



CHANGES IN SEGMENT REPORTING OF MUNICH RE GROUP

5 May 2010



Introduction of new segment Munich Health

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Amended attribution of investments and investment result within the reinsurance segment

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Restated income statement Q1 2009

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Background

Until Q4 2008: Segmentation according to IAS 14 ("Risk & Reward Approach")

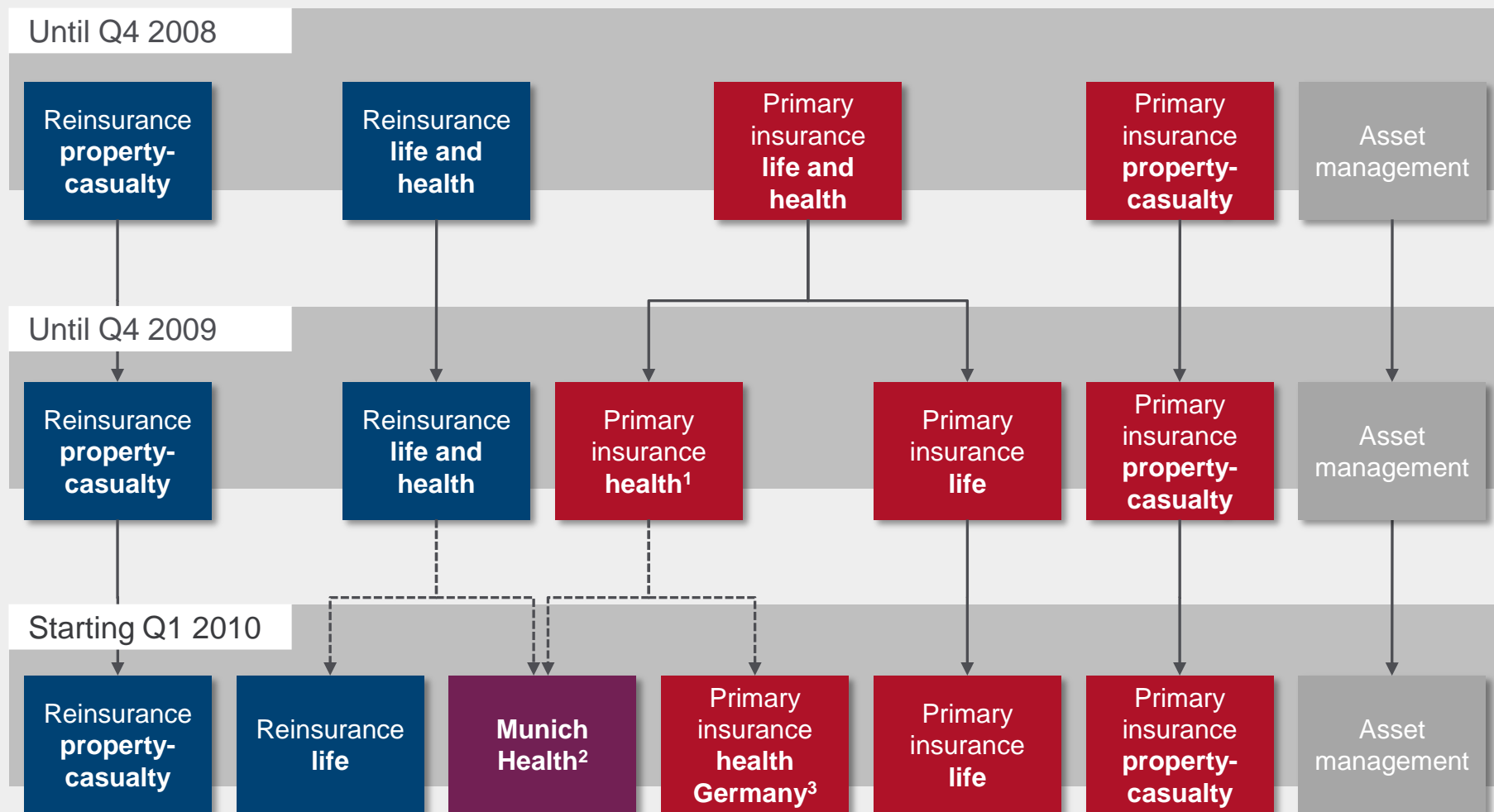
Until Q4 2009: Segmentation according to IFRS 8 ("Management Approach")

- In primary insurance, separation of life and health insurance into two segments

Starting Q1 2010: Disclosure of Munich Health as a separate segment

- Munich Health combines health reinsurance business worldwide and health primary insurance business outside Germany
- Introduction of new segment therefore has influence on the segments reinsurance life and health as well as primary insurance health

New structure of segment reporting



¹ Health primary insurance business in and outside Germany.

