assumed RI and deposits with banks	89	120	–31
Other	–17	39	–56
Total regular income	1,744	1,773	–29

Main effects in Q1 2009

- Higher regular income from afs fixed-interest securities as well as loans resulting from deliberate shift between asset categories
- Lower dividend income from afs non-fixed-interest securities as a result of the substantial equity downsizing
- Lower income from deposits due to risk-induced distinct reduction of deposits with banks
- Category “other” mainly affected by lower income from affiliated and associated companies (–€53m)

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Financial reporting Q1 2009 – Munich Re Group in total



Investment result – Net result from disposal of investments

Higher realised losses in afs fixed-income securities

€m	Q1 2009	Q1 2008	Change
Afs fixed-interest	–89	317	–406
Afs non-fixed-interest	–46	–182	136
Derivatives	459	583	–124
Loans	–	–	–
Real estate	30	1	29
Other	5	23	–18
Total net realised gains	359	742	–383

Main effects in Q1 2009

- Afs fixed-interest: Losses¹ consciously realised for the benefit of higher earning sustainability and further de-risking; shift from structured products to corporate bonds
- Afs non-fixed-interest: Improvement of disposal result from equities (including forward sales) corresponding with lower disposal result from derivatives
- Real estate: One-off effect from disposal of objects in Germany
- Very high net gains from timely disposals of investments in Q1 2008

¹ Losses on structured products, bank, corporate and government bonds.

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Financial reporting Q1 2009 – Munich Re Group in total



Investment result – Write-downs/write-ups

Improved equity-related result offset by interest-rate hedges

€m	Q1 2009	Q1 2008	Change
Afs fixed-interest	-98	-21	-77
Afs non-fixed-interest	-267	-1,305	1,038
Derivatives	-129	887	-1,016
Loans	-	-1	1
Real estate	-22	-71	49
Other	-26	3	-29
Total net write-downs/write-ups	-542	-508	-34

Main effects in Q1 2009

- Improvement of result from non-cash-related write-downs/write-ups on shares and derivatives negatively offset by impact of interest-rate hedges
- Negative result from afs fixed-interest investments, mainly impairments on bank bonds and structured products, burdens the total balance of write-downs/write-ups

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Financial reporting Q1 2009 – Munich Re Group in total



Operating and consolidated result

Stable reinsurance business supports Group earnings

€m	Q1 2008	Q1 2009	Technical result	Operating result	Consolidated result
Reinsurance life and health	114	50	321	261	320
Reinsurance property-casualty	189	265	523	590	259
Reinsurance sub-total	303	315	844	851	579
Primary insurance life	38	120	104	-13	50
Primary insurance health	133	72	37	43	12
Primary insurance property-casualty	172	67	173	47	109
Primary insurance sub-total	343	259	314	77	171
Munich Re Group¹	603	551	1,193	746	777

¹ Operating result Q1 2009 including asset management (€16m, Q1 2008 €31m) and consolidation (–€198m, Q1 2008 €4m).

Consolidated result Q1 2009 including asset management (€8m, Q1 2008 €25m) and consolidation (–€181m, Q1 2008 €2m).

The consolidation figure in Q1 2009 includes the elimination of the intercompany sale of Europäische Reiseversicherung from MR AG to ERGO AG amounting to €139m.

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Financial reporting Q1 2009 – Primary insurance segment

Highlights

Financial crisis with significant impact



Gross premiums written

€m

Q1 2008 4,609

Q1 2009 4,731

International expansion offsets decline in Germany

Technical result

€m

Q1 2008 343

Q1 2009 259

Decrease driven by P-C and health

Non-technical result

€m

Q1 2008 -29

Q1 2009 -182

Reflecting higher allocation to technical interest

Investment result¹

€m

Q1 2008 910

Q1 2009 771

Mainly affected by write-downs on interest-rate hedges

Operating result

€m

Q1 2008 314

Q1 2009 77

Result burdened by exceptional items

Consolidated result

€m

Q1 2008 171

Q1 2009 -72

Impact by goodwill impairments

¹ Investment result excl. unrealised gains/losses from investments in unit-linked life insurance. Incl. unit-linked business: €735m in Q1 2009 (€717m in Q1 2008).

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Financial reporting Q1 2009 – Primary insurance segment



Premium development

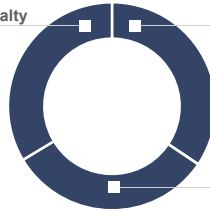
Positive contribution by international expansion

€m

Gross premiums written Q1 2008	4,609	
Foreign-exchange effects	-72	
Divestment/Investment	153	
Organic change	41	
Gross premiums written Q1 2009	4,731	

Breakdown by segment
(segmental, not consolidated)

Property-casualty
1,629 (34%)
(▲ 0.4%)



Life
1,512 (32%)
(▲ 5.6%)

Health
1,590 (34%)
(▲ 2.3%)

Life statutory premiums :

- IFRS premiums
€1,512m (▲ 5.6%)
- Investment-oriented products
€294m (▲ 14.4%)
- **Total**
€1,806m (▲ 6.9%)

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Financial reporting Q1 2009 – Primary insurance segment



Primary insurance – Property-casualty

Operating result affected by higher claims and capital-markets

€m	Q1 2009	Q1 2008
Gross premiums written	1,629	1,623
Income from technical interest	44	55
Net expenses for claims and benefits	690	599
Net operating (technical) expenses	378	360
Technical result	67	172
Investment result	64	103
Non-technical result	-20	1
Operating result	47	173

Highlights

- Stable GPW as DAUM acquisition (€33m) compensates for negative FX effects (Poland and Turkey) and declining German motor business
- Decrease in technical interest due to lower risk-free interest rate
- Higher claims expenses in Germany and abroad (see next slide)
- Higher operating expenses mainly due to increasing business acquisition costs (DAUM Direct)
- Investment result reflecting impact of capital-market crisis

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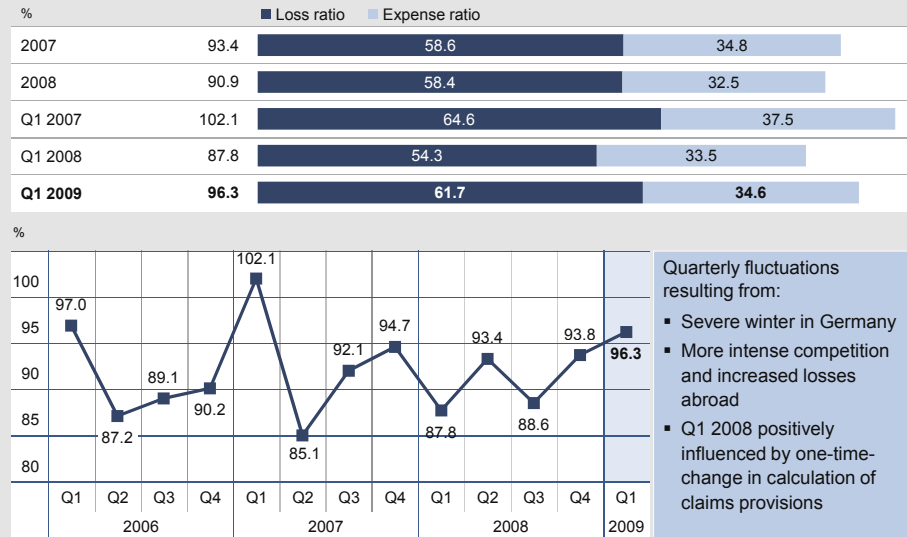
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Financial reporting Q1 2009 – Primary insurance segment



