

Munich Re surpasses profit target four years in a row

- Net result of €5.7bn outperforms initial guidance by €700m
- Dividend: Subject to approval by the Annual General Meeting, the dividend will increase to €20 per share
- New share buy-back with a considerably higher volume of €2bn to be completed by 2026 Annual General Meeting
- Outlook: Net result for 2025 expected to rise to €6bn



“With a net result of €5.7bn, we’ve increased our annual profit by more than €1bn year on year. Munich Re’s profit growth has been truly substantial and sustained in the context of our five-year Ambition 2025 strategy programme, which we’ll conclude at the end of the year. This year’s record dividend of €20 embodies our success. Our shareholders will also benefit from a new share buy-back with a volume of €2bn, an increase of €500m. What’s more, we’ll remain ambitious as we seek to boost our annual profit to €6bn this year. Our confidence here reflects our successful renewals as at 1 January 2025, among other factors.”

Joachim Wenning, Chair of the Board of Management

Summary of the figures for the 2024 financial year

In the 2024 financial year, Munich Re posted a net result of €5,671m (4,597m) – higher than the original profit target of €5.0bn. 2024 was the fourth consecutive year in which the annual profit outperformed expectations. The net result in Q4 2024 amounted to €979m (1,004m). Insurance revenue from insurance contracts issued rose thanks to organic growth across all segments to €60,830m (57,884m).

In the 2024 financial year, Munich Re’s return on equity (RoE) amounted to 18.2% (15.8%). Earnings per share totalled €42.78 (33.88). The Board of Management proposes to pay shareholders a dividend of €20 per share for the 2024 financial year.

This would constitute a year-on-year increase of 33%. Munich Re's solvency ratio¹ increased to 287% (31 December 2023: 267%), thus remaining above the optimal range of 175–220%.

The total technical result for the 2024 financial year rose to €8,918m (7,545m) and the investment result increased substantially to €7,191m (5,374m). The currency result improved to €175m (–292m). The operating result rose to €7,969m (5,702m); the effective tax rate was 26.9% (16.9%). Equity was higher at the reporting date (€32,746m) than at the start of the year (€29,772m).

Munich Re's financial strength can largely be traced to the diversification of its business portfolios. The profitability of all segments and prudent reserving protect against natural fluctuations in profit due to, for instance, major claims or the emergence of capital market risks.

Reinsurance: Result of €4,880m

The reinsurance field of business contributed €4,880m (3,876m) to the net result in the 2024 financial year, of which €887m (926m) was in Q4. The original full-year target of €4.2bn was thus surpassed. Insurance revenue from insurance contracts issued rose to €40,034m (37,786m). The total technical result increased to €6,933m (5,402m) and the operating result climbed to €6,955m (4,738m).

Life and health reinsurance generated a total technical result of €2,104m (1,433m) in 2024, thus substantially outperforming its target of €1.45bn. The net result in life and health reinsurance increased to €1,681m (1,428m). Insurance revenue from insurance contracts issued improved to €11,767m (10,725m).

The result in the property-casualty reinsurance segment went up to €3,199m (2,448m) and insurance revenue from insurance contracts issued rose to €28,267m (27,061m). The combined ratio improved to 82.4% (85.2%) of net insurance revenue; the normalised combined ratio was 82.0%.

Overall claims expenditure resulting from major losses totalled €3,885m (3,278m) in the reporting year, of which €670m (873m) was in Q4. These figures include gains and losses from the run-off of major losses from previous years. Major-loss expenditure corresponded to 14.3% (12.6%) of net insurance revenue in the financial year – which was slightly higher than the expected value of 14%, though the Q4 figure of 9.7% (13.0%) was lower. Man-made major losses amounted to €1,241m (943m). Major-loss expenditure for natural catastrophes rose to €2,644m (2,335m). The major-loss figures

¹ Does not include any transitional measures.

above take account of the effects from discounting and risk adjustment. Hurricane Helene, which caused severe damage in the southeastern United States and approximately €0.5bn in losses, amounted to Munich Re's most expensive single claims event in 2024; expenditure of €0.4bn made Hurricane Milton the costliest Q4 claims event. In addition, there were numerous flood, thunderstorm and storm events, particularly in North America, the Caribbean and Europe.

Events after the balance sheet date

Although it is not yet possible to accurately estimate the losses caused by the devastating wildfires in Los Angeles in January 2025, they were clearly the most substantial wildfire losses in the history of the insurance industry. Munich Re anticipates claims expenditure here to total about €1.2bn for property-casualty reinsurance and Global Specialty Insurance. At this early stage, this estimate is subject to a high degree of uncertainty owing to the complexity of the losses incurred.

Renewals as at 1 January 2025

In the reinsurance renewals as at 1 January 2025, Munich Re's volume of business written declined slightly by 2.4% to €15.6bn. We consistently discontinued business that did not meet our expectations with regard to prices or terms and conditions. Thanks to our close relationships with clients and our sought-after expertise, we tapped into attractive business opportunities – including the expansion of existing client relationships and new business. It was possible to maintain the high quality of our portfolio thanks to stable or improved contractual terms and conditions.

Around two-thirds of non-life reinsurance treaty business was renewed – with a focus on Europe, the United States and global business.

