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Insights into Life & Health reinsurance

Spotlight on longevity

Claude Chèvre, Member of the Executive Board
24th International Investors' Day 2021
Hannover, 14 October 2021

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Agenda

1 Introduction

2 Spotlight on longevity

3 Life & Health earnings power

4 Key takeaways

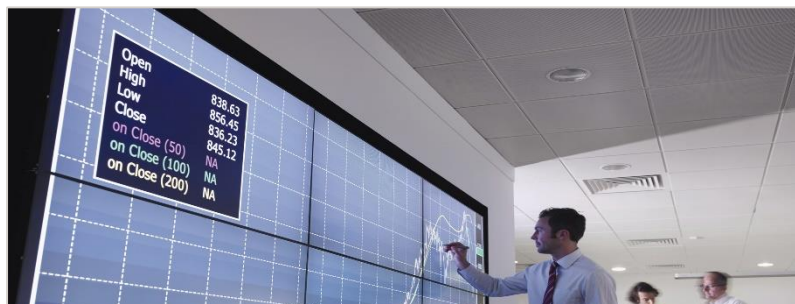
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Introduction

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Good performance in 2020

In each of the earnings growth drivers



Financial Solutions



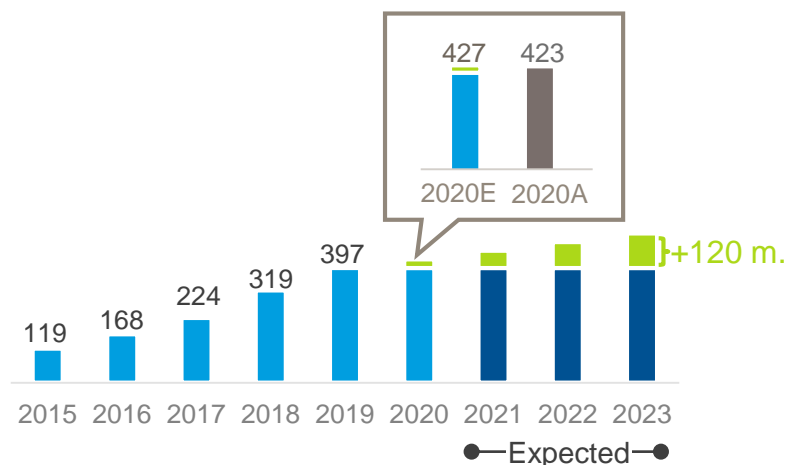
