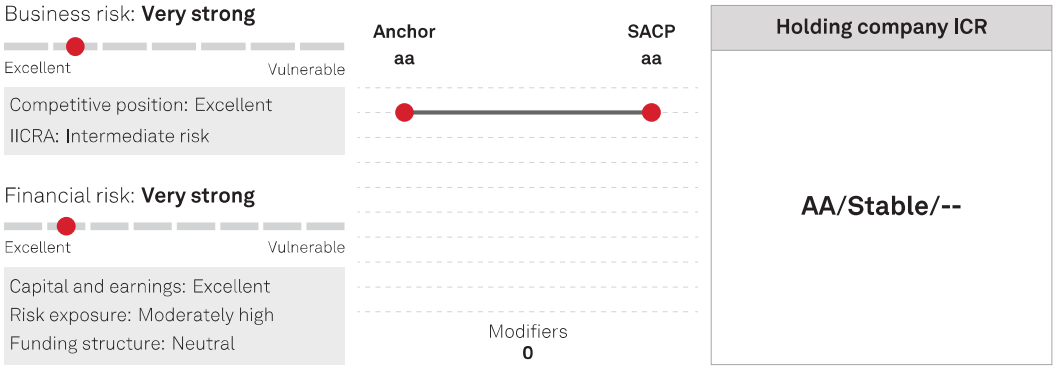
Munich Reinsurance Co.

November 17, 2026

This report does not constitute a rating action.



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

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Credit Highlights

Overview

Key strengths	Key risks
A leading position in the global property/casualty (P/C) and life reinsurance markets with a well-recognized brand name.	Exposure to natural catastrophe risks, bringing volatility to capital and earnings, in line with peers.
Earnings supported by superior diversification across regions and products to peers, including sound earnings from its primary insurance operations.	Continued capital market volatility and further geopolitical uncertainty could weigh on both insurance and investment results.
A strong track record of maintaining healthy capital adequacy under regulatory requirements and above the 99.99% confidence level based on S&P Global Ratings' capital model, backed by well-defined risk-management practices and strong reserve adequacy.	

In our view, Munich Re demonstrates a strong history of conservative capital management. Over the past three years, the group's capital adequacy has been well above the 99.99% confidence level according to S&P Global Ratings' capital model. Under our base-case assumptions for 2026-2028, we believe this trend will continue, further supported by management's commitment.

The group's very strong earnings, excellent diversification, and conservative reserving will support payouts to shareholders, selective growth (especially in ERGO, GSI, and life reinsurance),

as well as potential moderate increases in asset risk, in line with the group's 2030 strategy, in our view. Its Solvency II ratio of 301%, after the third quarter of 2026, will support this and compares well with that of peers. We understand that the group targets to maintain a Solvency II ratio of above 200% under the Ambition 2030 strategy.

The group's excellent franchise and market-leading positions in the global P/C and life reinsurance markets, coupled with strong diversification in other streams, remain key competitive advantages . Its recognized brand, presence, and expertise in the global market are also key differentiating factors that are difficult to replicate. Munich Re scaled up its net income target of €6.6 billion in 2026 from the €6.3 billion set earlier following strong results in the first nine months of the year. The robust performance stemmed from excellent contribution from all major businesses, strong investment performance, and a more benign large loss environment, mainly in P/C reinsurance.

Under our base-case scenario, we assume the group will achieve net income of €6.0 billion-€6.5 billion in 2027-2028 and a return on equity (ROE) of 17%-20%. We also believe that, amid the softening global reinsurance sector cycle, Munich Re can strongly leverage its earnings diversification with the contribution of life reinsurance, global specialty insurance, and retail primary insurance potentially increasing.

In the first nine months in 2026, Munich Re earned almost 50% of its income outside P/C reinsurance, similar to 2025. Compared with most reinsurance peers, the Munich Re group therefore benefits from higher diversification and lower dependence on cyclical businesses such as short-tail P/C reinsurance.

Our assessment of very strong business risk as well as financial risk profiles leads to a split anchor of 'aa' and 'aa-'. We maintain the higher anchor of 'aa' to reflect the group's position as a market leader in global reinsurance, its diverse operations in primary markets, and proven track record of robust results with low volatility and very strong reserving.

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 below 'AA' rated peers for a prolonged period, if its diversification profile weakens, 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 that of higher-rated peers.

Assumptions

- GDP growth of 2.2% in the U.S. and 0.9% in the eurozone in 2026. Growth in 2027 will remain constrained at 1.8% in the U.S. and 1.1% in the eurozone.
- We see the ongoing policy rate hikes mainly as a modest adjustment to the substantial and widening energy price shock, broadly defined, combined with the need to stamp out any potential unanchoring of inflation expectations. However, we would not characterize recent policy rate moves as the start of a prolonged tightening cycle.
- Prices in short-tail lines will continue to trend downward over the remainder of 2026 and during renewal on Jan. 1, 2027.

