

Quarterly Report 3/2015  
Munich Re

3/2015

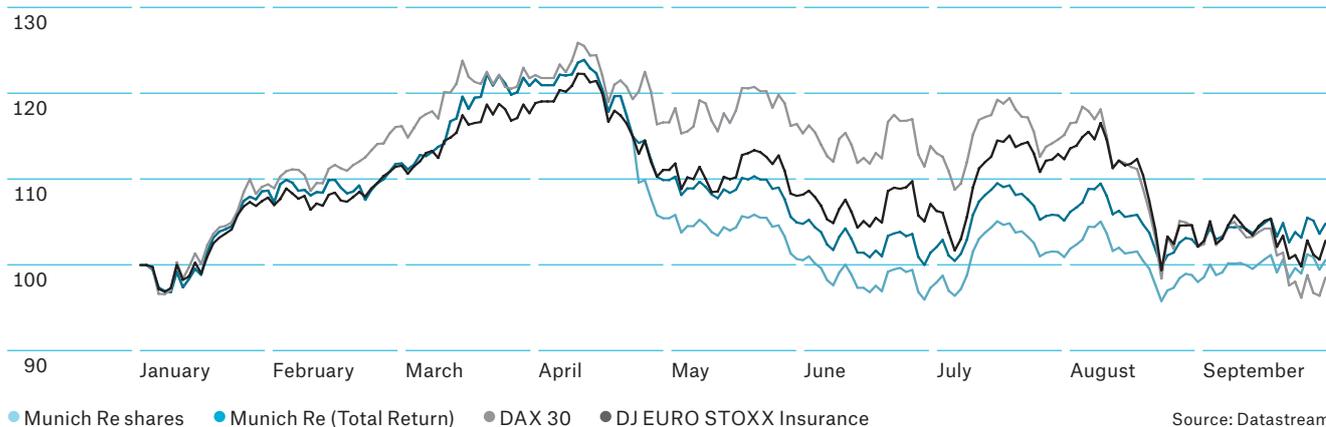
## Supervisory Board

Dr. Bernd Pischetsrieder  
(Chairman)

## Board of Management

Dr. Nikolaus von Bomhard  
(Chairman)  
Giuseppina Albo  
Dr. Ludger Arnoldussen  
Dr. Thomas Blunck  
Dr. Doris Höpke  
Dr. Torsten Jeworrek  
Dr. Markus Rieß (since 16 September 2015)  
Dr. Peter Röder  
Dr. Jörg Schneider  
Dr. Joachim Wenning

### Share price performance 1.1.2015 = 100



## Key figures (IFRS)<sup>1</sup>

### Munich Re at a glance

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Consolidated result	€m	2,391	2,439	-2.0	525	736	-28.7
Thereof attributable to non-controlling interests	€m	11	12	-8.3	5	3	66.7
Earnings per share	€	14.28	14.01	1.9	3.14	4.28	-26.6
Return on risk-adjusted capital (RORAC)	%	11.8	13.6		7.7	12.3	
Return on investment (RoI)	%	3.3	3.7		2.6	3.0	
Return on equity (RoE)	%	10.1	11.8		6.9	10.4	
					30.9.2015	31.12.2014	Change
							%
Book value per share	€				180.85	178.13	1.5
Munich Reinsurance Company's market capitalisation	€bn				27.8	28.7	-2.9
Share price	€				166.75	165.75	0.6
					30.9.2015	31.12.2014	Change
							%
Equity	€m				30,045	30,289	-0.8
Investments	€m				219,650	218,927	0.3
Insurance-related investments	€m				8,707	8,461	2.9
Net technical provisions	€m				201,987	198,384	1.8
Balance sheet total	€m				278,182	272,984	1.9
Number of staff					43,078	43,316	-0.5

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

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



## To our shareholders



**Dr. Nikolaus von Bomhard**  
Chairman of Munich  
Reinsurance Company's  
Board of Management

Dear Shareholders,

Sustainability and a long-term view are key aspects of the Munich Re business model. We not only plan far into the future, but also look back on a long history. The first academic study of Munich Re's history has just been published by the historians Professor Johannes Bähr and Professor Christopher Kopper.<sup>1</sup>

Munich Re's rise to its position as one of the world's leading reinsurers has not been without setbacks. The Group has repeatedly faced enormous challenges, most notably two World Wars, along with currency turbulences, economic crises and hyperinflation – partly also as a result of these wars. The lessons learned from these crises are still relevant to Munich Re today. Understanding clients' needs, a readiness to embrace innovation, internationality, conservative investment, and a prudent reserving policy have been part of the Munich Re tradition for 135 years.

A look back at our history shows that ongoing development of products and innovative coverage models as a response to the difficult market conditions we are experiencing is not uncharted territory for us. Time and time again, Munich Re has succeeded in keeping pace with technical advances, and has always been able to come up with the right covers for the main risks of each era. Once, this might have involved the introduction of machinery insurance, while nowadays this means performance guarantees for renewable energy facilities or cyber policies.

When Munich Re was set up in 1880, we had eight shareholders. Today, that number has risen to almost 200,000. Probably the most well-known of our current shareholders, Warren Buffett, recently reduced his shareholding. Naturally, we are sorry about this, but we were aware that Berkshire Hathaway has always regarded its investment in Munich Re purely as a financial investment. We are nevertheless convinced that Munich Re is still an attractive investment for shareholders, and will remain so in the future – not only because of our sustained high dividends, but also because for years we have been pursuing a strategy of disciplined pricing, cycle management and targeted innovation that makes us more resilient to the varied developments in our business environment.

Munich Re posted a result of €525m in the third quarter of 2015. Overall, the past quarter was not quite as strong as the first two quarters of the year, but – given the very good result for the first six months – we are holding to the annual forecast that we raised as a consequence of our half-year results. The 2015 result should still reach at least €3bn. And you might be interested to learn that in the very first year Munich Re was in business (1880/1881), its profit amounted to 64,723 Marks.

Yours sincerely,

**Nikolaus von Bomhard**

<sup>1</sup> *Munich Re: Die Geschichte der Münchener Rück 1880–1980* was published on 26 October 2015 by the Munich publishing house C.H. Beck (463pp., €39.95). An English edition will follow in 2016.

# Interim management report

## Business environment

- Weak global economic growth
- Slight fall in long-term interest rates
- Sharp falls in the stock markets

Global economic growth remained weak in the third quarter of 2015 and throughout the year. The economies of the USA and the United Kingdom showed solid growth, and the slow recovery in the eurozone continued, driven above all by Germany and Spain. But muted developments in the large emerging markets had an impact on the dynamics of the global economy: in China there were increasing signs of a slowdown in growth, and Brazil and Russia remained mired in recession.

Long-term interest rates declined slightly in the third quarter. Yields on ten-year US government bonds fell from 2.4% at the end of June to 2.0% at the end of September, and German Bunds decreased from 0.8% to 0.6% in the same period. This decline in interest rates caused the market value of fixed-income bonds to increase. Volatility in the bond markets was more restrained than the turbulence experienced in the second quarter. Yet there was great uncertainty on the global stock markets, triggered by several sharp falls in the Chinese market. Doubts about the pace of growth in China, the financial stability of other emerging markets and continuing low inflation resulted in the US Federal Reserve leaving its key interest rates unchanged at 0.0%-0.25%.

As against 31 December 2014, interest rates were somewhat higher at the end of the third quarter 2015, although still very low by long-term comparison. This has a negative impact on insurers when they invest and reinvest on behalf of their clients, because yields on new fixed-interest securities with high ratings are far lower than the average return on the securities maturing or sold. This has a particularly adverse effect on life insurers, which have to meet interest-rate guarantees.

We write a large portion of our business outside the eurozone. Therefore, appreciation of the euro has a negative impact on the development of premium income posted in euros, while depreciation has a positive effect. In a year-on-year comparison, during the first three quarters of 2015 the euro exchange rate was significantly lower on average against the US dollar (-18%), the pound sterling (-10%), the Canadian dollar (-5%) and the Japanese yen (-3%). Compared with the same quarter last year, the average euro exchange rate for the third quarter of 2015 was much lower for the US dollar and the pound sterling, only slightly lower for the yen, and marginally up for the Canadian dollar. Overall, currency translation effects have had a positive year-on-year impact on premium income and on other income and expenses in foreign currencies, both for the first nine months and for the third quarter. The value shown for investments, which is translated at period-end exchange rates, was also up in the first nine months owing to currency translation effects. On 30 September 2015, the euro exchange rate of US\$ 1.12 was 8% lower than at the end of 2014. The euro was also weaker against the pound sterling (-5%) and the Japanese yen (-8%) at the end of September than at the end of 2014. By contrast, the euro climbed by 6% against the Canadian dollar. For most currencies, development in the third quarter differed significantly from that in the first nine months of the year. At the end of September, by contrast with the end of June, the euro exchange rate was almost unchanged against the US dollar, higher against the pound sterling (4%) and the Canadian dollar (7%), and lower against the yen (-2%).

## Business performance

## Overview

Key figures<sup>1</sup>

	Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
	€m	€m	%	€m	€m	%
Gross premiums written	37,986	36,833	3.1	12,481	12,053	3.6
Technical result	2,641	2,629	0.5	861	956	-9.9
Investment result	5,872	6,030	-2.6	1,531	1,670	-8.3
Insurance-related investment result	-69	362	-	-322	85	-
Operating result	3,392	3,372	0.6	579	908	-36.2
Taxes on income	-300	-296	-1.4	101	11	818.2
Consolidated result	2,391	2,439	-2.0	525	736	-28.7
Thereof: Attributable to non-controlling interests	11	12	-8.3	5	3	66.7
				30.9.2015	31.12.2014	Change
				€bn	€bn	%
Equity				30.0	30.3	-0.8

1 Previous year's figures adjusted owing to IAS 8.

With a consolidated profit of €2.4bn (2.4bn), Munich Re looks back on a gratifying result overall for the first nine months of 2015. For the period from July to September, we posted a profit of €0.5bn (0.7bn). The third quarter of 2015 was marked by a below-average random incidence of major losses, and also by strains on our investment result.

Our premium income increased year on year due to currency translation effects. To avoid taking on risks at inadequate prices, terms and conditions in a highly competitive environment, we refrained from renewing some existing reinsurance treaties. If exchange rates had remained unchanged, premium income would have declined by 3.7%.

Our investment result for the first nine months was below that of the same period last year, as the third quarter was impacted by strains on strategic derivatives and write-downs on shares.

Overall, the operating result benefited from the depreciation in the euro compared with the first three quarters of 2014. We achieved a higher result contribution from the conversion of profits from underwriting business, and investment income in foreign currencies. The revaluation of balance-sheet items in foreign currencies led to a negative currency result in the first nine months, which is recognised in the "other non-operating result".

Our tax burden for the first three quarters of 2015 was low, and in the third quarter we even posted tax income of €101m. This owed mainly to differing country-specific tax rates, prior-year taxes, and a revaluation of the provision for tax risks.

Group equity as at 30 September 2015 was at about the same level as at the beginning of the year. The rise in the consolidated result and the reserve for currency translation adjustments was countered primarily by the decrease in unrealised gains on investments and the dividend payment. Compared with the position as at 30 June, our shareholders' equity decreased by €0.7bn, due primarily to the reduced balance of unrealised gains and losses in our equity portfolio.

Since the Annual General Meeting at the end of April, 2.3 million Munich Re shares with a volume of €0.4bn have been repurchased as at 30 September as part of the share buy-back programme announced in March. Since the beginning of the year, we have bought back a total of 4.0 million Munich Re shares with a volume of €0.7bn.

The annualised return on risk-adjusted capital (RORAC) for the first three quarters of the year amounted to 11.8% (13.6%), and 7.7% (12.3%) for the third quarter; the return on equity (RoE) to 10.1% (11.8%) and 6.9% (10.4%) for the third quarter.

The rating agency Fitch gave us a stronger financial strength rating as part of its regular assessment, and upgraded Munich Re from AA- to AA in the third quarter.

By a voting rights notification dated 28 September 2015, Berkshire Hathaway Inc. and National Indemnity Company stated that their shareholdings in Munich Re had been reduced to 9.7%. Previously, these companies controlled directly or indirectly by Warren Buffett held around 12% of the share capital of Munich Re.

## Reinsurance

- Gross premiums written of €21.2bn (20.2bn) for the first three quarters; €7.1bn (6.7bn) for the third quarter
- Life reinsurance with a consolidated result of €172m (280m) for the first nine months; €49m (34m) for the third quarter
- Property-casualty reinsurance with a consolidated result of €1,717m (1,648m) for the first nine months; €330m (497m) for the third quarter
- Combined ratio of 93.4% (93.2%) for property-casualty business for the first three quarters and 94.5% (91.3%) for the period July to September
- Investment result of €2,078m (1,926m) for January to September and €224m (363m) for the third quarter
- Consolidated result of €1,889m (1,928m) for the first nine months; €379m (531m) for the third quarter

## Reinsurance - Life

### Key figures

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Gross premiums written	€m	7,653	7,393	3.5	2,537	2,449	3.6
Share of gross premiums written in reinsurance	%	36.0	36.7		35.6	36.4	
Operating result	€m	335	389	-13.9	63	56	12.5
Consolidated result	€m	172	280	-38.6	49	34	44.1

## Premium

With around 90% of our life reinsurance business written in foreign currencies, currency translation effects have a significant influence on premium development. If exchange rates had remained unchanged, premium volume would have been down by 5.0% for the first three quarters of 2015 and 2.1% for the period July to September.

The deterioration was mainly attributable to several large-volume treaties, which we renewed in the course of the previous year with a reduced volume or did not renew. Large-volume treaties have played a key part in the strong increase in premium volume we have seen in recent years. Reinsurance under these treaties primarily serves as a capital substitute for our clients.

Growth in the Asian insurance markets remains pleasing. In contrast to this, primary insurance business has been impacted by the weak economy in many other markets, which has also dampened demand for reinsurance.

### Result

We are very satisfied with our technical result of €114m (55m) for the past quarter. The chief reason for this gratifying figure was satisfying claims experience overall, which more than offset even the payment of a single mortality claim in the mid two-digit million euro range. Our technical result for the first three quarters thus amounted to €247m (274m).

We posted an investment result of €628m (589m) for the period from January to September and €104m (147m) for the third quarter. The year-on-year improvement from January to September is mainly due to higher regular income from interest-bearing investments. The decline in the third quarter derived in particular from the poorer result of write-downs and write-ups of equities.

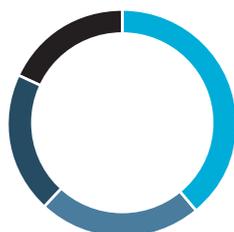
### Reinsurance - Property-casualty

#### Key figures

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Gross premiums written	€m	13,583	12,762	6.4	4,581	4,284	6.9
Share of gross premiums written in reinsurance	%	64.0	63.3		64.4	63.6	
Loss ratio	%	62.2	62.8		63.3	61.7	
Thereof: Major losses	Percentage points	6.7	7.5		9.2	6.4	
Expense ratio	%	31.2	30.4		31.2	29.6	
Combined ratio	%	93.4	93.2		94.5	91.3	
Operating result	€m	2,282	2,075	10.0	361	547	-34.0
Consolidated result	€m	1,717	1,648	4.2	330	497	-33.6

### Premium

#### Gross premiums by division - Q1-3 2015



Global Clients and North America	39% (40%)
Special and Financial Risks	23% (18%)
Germany, Asia Pacific and Africa	20% (22%)
Europe and Latin America	18% (20%)

Currency translation effects had a positive impact on premium development in the period January to September. If exchange rates had remained the same, premium income would have seen a year-on-year decline of 6.2% for the first nine months and 3.4% for the third quarter, mainly owing to the termination and reduction in share of several large-volume treaties.

The renewals at 1 July 2015 mainly involved treaty business in the US market, in Australia and Latin America, and from global clients. A total premium volume of around €2.3bn was up for renewal, representing around 14% of Munich Re's property-

casualty business. Pressure on prices, terms and conditions remained high, in particular for natural catastrophe covers, which accounted for about 20% of these renewals. Prices declined by 2.1% (previous year's renewals as at 1 July 2014: -3.6%), which could be interpreted as an initial sign of price stabilisation. Premium volume remained almost constant, as Munich Re was able to take advantage of selective opportunities in individual markets, but withdrew from business in other areas due to pricing pressures. Nevertheless, our portfolio remained profitable even after the fall in prices in recent renewal rounds of 1.6% for 2015 overall.

### Result

The technical result in the property-casualty reinsurance segment totalled €1,869m (1,717m) for January to September, of which €572m (657m) was attributable to the third quarter. As in the first half of the year, this result was significantly influenced by a below-average random incidence of nat cat claims.

Total major-loss expenditure in the first nine months amounted to €847m (914m), of which €386m (257m) related to the third quarter, in each case after retrocessions and before tax. The figures for each of the quarters remained appreciably below our major-loss projections.

Once again, expenditure for natural catastrophes was relatively low, with a total of €149m (427m) for the first nine months and €62m (100m) for the period July to September. The highest expenditure for the third quarter resulted from a severe earthquake off the coast of Chile in mid-September, for which we anticipate net major-loss expenditure of €45m.

Man-made losses totalled €699m (487m) for the first nine months and €324m (158m) for the third quarter. The largest individual loss for the period under review was the explosion disaster in the port of Tianjin, China. We expect €175m in net expenditure for this event.

The combined ratio was 93.4% (93.2%) of net earned premium for the first nine months and 94.5% (91.3%) for the third quarter. The overall expenditure for major losses included in this figure was 6.7 (7.5) percentage points for the period January to September and 9.2 (6.4) for the months July to September, i.e. below the average level to be expected.

In addition to the comprehensive reassessment of provisions for basic losses that we carry out primarily towards the end of the year, we also perform detailed quarterly analyses of the claims notifications we receive. As the claims notifications remained appreciably below the expected level, we made reserve releases of €200m in the third quarter. We thus released €500m in the first three quarters; this is equivalent to 4.0 percentage points of the combined ratio over the three quarters. We also still aim to set the amount of provisions for newly emerging claims at the very top end of the estimation range, so that profits from the release of a portion of these reserves are possible at a later stage.

The investment result was up year on year from January to September at €1,450m (1,337m), largely as a consequence of a positive one-off effect of around €220m arising from the acquisition of almost all the shares in 13th & F Associates Limited Partnership Columbia Square (13th & F), Washington D.C. In the third quarter, the investment result of €120m was down significantly on the previous year (€216m) owing in particular to write-downs on equities. Here, as in the previous year, the third quarter was marked by high losses on derivatives.

## ERGO

- Total premium income of €13.4bn (13.6bn) for the first three quarters; €4.3bn (4.3bn) for the third quarter
- Gross premiums written of €12.5bn (12.6bn) for the first three quarters; €4.0bn (4.0bn) for the third quarter
- ERGO Life and Health Germany with a consolidated result of €133m (139m) for the first nine months; €28m (73m) for the third quarter
- ERGO Property-casualty Germany with a consolidated result of €233m (157m) for the first nine months; €46m (31m) for the third quarter
- Combined ratio for ERGO Property-casualty Germany of 95.8% (94.7%) for the first three quarters and 96.1% (93.5%) for the third quarter
- ERGO International with a consolidated result of €52m (120m) for the first nine months; €26m (48m) for the third quarter
- Combined ratio of 101.1% (97.5%) for ERGO International for the first three quarters; 104.1% (100.0%) for the period July to September
- Investment result of €3.7bn (4.0bn) for January to September and €1.3bn (1.3bn) for the third quarter
- Consolidated result of €418m (416m) for the first nine months; €100m (152m) for the third quarter

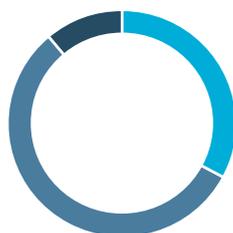
## ERGO Life and Health Germany

## Key figures

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Total premium income <sup>1</sup>	€m	7,697	7,992	-3.7	2,511	2,605	-3.6
Gross premiums written	€m	7,025	7,314	-4.0	2,298	2,409	-4.6
Share of gross premiums written by ERGO	%	56.2	57.9		57.9	60.0	
Operating result	€m	314	311	1.0	83	106	-21.7
Consolidated result	€m	133	139	-4.3	28	73	-61.6

<sup>1</sup> Total premium income includes not only gross premiums written but also savings premiums for unit-linked life insurance and capitalisation products in accordance with the applicable statutory accounting guidelines.

