



MS&AD

International Business day
Asia

Alan J. Wilson
5th March, 2021

Self introduction

- Before Joining MSIG held senior positions in Asia for the Allianz group.
- Worked for Guardian Royal Exchange Assurance Group over 20 years. The final position held in GRE was Managing Director of Asian business.
- Almost all my career in the insurance industry, and have lived and worked in Asia since 1982. (HK, Indonesia, Pakistan and Singapore.)

Work Experience

<u>MS&AD Insurance Group</u>		
April	2015	Executive Officer, Mitsui Sumitomo Insurance Co., Ltd.
April	2008	Chief Executive Officer, MSIG Holdings (Asia) Pte. Ltd.
<u>Allianz Insurance Management Asia Pacific Pte. Ltd.</u>		
September	2004	Non Executive Director and Consultant
September	1999	Chief Executive Officer – Asia
June	1999	Deputy Chief Executive Officer – Asia
<u>Guardian Royal Exchange Assurance Group plc.</u>		
January	1998	Managing Director – Asia
November	1982	Executive Assistant, Union Insurance Society of Canton, Hong Kong
November	1978	Graduate Professional Entrant, Preston, UK
<u>Peat Marmick, Mitchell & Co., Liverpool, UK (Currently known as KPMG)</u>		
September	1977	Articled Clerk



Alan J. Wilson

Executive Officer
Deputy Head of Intl' Biz Dept.

Table of Contents

1. Features and Current status of the Asian Business
 - Presence in Asia, Major local Partners, Diversified Portfolio
 - Growth Initiatives of Asian Business
 - Situation of the top line and bottom line of Asian Business
2. Growth strategies and initiatives for the Asian Business
 - (1) Future Medium- to long-term strategies and initiatives
 - Three Pillars of Transformation
 - Promoting Three Pillars of Transformation in the Asian Business
 - 【1】 Strengthen profitability
 - 【2】 Capturing growth opportunities in the fast-changing market
 - 【3】 Pursuing group synergies
 - (2) Conclusion

1. Features and Current status of the Asian Business

Presence in Asia, Major local Partners, Diversified Portfolio

- ★ The stable network enables to provide the insurance products to ALL countries in ASEAN region
- ★ Now the Group has established its strong presence in Asia.

No. 1

Strong Presence

No.1 in terms of premiums written in the ASEAN region *1

No.1

MS&AD <JPY 176.0B>

No.2

Company A (JPN) <JPY 149.0B>

No.3

Company B (FRA) <JPY 126.0B>

* 1: Total premiums written in six major countries (Singapore, Malaysia, Thailand, Indonesia, The Philippines, and Vietnam).

No. 2

Extensive Asia Network*2

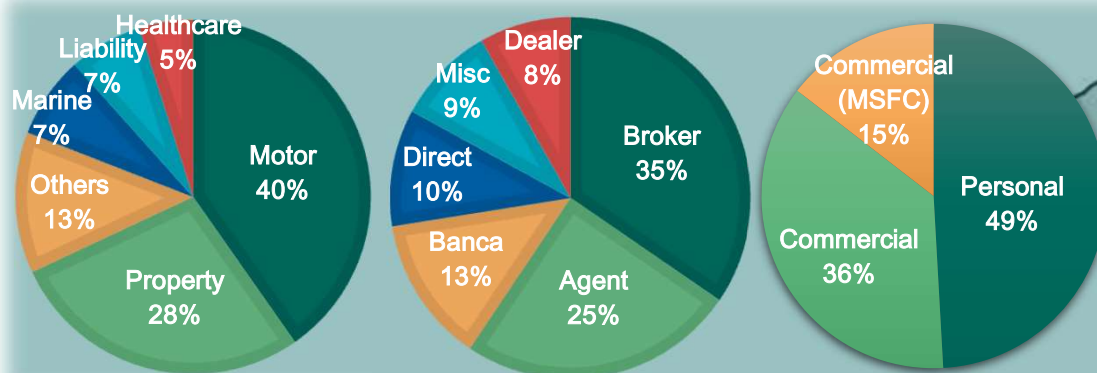
- A network of local companies and branches in all ASEAN member states that can provide direct insurance.
- Alliances with major local partners.



