Meetings with Management

Global Specialty Insurance (GSI)

26 June 2025

Mike Kerner

Munich RE

Financial highlights 2024 – Further strong organic growth, while result was affected by major losses and reserve prudency

€m		FY 2024
1	**Total technical result**	**534**
	Investment result	421
	Currency result	22
	Insurance finance income or expenses	–444
2	**Net financial result**	**–1**
3	**Other operating result**	**–290**
	Operating result	**243**
	Net finance costs	–20
	Taxes on income	–41
	Net result	**182**

1. Total technical result

Combined ratio of 93.6% burdened by several major losses, as well as reserve prudency on growing book of business and some reserve strengthening for US casualty in Q4 – expected combined ratio in 2025: ~90%.

2. Net financial result

Solid ROI of 3.5%; basically, expectation of a relatively low net financial result given limited risk taking against replication of insurance liabilities.

3. Other operating result

As a primary insurer, GSI has a structurally higher cost base (attributable and non-attributable expenses) than reinsurance business. Furthermore, the other operating result contains services for insurance-related activities and continued investments in the development of a joint operational platform, which are expected to pay off in terms of higher business growth and economies of scale.

Ongoing pleasing business growth in Q1 2025, while California wildfires impacted profitability

Key messages

- Revenue growth of 7.2% vs. Q1 2024
- Elevated combined ratio of 95.5% in Q1 2025 driven by higher-than-average major loss expenditure from natural catastrophes

Insurance revenue (gross)

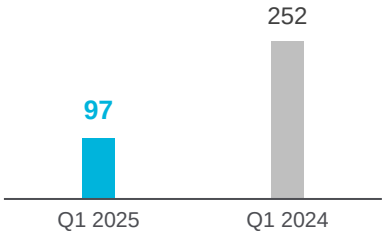
€m

Q1 2024	2,135
Foreign exchange	60
Divestments/investments	0
Organic change	94
Q1 2025	**2,289**

Ongoing growth particularly at American Modern

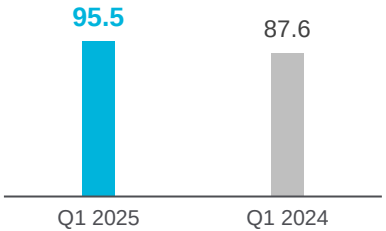
Total technical result

€m



Combined ratio

%



- Loss ratio higher than average expectation due to natural catastrophes
- Los Angeles wildfires single biggest event in Q1 (~€0.2bn), in addition to severe convective storms in the US
- Expense ratio slightly higher than average expectation
- Combined ratio includes discount benefit of ~4.5%

GSI portfolio is diversified, with a wide variety of business

Split by business unit (insurance revenue)

American Modern	25%
HSB	16%
MR Specialty – North America	33%
MR Specialty – Global Markets[1]	26%

Split by line of business

General liability	8%	Casualty **18%**
Motor	5%	
Professional liability	4%	
Other casualty	<1%	
Homeowners	20%	Property **57%**
Commercial property	18%	
Equipment breakdown	14%	
Other property	5%	
Marine	9%	Specialty **25%**
Aviation/Space	6%	
Cyber	5%	
Pet insurance	4%	
Other specialty	1%	

1 Including MR Syndicate.

Levers to further improve GSI's risk-return profile

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Re-underwriting

Active portfolio and cycle management improving portfolio quality

01

Volatility management

GSI as relatively less volatile business aiming to further improve the diversification profile of Munich Re Group

02

Business growth

Ability to scale across lines and seize opportunities throughout different cycles

03

Innovation

New products and solutions to drive top- and bottom-line growth

04

Improving portfolio quality through deploying hundreds of underwriting tactics, aligning writings with risk appetite

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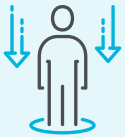
Reduce risk eligibility

E.g., considering age of insured values and number of prior claims

Restrict new business

E.g., zip code restrictions, hazard score reduction, increased inspections



Reduce footprint

E.g., non-renewals, exit a product or state

Optimize portfolio from wildfires, coastal hurricanes, and driving towards a better spread of severe convective storms risks

California wildfires: Rigorous specialty personal lines exposure management significantly mitigates losses