Combined ratio – Property-casualty

Adverse seasonal impact on loss ratio – no sustainable trend visible



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Financial reporting Q1 2009 – Primary insurance segment



Primary insurance – Life

Capital-market crisis with significant impact on life business

€m	Q1 2009	Q1 2008
Gross premiums written	1,512	1,432
Income from technical interest	511	382
Net expenses for claims and benefits	1,571	1,420
Net operating (technical) expenses	198	204
Technical result	120	38
Investment result	393	455
Non-technical result	-133	66
Operating result	-13	104

Highlights

- GPW: Decrease in Germany due to higher cancellations and lower new business resulting from recession and "4th Riester Stage" in 2008 while increase abroad reflects first-time consolidation of BACAV (€120m)
- Higher contribution from unit-linked business to technical interest
- Net expenses for claims and benefits: Increase driven by BACAV
- Write-down on interest-rate hedges largely responsible for reduced investment result, falling short of income from technical interest

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Financial reporting Q1 2009 – Primary insurance segment



New business (Statutory premiums)

ERGO new business life insurance

Total				
€m	Total	Regular premium	Single premium	APE ¹
Q1 2008	476	219	257	245
Q1 2009	469	131	338	165
Δ	-1.5%	-40.3%	31.5%	-32.8%

Germany				
€m	Total	Regular premium	Single premium	APE ¹
Q1 2008	396	183	213	205
Q1 2009	310	95	215	116
Δ	-21.8%	-48.5%	1.1%	-43.3%

Comments
Germany

- Lower regular premiums mainly due to previous year's Riester step – adjusted –11.6%
- Clearly positive sales trend: Q1 2009 APE grows by 12.8%

- Good developments in bank and broker channels

International

- Growth through BACAV acquisition (APE €17.6m)
- Downsizing Italy and exchange rate developments in CEE with negative impact

International

€m	Total	Regular premium	Single premium	APE ¹
Q1 2008	80	36	44	40
Q1 2009	159	36	123	49
Δ	98.6%	1.6%	176.9%	20.9%

¹ Annual premium equivalent.

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Financial reporting Q1 2009 – Primary insurance segment



Primary insurance – Health

Impact by higher claims costs

€m	Q1 2009	Q1 2008
Gross premiums written	1,590	1,554
Income from technical interest	300	247
Net expenses for claims and benefits	1,432	1,258
Net operating (technical) expenses	231	207
Technical result	72	133
Investment result	278	159
Non-technical result	-29	-96
Operating result	43	37

Highlights

- Higher GPW driven by premium adjustments and higher premiums of Spanish operations
- Increasing income from technical interest mainly due to higher allocation to provision for premium refunds resulting from higher net interest yield
- Increase in net expenses for claims and benefits due to rising health care costs and higher allocation to provision for premium refund
- Investment result influenced by lower impairments and losses on disposals from equities

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Financial reporting Q1 2009 – Reinsurance segment



Highlights

Satisfactory operating business, solid investment result

Gross premiums written

€m

Q1 2008 5,550

Q1 2009 5,908

Growth driven by acquisitions and positive FX effects

Technical result

€m

Q1 2008 303

Q1 2009 315

Resilient technical result driven by lower loss ratio in P-C

Non-technical result

€m

Q1 2008 541

Q1 2009 536

Only slightly down despite lower investment result

Investment result

€m

Q1 2008 993

Q1 2009 888

Fairly solid in view of market impact

Operating result

€m

Q1 2008 844

Q1 2009 851

Lower non-technical result; stable technical result

Consolidated result

€m

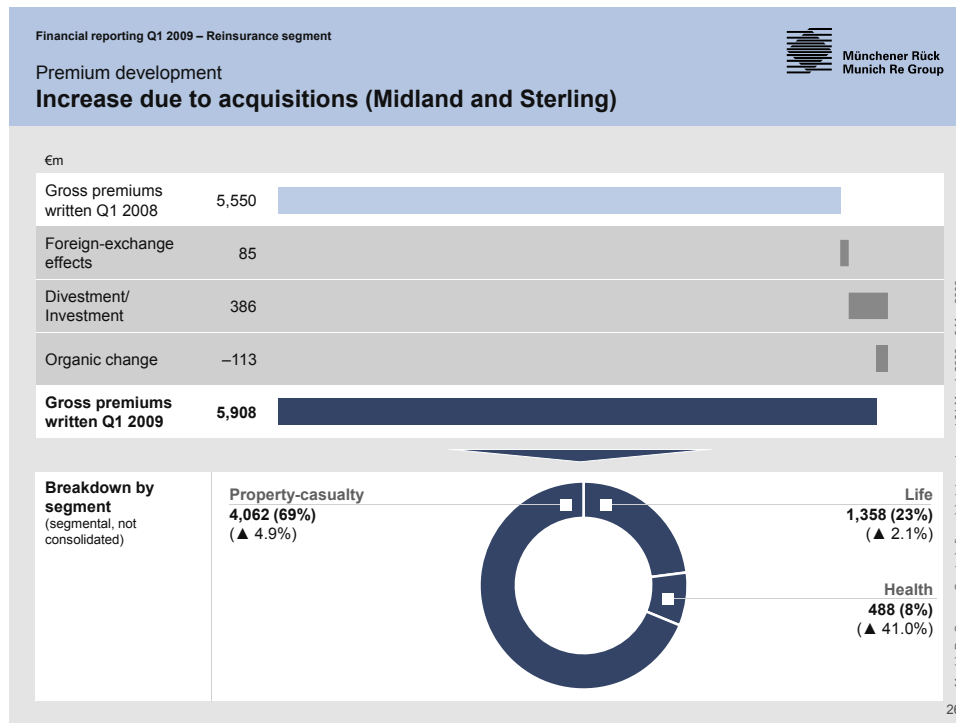
Q1 2008 579

Q1 2009 665

Satisfactory despite ongoing difficult market environment

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Financial reporting Q1 2009 – Reinsurance segment

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Reinsurance – Property-casualty
Higher operating result reflecting sound underwriting performance

€m	Q1 2009	Q1 2008
Gross premiums written	4,062	3,874
Income from technical interest	195	326
Net expenses for claims and benefits	2,320	2,449
Net operating (technical) expenses	948	939
Technical result	265	189
Investment result	521	631
Non-technical result	325	334
Operating result	590	523

Highlights

- GPW: Midland acquisition (€202m) and favourable FX effects offsetting reduction/cancellation of less profitable treaties
- Decrease of technical interest due to lower risk-free interest rate
- Lower man-made and NatCat losses
- Slight reduction in expense ratio mainly attributable to lower reinsurance commissions
- Lower investment result mainly due to volatile capital-markets and losses on disposals of fixed-income securities, mitigated by gains from sale of ERV¹ to ERGO

¹ ERV: Europäische Reiseversicherung.