## Gross premiums by business segment - Q1-3 2015



Life Germany	33% (36%)
Health Germany	56% (54%)
Direct business Germany	11% (10%)

## Premium

In the ERGO Life and Health Germany segment, we report on German life business, German health business and German direct business.

Overall premium income in the ERGO Life and Health Germany segment decreased due to continuing poor market conditions and an ongoing struggle with low interest rates.

In the Life Germany field of business, total premium income fell by 7.8% year on year to €2,942m (3,192m) for the first nine months, and by 7.4% to €935m (1,010m) for the third quarter. Gross premiums written also declined to €2,335m (2,592m) for the first three quarters and to €742m (838m) for the period from July to September. The decrease was due especially to lower single-premium business. Overall, our new business volume for the first three quarters of 2015 was down year on year by 9.3% in terms of annual premium equivalent (APE, i.e. regular premium income plus one-tenth of single-premium volume), which is the performance measure customary among investors. The new generation of life insurance products accounted for around one-fifth of total new business, and with respect to unsponsored private provision for old age, the share of new products was 84%.

In the Health Germany field of business, premium income was down slightly by 1.1% to €3,929m (3,972m) for January to September and by 0.8% to €1,310m (1,321m) for the third quarter. Premium income in supplementary health insurance was at the same level as in the same period last year, whilst premium in comprehensive health insurance fell by 1.9%. Compared with the same period last year, new business grew by 7.9% in comprehensive health insurance and by 12.9% in supplementary health insurance. Nevertheless, premium income was down overall because the number of policyholders withdrawing from our comprehensive health cover was greater than the number of new policies we concluded.

German direct business encompasses direct insurance business transacted under our ERGO Direkt brand in Germany. Overall premium income in this field of business declined year on year by 0.2% to €826m (828m) in the period from January to September, and by 2.9% to €266m (274m) in the third quarter. Adjusted for premiums from our capitalisation product MaxiZins, overall premium income would have been up by 1.5% in the first nine months of 2015. Gross premiums written grew by 1.5% in the first three quarters, but were down by 1.6% for the period July to September. In terms of annual premium equivalent, new business volume declined by 10.0% compared with the same period last year.

### Result

The ERGO Life and Health Germany segment generated a technical result of €302m (264m) in the period from January to September, of which €91m (91m) was attributable to the third quarter. The increase in the first three quarters derived from the Health Germany and Life Germany fields of business. In Life Germany, the technical result for the third quarter was adversely impacted by the consequences of the liability adequacy test pursuant to IFRS 4 in the current low-interest-rate environment. However, this effect was offset by relief in connection with claims and benefits. The investment result showed a year-on-year decline from €3,366m to €3,141m for the first nine months and totalled €1,162m (1,085m) for the period July to September. The reduction for the first three quarters is largely due to write-downs.

## ERGO Property-casualty Germany

## Key figures

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Gross premiums written	€m	2,529	2,510	0.8	698	682	2.3
Share of gross premiums written by ERGO	%	20.3	19.9		17.6	17.0	
Loss ratio	%	63.2	62.8		63.9	62.6	
Expense ratio	%	32.6	31.9		32.2	30.9	
Combined ratio	%	95.8	94.7		96.1	93.5	
Operating result	€m	246	267	-7.9	-9	74	-
Consolidated result	€m	233	157	48.4	46	31	48.4
Thereof attributable to non-controlling interests	€m	-	1	-100.0	-	1	-100.0

## Premium

In the ERGO Property-casualty Germany segment, we report on property-casualty insurance business in Germany, with the exception of ERGO Direkt business. In the first three quarters, approximately 20% of the segment's premium income derived from personal accident insurance, and around 23% from motor insurance.

In the period from January to September, performance varied from one class of business to the next: we posted higher premium income in fire and property insurance (+5.6%), in marine and aviation insurance (+3.3%) and in motor insurance (+0.7%). By contrast, premium volume saw a decline in personal accident insurance (-2.6%), legal protection insurance (-1.6%) and third-party liability insurance (-0.4%). In personal accident and legal protection business, the reduction of business in force was partly responsible for the decreased premium.

## Result

The technical result in the ERGO Property-casualty Germany segment fell to €140m (173m) for the first nine months and to €44m (70m) for the period July to September. The decline for the first three quarters was largely attributable to higher major-loss expenditure in fire and homeowners' insurance as a consequence of Winter Storm Niklas. The investment result totalled €171m (182m) for the first nine months and -€30m (32m) for the third quarter. We achieved higher gains on disposals, especially of equities, in the first nine months of the year, but posted lower gains on disposals and higher write-downs in the third quarter.

The combined ratio of 95.8% of net earned premiums was above that of the same period last year (94.7%) owing to claims expenditure in the first three quarters, with Winter Storm Niklas registering as the largest loss event, and to a series of man-made major losses in the period from January to September. In the third quarter, the combined ratio amounted to 96.1% (93.5%), 2.6 percentage points up on the same period last year.

## ERGO International

### Key figures

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Total premium income <sup>1</sup>	€m	3,203	3,097	3.4	1,053	1,016	3.6
Gross premiums written	€m	2,936	2,811	4.4	974	926	5.2
Share of gross premiums written by ERGO	%	23.5	22.2		24.5	23.0	
Loss ratio	%	61.7	59.2		66.5	60.8	
Expense ratio	%	39.4	38.3		37.6	39.2	
Combined ratio	%	101.1	97.5		104.1	100.0	
Operating result	€m	129	219	-41.1	39	74	-47.3
Consolidated result	€m	52	120	-56.7	26	48	-45.8
Thereof attributable to non-controlling interests	€m	10	7	42.9	4	1	300.0

<sup>1</sup> Total premium income includes not only gross premiums written but also savings premiums for unit-linked life insurance and capitalisation products in accordance with the applicable statutory accounting guidelines.

### Premium

In the ERGO International segment, we bundle our life and property-casualty insurance business outside Germany. In the first nine months of 2015, approximately 39% of the segment's premium income stemmed from life insurance, and around 61% from property-casualty insurance. Our biggest markets are Poland, which accounts for approximately 32% of the premium volume, Austria with around 17%, and Belgium with some 10%.

We saw an increase in premium income for the period from January to September and for the third quarter, with good organic growth particularly in Poland and Turkey. Premium growth in the United Kingdom was significantly due to positive currency translation effects. Adjusted to eliminate these effects, gross premiums written in the ERGO International segment were up year on year by 4.5% for the first nine months, and by 6.7% for the third quarter.

In international life insurance business, we posted overall premium income of €1,412m (1,457m) for the first nine months of 2015, of which €445m (491m) was attributable to the period from July to September. Good organic growth in Poland contrasted with decreases in premium income in particular in Belgium and Austria. In the first nine months, international new life insurance business was down by 20.2% compared with the same period last year. The decline was due especially to lower regular premium income in Russia. In international property-casualty business, gross premium totalled €1,791m (1,640m) for the period from January to September and €608m (525m) for the third quarter. The development of premium income was gratifying, especially in Poland and Turkey. Our new property-casualty insurer in Singapore contributed €28m (8m) to our premium income in the first nine months.

### Result

The technical result in the ERGO International segment totalled €50m (113m) for the period from January to September, and €5m (33m) for the third quarter. The main reason for the reduction in the first nine months of 2015 was the year-on-year increase in expenditure in Belgium, the UK and Poland. We posted an investment result of €390m (498m) for January to September and €150m (175m) for the third quarter. The decrease is primarily due to higher losses on derivatives and to write-downs.

The increase in the combined ratio to 101.1% (97.5%) of net earned premiums for the period from January to September was especially due to the higher loss ratio, which was partly due to the keen competition in Poland. Additionally, the rise was attributable to higher loss reserves in Turkey and the UK. In international property-casualty business, the expense ratio also saw a rise, not least because of the disproportionate increase in acquisition costs in the UK. The figure for the third quarter was 104.1% (100.0%).

## Munich Health

- Gross premiums written of €4.3bn (4.0bn) for the first three quarters; €1.4bn (1.3bn) for the third quarter
- Combined ratio of 99.6% (98.5%) for the first three quarters and 98.5% (96.7%) for the third quarter
- Investment result of €92m (58m) for January to September and €25m (15m) for the third quarter
- Consolidated result of €84m (95m) for the first nine months; €46m (53m) for the third quarter

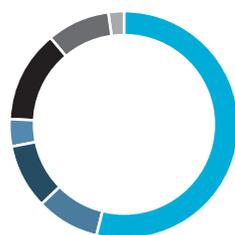
## Key figures

		Q1-3 2015	Q1-3 2014	Change	Q3 2015	Q3 2014	Change
				%			%
Gross premiums written	€m	4,260	4,043	5.4	1,393	1,303	6.9
Loss ratio <sup>1</sup>	%	84.8	82.0		85.1	80.9	
Expense ratio <sup>1</sup>	%	14.8	16.5		13.4	15.8	
Combined ratio <sup>1</sup>	%	99.6	98.5		98.5	96.7	
Operating result	€m	86	111	-22.5	42	51	-17.6
Consolidated result	€m	84	95	-11.6	46	53	-13.2
Thereof attributable to non-controlling interests	€m	1	4	-75.0	1	1	-

<sup>1</sup> Excluding business conducted like life insurance.

## Premium

### Gross premiums - Q1-3 2015



#### Reinsurance

North America	54%	(55%)
Europe and Latin America	9%	(12%)
Middle East/Africa	9%	(7%)
Asia-Pacific	4%	(2%)

#### Primary insurance

Spain	13%	(13%)
Belgium	9%	(9%)
Other	2%	(2%)

In reinsurance, the rise in premium volume by 6.7% to €3.3bn (3.1bn) in the first three quarters of 2015 was mainly attributable to positive currency translation effects, particularly from the exchange rate of the Canadian dollar and US dollar. In primary insurance, premium income increased slightly to €980m (970m), despite the sale of our share in DKV Luxembourg as at 1 January 2015. If exchange rates had remained unchanged, and adjusted for this sale, Munich Health's gross premiums would have decreased by 0.5% year on year, mainly owing to the reduction of Munich Re's share in a large-volume treaty in North America as at 1 April 2014.

### Result

Our technical result of €33m (88m) for the period from January to September and €35m (50m) for the third quarter was significantly down year on year, mainly due to a decreased result at DKV Belgium, which was attributable to increased medical inflation, and a higher claims burden in reinsurance.

The Munich Health combined ratio of 99.6% (98.5%) for the period January to September and 98.5% (96.7%) for the third quarter relates only to short-term health business, not to business conducted like life insurance. Business conducted like life insurance accounted for 8.9% (9.8%) of gross premiums written in the first three quarters of 2015. In reinsurance, the combined ratio amounted to 100.8% (99.5%) for the first nine months and 101.3% (99.7%) for the third quarter. In primary insurance, the combined ratio totalled 92.7% (92.9%) for the first nine months and 83.8% (81.1%) for the third quarter.

The investment result improved year on year to €92m (58m) for the period from January to September, mainly owing to gains on a subsequent purchase price adjustment from the sale of the Windsor Health Group. In the third quarter, the investment result rose to €25m (15m), because in the same period last year write-downs for impairment on investments in associates had to be made.

## Investment performance

- Market values of €235.4bn (235.8bn) almost unchanged since beginning of year
- Decrease in valuation reserves to €27.4bn (32.0bn)
- Investment result of €5.9bn (6.0bn) for the first three quarters; €1.5bn (1.7bn) for the third quarter

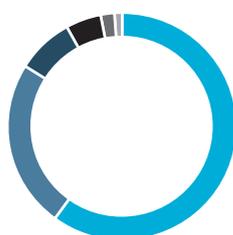
We gear the selection of our investments to the economic characteristics of our technical provisions and liabilities. In addition, we use derivative financial instruments for portfolio management (especially for acquisition preparation) and hedging against fluctuations on the interest-rate, equity and currency markets. Volatility in the markets results in changes in the values of derivatives, which under IFRS accounting we recognise in profit or loss.

## Investments by type according to carrying amounts

	30.9.2015	31.12.2014	Change
	€m	€m	%
Land and buildings, including buildings on third-party land	4,155	3,732	11.3
Investments in affiliated companies	229	274	-16.4
Investments in associates and joint ventures	1,210	1,285	-5.8
Loans	53,852	54,550	-1.3
Other securities held to maturity	-	-	-
Other securities available for sale			
Fixed-interest	130,881	129,806	0.8
Non-fixed-interest	14,233	14,037	1.4
Other securities at fair value through profit or loss			
Held for trading			
Fixed-interest	30	45	-33.3
Non-fixed-interest	54	45	20.0
Derivatives	2,285	1,874	21.9
Designated as at fair value through profit or loss			
Fixed-interest	170	204	-16.7
Non-fixed-interest	1	1	-
Deposits retained on assumed reinsurance	8,430	8,750	-3.7
Other investments	4,120	4,324	-4.7
<b>Total</b>	<b>219,650</b>	<b>218,927</b>	<b>0.3</b>

## Distribution of investments by type

Total: €220bn (219bn)



Fixed-interest securities	60% (60%)
Loans	24% (25%)
Miscellaneous investments	8% (8%)
Shares and equity funds	5% (4%)
Real estate	2% (2%)
Participating interests	1% (1%)

Our investment portfolio is decisively shaped by fixed-interest securities and loans. In the first quarter of 2015, interest rates fell to a historic low; in the second quarter, they climbed markedly and fell again marginally in the third quarter. As at 30 September, they were at around the same level as at the end of 2014. The carrying and market values of our investments have remained almost unchanged since the start of the year.

In the period under review, we increased our portfolio of government and corporate bonds, but slightly reduced our investments in covered bonds, credit derivatives and structured credit products.

In particular, the moderate increase in spreads compared with the beginning of the year and the gains on the disposal of fixed-interest securities and equities resulted in a decrease in on- and off-balance-sheet gains and losses, which will only be posted to the income statement upon disposal of the relevant investments. Including investments in affiliated companies and associates, these dropped from €32.0bn at 31 December 2014 to €27.4bn at 30 September 2015.

#### Other securities available for sale

€m	Carrying amounts		On-balance-sheet unrealised gains and losses		At amortised cost	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014	30.9.2015	31.12.2014
	Fixed-interest	130,881	129,806	9,286	11,967	121,595
Non-fixed-interest	14,233	14,037	1,603	2,270	12,630	11,767
<b>Total</b>	<b>145,114</b>	<b>143,843</b>	<b>10,889</b>	<b>14,237</b>	<b>134,225</b>	<b>129,606</b>

#### Off-balance-sheet unrealised gains and losses

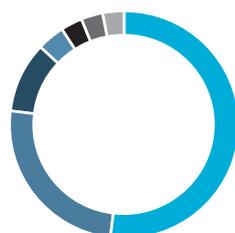
€m	Fair values		Off-balance-sheet unrealised gains and losses		Carrying amounts	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014	30.9.2015	31.12.2014
	Land and buildings <sup>1</sup>	9,138	8,647	2,588	2,491	6,550
Associates	1,627	1,796	422	516	1,205	1,280
Loans	67,084	68,950	13,232	14,400	53,852	54,550
Other securities	-	-	-	-	-	-
<b>Total</b>	<b>77,849</b>	<b>79,393</b>	<b>16,242</b>	<b>17,407</b>	<b>61,607</b>	<b>61,986</b>

1 Including owner-occupied property.

As at the reporting date, our portfolio of fixed-interest securities was made up as follows:

#### Fixed-interest portfolio according to economic categories<sup>1</sup>

Total: €207bn (207bn)



Government bonds <sup>2</sup>	52% (50%)
Thereof: Inflation-linked bonds	8% (8%)
Pfandbriefs/Covered bonds	25% (27%)
Corporate bonds	10% (10%)
Cash/Other	4% (4%)
Bank bonds	3% (3%)
Structured products (credit structures)	3% (3%)
Policy and mortgage loans	3% (3%)

1 Presentation essentially shows fixed-interest securities and loans, including deposits with banks, at market value. The approximation is not fully comparable with the IFRS figures.

2 Including other public issuers and government-guaranteed bank bonds.

A total of 52% of our fixed-interest portfolio was invested in government bonds at the reporting date. In the current financial year, new investments have mainly been made in US and French government bonds. The purchase of government bonds from emerging markets is also part of our balanced investment strategy. Reductions focused on our holdings of bonds from German and Austrian issuers. The vast majority of our government bonds continue to come from countries with a high credit rating. As part of our risk management, we gear our risk capital requirements and limits to the ratings of the relevant issuers, and do not treat any of the bonds as risk-free. At present, 45% of our government bond portfolio is made up of German and US bonds, with Italian, Spanish, Portuguese and Irish issuers accounting for 10%. We do not hold any government bonds from Greece, Cyprus or Argentina.

Our portfolio of covered bonds decreased. Above all, we reduced our holdings of German, Spanish and French covered bonds.

#### Fixed-interest securities: Bank bonds<sup>1</sup>

%	30.9.2015	31.12.2014
Senior bonds	80	81
Loss-bearing bonds	5	5
Subordinated bonds	15	14

<sup>1</sup> Presentation essentially shows fixed-interest securities and loans at market value. The approximation is not fully comparable with the IFRS figures.

Our investment in bank bonds is limited and at the reporting date amounted to 3% (3%) of our portfolio of fixed-interest securities. Corporate bonds from other sectors account for 10% (10%) of our fixed-interest securities.

We ensure that the maturities of fixed-interest investments do not deviate significantly from those of our liabilities. Thanks to this active duration management, the economic interest-rate risk within the Group remains at an acceptable level, even in a low-interest-rate environment.

The carrying amount of our equity portfolio (before taking derivatives into account, and including investments in affiliated companies, associates and joint ventures at market value) fell slightly in the first three quarters owing to price development. Our equity-backing ratio was 5.1% (5.2%). The derivatives used to hedge our equity portfolio were decreased marginally, thus slightly increasing our equity exposure. Including hedges, our equity-backing ratio was 4.2% (4.3%). Besides this, we are protecting ourselves against accelerated inflation. For this, we hold inflation-linked bonds with a volume (at market values) of €8.6bn (8.5bn) and inflation-linked swaps with an exposure of €4.2bn (5.9bn). Real assets like shares, property, commodities, and investments in infrastructure, renewable energies and new technologies also serve as protection against inflation. Additionally, our investments in real assets have a positive diversification effect on the overall portfolio. In the third quarter, we extended our infrastructure investments within the framework of a consortium with a share in the German motorway service station operator Tank & Rast.

### Investment result<sup>1</sup>

	Q1-3 2015	Return <sup>2</sup>	Q1-3 2014	Return <sup>2</sup>	Q3 2015	Q3 2014
	€m	%	€m	%	€m	€m
Regular income	5,588	3.1	5,377	3.3	1,725	1,773
Write-ups/write-downs of non-derivative investments	-653	-0.4	-103	-0.1	-413	-88
Net realised capital gains on non-derivative investments	2,321	1.3	1,683	1.0	514	479
Derivative result	-999	-0.5	-563	-0.3	-160	-364
Other income/expenses	-385	-0.2	-364	-0.2	-135	-130
<b>Total</b>	<b>5,872</b>	<b>3.3</b>	<b>6,030</b>	<b>3.7</b>	<b>1,531</b>	<b>1,670</b>

<sup>1</sup> The investment result by investment class can be found on page 68 f. of the notes to the consolidated financial statements.

<sup>2</sup> Annualised return in % p.a. on the average market value of the investment portfolio at the quarterly reporting dates.

