

HDI Global SE posts further growth in first half of 2017

- Continued growth in premium income in first half-year 2017: particularly strong increases in France, Belgium and Japan
- Combined ratio improves to 97.2 (first half-year 2016: 97.8) percent: large losses well below the previous year's level
- Portfolio optimisation contributing to sharply higher profitability

Hannover, 21 August 2017

HDI Global SE* continued to grow its premium income in the first half of 2017. As at 30 June 2017 gross written premiums amounted to EUR 2.8 (2.7) billion. This is equivalent to an increase of 3.3 percent; growth in the local currencies was only slightly lower at 2.6 percent. Particularly key drivers here were the branches in France, Belgium and Japan.

Both the French and Belgian branches booked premium growth in the order of ten percent. Premium income in Japan rose by more than 40 percent. The operational business written by the industrial insurer benefited not only from increases in premium but also from modest large loss expenditure and ongoing portfolio optimisation: the operating profit (EBIT) climbed by 13.3 percent during the reporting period to EUR 162 (143) million. Group net income additionally benefited from a lower tax ratio, rising by 23.4 percent to EUR 112 (91) million. HDI Global SE manages the Industrial Lines Division worldwide within the Talanx Group.

"HDI Global SE recorded a highly satisfactory business development in the first half of 2017. The steps taken towards portfolio optimisation are continuing to bear fruit and we were able to noticeably grow our premium income, especially on the international market", notes Dr Christian Hirsch, Deputy Chairman of the Board of Management of Talanx AG and Chief Executive Officer of HDI Global SE. "In the increasingly important

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area of cyber insurance we are seeing considerable interest on the part of industry and a rise in the number of policies taken out. In Germany it even became possible recently for companies with an annual turnover of EUR 5 to 50 million to buy such insurance protection online. Over the coming years we anticipate significant increases. This trend is already very evident from the inquiries that are coming in to us. In the first half of the year we have already received more inquiries than during the entire twelve months of 2016. A crucial factor here is that we have been quick to expand our range of products to multiple countries, including the Netherlands, United Kingdom, Austria and Switzerland. As a result, HDI is one of the few internationally operating insurers that can draw on its own know-how in the field of cyber insurance spanning several countries and, what is more, that is consistently expanding this international expertise."

In keeping with its strategy, the industrial insurer's retention ratio was higher than in the previous year at 54.4 (52.7) percent. This was due primarily to reduced cessions to external reinsurers in the liability and motor lines.

Ongoing portfolio optimisation measures helped to lower both the loss ratio and the expense ratio. The combined ratio improved to 97.2 (97.8) percent. The underwriting result increased to EUR 32 (25) million. Net investment income surged by 25.7 percent in the first six months of 2017 to EUR 137 (109) million. EBIT rose by 13.3 percent to EUR 162 (143) million.

Premium income in the second quarter of 2017 nudged slightly higher to EUR 791 (785) million. The underwriting result amounted to EUR 13 (12) million. Net investment income reached EUR 68 (59) million. The combined ratio improved by 0.3 percentage points to 97.8 (98.1) percent. EBIT climbed to EUR 82 (69) million. Group net income increased to EUR 53 (43) million.

In the first half of 2017 the industrial insurer generated roughly 61 percent of its gross premium volume in international markets and 39 percent

in the domestic German market. By 2019 HDI Global SE is aiming to generate two-thirds of its gross premium volume in foreign markets. As part of its sustained drive towards greater internationalisation, the company is enhancing its customer intimacy by opening additional locations. In the reporting period offices were opened in Brisbane, Australia, and Bern, Switzerland.

Key figures for the first half-year 2017*, consolidated (IFRS)

<i>EUR million</i>	6M 2017	6M 2016	+/-
Gross written premiums	2,795	2,706	+3.3%
Net premiums earned	1,160	1,083	+7.1%
Combined ratio	97.2%	97.8%	-0.6%pts.
Net investment income	137	109	+25.7%
Operating profit (EBIT)	162	143	+13.3%
Group net income	112	91	+23.4%
Return on investment	3.5%	2.8%	+0.7%pts.

About HDI Global SE (HDI)

As an industrial lines insurer, HDI Global SE (HDI) meets the needs of SMEs, industrial companies and corporate customers with insurance solutions that are specifically tailored to their requirements. In addition to HDI's prominent position in the German and broader European market, the company also has operations in more than 130 countries through foreign branch offices, subsidiary and peer companies, and network partners. The company is thus able to offer its customers local policies for their global operations, which ensure that the established service and insurance protection is extended for all covered risks world-wide.

HDI Global SE is a company in the Talanx Group and manages the Industrial Lines Division within the Group. More than three thousand employees in this division generated gross written premiums of approx. EUR 4.3 billion in the year 2016. The rating agency Standard & Poor's has given the Talanx Primary Group a financial strength rating of

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