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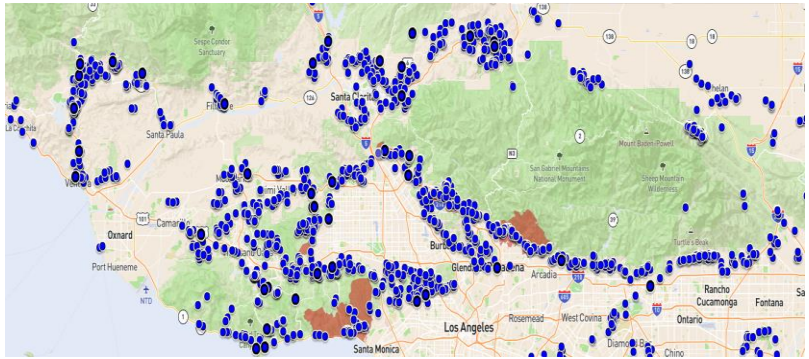
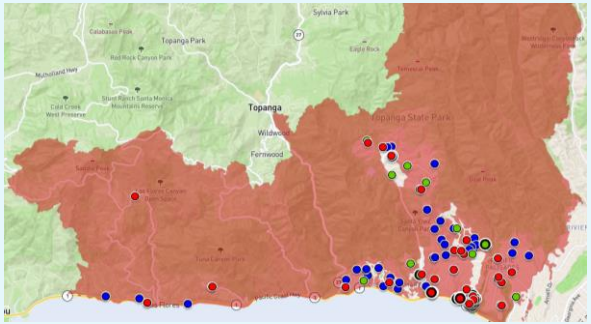
Exposures non-renewed during re-underwriting



- Exposures non-renewed during re-underwriting
- Exposures in-force
- Exposures in-force that generated claims

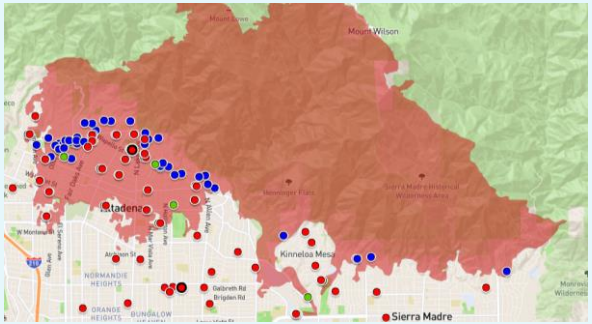
Palisades Fire

Exposures down by ~1/2



Eaton Fire

Exposures down by ~2/3



Strict policy limits management on existing and new E&S business unit products mitigate large loss potential