Regular income increased moderately year on year due to currency translation effects in the first three quarters. In the third quarter, a slight year-on-year decrease was posted for regular income from interest-bearing investments in particular. For the period from July to September, the return on reinvestment averaged 1.9% (2.2%) and thus remained far lower than the average return on our existing portfolio of fixed-interest investments.

In the first three quarters, we posted net write-downs of €653m (103m) on non-derivative investments, of which €418m (73m) was on shares. The losses on equities were mainly attributable to the third quarter. In the course of the liquidation of HETA Asset Resolution AG, Klagenfurt, in the first quarter we posted a write-down on our fixed-interest portfolio of €104m; this relates to ERGO.

In the first three quarters of 2015, we achieved net gains of €2,321m (1,683m) on the disposal of non-derivative investments, €514m (479m) of which in the third quarter. Gains realised on equities in the third quarter were below average, and gains realised on fixed-interest securities were also lower than in the previous quarters. A non-recurring positive effect of around €220m came from the acquisition of almost all the shares in 13th & F.

In the first three quarters of 2015, we posted a negative balance totalling €999m (563m) from write-ups and write-downs of derivatives and losses on the disposal of derivatives, €160m (364m) of which is attributable to the third quarter. Due to rising stock markets, we had to accept losses in particular on our hedging instruments in the first three months. These losses were partially offset when share prices fell again in the second and third quarters. In the third quarter, we posted high losses on our commodity and inflation derivatives owing to decreased inflation expectations, especially in reinsurance. In the second quarter we had realised gains with these derivatives. In view of the decline in interest rates from July to September, in the third quarter we made gains on our interest-rate derivatives, particularly from ERGO's interest-rate hedging programme.

## Prospects

- Gross premium of around €50bn expected
- Return on investment likely to be around 3.0%
- Result target of at least €3bn still valid

Our expectations for the future are based primarily on planning figures and forecasts whose realisation we, of course, cannot guarantee. Losses from natural catastrophes and other major losses, for example, can have a strong effect on the result of the reporting period in which they randomly and unforeseeably occur. Late-reported claims for major loss events can also lead to significant fluctuations in individual quarterly or annual results. In addition, changes in tax parameters and other special factors can have a considerable impact. The results of individual quarters are therefore not always a reliable indicator for the results of the financial year as a whole.

Fluctuations of the capital markets and exchange rates as well as the special features of IFRS accounting also make it difficult to provide a forecast. Thus, there may be significant fluctuations in the investment result, currency result and consolidated result, despite the fact that our assets are geared to the characteristics of our liabilities. Changes in market value, and net gains or losses on the disposal of derivatives used by us as hedging instruments and for fine-tuning investments, can also substantially impact the result. Changes in exchange rates influence our premium income and results in different directions, depending on which foreign currencies are affected. There may be significant swings if exchange-rate fluctuations are strong, although economically speaking – relative to the volume of our business and our investments – we hold few open currency items on our books.

Compared with our statements in the half-year financial report, we can confirm our premium-income projections in all fields of business for the 2015 financial year. With regard to the result, especially of our investments, our expectations in view of the third-quarter burdens are somewhat more subdued than they were towards the middle of the year. Nevertheless, we are holding to our forecast of at least €3bn for the 2015 consolidated result.

## Reinsurance

Reinsurance remains an attractive business field with a wide variety of long-term earnings opportunities for us. Although insurance density in many industrialised countries is already high, even these markets often have an additional need for insurance cover. For example, weather-related natural hazards exposure is showing an increasing trend as the climate changes and the concentration of values in particularly exposed regions becomes greater. And even previously, only a small portion of the overall economic losses from major natural catastrophes was insured. In growth regions, there is increasing demand for insurance to protect manufacturing capacity and the rising prosperity of the population. Technological advances, and economic and social upheavals, are creating new and changing coverage demands that need to be met through the ongoing development of products and innovations. Moreover, all around the world, only a small portion of the risks from potential liability claims by third parties are insured. As a result, the strongly increasing capacity supply in the primary insurance and reinsurance sectors at present is matched by a demand potential in many classes of business that is not yet exhausted.

As a well-diversified reinsurer with extensive know-how, Munich Re is able to offer its cedants specialist consulting services and comprehensive solutions. Reinsurance provides primary insurers with efficient and flexible protection against major claims and accumulation losses, and strengthens their capital base. In addition to this, we devise innovative coverage concepts that go beyond the scope of traditional reinsurance and, to an increasing extent, also beyond the conventional boundaries of

insurability. Thus, for example, we provide non-damage business interruption insurance, coverage for internet and reputational risks, and for the effects of weather fluctuations on the financial position of companies. We make every effort to analyse new and altered risks in conjunction with our clients, in order to be able to offer them tailor-made insurance solutions. This allows us to take advantage of profit potential, and balance out some of the reductions in traditional business. In connection with alternative risk transfer, we exploit the advantages of the dynamic market environment and securitise insurance risks on the capital markets both for our clients and for ourselves. We also partner our clients in the often challenging task of adjusting to changes in regulatory requirements, which are currently being revised in many countries.

Gross premiums in reinsurance should be in the range of around €28bn overall in 2015, which is an improvement on the previous year. The increase of approximately €1.5bn compared with the median value of the forecast we made in our annual report for 2014 is due primarily to positive currency translation effects. These may still have an impact on our estimate. For 2015, we expect the consolidated result in reinsurance to total at least €2.5bn, which is less than the excellent result of €2.9bn for 2014. It needs to be borne in mind that there are likely to be fewer special tax effects and that prices continued to fall.

We project that gross premiums written in life reinsurance will remain in the region of €10bn for 2015. Given that business performance in the first nine months of the year was generally below our expectations, we anticipate a technical result of €300–350m for the year as a whole. We expect the technical result for future financial years to once again be in the region of €400m.

In property-casualty reinsurance, we are currently experiencing unrelenting competition. Given their good capitalisation, primary insurers are ceding fewer risks to reinsurance, which tends to result in falling demand for cover. At the same time, reinsurers are able to provide ample capacity, since their capital base has also steadily improved thanks to the good results posted over the last few years. There is also the ongoing availability of alternative capital in the US market: institutional investors, such as pension funds, increasingly favour insurance securitisation and other reinsurance-like transactions. This means there is currently appreciable surplus capacity on the supply side. Especially smaller-scale providers have come under pressure, which has recently led to an accumulation of takeovers and mergers in the industry.

We therefore expect the highly competitive environment to stay unchanged for the forthcoming renewals as at 1 January 2016, and we accordingly anticipate that the prices, terms and conditions for reinsurance coverage will be under pressure across the board, albeit with decreasing intensity. Munich Re will maintain its consistently profit-oriented underwriting policy, and only accept risks at commensurate prices. In the future, we will thus continue to systematically withdraw from business we do not consider to be sustainably profitable, and we will especially use innovative approaches to open up new growth potential.

For 2015, we anticipate that gross premiums written in property-casualty reinsurance will total around €18bn, which is some €1bn more than last year. The increase of €1bn compared with the forecast we made in our Annual Report for 2014 is due to positive currency translation effects. As the combined ratio of 93.4% for the first nine months of the year was below our expectations owing to the low burden for major losses, we now anticipate that this ratio will be around 95% of net earned premiums for the year as a whole, an improvement by three percentage points in comparison with our forecast in the Annual Report 2014 and by one percentage point compared with our expectation in the report for the second quarter of 2015.

## ERGO

We see good opportunities for ERGO, not only in evolving foreign markets but also in various sectors of the German market.

In 2015, total premium income for ERGO should be around €17.5bn, with gross premiums written of around €16.5bn, and therefore somewhat below the levels of the previous year. We project a consolidated result for 2015 of around €500m for ERGO, a significant improvement on the low 2014 result, which was mainly caused by the impairment of goodwill in the segment ERGO International.

In ERGO Life and Health Germany, our total premium income is likely to be around €10.5bn, with gross premiums written ranging between €9bn and €9.5bn.

We expect premium income for ERGO's Life Germany business to be lower overall at around €4bn in 2015. As at the end of 2015, we will largely stop underwriting new life insurance business that provides traditional guarantees. This excludes business in force and all term insurance products – including death benefits – and immediate annuities. In future, we will focus on our new product generations for unsponsored deferred annuities for old age.

For the Health Germany segment, we are proceeding on the assumption that gross premiums written will roughly maintain the previous year's level at around €5bn. In private health insurance, premium volume in comprehensive health cover is likely to decline. By contrast, we see good growth opportunities in supplementary health business, particularly in supplementary long-term care insurance and company health insurance.

In 2015, gross premiums written for direct business in Germany should remain largely stable at around €1bn compared with 2014. Falls in life primary insurance will probably be compensated for again by growth in health insurance.

Gross premiums written in the segment Property-casualty Germany should be somewhat over €3bn. Given the development of claims in the first three quarters, our combined ratio should amount to around 96%, one percentage point higher than we had projected three months ago.

We aim to achieve gross premiums written in the range of €3.5–4bn for the ERGO International segment in 2015, and to generate overall premium volume of around €4bn. Given that business performance was below our expectations, especially in the third quarter of 2015, we now anticipate that the combined ratio for the financial year as a whole will be around 101%, a deterioration of two percentage points in comparison with our forecast in the second quarterly report.

## Munich Health

Owing to medical advances, generally higher life expectancies and the increasing prosperity of broad sectors of the population, the international healthcare market offers diverse growth opportunities for Munich Health. We intend to utilise these opportunities even better in future, following some individual adjustments to our strategic orientation. In reinsurance, we see avenues for growth from our clients' increasing numbers of insureds and strong demand for customised solutions.

For 2015, we forecast gross premiums written of over €5.5bn. This is somewhat more than we had forecast in our Annual Report for 2014 due to positive currency translation

effects. The combined ratio is likely to be around 100%, a deterioration of almost one percentage point compared with our expectation in the report for the second quarter.

Altogether, we project a profit of between €50m and €100m for 2015.

### Munich Re (Group)

We are proceeding on the assumption that the Group's gross premiums written for 2015 will total around €50bn, some €1.2bn more than in the previous year. This improvement and the increase of €2bn compared with the median value of the forecast we made in our Annual Report for 2014 are chiefly due to positive currency translation effects.

We are adhering to our long-term objective of a 15% return on our risk-adjusted capital (RORAC) after tax across the cycle of the insurance and interest-rate markets. In the long term, we want to grow profitably with innovative business. However, this target will be difficult to achieve in the current environment of very low interest rates, even on investments entailing risk.

Provided that major-loss experience is in line with expectations in the fourth quarter of the year, our assumption is that Munich Re's technical result for 2015 will be at the same high level as last year, when we posted €3.2bn.

Contrary to our mid-year projections of a return on investment of 3.3%, the figure for 2015 is likely to be around 3.0%, the decrease being due to expenditure in the third quarter. We continue to anticipate that market interest rates will remain very low overall, with correspondingly falling regular income from fixed-interest investments.

As in previous years, a review of our loss reserves, tax provisions and intangible assets may result in substantial income or expenses in the fourth quarter of the year; they could also significantly impact the results of the respective fields of business. Subject to such result effects, and to random fluctuations in the incidence of major losses or upheavals on the capital markets, we confirm the adjusted profit guidance of at least €3bn we made in our Half-Year Financial Report. Existing uncertainties in forecasting the result mean that in the ERGO field of business the risks outweigh the opportunities, whereas in reinsurance it is the opportunities that predominate.

Our good capitalisation enables us to continue taking selective advantage of opportunities for profitable growth in individual regions and classes of business. We intend to carry on returning excess capital to equity holders in future as well. As part of the share buy-back programme announced in March, we therefore aim to repurchase shares with a total volume of up to €1bn before the Annual General Meeting in April 2016, provided no major upheavals occur on the capital markets or in underwriting business.

With the Solvency II rules taking effect on 1 January 2016, final implementation of the fundamentally modified supervisory regime is imminent. Although a significant amount of additional effort still needs to be made, we are well prepared for the new requirements. We are proceeding on the assumption that by the end of 2015 the supervisory authorities will have approved our internal risk model for regulatory capital requirement calculations. Our internal management and the requirements of state insurance supervision will thus be congruent for the first time as far as the assessment of risk is concerned. Nevertheless, Solvency II will have a significant impact on insurance supply and demand. As a consequence, new business opportunities will emerge for Munich Re.

Beyond this, the statements relating to opportunities and risks as presented in the Munich Re Group Annual Report 2014 apply unchanged.

Condensed interim consolidated financial statements  
Consolidated balance sheet as at 30 September 2015<sup>1</sup>

## Assets

	30.9.2015		31.12.2014	Change	
	€m	€m	€m	€m	%
<b>A. Intangible assets</b>					
I. Goodwill		3,196	3,063	133	4.3
II. Other intangible assets		1,173	1,220	-47	-3.9
			<b>4,369</b>	<b>86</b>	<b>2.0</b>
<b>B. Investments</b>					
I. Land and buildings, including buildings on third-party land		4,155	3,732	423	11.3
II. Investments in affiliated companies, associates and joint ventures		1,439	1,559	-120	-7.7
Thereof:					
Associates and joint ventures accounted for using the equity method		1,205	1,280	-75	-5.9
Thereof:					
Held for sale		-	27	-27	-100.0
III. Loans		53,852	54,550	-698	-1.3
IV. Other securities					
1. Held to maturity		-	-	-	-
2. Available for sale	145,114		143,843	1,271	0.9
Thereof:					
Held for sale		-	79	-79	-100.0
3. At fair value through profit or loss	2,540		2,169	371	17.1
		147,654	146,012	1,642	1.1
V. Deposits retained on assumed reinsurance		8,430	8,750	-320	-3.7
VI. Other investments		4,120	4,324	-204	-4.7
			<b>219,650</b>	<b>723</b>	<b>0.3</b>
<b>C. Insurance-related investments</b>			<b>8,707</b>	<b>246</b>	<b>2.9</b>
<b>D. Ceded share of technical provisions</b>			<b>5,378</b>	<b>50</b>	<b>0.9</b>
<b>E. Receivables</b>					
I. Current tax receivables		1,114	981	133	13.6
II. Other receivables		13,849	11,469	2,380	20.8
			<b>14,963</b>	<b>2,513</b>	<b>20.2</b>
<b>F. Cash at banks, cheques and cash in hand</b>			<b>4,251</b>	<b>1,339</b>	<b>46.0</b>
<b>G. Deferred acquisition costs</b>					
Gross		9,526	9,555	-29	-0.3
Ceded share		-82	-79	-3	-3.8
Net			9,444	-32	-0.3
<b>H. Deferred tax assets</b>			<b>7,993</b>	<b>387</b>	<b>5.1</b>
<b>I. Other assets</b>			<b>3,427</b>	<b>-114</b>	<b>-3.2</b>
<b>Total assets</b>			<b>278,182</b>	<b>5,198</b>	<b>1.9</b>

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

## Equity and liabilities

	30.9.2015		31.12.2014		Change
	€m	€m	€m	€m	%
<b>A. Equity</b>					
I. Issued capital and capital reserve	7,424		7,417	7	0.1
II. Retained earnings	14,370		12,991	1,379	10.6
III. Other reserves	5,584		6,458	-874	-13.5
IV. Consolidated result attributable to Munich Reinsurance Company equity holders	2,380		3,152	-772	-24.5
V. Non-controlling interests	287		271	16	5.9
		30,045	30,289	-244	-0.8
<b>B. Subordinated liabilities</b>		4,428	4,413	15	0.3
<b>C. Gross technical provisions</b>					
I. Unearned premiums	9,297		8,373	924	11.0
II. Provision for future policy benefits	113,963		112,648	1,315	1.2
Thereof:					
Held for sale	-		48	-48	-100.0
III. Provision for outstanding claims	58,880		56,362	2,518	4.5
IV. Other technical provisions	17,346		18,492	-1,146	-6.2
		199,486	195,875	3,611	1.8
<b>D. Gross technical provisions for unit-linked life insurance</b>		7,879	7,837	42	0.5
<b>E. Other accrued liabilities</b>		4,175	4,473	-298	-6.7
<b>F. Liabilities</b>					
I. Bonds and notes issued	306		282	24	8.5
II. Deposits retained on ceded business	2,558		2,673	-115	-4.3
III. Current tax liabilities	2,205		2,729	-524	-19.2
IV. Other liabilities	17,032		14,637	2,395	16.4
		22,101	20,321	1,780	8.8
<b>G. Deferred tax liabilities</b>		10,068	9,776	292	3.0
<b>Total equity and liabilities</b>		278,182	272,984	5,198	1.9

## Consolidated income statement 1 January to 30 September 2015<sup>1</sup>

Items	Q1-3 2015			Q1-3 2014		Change	
	€m	€m	€m	€m	€m	€m	%
<b>Gross premiums written</b>	<b>37,986</b>			<b>36,833</b>	<b>1,153</b>		<b>3.1</b>
<b>1. Earned premiums</b>							
Gross	37,315			36,429	886		2.4
Ceded	-1,148			-1,120	-28		-2.5
Net		36,167		35,309	858		2.4
<b>2. Income from technical interest</b>		<b>4,974</b>		<b>5,580</b>	<b>-606</b>		<b>-10.9</b>
<b>3. Expenses for claims and benefits</b>							
Gross	-30,201			-30,313	112		0.4
Ceded share	626			525	101		19.2
Net		-29,575		-29,788	213		0.7
<b>4. Operating expenses</b>							
Gross	-9,144			-8,708	-436		-5.0
Ceded share	219			236	-17		-7.2
Net		-8,925		-8,472	-453		-5.3
<b>5. Technical result (1-4)</b>			<b>2,641</b>	<b>2,629</b>	<b>12</b>		<b>0.5</b>
<b>6. Investment result</b>		<b>5,872</b>		<b>6,030</b>	<b>-158</b>		<b>-2.6</b>
Thereof:							
Income from associates and joint ventures accounted for using the equity method		375		53	322		607.5
<b>7. Insurance-related investment result</b>		<b>-69</b>		<b>362</b>	<b>-431</b>		<b>-</b>
<b>8. Other operating income</b>		<b>588</b>		<b>529</b>	<b>59</b>		<b>11.2</b>
<b>9. Other operating expenses</b>		<b>-666</b>		<b>-598</b>	<b>-68</b>		<b>-11.4</b>
<b>10. Deduction of income from technical interest</b>		<b>-4,974</b>		<b>-5,580</b>	<b>606</b>		<b>10.9</b>
<b>11. Non-technical result (6-10)</b>			<b>751</b>	<b>743</b>	<b>8</b>		<b>1.1</b>
<b>12. Operating result (5+11)</b>			<b>3,392</b>	<b>3,372</b>	<b>20</b>		<b>0.6</b>
<b>13. Other non-operating result</b>			<b>-523</b>	<b>-467</b>	<b>-56</b>		<b>-12.0</b>
<b>14. Impairment losses of goodwill</b>			<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>15. Net finance costs</b>			<b>-178</b>	<b>-170</b>	<b>-8</b>		<b>-4.7</b>
<b>16. Taxes on income</b>			<b>-300</b>	<b>-296</b>	<b>-4</b>		<b>-1.4</b>
<b>17. Consolidated result (12-16)</b>			<b>2,391</b>	<b>2,439</b>	<b>-48</b>		<b>-2.0</b>
Thereof:							
Attributable to Munich Reinsurance Company equity holders			2,380	2,427	-47		-1.9
Attributable to non-controlling interests			11	12	-1		-8.3
			€	€	€		%
<b>Earnings per share</b>			<b>14.28</b>	<b>14.01</b>	<b>0.27</b>		<b>1.9</b>

