



somewhat
different

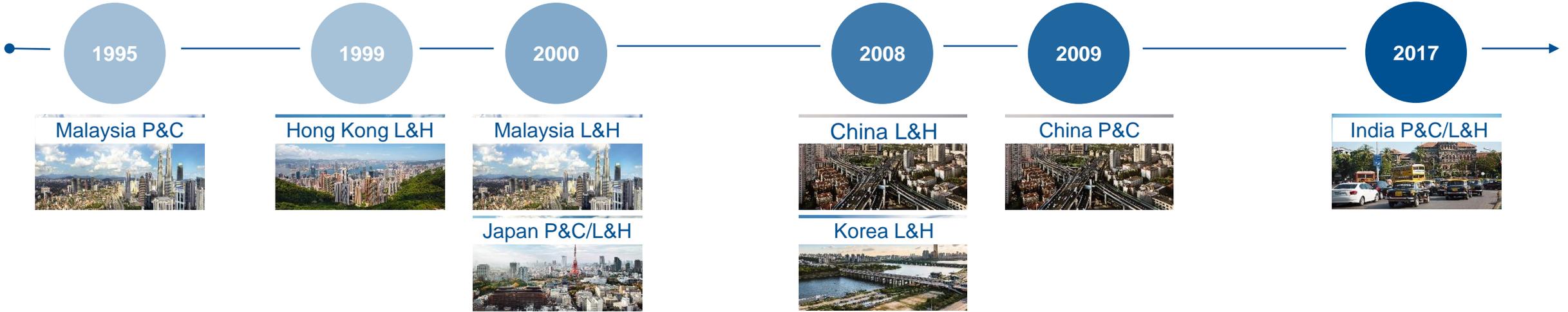
Growth opportunities in Asia

Hannover Re's view

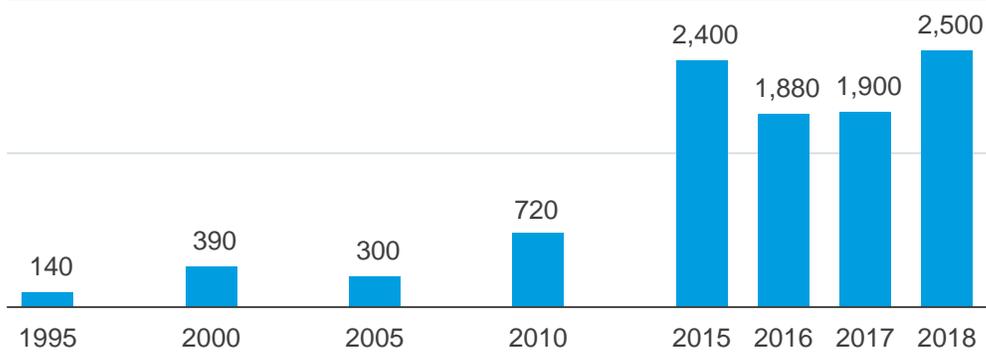
Sven Althoff & Claude Chèvre, Members of the Executive Board
Frankfurt
23rd October 2019 - 22nd International Investor's Day

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Asia: development



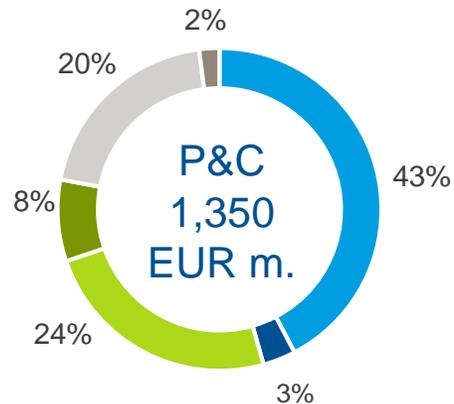
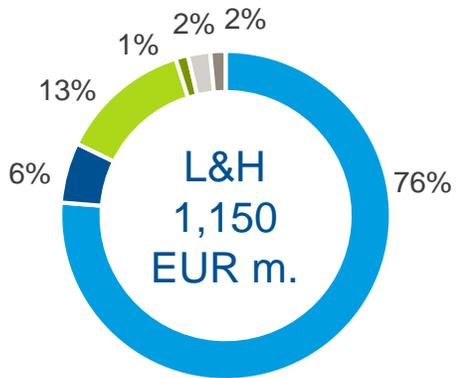
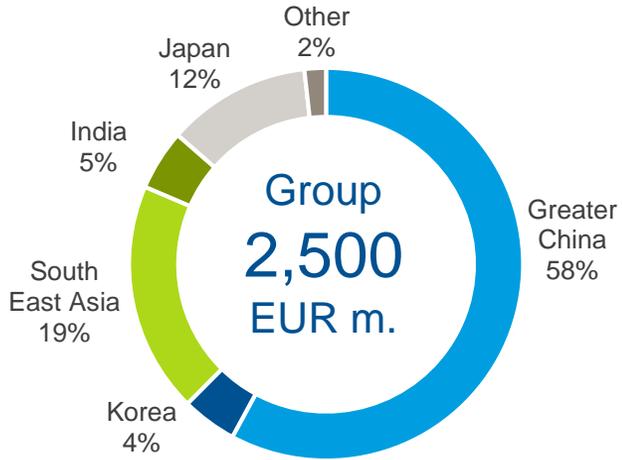
Premium – P&C and L&H in EUR m.