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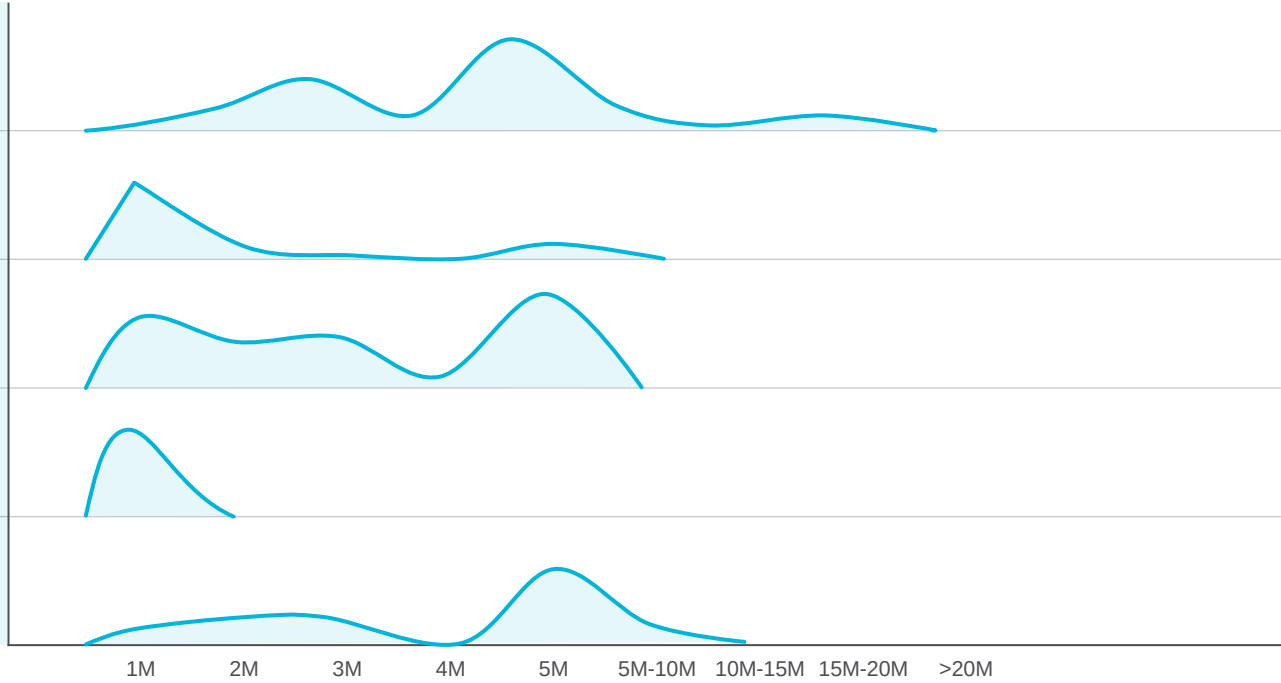
E&S line	Average policy limit
Property	~$**5**m
Healthcare	~**90**% are $**2**m or lower
Financial Lines	~$**3**m
Primary Casualty	~**90**% are $**1**m or lower
Excess Casualty	~$**4**m

In-force Policy – Limits Profile (% Policy Distribution by Limit Band)



Source: MRG Internal Data

Use of external reinsurance drives down large loss exposures

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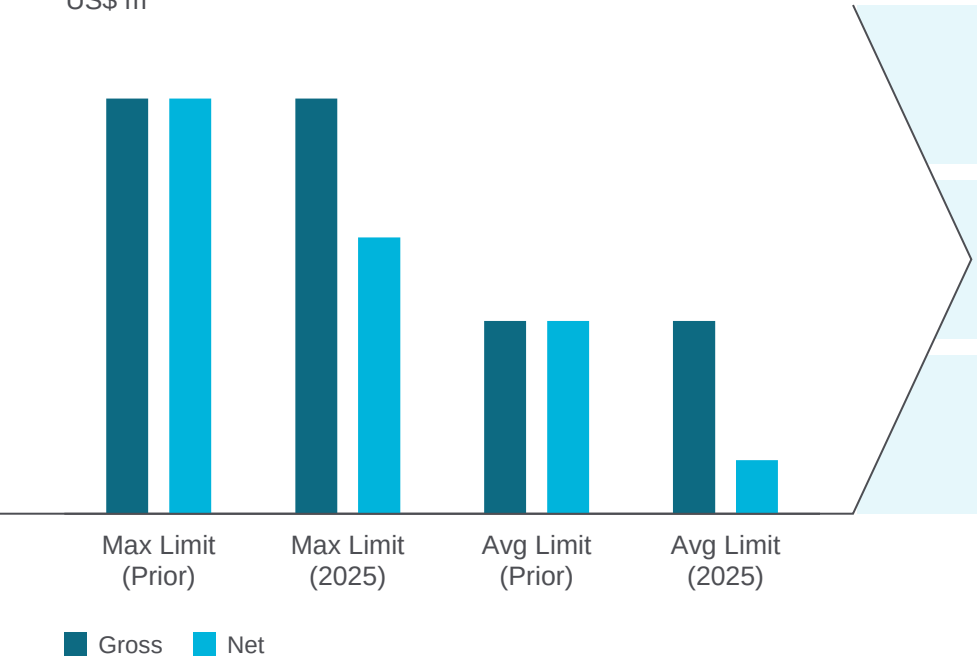
Gross / Net Aviation Limits (2025 & Prior)

US$ m



Aviation all risks portfolio is driven by material airline and manufacturers exposure

Class of business is defined by high severity, volatile exposures

Portfolio has shifted substantially due to recent reinsurance purchases, which drove down maximum, as well as average, limits

Combined Hull and Liability, for non-US airlines, US airlines, and manufacturers.