Asia



Longevity

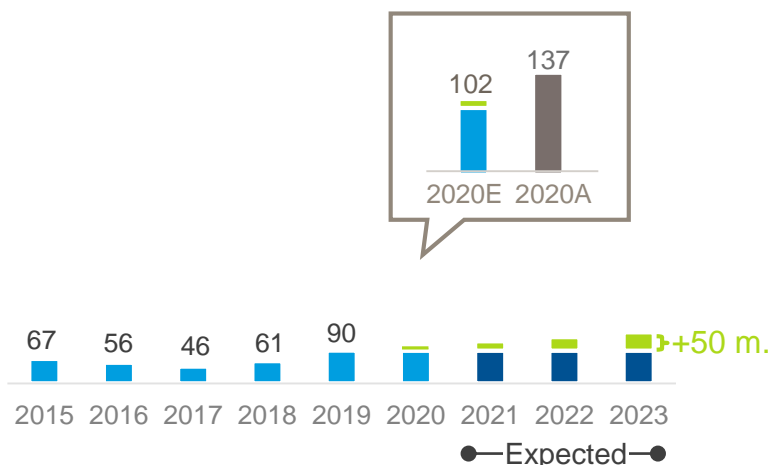


Normalised EBIT in m. EUR

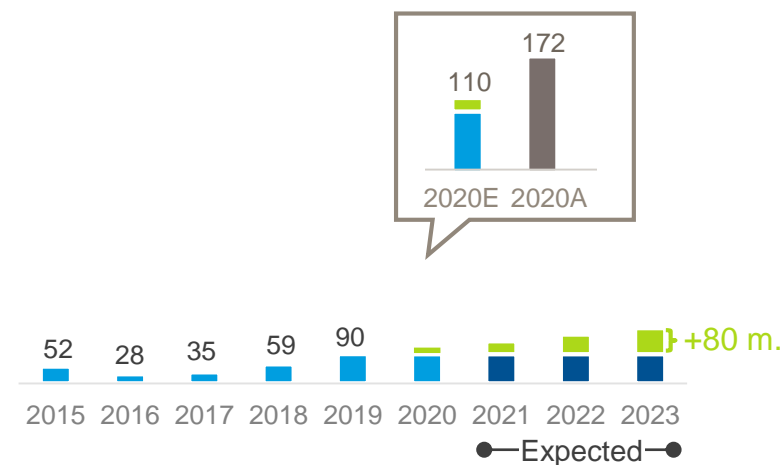


E: Expected normalised A: Actual

Normalised EBIT in m. EUR.



Normalised EBIT in m. EUR



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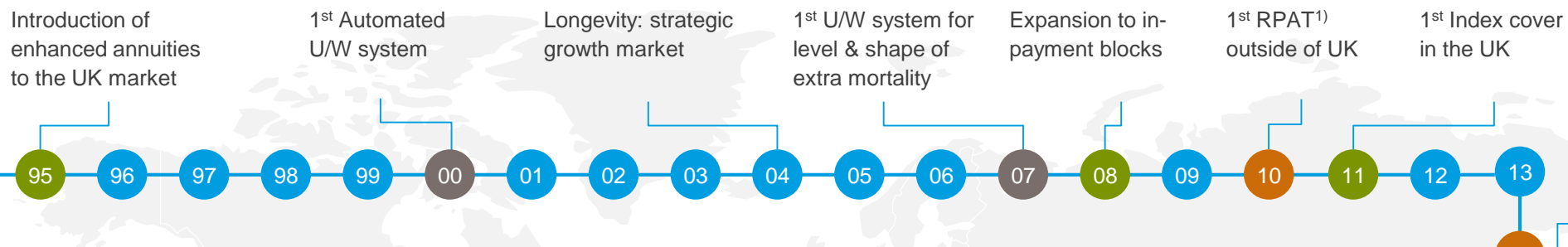


Spotlight on longevity

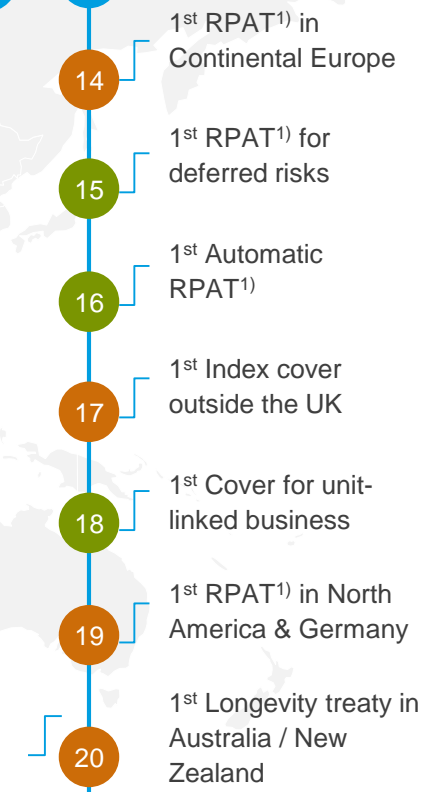
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25 years of innovation

Continuous growth and expansion in the longevity market



Covered annuities in m. EUR



1) Regular premium annuity treaty ● Product expansion ● System expansion ● Geographic expansion

