Navigating volatility, delivering stability

Munich Re Media Breakfast

15 October 2026 | 9.30 CET

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Though recent quarters have offered some relief on Natural Catastrophes, the underlying risks have not lessened

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As evidenced by the summer heatwave and continued hail events.

Exacerbated by geopolitical conflicts.

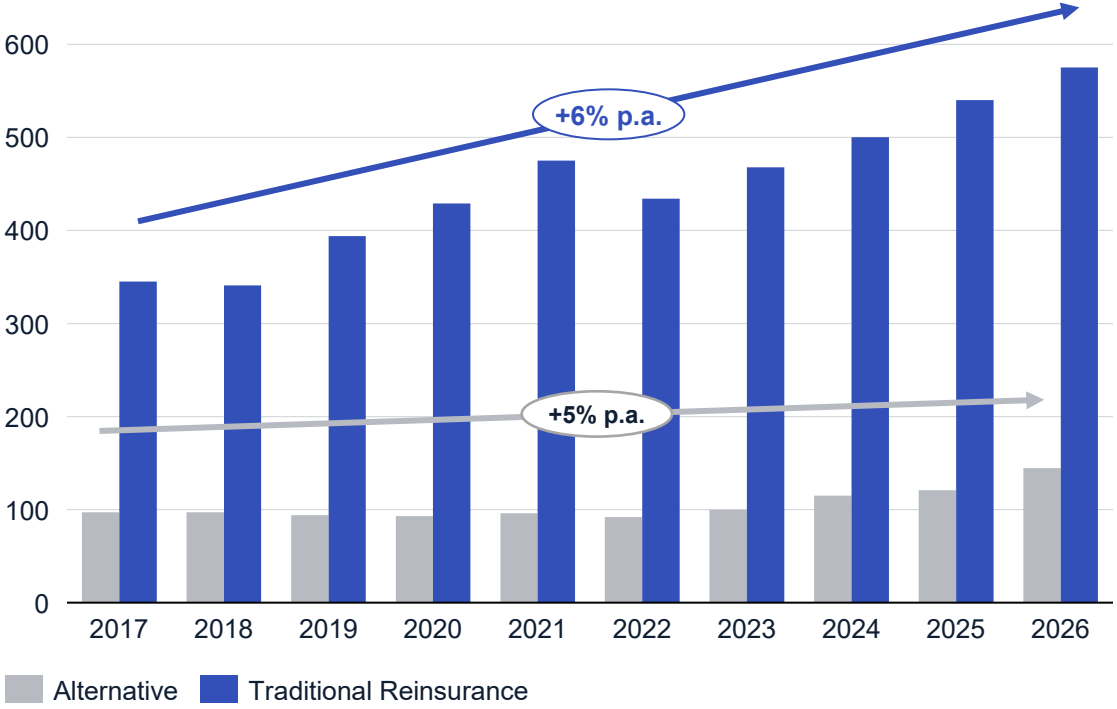
Whose velocity has increased with AI.

Munich Re helps clients navigate these developments

– with expertise and consistency.

Traditional reinsurance capital is the backbone and the driving force in providing risk transfer solutions

Dedicated traditional reinsurance[1] and alternative capital[2]
in US$ bn



Sources: 1 AM Best. 2 Aon

Capital is available. Capabilities make the difference

- Capacity has been increasing to cater for the additional demand and on the back of good recent returns
- Supply keeps diversifying, but traditional reinsurance remains the cornerstone of the industry

Capacity comes to the market in different degrees of quality, scope and reliability

- Reinsurance capital is backing up a big and diversified portfolio, catering for our clients' overall needs
- Cat bonds typically focused on single or few modelled risks (i.e., NatCat)
- New capital through sidecars banking on higher returns from investing premium in riskier and illiquid assets

