

# Materials for FY2018 Results Briefing – Conference Call

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May 20, 2019 (Mon.)

MS&AD Insurance Group Holdings, Inc.

## Main Points

### FY2018 Results

- Although the losses caused by major natural catastrophes, such as Typhoon Jebi (No. 21), reached the largest level ever, a large portion was covered by reinsurance and the reversal of the catastrophe reserve. Although net income was 7.2 billion yen lower than expected due to the impact of the California wildfire that occurred after the earnings forecast announcement in November 2018, net income increased by 38.6 billion yen year on year.
- Additional provision (MSI: 25.0 billion yen, ADI 15.0 billion yen) was made to secure a certain balance of the catastrophe reserve.

### FY2019 Forecast

- Earnings from the international business are expected to be lower than initially planned due to conservative planning. However, domestic non-life insurance and domestic life insurance businesses are performing well, exceeding the plan. Net income is expected to increase by 7.2 billion yen year-on-year to 200.0 billion yen.

### Shareholder Return

- Annual dividend for FY2018 (plan): 140 yen (up by 10 yen from the previous fiscal year)
- Purchase of own shares (plan): up to 32.0 billion yen
- Annual dividend for FY2019 (forecast): 150 yen (up by 10 yen from the previous fiscal year)

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Please also refer to an Excel data file uploaded on our website.

## Summary of FY2018 Results

## Consolidated Earnings for FY2018 (1) - Overview (i) (Top line)

### Non-life insurance subsidiaries

(¥bn)

	FY2017 Results	FY2018		
		Results	YoY Change	Growth
Direct premiums written <sup>※</sup> (excl. deposit premiums from policyholders)	3,568.7	<b>3,684.4</b>	115.7	3.2%
Net premiums written <sup>※</sup>	3,446.9	<b>3,500.4</b>	53.4	1.6%
Mitsui Sumitomo Insurance	1,500.3	<b>1,512.4</b>	12.1	0.8%
Aioi Nissay Dowa insurance	1,222.0	<b>1,233.5</b>	11.5	0.9%
Mitsui Direct General	37.8	<b>36.6</b>	- 1.2	- 3.2%
Overseas subsidiaries	682.3	<b>714.6</b>	32.2	4.7%

※ Direct premiums written and net premiums written exclude Good Result Return Premiums of the "ModoRich" auto insurance product, which contains a special clause related to premium adjustment and refund at maturity, same hereafter.

### Life insurance subsidiaries

(¥bn)

	FY2017 Results	FY2018		
		Results	YoY Change	Growth
Gross premiums income <sup>※</sup>	1,508.1	<b>1,599.9</b>	91.7	6.1%
MSI Aioi Life	492.5	<b>504.2</b>	11.6	2.4%
MSI Primary Life	1,015.6	<b>1,095.6</b>	80.0	7.9%
Life insurance premiums	1,058.2	<b>1,286.8</b>	228.5	21.6%

※ Gross premiums income is for domestic life insurance subsidiaries only.

## Consolidated Earnings for FY2018 (1) - Overview (i) (Top line)

### (Non-life insurance subsidiaries: domestic and overseas)

- Net premiums written increased at both domestic and overseas non-life subsidiaries, with a total increase by 53.4 billion yen or 1.6%.
- Direct premiums written increased by 74.0 billion yen or 2.6% and net premiums written increased by 23.6 billion yen or 0.9% for the two domestic non-life insurance companies combined. Higher sales of fire and casualty insurance contributed to the increase, although there was a drop in compulsory auto liability insurance, and additional costs of reinsurance premiums for natural catastrophes reached 24.5 billion yen.
- Net premiums written at overseas subsidiaries increased by 32.2 billion yen due to the increase at MS Amlin and MS First Capital being newly included in the scope of consolidation (19.2 billion yen).

### (Life insurance subsidiaries: domestic)

- MSI Aioi Life: Please see Slide 17
- MSI Primary Life: Please see Slide 18

## Consolidated Earnings for FY2018 (1) - Overview (ii) (Bottom line)

(¥bn)

	FY2017	FY2018		
	Results	Results	YoY Change	Change Ratio
Ordinary profit/loss	211.5	<b>290.8</b>	79.2	37.5%
Mitsui Sumitomo Insurance	262.5	<b>226.4</b>	- 36.0	- 13.7%
Aioi Nissay Dowa Insurance	5.6	<b>61.3</b>	55.7	992.9%
Mitsui Direct General Insurance	0.4	<b>0.3</b>	- 0.0	- 14.8%
MSI Aioi Life	16.9	<b>19.5</b>	2.5	15.0%
MSI Primary Life	28.9	<b>35.5</b>	6.6	23.0%
Overseas subsidiaries	- 104.3	<b>22.6</b>	127.0	-
Consolidation adjustments, others	1.3	<b>- 75.1</b>	- 76.5	- 5,574.7%
Net income/loss <sup>※</sup>	154.0	<b>192.7</b>	38.6	25.1%
Mitsui Sumitomo Insurance	198.2	<b>171.1</b>	- 27.1	- 13.7%
Aioi Nissay Dowa Insurance	15.6	<b>37.3</b>	21.6	138.8%
Mitsui Direct General Insurance	0.2	<b>0.2</b>	- 0.0	- 23.9%
MSI Aioi Life	5.2	<b>7.9</b>	2.6	51.0%
MSI Primary Life	29.2	<b>23.3</b>	- 5.9	- 20.2%
Overseas subsidiaries	- 104.6	<b>19.3</b>	124.0	-
Consolidation adjustments, others	10.0	<b>- 66.5</b>	- 76.6	- 760.0%

※ Consolidated net income represents net income attributable to owners of the parent.

Net income of subsidiaries is on an equity stake basis, same hereafter.

## Consolidated Earnings for FY2018 (1) - Overview (ii) (Bottom line)

### (Group consolidated)

• Net income increased by 38.6 billion yen mainly as a result of recovery at overseas subsidiaries (from a loss of 104.6 billion yen to a profit of 19.3 billion yen).

### (Domestic non-life subsidiaries)

• At MSI, net income decreased by 27.1 billion yen. Underwriting profit decreased by 37.1 billion yen as a result of an increase in domestic natural catastrophe losses.

• At ADI, net income increased by 21.6 billion yen. Underwriting profit increased by 10.7 billion yen as overseas natural catastrophe losses were lower than in the previous year.

• The E/I loss ratio (excl. natural catastrophes) was 58.8% (down 0.1 pp year-on-year) for voluntary automobile and 56.7% for all lines (excl. residential EQ insurance and CALI), 0.9 pp below the 57.6% forecast announced in November 2018. (See Slide 21)

### (Domestic life insurance subsidiaries)

• Net income at MSI Aioi Life increased by 2.6 billion yen year-on-year mainly due to an increase in policies in force and a decrease in the burden of policy reserves following the product revision.