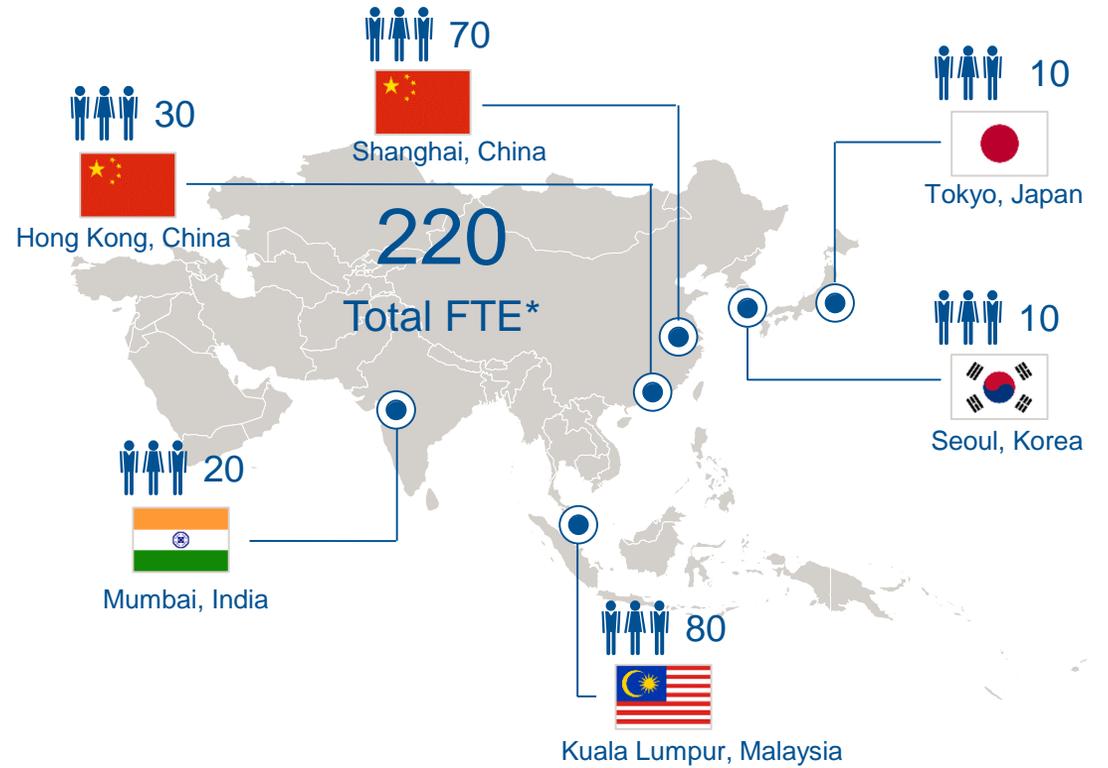
Constantly expanded positioning

Asia: today

Premium – P&C and L&H per region



Staff – P&C and L&H per location



Figures as at 31st December 2018 / *Full time equivalent

The world's economic centre will gravitate towards Asia



1

Growth potential: higher than for other continents

2

Expected global GDP* share: 36% in 2029 (28% in 2018)

3

Expected insurance penetration rate: > 3.0% (medium term)

4

Expected average nominal premium growth: ~7% p.a. (medium term)

5

Expected global insurance share: 43% in 2029 (31% in 2018)