Not all types of capacity are alike; Munich Re brings them all together

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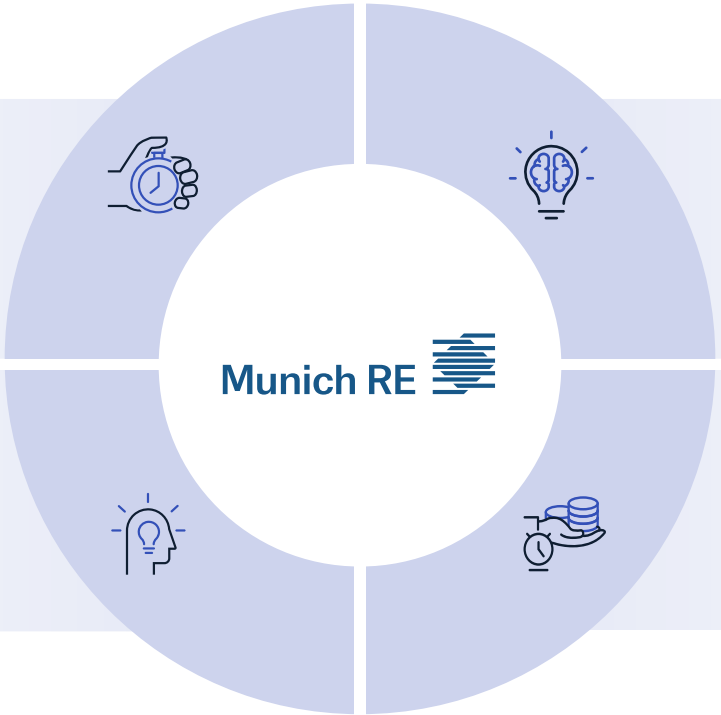

Reliable Capacity

We are there across insurance and capital market cycles

Knowledgeable Capacity

Our capacity supply comes with expertise sharing

Responsive Capacity

We are able to pay big claims at any point in time

Innovative Capacity

We enable our clients to expand into new lines of business

Reliable | Our capacity commitment across the cycle sets Munich Re apart from transactional markets

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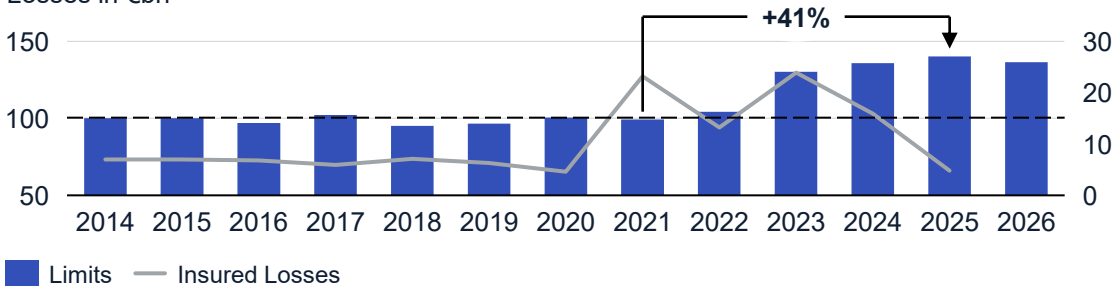
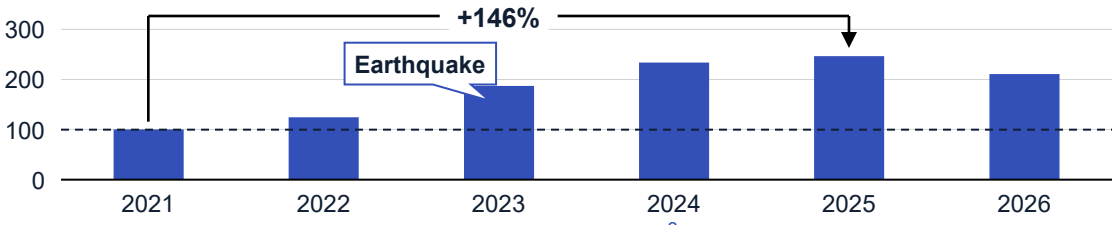
MR Cat XL Limits – European cedants[2] & Insured NatCat Losses in Europe[3]
Indexed; base 100; year 2014
Losses in €bn



MR Cat XL Limits– EQ Turkey
Indexed, base 100; year 2021



€**5.8**bn insured losses in 2023[3]

Our size and diversification allow us to deploy capital when it is most needed by our clients.