Munich Re--Key Metrics

	2028f	2027f	2026f	2025	2024	2023
Insurance revenue	~60,000-62,000	~60,000-62,000	~60,000-62,000	60,411	60,831	57,883
EBITDA	N.A	N.A	N.A	8,876	7,998	5,701
Net income (attributable to shareholders)	~6,000-6,500	~6,000-6,500	~6,600	6,121	5,691	4,597
S&P Global Ratings capital adequacy	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Redundancy/Deficiency at 99.99% confidence level*(ranges)	5%-10%	5%-10%	5%-10%	5%-10%	N.A	N.A
Return on shareholder's equity (%)	17-20	17-20	~20	18.5	18.2	16.1
EBITDA fixed-charge coverage (x)	>30	>30	>30	37.0	39.8	39.3
Financial leverage including pension deficit as debt (%)	25-35	25-35	25-35	22.2	20.3	18.4
PC : Net combined ratio (%)	~90	~90	~85	80.8	84.4	86.3
Return on revenue (%)	~10-14	~10-14	~10-14	13.0	11.7	10.0
Return on assets (excluding investment gains/losses) (%)	N.A	N.A	N.A	3.3	3.0	2.5

***Shows total adjusted capital (TAC) compared to risk-based capital (RBC) at the relevant capital adequacy confidence level at the end of the projection period. IFRS--International Financial Reporting Standards. f--S&P Global Ratings forecast. N/A--Not available.**

Business Risk Profile

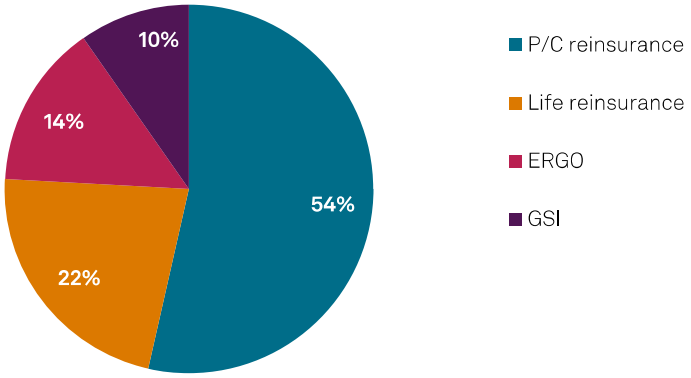
Munich Re's competitive advantage stems from its excellent franchise and market-leading positions in the global P/C and life reinsurance markets. Its recognized brand, presence, and expertise in the global reinsurance market are also key differentiating factors that are difficult to replicate. Munich Re benefits from a well-diversified portfolio across all regions and segments, sound positions in the German life and P/C primary insurance markets, and a leading position in German health insurance. The group also has primary insurance operations in other European markets and Asia. Its primary insurance business has been a strong contributor to earnings , stabilizing net results compared with those of reinsurance peers. Moreover, Munich Re has built a sizable position in global specialty insurance via different units offering a wide range of services, such as commercial business and cyber, thereby providing additional diversification benefits.

In our opinion, the life reinsurance business has low industry risk, owing to sound underlying earnings in the absence of pandemic-related losses and high barriers to potential new entrants. However, volatility is higher in the P/C reinsurance business due to exposure to natural catastrophes. Moreover, the German primary life insurance industry remains exposed to asset-liability risks from long life insurance contracts with guarantees, although the exposure is reducing, while the German primary health insurance sector faces some political risks.

Munich Re's global presence in its various business lines and its unique diversification by line of business compared with most of its reinsurance peers make it less vulnerable to adverse developments in individual markets and single lines of business. In recent years, earnings among the group's P/C reinsurance, life reinsurance, and primary insurance businesses have remained well diversified, with an increasingly balanced mix. Overall, Munich Re's earnings remain exposed to volatility from P/C reinsurance, but the group has a track record of increasing the share of income stemming from less volatile lines of business such as primary insurance, life reinsurance, and global specialty insurance.

Munich Re benefits from well diversified earning streams

Net income split as of third-quarter 2026



P/C--Property/casualty. Source: S&P Global Ratings.

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Financial Risk Profile

In our view, Munich Re benefits from a strong history of conservative capital management. Over the past three years, the group's capital adequacy has been securely above the 99.99% confidence level according to S&P Global Ratings' capital model. Under our base-case assumptions for 2026-2028, we believe capital adequacy will remain substantially above that level, backed by the management's commitment. We believe the group's very strong earnings, excellent diversification, and conservative reserving will support payouts to shareholders, selective growth (in particular in ERGO, GSI, and life reinsurance), as well as potential moderate increases in asset risk, in line with the group's Ambition 2030 strategy.