Regular premium annuity treaty

Currently the preferred option of our clients

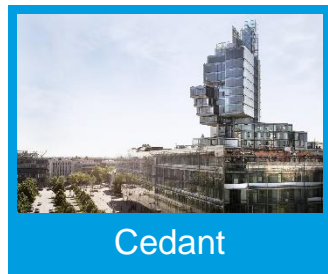
Involved parties



Regular payments →



Transaction

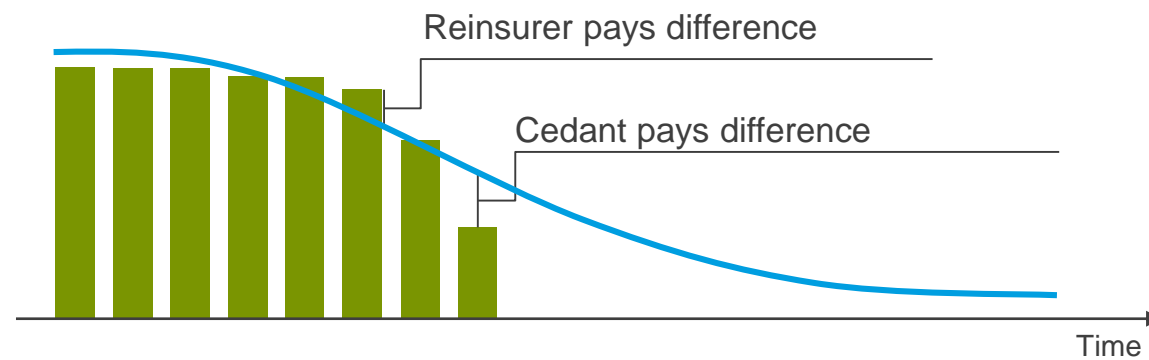


← Floating leg

Fixed leg →



Mechanics



Fixed leg —

Expected annuity payments including margin






Floating leg ■

Actual annuity payments

Data collection and monitoring

Foundation of excellent performance

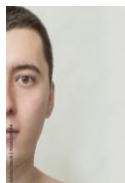
Figures in m. EUR (as @ 2020)

Treaty	PV claims @ quote	Claims paid	Realised margin	Future margin	Admin. expenses	Total margin	A/E @quote	Effect of ±1% qx
								