² Health reinsurance business worldwide and health primary insurance business outside Germany.

³ Health primary insurance business in Germany only.

Organisational composition of Munich Health¹



Reinsurance life and health

Companies with life, health as well as property-casualty business:

- ✓ Münchener Rückversicherungs-Gesellschaft, Germany
- ✓ Neue Rückversicherungs-Gesellschaft, Switzerland
- ✓ Great Lakes Reinsurance, UK
- ✓ Munich Re of Malta, Malta
- ✓ Munich Reinsurance America, USA
- ✓ American Alternative Insurance Corporation, USA

Directly allocated companies:

- ✓ Munich Health Holding, Germany
- ✓ MedNet Holding, Germany
- ✓ DKV Salute, Italy
- ✓ DKV Globality, Luxembourg
- ✓ Sterling Group, USA
- ✓ Munich Health North America, USA
- ✓ Munich Re America Stop Loss, USA
- ✓ Excess Reinsurance, USA

Primary insurance health

Directly allocated companies:

- ✓ DKV Luxembourg, Luxembourg
- ✓ DKV BELGIUM, Belgium
- ✓ DKV Seguros Group, Spain

Allocation of health reinsurance business of these entities to Munich Health

Direct allocation of companies to Munich Health



¹ Management view - not reflecting the legal structure.

Improvement of operating result in the course of 2009

€m	Q1 2009
Gross premiums written	769
Income from technical interest	20
Net expenses for claims and benefits	604
Net operating expenses	106
Technical result	5
Investment result	24
Non-technical result	-2
Operating result	3
Consolidated result	-4

Main developments Q1–4 2009¹

Gross premiums written

- Very strong growth in Q2–4 2009 due to significant new business from Q2 2009 onwards (large volume deals)
- Decrease in Spain as a consequence of the financial crisis; new legislation in US market with so far minor effect on Sterling's premium volume in 2009

Technical result

- Q1 2009 burdened by start-up cost of hospital operator Marina Salud starting business in February 2009
- Sterling financial performance not linear during 2009 as cost cuttings became effective in Q2–4 2009; reimbursements from US government in August 2009

Investment result

- Q1 2009 impacted by de-risking thereby realising losses on disposal of afs fixed-interest securities (mainly structured products and corporate bonds)
- Improved investment result in Q2–4 2009

Operating result

- Full year operating result exceeds €100m due to overall positive trend of technical and investment result in the course of 2009

Consolidated result

- Q2–4 2009 burdened by impairments on goodwill and intangible assets at Sterling (€65m)

¹ Due to high complexity of income and expense attribution (see slide 7) as well as implementation of Munich Health as a separate segment, the figures for Q2–4 2009 are still subject to quality assurance.

Refined allocation method of investments and investment result – based on technical provisions

General principles

- Joint management of investments within the reinsurance segment in order to benefit from scale effects
- Hence allocation of investments and investment result required for those entities with activities in at least two of the following segments:
 - Reinsurance property-casualty
 - Reinsurance life
 - Reinsurance part of Munich Health
- As a consequence of the strong premium increase in reinsurance life and Munich Health, the previous allocation method derived from the income statement (premium volume) was no longer adequate
- Refinement of method as from Q1 2010 based on the technical provisions of the above-mentioned segments leading to the following changes on the income statement and balance sheet¹:
 - Investments: Increase in reinsurance property-casualty (31.12.2009: +€2.4bn) and corresponding decrease in reinsurance life and reinsurance part of Munich Health (31.12.2009 –€2.4bn)
 - Investment result: Increase in reinsurance property-casualty (Q1 2009: +€119m) and corresponding decrease in reinsurance life and reinsurance part of Munich Health (Q1 2009 –€119m)