Our capacity is large and dependable…

- We continuously deploy meaningful capacity across insurance cycles and capital-market conditions
- We remain there for our clients after major loss events. Example: EQ Turkey

… and it is independent of retrocession

- We retain risks on our balance sheet

Source: 1 Munich Re Group Annual report. 2 Munich Re. 3 NatCat Service Munich Re (inflation adjusted)

Knowledgeable | Rising climate-related risks in Europe as in rest of the world require expertise sharing and dialogue across the industry

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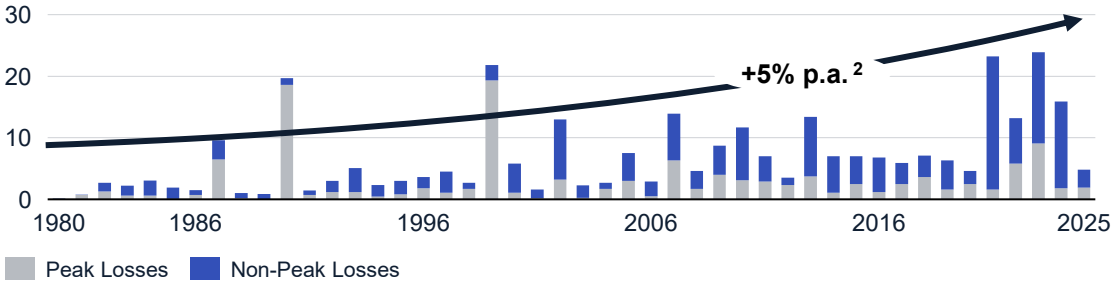
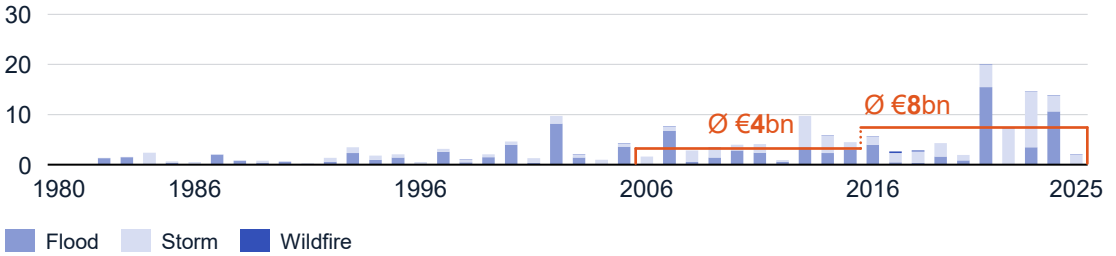
Insured NatCat losses in Europe[1]
in €bn, adjusted for inflation



Insured non-peak peril losses in Europe[1]
in €bn, adjusted for inflation



1 Losses inflation adjusted to 2026 values via country-specific consumer price index and consideration of exchange rate fluctuations between local currency and US$. 2 ~ 5% p.a. reflects the fitted long-term loss trend over 1980–2025; estimated growth rate can vary with the selected years. Line is for illustrative purposes only. Source: Munich Re, NatCatSERVICE, July 2026

Heavy losses in recent years

- Non-peak perils drive most of the NatCat losses in Europe, accounting for ~70% of insured losses over the past two decades
- Lower individual loss years do not change the long-term upward trend

We provide capacity and share expertise

- Continuous investments in NatCat modelling
  - >100 models maintained
  - >250 Property UW experts
  - With our platform Location Risk Intelligence clients can assess NatCat exposures across their portfolios, incl. climate change scenarios

Prevention is cheaper than remediation: €1 investment generates ~10x return

- Public-sector prevention and private-sector risk transfer at adequate prices to ensure long-term sustainability. MR actively involved in industry dialogue

Knowledgeable | Europe is warming faster, risks are becoming more severe and interconnected…

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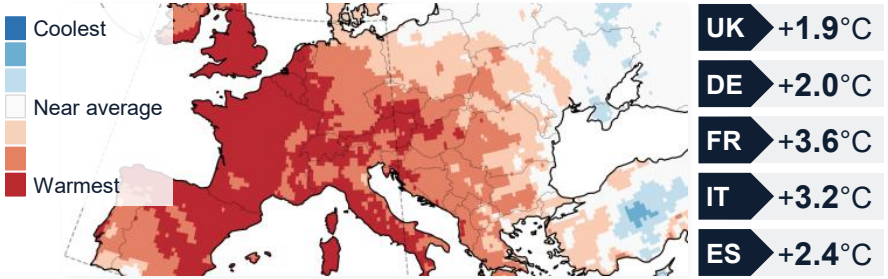
Rising Heat