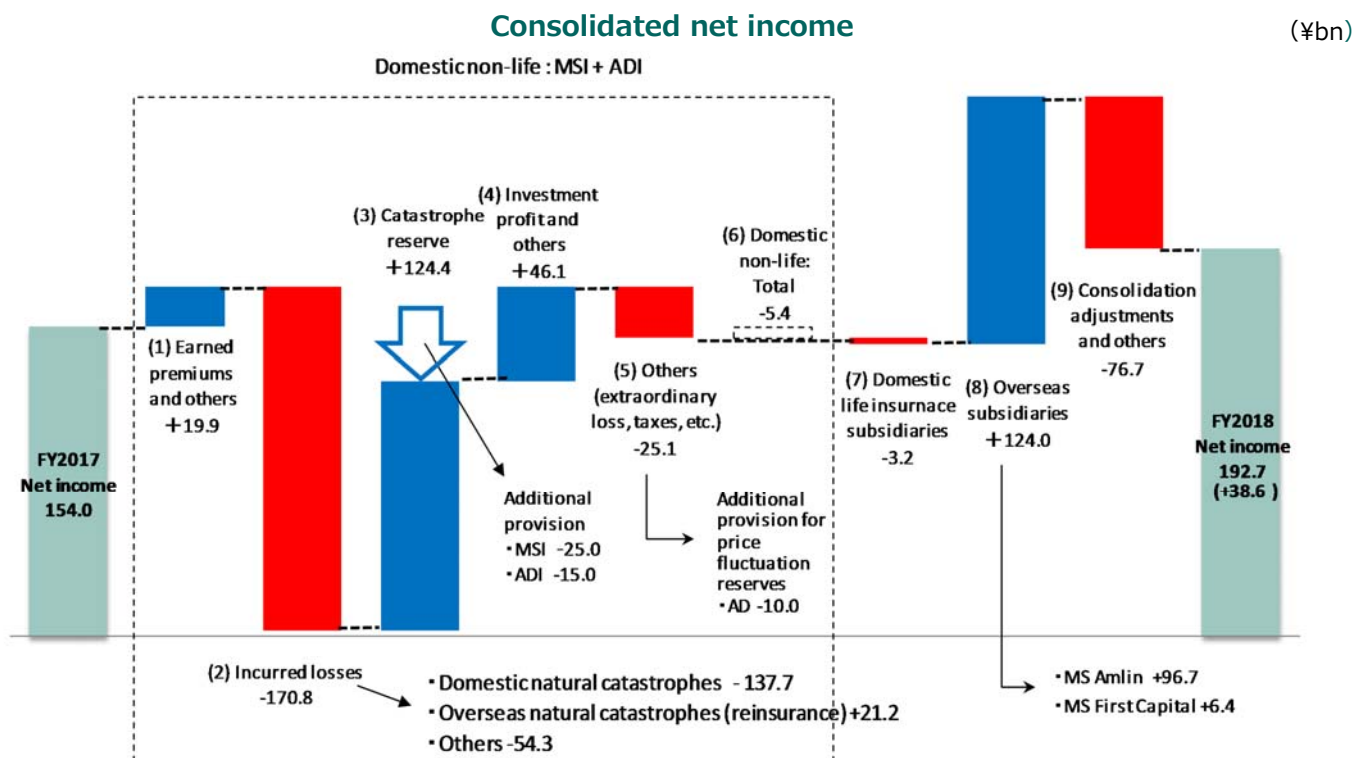
• Net income at MSI Primary Life decreased by 5.9 billion yen year-on-year mainly due to an increase in the burden of commissions following increased sales and an increase in the burden of policy reserves for the first-year policies, although the profit margin increased.

### (Overseas subsidiaries)

• Net income increased by 124.0 billion yen mainly due to an increase in Asia and MS Amlin's recovery as a result of decreased natural catastrophe losses among other factors.

## Consolidated Earnings for FY2018 (2) – YoY Results Comparison (i)

- Net income increased by 38.6 billion yen year-on-year as natural catastrophe losses decreased at (8) overseas subsidiaries.
- Although (2) incurred losses at the two domestic non-life insurance companies increased by 170.8 billion yen mainly due to the 137.7 billion yen increase in incurred losses associated with domestic natural catastrophes, the net income decreased by only 5.4 billion yen, resulting from the increase in the reversal of (3) catastrophe reserve (+124.4 billion yen) and the increase in (4) investment profit (+46.1 billion yen).



## Consolidated Earnings for FY2018 (2) – YoY Results Comparison (ii)

### Factors in YoY changes in consolidated net income

(¥bn)

	FY2017 Results	FY2018 Results	Difference
Consolidated net income/loss	<b>154.0</b>	<b>192.7</b>	<b>38.6</b>
Domestic non-life insurance <sup>※1</sup> : Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))	89.3	62.8	- 26.4
Earned premiums and others <sup>※2</sup> (1)	1,553.2	1,573.2	19.9
Incurred losses (incl. loss adjustment expenses) (2)	- 1,419.3	- 1,590.1	- 170.8
Provision/reversal of catastrophe reserve (3)	- 44.6	79.8	124.4
Investment profit/loss and others (4)	178.8	224.9	46.1
Others (extraordinary loss, taxes, etc.) (5)	- 54.3	- 79.4	- 25.1
Domestic non-life insurance: Total (6)	213.8	208.4	- 5.4
Domestic life insurance subsidiaries (7)	34.4	31.2	- 3.2
Overseas subsidiaries (8)	- 104.6	19.3	124.0
Consolidation adjustments and others (9)	10.3	- 66.3	- 76.7

※1 Figures for domestic non-life insurance are the simple sum of MSI and ADI.

※2 "Earned premiums and others" include expenses.

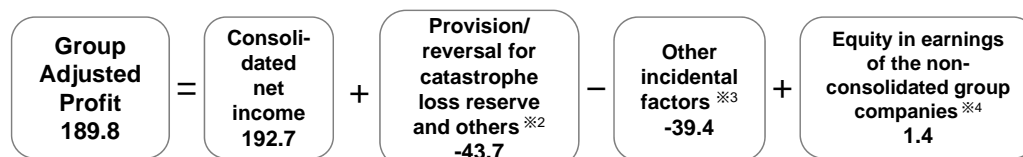
## Consolidated Earnings for FY2018 (3) – Group Adjusted Profit

- Although Group Adjusted Profit decreased year-on-year because of the frequent natural catastrophes in Japan and overseas, it reached 189.8 billion yen (above the 180.0 forecast announced in November 2018), due to the reinsurance cover working properly and favorable loss ratios (excl. natural catastrophes).

(¥bn)

	FY2017 Results	FY2018	
		Results	YoY Change
Group Adjusted Profit <sup>※1</sup>	201.0	<b>189.8</b>	<b>- 11.1</b>
Domestic non-life insurance business	287.8	<b>146.9</b>	<b>- 140.9</b>
Domestic life insurance business	32.6	<b>31.6</b>	<b>- 0.9</b>
International business	- 125.0	<b>5.4</b>	<b>130.4</b>
Financial services business and risk-related services business	5.6	<b>5.8</b>	<b>0.1</b>
Group Adjusted ROE <sup>※1</sup>	6.4%	<b>6.1%</b>	<b>- 0.3pp</b>

※1 For the definition of Group Adjusted Profit and Group Adjusted ROE please refer to the last page.



※2 “+” in case of provision, “-” in case of reversal

※3 Amortization of goodwill and others: -35.3 billion yen, extraordinary income/loss excluding reserves for price fluctuation, etc: -4.1 billion yen

※4 Including elimination of gains on sales of stock of non-consolidated group companies (1.3 billion yen)

## Consolidated Earnings for FY2018 (4) – Impact of Domestic Natural Catastrophes FY2018

- Incurred losses of domestic natural catastrophes on a direct basis were 655.0 billion yen. However, 444.2 billion yen out of that amount, or about 70%, was recovered by reinsurance, resulting in net incurred losses being only 210.8 billion yen.
- The estimated final number of claims for the 3 major domestic natural catastrophes is approximately 420,000, exceeding approximately 190,000 claims made in the Great East Japan Earthquake.

