

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP



MS&AD Thematic Meeting– MS Reinsurance (MS Amlin AG)

December 14, 2023 (Thu)

Presenter – Robert Wiest, CEO, MS Reinsurance (MS Amlin AG)



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1.1 FY2023 Q2 Performance (IFRS 17)

\$203m

Premium growth in excess of plan.

\$19m

Insurance Service Result ahead of plan.

91%

Combined Ratio

KPI

Q2 2023
Plan \$m

Q2 2023
Actual \$m

Var. \$m

GWP	1,846	2,048	203
Insurance Service Result	85	104	19
Net Financial Result	15	-14	-29
Profit Before Tax	86	71	-14
Combined Ratio	91%	91%	0%
Excl. Cat	86%	85%	-1%

Key Messages

Non-cat business performing well

COR 91% despite higher than planned catastrophe losses (Turkey EQ).

Investment result shortfall

Non-duration investment performance drives the adverse variance at Q2. This position improved in the subsequent months although it should be noted that markets continue to show significant volatility.

1.2 2023 Full Year Outlook

Key Messages

Underwriting update

The UW result continues to track to plan despite the impact of market events such as the Hawaiian Fires, Morocco Earthquake and European weather losses and the heightened global geopolitical uncertainty.

Strategic growth ahead of plan

Strategic direction and rebrand accepted favourably by clients and brokers. Combined with market conditions, this has allowed us to grow diversifying segments while eliminating stand-alone cat business from the portfolio.

Foundation for the future

We have continued to set reserves cautiously and will wait for claims experience to materialise before taking credit for the cycle.

Full year expectation in line with plan

The current expectation, on the basis of no major market events occurring during the coming weeks, is for the full year result to end materially in line with plan.

2.1 Strategic Actions – What we said and where we are

What we said in July, 2022

**Two
clear
steps**



Our focus for 2022 and 2023 is to build the solid foundations we need for now and the future

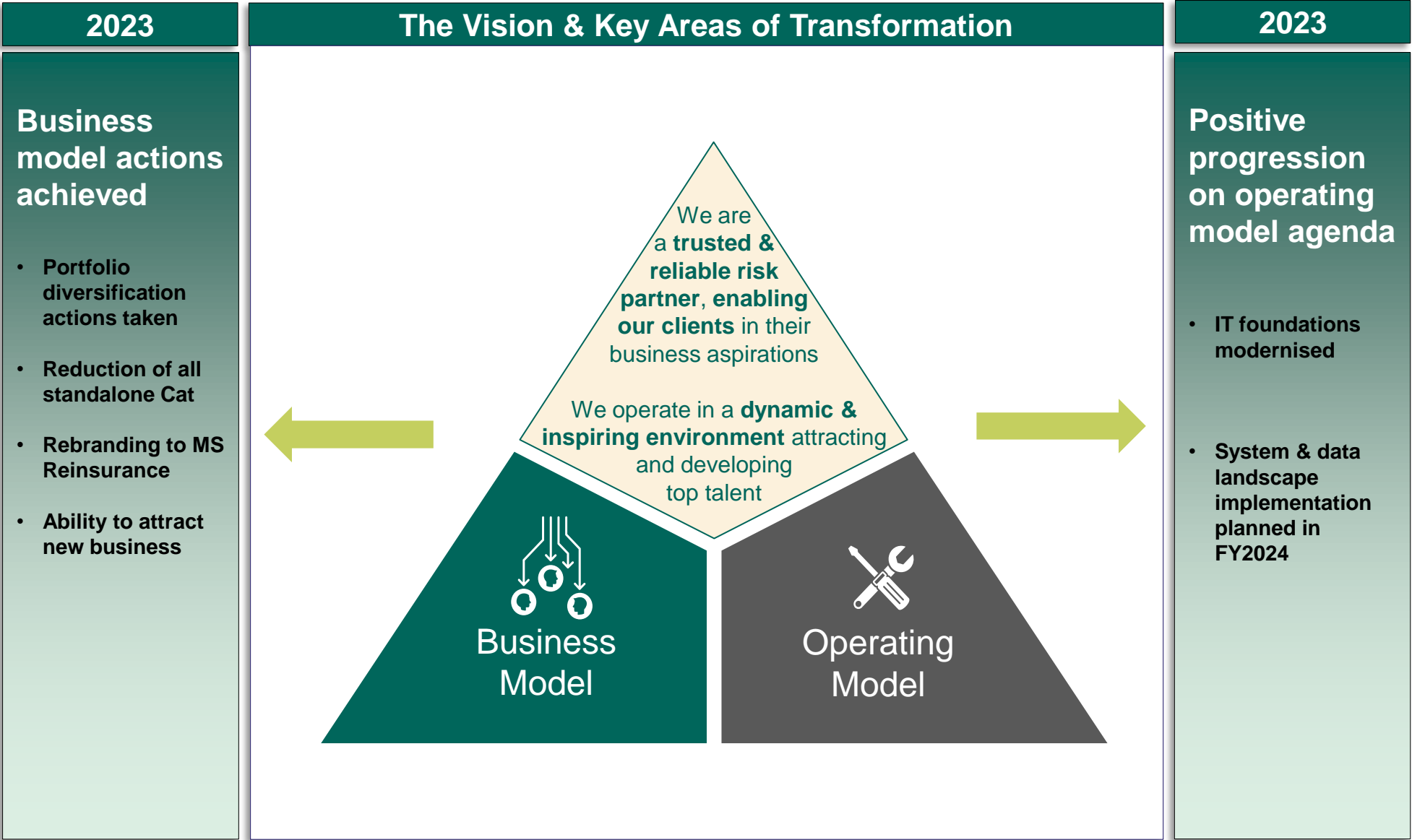
We will then use these solid foundations to grow to scale and greatness from 2024