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

## Consolidated income statement

### 1 July to 30 September 2015<sup>1</sup>

#### Items

Items	Q3 2015		Q3 2014		Change	
	€m	€m	€m	€m	€m	%
<b>Gross premiums written</b>	<b>12,481</b>			<b>12,053</b>	<b>428</b>	<b>3.6</b>
<b>1. Earned premiums</b>						
Gross	12,375			12,100	275	2.3
Ceded	-419			-391	-28	-7.2
Net		11,956		11,709	247	2.1
<b>2. Income from technical interest</b>		<b>1,463</b>		<b>1,776</b>	<b>-313</b>	<b>-17.6</b>
<b>3. Expenses for claims and benefits</b>						
Gross	-9,881			-9,874	-7	-0.1
Ceded share	203			200	3	1.5
Net		-9,678		-9,674	-4	0.0
<b>4. Operating expenses</b>						
Gross	-2,970			-2,950	-20	-0.7
Ceded share	90			95	-5	-5.3
Net		-2,880		-2,855	-25	-0.9
<b>5. Technical result (1-4)</b>			<b>861</b>	<b>956</b>	<b>-95</b>	<b>-9.9</b>
<b>6. Investment result</b>		<b>1,531</b>		<b>1,670</b>	<b>-139</b>	<b>-8.3</b>
Thereof:						
Income from associates and joint ventures accounted for using the equity method		248		17	231	>1,000.0
<b>7. Insurance-related investment result</b>		<b>-322</b>		<b>85</b>	<b>-407</b>	<b>-</b>
<b>8. Other operating income</b>		<b>200</b>		<b>170</b>	<b>30</b>	<b>17.6</b>
<b>9. Other operating expenses</b>		<b>-228</b>		<b>-197</b>	<b>-31</b>	<b>-15.7</b>
<b>10. Deduction of income from technical interest</b>		<b>-1,463</b>		<b>-1,776</b>	<b>313</b>	<b>17.6</b>
<b>11. Non-technical result (6-10)</b>			<b>-282</b>	<b>-48</b>	<b>-234</b>	<b>-487.5</b>
<b>12. Operating result (5+11)</b>			<b>579</b>	<b>908</b>	<b>-329</b>	<b>-36.2</b>
<b>13. Other non-operating result</b>			<b>-97</b>	<b>-127</b>	<b>30</b>	<b>23.6</b>
<b>14. Impairment losses of goodwill</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15. Net finance costs</b>			<b>-58</b>	<b>-56</b>	<b>-2</b>	<b>-3.6</b>
<b>16. Taxes on income</b>			<b>101</b>	<b>11</b>	<b>90</b>	<b>818.2</b>
<b>17. Consolidated result (12-16)</b>			<b>525</b>	<b>736</b>	<b>-211</b>	<b>-28.7</b>
Thereof:						
Attributable to Munich Reinsurance Company equity holders			520	733	-213	-29.1
Attributable to non-controlling interests			5	3	2	66.7
			€	€	€	%
<b>Earnings per share</b>			<b>3.14</b>	<b>4.28</b>	<b>-1.14</b>	<b>-26.6</b>

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

## Consolidated income statement<sup>1</sup> (quarterly breakdown)

Items	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
	€m						
<b>Gross premiums written</b>	<b>12,481</b>	<b>12,467</b>	<b>13,038</b>	<b>12,015</b>	<b>12,053</b>	<b>11,856</b>	<b>12,924</b>
<b>1. Earned premiums</b>							
Gross	12,375	12,757	12,183	12,558	12,100	12,056	12,273
Ceded	-419	-406	-323	-483	-391	-351	-378
Net	11,956	12,351	11,860	12,075	11,709	11,705	11,895
<b>2. Income from technical interest</b>	<b>1,463</b>	<b>1,244</b>	<b>2,267</b>	<b>1,923</b>	<b>1,776</b>	<b>1,882</b>	<b>1,922</b>
<b>3. Expenses for claims and benefits</b>							
Gross	-9,881	-9,940	-10,380	-10,103	-9,874	-10,340	-10,099
Ceded share	203	239	184	197	200	197	128
Net	-9,678	-9,701	-10,196	-9,906	-9,674	-10,143	-9,971
<b>4. Operating expenses</b>							
Gross	-2,970	-3,114	-3,060	-3,556	-2,950	-3,064	-2,694
Ceded share	90	88	41	77	95	76	65
Net	-2,880	-3,026	-3,019	-3,479	-2,855	-2,988	-2,629
<b>5. Technical result (1-4)</b>	<b>861</b>	<b>868</b>	<b>912</b>	<b>613</b>	<b>956</b>	<b>456</b>	<b>1,217</b>
<b>6. Investment result</b>	<b>1,531</b>	<b>2,521</b>	<b>1,820</b>	<b>1,972</b>	<b>1,670</b>	<b>2,368</b>	<b>1,992</b>
Thereof:							
Income from associates and joint ventures accounted for using the equity method	248	87	40	24	17	31	5
<b>7. Insurance-related investment result</b>	<b>-322</b>	<b>-326</b>	<b>579</b>	<b>52</b>	<b>85</b>	<b>199</b>	<b>78</b>
<b>8. Other operating income</b>	<b>200</b>	<b>209</b>	<b>179</b>	<b>218</b>	<b>170</b>	<b>182</b>	<b>177</b>
<b>9. Other operating expenses</b>	<b>-228</b>	<b>-210</b>	<b>-228</b>	<b>-277</b>	<b>-197</b>	<b>-186</b>	<b>-215</b>
<b>10. Deduction of income from technical interest</b>	<b>-1,463</b>	<b>-1,244</b>	<b>-2,267</b>	<b>-1,923</b>	<b>-1,776</b>	<b>-1,882</b>	<b>-1,922</b>
<b>11. Non-technical result (6-10)</b>	<b>-282</b>	<b>950</b>	<b>83</b>	<b>42</b>	<b>-48</b>	<b>681</b>	<b>110</b>
<b>12. Operating result (5+11)</b>	<b>579</b>	<b>1,818</b>	<b>995</b>	<b>655</b>	<b>908</b>	<b>1,137</b>	<b>1,327</b>
<b>13. Other non-operating result</b>	<b>-97</b>	<b>-432</b>	<b>6</b>	<b>-29</b>	<b>-127</b>	<b>-225</b>	<b>-115</b>
<b>14. Impairment losses of goodwill</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-445</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15. Net finance costs</b>	<b>-58</b>	<b>-60</b>	<b>-60</b>	<b>-58</b>	<b>-56</b>	<b>-58</b>	<b>-56</b>
<b>16. Taxes on income</b>	<b>101</b>	<b>-250</b>	<b>-151</b>	<b>608</b>	<b>11</b>	<b>-92</b>	<b>-215</b>
<b>17. Consolidated result (12-16)</b>	<b>525</b>	<b>1,076</b>	<b>790</b>	<b>731</b>	<b>736</b>	<b>762</b>	<b>941</b>
Thereof:							
Attributable to Munich Reinsurance Company equity holders	520	1,070	790	725	733	758	936
Attributable to non-controlling interests	5	6	-	6	3	4	5
	€	€	€	€	€	€	€
<b>Earnings per share</b>	<b>3.14</b>	<b>6.42</b>	<b>4.71</b>	<b>4.29</b>	<b>4.28</b>	<b>4.39</b>	<b>5.33</b>

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

## Statement of recognised income and expense 1 January to 30 September 2015<sup>1</sup>

€m		Q1-3 2015	Q1-3 2014
<b>Consolidated result</b>		<b>2,391</b>	<b>2,439</b>
Currency translation			
Gains (losses) recognised in equity	1,027		1,110
Recognised in the consolidated income statement	-		-
Unrealised gains and losses on investments			
Gains (losses) recognised in equity	-1,160		2,778
Recognised in the consolidated income statement	-723		-800
Change resulting from valuation at equity			
Gains (losses) recognised in equity	-37		15
Recognised in the consolidated income statement	-		-
Change resulting from cash flow hedges			
Gains (losses) recognised in equity	1		-
Recognised in the consolidated income statement	-		-
Other changes	1		14
I. Items where income and expenses recognised directly in equity are reallocated to the consolidated income statement	-891		3,117
Remeasurements of defined benefit plans	235		-110
Other changes	-		-
II. Items where income and expenses recognised directly in equity are not reallocated to the consolidated income statement	235		-110
<b>Income and expense recognised directly in equity (I + II)</b>		<b>-656</b>	<b>3,007</b>
<b>Total recognised income and expense</b>		<b>1,735</b>	<b>5,446</b>
Thereof:			
Attributable to Munich Reinsurance Company equity holders		1,722	5,429
Attributable to non-controlling interests		13	17

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

## Statement of recognised income and expense

### 1 July to 30 September 2015<sup>1</sup>

€m		Q3 2015	Q3 2014
<b>Consolidated result</b>		<b>525</b>	<b>736</b>
Currency translation			
Gains (losses) recognised in equity	-332		951
Recognised in the consolidated income statement	-		-
Unrealised gains and losses on investments			
Gains (losses) recognised in equity	-952		455
Recognised in the consolidated income statement	270		-205
Change resulting from valuation at equity			
Gains (losses) recognised in equity	-13		-3
Recognised in the consolidated income statement	-		-
Change resulting from cash flow hedges			
Gains (losses) recognised in equity	-		-
Recognised in the consolidated income statement	-		-
Other changes	1		-
I. Items where income and expenses recognised directly in equity are reallocated to the consolidated income statement	-1,026		1,198
Remeasurements of defined benefit plans	127		-31
Other changes	-		-
II. Items where income and expenses recognised directly in equity are not reallocated to the consolidated income statement	127		-31
<b>Income and expense recognised directly in equity (I + II)</b>		<b>-899</b>	<b>1,167</b>
<b>Total recognised income and expense</b>		<b>-374</b>	<b>1,903</b>
Thereof:			
Attributable to Munich Reinsurance Company equity holders		-378	1,895
Attributable to non-controlling interests		4	8

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.



Group statement of changes in equity<sup>1</sup>

	Issued capital	Capital reserve
€m		
31.12.2013 as originally recognised	581	6,845
Change from retrospective adjustment	-	-
<b>Status at 31.12.2013</b>	<b>581</b>	<b>6,845</b>
Allocation to retained earnings	-	-
Consolidated result	-	-
Income and expense recognised directly in equity	-	-
Currency translation	-	-
Unrealised gains and losses on investments	-	-
Change resulting from valuation at equity	-	-
Change resulting from cash flow hedges	-	-
Remeasurements of defined benefit plans	-	-
Other changes	-	-
Total recognised income and expense	-	-
Change in shareholdings in subsidiaries	-	-
Change in consolidated group	-	-
Dividend	-	-
Purchase/sale of own shares	-24	-
Retirement of own shares	21	-
<b>Status at 30.9.2014</b>	<b>578</b>	<b>6,845</b>
31.12.2014 as originally recognised	572	6,845
Change from retrospective adjustment	-	-
<b>Status at 31.12.2014</b>	<b>572</b>	<b>6,845</b>
Allocation to retained earnings	-	-
Consolidated result	-	-
Income and expense recognised directly in equity	-	-
Currency translation	-	-
Unrealised gains and losses on investments	-	-
Change resulting from valuation at equity	-	-
Change resulting from cash flow hedges	-	-
Remeasurements of defined benefit plans	-	-
Other changes	-	-
Total recognised income and expense	-	-
Change in shareholdings in subsidiaries	-	-
Change in consolidated group	-	-
Dividend	-	-
Purchase/sale of own shares	-14	-
Retirement of own shares	21	-
<b>Status at 30.9.2015</b>	<b>579</b>	<b>6,845</b>

<sup>1</sup> Previous year's figures adjusted owing to IAS 8.

		Equity attributable to Munich Reinsurance Company equity holders				Non-controlling interests	Total equity
Retained earnings		Other reserves			Consolidated result		
Retained earnings before deduction of own shares	Own shares held	Unrealised gains and losses	Reserve from currency translation	Valuation result from cash flow hedges			
13,136	-295	3,368	-997	3	3,304	243	26,188
-8	-	-	-	-	-6	-	-14
<b>13,128</b>	<b>-295</b>	<b>3,368</b>	<b>-997</b>	<b>3</b>	<b>3,298</b>	<b>243</b>	<b>26,174</b>
2,044	-	-	-	-	-2,044	-	-
-	-	-	-	-	2,427	12	2,439
-90	-	1,987	1,110	-5	-	5	3,007
-	-	-	1,110	-	-	-	1,110
-	-	1,971	-	-	-	7	1,978
4	-	16	-	-5	-	-	15
-	-	-	-	-	-	-	-
-108	-	-	-	-	-	-2	-110
14	-	-	-	-	-	-	14
-90	-	1,987	1,110	-5	2,427	17	5,446
-	-	-	-	-	-	-	-
1	-	-	-	-	-	-1	-
-	-	-	-	-	-1,254	-3	-1,257
-	-1,119	-	-	-	-	-	-1,143
-1,000	1,000	-	-	-	-	-	21
<b>14,083</b>	<b>-414</b>	<b>5,355</b>	<b>113</b>	<b>-2</b>	<b>2,427</b>	<b>256</b>	<b>29,241</b>
13,683	-678	6,026	434	-2	3,153	271	30,304
-14	-	-	-	-	-1	-	-15
<b>13,669</b>	<b>-678</b>	<b>6,026</b>	<b>434</b>	<b>-2</b>	<b>3,152</b>	<b>271</b>	<b>30,289</b>
1,859	-	-	-	-	-1,859	-	-
-	-	-	-	-	2,380	11	2,391
216	-	-1,901	1,025	2	-	2	-656
-	-	-	1,025	-	-	2	1,027
-	-	-1,879	-	-	-	-4	-1,883
-16	-	-22	-	1	-	-	-37
-	-	-	-	1	-	-	1
231	-	-	-	-	-	4	235
1	-	-	-	-	-	-	1
216	-	-1,901	1,025	2	2,380	13	1,735
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5	5
-	-	-	-	-	-1,293	-2	-1,295
-	-696	-	-	-	-	-	-710
-1,002	1,002	-	-	-	-	-	21
<b>14,742</b>	<b>-372</b>	<b>4,125</b>	<b>1,459</b>	<b>-</b>	<b>2,380</b>	<b>287</b>	<b>30,045</b>

## Condensed consolidated cash flow statement

### 1 January to 30 September 2015<sup>1</sup>

€m	Q1-3 2015	Q1-3 2014
<b>Consolidated result</b>	<b>2,391</b>	<b>2,439</b>
Net change in technical provisions	4,054	5,282
Change in deferred acquisition costs	31	-147
Change in deposits retained and accounts receivable and payable	-300	764
Change in other receivables and liabilities	-327	590
Gains and losses on the disposal of investments	-1,539	-1,214
Change in securities at fair value through profit or loss	-1,309	-187
Change in other balance sheet items	77	-117
Other income/expenses without impact on cash flow	216	-194
<b>I. Cash flows from operating activities</b>	<b>3,294</b>	<b>7,216</b>
Change from losing control of consolidated subsidiaries	16	-
Change from obtaining control of consolidated subsidiaries	-69	-97
Change from the acquisition, sale and maturities of other investments	145	-4,154
Change from the acquisition and sale of investments for unit-linked life insurance contracts	-310	-411
Other	63	-103
<b>II. Cash flows from investing activities</b>	<b>-155</b>	<b>-4,765</b>
Inflows from increases in capital and from non-controlling interests	-	-
Outflows to ownership interests and non-controlling interests	-689	-1,122
Dividend payments	-1,295	-1,257
Change from other financing activities	-13	-10
<b>III. Cash flows from financing activities</b>	<b>-1,997</b>	<b>-2,389</b>
<b>Cash flows for the financial year (I + II + III)</b>	<b>1,142</b>	<b>62</b>
Effect of exchange-rate changes on cash	197	190
Cash at the beginning of the financial year	2,912	2,820
Cash at 30 September of the financial year	4,251	3,072

1 Previous year's figures adjusted owing to IAS 8.

# Selected notes to the consolidated financial statements

## Recognition and measurement

This quarterly report as at 30 September 2015 has been prepared in accordance with International Financial Reporting Standards (IFRSs) as applicable in the European Union. The condensed interim consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting. We have complied with all new and amended IFRSs and IFRIC interpretations whose application is compulsory for Munich Re for the first time for periods beginning on 1 January 2015. For existing or unchanged IFRSs, the same principles of recognition, measurement, consolidation and disclosure have been applied as in our consolidated financial statements as at 31 December 2014, with the exception of the changes mentioned below. In accordance with the rules of IFRS 4, underwriting items are recognised and measured on the basis of US GAAP (United States Generally Accepted Accounting Principles) at first-time adoption of IFRS 4 on 1 January 2005.

As of the financial year 2015, the following new or amended IFRSs have to be applied for the first time:

The IASB concluded the project **Annual Improvement to IFRSs 2011–2013 Cycle** in December 2013 with the publication of the revised standards. These amendments concern IFRS 1, First-time Adoption of International Financial Reporting Standards; IFRS 3, Business Combinations; IFRS 13, Fair Value Measurement; and IAS 40, Investment Property. Clarifications were made to these standards concerning individual provisions that have turned out to be unclear in practice; they have no impact on Munich Re's financial statements.

**IFRIC Interpretation 21 (05/2013), Levies**, clarifies the point of recognition of a liability within the scope of IAS 37 for levies imposed by governments, other than income taxes, that do not fall within the scope of application of other IFRSs. As well as determining the point of recognition, the Interpretation clarifies how to interpret the definition of "present obligation" within the meaning of IAS 37 with respect to such levies. It has no material effects on Munich Re.

In valuing the provision for outstanding claims, the time value of money and the specific risk for the provision were not calculated correctly for one reinsurance portfolio. The items concerned were corrected retrospectively in the first quarter. The adjustments had the following effects on the consolidated balance sheets for the financial years 2013 and 2014, and the consolidated income statement for 2014.

#### Consolidated balance sheet

	31.12.2013 as originally recognised	Changes due to adjustments in 2013	31.12.2013
€m			
<b>Assets</b>			
H. Deferred tax assets	6,995	4	6,999
<b>Equity and liabilities</b>			
A. II. Retained earnings	12,841	-8	12,833
A. IV. Consolidated result attributable to Munich Reinsurance Company equity holders	3,304	-6	3,298
C. IV. Provision for outstanding claims	53,061	18	53,079

#### Consolidated balance sheet

	31.12.2014 as originally recognised	Changes due to adjustments in 2014	31.12.2014
€m			
<b>Assets</b>			
H. Deferred tax assets	7,601	5	7,606
<b>Equity and liabilities</b>			
A. II. Retained earnings	13,005	-14	12,991
A. IV. Consolidated result attributable to Munich Reinsurance Company equity holders	3,153	-1	3,152
C. III. Provision for outstanding claims	56,342	20	56,362

#### Consolidated income statement

	2014 as originally recognised	Changes due to adjustments in 2014	2014
€m			
<b>3. Expenses for claims and benefits</b>			
Gross	-40,415	-1	-40,416
Net	-39,693	-1	-39,694
<b>5. Technical result</b>	<b>3,243</b>	<b>-1</b>	<b>3,242</b>
<b>12. Operating result</b>	<b>4,028</b>	<b>-1</b>	<b>4,027</b>
<b>17. Consolidated result</b>	<b>3,171</b>	<b>-1</b>	<b>3,170</b>
Thereof:			
Attributable to Munich Reinsurance Company equity holders	3,153	-1	3,152

## Changes in the consolidated group

On 1 January 2015, via its subsidiary MR RENT-Investment GmbH, Munich, Munich Re acquired 100% of the voting shares in the solar park companies KS SPV 23 Limited, London, England, and Countryside Renewables (Forest Heath) Limited, London, England, from BayWa r.e. 205. Projektgesellschaft mbH, Gräfelfing, Germany and BayWa r.e. 149. Projektgesellschaft mbH, Gräfelfing, Germany. The solar parks have a total installed capacity of 22.7 megawatts (MW).

On 1 March 2015, via its subsidiary MR RENT-Investment GmbH, Munich, Munich Re acquired 100% of the voting shares in the solar park company Cornwall Power (Polmaugan) Limited, London, England from BayWa r.e. 148. Projektgesellschaft mbH, Gräfelfing, Germany. The solar park has a total installed capacity of 5 MW. These corporate acquisitions form part of our infrastructure investment programme (including renewable energies and new technologies).

