

Advancing with you

MS&AD Holdings

MS&AD INSURANCE GROUP

MS Amlin AG

July 19, 2022 (Tue)

Presenter – Robert Wiest, CEO, MS Amlin AG



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robust foundations for future growth

1. Introducing The New CEO

Who is Robert Wiest?

Curriculum Vitae

From	To	Position
2022	Present	CEO, MS Amlin AG
1995	2021	Swiss Re
2019	2021	COO Reinsurance
2018	2019	Head of Middle Office, Swiss Re Group
2013	2017	COO Reinsurance Asia, RE Asia
2008	2013	CEO China, L&H and P&C, RE Asia
2005	2008	CEO Continental Europe, L&H and P&C, RE EMEA
2000	2005	Head of eBusiness, BG P&C
1995	1999	Head of Special Lines, Europe

Key Experience

- 26 years in Reinsurance, 17 years in senior management positions
- Covered a broad variety of roles along the value chain (UW, Marketing, Client management, Product development, IT, Innovation, Strategy & Operations)
- Worked in all time zones across multiple cultures
- Significant Asia & transformation Experience

Why Move To MS Amlin AG?

An opportunity to effect greater change

The combination of my broad experience with a committed, strong shareholder offers a unique opportunity to drive change and create impact.

See great potential within MS Amlin AG

MS Amlin AG is a company with a significant untapped earnings potential. With discipline and focus this potential can be realised within a tangible time horizon.

2. 2021 Full Year Performance

\$290m YoY Growth in diversified non-cat premium.

The remainder is driven by 100% fronting arrangements which support MS&AD Group initiatives.

95% Normalised Combined Ratio

KPI	2021 Plan	2021 Actual	Var.
GWP \$m	1,696	2,208	512
Claims Ratio	63%	96%	32%
Normalised Claims Ratio*	63%	66%	2%
Acquisition Ratio	24%	24%	0%
Expense Ratio	6%	6%	0%
Combined Ratio	94%	125%	32%
Normalised Combined Ratio*	94%	95%	2%

* Excludes Cat & Covid claims in excess of plan, and the impact of deep dive exercises during 2021 which resulted in strengthening of reserves in US Casualty and Engineering and to cater for uncertainty around inflation.

Key Messages

**Clearly a
challenging year**

A significant miss to plan driven by Catastrophe losses, a developing Covid-19 situation and non-cat deteriorations on prior underwriting years.

**Tough actions taken to
move into 2022**

Strengthening of US Casualty and Engineering prior year reserves.
New CEO from January 2022 reinforces the recent strengthening of MS Amlin AG's Leadership Team.

2. 2022 Business Plan Update

27pp Improvement in Combined Ratio vs. 2021 actual

94% Combined Ratio (excluding Ukraine)

KPI	2021 Actual	2022 Plan	Var.
GWP \$m	2,208	1,830	(377)
Claims Ratio	96%	66%	(30%)
Exc. Ukraine		61%	
Acquisition Ratio	24%	27%	3%
Expense Ratio	6%	6%	1%
Combined Ratio	125%	99%	(27%)
Exc. Ukraine		94%	

Reduction in premium is result of multi-year fronting business for MS&AD Group being reflected in 2021.