Munich Re's investment exposure remains conservative: at the end of third-quarter 2026, about 70% of its portfolio had been invested in highly rated fixed-income securities, it had a limited listed equity exposure of about 4%, and about 19% in alternative investments--including real estate, private equity, and private debt. As part of its 2030 strategy, the group plans to slightly increase its asset risk by stepping up alternative investments. We factor this into our capital and earnings forecast, but believe it will not materially alter the group's risk profile.

Munich Re continues to be exposed to large tail risks such as natural catastrophes, which could lead to some capital and earnings volatility. These risks are partially offset by the group's extremely diversified portfolio, strong risk controls, and cautious reserving practices, in our view. We factor manmade and natural catastrophe losses of about 18% into our combined ratio

assumptions for the group's P/C reinsurance business. We forecast a consolidated combined ratio, including all lines of business, of about 85% in 2026 and about 90% in 2027-2028.

Munich Re can access the capital markets as a listed company and has historically issued debt. We think its ability to raise additional funding, if required, and its low financial leverage compared with that of peers, will remain key benefits. We estimate the group's financial leverage at 25%-35% and believe its fixed-charge coverage ratio will remain above 30x over the next two years.

Other Credit Considerations

Governance

We think the management team has a consistent and successful track record of strategic planning, strong execution, and transparent, demanding, and sophisticated financial management. Munich Re also has a strong track record of meeting its financial and strategic targets. The group's well-established governance framework remains a key strength. Its risk culture, controls, models, emerging, strategic risk management, and capital model support the assessment. Munich Re is a complex, global, and diversified group operating in many regions and across diverse lines of business. We do not expect the group to experience losses beyond its risk tolerance over our two-year outlook horizon. The group's economic capital model is robust and fully integrated, which it uses to steer business decisions.

Liquidity

We expect Munich Re's liquidity will remain exceptional over the next two years. The group has ample liquidity sources, mainly premium income and a highly liquid asset portfolio. Moreover, in our view, there are no refinancing issues.

Group support

The ratings on ERGO Group AG (A+/Stable/--) and Munich Re America Corp. (A/Stable/--) reflect the companies' group status as intermediate non-operating holding companies. The lower rating on Munich Re America Corp. reflects our view of greater structural subordination within insurance groups in the U.S. compared with those outside it.

Climate and other evolving factors

Munich Re's exposure to climate and other evolving factors compares well with that of peers. The group is a leader in climate risk research, focusing on the implications for society and the importance of building resilience. Its exposure to environmental risk mainly stems from a possible increase in claims due to extreme weather events like windstorms, wildfires, and floods, as well as climate change.

Although Munich Re's exposure to catastrophe risk could materially increase capital and earnings volatility, the group can reprice its catastrophe contracts annually or cede the risks. This will help it absorb a gradual increase in claims. Given Munich Re's strong risk management and modeling capabilities, we do not expect it to experience losses greater than its risk tolerance. This is despite its significant catastrophe exposure. Munich Re is less vulnerable to large natural catastrophe losses than less-diversified peers thanks to its diversified risk profile, particularly through its primary insurance and life reinsurance business and geographical diversification.

Through its life reinsurance and its primary life insurance business, Munich Re is exposed to social factors such as changes in demographic trends. Greater longevity and other mortality trends can increase insurance liabilities. However, this is a common challenge for life insurers and reinsurers. We anticipate that Munich Re's diversification in its global book of business and the variety of life insurance products it offers will mitigate risks.

Rating Component Scores

Business Risk Profile	**Very Strong**
Competitive position	Excellent
IICRA	Intermediate risk
Financial Risk Profile	**Very Strong**
Capital and earnings	Excellent
Risk exposure	Moderately high
Funding structure	Neutral
Anchor	**aa**
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	AA/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	AA/Stable/--
Foreign currency issuer credit rating	AA/Stable/--

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

- Research Update: Munich Reinsurance Co. 'AA' Ratings Affirmed On Stronger Financial Risk Profile; Outlook Stable; July 10, 2026
- Tear sheet: Munich Reinsurance Co., April 7, 2026
- How Will The Middle East War Affect The Insurance Sector? , April 2, 2026

- Global Reinsurance Sector View 2026: Reinsurers Face Balancing Act, Sept. 2, 2026

Ratings Detail (as of November 17, 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 Re America Corp.	
Issuer Credit Rating	
Local Currency	A/Stable/--

Ratings Detail (as of November 17, 2026)*	
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

*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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