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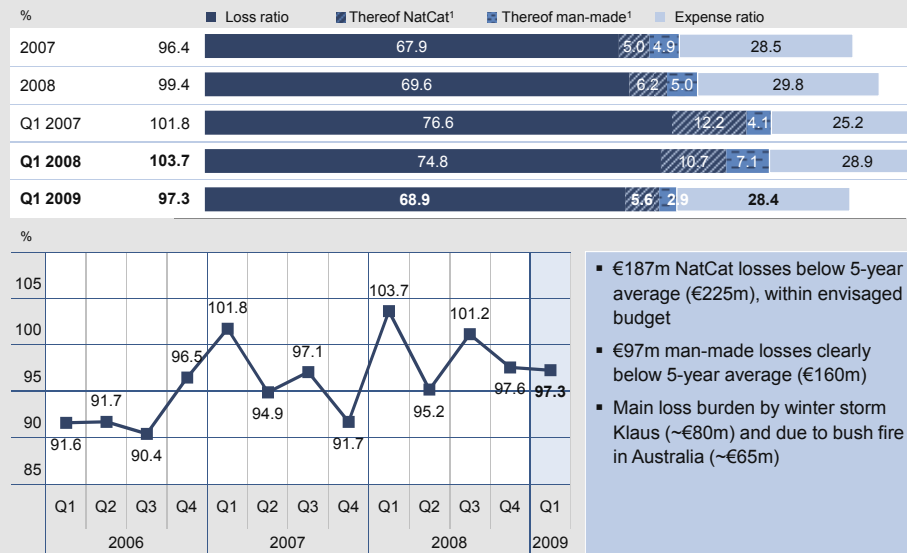
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Financial reporting Q1 2009 – Reinsurance segment



Combined ratio – Property-casualty

Man-made and NatCat losses significantly lower



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Financial reporting Q1 2009 – Reinsurance segment



Reinsurance – Life and health

Segment result affected by extraordinarily high operating expenses

€m	Q1 2009	Q1 2008
Gross premiums written	1,846	1,676
Income from technical interest	163	168
Net expenses for claims and benefits	1,404	1,254
Net operating (technical) expenses	464	385
Technical result	50	114
Investment result	367	362
Non-technical result	211	207
Operating result	261	321

Highlights

- GPW: In life expansion in the US compensates cancellation of unprofitable treaties in UK; in health higher GPW following Sterling acquisition (€184m)
- Stable technical interest reflecting long-term nature of treaties and lower dependency on fluctuation of risk-free rate
- Increase of expenses for benefits primarily driven by Sterling acquisition
- Higher operating expenses as deliberate cancellation of treaties resulted in DAC reduction
- Stable investment result despite market crisis and losses on disposals of fixed income securities, positively influenced by gain on sale of ERV to ERGO

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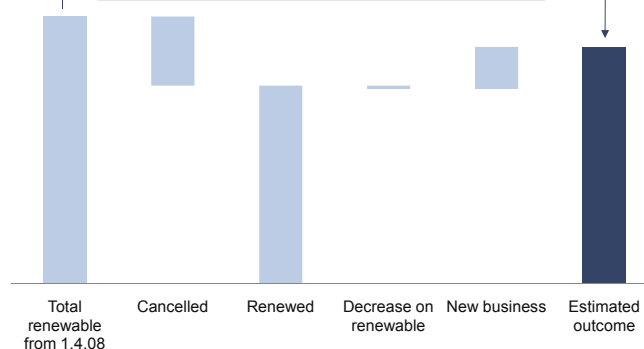
New business development in reinsurance

April renewal: Changes in premium

Total book: January's improvements pick up the pace

%	100	-25.9	74.1	-1.3	15.8	88.6
€m	1,246	323	923	-16	197	1,104

Change in premium:	-11.4%
▪ Thereof price change:	+7.2%
▪ Thereof change in exposure our share:	-18.6%



Market environment

- Positive trend of January renewal regarding prices enforced, but ...
- ... heterogeneous picture regarding regions and lines of business remains
- Cedants become more sensitive to financial security

Munich Re portfolio

- NatCat business drives price increase
- Deliberate cancellation of business correlated to recession and inadequately priced business

Improved portfolio quality due to consistent cycle management

Decrease	Examples		
Strict reduction of unprofitable business	Financial institutions casualty business	–€103m	Non-risk-commensurate prices
	Japan property surplus	–€45m	Unbundling of bouquet treaties enabled us to cancel unprofitable parts
	Korea personal accident QS	–€23m	Strong competition in primary market
Selective growth	Examples		
Take advantage of significant price increases	Japan NatCat XL	+€61m	Capacity allocation to NatCat due to favourable price development
	US NatCat XL	+€11m	Continuing positive price trend from January renewal

► Capacity reallocation from long-tail casualty to short-tail property as well as from proportional to non-proportional business

January's expectations confirmed: Continued favorable reinsurance market


- Upcoming renewal:
 - July 2009: €1.0bn up for renewal (mainly US NatCat, Australia, and Latin America)
- Further hardening likely due to reduced capacity in April renewal
- Balance sheets of insurers and reinsurers still remain under pressure:
 - First markets show signs of capacity shortages for peak risks (e.g. NatCat, offshore energy)
 - Several insurers consider to place additional business for solvency reasons
- Security becomes more important when choosing reinsurers for high layers/exposures
- Reinsurance continues to be a favourable alternative as capital substitute

► Munich Re ready to benefit from further market hardening and specific opportunities

New business development in reinsurance

Large transactions in life and health

Significant business contribution by conclusion of capital relief deals



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Clients seek capital relief – Financial strength of Munich Re is competitive advantage

VANB of new business in the low 3-digit million euros

Expected total GPW of new business >€2bn p.a.