	1,492	44%	43	51	-6	89	96%	4.2
	600	26%	6	61	-3	65	104%	2.2
								
								
Total	31,769	40%	524	1,191	-259	1,456	100%	88.2

A/E: Actual to Expected
 PV: Present value

Mortality improvements

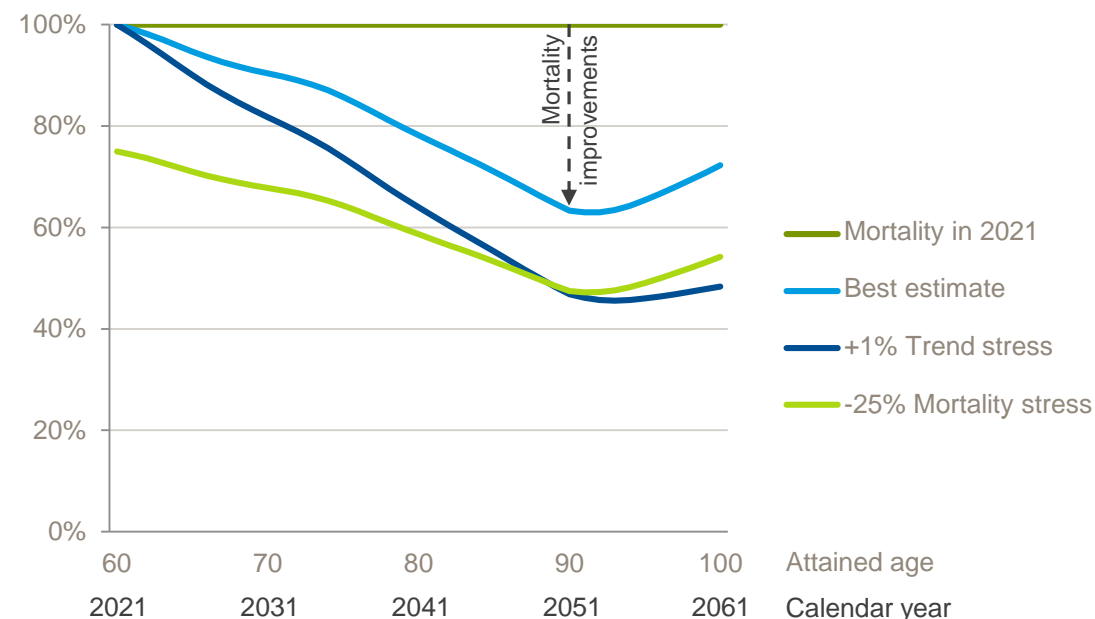
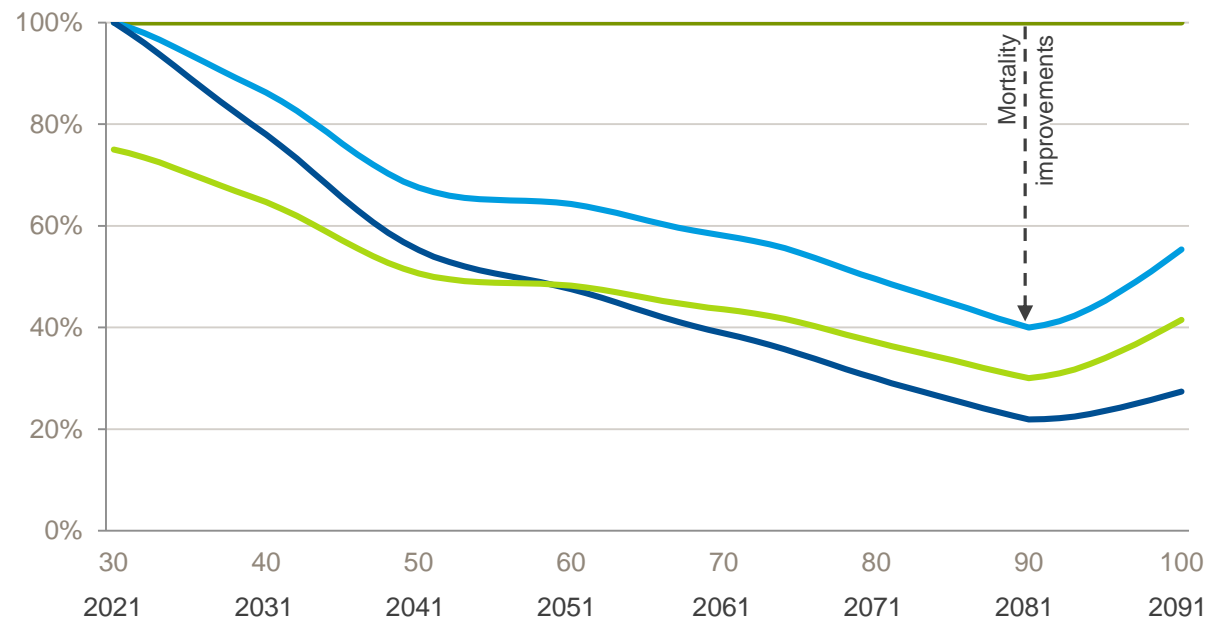
Key ingredients of pricing and risk management