Price development was stable overall, and for the most part compensated for the higher loss estimates in some areas, which were caused primarily by inflation and other loss trends. Primary insurance prices also increased in many markets, with Munich Re benefiting as regards proportional reinsurance contracts. Overall, the good price level of Munich Re's portfolio was maintained, with a slight decrease of 0.6%. This figure is, as always, fully risk-adjusted. In other words, price increases are offset if they are associated with increased risk and, consequently, elevated loss expectations.

Despite market pressure increasing slightly in the most recent renewal round, Munich Re expects the environment to remain positive in the upcoming April and July renewal rounds – with the attractive price levels and improved terms and conditions largely being upheld. It is worth emphasising that recent claims attributable to natural disasters are clearly impeding a softening of prices.

ERGO: Result of €791m

Munich Re's ERGO field of business posted a 2024 net result of €791m (721m), of which €92m (78m) was in Q4. ERGO thus met its profit target of approximately €0.8bn and surpassed the previous year's result once again. Insurance revenue from insurance contracts issued rose to €20,796m (20,098m), in turn meeting the target revised upwards in Q3.

The ERGO International segment's net result increased to €301m (286m) – primarily underpinned by property-casualty business in Poland and Greece and by health business in Belgium. This segment achieved very strong operational performance despite high losses from natural catastrophes (especially due to flooding in Poland and Austria in September) and higher claims in Spanish health business.

The ERGO Property-casualty Germany segment generated a net result of €260m (252m), attributable to ongoing good operational performance (despite higher major-loss expenditure) and a very good investment result.

The ERGO Life and Health Germany segment improved its result to €230m (183m). The release of the contractual service margin in life insurance and long-term health business was in line with expectations. Claims expenditure in short-term health and travel business rose, but was offset by positive one-off effects.

The total technical result for the ERGO field of business in the 2024 financial year amounted to €1,985m (2,144m) and the operating result rose to €1,014m (963m). The Property-casualty Germany and International segments both met their combined-ratio targets, which had been adjusted in Q3. The combined ratio was 89.2% (88.9%) for Property-casualty Germany and 91.9% (90.1%) for the International segment.

Investments: Investment result of €7,191m

Munich Re's investment result increased substantially to €7,191m (5,374m) in 2024. Regular income from investments increased to €8,137m (6,950m), primarily attributable to continual reinvestments with higher interest rates. The balance from write-ups and write-downs was –€355m (–194m), with the balance from gains and losses on the disposal of investments coming to –€986m (–588m). The change in fair value amounted to €1,052m (–65m).

In addition to an improved running yield, Munich Re was able to profit in 2024 from upward trends in equity markets in particular – with the resultant fair-value changes significantly boosting the investment result. Alternative investments, especially private equity, also performed well. Losses from the disposal of fixed-interest bonds were once again recognised. This practice was continued purposefully in order to benefit more

quickly from reinvesting in bonds with higher fixed interest rates in the persistently high interest-rate environment.

Overall, the 2024 investment result represents a return of 3.1% on the average market value of the portfolio. The running yield was 3.5% and the yield on reinvestment was 4.4%. As at 31 December 2024, the equity-backing ratio including equity-linked derivatives amounted to 2.9% (31 December 2023: 3.7%). The carrying amount of the investment portfolio as at 31 December 2024 was €230,716m (218,462m).

Outlook 2025: New profit target higher than 2024 target

Munich Re is aiming to generate a net profit of €6bn in 2025. The Group's insurance revenue will presumably total €64bn and the return on investment is expected to surpass 3.0%.

In its reinsurance field of business, Munich Re anticipates that insurance revenue will rise to €42bn in 2025, with a higher net profit of €5.1bn. In an ongoing favourable market environment, Munich Re will continue to leverage its strong position. The combined ratio is expected to remain at an attractive profitability level – with a combined ratio of 79% in property-casualty reinsurance and 90% in Global Specialty Insurance (GSI), with the latter becoming a separate IFRS reporting segment from 2025. As per segmentation prior to 2025, the combined ratio would amount to 83% for property-casualty reinsurance due to expected strong business growth in GSI and a lower discounting effect compared to 2024. In life and health reinsurance, Munich Re projects a total technical result of €1.7bn in 2025.

The ERGO field of business is expected to generate insurance revenue of €22bn in 2025, continuing its strong development in recent years with a profit contribution of about €0.9bn. A combined ratio of 89% is envisaged at ERGO Germany, and 90% at ERGO International. From 2025 onwards, Munich Re will disclose ERGO Germany as one segment that encompasses German life and health as well as property-casualty business.

Please note that all figures are rounded values. As usual, all forecasts and targets are subject to increased uncertainties stemming from geopolitical and macroeconomic developments, to major losses remaining within normal bounds, and to the income statement not being impacted by severe fluctuations in the currency or capital markets, significant changes in the tax environment, or other one-off effects.

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Munich Re

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The group consists of the reinsurance and ERGO business segments, as well as the asset management company MEAG. Munich Re is globally active and operates in all lines of the insurance business. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. Munich Re leverages its strengths to promote its clients' business interests and technological progress. Moreover, Munich Re develops covers for new risks such as rocket launches, renewable energies, cyber risks and artificial intelligence. In the 2024 financial year, Munich Re generated insurance revenue of €60.8bn and a net result of €5.7bn. The Munich Re Group employed about 44,000 people worldwide as at 31 December 2024.

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