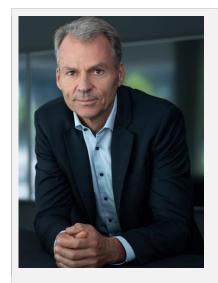


Growing uncertainties require strong and reliable reinsurance partners

- Increasing risks due to climate change, geopolitical and macroeconomic environment
- In-depth understanding of risk and reliable reinsurance capacity are crucial
- Natural hazards, cyber and clients' focus on efficient capital management ensure high demand and continued attractive business opportunities
- Munich Re has a very well-balanced portfolio and leading risk management



"The global reinsurance market is characterised by persistently increasing risks and high demand. In this environment, holistic risk management coupled with reliable and stable capacity are more important than ever. For the January renewals, we continue to expect a market environment that offers attractive business opportunities. Overall, there should be a good balance between the capacity on offer and the continued increase in demand. Reinsurance is and will continue to be the decisive protective shield for national economies against major risks."

Thomas Blunck, member of the Board of Management

New risk factors – not only for natural hazards

Geopolitical risks and the macroeconomic effects these sometimes entail are causing heightened uncertainty. Inflation rates and trade tariffs have become more volatile and unpredictable, which means that there will be an increasing need to hedge against the resulting risks in the foreseeable future. In reinsurance, comprehensive knowledge,



many years of experience with such scenarios and a global approach are crucial in order to be able to offer clients adequate solutions for risk transfer.

Risk management is also increasingly challenged by natural hazard losses, which continue to rise globally. Since 2020, annual insured losses from natural hazards have regularly exceeded US\$ 100bn. In the first half of 2025 alone, they totalled US\$ 80bn. This is the second-highest value of insured losses in a first half-year since our records began in 1980. Overall economic losses amounted to US\$ 131bn. In addition to very large natural disasters, the high number of medium-sized loss events increasingly represents a major risk. These include severe thunderstorms, heavy rain, floods and wildfires, the frequency and intensity of which are increasing and which, taken together, are leading to very high losses. For example, severe thunderstorms with tornadoes in the USA already caused economic losses in the region of US\$ 34bn in the first half of this year.

The insurance industry can assess these additional and changing risks and has proven to be a reliable risk partner with robust and growing capital levels:

On average, traditional reinsurance capital has increased by around 5.6% p.a. in the last eight years. At the same time, there was no material inflow of capital from new market participants. Munich Re continuously increased the provision of natural catastrophe cover for its clients during this period in order to meet the growing demand. Prices commensurate with the risk are the prerequisite for this. The market will continue to grow as insured values increase. Worsening climate change is altering hazard patterns and the frequency or intensity with which events occur. Risk models must be continuously updated in order to take account of the most important factors for claims development and to calculate risk-adequate prices. Munich Re sees itself in a strong position here.

Stefan Golling, a member of Munich Re's Board of Management, emphasises: "Traditional reinsurance capital remains the backbone for the transfer of all kinds of risks. Munich Re has the best geographical diversification in the industry. Our capital strength allows us to retain all risks on our balance sheet and thus remain independent of retrocession markets and third-party capital. We support clients in all regions, for all risks and all return periods. Our clients can rely on long-term capacities: Even after a mega event, such as an extremely powerful hurricane with an unprecedented market loss of well over US\$ 100bn, our solvency ratio would still be well above the upper end of our target corridor of 220%."

The threat posed by cyber risks is also constantly growing. Despite hefty losses worldwide, dependence on critical supply chains and an increasing perception of risk among decision-makers, they still often put off taking out insurance. Munich Re expects the market to continue to grow, with premiums doubling to around US\$ 30bn by 2030.



In the medium term, Munich Re is focusing on the strategic expansion of a well-diversified, profitable portfolio with a selective risk appetite and a focus on small and medium-sized companies. In order to drive innovation and comprehensive solutions and thus be prepared for constantly emerging risk scenarios, Munich Re is building on its own expertise in understanding risk and on strategic partnerships, e.g. with technology providers, cyber security experts, industry specialists and government agencies.

Munich Re continues to utilise opportunities arising from the special combination of primary insurance, specialty insurance and reinsurance in order to continually expand the boundaries of insurability. Products often develop from the first two areas and then become an integral part of reinsurance, with cedants benefiting from the knowledge acquired early on. Examples include risk solutions for battery storage, geothermal energy, parametric solutions and artificial intelligence.

Munich Re is particularly well positioned to offer clients viable solutions for the current challenges, says Stefan Golling: "Long-standing and trusting client relationships, stable and reliable capacity, broad expert knowledge and the ambition to constantly explore and push the boundaries of insurability allow us, together with our clients, to turn existing uncertainties and challenges into new business opportunities." For the coming round of renewals, Munich Re will continue to resolutely strive for risk-adequate prices and conditions.

Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München Group Media Relations Königinstrasse 107, 80802 Munich, Germany

www.munichre.com LinkedIn: https://www.linkedin.com/company/munich-re

For Media inquiries please contact

Group Media Relations
Stefan Straub

Tel.: +49 89 3891 9896 Mobile: +49 151 64 93 30 48 sstraub@munichre.com

Media Relations Asia-Pacific **Faith Thoms**

Tel.: +65 63180762 Mobile: +65 83390125 fthoms@munichre.com Financial Communications **Axel Rakette**

Tel.: +49 89 3891 3141 Mobile: +49 151 20 46 21 32 arakette@munichre.com

Media Relations North America **Ashleigh Lockhart**

Tel.: +1 609 275 2110 Mobile: +1 980 395 2979 alockhart@munichre.com Group Media Relations
Andreas Klein

Tel.: +49 89 3891 6111 Mobile: +49 151 54 25 44 16 anklein@munichre.com

Media Relations London Market Lillian Ng

Tel.: +44 207 8863952 Mobile: +44 7809 495299 lillianng@munichre.com



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 fields of business, and the asset manager 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.

Disclaimer

This media release contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development of our Company – in particular the results, financial situation and performance. The Group assumes no liability to update these forward-looking statements or to make them conform to future events or developments.