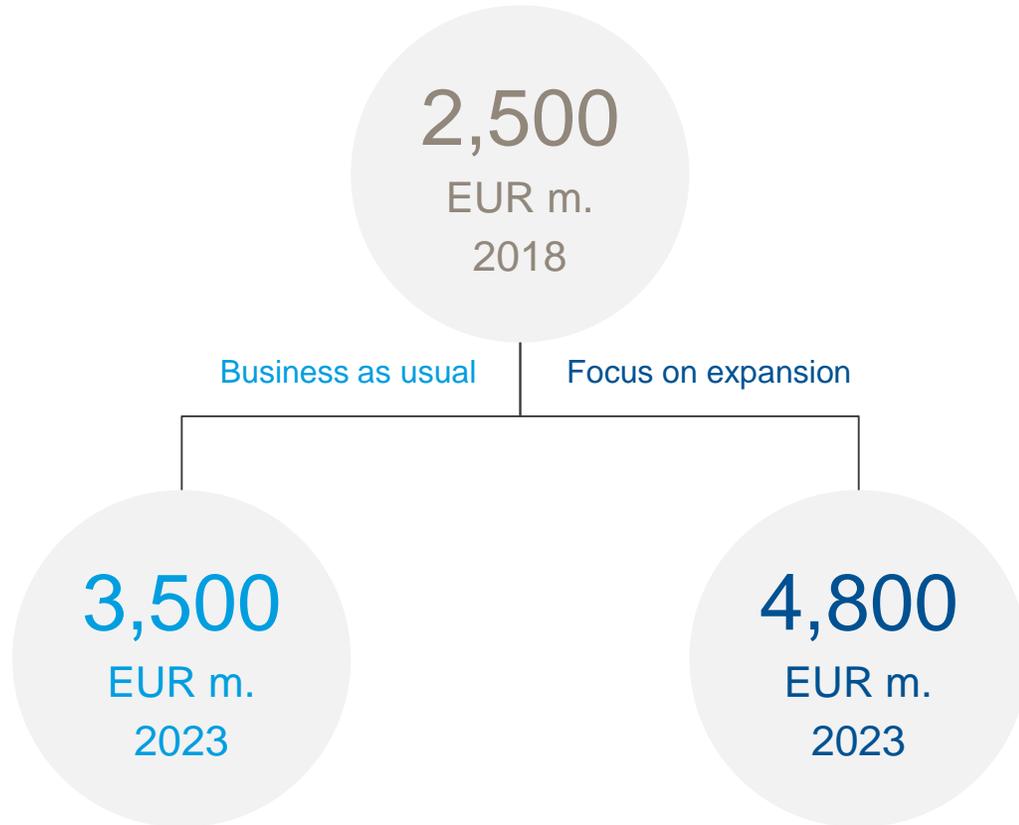
6

Expected reinsurance cession rate: > 5 % p.a. (medium term)

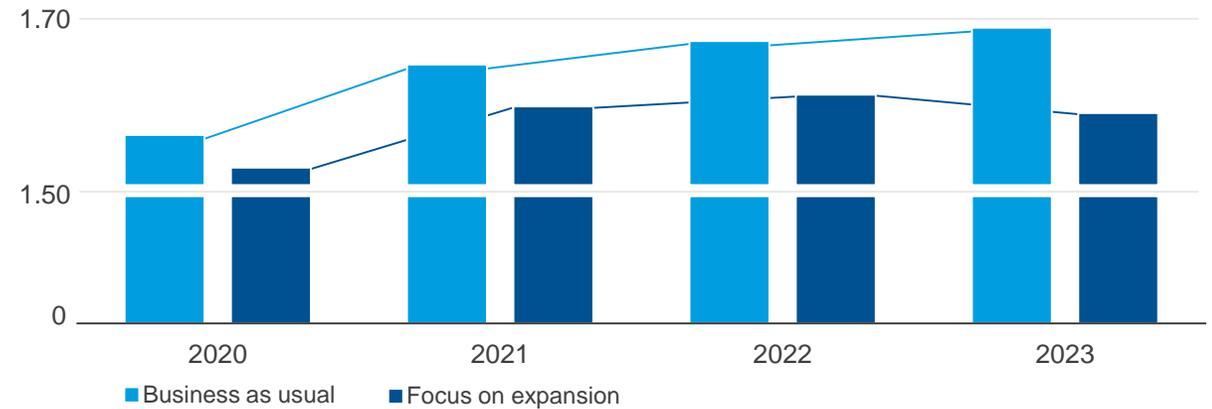
*Gross Domestic Product / Source: Axco, IMF, own research

Asia: an attractive investment opportunity

Expected premiums – Asia P&C and L&H



Expected cost ratio – Asia P&C and L&H



Asia: the way of getting things done

Build on existing infrastructure

- No additional office locations
- Fully decentralised underwriting
- Local capital in line with business
- Headcounts in line with potential

Strengthen client centricity

- Fast decision-making process
- Enhanced local expertise
- Improved service proposition
- Access to decision makers

Invest in growth areas

- Specific strategic business initiatives
- Bundling services, data analytics and expertise
- Broader product spectrum
- Attractive risk/reward profile



Focussed approach

Asia: a perfect fit with our global approach

Somewhat different

- Client proximity
- Client centricity
- Asian network approach instead of Asia hub
- Local empowerment & global steering

Cost leadership

- Avoid costly infrastructure
- Optimise network interaction
- Balance local set-up and central services/controls
- Implement gradual funding plan



Asia: our targets

Business group	Key figures	Group (extract)	Asia
Property & Casualty R/I	Gross premium growth ¹⁾	3 - 5%	10 - 11%
	Combined ratio ²⁾	≤ 97%	≤96%
	EBIT margin ³⁾	≥ 10%	≥ 10%
Life & Health R/I	Gross premium growth ⁴⁾	3 - 5%	7 - 9%
	EBIT growth ⁵⁾	≥ 5%	≥ 9%
	Value of New Business (VNB) ⁶⁾	>220 EUR m.	>80 EUR m.

1) On average throughout the R/I cycle at constant f/x rates

3) EBIT/net premium earned

5) Annual average growth over a 3-year period

2) Incl. large loss budget

4) Organic growth only; target: annual average growth over a 3-year period, at constant f/x rates

6) Based on Solvency II principles; pre-tax reporting

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