* 2: ASEAN + Hong Kong + Oceania + China + India + Taiwan + South Korea + Sri Lanka

No. 3

Well Diversified Product Portfolio



No. 4

Wide Customer Base

- Built through 85 years of operation
- 650,000 corporate customers,**
- 8.36 million individual customers**

Growth Initiatives of the Asian Business

● Cultivating Retail and Commercial Business: ⇒ Major Local Partners

Philippines
Ayala, BPI



★ 860 branches and offices

Malaysia
Hong Leong



★ 200 domestic branches

China
China Pacific
insurance group



★ 2,500 locations/ 10,000 employees

● Emerging Countries

India
Murugappa



★ 25 million customers

Sri Lanka
Ceylinco



- ★ No. 2 non-life insurance company in Sri Lanka.
- ★ No.1 life insurance company in Sri Lanka.

● Cultivating Retail and Commercial Business: ⇒ Japanese Corporate Clients

➢ Embedded(sales promotion) insurance for end-user of Japanese Corporate Clients in Asia region



- e.g. (1) Movable All Risks policy for the purchased item arranged by credit card company.
- (2) Warrantee insurance for car parts.

➢ Engineering/property insurance for large-scale Infrastructure projects with Japanese corporate clients

- e.g. (1) Public building construction All risks policy in Sri Lanka

● Cultivating Retail Business: ⇒ Major Platformers

e.g. Indonesian giant e-commerce, Travel agency in Thailand etc...