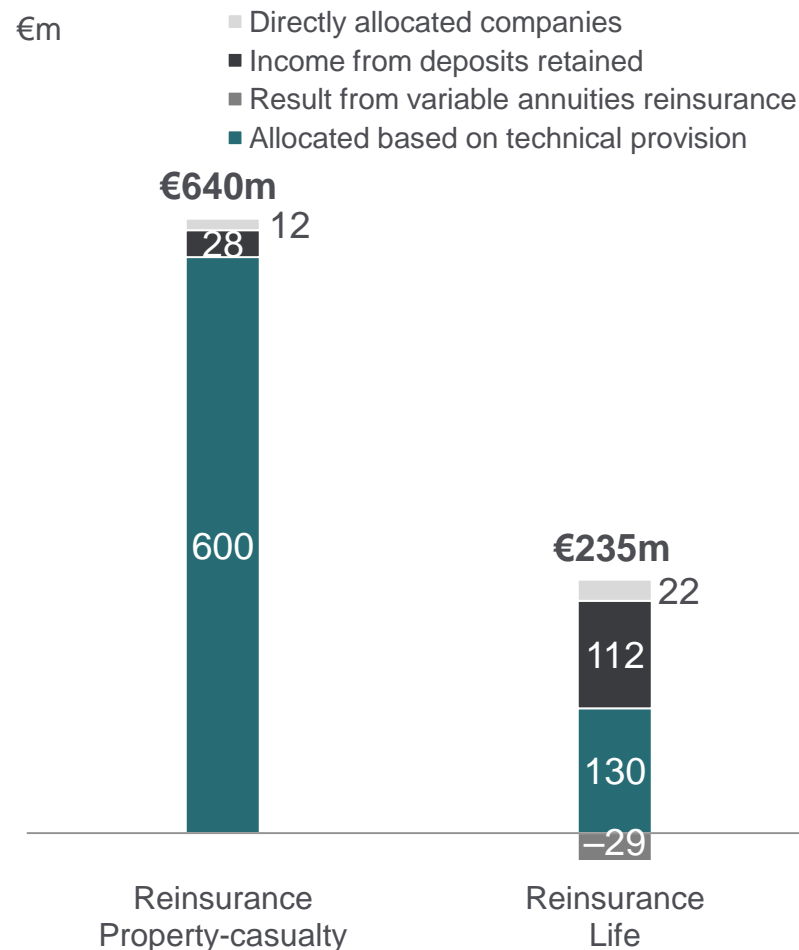
¹ Method refinement requires restatement of figures 2009. Segmental view.

Split of investment result with refined method

Specification of refined method

- Accurate allocation:
 - Investment income from companies, with business in only one segment
 - Income from deposits retained
 - Result from variable annuities reinsurance¹
- Investment income from companies, with business in two or more segments – allocation based on technical provisions

Investment result Q1 2009



¹ Hedging position, corresponding position shown in technical result.

Restated segment reporting Q1 2009

€m	Reinsurance		Primary insurance			Munich Health	Asset management	Consolidation	Total
	Life	P-C	Life	Health	P-C				
Gross premiums written	1,358	4,046	1,508	1,338	1,622	769	0	-274	10,367
1. Earned premiums									
Gross	1,360	3,549	1,508	1,276	1,212	705	0	-224	9,386
Ceded	62	228	135	51	127	10	0	-224	389
Net	1,298	3,321	1,373	1,225	1,085	695	0	0	8,997
2. Income from technical interest	152	195	511	291	44	20	0	-63	1,150
3. Expenses for claims and benefits	1,011	2,292	1,560	1,254	686	604	0	-52	7,355
4. Operating expenses	386	957	214	195	376	106	0	18	2,252
5. Technical result (1-4)	53	267	110	67	67	5	0	-29	540
6. Investment result									
Investment income	448	1,596	1,234	383	175	40	4	-289	3,591
Investment expenses	213	956	843	112	111	16	1	-28	2,224
Total	235	640	391	271	64	24	3	-261	1,367
7. Other operating income	22	25	131	23	102	11	59	-253	120
8. Other operating expenses	12	26	146	28	143	17	46	-277	141
9. Deduction of income from technical interest	-152	-195	-511	-291	-44	-20	0	63	-1,150
10. Non-technical result	93	444	-135	-25	-21	-2	16	-174	196
11. Operating result	146	711	-25	42	46	3	16	-203	736
12. Other non-operating result, finance costs and amortisation losses of goodwill	8	31	-46	-25	-27	-1	-2	19	-43
13. Taxes on income	34	184	0	14	10	6	6	2	256
14. Consolidated result	120	558	-71	3	9	-4	8	-186	437
Thereof: Attributable to Munich Reinsurance Company equity holders	120	558	-64	1	10	-3	8	-197	433
Attributable to minority interests	0	0	-7	2	-1	-1	0	11	4