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Meetings with Management

Life and health reinsurance

26 June 2025

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Munich RE

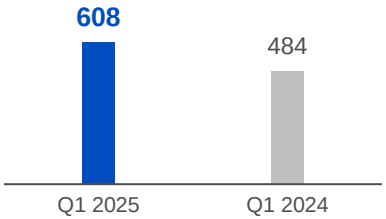
Financial highlights Q1 2025

Key messages

- Very pleasing start to the year reflecting strong new business and positive experience
- Strong total technical result, exceeding pro rata guidance

Total technical result[2]

€m



- Insurance service result supported by strong new business and positive experience variances
- FinMoRe and financial markets business in line with expectation

Insurance revenue (gross)

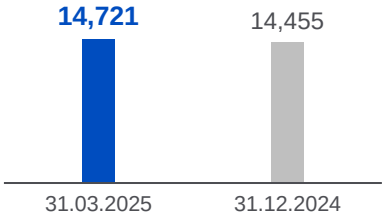
€m

Q1 2024	3,027
Foreign exchange	50
Divestments/investments	0
Organic change	–6
Q1 2025	**3,071**

Growth in UK and North America offset by decline in Asia-Pacific region

Contractual service margin (CSM)[1]

€m



- High contribution from new business, including large transactions in North America
- CSM growth dampened by negative FX effects

1 Net of reinsurance.

Life and health reinsurance

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Underwriting approach

01

Source of earnings

02

Reserving approach

03

Growth prospects

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Underwriting approach

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Diversification	In terms of geography and product line.
Clear risk appetite and pricing strategies	Not afraid to walk away from business.
Target bilateral transactions	Strong market relationships. Expertise in understanding, structuring and pricing complex transactions. Established reputation for execution capabilities.

Avoid negative experience

Underwriting approach

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CSM by geography
€bn

North America	60%
Europe & LatAm	25%
APAC	15%

CSM by product line
€bn

Mortality	50%
Morbidity	21%
Mort' & Morb'	14%
Longevity	15%

ISR by geography
€m

North America	58%
Europe & LatAm	26%
APAC	16%

ISR by product line
€m

Mortality	45%
Morbidity	21%
Mort' & Morb'	19%
Longevity	15%

CSM

Full Year 2024
€14.5bn

Release 2024
7%

ISR

Full Year 2024
€1.4bn

Source of earnings

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Traditional: IFRS17, FinMoRe: IFRS9	IFRS 17 (67 % of 2024 TTR), IFRS 9 (33% of 2024 TTR)
IFRS17 business captured in CSM	Future value of business. Profits released. Impacted by change in experience.
IFRS9 profits generated from fee income	Stable. Less susceptible to experience variance. Credit risk. Market risk.

IFRS 9 business has different profit and risk profile

Source of earnings

CSM growth in 2024

€m

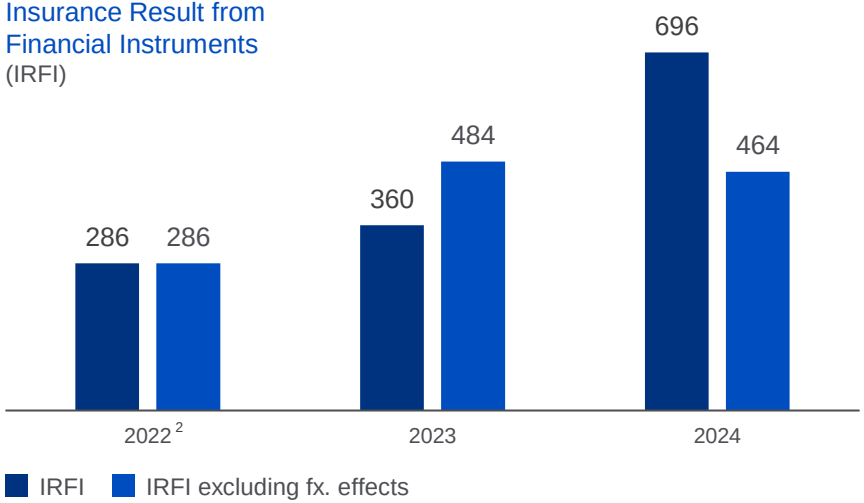
	CSM[1]	RA[1]
CSM/RA 31.12.2023	**12,275**	**3,480**
New contracts added	2,315	461
Accretion of interest	358	98
Operating changes	142	–50
Change in financial effects	397	–78
Other	0	0
Release (through P&L)	–1,032	–305
CSM/RA 31.12.2024	**14,455**	**3,605**

- Strong CSM growth from new business in recent years
- Focus is to ensure CSM from new contracts overcompensates release into P&L

IFRS9 over time

€m

Insurance Result from Financial Instruments (IRFI)



- Significant growth in IFRS9 business as overall growth contributor
- Higher ‘replacement’ need due to shorter duration of business

1 Net of reinsurance. 2 2022 IRFI number is a pre-IFRS9 proxy only, with no recognition of fx. effect

Reserving approach

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Deep analysis of past experience and trends	Undertaken by independent valuation function
Add prudence in areas of uncertainty and/or limited data	For example: Older age reserving
Regular assumption reviews	Schedule of assumption reviews and focus areas
Mortality & longevity trends	Prudent approach to diversification between these areas. Considered simultaneously.