Number of closed deals: 9

Low risk profile with substantial VANB contribution

Deals fit perfectly into Munich Re's risk appetite and strategy

Strengthening long-term client relationships

Transfer of mortality and morbidity risks

No assumption of investment risks

Meeting profitability requirements with attractive RoRaC

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Munich Re Group

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Outlook

Increased premiums with view to market opportunities in reinsurance

Reinsurance

GROSS PREMIUMS WRITTEN

€22.5–24bn¹ provided stable currency exchange rates and limited impact by economic slowdown on premiums of primary insurers

COMBINED RATIO

approx. 97%
(thereof NatCat 6.5%)

Primary insurance

GROSS PREMIUMS WRITTEN

€17–18bn¹

COMBINED RATIO

<95%

Investments

Current expectation of low risk-free interest rate and continued minimal equity exposure

Return on investment
expected to (significantly)
fall short of pre-crisis 4.5% guidance

Focus on preservation of sound capital base
RoRaC 15% over the cycle to stand

¹ Amended from €21-22bn in reinsurance and from €17.5-18.5bn in primary insurance (on the basis of segmental figures).

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Additional highlights Q1 2009

Capitalisation

Investments

New business development in reinsurance

Quarterly figures

Shareholder information

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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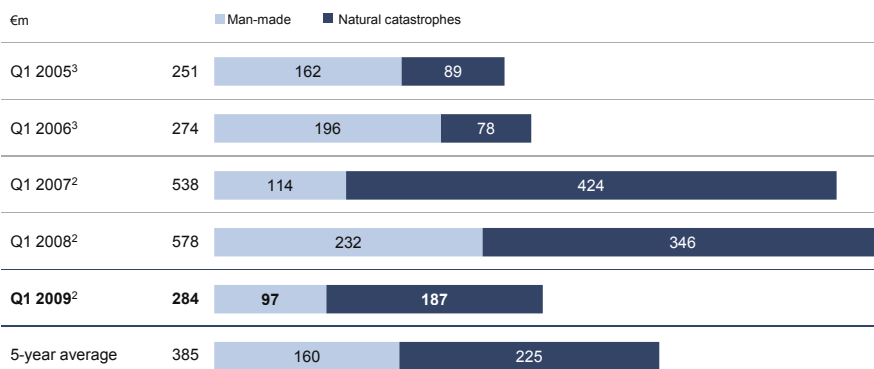
Backup: Additional highlights Q1 2009

Highlights Q1 2009

Below-average man-made and NatCat losses in Q1 2009



Major losses¹ over €10m each



¹ Incl. losses in life.

² Incl. run-off-profits.

³ Major losses over €5m each.

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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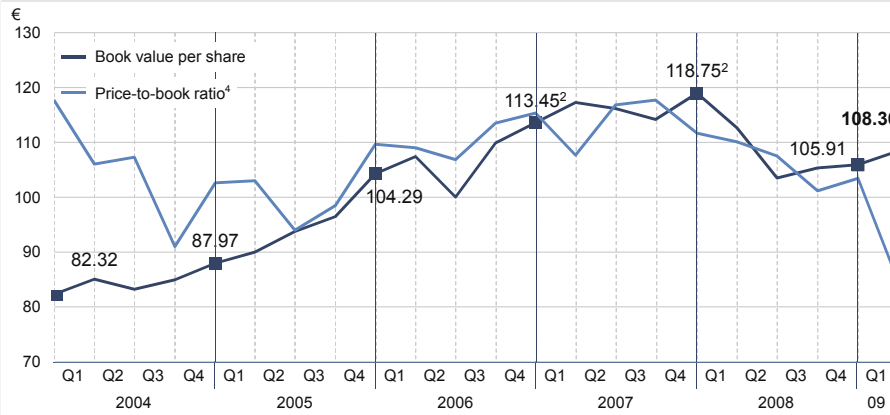
Backup: Capitalisation

Capitalisation – Book value per share

Solid growth since 2004



Book value per share¹/price-to-book ratio



5.4% CAGR since 1.1.2004 above annual performance of insurance index³

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: -8.0% p.a. ⁴ 100 book value per share = 1.0 price-to-book ratio.

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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Backup: Capitalisation

Risk management

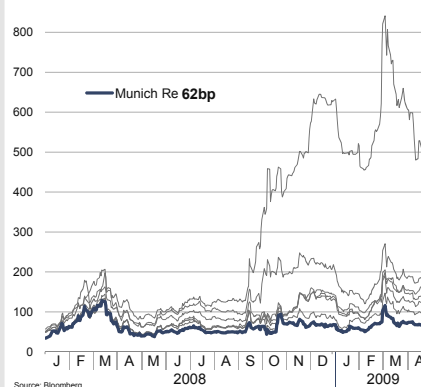
Forward-looking risk management and consistent de-risking pay off



Beta values¹ (1.1.2004–30.4.2009)²



CDS spreads¹ (1.1.2008–30.4.2009)³



Strong position of Munich Re to deliver solid performance

Confidence in forward-looking risk management

Financial strength reflected in 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. ³ 5-year credit default swaps (spreads in basis points p.a.).

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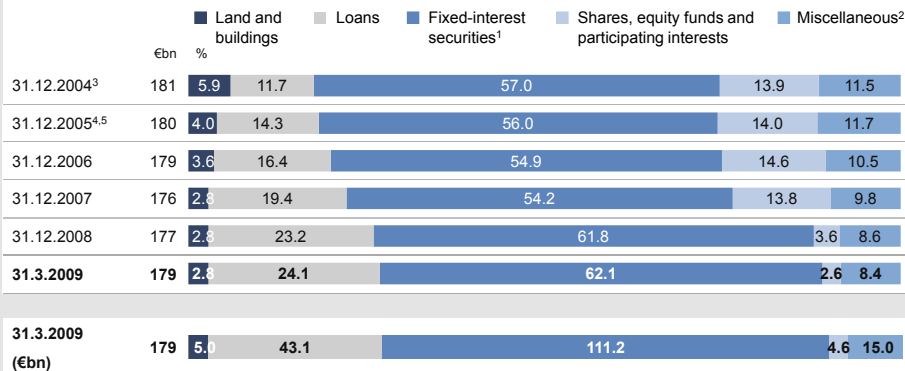
Backup: Investments

Investments

Further reduction of equity exposure after hedges to 1.4%



Investment structure by asset class (market values)



Continued shift from equities to fixed-interest securities in Q1

¹ Categories "available for sale", "held to maturity" and "held for trading".
² Deposits retained on assumed reinsurance, investments for unit-linked life, deposits with banks, investment funds (bond, property).
³ After reclassification of owner-occupied properties of Munich Reinsurance Company to other assets.
⁴ After reclassification of owner-occupied properties of Munich Re Group to other assets.
⁵ Decrease of €13.2bn in assets (market values) due to sale of Karlsruher in Q4 2005.