### Impact of domestic natural catastrophes

(¥bn)

	Incurred losses		Payments Results
	Results	YoY Change	
Mitsui Sumitomo Insurance	108.9	66.2	96.5
Aioi Nissay Dowa Insurance	101.8	71.5	95.6
Total	210.8	137.7	192.1

	Estimated final number of claims (thousands)	Estimated final incurred losses (billion yen)
Heavy Rain of July 2018 <sup>*1</sup>	Approx. 20	77.9
Typhoon "Jebi" (No.21)	Approx. 270	436.4
Typhoon "Trami" (No.24)	Approx. 120	104.4
Total of the above	Approx. 420	618.8
Other than the above		36.2
Total of the above incurred losses on a direct basis		655.0
Reinsurance recoveries		- 444.2
Net incurred losses		210.8

<sup>\*1</sup> Including Typhoon "Prapiroon" (No.7)

### Balance of catastrophe reserve (fire and allied)

(¥bn)

	End of FY2017 Balance	Reversal	Provision		End of FY2018 Balance
				Of which: additional provision	
Mitsui Sumitomo Insurance	129.4	81.7	41.3	25.0	89.0
Aioi Nissay Dowa Insurance	137.4	92.3	29.8	15.0	74.9
Total	266.9	174.1	71.1	40.0	163.9

※ Overseas natural catastrophes for the above two companies only

# Consolidated Earnings for FY2018 (5) – Impact of Overseas Natural Catastrophes FY2018

## Impact of overseas natural catastrophes ※1

(¥bn)

	Incurred Losses			
	California wildfires	Hurricanes and others※2	Total	YoY Change
Aioi Nissay Dowa Insurance	13.5	10.9	24.5	- 19.7
MS Amlin	14.5	35.4	49.9	- 38.5
<b>Total</b>	<b>28.0</b>	<b>46.4</b>	<b>74.4</b>	<b>- 58.3</b>

※1 Total of the above two companies

※2 Including hurricanes Michael and Florence

## Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2018 (i)

- Earned premiums increased by 29.1 billion yen mainly due to an increase in casualty insurance (“Other”).
- Underwriting profit decreased by 26.4 billion yen mainly caused by the additional provision for catastrophe reserve (MSI: 25.0 billion yen, ADI: 15.0 billion yen).

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Net premiums written※1</b>	<b>2,746.0</b>	<b>23.6</b>	<b>1,512.4</b>	<b>12.1</b>	<b>1,233.5</b>	<b>11.5</b>
Earned premiums※2	2,390.7	29.1	1,327.1	14.3	1,063.5	14.8
Incurred losses (including loss adjustment expenses)※2 (–)	1,590.1	170.8	857.1	81.9	732.9	88.9
Underwriting expenses※2 (–)	820.5	15.6	443.3	6.5	377.1	9.1
Commissions and collection expenses※2	488.0	10.3	258.0	6.6	230.0	3.7
Other underwriting expenses※2	332.4	5.3	185.3	- 0.0	147.1	5.4
<b>Underwriting profit/loss prior to reflecting catastrophe reserve</b>	<b>- 16.9</b>	<b>- 150.9</b>	<b>25.0</b>	<b>- 75.2</b>	<b>- 42.0</b>	<b>- 75.6</b>
Net catastrophe reserve	79.8	124.4	22.2	38.0	57.5	86.3
<b>Underwriting profit/loss after reflecting catastrophe reserve</b>	<b>62.8</b>	<b>- 26.4</b>	<b>47.3</b>	<b>- 37.1</b>	<b>15.5</b>	<b>10.7</b>
<b>EI loss ratio※2</b>	<b>66.5%</b>	<b>6.4pp</b>	<b>64.6%</b>	<b>5.5pp</b>	<b>68.9%</b>	<b>7.5pp</b>
Net loss ratio※1	66.9%	6.4pp	66.2%	4.6pp	67.8%	8.6pp
Net expense ratio※1	32.5%	0.3pp	31.5%	0.2pp	33.8%	0.4pp
<b>Combined ratio※1</b>	<b>99.4%</b>	<b>6.7pp</b>	<b>97.7%</b>	<b>4.8pp</b>	<b>101.6%</b>	<b>9.0pp</b>

※1 All lines ※2 Excluding residential earthquake and CALI (compulsory auto liability insurance)

※ Excluding Good Result Return Premiums of the “ModoRich” auto insurance product

※ “Earned premiums” are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

## Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2018 (ii)

- Net income decreased by 5.4 billion yen mainly because of the decrease in underwriting profit.
- Sales of strategic equity holdings were 136.7 billion yen, above the 118.0 billion yen forecast announced in November 2018.

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Underwriting profit/loss</b>	<b>62.8</b>	<b>- 26.4</b>	<b>47.3</b>	<b>- 37.1</b>	<b>15.5</b>	<b>10.7</b>
Net interest and dividends income	121.2	7.8	81.6	10.0	39.6	- 2.1
Gains/losses on sales of securities	133.1	- 1.2	116.0	- 2.7	17.0	1.4
Impairment losses on securities (-)	6.1	- 43.9	4.0	3.0	2.0	- 46.9
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>224.9</b>	<b>46.1</b>	<b>179.1</b>	<b>1.0</b>	<b>45.8</b>	<b>45.0</b>
<b>Ordinary profit/loss</b>	<b>287.8</b>	<b>19.6</b>	<b>226.4</b>	<b>- 36.0</b>	<b>61.3</b>	<b>55.7</b>
<b>Extraordinary income/loss</b>	<b>- 16.8</b>	<b>- 49.6</b>	<b>- 3.1</b>	<b>- 4.6</b>	<b>- 13.7</b>	<b>- 44.9</b>
<b>Income before taxes</b>	<b>270.9</b>	<b>- 29.9</b>	<b>223.3</b>	<b>- 40.7</b>	<b>47.6</b>	<b>10.8</b>
<b>Taxes and others</b>	<b>62.5</b>	<b>- 24.4</b>	<b>52.2</b>	<b>- 13.6</b>	<b>10.3</b>	<b>- 10.8</b>
<b>Net income/loss</b>	<b>208.4</b>	<b>- 5.4</b>	<b>171.1</b>	<b>- 27.1</b>	<b>37.3</b>	<b>21.6</b>
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	<b>136.7</b>	- 14.6				

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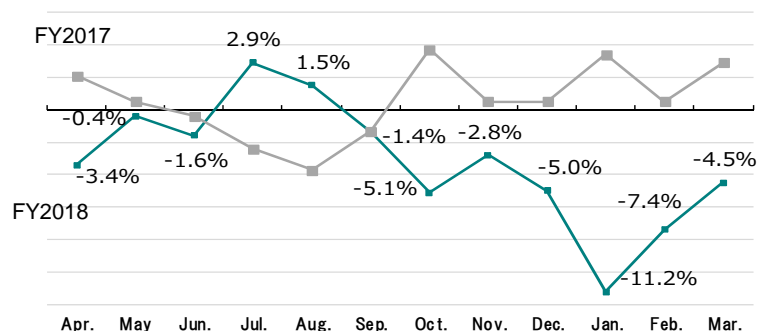
## Domestic Non-Life Insurance Companies FY2018 (2) – Voluntary Auto Insurance

- The cumulative number of accidents at the end of March fell by 3.0% year-on-year.
- E/I loss ratio rose by 0.4 points year-on-year to 59.7% mainly due to natural catastrophes. If the impact of natural catastrophes is excluded, E/I loss ratio fell by 0.1 points to 58.8%.