<Examples>



Embedded
insurance

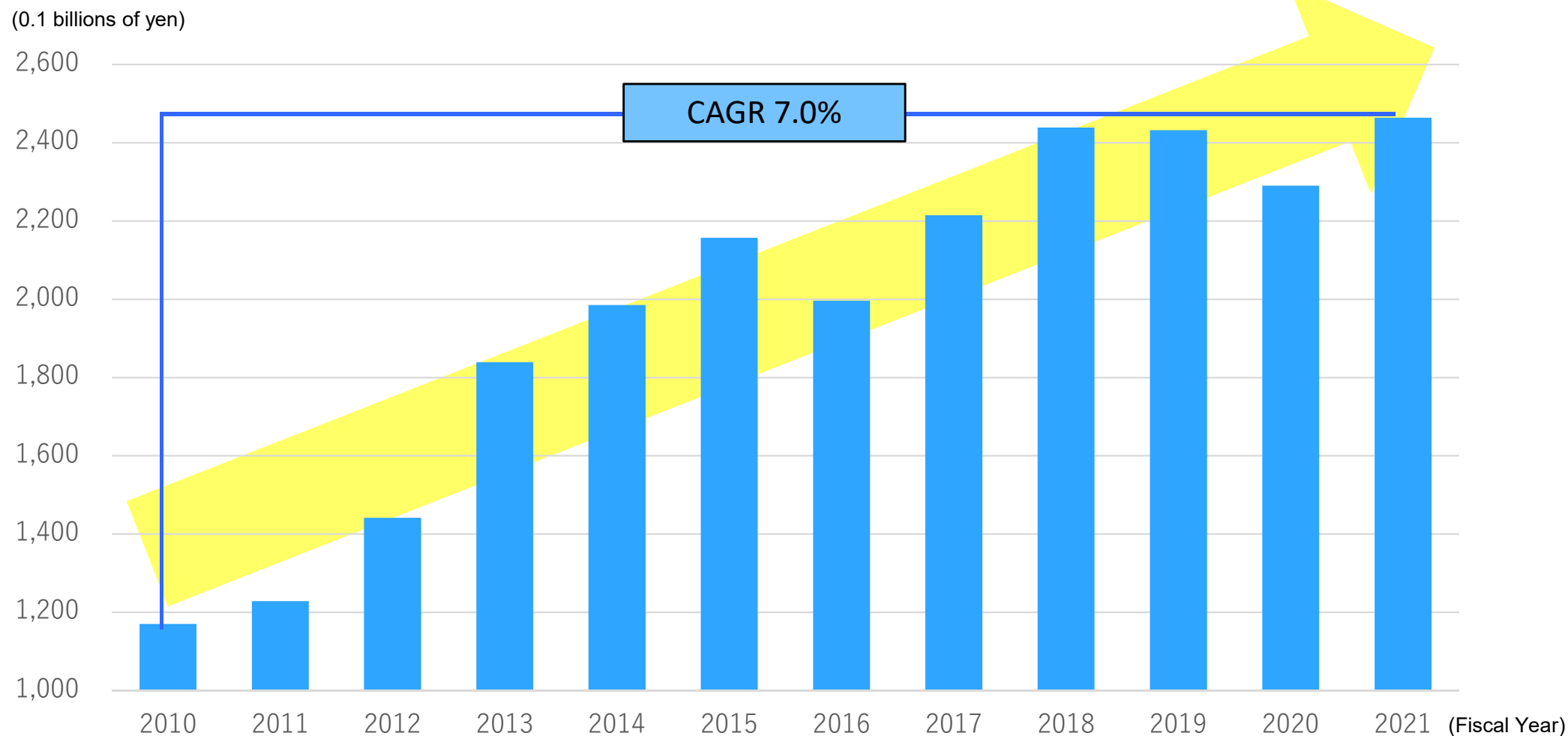
<EC & Travel Agency>

platformer
product sales
site

Situation of the top line and bottom line of the Asian Business – top line

Net premiums written has been growing steadily as a result of organic business expansion, the acquisition of MS FirstCapital, other M&A and their synergies resulting from M&A.

Trends in Net Premiums Written

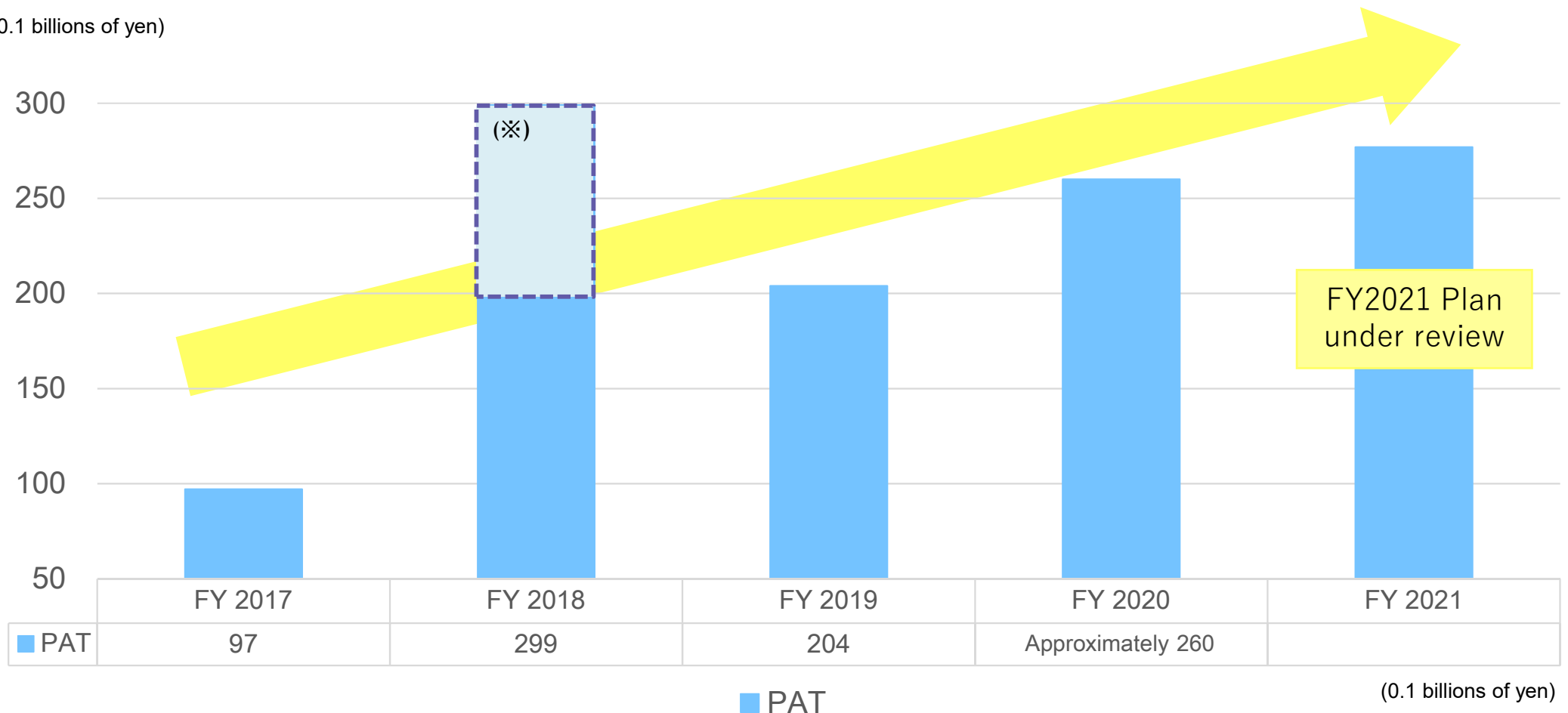


Situation of the top line and bottom line of the Asian Business – bottom line

Strengthening the profitability and growing steadily aiming to become a leading company in Asia.