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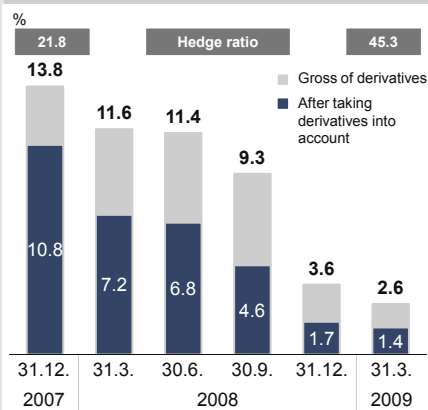
Backup: Investments

Investments – De-risking of equities

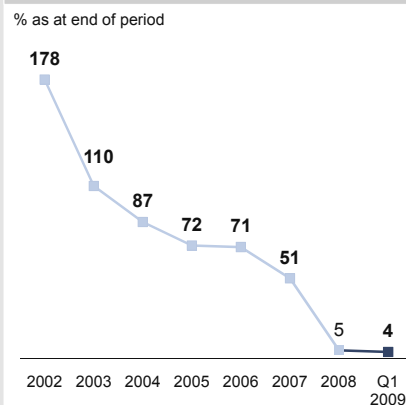
Further reduction of equity exposure through active management



Equity-backing ratio¹ – Including derivatives



Equity gearing²



Closing of derivative positions in Q1

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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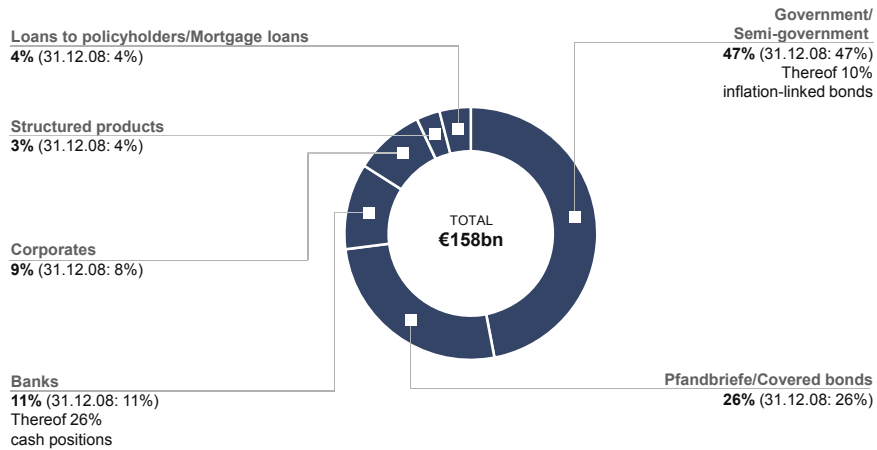
Backup: Investments

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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Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

Backup: Investments

Investments

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



Rating classification of fixed-income portfolio¹

%	AAA	AA	A	BBB	BB	B and worse	NR	Total
Government/Semi-government	69	23	7	1	0	0	0	100
Pfandbriefe/Covered bonds	85	15	0	–	–	–	–	100
Banks	6	23	39	2	1	0	29 ²	100
Corporates	2	14	47	31	1	0	5	100
Structured products	93	4	1	0	0	0	2	100
Loans to policyholders/Mortgage loans	–	–	–	–	–	–	100	100
Total	59	19	12	3	0	0	7	100

¹ Economic view – Not fully comparable with IFRS figures.

² Incl. cash positions, which are not rated.

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Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

Backup: Investments

Investments

Approx. 70% invested in eurozone, limited exposure in CEE countries

Geographic classification of fixed-income portfolio¹

%	Germany	France	Spain	UK	CEE	Other Europe	USA	Canada	Rest of World	Total
Government/ Semi-government	40	7	2	6	2	18	16	5	4	100
Pfandbriefe/ Covered bonds	57	10	9	3	0	21	0	0	–	100
Banks	46	8	0	6	0	19	15	1	5	100
Corporates	4	8	2	7	0	25	47	4	3	100
Structured products	3	0	0	1	–	10	86	0	0	100
Loans to policyholders/ Mortgage loans	99	–	–	–	–	–	0	0	1	100
Total	43	8	3	5	1	18	16	3	3	100

¹ Economic view – Not fully comparable with IFRS figures.

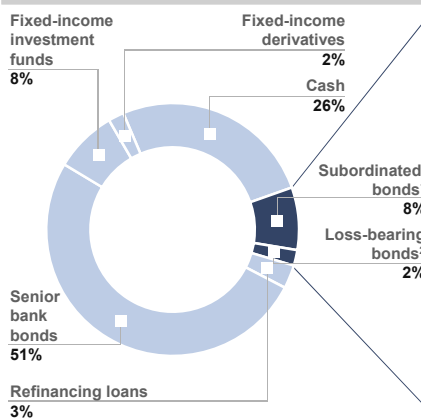
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Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

Backup: Investments

Investments

Fixed-income investments – Banks: Reduction of total hybrid exposure

BANKS
Split by investment categories

BANKS
Subordinated and loss-bearing exposure by countries

Country	Market values €m (as at 31.3.2009)		
	Total	Subordinated bonds	Loss-bearing bonds
Germany	804	472	332
USA	438	431	7
Italy	153	146	7
Austria	147	134	13
UK	119	78	41
France	42	41	1
Spain	30	30	–
Belgium	26	–	26
Switzerland	14	14	–
Japan	12	8	4
Other	55	50	5
Total market values	1,840	1,404	436

Subordinated and loss-bearing exposure accounts for only 1% of total investments

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.

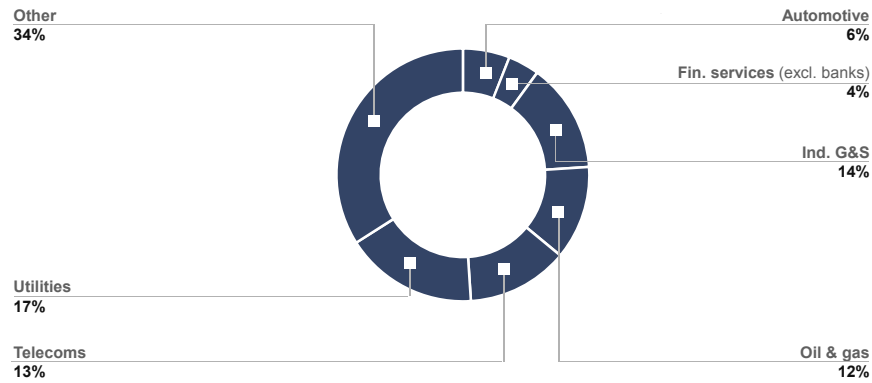
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Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

Backup: Investments

Investments

Fixed-income investments – Corporates


Corporate bonds: Sectoral split¹

¹ Economic view – not fully comparable with IFRS figures.

