Munich RE

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Press release

Munich Re with dividend payout of over €1.1bn

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Munich Re will pay an increased dividend of €6.25 per share for the financial year 2010 (previous year: €5.75). Munich Re's payout to shareholders will thus total more than €1.1bn. Shareholders approved the relevant proposal at today's Annual General Meeting in Munich. The current financial year has been marked by natural catastrophes in Australia and New Zealand and particularly by the severe earthquake in Japan.

CEO Nikolaus von Bomhard had the following to say at today's Annual General Meeting: "Last year, I held out the prospect to you of a result of over €2bn for the financial year 2010. In November 2010, we were able to raise this forecast to €2.4bn. With our final result of €2.43bn, we succeeded in just topping that amount. Our pleasing profit is the result of hard work in a challenging year."

Besides the increased dividend of €6.25 per share, Bomhard drew attention to the share buy-back programme launched in May 2010. By 12 April 2011, shares with a total volume of €1bn had been repurchased. With the dividend payment tomorrow, Munich Re will have returned nearly €12bn to its shareholders via share buy-backs and dividends between 2005 and 2010.

CEO von Bomhard on the events in Japan: "The images of the earthquake and nuclear disaster in Japan will remain with all of us for a long time. In this context, we should not forget that insurers and reinsurers help economies to recover more quickly from such events and assist people on the ground in rebuilding their lives." He went on: "We are duty bound to learn from catastrophes of this magnitude and to share our findings – not only with our clients but also with governments and interested organisations."

In the first quarter, Munich Re expects its claims burden from natural catastrophes to total around €2.7bn after retrocession and before tax. Based on an initial loss estimate, €1.5bn of this will be attributable to the earthquake in Japan alone, while €1.1bn will derive from the severe natural catastrophes in Australia and New Zealand. That is why Munich Re announced at the end of March that it would not be able to maintain its profit guidance of around €2.4bn for the financial year 2011. Von Bomhard: "The losses from natural catastrophes mean that the result for the first quarter will be clearly negative." Munich Re had announced a further share buy-back programme back in March 2011: up to the

Annual General Meeting in 2012, a buy-back volume of up to €500m was planned. Following the substantial burdens in the first quarter, Munich Re will not begin this programme for the time being.

Despite these strains, von Bomhard was confident for Munich Re: "In reinsurance, our proximity to markets and clients and our underwriting policy geared solely to the risk have proved their worth. In primary insurance, we have successfully launched the ERGO brand on the German market and its result trend is continuing to point upwards. In Munich Re's youngest field of business, Munich Health, income has grown and consolidation is on track. All in all, I am therefore very satisfied with the Group's development." No figures are available yet on the treaty renewals in reinsurance at 1 April 2011 (Japan, Korea and the USA, plus individual global clients). Munich Re had agreed with some Japanese clients to hold them covered under earthquake treaties at existing terms and conditions for a few weeks in view of the ongoing claims assessments. "That is one of the reasons why it is not yet possible to make any conclusive statements about the development of terms and conditions," said von Bomhard. "At any rate, we expect general price increases in the current financial year."

Munich Re will be publishing detailed figures for the first quarter of the current financial year on 9 May 2011.

Annual General Meeting resolutions
The AGM adopted all the motions by large majorities. These included the following:

- It voted for a dividend of €6.25 per share for 2010 (2009: €5.75). The overall dividend payout thus amounts to €1.110bn (1.072bn).
- As successor to Thomas Wellauer, who resigned from the Supervisory Board on 30 September 2010, Annika Falkengren was elected to the Supervisory Board as a representative of the shareholders. Ms. Falkengren is President and CEO of Skandinaviska Enskilda Banken AB (SEB) and was elected for the remaining term of office until the end of the AGM in 2014.
- The AGM again approved the remuneration system for the members of the Board of Management, in place since 1 January 2010.
- The AGM renewed the authorisation to buy back shares up to a total amount of 10% of the share capital. The authorisation granted last year had largely been exhausted by the share buy-back programme launched in May 2010 and has now been replaced.
- The AGM also adopted a new Authorised Capital Increase 2011 of up to €10m. This will allow the Company to continue to offer its staff and those of its affiliated companies employee shares from capital authorised for this purpose.

All voting results have been made available at www.munichre.com/agm. Shareholders can obtain regularly updated information on Munich Re via the Group's shareholder portal.

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Munich Re stands for exceptional solution-based expertise, consistent risk management, financial stability and client proximity. Munich Re creates value for clients, shareholders and staff alike. In the financial year 2010, the Group – which pursues an integrated business model consisting of insurance and reinsurance – achieved a profit of €2.4bn on premium income of around €46bn. It operates in all lines of insurance, with around 47,000 employees throughout the world. With premium income of around €24bn from reinsurance alone, it is one of the world's leading reinsurers. Especially when clients require solutions for complex risks, Munich Re is a much sought-after risk carrier. Our primary insurance operations are concentrated mainly in the ERGO Insurance Group. With premium income of over €20bn, ERGO is one of the largest insurance groups in Europe and Germany. It is the market leader in Europe in health and legal protection insurance. More than 40 million clients in over 30 countries place their trust in the services and security it provides. In international healthcare business, Munich Re pools its insurance and reinsurance operations, as well as related services, under the Munich Health brand. Munich Re's global investments amounting to €193bn are managed by MEAG, which also makes its competence available to private and institutional investors outside the Group.

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