On 23 July 2015, via its subsidiary Victoria Investment Properties Two L.P., Atlanta, USA, Munich Re acquired as an investment measure an additional 18% of the capital of 13th & F Associates Limited Partnership Columbia Square (13th & F), Washington, D.C., USA, from Hines Columbia Square (Hines), L.P., Houston, USA. Furthermore, the shareholding of Hines, the previous general managing partner, was converted into the non-voting interest of a limited partner, enabling us to obtain 100% of the voting shares. We consequently increased our shareholding to 98% and gained control over the company, which is the property management and holding company of an office building in Washington, D.C. The fair value of Munich Re's shareholding in 13th & F immediately prior to the time of acquisition totalled €325m. A revaluation of this shareholding resulted in a positive one-off effect of €220m, which was recognised as income from investments in associates. A purchase price of US\$ 82.0m (€75.3m) was paid for the acquisition of the shares, of which US\$ 80.2m (€73.6m) was in cash. The fair value of the non-controlling interest in the acquired company was set at €8m, by discounting the future cash flow attributable to the non-controlling interests as a result of the transaction at the valuation date.

The provisional IFRS fair values of the assets and liabilities of the acquired company at the time of acquisition are as follows:

## IFRS fair values of the assets and liabilities at the acquisition date

€m	13th & F
<b>Purchase price</b>	<b>75</b>
<b>Assets acquired</b>	<b>463</b>
Intangible assets	-
Investments	452
Receivables <sup>1</sup>	1
Cash at bank, cheques and cash in hand	10
Deferred tax assets	-
Other assets	-
<b>Liabilities assumed</b>	<b>-57</b>
Other reserves	-
Liabilities	-57
Deferred tax liabilities	-
Other liabilities <sup>2</sup>	-
<b>Revenue included in the consolidated income statement since the acquisition date</b>	<b>6</b>
<b>Result included in the consolidated income statement since the acquisition date</b>	<b>1</b>
<b>Contributions to the consolidated revenues as if the acquisition date for the business combination had been 1 January 2015<sup>3</sup></b>	<b>18</b>

1 The fair value of the receivables acquired as part of the transactions corresponds to the carrying amount. No defaults were expected at the acquisition date.

2 No contingent liabilities, contingent payments or separate transactions within the meaning of IFRS 3 were identified.

3 The change in the consolidated result cannot be accurately calculated owing to lack of data at the beginning of the year.

## Foreign currency translation

Munich Re's presentation currency is the euro (€). The following table shows the exchange rates of the most important currencies for our business:

## Currency translation rates

Rate for €1	Balance sheet			Income statement				
	30.9.2015	31.12.2014	Q3 2015	Q2 2015	Q1 2015	Q3 2014	Q2 2014	Q1 2014
Australian dollar	1.58955	1.47865	1.53378	1.42290	1.43196	1.43264	1.47064	1.52779
Canadian dollar	1.49655	1.40155	1.45470	1.36072	1.39583	1.44229	1.49605	1.51090
Pound sterling	0.73690	0.77605	0.71792	0.72197	0.74388	0.79379	0.81486	0.82797
Rand	15.43440	13.99880	14.45610	13.37680	13.22830	14.26520	14.45910	14.87360
Swiss franc	1.09070	1.20235	1.07280	1.04134	1.07446	1.21152	1.21910	1.22350
US dollar	1.11625	1.21005	1.11170	1.10638	1.12680	1.32546	1.37153	1.37039
Yen	133.6880	145.0790	135.7950	134.3250	134.2600	137.7430	140.0360	140.8670
Yuan Renminbi	7.09615	7.50715	7.00853	6.86395	7.02658	8.17218	8.54686	8.36070



## Segment reporting

In accordance with the management approach, the segmentation of our business operations is based on the way in which Munich Re is managed internally.

We have consequently identified six segments to be reported:

- Life reinsurance (global life reinsurance business)
- Property-casualty reinsurance (global property-casualty reinsurance business)
- ERGO Life and Health Germany (German life and health primary insurance business, German direct property-casualty primary insurance business, and global travel insurance business)
- ERGO Property-casualty Germany (German property-casualty primary insurance business, excluding direct business)
- ERGO International (ERGO primary insurance business outside Germany)
- Munich Health (global health reinsurance business and health primary insurance business outside Germany)

Certain primary insurers whose business requires special solution-finding competence are coupled to reinsurance as the risk carrier. We therefore transact their business from within reinsurance and consequently allocate them to the reinsurance segment.

Munich Re uses different performance indicators and measures. The main performance metrics at Group level are economic earnings and the return on risk-adjusted capital (RORAC). Besides this, IFRS result contributions are the basis of planning and strategy in all segments. Therefore the uniform assessment basis used for measuring the segment result is the operating result adjusted to eliminate non-operating components. The operating result is split into a technical result and a non-technical result, with an interest component allocated to the underwriting business in the form of income from technical interest. The non-technical result also separately discloses the insurance-related investment result and the result of other investments. The segments reported under IFRS 8 are now shown after elimination of all intra-Group transactions (mainly dividend payments, sales, reinsurance transactions, receivables and corresponding interest income). Our segment reporting has no consolidation column.

In the case of intra-Group sales of assets where a provision for premium refunds has to be posted, the latter always has to be shown by the selling segment. Intra-Group loans are completely eliminated in the balance sheet through consolidation. By contrast, the expenditure for the borrowers and income for the lenders is shown unconsolidated under "Other non-operating result, impairment losses of goodwill and net finance costs" for the segments concerned. All intra-Group shareholdings are consolidated, and all earnings and expenditure of the subsidiaries are shown in their segments.

## Segment assets

€m	Reinsurance			
	30.9. 2015	31.12. 2014	Life	Property-casualty
			30.9. 2015	31.12. 2014
<b>A. Intangible assets</b>	<b>158</b>	<b>160</b>	<b>2,236</b>	<b>2,099</b>
<b>B. Investments</b>				
I. Land and buildings, including buildings on third-party land	265	252	1,613	1,204
II. Investments in affiliated companies, associates and joint ventures	16	30	732	892
Thereof:				
Associates and joint ventures accounted for using the equity method	-	6	657	774
Thereof:				
Held for sale	-	-	-	27
III. Loans	63	40	253	156
IV. Other securities				
1. Held to maturity	-	-	-	-
2. Available for sale	18,400	16,261	55,964	57,512
Thereof:				
Held for sale	-	-	-	-
3. At fair value through profit or loss	77	77	413	481
	18,477	16,338	56,377	57,993
V. Deposits retained on assumed reinsurance	6,692	7,082	1,348	1,286
VI. Other investments	408	463	1,690	1,359
	<b>25,921</b>	<b>24,205</b>	<b>62,013</b>	<b>62,890</b>
<b>C. Insurance-related investments</b>	<b>842</b>	<b>803</b>	<b>74</b>	<b>59</b>
<b>D. Ceded share of technical provisions</b>	<b>1,116</b>	<b>1,129</b>	<b>2,092</b>	<b>1,966</b>
<b>E. Other segment assets</b>	<b>7,580</b>	<b>7,268</b>	<b>11,990</b>	<b>10,473</b>
<b>Total segment assets</b>	<b>35,617</b>	<b>33,565</b>	<b>78,405</b>	<b>77,487</b>

## Segment equity and liabilities

€m	Reinsurance			
	30.9. 2015	31.12. 2014	Life	Property-casualty
			30.9. 2015	31.12. 2014
<b>A. Subordinated liabilities</b>	<b>1,147</b>	<b>1,122</b>	<b>3,230</b>	<b>3,235</b>
<b>B. Gross technical provisions</b>				
I. Unearned premiums	23	24	6,549	5,973
II. Provision for future policy benefits	13,834	13,902	26	26
Thereof:				
Held for sale	-	-	-	-
III. Provision for outstanding claims	7,169	6,707	41,480	39,868
IV. Other technical provisions	238	220	-278	-123
	<b>21,264</b>	<b>20,853</b>	<b>47,777</b>	<b>45,744</b>
<b>C. Gross technical provisions for unit-linked life insurance contracts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Other accrued liabilities</b>	<b>152</b>	<b>179</b>	<b>529</b>	<b>550</b>
<b>E. Other segment liabilities</b>	<b>7,220</b>	<b>7,061</b>	<b>11,956</b>	<b>11,498</b>
<b>Total segment liabilities</b>	<b>29,783</b>	<b>29,215</b>	<b>63,492</b>	<b>61,027</b>

	Life and Health Germany		Property-casualty Germany		ERGO Inter- national		Munich Health		Total	
	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014
		652	664	962	974	351	375	10	11	4,369
	2,021	2,016	149	140	93	110	14	10	4,155	3,732
	333	335	55	70	192	143	111	89	1,439	1,559
	274	272	21	35	154	105	99	88	1,205	1,280
	-	-	-	-	-	-	-	-	-	27
	51,643	52,181	1,479	1,709	388	440	26	24	53,852	54,550
	-	-	-	-	-	-	-	-	-	-
	46,134	45,591	4,940	4,791	16,244	16,316	3,432	3,372	145,114	143,843
	-	-	-	-	-	-	-	79	-	79
	1,591	1,159	75	32	375	416	9	4	2,540	2,169
	47,725	46,750	5,015	4,823	16,619	16,732	3,441	3,376	147,654	146,012
	33	39	5	8	14	14	338	321	8,430	8,750
	1,453	1,733	121	170	297	514	151	85	4,120	4,324
	103,208	103,054	6,824	6,920	17,603	17,953	4,081	3,905	219,650	218,927
	4,430	4,301	-	-	3,360	3,297	1	1	8,707	8,461
	15	8	93	76	1,903	1,940	159	209	5,378	5,328
	11,840	10,424	3,035	2,567	3,830	3,597	1,803	1,656	40,078	35,985
	120,145	118,451	10,914	10,537	27,047	27,162	6,054	5,782	278,182	272,984

	Life and Health Germany		Property-casualty Germany		ERGO Inter- national		Munich Health		Total		
	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	30.9. 2015	31.12. 2014	
		-	-	-	-	25	25	26	31	4,428	4,413
	203	174	657	443	1,441	1,363	424	396	9,297	8,373	
	86,101	84,896	429	428	12,478	12,328	1,095	1,068	113,963	112,648	
	-	-	-	-	-	-	-	48	-	48	
	2,765	2,653	3,952	3,866	2,348	2,231	1,166	1,037	58,880	56,362	
	16,144	17,077	102	107	932	1,049	208	162	17,346	18,492	
	105,213	104,800	5,140	4,844	17,199	16,971	2,893	2,663	199,486	195,875	
	4,891	4,742	-	-	2,987	3,094	1	1	7,879	7,837	
	1,858	1,981	718	759	783	856	135	148	4,175	4,473	
	6,838	5,473	1,657	1,671	3,096	3,044	1,402	1,350	32,169	30,097	
	118,800	116,996	7,515	7,274	24,090	23,990	4,457	4,193	248,137	242,695	
									Equity	30,045	30,289
									Total equity and liabilities	278,182	272,984

## Segment income statement 1.1.-30.9.2015

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
<b>Gross premiums written</b>	<b>7,653</b>	<b>7,393</b>	<b>13,583</b>	<b>12,762</b>
1. Net earned premiums	7,485	7,090	12,632	12,052
2. Income from technical interest	550	513	1,032	898
3. Net expenses for claims and benefits	-6,081	-5,850	-7,863	-7,577
4. Net operating expenses	-1,707	-1,479	-3,932	-3,656
<b>5. Technical result (1-4)</b>	<b>247</b>	<b>274</b>	<b>1,869</b>	<b>1,717</b>
6. Investment result	628	589	1,450	1,337
7. Insurance-related investment result	-36	-1	59	-39
8. Other operating result	46	40	-64	-42
9. Deduction of income from technical interest	-550	-513	-1,032	-898
<b>10. Non-technical result (6-9)</b>	<b>88</b>	<b>115</b>	<b>413</b>	<b>358</b>
<b>11. Operating result (5+10)</b>	<b>335</b>	<b>389</b>	<b>2,282</b>	<b>2,075</b>
12. Other non-operating result, net finance costs and impairment losses of goodwill	-109	-83	-352	-316
13. Taxes on income	-54	-26	-213	-111
<b>14. Consolidated result (11-13)</b>	<b>172</b>	<b>280</b>	<b>1,717</b>	<b>1,648</b>

## Segment income statement 1.7.-30.9.2015

€m	Reinsurance			
	Life		Property-casualty	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
<b>Gross premiums written</b>	<b>2,537</b>	<b>2,449</b>	<b>4,581</b>	<b>4,284</b>
1. Net earned premiums	2,476	2,358	4,177	4,024
2. Income from technical interest	180	168	343	305
3. Net expenses for claims and benefits	-2,029	-1,880	-2,642	-2,483
4. Net operating expenses	-513	-591	-1,306	-1,189
<b>5. Technical result (1-4)</b>	<b>114</b>	<b>55</b>	<b>572</b>	<b>657</b>
6. Investment result	104	147	120	216
7. Insurance-related investment result	8	9	34	-1
8. Other operating result	17	13	-22	-20
9. Deduction of income from technical interest	-180	-168	-343	-305
<b>10. Non-technical result (6-9)</b>	<b>-51</b>	<b>1</b>	<b>-211</b>	<b>-110</b>
<b>11. Operating result (5+10)</b>	<b>63</b>	<b>56</b>	<b>361</b>	<b>547</b>
12. Other non-operating result, net finance costs and impairment losses of goodwill	-15	-11	-72	-99
13. Taxes on income	1	-11	41	49
<b>14. Consolidated result (11-13)</b>	<b>49</b>	<b>34</b>	<b>330</b>	<b>497</b>

	Life and Health Germany		Property-casualty Germany		ERGO Inter- national		Munich Health		Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
		7,025	7,314	2,529	2,510	2,936	2,811	4,260	4,043	37,986
	6,984	7,279	2,269	2,290	2,670	2,566	4,127	4,032	36,167	35,309
	3,073	3,514	65	74	225	553	29	28	4,974	5,580
	-8,674	-9,443	-1,452	-1,460	-1,993	-2,145	-3,512	-3,313	-29,575	-29,788
	-1,081	-1,086	-742	-731	-852	-861	-611	-659	-8,925	-8,472
	<b>302</b>	<b>264</b>	<b>140</b>	<b>173</b>	<b>50</b>	<b>113</b>	<b>33</b>	<b>88</b>	<b>2,641</b>	<b>2,629</b>
	3,141	3,366	171	182	390	498	92	58	5,872	6,030
	-19	228	-	-	-73	174	-	-	-69	362
	-37	-33	-	-14	-13	-13	-10	-7	-78	-69
	-3,073	-3,514	-65	-74	-225	-553	-29	-28	-4,974	-5,580
	<b>12</b>	<b>47</b>	<b>106</b>	<b>94</b>	<b>79</b>	<b>106</b>	<b>53</b>	<b>23</b>	<b>751</b>	<b>743</b>
	<b>314</b>	<b>311</b>	<b>246</b>	<b>267</b>	<b>129</b>	<b>219</b>	<b>86</b>	<b>111</b>	<b>3,392</b>	<b>3,372</b>
	-135	-129	-54	-56	-50	-48	-1	-5	-701	-637
	-46	-43	41	-54	-27	-51	-1	-11	-300	-296
	<b>133</b>	<b>139</b>	<b>233</b>	<b>157</b>	<b>52</b>	<b>120</b>	<b>84</b>	<b>95</b>	<b>2,391</b>	<b>2,439</b>

	Life and Health Germany		Property-casualty Germany		ERGO Inter- national		Munich Health		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
		2,298	2,409	698	682	974	926	1,393	1,303	12,481
	2,307	2,412	772	766	873	875	1,351	1,274	11,956	11,709
	867	1,119	21	25	42	150	10	9	1,463	1,776
	-2,729	-3,090	-499	-485	-634	-702	-1,145	-1,034	-9,678	-9,674
	-354	-350	-250	-236	-276	-290	-181	-199	-2,880	-2,855
	<b>91</b>	<b>91</b>	<b>44</b>	<b>70</b>	<b>5</b>	<b>33</b>	<b>35</b>	<b>50</b>	<b>861</b>	<b>956</b>
	1,162	1,085	-30	32	150	175	25	15	1,531	1,670
	-295	61	-	-	-69	16	-	-	-322	85
	-8	-12	-2	-3	-5	-	-8	-5	-28	-27
	-867	-1,119	-21	-25	-42	-150	-10	-9	-1,463	-1,776
	<b>-8</b>	<b>15</b>	<b>-53</b>	<b>4</b>	<b>34</b>	<b>41</b>	<b>7</b>	<b>1</b>	<b>-282</b>	<b>-48</b>
	<b>83</b>	<b>106</b>	<b>-9</b>	<b>74</b>	<b>39</b>	<b>74</b>	<b>42</b>	<b>51</b>	<b>579</b>	<b>908</b>
	-36	-46	-23	-15	-9	-10	-	-2	-155	-183
	-19	13	78	-28	-4	-16	4	4	101	11
	<b>28</b>	<b>73</b>	<b>46</b>	<b>31</b>	<b>26</b>	<b>48</b>	<b>46</b>	<b>53</b>	<b>525</b>	<b>736</b>

Non-current assets by country<sup>1</sup>

€m	30.9.2015	31.12.2014
Germany	7,164	7,268
USA	2,669	2,062
UK	537	489
Sweden	261	262
Austria	221	235
Italy	211	211
Poland	192	192
Netherlands	166	169
France	150	152
Spain	135	139
Switzerland	100	92
Portugal	59	61
Others	252	271
<b>Total</b>	<b>12,117</b>	<b>11,603</b>

1 The non-current assets mainly comprise intangible assets (especially goodwill) and our owner-occupied and investment property, as well as investments in renewable energies.

Investments in non-current assets per segment<sup>1</sup>

€m	Q1-3 2015	Q1-3 2014
Reinsurance life	33	29
Reinsurance property-casualty	539	117
ERGO Life and Health Germany	24	25
ERGO Property-casualty Germany	40	42
ERGO International	41	138
Munich Health	18	26
<b>Total</b>	<b>695</b>	<b>377</b>

1 The non-current assets mainly comprise intangible assets (especially goodwill) and our owner-occupied and investment property, as well as investments in renewable energies.