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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Backup: Investments

Investments

Fixed-income investments – Structured products



Structured products portfolio (at market values): Split by ratings and regions

€m		AAA	AA	A	BBB	<BBB	NR	USA	Europe	Total	Market-to-par value
ABS	Consumer-related ABS ¹	587	7	12	2	0	0	491	117	608	97%
	Corporate-related ABS ²	118	11	9	3	2	4	15	132	147	88%
	Subprime HEL	41	0	0	0	0	0	41	0	41	49%
CDO/CLN	Subprime-related	0	2	0	2	2	0	0	6	6	20%
	Non-subprime-related	53	17	4	2	4	80	1	159	160	74%
MBS	Agency ³	3,619	113	0	0	0	0	3,732	0	3,732	102%
	Non-agency prime	276	27	21	5	0	0	51	278	329	86%
	Non-agency other (not subprime)	12	1	2	3	0	0	16	2	18	41%
	Commercial MBS	170	9	1	0	0	0	162	18	180	68%
Total		4,876	187	49	17	8	84	4,509	712	5,221	95%
31.3.2009		93%	4%	1%	0%	0%	2%	86%	14%	100%	
31.12.2008		92%	4%	2%	0%	0%	2%	85%	15%	100%	

Substantial exposure reduction (~14%) in Q1 through deliberate de-risking

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: €3.6bn.

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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Backup: Investments

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	26	0	74	0	100
Pfandbriefe/ Covered bonds	33	0	67	0	100
Loans to policyholders/ Mortgage loans	100	0	0	0	100
Structured products	2	0	98	0	100
Corporates	1	0	99	0	100
Banks	49	1	43	7	100
Total	29	0	70	1	100

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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Backup: Investments

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)	+20.0	+9.0	–7.2	–12.4
Economic impact for shareholder ² (€bn)	+5.4	+2.6	–2.2	–4.1

Sensitivity to spreads³

Spreads (change of bps in %)	–50%	–25%	+25%	+50%
Change in market value gross (€bn)	+5.3	+2.5	–2.2	–4.0
Economic impact for shareholder ² (€bn)	+1.3	+0.7	–0.6	–1.2

Sensitivity to equity markets⁴

	–30%	–10%	+10%	+30%
EuroStoxx 50	1.450	1.864	2.278	2.692
Change in gross market value (€bn)	–0.7	–0.2	+0.2	+0.7
Economic impact for shareholder ² (€bn)	–0.6	–0.2	+0.2	+0.6

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 31.3.2009. 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.

⁴ Worst-case scenario assumed: impairment as soon as market value is below acquisition costs.

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Backup: Investments



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	2,813
Policyholders' participation	-575
Deferred taxes	-274
Minority interests	-1
Consolidation	64
Shareholders' stake 31.3.2009	2,027

Off-balance-sheet reserves

€m	
Land and buildings ¹	1,222
Loans	444
Other (mainly at equity)	211
Off-balance-sheet reserves 31.3.2009	1,877
Policyholders' participation	-782
Deferred taxes	-299
Minority interests	-12
Shareholders' stake 31.3.2009	784

¹ Without reserves on owner-occupied properties.

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Backup: Investments

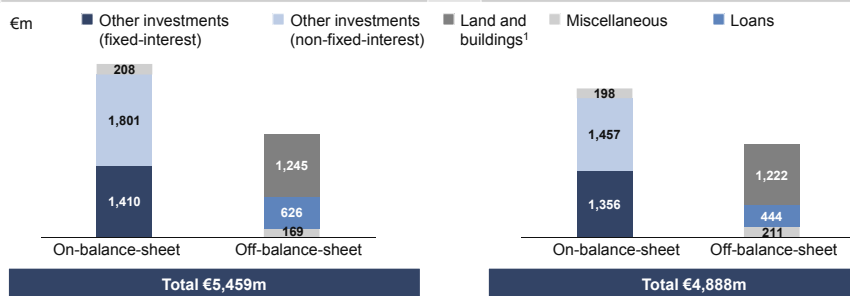


Investments – On- and off-balance-sheet reserves

Split by asset class

31.12.2008

31.3.2009



Unrealised gains and losses – gross	5,459²
./. 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

Unrealised gains and losses – gross	4,888³
./. Provision for deferred premium refunds	1,393
./. Deferred taxes	576
./. Effects from consolidation and currency	-69
./. Minority interests	19
Unrealised gains and losses – net	2,969

¹ Without reserves on owner-occupied properties.

² Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €208m and off-balance-sheet reserves of €168m on affiliated companies.

³ Incl. unrealised gains/losses from valuation at equity, unconsolidated affiliated enterprises and cash flow hedging of €198m and off-balance-sheet reserves of €210m on affiliated companies.

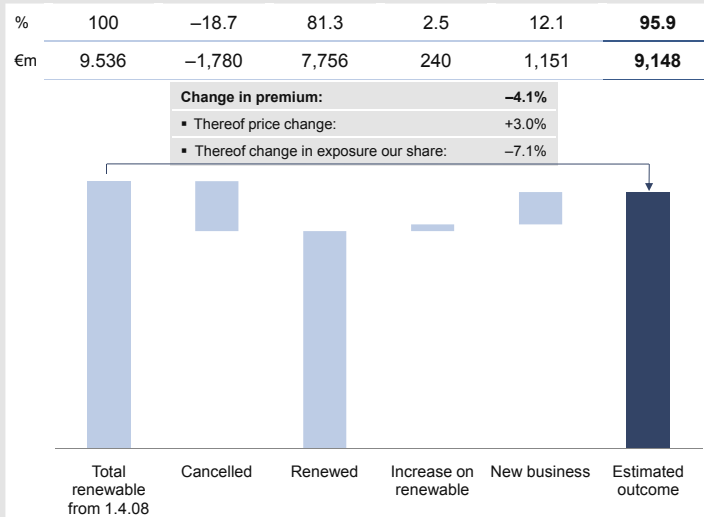
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Backup: New business development in reinsurance



Changes in premium

Total book: YTD

Market

- Hardening markets not yet observable across the board – but inflection point reached
- Capital-intensive business sees highest price increases (Offshore energy, US NatCat, Japan NatCat, etc.)