### Number of accidents

(per day, %YOY, excl. the number of accidents caused by natural catastrophes)

Simple sum of MSI and ADI (Domestic business only)

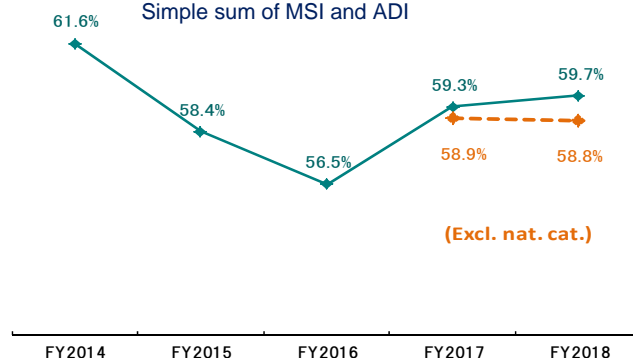


<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.4%	- 0.5%	- 0.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+2.2%	+1.9%	

### E/I loss ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.1%	+0.1%	+0.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+4.1%	+4.1%	

\* All figures for factors of increase/decrease in insurance premiums are based on sales results (April to March) year-on-year.

\* Changes in average payout per claim means changes in average payout per claim over one-year period ended March 31, 2019 compared with average payout per claim in one-year period ended Mar. 31, 2018.

\* E/I loss ratio is calculated based on the figures from April to March for each year.

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## Domestic Life Insurance / MSI Aioi Life - Results for FY2018

- Annualized premiums of new policies rose by 31.7% mainly due to the introduction of new products such as the new medical insurance in February 2018. Net income increased by 2.6 billion yen.
- Despite the increase in the value of new business, EEV fell by 16.0 billion yen year-on-year mainly due to the negative impact of declining market interest rates.

### MSI Aioi Life

(¥bn)

	FY2017 Results	FY2018 Results	FY2018	
			YoY Change	Change Ratio
Amount of new policies <sup>※1</sup>	2,639.5	<b>3,114.5</b>	475.0	18.0%
Annualized premiums of new policies	38.8	<b>51.1</b>	12.3	31.7%
of which, third sector insurance	13.9	<b>17.7</b>	3.7	27.0%
Amount of policies in force <sup>※1</sup>	23,806.8	<b>24,533.1</b>	726.2	3.1%
Annualized premiums of policies in force	412.3	<b>431.5</b>	19.1	4.6%
of which, third sector insurance	96.7	<b>107.8</b>	11.1	11.5%
Gross premiums income	492.5	<b>504.2</b>	11.6	2.4%
Ordinary profit/loss	16.9	<b>19.5</b>	2.5	15.0%
Extraordinary income/loss	- 0.8	<b>- 1.1</b>	- 0.2	—
Net income/loss	5.2	<b>7.9</b>	2.6	51.0%
Core profit	12.8	<b>15.5</b>	2.7	21.6%
EEV	835.5	<b>819.4</b>	- 16.0	
Net worth	446.3	<b>515.4</b>	69.1	
Value of in-force business	389.2	<b>304.0</b>	- 85.1	
of which, value of new business	47.4	<b>65.7</b>	18.3	

※1 Total sum of personal insurance and personal annuity insurance

## Domestic Life Insurance / MSI Primary Life - Results for FY2018

- Gross premiums income increased by 80.0 billion yen, primarily due to a premiums increase in fixed products resulting from increased sales of foreign currency-denominated annuity products.
- Net income decreased by 5.9 billion yen year-on-year.

### MSI Primary Life

(¥bn)

	FY2017 Results	FY2018 Results	FY2018	
			YoY Change	Change Ratio
Amount of new policies <sup>※1</sup>	1,015.6	<b>1,118.2</b>	102.6	10.1%
Amount of policies in force <sup>※1</sup>	6,061.8	<b>6,678.5</b>	616.6	10.2%
Gross premiums income	1,015.6	<b>1,095.6</b>	80.0	7.9%
Ordinary profit/loss	28.9	<b>35.5</b>	6.6	23.0%
Extraordinary income/loss	11.5	<b>- 3.5</b>	- 15.0	—
Net income/loss	29.2	<b>23.3</b>	- 5.9	- 20.2%

※1 Total sum of personal insurance and personal annuity insurance

### Impact of interest rates and foreign exchange rates

(¥bn)

	FY2017 Results	FY2018 Results
Impact of interest rates	5.0	<b>0.9</b>
Impact of foreign exchange rates	- 23.6	<b>- 2.5</b>
Total	- 18.6	<b>- 1.5</b>

## Overseas Subsidiaries - Results for FY2018

- Net premiums written increased by 4.7% (excluding the impact of foreign exchange rates – by 29.6 billion yen or 4.3%), mainly due to the inclusion of MS First Capital in the scope of consolidation.
- Net income largely increased by 124.0 billion yen due to the shrinking loss in Europe and the net income increase in Asia.

### Overseas subsidiaries

(¥bn)

	FY2017 Results	FY2018 Results	YoY Change	
			YoY Change	Change ratio
Net premiums written	<b>682.3</b>	<b>714.6</b>	<b>32.2</b>	4.7%
Asia	162.5	184.0	21.4	13.2%
Europe	470.4	486.0	15.5	3.3%
(of which, MS Amlin)	429.6	447.7	18.1	4.2%
Americas	49.3	44.5	- 4.7	- 9.6%
Net income/loss	<b>- 104.6</b>	<b>19.3</b>	<b>124.0</b>	-
Asia	10.7	26.1	15.4	143.8%
Europe	- 124.7	- 19.0	105.7	-
(of which, MS Amlin)	- 110.4	- 13.7	96.7	-
Americas	3.5	4.0	0.4	13.6%
International Life Insurance*	5.8	8.2	2.3	41.1%

\* New category from FY2018

## <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2018 (1)

### Net premiums written

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	Results	Growth	Results	Growth	Results	Growth
Fire and allied	<b>382.6</b>	3.1%	<b>198.8</b>	1.1%	<b>183.8</b>	5.4%
Marine	<b>70.4</b>	3.7%	<b>62.2</b>	3.0%	<b>8.1</b>	8.8%
Personal accident	<b>215.3</b>	3.0%	<b>151.3</b>	2.5%	<b>63.9</b>	4.3%
Voluntary automobile	<b>1,342.1</b>	-0.1%	<b>657.0</b>	-0.3%	<b>685.0</b>	0.1%
CALI	<b>337.3</b>	-4.0%	<b>178.0</b>	-3.5%	<b>159.2</b>	-4.7%
Other	<b>398.1</b>	4.9%	<b>264.8</b>	5.2%	<b>133.2</b>	4.4%
Total	<b>2,746.0</b>	0.9%	<b>1,512.4</b>	0.8%	<b>1,233.5</b>	0.9%
Total excluding residential EQ insurance and CALI	<b>2,407.8</b>	1.6%	<b>1,333.8</b>	1.4%	<b>1,073.9</b>	1.8%