## Gross premiums written

€m	Reinsurance		ERGO		Munich Health		Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Europe	6,107	6,253	12,447	12,620	1,329	1,422	19,883	20,295
North America	10,426	8,955	11	4	2,303	2,241	12,740	11,200
Asia and Australasia	3,367	3,474	30	9	195	97	3,592	3,580
Africa, Middle East	578	517	-	-	428	285	1,006	802
Latin America	758	956	2	2	5	-2	765	956
<b>Total</b>	<b>21,236</b>	<b>20,155</b>	<b>12,490</b>	<b>12,635</b>	<b>4,260</b>	<b>4,043</b>	<b>37,986</b>	<b>36,833</b>

## Gross premiums written

€m	Reinsurance		ERGO		Munich Health		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Europe	2,000	2,085	3,957	4,007	429	453	6,386	6,545
North America	3,534	3,040	3	1	748	724	4,285	3,765
Asia and Australasia	1,107	1,135	9	8	65	29	1,181	1,172
Africa, Middle East	191	179	-	-	149	97	340	276
Latin America	286	294	1	1	2	-	289	295
<b>Total</b>	<b>7,118</b>	<b>6,733</b>	<b>3,970</b>	<b>4,017</b>	<b>1,393</b>	<b>1,303</b>	<b>12,481</b>	<b>12,053</b>

## Notes to the consolidated balance sheet

The main items of the consolidated balance sheet are made up as follows:

### Intangible assets

#### Development of goodwill

Goodwill from the acquisition of €m	Reinsurance				Primary insurance	
	Munich Re America		Other		ERGO Insurance Group	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Gross carrying amount at 31 Dec. previous year	1,140	1,001	493	440	1,754	1,754
Accumulated impairment losses at 31 Dec. previous year	-	-	-51	-51	-440	-
Carrying amount at 31 Dec. previous year	1,140	1,001	442	389	1,314	1,754
Currency translation differences	96	91	35	34	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
<b>Carrying amount at 30 September financial year</b>	<b>1,236</b>	<b>1,092</b>	<b>477</b>	<b>423</b>	<b>1,314</b>	<b>1,754</b>
Accumulated impairment losses at 30 September financial year	-	-	-51	-51	-440	-
Gross carrying amount at 30 September financial year	1,236	1,092	528	474	1,754	1,754

→ Goodwill from the acquisition of €m	Primary insurance		Munich Health		Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Gross carrying amount at 31 Dec. previous year	581	557	156	156	4,124	3,908
Accumulated impairment losses at 31 Dec. previous year	-414	-409	-156	-156	-1,061	-616
Carrying amount at 31 Dec. previous year	167	148	-	-	3,063	3,292
Currency translation differences	2	1	-	-	133	126
Additions	-	26	-	-	-	26
Disposals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
<b>Carrying amount at 30 September financial year</b>	<b>169</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>3,196</b>	<b>3,444</b>
Accumulated impairment losses at 30 September financial year	-414	-409	-156	-156	-1,061	-616
Gross carrying amount at 30 September financial year	583	584	156	156	4,257	4,060

#### Breakdown of other intangible assets

€m	30.9.2015	31.12.2014
Acquired insurance portfolios	300	318
Software		
Self-developed	68	82
Other	266	279
Acquired brand names	38	36
Acquired distribution networks/client bases	204	212
Acquired licences/patents	261	253
Other		
Self-developed	-	-
Other	36	40
<b>Total</b>	<b>1,173</b>	<b>1,220</b>

## Investments

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All financial instruments recognised at fair value are allocated to one of the valuation hierarchy levels of IFRS 13. This fair value hierarchy provides for three levels. The allocation reflects which of the fair values derive from transactions in the market and where valuation is based on models because market transactions are lacking.

Regularly, at each quarterly reporting date, we assess whether the allocation of our investments and liabilities to the levels of the valuation hierarchy is still appropriate. If changes in the basis of valuation have occurred – for instance, if a market is no longer active or the valuation was performed using inputs requiring another allocation – we make the necessary adjustments.

The following table provides an overview of the methods used to measure the fair values of our investments.

## Valuation models

Bonds	Pricing method	Parameters	Pricing model
<b>Interest-rate risks</b>			
Loans against borrower's note/ registered bonds	Theoretical price	Sector-, rating- or issuer-specific yield curve	Present value method
Cat bond (host)	Theoretical price	Interest-rate curve	Present value method
Mortgage loans	Theoretical price	Sector-specific yield curve	Present value method
<b>Derivatives</b>			
<b>Equity and index risks</b>			
OTC stock options	Theoretical price	Listing of underlying shares Effective volatilities Money-market interest rate Dividend yield	Black-Scholes (European) Cox, Ross and Rubinstein (American) Monte Carlo simulation
Equity forwards	Theoretical price	Listing of underlying shares Money-market interest rate Dividend yield	Present value method
<b>Interest-rate risks</b>			
Interest-rate swaps	Theoretical price	Swap curve Money-market interest-rate curve	Present value method
Swaptions/interest-rate guarantee	Theoretical price	At-the-money volatility matrix and skew swap curve Money-market interest-rate curve	Bachelier model
Interest-rate currency swaps	Theoretical price	Swap curve Money-market interest-rate curve Currency spot rates	Present value method
Inflation swaps	Theoretical price	Zero-coupon inflation swap rates Swap curve Money-market interest-rate curve	Present value method
<b>Currency risks</b>			
Currency options	Theoretical price	At-the-money volatility Currency spot rates Money-market interest-rate curve	Garman-Kohlhagen (European)
Currency forwards	Theoretical price	Currency spot rates Money-market interest-rate curve	Present value method
<b>Other transactions</b>			
Insurance derivatives (excluding variable annuities)	Theoretical price	Market values of cat bonds Historical event data Interest-rate curve	Present value method
Insurance derivatives (variable annuities)	Theoretical price	Biometric and lapse rates Volatilities Interest-rate curve Currency spot rates	Present value method
Credit default swaps	Theoretical price	Credit spreads Recovery rates Interest-rate curve	Present value method ISDA CDS Standard Model
Total return swaps on commodities	Theoretical price	Listing of underlying index	Index ratio calculation
Commodity options	Theoretical price	Listing of underlying shares Effective volatilities Money-market interest rate	Black-Scholes (European) Cox, Ross and Rubinstein (American)

Bonds with embedded derivatives	Pricing method	Parameters	Pricing model
Callable bonds	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	Hull-White model
CMS floaters	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	Hull-White model
Zero-to-coupon switchable bonds	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	Hull-White model
Zero-to-CMS switchable bonds	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	LIBOR market model
Volatility bonds	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	LIBOR market model
CMS floaters with variable cap	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	Replication model (Hagan)
Inverse CMS floaters	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix	Replication model (Hagan)
CMS steepeners	Theoretical price	Money-market/swap interest-rate curve Issuer-specific spreads Volatility matrix Correlation matrix	Replication model (Hagan)
Dax-Cliquet	Theoretical price	Listing of underlying shares Volatilities Issuer-specific spreads Money-market/swap interest-rate curve	Black-Scholes (European) Present value method
Convergence bonds	Theoretical price	Money-market/swap interest-rate curves Issuer-specific spreads Volatility matrix Correlation matrix	LIBOR market model
Multi-tranches	Theoretical price	At-the-money volatility matrix and skew swap curve Money-market interest-rate curve Sector-, rating- or issuer-specific yield curve	Bachelier model Present value method
FIS loans against borrower's note	Theoretical price	At-the-money volatility matrix and skew swap curve Money-market interest-rate curve Sector-, rating- or issuer-specific yield curve	Bachelier model Present value method
Swaption notes	Theoretical price	At-the-money volatility matrix and skew swap curve Money-market interest-rate curve Sector-, rating- or issuer-specific yield curve	Bachelier model Present value method
Fund	Pricing method	Parameters	Pricing model
Real estate funds	-	-	Net asset value
Alternative investment funds (e.g. private equity, RENT, infrastructure, forestry)	-	-	Net asset value

Other	Pricing method	Parameters	Pricing model
Real estate	Theoretical market value	Interest-rate curve Market rents	Present value method or valuation
Alternative direct investments (e.g. RENT, infrastructure, forestry)	Theoretical market value	Interest-rate curve (among others) Electricity price forecast and inflation forecast	Present value method or valuation

Insurance-linked derivatives (excluding variable annuities) are allocated to Level 3 of the fair value hierarchy. The valuation of the derivative components of catastrophe bonds is based on the values supplied by brokers for the underlying bonds, which is why it is not possible to quantify the inputs used that were not based on observable market data. If no observable inputs are available for customised insurance-linked derivatives, valuation is made using the present value method on the basis of current interest-rate curves and historical event data. Due to the low volume, the effects of alternative inputs and assumptions are immaterial.

At Munich Re, the valuation of variable annuities is performed on a market-consistent basis. The inputs requiring consideration in this valuation are derived in part directly from market data, in particular volatilities, interest-rate curves and currency spot rates, and estimated in part on the basis of external data, especially correlation assumptions and actuarial assumptions. The lapse rates used are modelled dynamically and range between 0.5% and 20%. A 10% increase or decrease in the lapse rates would lead to a change of  $-/+1\%$  in the fair value of the portfolio. The assumptions with regard to mortality are based on published mortality tables. The impact of these and other non-observable assumptions is not material. Since inputs not observable on the market were also used in valuation, we allocate these products to Level 3 of the fair value hierarchy.

The other investments allocated to Level 3 are mainly external fund units (in particular, private equity and real estate) as well as relatively illiquid credit structures (especially collateralised mortgage-backed securities and credit-linked obligations). In the case of the former, market data are not available on a regular basis; instead, net asset values (NAVs) are provided by the asset managers. With regard to the latter, the quality of the market quotes available from market data providers is insufficient, so we resort to broker valuations. With these investments, we thus do not perform our own valuations using inputs that are not based on observable market data, but rely on what is supplied by the brokers. We regularly subject the valuations supplied to plausibility tests on the basis of comparable investments.

At 30 September 2015, around 11% of the investments measured at fair value were allocated to Level 1 of the fair value hierarchy, 86% to Level 2 and 3% to Level 3.

## Allocation of investments measured at fair value to levels of the fair value hierarchy

	30.9.2015			
€m	Level 1	Level 2	Level 3	Total
Investments in affiliated companies measured at fair value	-	-	229	229
Investments in associates and joint ventures measured at fair value	-	-	5	5
Other securities available for sale				
Fixed-interest	439	128,213	2,229	130,881
Non-fixed-interest	10,428	1,095	2,710	14,233
Other securities at fair value through profit or loss				
Held for trading, and hedging derivatives <sup>1</sup>	551	1,976	-	2,527
Designated as at fair value through profit or loss	-	171	-	171
Other investments	-	10	-	10
Insurance-related investments	5,152	3,373	182	8,707
<b>Total</b>	<b>16,570</b>	<b>134,838</b>	<b>5,355</b>	<b>156,763</b>

	31.12.2014			
€m	Level 1	Level 2	Level 3	Total
Investments in affiliated companies measured at fair value	-	-	274	274
Investments in associates and joint ventures measured at fair value	-	-	5	5
Other securities available for sale				
Fixed-interest	736	126,523	2,547	129,806
Non-fixed-interest	10,801	841	2,395	14,037
Other securities at fair value through profit or loss				
Held for trading, and hedging derivatives <sup>1</sup>	252	1,916	-	2,168
Designated as at fair value through profit or loss	-	205	-	205
Other investments	-	10	-	10
Insurance-related investments	4,605	3,747	109	8,461
<b>Total</b>	<b>16,394</b>	<b>133,242</b>	<b>5,330</b>	<b>154,966</b>

1 Included are hedging derivatives of €158m (204m) accounted for under "other assets".

As part of the review process in the third quarter, we reassessed the level allocation of certain investment funds. The reason for this reassessment was that the level is not specified by the funds themselves, but rather is determined by the composition of the fund. The current composition of some funds necessitated several adjustments to the level allocation. This was the case for a number of securities and money-market mixed funds; they were reallocated from Level 1 to Level 2, as they mainly comprise fixed-interest securities. In addition, several quoted funds that primarily invest in private equity were reallocated to Level 3; this also concerns unit-linked life insurance. Further transfers in the reconciliation largely result from changes in the consolidated group and changes at short notice in stock-market listings.

The following table presents the reconciliation from the opening balances to the closing balances for investments allocated to Level 3.

## Reconciliation for investments allocated to Level 3

€m	Investments in affiliated companies measured at fair value		Investments in associates and joint ventures measured at fair value	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Carrying amount at 31 Dec. previous year	274	176	5	9
Gains and losses	-58	11	-	-
Gains (losses) recognised in the income statement	1	-1	-	-
Gains (losses) recognised in equity	-59	12	-	-
Acquisitions	30	43	1	-
Disposals	-28	-14	-1	-1
Transfer to Level 3	11	38	-	-
Transfer out of Level 3	-	-	-	-1
Changes in the market value of derivatives	-	-	-	-
<b>Carrying amount at 30 September financial year</b>	<b>229</b>	<b>254</b>	<b>5</b>	<b>7</b>
Gains (losses) recognised in the income statement that are attributable to investments shown at 30 September financial year	-1	-2	-	-



€m	Fixed-interest		Other securities available for sale Non-fixed-interest	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Carrying amount at 31 Dec. previous year	2,547	2,777	2,395	2,107
Gains and losses	77	116	134	128
Gains (losses) recognised in the income statement	2	13	-10	-2
Gains (losses) recognised in equity	75	103	144	130
Acquisitions	702	723	340	301
Disposals	-1,094	-1,062	-127	-222
Transfer to Level 3	-	7	6	4
Transfer out of Level 3	-2	-4	-38	-5
Changes in the market value of derivatives	-1	-	-	-
<b>Carrying amount at 30 September financial year</b>	<b>2,229</b>	<b>2,557</b>	<b>2,710</b>	<b>2,313</b>
Gains (losses) recognised in the income statement that are attributable to investments shown at 30 September financial year	2	13	-9	-3

Continued on next page

→	Held for trading, and hedging derivatives		Insurance-related investments		Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014 <sup>1</sup>	Q1-3 2015	Q1-3 2014
€m						
Carrying amount at 31 Dec. previous year	-	77	109	-	5,330	5,146
Gains and losses	-	58	60	-	213	313
Gains (losses) recognised in the income statement	-	54	50	-	43	64
Gains (losses) recognised in equity	-	4	10	-	170	249
Acquisitions	-	39	9	-	1,082	1,106
Disposals	-	-98	-34	-	-1,284	-1,397
Transfer to Level 3	-	-	38	-	55	49
Transfer out of Level 3	-	-	-	-	-40	-10
Change in the market value of derivatives	-	1	-	-	-1	1
<b>Carrying amount at 30 September financial year</b>	<b>-</b>	<b>77</b>	<b>182</b>	<b>-</b>	<b>5,355</b>	<b>5,208</b>
Gains (losses) recognised in the income statement that are attributable to investments shown at 30 September financial year	-	16	48	-	40	24

1 Given that the balance sheet structure was changed in 2014, the investments for the first three quarters of 2014 are still included in the investments held for trading.

Further explanatory information on investments can be found in the “Investment performance” section of the interim management report.

## Equity

### Number of shares in circulation and number of own shares held

	30.9.2015	31.12.2014
Number of shares in circulation	164,549,723	168,515,007
Number of own shares held	2,294,238	4,427,611
<b>Total</b>	<b>166,843,961</b>	<b>172,942,618</b>

### Non-controlling interests

€m	30.9.2015	31.12.2014
Unrealised gains and losses	20	24
Consolidated result	11	18
Other equity	256	229
<b>Total</b>	<b>287</b>	<b>271</b>

These are mainly non-controlling interests in individual companies of the primary insurance group and a real-estate company in Stockholm.

## Subordinated liabilities

## Breakdown of subordinated liabilities

€m	Identification number	A.M. Best	Fitch	Moody's	S&P	30.9.2015	31.12.2014
Munich Reinsurance Company, Munich, 6.25% until 2022, thereafter floating, €900m, Bonds 2012/2042	WKN: A1ML16 ISIN: XS0764278528 Reuters: DE076427852= Bloomberg: MUNRE	a	A	-	A	895	894
Munich Reinsurance Company, Munich, 6.625% until 2022, thereafter floating, £450m, Bonds 2012/2042	WKN: A1ML15 ISIN: XS0764278288 Reuters: DE076427828= Bloomberg: MUNRE	a+	A	-	A	609	578
Munich Reinsurance Company, Munich, 6.00% until 2021, thereafter floating, €1,000m, Bonds 2011/2041	WKN: A1KQYJ ISIN: XS0608392550 Reuters: DE060839255= Bloomberg: MUNRE	a	A	-	A	992	991
Munich Reinsurance Company, Munich, 5.767% until 2017, thereafter floating, €1,349m, Bonds 2007/perpetual	WKN: A0N4EX ISIN: XS0304987042 Reuters: DE030498704= Bloomberg: MUNRE	a	A	A3 (hyb)	A	1,458	1,502
Munich Reinsurance Company, Munich, 7.625% until 2018, thereafter floating, £300m, Bonds 2003/2028	WKN: 843449 ISIN: XS0167260529 Reuters: DE016726052= Bloomberg: MUNRE	a+	A+	A2 (hyb)	A	406	385
ERGO Versicherung Aktiengesellschaft, Vienna, secondary market yield on federal government bonds (Austria) +70 BP, €12m <sup>1</sup> , Registered bonds 2001/perpetual		-	-	-	-	12	12
ERGO Versicherung Aktiengesellschaft, Vienna, secondary market yield on federal government bonds (Austria) +70 BP, €13m <sup>2</sup> , Registered bonds 1998/perpetual		-	-	-	-	13	13
HSB Group Inc., Delaware, LIBOR +91 BP, US\$ 76m, Bonds 1997/2027		-	-	-	-	43	38
<b>Total</b>						<b>4,428</b>	<b>4,413</b>

1 ERGO International AG holds bonds with a nominal value of €3m; the volume outstanding has been reduced accordingly.

2 ERGO Versicherungsgruppe AG holds bonds with a nominal value of €3m; the volume outstanding has been reduced accordingly.

The fair value of the subordinated liabilities at the balance sheet date amounted to €4,887m (5,017m). For the Munich Reinsurance Company bonds, we take the stock market prices as fair values. For the other subordinated liabilities, we determine the fair values using net present value methods with observable market parameters.

## Liabilities

### Breakdown of bonds and notes issued

€m	Identification number	A.M. Best	Fitch	Moody's	S&P	30.9.2015	31.12.2014
Munich Re America Corporation, Wilmington, 7.45%, US\$ 342m, Senior Notes 1996/2026	CUSIP No.: 029163AD4 ISIN, Reuters: - Bloomberg: AMER RE CORP MUNRE	a-	A+	A2	A-	306	282
<b>Total</b>						<b>306</b>	<b>282</b>

We use the prices provided by price quoters to determine the fair value of the notes issued. The fair value at the reporting date amounts to €398m (371m).

The following table shows the allocation of the other liabilities measured at fair value to levels of the fair value hierarchy.

### Allocation of other liabilities measured at fair value to levels of the fair value hierarchy

€m	30.9.2015			31.12.2014				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other liabilities								
Derivatives	132	1,325	352	1,809	96	1,526	276	1,898

In the other liabilities, only derivatives with a negative market value are currently recognised at fair value. Of these, we allocate the derivative portions of catastrophe bonds, weather derivatives, and derivative components of variable annuities to Level 3 of the fair value hierarchy. As regards the valuation models used, please refer to the notes on investments.

The following table presents the reconciliation from the opening balances to the closing balances for other liabilities allocated to Level 3.