Rapid growth well above market in E&S business unit

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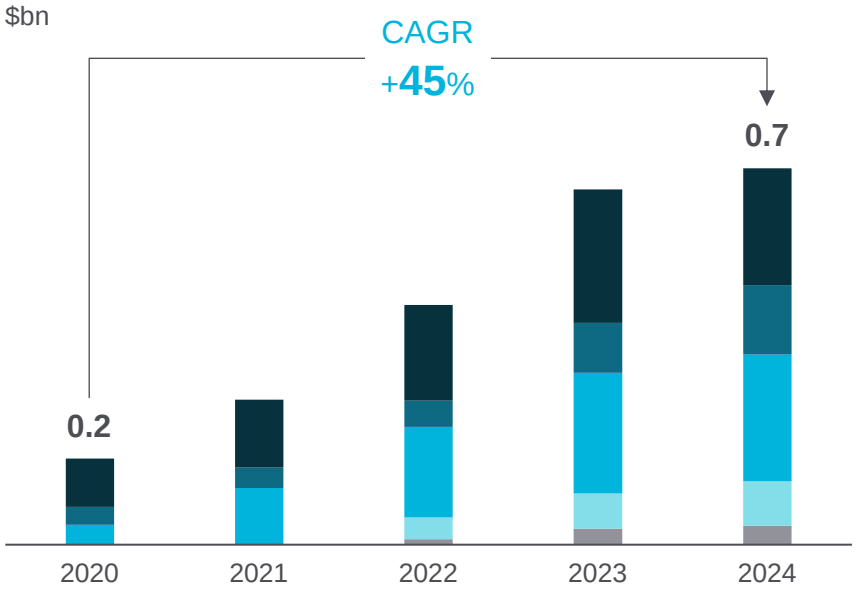
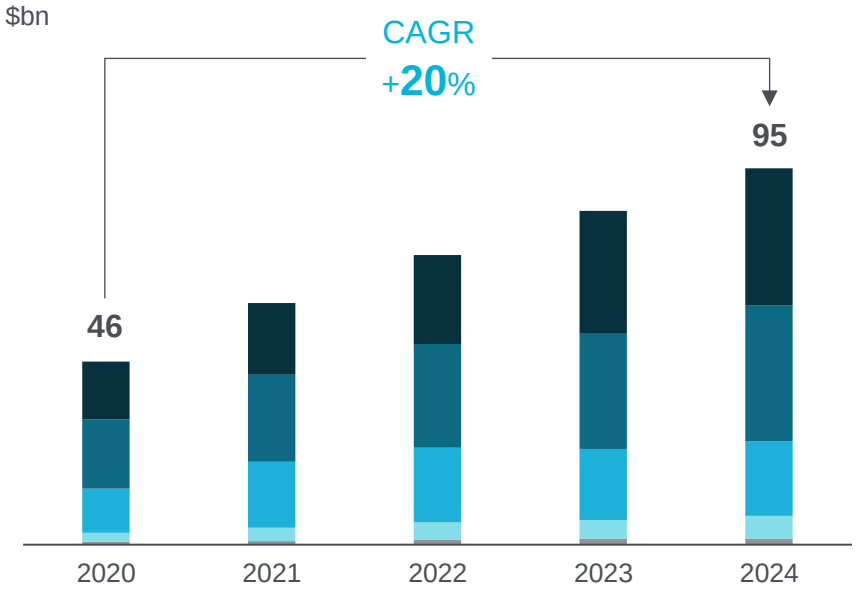
Premium[1] growth in E&S business unit



Premium[2] growth in the US E&S market



Property | Non-professional Liability | Professional Liability | Commercial Auto | Surety

1Source: MR internal data. Commercial P&C DWP. 2Source S&P Capital IQ. Commercial P&C DWP by US Carriers (excludes Lloyd's, Regulated Aliens and Domestic Specialty); E&S carriers include all entities whose Schedule T Active Status = 'Not Licensed' or 'Eligible Surplus Lines' or 'Domestic Surplus Lines Insurer'