Key Messages

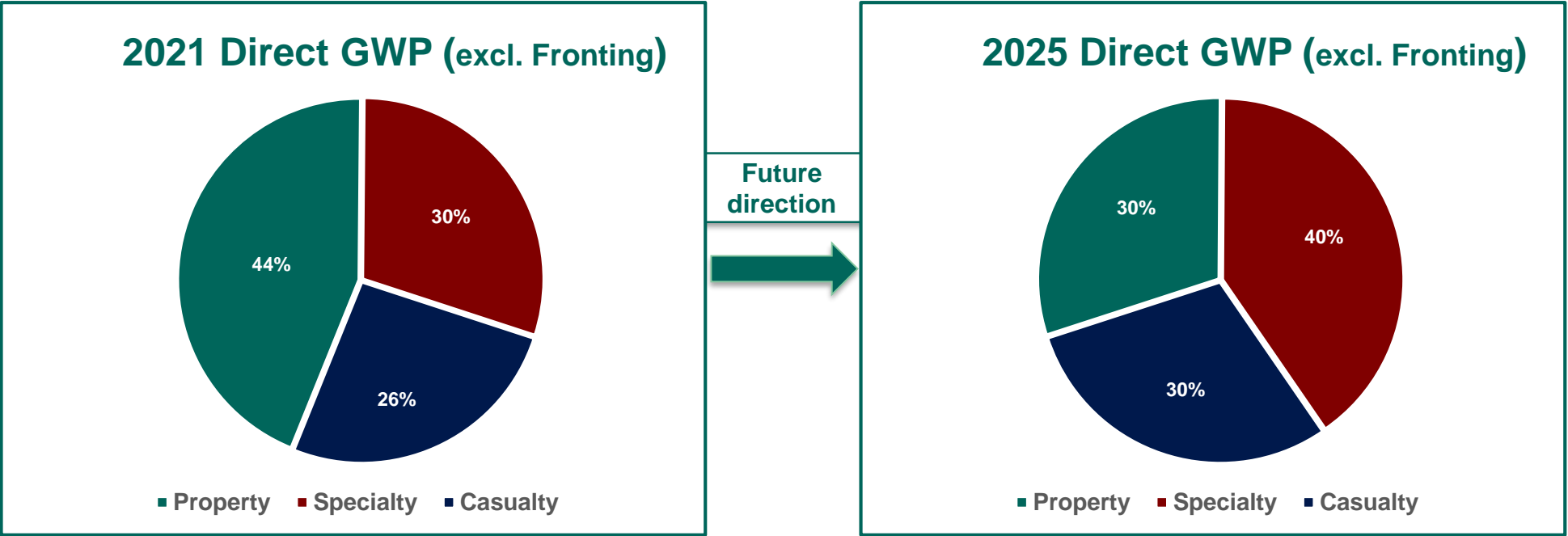
Robust starting point

2021 reserve strengthening caters for uncertainty around inflationary impact. SST continues to be within target range (180%) / A.M. Best has affirmed MS Amlin AG's Financial Strength Rating (FSR) of A (Excellent).

An achievable plan

Portfolio actions to reduce our catastrophe exposure, while building up other profitable and diversifying businesses. Outside of the impact of Ukraine, UW result is tracking to plan.

2. MS AAG Strategic Actions – Underwriting Portfolio



Growth Classes	Growth in Financial Lines, Cyber and Crop which supports our strategic goal of building a diversified portfolio. 2022 renewal already tracking ahead of plan in terms of a) growth in non-cat classes and b) reductions in cat exposures.
Reduction in Standalone Catastrophe	Catastrophe reinsurance is the most important purchase for many insurers. We will look to support clients that bring us diversifying non-Cat business and reduce support for stand-alone Cat clients.
Reduce volatility and capital consumption	Actions to reduce the volatility by taking care of the correlations amongst the portfolios and ensuring a clear view on the capital consumption.

3. MS AAG Strategic Actions

The Objectives

Future Market Positioning

- Diversified portfolio reinsurer
- Core offering across classes
- Addressing all core markets and geographies

Future Value Proposition

- Stability in client relations
- Easy to do business with
- Competitive pricing

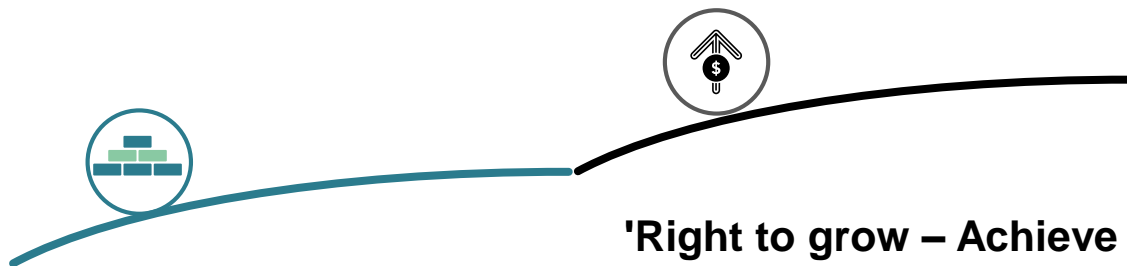
Strategic Trajectory

Solidifying the foundation to earn the 'right to grow' and scale to greatness

Today

2024

2027+



'Fix it – Solidify Foundation'