Allow for changes in experience incrementally, rather than one-off

Growth prospects

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Current portfolio with strong potential…

Inforce and run-rate of new business drives inflationary growth in TTR over mid to long-term.

+ Traditional growth: Region specific

Strong position in all major markets drives strong new business. Organic growth expected to be highest for SEA and India.

+ FinMoRe, Markets & Large Transactions

Large pool. Often not ‘open market’. Unique structures. Also accessed via partnerships and special vehicles.

Expect continuously increasing profits. Large deals difficult to forecast. Upside potential.

Growth prospects: Large in-force transactions

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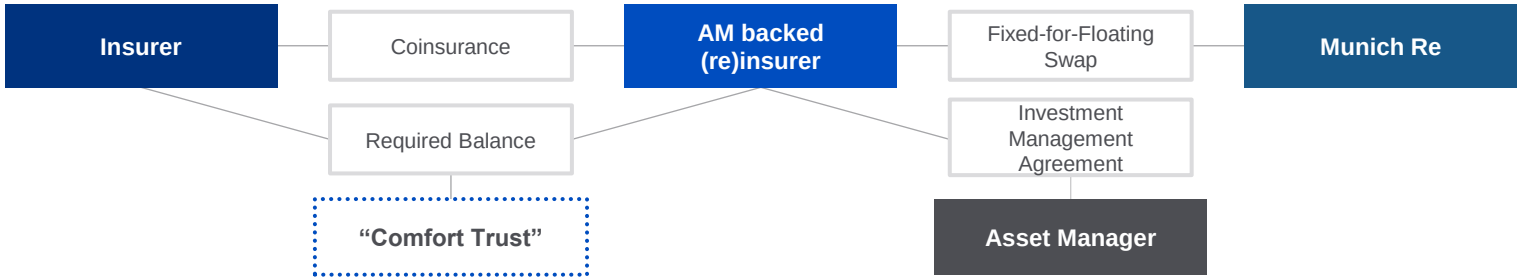
Client Challenge
In-force portfolio involving:

- **Volatility**
- **Trapped capital**

Solution
Reinsurance structure takes over portfolio:

- **Asset + Biometric risk** or **Biometric risk only**
  - Partner takes asset risk
  - Munich Re takes biometric risk
- **Structural components**:
  - Reduce counterparty credit risk
  - Ensures capital, accounting and tax efficiencies for involved parties

Example of potential transaction structure



Growth prospects: Cash financing reinsurance

Back End Load Life Policies

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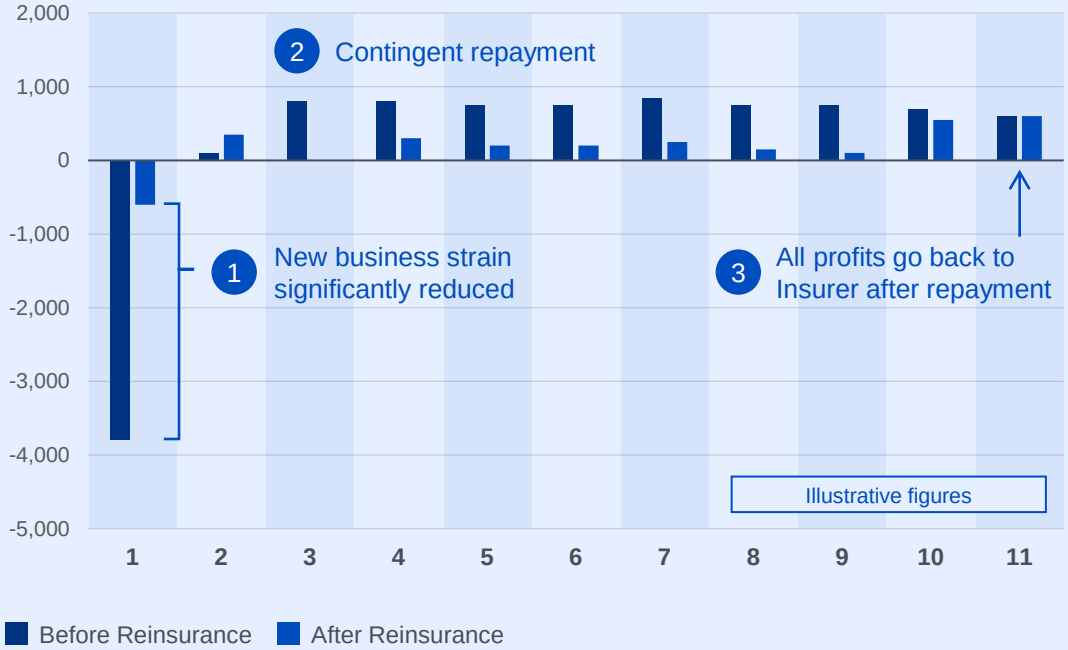
Change in surplus comparison



1. Reinsurer provides cash financing to **reduce new business strain** on writing new Life Policies.

2. Financing is repaid through reinsurer's share of the emerging surplus – which is **contingent.**

   Reinsurer will receive a **fee** on the outstanding financing balance.

3. Once financing is amortized, **insurance companies will retain all future profits.**

   Under certain risk scenarios with commercial substance, the outstanding financing will not be repaid, hence reinsurer suffers a loss. This satisfies **risk transfer test.**