### Reconciliation for liabilities allocated to Level 3

€m	Other liabilities at fair value through profit or loss	
	Q1-3 2015	Q1-3 2014
Carrying amount at 31 Dec. previous year	276	147
Gains and losses	-88	-91
Gains (losses) recognised in the income statement	-63	-83
Gains (losses) recognised in equity	-25	-8
Acquisitions	85	77
Disposals	-97	-138
Transfer to Level 3	-	1
Transfer out of Level 3	-	-
Change in the market value of derivatives	-	1
<b>Carrying amount at 30 September financial year</b>	<b>352</b>	<b>179</b>
Gains (losses) recognised in the income statement that are attributable to liabilities shown at 30 September financial year	-76	-32

## Notes to the consolidated income statement

The main items of the consolidated income statement are made up as follows:

## Premiums

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Gross premiums written	7,653	7,393	13,583	12,762
Change in unearned premiums - Gross	2	6	-330	-237
<b>Gross earned premiums</b>	<b>7,655</b>	<b>7,399</b>	<b>13,253</b>	<b>12,525</b>
Ceded premiums written	-170	-309	-702	-560
Change in unearned premiums - Ceded share	-	-	81	87
<b>Earned premiums ceded</b>	<b>-170</b>	<b>-309</b>	<b>-621</b>	<b>-473</b>
<b>Net earned premiums</b>	<b>7,485</b>	<b>7,090</b>	<b>12,632</b>	<b>12,052</b>



€m	Life and Health Germany		Property-casualty Germany		ERGO International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
	Gross premiums written	7,025	7,314	2,529	2,510	2,936
Change in unearned premiums - Gross	-28	-18	-214	-183	-82	-79
<b>Gross earned premiums</b>	<b>6,997</b>	<b>7,296</b>	<b>2,315</b>	<b>2,327</b>	<b>2,854</b>	<b>2,732</b>
Ceded premiums written	-12	-9	-46	-33	-188	-173
Change in unearned premiums - Ceded share	-1	-8	-	-4	4	7
<b>Earned premiums ceded</b>	<b>-13</b>	<b>-17</b>	<b>-46</b>	<b>-37</b>	<b>-184</b>	<b>-166</b>
<b>Net earned premiums</b>	<b>6,984</b>	<b>7,279</b>	<b>2,269</b>	<b>2,290</b>	<b>2,670</b>	<b>2,566</b>



€m	Munich Health		Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Gross premiums written	4,260	4,043	37,986	36,833
Change in unearned premiums - Gross	-19	107	-671	-404
<b>Gross earned premiums</b>	<b>4,241</b>	<b>4,150</b>	<b>37,315</b>	<b>36,429</b>
Ceded premiums written	-78	-112	-1,196	-1,196
Change in unearned premiums - Ceded share	-36	-6	48	76
<b>Earned premiums ceded</b>	<b>-114</b>	<b>-118</b>	<b>-1,148</b>	<b>-1,120</b>
<b>Net earned premiums</b>	<b>4,127</b>	<b>4,032</b>	<b>36,167</b>	<b>35,309</b>

## Premiums

€m	Reinsurance			
	Q3 2015	Q3 2014	Property-casualty	
			Q3 2015	Q3 2014
Gross premiums written	2,537	2,449	4,581	4,284
Change in unearned premiums - Gross	3	6	-179	-82
<b>Gross earned premiums</b>	<b>2,540</b>	<b>2,455</b>	<b>4,402</b>	<b>4,202</b>
Ceded premiums written	-64	-97	-205	-203
Change in unearned premiums - Ceded share	-	-	-20	25
<b>Earned premiums ceded</b>	<b>-64</b>	<b>-97</b>	<b>-225</b>	<b>-178</b>
<b>Net earned premiums</b>	<b>2,476</b>	<b>2,358</b>	<b>4,177</b>	<b>4,024</b>

€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Gross premiums written	2,298	2,409	698	682	974	926
Change in unearned premiums - Gross	13	10	95	99	-42	6
<b>Gross earned premiums</b>	<b>2,311</b>	<b>2,419</b>	<b>793</b>	<b>781</b>	<b>932</b>	<b>932</b>
Ceded premiums written	-3	-6	-20	-14	-56	-48
Change in unearned premiums - Ceded share	-1	-1	-1	-1	-3	-9
<b>Earned premiums ceded</b>	<b>-4</b>	<b>-7</b>	<b>-21</b>	<b>-15</b>	<b>-59</b>	<b>-57</b>
<b>Net earned premiums</b>	<b>2,307</b>	<b>2,412</b>	<b>772</b>	<b>766</b>	<b>873</b>	<b>875</b>

€m	Munich Health				Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
	Gross premiums written	1,393	1,303	12,481	12,053	
Change in unearned premiums - Gross	4	8	-106	47		
<b>Gross earned premiums</b>	<b>1,397</b>	<b>1,311</b>	<b>12,375</b>	<b>12,100</b>		
Ceded premiums written	-35	-35	-383	-403		
Change in unearned premiums - Ceded share	-11	-2	-36	12		
<b>Earned premiums ceded</b>	<b>-46</b>	<b>-37</b>	<b>-419</b>	<b>-391</b>		
<b>Net earned premiums</b>	<b>1,351</b>	<b>1,274</b>	<b>11,956</b>	<b>11,709</b>		

## Income from technical interest

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Income from technical interest	550	513	1,032	898



€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Income from technical interest	3,073	3,514	65	74	225	553



€m	Munich Health			Total
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
	Income from technical interest	29	28	4,974

## Income from technical interest

€m	Reinsurance			
	Life		Property-casualty	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Income from technical interest	180	168	343	305



€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Income from technical interest	867	1,119	21	25	42	150



€m	Munich Health			Total
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
	Income from technical interest	10	9	1,463

## Expenses for claims and benefits

€m	Reinsurance			
	Q1-3 2015	Life		Property-casualty
		Q1-3 2014	Q1-3 2015	Q1-3 2014
<b>Gross</b>				
Claims and benefits paid	-5,904	-5,493	-8,091	-7,716
Changes in technical provisions				
Provision for future policy benefits	129	-131	-	1
Provision for outstanding claims	-428	-398	-58	-70
Provision for premium refunds	-	-	-4	-3
Other technical result	4	2	2	-4
<b>Gross expenses for claims and benefits</b>	<b>-6,199</b>	<b>-6,020</b>	<b>-8,151</b>	<b>-7,792</b>
<b>Ceded share</b>				
Claims and benefits paid	195	256	334	280
Changes in technical provisions				
Provision for future policy benefits	-25	-49	-	-
Provision for outstanding claims	-46	-9	-46	-65
Provision for premium refunds	-	-	-	-
Other technical result	-6	-28	-	-
<b>Expenses for claims and benefits - Ceded share</b>	<b>118</b>	<b>170</b>	<b>288</b>	<b>215</b>
<b>Net</b>				
Claims and benefits paid	-5,709	-5,237	-7,757	-7,436
Changes in technical provisions				
Provision for future policy benefits	104	-180	-	1
Provision for outstanding claims	-474	-407	-104	-135
Provision for premium refunds	-	-	-4	-3
Other technical result	-2	-26	2	-4
<b>Net expenses for claims and benefits</b>	<b>-6,081</b>	<b>-5,850</b>	<b>-7,863</b>	<b>-7,577</b>

→	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
€m	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
<b>Gross</b>						
Claims and benefits paid	-6,885	-6,924	-1,376	-1,396	-1,989	-1,715
Changes in technical provisions						
Provision for future policy benefits	-507	-798	-1	-3	-72	-417
Provision for outstanding claims	-112	-4	-83	-26	-132	-71
Provision for premium refunds	-1,090	-1,603	-14	-15	35	-29
Other technical result	-92	-123	-4	-5	20	10
<b>Gross expenses for claims and benefits</b>	<b>-8,686</b>	<b>-9,452</b>	<b>-1,478</b>	<b>-1,445</b>	<b>-2,138</b>	<b>-2,222</b>
<b>Ceded share</b>						
Claims and benefits paid	5	14	9	15	213	188
Changes in technical provisions						
Provision for future policy benefits	-	-	-	-	-85	-59
Provision for outstanding claims	7	-5	16	-30	62	-3
Provision for premium refunds	-	-	1	-1	-	-
Other technical result	-	-	-	1	-45	-49
<b>Expenses for claims and benefits - Ceded share</b>	<b>12</b>	<b>9</b>	<b>26</b>	<b>-15</b>	<b>145</b>	<b>77</b>
<b>Net</b>						
Claims and benefits paid	-6,880	-6,910	-1,367	-1,381	-1,776	-1,527
Changes in technical provisions						
Provision for future policy benefits	-507	-798	-1	-3	-157	-476
Provision for outstanding claims	-105	-9	-67	-56	-70	-74
Provision for premium refunds	-1,090	-1,603	-13	-16	35	-29
Other technical result	-92	-123	-4	-4	-25	-39
<b>Net expenses for claims and benefits</b>	<b>-8,674</b>	<b>-9,443</b>	<b>-1,452</b>	<b>-1,460</b>	<b>-1,993</b>	<b>-2,145</b>

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→	Munich Health		Total	
€m	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
<b>Gross</b>				
Claims and benefits paid	-3,369	-3,188	-27,614	-26,432
Changes in technical provisions				
Provision for future policy benefits	-74	-72	-525	-1,420
Provision for outstanding claims	-105	-122	-918	-691
Provision for premium refunds	-	-	-1,073	-1,650
Other technical result	-1	-	-71	-120
<b>Gross expenses for claims and benefits</b>	<b>-3,549</b>	<b>-3,382</b>	<b>-30,201</b>	<b>-30,313</b>
<b>Ceded share</b>				
Claims and benefits paid	59	44	815	797
Changes in technical provisions				
Provision for future policy benefits	3	-	-107	-108
Provision for outstanding claims	-25	25	-32	-87
Provision for premium refunds	-	-	1	-1
Other technical result	-	-	-51	-76
<b>Expenses for claims and benefits - Ceded share</b>	<b>37</b>	<b>69</b>	<b>626</b>	<b>525</b>
<b>Net</b>				
Claims and benefits paid	-3,310	-3,144	-26,799	-25,635
Changes in technical provisions				
Provision for future policy benefits	-71	-72	-632	-1,528
Provision for outstanding claims	-130	-97	-950	-778
Provision for premium refunds	-	-	-1,072	-1,651
Other technical result	-1	-	-122	-196
<b>Net expenses for claims and benefits</b>	<b>-3,512</b>	<b>-3,313</b>	<b>-29,575</b>	<b>-29,788</b>

## Expenses for claims and benefits

€m	Reinsurance			
	Q3 2015	Life	Property-casualty	
		Q3 2014	Q3 2015	Q3 2014
<b>Gross</b>				
Claims and benefits paid	-1,998	-1,833	-2,682	-2,326
Changes in technical provisions				
Provision for future policy benefits	58	-39	-	-
Provision for outstanding claims	-133	-58	1	-280
Provision for premium refunds	-	-	-1	-
Other technical result	4	2	2	-2
<b>Gross expenses for claims and benefits</b>	<b>-2,069</b>	<b>-1,928</b>	<b>-2,680</b>	<b>-2,608</b>
<b>Ceded share</b>				
Claims and benefits paid	97	49	69	100
Changes in technical provisions				
Provision for future policy benefits	-18	-12	-	-
Provision for outstanding claims	-39	19	-31	25
Provision for premium refunds	-	-	-	-
Other technical result	-	-8	-	-
<b>Expenses for claims and benefits - Ceded share</b>	<b>40</b>	<b>48</b>	<b>38</b>	<b>125</b>
<b>Net</b>				
Claims and benefits paid	-1,901	-1,784	-2,613	-2,226
Changes in technical provisions				
Provision for future policy benefits	40	-51	-	-
Provision for outstanding claims	-172	-39	-30	-255
Provision for premium refunds	-	-	-1	-
Other technical result	4	-6	2	-2
<b>Net expenses for claims and benefits</b>	<b>-2,029</b>	<b>-1,880</b>	<b>-2,642</b>	<b>-2,483</b>

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→	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
€m	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
<b>Gross</b>						
Claims and benefits paid	-2,271	-2,364	-475	-465	-701	-550
Changes in technical provisions						
Provision for future policy benefits	-37	-154	1	-	67	-109
Provision for outstanding claims	-67	-34	-40	3	-67	-40
Provision for premium refunds	-334	-509	-5	-4	-20	-34
Other technical result	-26	-31	-1	-1	12	5
<b>Gross expenses for claims and benefits</b>	<b>-2,735</b>	<b>-3,092</b>	<b>-520</b>	<b>-467</b>	<b>-709</b>	<b>-728</b>
<b>Ceded share</b>						
Claims and benefits paid	2	3	-	7	87	58
Changes in technical provisions						
Provision for future policy benefits	-	-	-	-	-35	-18
Provision for outstanding claims	4	-1	21	-25	38	2
Provision for premium refunds	-	-	-	-	-	-
Other technical result	-	-	-	-	-15	-16
<b>Expenses for claims and benefits - Ceded share</b>	<b>6</b>	<b>2</b>	<b>21</b>	<b>-18</b>	<b>75</b>	<b>26</b>
<b>Net</b>						
Claims and benefits paid	-2,269	-2,361	-475	-458	-614	-492
Changes in technical provisions						
Provision for future policy benefits	-37	-154	1	-	32	-127
Provision for outstanding claims	-63	-35	-19	-22	-29	-38
Provision for premium refunds	-334	-509	-5	-4	-20	-34
Other technical result	-26	-31	-1	-1	-3	-11
<b>Net expenses for claims and benefits</b>	<b>-2,729</b>	<b>-3,090</b>	<b>-499</b>	<b>-485</b>	<b>-634</b>	<b>-702</b>

→	Munich Health		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
€m				
<b>Gross</b>				
Claims and benefits paid	-1,132	-996	-9,259	-8,534
Changes in technical provisions				
Provision for future policy benefits	-20	-24	69	-326
Provision for outstanding claims	-16	-31	-322	-440
Provision for premium refunds	-	-	-360	-547
Other technical result	-	-	-9	-27
<b>Gross expenses for claims and benefits</b>	<b>-1,168</b>	<b>-1,051</b>	<b>-9,881</b>	<b>-9,874</b>
<b>Ceded share</b>				
Claims and benefits paid	21	14	276	231
Changes in technical provisions				
Provision for future policy benefits	1	-	-52	-30
Provision for outstanding claims	1	3	-6	23
Provision for premium refunds	-	-	-	-
Other technical result	-	-	-15	-24
<b>Expenses for claims and benefits - Ceded share</b>	<b>23</b>	<b>17</b>	<b>203</b>	<b>200</b>
<b>Net</b>				
Claims and benefits paid	-1,111	-982	-8,983	-8,303
Changes in technical provisions				
Provision for future policy benefits	-19	-24	17	-356
Provision for outstanding claims	-15	-28	-328	-417
Provision for premium refunds	-	-	-360	-547
Other technical result	-	-	-24	-51
<b>Net expenses for claims and benefits</b>	<b>-1,145</b>	<b>-1,034</b>	<b>-9,678</b>	<b>-9,674</b>

### Operating expenses

→	Life		Reinsurance Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
€m				
Acquisition costs, profit commission and reinsurance commission paid	-1,403	-1,469	-3,199	-3,148
Administrative expenses	-251	-214	-997	-882
Change in deferred acquisition costs and contingent commissions, amortisation and impairment losses of acquired insurance portfolios	-108	86	174	323
<b>Gross operating expenses</b>	<b>-1,762</b>	<b>-1,597</b>	<b>-4,022</b>	<b>-3,707</b>
Ceded share of acquisition costs, profit commission and reinsurance commission paid	52	112	97	60
Ceded share of change in deferred acquisition costs and contingent commissions	3	6	-7	-9
<b>Operating expenses - Ceded share</b>	<b>55</b>	<b>118</b>	<b>90</b>	<b>51</b>
<b>Net operating expenses</b>	<b>-1,707</b>	<b>-1,479</b>	<b>-3,932</b>	<b>-3,656</b>

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→	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
€m						
Acquisition costs, profit commission and reinsurance commission paid	-693	-665	-400	-355	-702	-747
Administrative expenses	-270	-264	-372	-370	-205	-195
Change in deferred acquisition costs and contingent commissions, amortisation and impairment losses of acquired insurance portfolios	-120	-159	30	-6	27	57
<b>Gross operating expenses</b>	<b>-1,083</b>	<b>-1,088</b>	<b>-742</b>	<b>-731</b>	<b>-880</b>	<b>-885</b>
Ceded share of acquisition costs, profit commission and reinsurance commission paid	2	1	-	-1	28	26
Ceded share of change in deferred acquisition costs and contingent commissions	-	1	-	1	-	-2
<b>Operating expenses - Ceded share</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>24</b>
<b>Net operating expenses</b>	<b>-1,081</b>	<b>-1,086</b>	<b>-742</b>	<b>-731</b>	<b>-852</b>	<b>-861</b>

→	Munich Health				Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
€m						
Acquisition costs, profit commission and reinsurance commission paid	-512	-559	-6,909	-6,943		
Administrative expenses	-84	-75	-2,179	-2,000		
Change in deferred acquisition costs and contingent commissions, amortisation and impairment losses of acquired insurance portfolios	-59	-66	-56	235		
<b>Gross operating expenses</b>	<b>-655</b>	<b>-700</b>	<b>-9,144</b>	<b>-8,708</b>		
Ceded share of acquisition costs, profit commission and reinsurance commission paid	36	39	215	237		
Ceded share of change in deferred acquisition costs and contingent commissions	8	2	4	-1		
<b>Operating expenses - Ceded share</b>	<b>44</b>	<b>41</b>	<b>219</b>	<b>236</b>		
<b>Net operating expenses</b>	<b>-611</b>	<b>-659</b>	<b>-8,925</b>	<b>-8,472</b>		

## Operating expenses

€m	Reinsurance			
	Q3 2015	Q3 2014	Life	Property-casualty
			Q3 2015	Q3 2014
Acquisition costs, profit commission and reinsurance commission paid	-415	-595	-1,088	-1,149
Administrative expenses	-80	-70	-321	-279
Change in deferred acquisition costs and contingent commissions, amortisation and impairment losses of acquired insurance portfolios	-45	26	69	220
<b>Gross operating expenses</b>	<b>-540</b>	<b>-639</b>	<b>-1,340</b>	<b>-1,208</b>
Ceded share of acquisition costs, profit commission and reinsurance commission paid	22	42	36	29
Ceded share of change in deferred acquisition costs and contingent commissions	5	6	-2	-10
<b>Operating expenses - Ceded share</b>	<b>27</b>	<b>48</b>	<b>34</b>	<b>19</b>
<b>Net operating expenses</b>	<b>-513</b>	<b>-591</b>	<b>-1,306</b>	<b>-1,189</b>



€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Acquisition costs, profit commission and reinsurance commission paid	-226	-208	-132	-107	-240	-244
Administrative expenses	-85	-86	-119	-117	-63	-63
Change in deferred acquisition costs and contingent commissions, amortisation and impairment losses of acquired insurance portfolios	-44	-57	-	-14	17	8
<b>Gross operating expenses</b>	<b>-355</b>	<b>-351</b>	<b>-251</b>	<b>-238</b>	<b>-286</b>	<b>-299</b>
Ceded share of acquisition costs, profit commission and reinsurance commission paid	1	1	1	1	8	8
Ceded share of change in deferred acquisition costs and contingent commissions	-	-	-	1	2	1
<b>Operating expenses - Ceded share</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>9</b>
<b>Net operating expenses</b>	<b>-354</b>	<b>-350</b>	<b>-250</b>	<b>-236</b>	<b>-276</b>	<b>-290</b>

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→	Munich Health		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
€m				
Acquisition costs, profit commission and reinsurance commission paid	-164	-192	-2,265	-2,495
Administrative expenses	-27	-25	-695	-640
Change in deferred acquisition costs and contingent commissions, amortisation and impairment losses of acquired insurance portfolios	-7	2	-10	185
<b>Gross operating expenses</b>	<b>-198</b>	<b>-215</b>	<b>-2,970</b>	<b>-2,950</b>
Ceded share of acquisition costs, profit commission and reinsurance commission paid	14	15	82	96
Ceded share of change in deferred acquisition costs and contingent commissions	3	1	8	-1
<b>Operating expenses - Ceded share</b>	<b>17</b>	<b>16</b>	<b>90</b>	<b>95</b>
<b>Net operating expenses</b>	<b>-181</b>	<b>-199</b>	<b>-2,880</b>	<b>-2,855</b>

Investment result by investment class and segment (before deduction of income from technical interest)

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Land and buildings, including buildings on third-party land	14	13	74	68
Investments in affiliated companies	-	-1	2	10
Investments in associates and joint ventures	-	-	293	46
Loans	2	2	5	7
Other securities held to maturity	-	-	-	1
Other securities available for sale				
Fixed-interest	493	384	1,328	1,274
Non-fixed-interest	107	138	493	656
Other securities at fair value through profit or loss				
Held for trading				
Fixed-interest	-	-	-	-
Non-fixed-interest	-	-	-	2
Derivatives	-147	-137	-655	-665
Designated as at fair value through profit or loss				
Fixed-interest	-	-	-	-
Non-fixed-interest	-	-	-	-
Deposits retained on assumed reinsurance, and other investments	193	218	36	51
Expenses for the management of investments, other expenses	-34	-28	-126	-113
<b>Total</b>	<b>628</b>	<b>589</b>	<b>1,450</b>	<b>1,337</b>