Overall Profitability (YTD 2017 – 2021)

(0.1 billions of yen)



*Include a number of special factors

2. Growth strategies and initiatives for the Asian Business

(1) Future Medium- to long-term strategies and initiatives

MS&AD Group Vision

To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value.

International Business Vision

We will achieve continuous growth and support development of economy and society, delivering exceptional “MSI way” detailed and caring customer service across the globe.

Medium- and Long term Vision

World-leading insurance and financial services group

★the Group aims to achieve international business profits in the JPY 100 billion to 125 billion.

International Business Profits



Building a resilient framework which responds quickly to environmental changes

1. To develop a solid business foundation centering on MS Amlin and Asia
2. To build an efficient operation amid uncertainty
3. Digital transformation in underwriting, sales, and operation
4. To maximize group synergy
5. More diversified portfolios across line of business and regions
6. To be better prepared for risk uncertainty
7. To carry out group strategy flexibly by utilizing global talents

*The next Medium-Term Management Plan will be based on these strategies.

(1) Future Medium- to long-term strategies and initiatives

- Three Pillars of Transformation

Taking advantage of environmental changes such as the embracement of remote work and the spread of online channels

【1】 Strengthen profitability

<Initiatives>

1. Accelerate initiatives for improving profitability (P.12)
2. Utilize digital technology to increase operational efficiency (P.13)
3. Head office-led Management index analysis of each entity

【2】 Capturing growth opportunities in the fast-changing market

<Initiatives>

1. Develop retail business by utilizing digital technology (P.14, 15)
2. Increase profitability by capturing the hard market environment
3. Capture government infrastructure projects
4. Dealing with New Risks

【3】 Pursuing group synergies

<Initiatives>

1. Optimise reinsurance scheme
2. Leverage asset management
3. Strengthen collaboration with MS FirstCapital (P.16)
4. Strengthen collaboration between life and non-life insurance business (P.16)
5. Global procurement/sharing within the Group
6. Collaboration between MSI and ADI

(1) Future Medium- to long-term strategies and initiatives

- Promoting Three Pillars of Transformation in the Asian Business

【1】 Strengthen profitability

<Accelerate initiatives for improving profitability>

This will be achieved by our know-how and our key strengths stemming from the Head Office and our Group Companies.

Outline of the Initiative for Improving Profitability

Improvement of Loss Ratio

Prudent Underwriting

(Examples)

- Revision of rate/discount
- Revision of U/W guidelines



Appropriate Payment of Insurance Claims

- Enhancement of accuracy in checking motor repair costs
- Claims fraud detection



Improvement of Expense Ratio

Efficient Sales Operations

(Examples)

- Utilize RPA
- Sales support systems for agencies and dealers



Efficient Claims Handling

- Work System Reform
- Global procurement / sharing within the Group



Efficiency internal Operations

(1) Future Medium- to long-term strategies and initiatives

- Promoting Three Pillars of Transformation in the Asian Business

【1】 Strengthen profitability

<Strengthen profitability by Digital solutions>

To utilize advanced digital solutions developed in our group and accelerate “Digital Globalisation” under the strong leadership of the head office

(Stages of the insurance business)



(Examples of initiatives)