## <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2018 (2)

### EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2017 Results	FY2018		FY2017 Results	FY2018	
		Results	YoY Change		Results	YoY Change
Fire and allied (excl. residential EQ)	76.7%	<b>111.9%</b>	35.2pp	48.8%	<b>56.6%</b>	7.8pp
Marine	60.1%	<b>60.9%</b>	0.8pp	57.9%	<b>58.7%</b>	0.8pp
Personal accident	52.6%	<b>51.2%</b>	-1.4pp	52.6%	<b>51.1%</b>	-1.5pp
Voluntary automobile	59.3%	<b>59.7%</b>	0.4pp	58.9%	<b>58.8%</b>	-0.1pp
Other	50.1%	<b>55.2%</b>	5.1pp	48.6%	<b>52.0%</b>	3.4pp
Total (excluding residential EQ insurance and CALI)	60.1%	<b>66.5%</b>	6.4pp	55.1%	<b>56.7%</b>	1.6pp

- ※ Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims
- ※ Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.
- ※ "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

## <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2018 (3)

### EI loss ratio (MSI (Non-consolidated), ADI (Non-consolidated))

	EI Loss Ratio				EI Loss Ratio (excl. impact of nat. cat.)			
	MSI (Non-consolidated)		ADI (Non-consolidated)		MSI (Non-consolidated)		ADI (Non-consolidated)	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Fire and allied (excl. residential EQ)	<b>109.1%</b>	37.3pp	<b>115.0%</b>	32.7pp	<b>62.2%</b>	8.6pp	<b>50.5%</b>	7.3pp
Marine	<b>56.3%</b>	-2.8pp	<b>97.2%</b>	28.3pp	<b>53.8%</b>	-3.8pp	<b>97.0%</b>	37.0pp
Personal accident	<b>51.5%</b>	-1.4pp	<b>50.5%</b>	-1.5pp	<b>51.4%</b>	-1.5pp	<b>50.4%</b>	-1.5pp
Voluntary automobile	<b>59.5%</b>	0.2pp	<b>59.9%</b>	0.6pp	<b>58.7%</b>	-0.2pp	<b>58.9%</b>	0.1pp
Other	<b>52.9%</b>	1.6pp	<b>59.8%</b>	12.0pp	<b>49.6%</b>	-0.4pp	<b>56.9%</b>	11.0pp
Total excluding residential EQ insurance and CALI	<b>64.6%</b>	5.5pp	<b>68.9%</b>	7.5pp	<b>56.4%</b>	0.7pp	<b>57.0%</b>	2.7pp

- ※ Incurred losses = Net loss paid + loss adjustment expenses + net provision of outstanding claims
- ※ Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.
- ※ "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

## <Reference> MS Amlin's Results for FY2018 (Jan. – Dec. 2018) ※1

- Net loss was £94 million mainly due to natural catastrophes occurred in 2H, which is improved by £666 million year on year due to decrease of incurred loss. (For further explanation, please refer to page 38 and 39.)

(£ mn)

	FY2017	FY2018	
			YoY Change
Net premiums written	2,955	<b>3,050</b>	95
Net premiums earned	2,918	<b>3,048</b>	130
Incurred losses (including loss adjustment expenses)	2,826	<b>2,171</b>	-655
Expense for acquisition and other operating expense	1,089	<b>1,095</b>	6
Underwriting profit/loss	-964	<b>-174</b>	790
Investment profit/loss <sup>※2</sup>	181	<b>54</b>	-127
Non-operating profit/loss <sup>※3</sup>	-98	<b>38</b>	135
Net income/loss after tax	-760	<b>-94</b>	666
EI claims ratio	96.9%	<b>71.2%</b>	-25.7pt
EI expense ratio <sup>※4</sup>	36.1%	<b>34.5%</b>	-1.6pt
EI combined ratio <sup>※4</sup>	133.0%	<b>105.7%</b>	-27.3pt

※1 On a local (UK) reporting basis

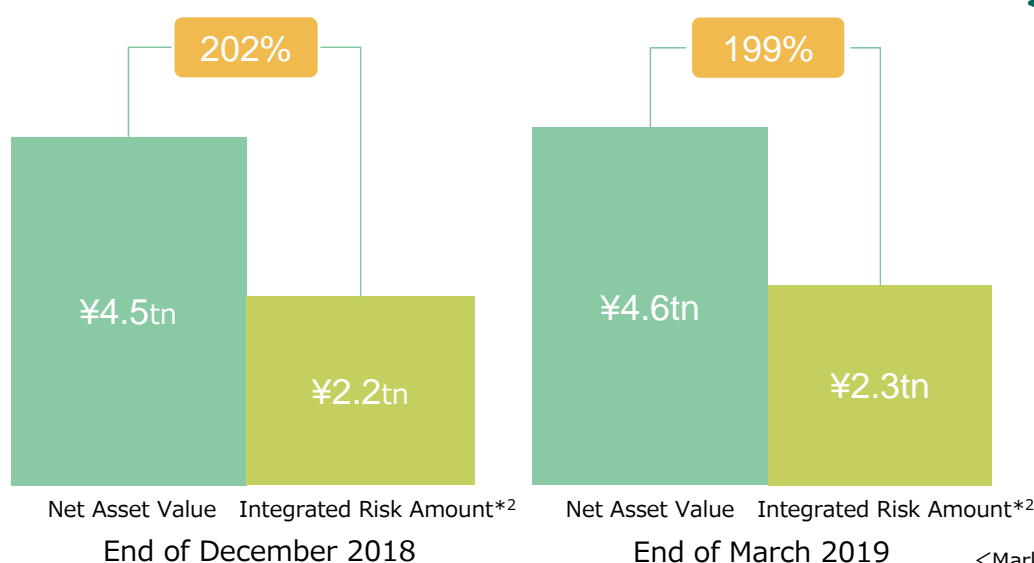
※2 MS Amlin adopts the accounting method where securities market value fluctuations are reflected in the profit-loss statement.

※3 The main item of "Non-operating profit/loss" is expenses of non-insurance companies. Figure for FY2018 includes profit on sale of Leadenhall Capital Partners LLP, and also includes lump-sum severance payments following the reduction of personnel at MS Amlin plc and its subsidiaries.

※4 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses included in underwriting profit.

## <Reference> ESR

ESR<sup>\*1</sup>



### <Factors behind ESR change> (vs. end of December 2018)

ESR fell by 3 pp due to the following factors:

- ↘ Increase in the risk amount and decrease in the net asset value due to declining domestic interest rates
- ↗ Increase in the net asset value following the issue of subordinated bonds
- ↗ Decrease in the equity risk following the sale of strategic equity holdings

<Market environment assumptions>

	End of December 2018	End of March 2019	Change
Nikkei stock average	20,015 yen	21,206 yen	+1,191 yen
Exchange rate (US\$1: Yen)	111 yen	111 yen	- 0 yen
30-year JGB interest rate	0.72%	0.51%	- 0.21 pp

\*1 ESR : Economic Solvency Ratio (=NAV ÷ Integrated Risk Amount)

\*2 Integrated Risk Amount: risk amount calculated based on Value at Risk with a 99.5% confidence level

## Projected Financial Results for FY2019

### Consolidated Earnings Forecasts for FY2019 (i) (1) (Top line)

- Net premiums written in non-life insurance subsidiaries are expected to rise by 23.5 billion yen supported by the increase in fire, casualty and voluntary auto at domestic non-life insurance subsidiaries, although the premiums at overseas subsidiaries are expected to decrease.
- Gross premiums income in life insurance is expected to decrease by 74.9 billion yen, primarily due to a decrease at MSI Primary Life.