- Implement cost efficient foundation
- Restore existing partner relationships
- Perform initial portfolio diversification
- Adapt innovative and inspiring culture

'Right to grow – Achieve Scale'

- Develop market leading expertise in select risk pools
- Expand into selected lines of business
- Broaden geographical footprint

3. Fix It – Solidify Foundations

The Starting Point

MS AAG is operating below its true potential

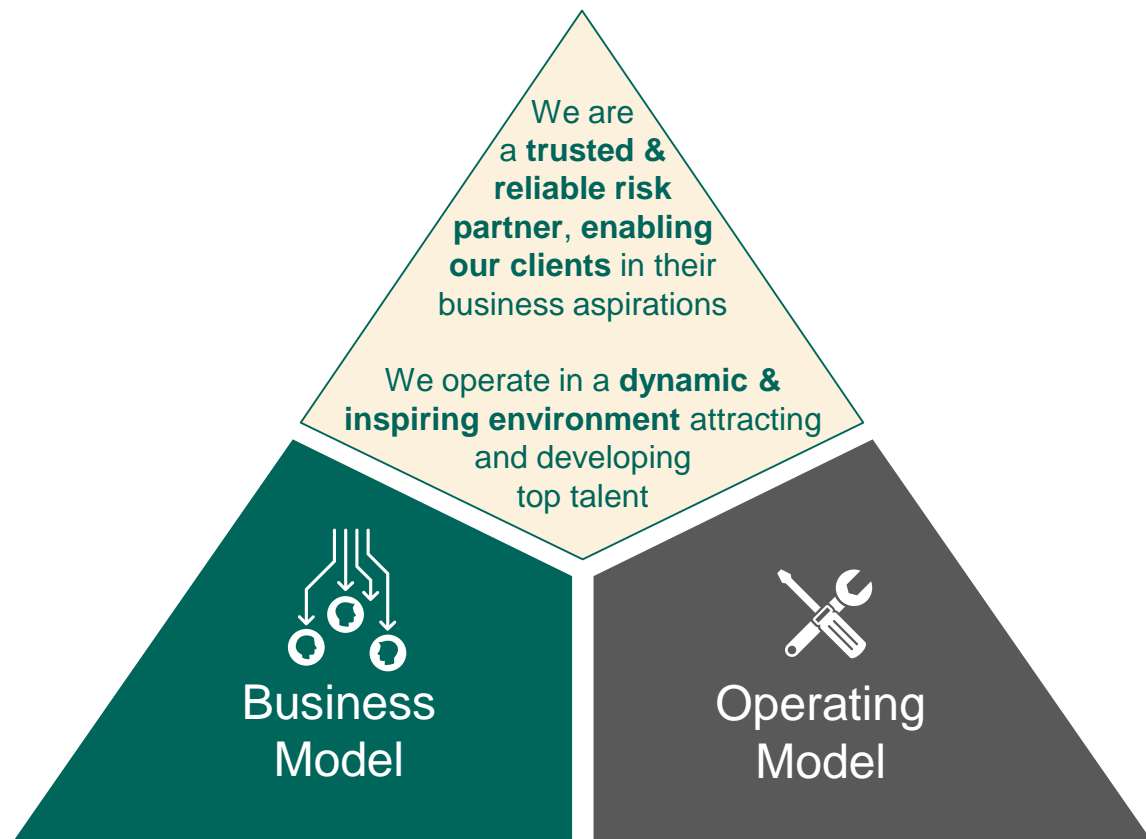
Our historical performance has been affected by high loss ratio and high capital absorption.

There is room for improvement on our administration costs.

Going forward, we will activate a mix of P&L and capital levers with appropriate enablers.

This is about getting the basics consistently right in all key areas of the business

The Vision & Key Areas of Transformation



A focus on underwriting, capital and external facing elements of the business to improve profitability, capital efficiency and reduce nat cat volatility

A focus on internal elements that will underpin the business profitability and ensure greater synergies across the group

3. MS AAG Strategic Actions - Summary

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