(1) Future Medium- to long-term strategies and initiatives

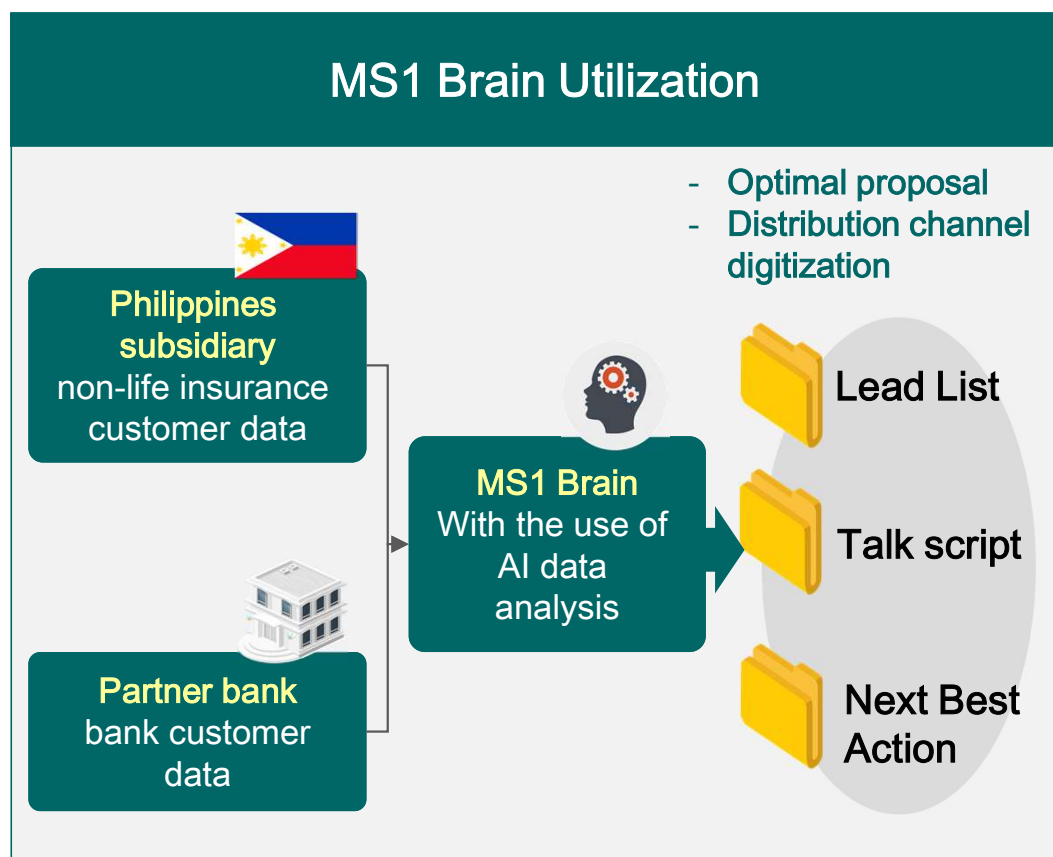
- Promoting Three Pillars of Transformation in the Asian Business

[2] Capturing growth opportunities in the fast-changing market

<Developing retail business by utilizing digital technology: DX*1 x Retail>

① Major local partners

"Collaboration with BPI
in the Philippines"

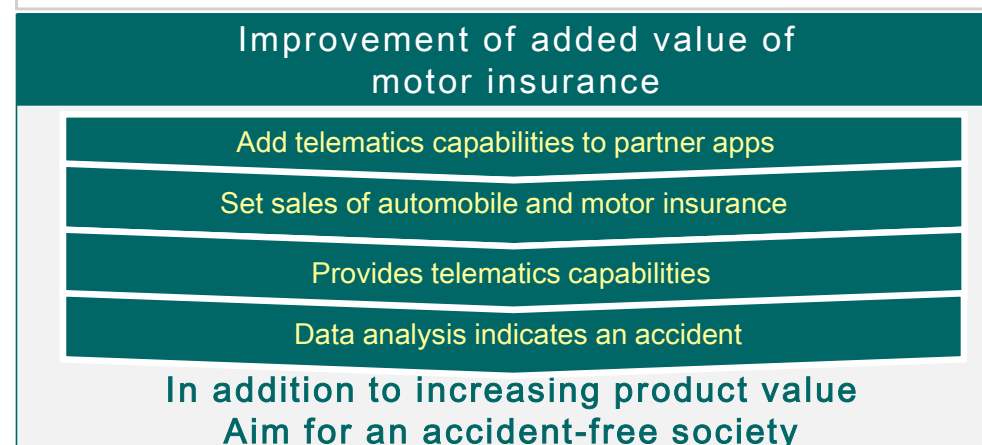


② Japanese corporate clients

CSV*2 x DX "Telematics Technology
in Vietnam"