Risk Multiplier

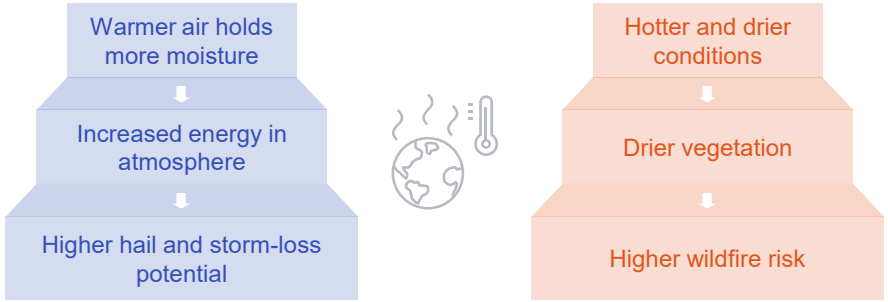
Temperature anomalies[1] and difference[2] from historical Ø

Jun–Aug 2026



UK	+1.9°C
DE	+2.0°C
FR	+3.6°C
IT	+3.2°C
ES	+2.4°C

Warming amplifies multiple pathways



Warming reaching across hazards

- Europe is warming faster than any other continent
- In summer 2026, numerous heat records were broken
- Rising temperatures influence multiple weather-related hazards

Risks interactions are worsening loss outcomes

- Increasing the likelihood and severity of cascading risks
- Extreme heat illustrates how a single hazard can trigger interconnected impacts

1 Colour categories refer to the percentiles of the temperature distributions for the 1991–2020 reference period. The "coolest" and "warmest" categories are based on June rankings for the period 1979–2026. 2 Increase in mean summer temperature (°C) in 2026 relative to the 1991–2020 average.
Sources: Copernicus/ERA5; Meteo.it; AEMET; DWD; Météo-France (a) and Météo-France (b); Met Office

Knowledgeable | …increasing the likelihood of both severe convective storms and wildfire losses

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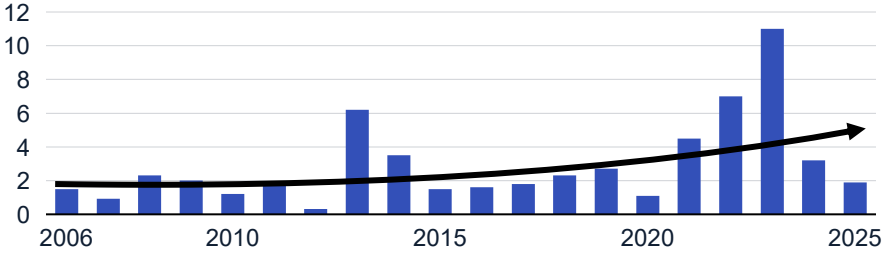
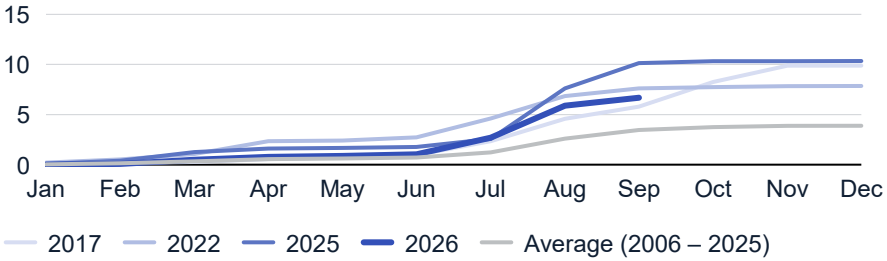
Outcome

Insured Severe Convective Storm losses in Europe[1,2]
in €bn, adjusted for inflation



Cumulative burned area in the European Union
in thousands of km²



Risk interactions amplifying loss outcomes

- SCS Europe: The frequency of very large hail events (>5 cm) has increased more rapidly in Europe than elsewhere globally, with damage potential across both property and motor

We have a dedicated climate expert team

- Tracking risk interactions and loss patterns
- Passionate experts who actively contribute to the scientific community (e.g. recent hail and wildfire studies)

Munich Re Client Survey NPS results
Scale out of 10

Employee Skillset

1 Losses inflation adjusted to 2026 values via country-specific consumer price index and consideration of exchange rate fluctuations between local currency and US$. $. 2 Estimated growth rate can vary with the selected years. The line is for illustrative purposes only. Sources: EFFIS wildfire data, 23 September 2026; Munich Re, NatCatSERVICE, July 2026