Where we are

“Fix it - Solidify Foundation” ⇒ transformation programme on track

“Right to grow – Achieve Scale” ⇒ In terms of scale, current market conditions have allowed us to go beyond the initial goals.

2.2 Progress against our strategic action – Solidify Foundations



2.3 Strategic Actions – Underwriting Portfolio

2023

Growth achieved in Financial Lines, Cyber and Crop.
Target mix achieved in 2023.



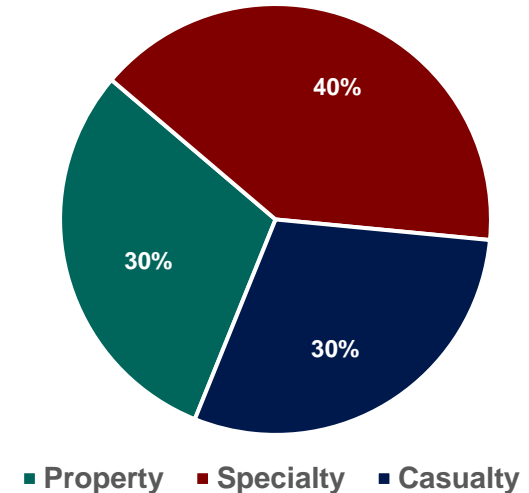
Clients supported that bring a diversified portfolio
which includes Cat and non-Cat.



Portfolio correlations monitored. Diversification
achieved. New lines and regions monitored.



2025 Direct GWP (excl. Fronting)
portfolio mix (⇒ achieved in 2023)



- **2023 renewals have seen significant rate increases and a notable benefit of the positive market positioning of MS Reinsurance, including rebrand benefit.**
- **On previous Gross Written Premium targets, current market conditions have allowed us to go beyond the initial goals.**
- **Growth expected to continue for 2024 through 2027 with cycle management becoming key beyond 3 years.**
- **New infrastructure platforms mean we can push the business model harder.**

3. FY2024 & beyond

The Objectives 2024 & beyond

- Grow across all lines through increased line sizes, rate and new business
- Continue to support clients in Core offering across classes
- Expand selected classes and geographies to continue diversification and achieve growth

Strategic Trajectory

- **To be a consistent source of stable profits that adds a diversifying element to MS&AD**
- **Gross Written Premium circa \$4bn-\$5bn.**
- **Return on Equity 12% over the cycle**