Munich Re portfolio

- Almost 90% of treaty business already renewed
- Increase in NatCat premium of +€161m
- Reduced volume due to strict underwriting
- Price change of 3.0% could be achieved
- Certain segments with double-digit price increases

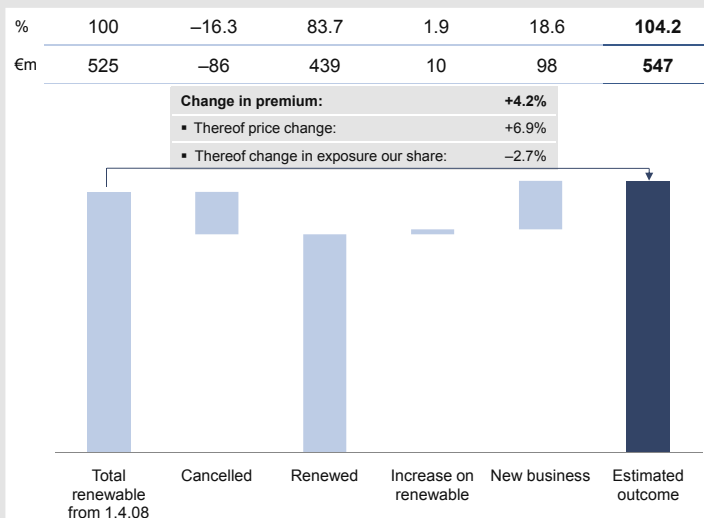
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Backup: New business development in reinsurance



April renewal: Changes in premium

Property

Market

- NatCat with significant price increases (Japan +5-10%, US +15-25%)
- US non-cat business expects turnaround
- Capacity shortages for Japan NatCat visible

Munich Re portfolio

- Expansion in NatCat business (Japan +€61m; US +€10m)
- Japan: Unbundling of profitable NatCat from surplus treaties possible
→ cancellation of unprofitable surplus treaties
→ shift of portfolio towards XL +20%

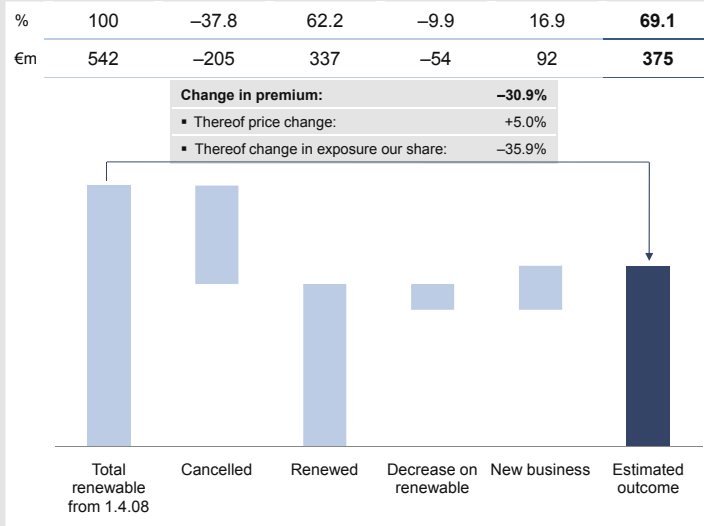
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Backup: New business development in reinsurance

April renewal: Changes in premium

Casualty



Market

- Aggressive pricing by certain competitors continues to impede hardening of US primary market
- Implications for a change in market cycle in US and Bermuda

Munich Re portfolio

- Non-renewal of significant portion of financial D&O business
- Korea: Cancellation of three PA QS treaties
- Japan: Reduction in PA business due to terms and conditions

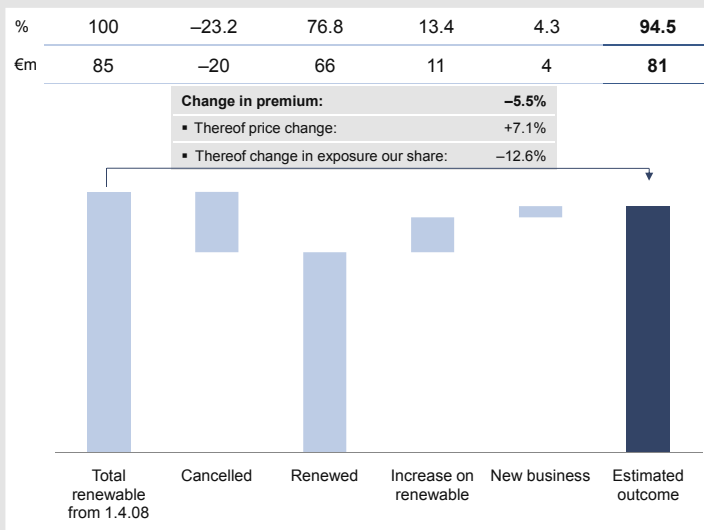
Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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Backup: New business development in reinsurance

April renewal: Changes in premium

Marine



Market

- Hardening markets: Focus on XL business
- Cargo prices remain stable at decreasing exposure due to slow down of world economy

Munich Re portfolio

- Cancelled unprofitable business partially compensates price increases
- Some new offshore energy business (+€1.6m)
- While cargo premium volume remains stable, hull is reduced by -€3.0m
- Implementation of the non-Marine Liability Exclusion clause

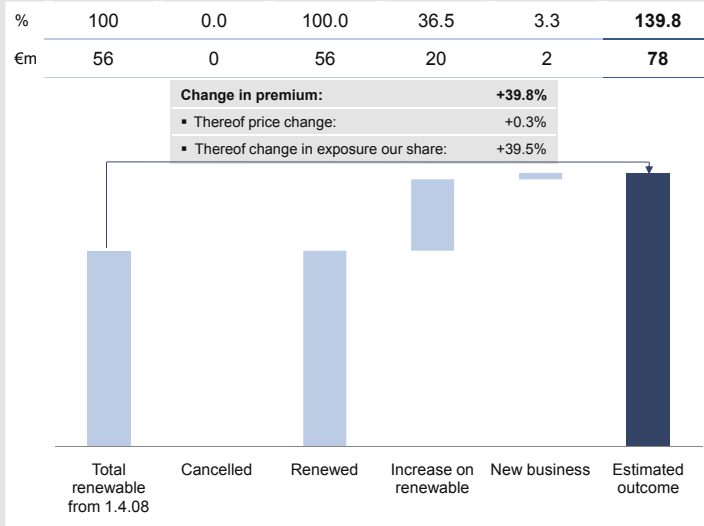
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Backup: New business development in reinsurance

April renewal: Changes in premium

Aviation



Market

- Stable rates, terms and conditions in primary market and reinsurance

Munich Re portfolio

- Premium increase mainly due to higher shares in existing profitable business
- Stable prices in proportional and XL business

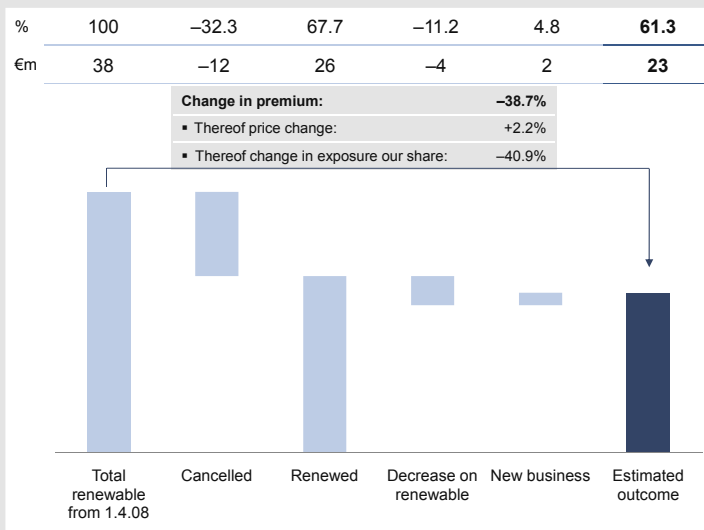
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Backup: New business development in reinsurance