#### Non-life insurance subsidiaries

(¥bn)

	FY2018 Results	FY2019 Forecast		
			YoY Change	Change Ratio
Net premiums written	3,500.4	<b>3,524.0</b>	23.5	0.7%
Mitsui Sumitomo Insurance	1,512.4	<b>1,541.0</b>	28.5	1.9%
Aioi Nissay Dowa Insurance	1,233.5	<b>1,261.0</b>	27.4	2.2%
Mitsui Direct General Insurance	36.6	<b>36.8</b>	0.1	0.5%
Overseas subsidiaries	714.6	<b>681.0</b>	- 33.6	-4.7%

#### Life insurance subsidiaries

(¥bn)

	FY2018 Results	FY2019 Forecast		
			YoY Change	Change Ratio
Gross premiums income <sup>※</sup>	1,599.9	<b>1,525.0</b>	- 74.9	-4.7%
MSI Aioi Life	504.2	<b>522.0</b>	17.7	3.5%
MSI Primary Life	1,095.6	<b>1,003.0</b>	- 92.6	-8.5%
Life insurance premiums	1,286.8	<b>1,143.0</b>	- 143.8	-11.2%

※ Gross premiums income is for domestic life insurance subsidiaries only.

## Consolidated Earnings Forecasts for FY2019 (i) (2) (Bottom line)

(¥bn)

	FY2018 Results	FY2019 Forecast	
			YoY Change
Ordinary profit/loss	290.8	<b>298.0</b>	<b>7.1</b>
Mitsui Sumitomo Insurance	226.4	<b>182.0</b>	<b>- 44.4</b>
Aioi Nissay Dowa Insurance	61.3	<b>68.0</b>	<b>6.6</b>
Net income/loss	192.7	<b>200.0</b>	<b>7.2</b>
Mitsui Sumitomo Insurance	171.1	<b>136.0</b>	<b>- 35.1</b>
Aioi Nissay Dowa Insurance	37.3	<b>40.0</b>	<b>2.6</b>
Mitsui Direct General Insurance	0.2	<b>0.1</b>	<b>- 0.1</b>
MSI Aioi Life	7.9	<b>10.0</b>	<b>2.0</b>
MSI Primary Life	23.3	<b>17.0</b>	<b>- 6.3</b>
Overseas subsidiaries	19.3	<b>38.0</b>	<b>18.6</b>
Consolidation adjustments, other	- 66.5	<b>- 41.1</b>	<b>25.4</b>
ROE (financial accounting basis)	6.8%	<b>7.1%</b>	<b>0.3pp</b>

※ Consolidated net income represents net income attributable to owners of the parent.  
Net income of subsidiaries is on an equity stake basis, same hereafter.

MS&AD Insurance Group Holdings, Inc.

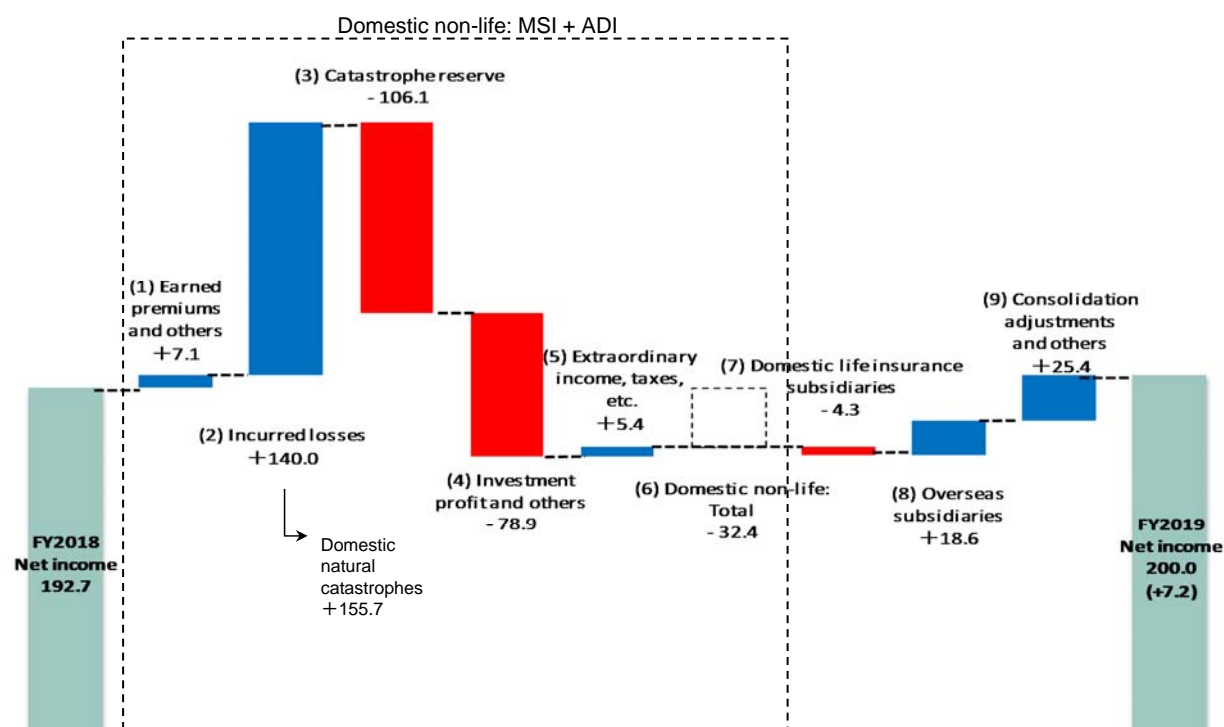
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## Consolidated Earnings Forecasts for FY2019 (ii) - YoY Results Comparison

- The 140.0 billion yen decrease in (2) incurred losses is due to the decrease in domestic natural catastrophes, contributing to the net income increase. On the other hand, negative factors leading to the 32.4 billion yen decrease in domestic non-life insurance are (3), recoil of the catastrophe reserve of 106.1 billion yen following a large reversal in the previous year, and (4) decrease in investment profit and others by 78.9 billion yen as a result of the decrease in gains on sales of securities. Net income at (8) overseas subsidiaries is expected to contribute 18.6 billion yen.

### Consolidated net income

(¥bn)



MS&AD Insurance Group Holdings, Inc.

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## Consolidated Earnings Forecasts for FY2019 (iii)

- Group Adjusted Profit for domestic non-life insurance is forecast to increase by 39.0 billion yen due to the decrease in natural catastrophes. An increase of 36.5 billion yen is forecast in the international business mainly due to the recovery at MS Amlin.