Today's **30-year-old** males compared to 2021 older counterparts



Today's **60-year-old** males compared to 2021 older counterparts



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L&H earnings power

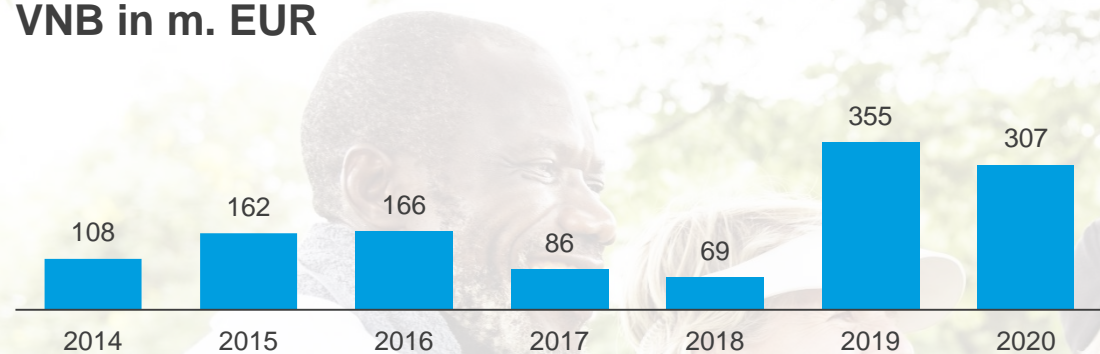


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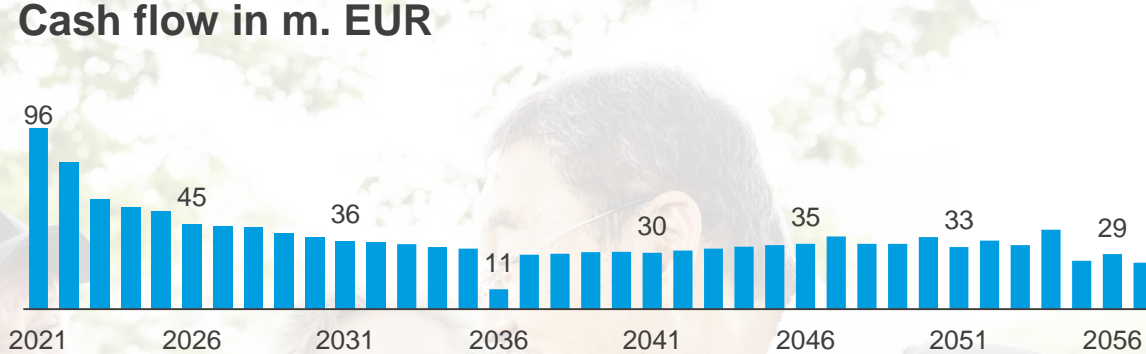
Longevity earnings