Knowledgeable | Inflation is back in the system, also in Europe: adequate anticipation, steering and pricing are key – example Motor

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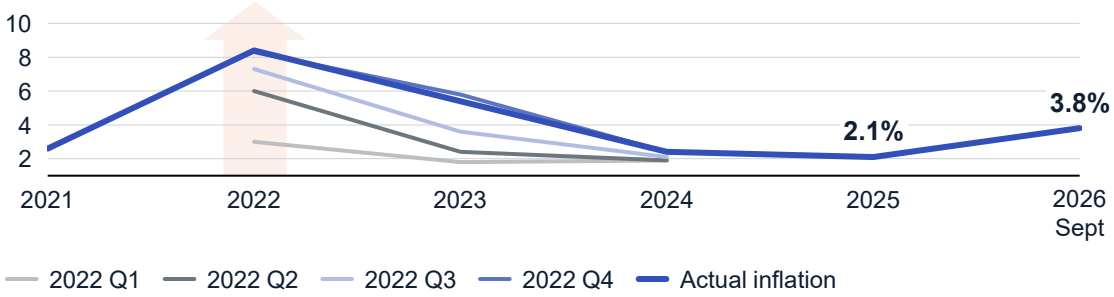
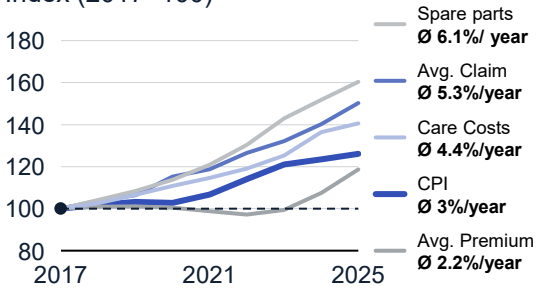
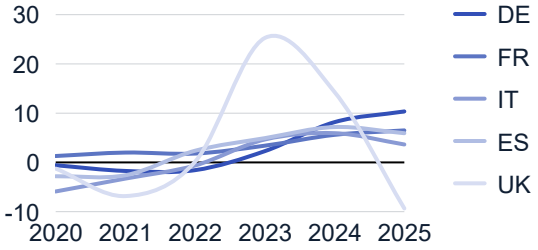
CPI Eurozone – Actual vs. forecast
annual change in %



Germany: MTPL Claims inflation
Index (2017=100)



Ø Motor premium development
annual change in %



Source: ECB Survey of Professional Forecasters, Eurostat, MR analysis based on GDV (MTPL), FFA (rate change), ANIA (MTPL), ICEA, ABI.

Inflation is often underestimated

- As evidenced by the 2022 inflation spike

Inflation is more than just CPI

- Multiple indices are relevant to capture claims developments
- This is valid in Motor and in other LoBs

European markets responded to the last spike at different speeds

- Timely integration of inflation trends supports a healthier and more sustainable market

We share our cross-market expertise

- Through our global reach, we can identify and share best practices from across markets
- Our Insurance Analytics Platform helps clients pinpoint claims trends in portfolios

Munich Re Client Survey NPS results
Scale out of 10

Business understanding

Innovative | In Cyber, Munich Re was the first meaningful mover and is constantly adapting the offer to ensure market sustainability

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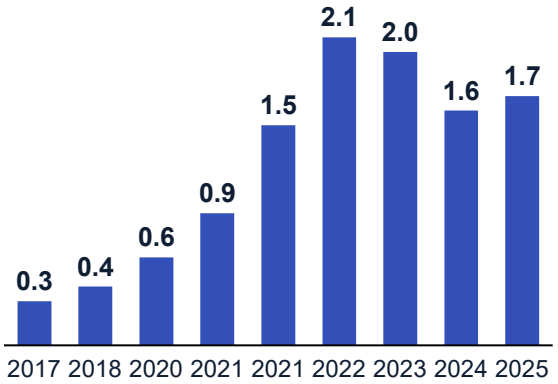
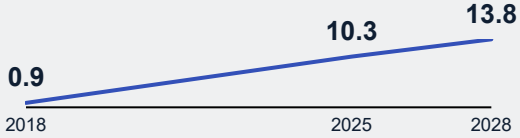
GWP Munich Re's Cyber book
in US$ bn



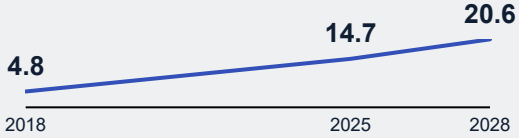
Awarded by Zywave

10th consecutive year

Global economic cost of cybercrime
in US$ tn



Global cyber market premium
in US$ bn



Source: Cybercrime cost estimate by Statista 2025/Risk relevance evaluation: Munich Re Risk Scan 2026/Market estimates by Munich Re 2026, Allianz Risk Barometer

We opened the market with our clients.