April renewal: Changes in premium

Credit



Market

- Volume too small to derive any market trends
- Observations similar to January renewal

Munich Re portfolio

- Volume reduction driven by North America (–€12m)
- Exposure change in underlying risk basically compensated for by additional premium

Munich Re Group – Quarterly financial statements as at 31 March 2009 – 6 May 2009

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Backup: Quarterly figures

Quarterly figures

Munich Re Group



€m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross premiums written	9,842	9,011	9,270	9,706	10,367
Income from technical interest	1,101	1,205	1,142	1,356	1,150
Technical result	603	713	816	634	551
Investment result	1,675	1,586	662	1,923	1,365
Deduction of income from technical interest	-1,101	-1,205	-1,142	-1,356	-1,150
Non-technical result	590	375	-443	487	195
Operating result	1,193	1,088	373	1,121	746
Other non-operating result	-53	-55	-128	-110	96
Impairment losses on goodwill	-	-	-	167	81
Finance costs	86	95	91	89	82
Taxes on income	277	310	152	634	259
Consolidated result	777	628	2	121	420
Equity (balance-sheet date)	23,707	21,429	21,411	21,256	21,663

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Backup: Quarterly figures

Quarterly figures

Reinsurance segment – Life and health



€m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross premiums written	1,676	1,713	1,794	1,947	1,846
Income from technical interest	168	169	151	100	163
Technical result	114	69	74	-19	50
Investment result	362	480	154	256	367
Deduction of income from technical interest	-168	-169	-151	-100	-163
Non-technical result	207	307	19	146	211
Operating result	321	376	93	127	261
Other non-operating result, impairment losses of goodwill and finance costs	-20	-45	-30	-8	7
Taxes on income	-19	-2	29	115	66
Consolidated result	320	333	34	4	202

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Backup: Quarterly figures



Quarterly figures

Reinsurance segment – Property-casualty

€m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross premiums written	3,874	3,477	3,683	3,705	4,062
Income from technical interest	326	313	321	322	195
Technical result	189	452	271	408	265
Investment result	631	1,268	83	824	521
Deduction of income from technical interest	-326	-313	-321	-322	-195
Non-technical result	334	956	-217	443	325
Operating result	523	1,408	54	851	590
Other non-operating result, impairment losses of goodwill and finance costs	-51	-109	-81	20	30
Taxes on income	213	190	48	524	157
Consolidated result	259	1,109	-75	347	463
Combined ratio (%)	103.7	95.2	101.2	97.6	97.3

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Backup: Quarterly figures



Quarterly figures

Primary insurance segment – Life

€m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross premiums written	1,432	1,473	1,382	1,765	1,512
Income from technical interest	382	494	408	652	511
Technical result	38	51	138	-81	120
Investment result	455	534	361	835	393
Deduction of income from technical interest	-382	-494	-408	-652	-511
Non-technical result	66	26	-79	202	-133
Operating result	104	77	59	121	-13
Other non-operating result, impairment losses of goodwill and finance costs	-23	33	-54	-199	-69
Taxes on income	31	66	7	10	3
Consolidated result	50	44	-2	-88	-85

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Backup: Quarterly figures



Quarterly figures

Primary insurance segment – Health

€m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross premiums written	1,554	1,423	1,436	1,427	1,590
Income from technical interest	247	254	262	248	300
Technical result	133	89	206	218	72
Investment result	159	208	70	120	278
Deduction of income from technical	-247	-254	-262	-248	-300
Non-technical result	-96	-51	-207	-140	-29
Operating result	37	38	-1	78	43
Other non-operating result, impairment losses of goodwill and finance costs	-18	1	-22	-67	-26
Taxes on income	7	19	-2	6	15
Consolidated result	12	20	-21	5	2

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Backup: Quarterly figures



Quarterly figures

Primary insurance segment – Property-casualty

€m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross premiums written	1,623	1,163	1,220	1,100	1,629
Income from technical interest	55	55	61	48	44
Technical result	172	108	170	102	67
Investment result	103	147	66	-20	64
Deduction of income from technical interest	-55	-55	-61	-48	-44
Non-technical result	1	48	12	-123	-20
Operating result	173	156	182	-21	47
Other non-operating result, impairment losses of goodwill and finance costs	-25	-27	-51	-126	-26
Taxes on income	39	34	64	-33	10
Consolidated result	109	95	67	-114	11
Combined ratio (%)	87.8	93.4	88.6	93.8	96.3

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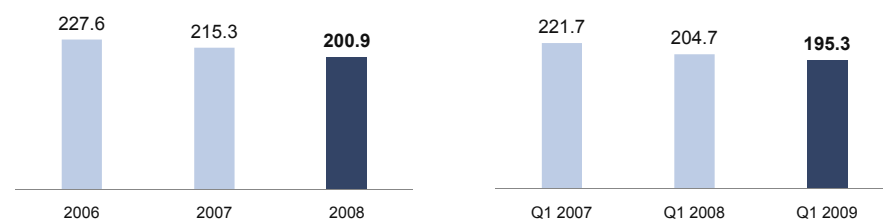
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Approx. 9.0 million own shares were retired in April 2009

Development of shares in circulation

million	31.12.2008	Acquisition of own shares in Q1 2009	Retirement of own shares in Q1 2009	31.3.2009
Shares in circulation	195.7	-0.6	0.0	195.1
Own shares held	10.7	0.6	0.0	11.3
Total	206.4	0.0	0.0	206.4

Weighted average number of shares in circulation



Total number of shares amounts to 197.4 million after retirement

Financial calendar

4 August 2009 Interim report as at 30 June 2009; half-year press conference

5 November 2009 Interim report as at 30 September 2009

Appendix

Shareholder information

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Appendix

Shareholder information

Disclaimer



This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

Note regarding the presentation of the previous year's figures

- For the new reporting format in connection with the first-time application of IFRS 8 "Operating Segments" as at 1 January 2009, several prior-year figures have been adjusted in the income statement.
- For the sake of better comprehensibility and readability, we have refrained from adding the footnote "Previous year's figures adjusted owing to first-time application of IFRS 8" to every slide.
- For details and background information on IFRS 8, please read the presentation "How does Munich Re apply the accounting standard IFRS 8 'Operating Segments'?" on Munich Re's website (http://www.munichre.com/de/ir/contact_and_service/faq/default.aspx).

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