(¥bn)

	FY2018 Results	FY2019 Forecast	
			YoY Change
Group Adjusted Profit	189.8	<b>263.0</b>	<b>73.1</b>
Domestic non-life insurance	146.9	<b>186.0</b>	<b>39.0</b>
Domestic life insurance	31.6	<b>29.0</b>	<b>- 2.6</b>
International business	5.4	<b>42.0</b>	<b>36.5</b>
Financial services/Risk-related services business	5.8	<b>6.0</b>	<b>0.1</b>
Other numerical management targets			
EEV of MSI Aioi Life	819.4	<b>927.0</b>	<b>107.6</b>
Group Adjusted ROE	6.1%	<b>8.7%</b>	<b>2.6pp</b>

## Major Assumptions for Earnings Forecasts for FY2019

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the financial market environment	<b>Assumes the level at the end of March 2019</b> Nikkei average : ¥ 21,206 USD\$1 = JPY ¥ 111    EUR€1 = JPY ¥ 125 GBP £ 1 = JPY ¥ 145	
Domestic natural catastrophes occurred in FY2019	<b>33.0</b> (-75.9)	<b>22.0</b> (-79.8)
Catastrophe reserves (For fire insurance)	Provision	<b>21.3</b> (-19.9)
	Reversal	<b>10.9</b> (-70.8)
	Net provision	<b>10.4</b> (+50.8)
Catastrophe reserves (For voluntary automobile insurance)	Provision	<b>21.3</b> (+0.2)
	Reversal	<b>14.2</b> (+3.8)
	Net provision	<b>7.1</b> (-3.5)
Effective corporate tax rate	<b>27.9%</b>	

※Overseas natural catastrophes: MS Amlin 26.7 billion yen; ADI 14.5 billion yen.

※Additional provision for the price fluctuation reserve of 10.0 billion is planned at ADI.

※Figures in parentheses show change from the previous year.

## Earnings Forecasts for FY2019 – Domestic Non-Life Insurance Companies (MSI&ADI) (i)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)		
		YoY Change		YoY Change		YoY Change	
<b>Net premiums written<sup>※1</sup></b>	<b>2,802.0</b>	<b>55.9</b>	<b>1,541.0</b>	<b>28.5</b>	<b>1,261.0</b>	<b>27.4</b>	
Earned premiums <sup>※2</sup>	2,435.4	44.6	1,348.4	21.2	1,087.0	23.4	
Incurring losses (including loss adjustment expenses) <sup>※2</sup>	(-)	1,450.1	-140.0	779.3	-77.8	670.8	-62.1
Underwriting expenses <sup>※2</sup>	(-)	856.7	36.1	464.8	21.4	391.9	14.7
Commissions and collection expenses <sup>※2</sup>		502.7	14.6	266.8	8.7	235.9	5.8
Other underwriting expenses <sup>※2</sup>		354.0	21.5	198.0	12.7	156.0	8.8
<b>Underwriting profit/loss prior to reflecting catastrophe reserve</b>	<b>130.3</b>	<b>147.2</b>	<b>106.0</b>	<b>80.8</b>	<b>24.3</b>	<b>66.3</b>	
Net catastrophe reserve	-26.3	-106.1	-30.0	-52.2	3.7	-53.8	
<b>Underwriting profit/loss after reflecting catastrophe reserve</b>	<b>104.0</b>	<b>41.1</b>	<b>76.0</b>	<b>28.6</b>	<b>28.0</b>	<b>12.4</b>	
<b>EI loss ratio<sup>※2</sup></b>	<b>59.5%</b>	<b>-7.0pp</b>	<b>57.8%</b>	<b>-6.8pp</b>	<b>61.7%</b>	<b>-7.2pp</b>	
Net loss ratio <sup>※1</sup>	61.7%	-5.2pp	60.9%	-5.3pp	62.8%	-5.0pp	
Net expense ratio <sup>※1</sup>	33.2%	0.7pp	32.4%	0.9pp	34.2%	0.4pp	
<b>Combined ratio<sup>※1</sup></b>	<b>94.9%</b>	<b>-4.5pp</b>	<b>93.3%</b>	<b>-4.4pp</b>	<b>97.0%</b>	<b>-4.6pp</b>	

※1 All lines ※2 Excludes residential earthquake and CALI (compulsory auto liability insurance)

※ "Earned premiums" are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

## Earnings Forecasts for FY2019 – Domestic Non-Life Insurance Companies (MSI&ADI) (ii)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Underwriting profit/loss</b>	<b>104.0</b>	<b>41.1</b>	<b>76.0</b>	<b>28.6</b>	<b>28.0</b>	<b>12.4</b>
Net interest and dividends income	107.7	-13.5	72.1	-9.5	35.6	-4.0
Gains/losses on sales of securities	72.4	-60.7	55.2	-60.8	17.2	0.1
Impairment losses on securities (-)	9.2	3.0	6.2	2.1	3.0	0.9
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>146.0</b>	<b>-78.9</b>	<b>106.0</b>	<b>-73.1</b>	<b>40.0</b>	<b>-5.8</b>
<b>Ordinary profit/loss</b>	<b>250.0</b>	<b>-37.8</b>	<b>182.0</b>	<b>-44.4</b>	<b>68.0</b>	<b>6.6</b>
<b>Extraordinary income/loss</b>	<b>-19.7</b>	<b>-2.8</b>	<b>-3.7</b>	<b>-0.6</b>	<b>-16.0</b>	<b>-2.2</b>
<b>Net income/loss</b>	<b>176.0</b>	<b>-32.4</b>	<b>136.0</b>	<b>-35.1</b>	<b>40.0</b>	<b>2.6</b>



## Earnings Forecasts for FY2019 – Domestic Life Insurance Companies – MSI Aoi Life

### Key financial data

(¥bn)

	FY2018 Results	FY2019 (Forecast)	
		Forecast	YoY Change
Amount of new policies <sup>※</sup>	3,114.5	2,834.1	-9.0%
Annualized premiums of new policies <sup>※</sup>	51.1	32.1	-37.3%
Amount of policies in force <sup>※</sup>	24,533.1	25,055.6	2.1%
Annualized premiums of policies in force <sup>※</sup>	431.5	454.5	5.3%
Gross premiums income	504.2	522.0	17.7
Ordinary profit/loss	19.5	21.9	2.4
Net income/loss	7.9	10.0	2.0

※Amount of new policies, amount of policies in force, annualized premiums of new policies and annualized premiums of policies in force are total sum of personal insurance and personal annuity insurance.

## Earnings Forecasts for FY2019 – Domestic Life Insurance Companies – MSI Primary Life

### Key financial data

(¥bn)

	FY2018 Results	FY2019 (Forecast)	
		Forecast	YoY Change
Amount of new policies	1,118.2	1,122.7	0.4%
Amount of policies in force	6,678.5	7,278.0	9.0%
Gross premiums income	1,095.6	1,003.0	- 92.6
Ordinary profit/loss	35.5	27.8	- 7.7
Net income/loss	23.3	17.0	- 6.3

## Overseas subsidiaries

(¥bn)

	FY2018 Results	FY2019 Forecast	YoY Change	
			YoY Change	Change ratio
Net premiums written	<b>714.6</b>	<b>681.0</b>	<b>- 33.6</b>	<b>- 4.7%</b>
Asia	184.0	181.0	- 3.0	- 1.7%
Europe	486.0	452.7	- 33.2	- 6.8%
(of which, MS Amlin)	447.7	412.6	- 35.1	- 7.9%
Americas	44.5	47.3	2.7	6.1%
Net income/loss	<b>19.3</b>	<b>38.0</b>	<b>18.6</b>	<b>96.0%</b>
Asia	26.1	16.2	- 9.9	-37.9%
Europe	- 19.0	3.4	22.3	-
(of which, MS Amlin)	- 13.7	6.2	19.9	-
Americas	4.0	3.1	- 0.9	- 23.3%
International life insurance	8.2	15.3	7.0	86.3%

