

Tear Sheet:

# Munich Reinsurance Co.

April 7, 2026

This report does not constitute a rating action.

**What's new:** In 2025, Munich Reinsurance Co. posted very strong net income of €6.1 billion and a return on equity (ROE) of 18.3%. Both were at the upper end of our earnings expectations and above the company's own ambitions for the year. Munich Re continues to demonstrate very strong technical performance across business lines, and to benefit from its excellent diversification and stable investment returns. Its business is split across property/casualty (P/C) reinsurance, life and health reinsurance, global specialty insurance, and primary insurance (through its subsidiary Ergo Group AG). Munich Re's combined (loss and expense) ratios for 2025 were very strong at 73.5% for P/C reinsurance; 85.9% for global specialty insurance; 88.9% for ERGO Germany; and 90.0% for ERGO International.

Natural catastrophe losses during 2025 were lower than forecast and the group also benefited from strong underwriting results and significant diversification across its verticals. Revenue from the P/C segment declined by about 6% due to Munich Re's cautious underwriting approach, foreign exchange movements, and lower prices across the global reinsurance market. That said, Munich Re earned 46% of its income outside P/C reinsurance in 2025. The group's life reinsurance segment also contributed significantly to its net profit, although negative experiences related to biometric analytics in its main markets slightly reduced the segment's contribution, compared with that made last year.

Because of its very strong results, Munich Re increased its payout to shareholders: the ordinary dividend rose by 20% and share buybacks increased by 12.5%. Therefore, the group's overall payout ratio for 2025 rose to 87% from 81% a year before. Despite these payouts, the group remains extremely well capitalized--its Solvency II ratio was 298% in 2025, which compares well with peers.

**Why it matters:** In our view, Munich Re is well-placed to achieve its 2026 net income target of €6.3 billion, based on its excellent diversification, conservative balance-sheet management, and prudent reserving. Conditions are still attractive in many of the group's segments, although premium decreased in some P/C reinsurance and specialty lines (particularly short-tail lines). The group realized about €900 million of previously unrealized losses on fixed-income securities in 2025, which will bolster its investment yields over the next few years.

Insured losses as a result of the conflict in the Middle East could be sizable, particularly in specialty lines such as marine, aviation, energy, political violence, terrorism, and cyber. The ultimate magnitude of the impact on the reinsurance and insurance sector remains highly

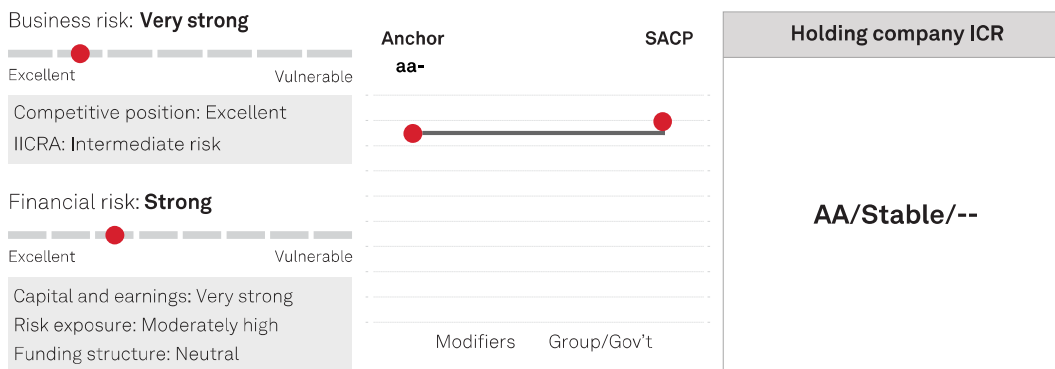
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uncertain and will largely depend on the duration, scale, and evolution of the conflict. That said, we consider that Munich Re's excellent earnings diversification, global portfolio and robust capital adequacy provides it with enough of a buffer that it will be able to absorb the investment and claims volatility that could affect certain lines of business as a result of the conflict.



ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

## Outlook

The stable outlook indicates that, in our view, the group is likely to preserve its excellent competitive position and conservative capital management over the next two years, supported by its strong and diversified earnings profile.

### Downside scenario

We could lower the ratings within the next 12-24 months if the group appears likely to perform below our expectations or 'AA' rated peers for a prolonged time, or if its risk-based capital adequacy declines and is forecast to remain below the 99.95% confidence level for a similar period. This could occur if Munich Re incurs materially higher investment charges or suffers significant and unexpected losses from large-scale natural catastrophes.

### Upside scenario

An upgrade is very unlikely over the next 24 months, given the potential for Munich Re's earnings profile to be more volatile than those of higher-rated peers.

## Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Tear Sheet: Munich Reinsurance Co.](#), Nov. 25, 2025
- [Munich Reinsurance Co.](#), April 30, 2025

### Ratings Detail (as of April 07, 2026)\*

#### Operating Companies Covered By This Report

##### **Munich Reinsurance Co.**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

AA/Stable/--

Junior Subordinated

A+

##### **American Alternative Insurance Corp.**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

*Local Currency* AA/Stable/--

##### **ERGO Group AG**

Issuer Credit Rating

*Local Currency* A+/Stable/--

##### **ERGO Versicherung AG**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

*Local Currency* AA/Stable/--

##### **Great Lakes Insurance SE**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

AA/Stable/--

##### **Great Lakes Insurance SE (Australia Branch)**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

*Local Currency* AA/Stable/--

##### **Great Lakes Insurance UK Ltd.**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

*Local Currency* AA/Stable/--

##### **Munich American Reassurance Co.**

Financial Strength Rating

*Local Currency* AA/Stable/--

Issuer Credit Rating

*Local Currency* AA/Stable/--

**Munich Reinsurance Co.****Ratings Detail (as of April 07, 2026)\*****Munich Re America Corp.**

Issuer Credit Rating

*Local Currency*

A/Stable/--

**Munich Reins America Inc.**

Financial Strength Rating

*Local Currency*

AA/Stable/--

Issuer Credit Rating

*Local Currency*

AA/Stable/--

**Munich Reinsurance Co. of Australasia Ltd.**

Financial Strength Rating

*Local Currency*

AA/Stable/--

Issuer Credit Rating

*Local Currency*

AA/Stable/--

**Munich Reinsurance Co. of Canada**

Financial Strength Rating

*Local Currency*

AA/Stable/--

Issuer Credit Rating

*Local Currency*

AA/Stable/--

**Munich Re of Bermuda, Ltd.**

Financial Strength Rating

*Local Currency*

AA/Stable/--

**Munich Re of Malta PLC**

Financial Strength Rating

*Local Currency*

AA/Stable/--

Issuer Credit Rating

AA/Stable/--

**Munich Re Trading LLC**

Issuer Credit Rating

*Local Currency*

AA-/Stable/--

**New Reinsurance Co. Ltd**

Financial Strength Rating

*Local Currency*

AA/Stable/--

Issuer Credit Rating

AA/Stable/--

**Princeton Excess & Surplus Lines Insurance Co.**

Financial Strength Rating

*Local Currency*

AA/Stable/--

Issuer Credit Rating

*Local Currency*

AA/Stable/--

**Temple Insurance Co.**

Financial Strength Rating

*Local Currency*

AA-/Stable/--

Issuer Credit Rating

*Local Currency*

AA-/Stable/--

**Domicile**

Germany

## Munich Reinsurance Co.

### Ratings Detail (as of April 07, 2026)\*

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\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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