Program business – Well-prepared for micro-cycle hard markets

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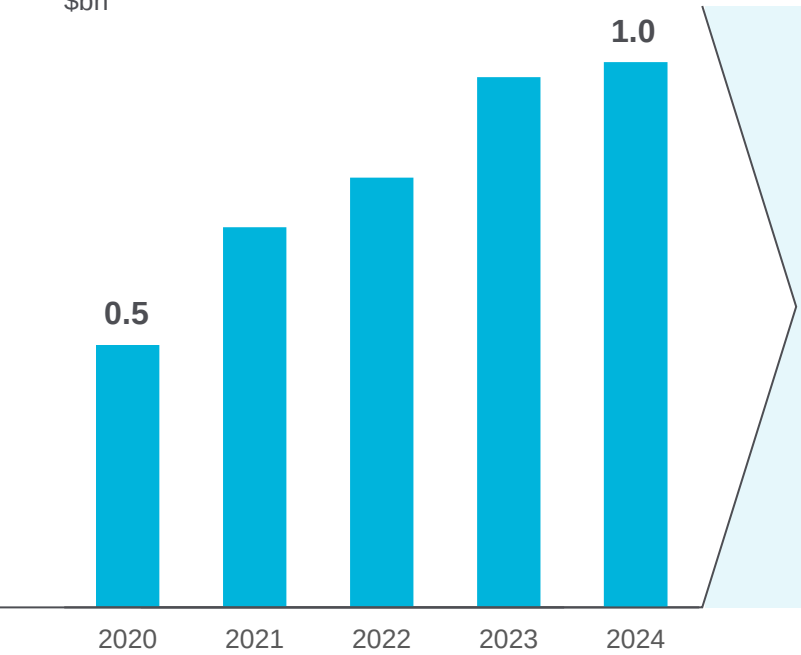
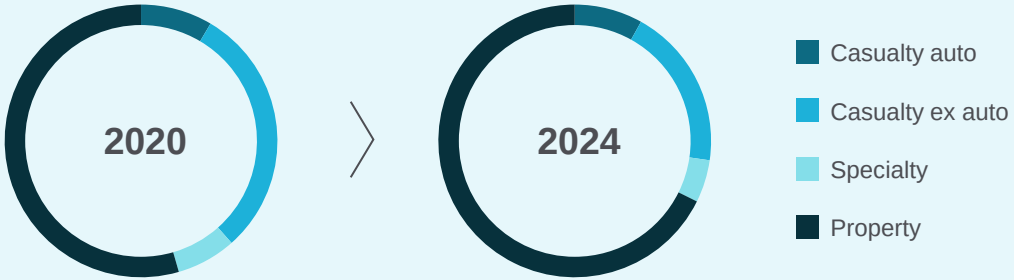
Insurance revenue (gross)

$bn



Proactively shifted business mix from casualty to property

- Market cycles and dynamics vary by line of business
- Underwriting focused on strategically driving business mix shift
- Re-underwrote the book of business by cancelling programs in challenging lines, and growing in targeted lines
- Mix shift facilitated by clear, timely, intentional communications with brokers



Expanding boundaries of insurance through new products and solutions

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IoT Sensor Solutions by HSB®

Delivering value through proactive risk prevention

Key Perils

- Water Leaks
- Frozen Pipes
- Freezing Temperatures
- Mold Conditions
- Refrigeration Failure
- High Temperatures
- Heating System Failure
- Power Outages

Achievements

5,000+ confirmed saves

300K+ alerts

$187M+ save value

110B+ sensor readings

639% ROI

New product fills unmet need

FAIR Plan Commercial Wrap

- Market conditions in CA created need for innovative solutions
- Product acts as a companion policy to the FAIR plan, filling the gaps to create a viable path for commercial property owners
- Developed and launched new product in ~half a year, fuelled by deep expertise across Munich & innovative culture
- Positive market feedback; portable product already launched in second state 1-year in
- Further enhancements in the works to unlock full potential

Metrics as of May 1, 2025

Executive Summary

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Munich Re GSI has a strong, large, and diverse portfolio of specialty lines businesses

Results show solid organic growth, and strained profitability largely driven by catastrophe experience

GSI continues to shape its portfolio through re-underwriting, volatility management, targeted growth initiatives, and innovation

GSI is poised to deliver robust and relatively stable earnings