Penetration gap is still large

- Cyber risk landscape is increasingly complex
- Economic cost of cybercrime is increasing
- Insurance penetration remains low
- Addressing this gap is both a business opportunity and a societal responsibility

We are constantly evolving our offer

- Acquisition of **At-Bay** paves the way for broader combined service and insurance offering

AI is changing the speed and potential scale of cyber threats

We are working on

- Better understanding the emerging risks
- Developing data & models to quantify them
- Evolving our solutions accordingly

Responsive | When major losses strike, our quick turnaround times help clients act quickly

Major losses create a need for cash before the final loss is known

Immediate strain

Major losses create pressure on clients' liquidity

Ongoing assessment

The final loss amount may take time to establish

Policyholder response

Clients need funds to support policyholders while claims are still being assessed

[1]EQ: Earthquake(s)
[2]HU: Hurricane(s)

We have best-in-class claims handling capabilities

- **Rapid responses and liquidity** are important features of our offer
- We regularly apply advance payments, allowing our cedants to pay policyholders early and stabilise their cash flow

We pay fast

EQ[1] Colombia 2026
1st payment after 9 days

HU[2] Melissa 2025
1st payment after 6 days

Flood Bernd 2021
1st payment avg. 4.4 days post notification

EQ[1]Turkey 2023
€57m paid out in less than 2.5 months

Munich Re Client Survey NPS results
Scale out of 10

Claims Handling

Not all types of capacity are alike; Munich Re brings them all together - which is continuously valued by our clients

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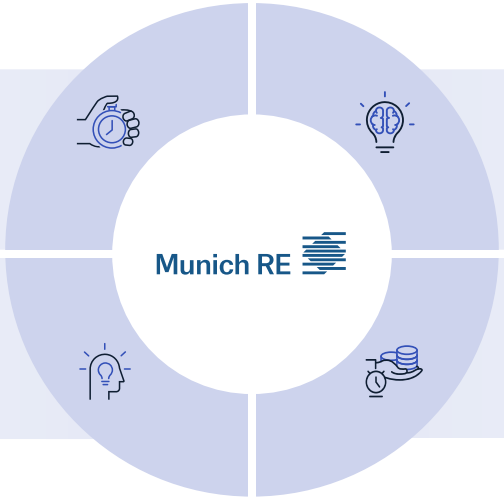

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Knowledgeable Capacity

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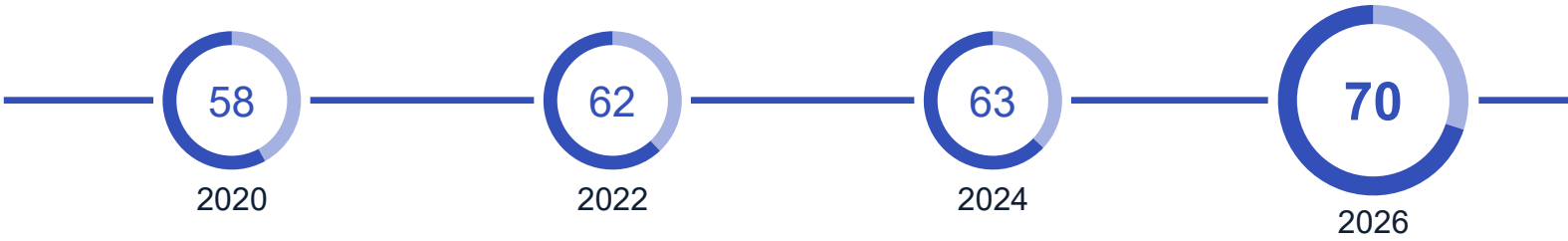
Munich Re Client Net Promoter Score

Scale out of 100



Navigating volatility, delivering stability

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