*1: Digital Transformation

*2: Creating Shared Value



(1) Future Medium- to long-term strategies and initiatives

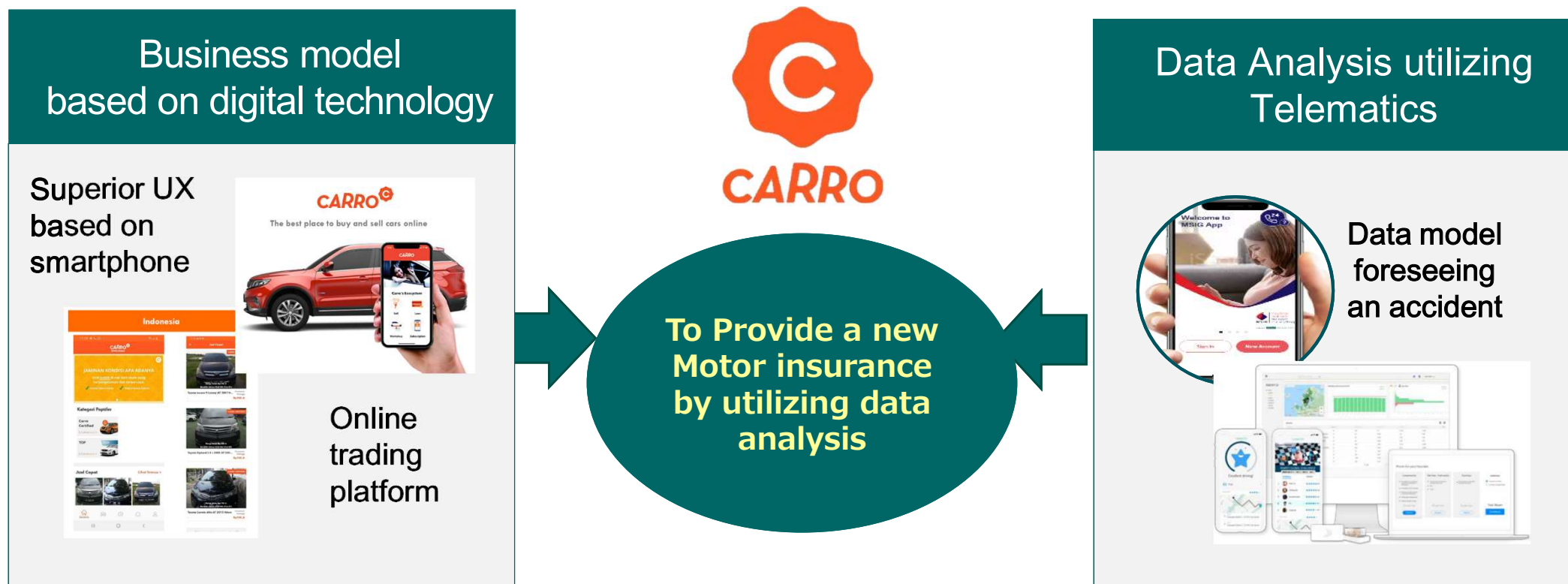
- Promoting Three Pillars of Transformation in the Asian Business

【2】 Capturing growth opportunities in the fast-changing market

<Developing retail business by utilizing digital technology: DX x Retail>

③ Major local platformers

"Carro, a leading platformer for motor business"



(1) Future Medium- to long-term strategies and initiatives

- Promoting Three Pillars of Transformation in the Asian Business

【3】 Pursuing group synergies

<Synergy with MS FirstCapital>

★ Strong U/W know-how in Asian Market



<Case 1>

Large Infrastructure Project

Construction All Risks policy deal with a railway construction company in an Asian country.

<Case 2>

Public building's Construction All Risks Policy

To obtain large share of Construction All Risks policy in Sri Lanka collaborating with Ceylinco insurance

<Strengthen cooperation between life and non-life insurance companies>

(Examples of initiatives)

Sales promotion through business alliances with platformers

Introduction of life insurance partner banks to non-life insurance companies

Provision of life and non-life integrated insurance products

Achieve cost synergies through shared use of call centers

(2) Conclusion

Taking advantage of our strong presence in the Asian region,

We will go forward step by step, enhancing our business by

【1】 Strengthen profitability

【2】 Capturing growth opportunities in the fast-changing market

【3】 Pursuing group synergies