Reliable and positive contribution to the L&H business group

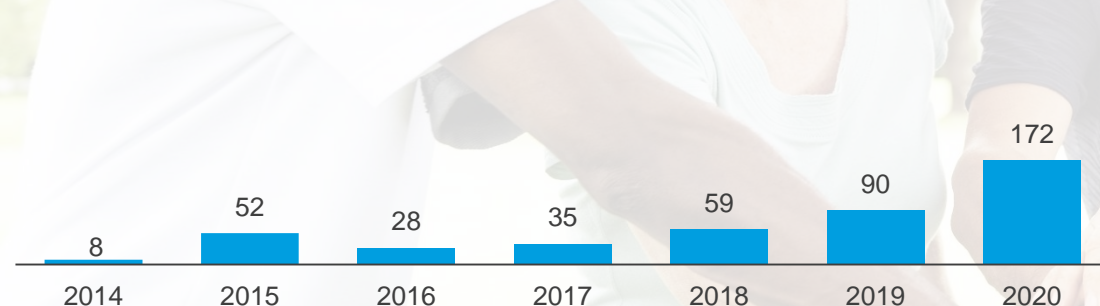
VNB in m. EUR



Cash flow in m. EUR



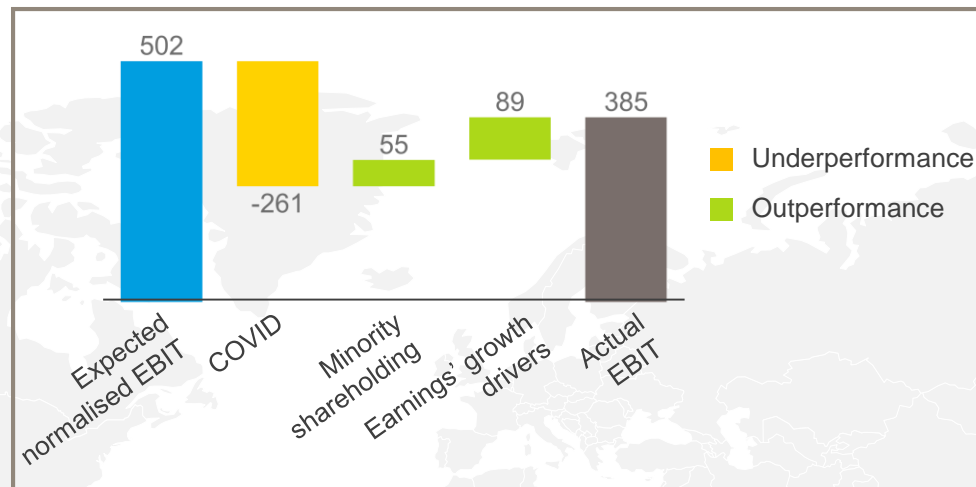
EBIT in m. EUR



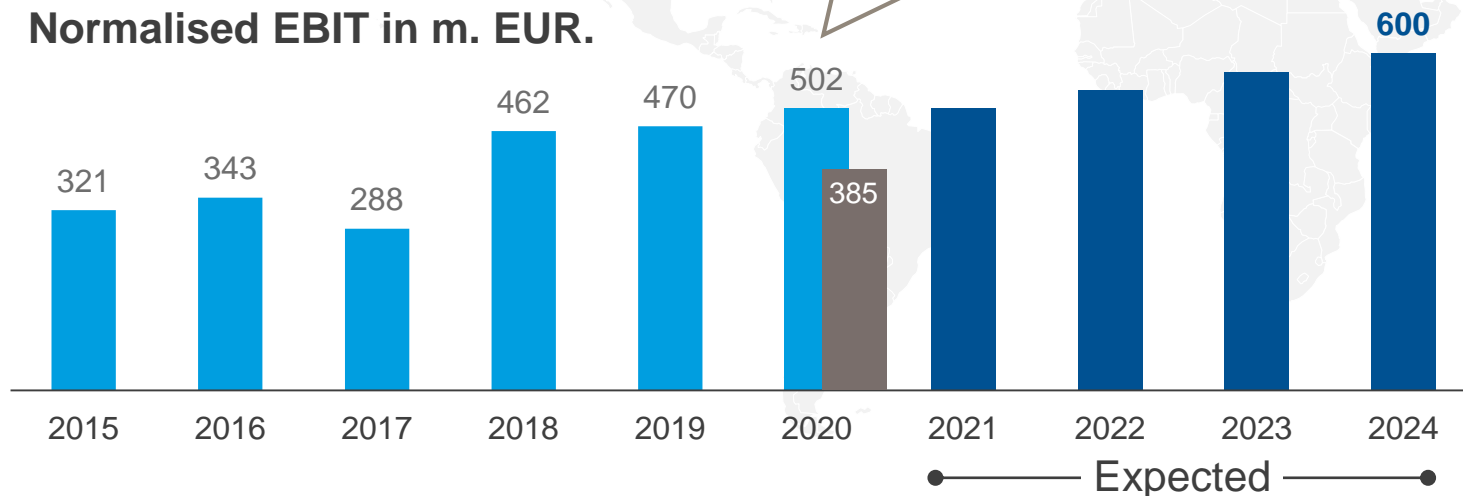
- Strong VNB, especially in 2019 and 2020
- Significant EBIT, especially in 2020
- Positive cash flow for the next 30+ years

Continuous growth of expected EBIT

Negatively impacted by COVID



Normalised EBIT in m. EUR.



Consolidated normalised EBIT
Expectation by 2024: EUR 600 m.

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Key takeaways



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Key takeaways



Longevity: future

- No surprise through close monitoring
- Strong resilience to mortality deviations
- Continued product innovation
- Further geographic expansion
- Extensive data collection

1) NMG Global L&H Reinsurance Study 2020

Longevity: past

- Outstanding reinsurance expertise
- Granular mortality experience
- Recurring innovative solutions
- Consistently strong performance
- Best in class reinsurer¹⁾

L&H business group

- Increasing underlying profitability
- VNB volatility due to Financial Solutions (FS) and Longevity
- EBIT volatility due to
 - COVID (-)
 - Recaptures of FS deals (+)
 - At equity measurement of companies (-/+)

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