→	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
€m						
Land and buildings, including buildings on third-party land	118	144	7	7	3	7
Investments in affiliated companies	-5	-5	-	-5	1	-1
Investments in associates and joint ventures	69	14	1	2	3	1
Loans	1,566	1,765	16	47	11	12
Other securities held to maturity	-	-	-	-	-	-
Other securities available for sale						
Fixed-interest	1,460	1,134	89	97	367	348
Non-fixed-interest	157	193	91	81	40	60
Other securities at fair value through profit or loss						
Held for trading						
Fixed-interest	-	-	-	-	-	1
Non-fixed-interest	-	-	-	-	-	1
Derivatives	-62	277	-23	-39	-15	47
Designated as at fair value through profit or loss						
Fixed-interest	-	-	-	-	-9	35
Non-fixed-interest	-	-	-	-	-	-
Deposits retained on assumed reinsurance, and other investments	-1	5	1	2	9	8
Expenses for the management of investments, other expenses	-161	-161	-11	-10	-20	-21
<b>Total</b>	<b>3,141</b>	<b>3,366</b>	<b>171</b>	<b>182</b>	<b>390</b>	<b>498</b>

→	Munich Health			Total
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
€m				
Land and buildings, including buildings on third-party land	-	-	216	239
Investments in affiliated companies	10	-	8	-2
Investments in associates and joint ventures	9	-10	375	53
Loans	1	1	1,601	1,834
Other securities held to maturity	-	-	-	1
Other securities available for sale				
Fixed-interest	75	71	3,812	3,308
Non-fixed-interest	-	-	888	1,128
Other securities at fair value through profit or loss				
Held for trading				
Fixed-interest	-	-	-	1
Non-fixed-interest	-	-	-	3
Derivatives	-	-1	-902	-518
Designated as at fair value through profit or loss				
Fixed-interest	-	-	-9	35
Non-fixed-interest	-	-	-	-
Deposits retained on assumed reinsurance, and other investments	-	2	238	286
Expenses for the management of investments, other expenses	-3	-5	-355	-338
<b>Total</b>	<b>92</b>	<b>58</b>	<b>5,872</b>	<b>6,030</b>

## Investment result by investment class and segment (before deduction of income from technical interest)

€m	Reinsurance			
	Q3 2015	Q3 2014	Life	Property-casualty
			Q3 2015	Q3 2014
Land and buildings, including buildings on third-party land	5	4	28	23
Investments in affiliated companies	-	-1	-	10
Investments in associates and joint ventures	-	-	237	18
Loans	1	1	2	2
Other securities held to maturity	-	-	-	1
Other securities available for sale				
Fixed-interest	144	131	328	413
Non-fixed-interest	-22	42	-91	202
Other securities at fair value through profit or loss				
Held for trading				
Fixed-interest	-	-	-	-
Non-fixed-interest	-	-	-2	-
Derivatives	-73	-86	-338	-409
Designated as at fair value through profit or loss				
Fixed-interest	-	-	-	-
Non-fixed-interest	-	-	-	-
Deposits retained on assumed reinsurance, and other investments	60	66	1	-5
Expenses for the management of investments, other expenses	-11	-10	-45	-39
<b>Total</b>	<b>104</b>	<b>147</b>	<b>120</b>	<b>216</b>

€m	ERG					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Land and buildings, including buildings on third-party land	35	63	2	3	1	1
Investments in affiliated companies	-2	-3	-1	-2	1	-2
Investments in associates and joint ventures	4	5	1	-1	2	-
Loans	525	572	13	15	3	4
Other securities held to maturity	-	-	-	-	-	-
Other securities available for sale						
Fixed-interest	448	357	22	25	117	111
Non-fixed-interest	-35	11	-65	11	-5	29
Other securities at fair value through profit or loss						
Held for trading						
Fixed-interest	-	-	-	-	-	-
Non-fixed-interest	-	-	-	-	-	1
Derivatives	247	138	1	-17	34	23
Designated as at fair value through profit or loss						
Fixed-interest	-	-	-	-	-1	12
Non-fixed-interest	-	-	-	-	-	-
Deposits retained on assumed reinsurance, and other investments	-1	1	-	1	3	3
Expenses for the management of investments, other expenses	-59	-59	-3	-3	-5	-7
<b>Total</b>	<b>1,162</b>	<b>1,085</b>	<b>-30</b>	<b>32</b>	<b>150</b>	<b>175</b>

→	Munich Health		Total	
€m	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Land and buildings, including buildings on third-party land	-	-	71	94
Investments in affiliated companies	-	-	-2	2
Investments in associates and joint ventures	4	-5	248	17
Loans	-	-	544	594
Other securities held to maturity	-	-	-	1
Other securities available for sale				
Fixed-interest	22	22	1,081	1,059
Non-fixed-interest	-	-	-218	295
Other securities at fair value through profit or loss				
Held for trading				
Fixed-interest	-	-	-	-
Non-fixed-interest	-	-	-2	1
Derivatives	-	-1	-129	-352
Designated as at fair value through profit or loss				
Fixed-interest	-	-	-1	12
Non-fixed-interest	-	-	-	-
Deposits retained on assumed reinsurance, and other investments	-	1	63	67
Expenses for the management of investments, other expenses	-1	-2	-124	-120
<b>Total</b>	<b>25</b>	<b>15</b>	<b>1,531</b>	<b>1,670</b>

## Investment income by segment (before deduction of income from technical interest)

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Regular income	665	599	1,401	1,262
Thereof:				
Interest income	588	537	954	919
Write-ups of non-derivative investments	2	6	14	45
Gains on the disposal of non-derivative investments	279	198	1,455	1,059
Write-ups and gains on the disposal of derivatives	266	207	1,193	985
Other income	-	-	-	-
<b>Total</b>	<b>1,212</b>	<b>1,010</b>	<b>4,063</b>	<b>3,351</b>

€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Regular income	2,923	2,918	152	149	382	392
Thereof:						
Interest income	2,488	2,615	96	113	357	364
Write-ups of non-derivative investments	18	44	-	4	1	25
Gains on the disposal of non-derivative investments	804	474	194	110	128	72
Write-ups and gains on the disposal of derivatives	371	511	117	66	41	75
Other income	-	-	-	-	-	-
<b>Total</b>	<b>4,116</b>	<b>3,947</b>	<b>463</b>	<b>329</b>	<b>552</b>	<b>564</b>

€m	Munich Health				Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Regular income	65	57	5,588	5,377	5,653	5,434
Thereof:						
Interest income	56	59	4,539	4,607	4,595	4,666
Write-ups of non-derivative investments	-	-	35	124	35	124
Gains on the disposal of non-derivative investments	46	15	2,906	1,928	2,952	1,943
Write-ups and gains on the disposal of derivatives	2	1	1,990	1,845	1,992	1,846
Other income	-	-	-	-	-	-
<b>Total</b>	<b>113</b>	<b>73</b>	<b>10,519</b>	<b>9,274</b>	<b>10,630</b>	<b>9,407</b>

## Investment income by segment (before deduction of income from technical interest)

€m	Reinsurance			
	Life		Property-casualty	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Regular income	213	199	410	426
Thereof:				
Interest income	191	181	294	317
Write-ups of non-derivative investments	-	1	5	4
Gains on the disposal of non-derivative investments	48	58	418	308
Write-ups and gains on the disposal of derivatives	66	65	294	310
Other income	-	-	-	-
<b>Total</b>	<b>327</b>	<b>323</b>	<b>1,127</b>	<b>1,048</b>



€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Regular income	906	944	48	48	125	134
Thereof:						
Interest income	821	873	32	37	117	123
Write-ups of non-derivative investments	1	12	-	-	-	4
Gains on the disposal of non-derivative investments	205	111	19	16	26	34
Write-ups and gains on the disposal of derivatives	181	186	49	24	27	23
Other income	-	-	-	-	-	-
<b>Total</b>	<b>1,293</b>	<b>1,253</b>	<b>116</b>	<b>88</b>	<b>178</b>	<b>195</b>



€m	Munich Health				Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
	Regular income	23	22	1,725	1,773	
Thereof:						
Interest income	19	20	1,474	1,551		
Write-ups of non-derivative investments	-	-	6	21		
Gains on the disposal of non-derivative investments	4	3	720	530		
Write-ups and gains on the disposal of derivatives	1	1	618	609		
Other income	-	-	-	-		
<b>Total</b>	<b>28</b>	<b>26</b>	<b>3,069</b>	<b>2,933</b>		

## Investment expenses by segment (before deduction of income from technical interest)

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Write-downs of non-derivative investments	-59	-19	-267	-92
Losses on the disposal of non-derivative investments	-67	-30	-329	-158
Write-downs and losses on the disposal of derivatives	-420	-341	-1,876	-1,638
Management expenses, interest charges and other expenses	-38	-31	-141	-126
Thereof:				
Interest charges	-1	-1	-6	-6
<b>Total</b>	<b>-584</b>	<b>-421</b>	<b>-2,613</b>	<b>-2,014</b>

€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Write-downs of non-derivative investments	-191	-76	-108	-18	-62	-15
Losses on the disposal of non-derivative investments	-123	-44	-32	-12	-19	-
Write-downs and losses on the disposal of derivatives	-490	-291	-140	-105	-61	-31
Management expenses, interest charges and other expenses	-171	-170	-12	-12	-20	-20
Thereof:						
Interest charges	-4	-3	-	-	-	-
<b>Total</b>	<b>-975</b>	<b>-581</b>	<b>-292</b>	<b>-147</b>	<b>-162</b>	<b>-66</b>

€m	Munich Health				Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
	Write-downs of non-derivative investments	-1	-7	-688	-227	-689
Losses on the disposal of non-derivative investments	-15	-1	-585	-245	-590	-246
Write-downs and losses on the disposal of derivatives	-2	-2	-2,989	-2,408	-3,000	-2,410
Management expenses, interest charges and other expenses	-3	-5	-385	-364	-388	-367
Thereof:						
Interest charges	-	-	-11	-10	-11	-10
<b>Total</b>	<b>-21</b>	<b>-15</b>	<b>-4,647</b>	<b>-3,244</b>	<b>-4,658</b>	<b>-3,254</b>

## Investment expenses by segment (before deduction of income from technical interest)

€m	Reinsurance			
	Q3 2015	Life	Property-casualty	
		Q3 2014	Q3 2015	Q3 2014
Write-downs of non-derivative investments	-42	-9	-192	-45
Losses on the disposal of non-derivative investments	-26	-6	-127	-30
Write-downs and losses on the disposal of derivatives	-142	-150	-638	-714
Management expenses, interest charges and other expenses	-13	-11	-50	-43
Thereof:				
Interest charges	-	-	-2	-2
<b>Total</b>	<b>-223</b>	<b>-176</b>	<b>-1,007</b>	<b>-832</b>



€m	Life and Health		Property-casualty		ERGO	
	Germany		Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Write-downs of non-derivative investments	-94	-29	-74	-9	-17	-10
Losses on the disposal of non-derivative investments	-22	-10	-20	-3	-10	-2
Write-downs and losses on the disposal of derivatives	47	-66	-48	-41	4	-1
Management expenses, interest charges and other expenses	-62	-63	-4	-3	-5	-7
Thereof:						
Interest charges	-1	-1	-	-	-	-
<b>Total</b>	<b>-131</b>	<b>-168</b>	<b>-146</b>	<b>-56</b>	<b>-28</b>	<b>-20</b>



€m	Munich Health		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
	Write-downs of non-derivative investments	-	-7	-419
Losses on the disposal of non-derivative investments	-1	-	-206	-51
Write-downs and losses on the disposal of derivatives	-1	-1	-778	-973
Management expenses, interest charges and other expenses	-1	-3	-135	-130
Thereof:				
Interest charges	-	-	-3	-3
<b>Total</b>	<b>-3</b>	<b>-11</b>	<b>-1,538</b>	<b>-1,263</b>

## Result from insurance-related investments

€m	Q1-3 2015	Q3 2015	Q1-3 2014	Q3 2014
Investments for unit-linked life insurance contracts	-91	-362	404	79
Other insurance-related investments	22	40	-42	6
<b>Total</b>	<b>-69</b>	<b>-322</b>	<b>362</b>	<b>85</b>

## Other operating result

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Other operating income	104	93	222	178
Thereof:				
Interest income	62	56	5	12
Write-ups of other operating assets	1	-	4	2
Other operating expenses	-58	-53	-286	-220
Thereof:				
Interest charges	-9	-8	-20	-17
Write-downs of other operating assets	-2	-2	-5	-5

€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Other operating income	74	78	50	42	104	97
Thereof:						
Interest income	3	8	1	1	2	1
Write-ups of other operating assets	4	2	1	3	1	-
Other operating expenses	-111	-111	-50	-56	-117	-110
Thereof:						
Interest charges	-30	-37	-7	-10	-7	-9
Write-downs of other operating assets	-4	-5	-1	-3	-15	-13

€m	Munich Health				Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
	Other operating income	34	41	588	529	
Thereof:						
Interest income	4	4	77	82		
Write-ups of other operating assets	1	1	12	8		
Other operating expenses	-44	-48	-666	-598		
Thereof:						
Interest charges	-4	-8	-77	-89		
Write-downs of other operating assets	-2	-2	-29	-30		

## Other operating result

€m	Reinsurance				
	Q3 2015	Life		Property-casualty	
		Q3 2014	Q3 2015	Q3 2014	
Other operating income	35	31	68	60	
Thereof:					
Interest income	23	19	1	5	
Write-ups of other operating assets	1	-	1	-	
Other operating expenses	-18	-18	-90	-80	
Thereof:					
Interest charges	-3	-3	-6	-6	
Write-downs of other operating assets	-1	-1	-2	-2	



€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Other operating income	26	20	22	10	40	35
Thereof:						
Interest income	1	3	-	-	-	-
Write-ups of other operating assets	1	-	-	-	1	-
Other operating expenses	-34	-32	-24	-13	-45	-35
Thereof:						
Interest charges	-11	-12	-2	-3	-2	-3
Write-downs of other operating assets	-1	-1	-	-	-5	-6



€m	Munich Health				Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Other operating income	9	14	200	170		
Thereof:						
Interest income	1	1	26	28		
Write-ups of other operating assets	-	-	4	-		
Other operating expenses	-17	-19	-228	-197		
Thereof:						
Interest charges	-1	-3	-25	-30		
Write-downs of other operating assets	-1	-1	-10	-11		

Other operating income mainly comprises income of €392m (346m) from services rendered, interest and similar income of €77m (83m), income of €45m (44m) from the release/reduction of miscellaneous provisions and provisions for bad and doubtful debts, and income of €24m (23m) from owner-occupied property, some of which is also leased out.

In addition to expenses of €302m (254m) for services rendered, other operating expenses chiefly include interest charges and similar expenses of €77m (89m), other write-downs of €23m (24m), and other tax of €87m (73m). They also contain expenses of €9m (12m) for owner-occupied property, some of which is also leased out.

## Other non-operating result, impairment losses of goodwill and net finance costs

€m	Reinsurance			
	Life		Property-casualty	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Other non-operating income	600	370	1,704	813
Other non-operating expenses	-680	-426	-1,962	-1,041
Impairment losses of goodwill	-	-	-	-
Net finance costs	-29	-27	-94	-88

€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Other non-operating income	854	385	277	155	29	79
Other non-operating expenses	-967	-493	-320	-199	-58	-106
Impairment losses of goodwill	-	-	-	-	-	-
Net finance costs	-22	-21	-11	-12	-21	-21

€m	Munich Health				Total	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Other non-operating income	19	12	3,483	1,814	1,814	1,814
Other non-operating expenses	-19	-16	-4,006	-2,281	-2,281	-2,281
Impairment losses of goodwill	-	-	-	-	-	-
Net finance costs	-1	-1	-178	-170	-178	-170

## Other non-operating result, impairment losses of goodwill and net finance costs

€m	Reinsurance			
	Life		Property-casualty	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Other non-operating income	107	120	265	260
Other non-operating expenses	-113	-122	-306	-330
Impairment losses of goodwill	-	-	-	-
Net finance costs	-9	-9	-31	-29

€m	ERGO					
	Life and Health Germany		Property-casualty Germany		International	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Other non-operating income	237	179	62	77	13	17
Other non-operating expenses	-266	-218	-81	-88	-15	-20
Impairment losses of goodwill	-	-	-	-	-	-
Net finance costs	-7	-7	-4	-4	-7	-7

€m	Munich Health				Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Other non-operating income	4	3	688	656	656	656
Other non-operating expenses	-4	-5	-785	-783	-783	-783
Impairment losses of goodwill	-	-	-	-	-	-
Net finance costs	-	-	-58	-56	-58	-56

The other non-operating income and expenses are unrelated to the conclusion, administration or settlement of insurance contracts or the administration of investments.

Besides foreign-currency exchange gains of €3,414m (1,720m), the other non-operating income mainly comprises other non-technical income of €67m (89m).

The other non-operating expenses comprise foreign-currency exchange losses of €3,727m (2,013m), write-downs of €49m (49m) on other intangible assets, and other non-technical expenses of €230m (219m), such as other amounts that cannot be allocated elsewhere and restructuring expenses.

### Non-current assets and disposal groups held for sale and sold in the reporting period

In the first quarter of 2015, Munich Health Holding AG, Munich, sold its shares in the fully consolidated company DKV Luxembourg S.A., Luxembourg. The sales price was in the low double-digit million euro range. The sale had an impact of around €3m on our consolidated result.

In the fourth quarter of 2014, MEAG MUNICH ERGO AssetManagement GmbH sold its shares in its associate PICC Asset Management Company Limited, Shanghai, with economic effect in June 2015. We posted a moderately positive result overall from the disposal of this share, which we accounted for using the equity method.

### Related parties

Transactions between Munich Reinsurance Company and subsidiaries that are to be deemed related parties have been eliminated in consolidation and are not disclosed in the notes. Business relations with unconsolidated subsidiaries are of subordinate importance as a whole; this also applies to business relations with associates and joint ventures. Munich Reinsurance Company has established a contractual trust agreement in the form of a two-way trust for its unfunded company pension obligations. The Munich Re pension scheme is considered a related party in accordance with IAS 24. Contributions to the pension scheme are recognised as expenses for defined contribution plans.

No significant transactions were conducted between Board members and Munich Re.

### Number of staff

The number of staff employed by the Group as at 30 September 2015 totalled 21,658 (21,899) in Germany and 21,420 (21,417) in other countries.

#### Number of staff

	30.9.2015	31.12.2014
Reinsurance	12,029	11,749
ERGO	28,531	28,560
Munich Health	2,518	3,007
<b>Total</b>	<b>43,078</b>	<b>43,316</b>

## Contingent liabilities, other financial commitments

In comparison with the situation at 31 December 2014, financial commitments of significance for the assessment of the Group's financial position have not changed materially.

## Earnings per share

Diluting effects to be disclosed separately for the calculation of earnings per share were not present either in the current reporting period or in the same period last year. Earnings per share can be potentially diluted in future through the issue of shares or subscription rights from amounts authorised for increasing the share capital and from contingent capital.

The earnings per share figure is calculated by dividing the consolidated result for the reporting period attributable to Munich Reinsurance Company equity holders by the weighted average number of outstanding shares.

### Earnings per share<sup>1</sup>

	Q1-3 2015	Q3 2015	Q1-3 2014	Q3 2014
Consolidated result attributable to Munich Reinsurance Company equity holders €m	2,380	520	2,427	733
Weighted average number of outstanding shares	166,665,172	165,547,333	173,142,299	171,198,829
Earnings per share €	14.28	3.14	14.01	4.28

1 Previous year's figures adjusted owing to IAS 8.

## Events after the balance sheet date

No events of material significance have occurred since the balance sheet date.

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The Board of Management

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The official German original of this report is also available from the Company. In addition, you can find our annual and interim reports, along with further information about Munich Re and its shares, on the internet at [www.munichre.com](http://www.munichre.com).

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## Important dates 2016

16 March 2016  
Balance sheet press conference  
for 2015 consolidated financial statements

27 April 2016  
Annual General Meeting

10 May 2016  
Interim report as at 31 March 2016

9 August 2016  
Interim report as at 30 June 2016

9 August 2016  
Half-year press conference

9 November 2016  
Interim report as at 30 September 2016