## <Reference> Earnings Forecasts for FY2019 – Domestic Non-Life Insurance Companies (MSI&ADI)(i)

### Net premiums written

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		Growth		Growth		Growth
Fire and allied	<b>401.0</b>	4.8%	<b>212.1</b>	6.7%	<b>188.9</b>	2.7%
Marine	<b>67.7</b>	-3.8%	<b>60.4</b>	-2.9%	<b>7.3</b>	-10.4%
Personal accident	<b>201.5</b>	-6.4%	<b>146.5</b>	-3.2%	<b>55.0</b>	-14.0%
Voluntary automobile	<b>1,373.3</b>	2.3%	<b>664.7</b>	1.2%	<b>708.6</b>	3.4%
CALI	<b>347.0</b>	2.9%	<b>183.3</b>	2.9%	<b>163.7</b>	2.8%
Other	<b>411.4</b>	3.3%	<b>273.9</b>	3.4%	<b>137.5</b>	3.2%
Total	<b>2,802.0</b>	2.0%	<b>1,541.0</b>	1.9%	<b>1,261.0</b>	2.2%
Total excluding residential EQ insurance and CALI	<b>2,454.3</b>	1.9%	<b>1,357.3</b>	1.8%	<b>1,097.0</b>	2.1%

# <Reference> Earnings Forecasts for FY2019 – Domestic Non-Life Insurance Companies (MSI&ADI)(ii)

## EI loss ratio

	EI Loss Ratio		EI Loss Ratio			
	Simple Sum		MSI (Non-consolidated)		ADI (Non-consolidated)	
		YoY Change		YoY Change		YoY Change
Fire and allied	58.0%	-53.9pp	56.3%	-52.8pp	60.0%	-55.0pp
Marine	53.2%	-7.7pp	56.3%	0.0pp	26.8%	-70.4pp
Personal accident	53.5%	2.3pp	52.5%	1.0pp	56.1%	5.6pp
Voluntary automobile	62.0%	2.3pp	60.8%	1.3pp	63.1%	3.2pp
Other	56.8%	1.6pp	54.8%	1.9pp	61.0%	1.2pp
Total (excluding residential EQ insurance and CALI)	59.5%	-7.0pp	57.8%	-6.8pp	61.7%	-7.2pp
(Excl. impact of nat. cat.)	56.7%	0.0pp	55.4%	-1.0pp	58.4%	1.4pp

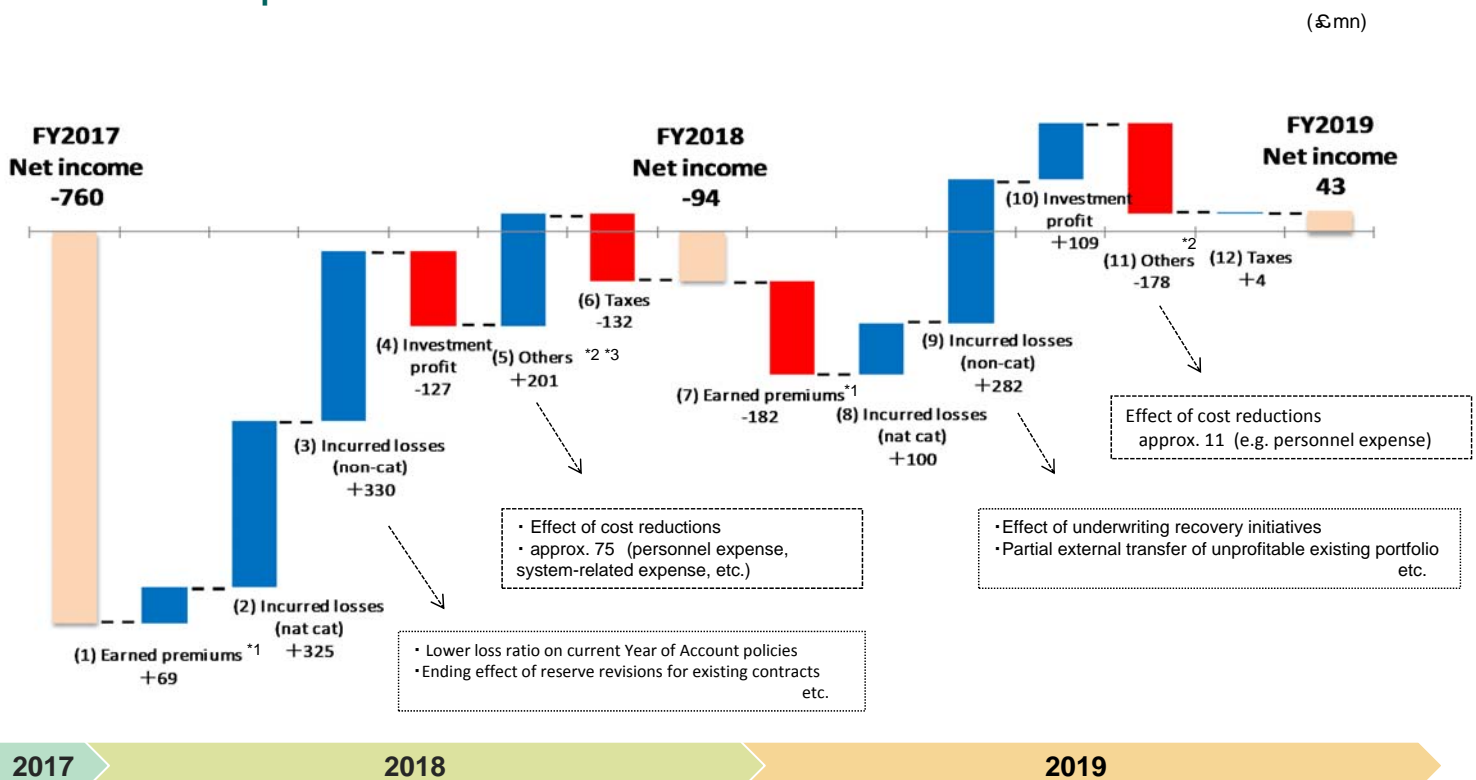
※ Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims

※ Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

※ "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

## <Reference> MS Amlin: Measures for Profit Recovery

### Factors behind profit fluctuations



\*1 (1), (7) are after commissions \*2 "Others" is a total of expenses, foreign exchange gains, other ordinary profit and extraordinary profit  
 \*3 including profit on sale of Leadenhall Capital Partners LLP

## FY2018

- Significant progress made during 2018, impacted by natural catastrophe and large loss activity. 2018 market insured losses estimated at US \$76bn\*, 2017 losses of US \$143bn\*. MS Amlin totaled £340 million including hurricanes Michael and Florence and the California wildfires.

\*Source: Swiss Re's sigma No 2 / 2019

- The incurred non-catastrophe loss decreased by £330 million and the non-catastrophe loss ratio improved by more than 10% from the previous fiscal year, as a result of underwriting remediation initiatives, improved terms and an increase in the applicable premium rate.
- Significant reduction in operating expenses from 2017 leading to 1.6pt improvement in the overall expense ratio.
- Investment profit was £54 million, which declined by £127 million from the previous year, due to the impact of fluctuations in the bond market and the decline in stock prices at the end of 2018.

## FY2019

- Natural catastrophe losses are estimated at £184 million (+ £17 million from initial plan for FY2018) based on risk model calculations.
- As for non-cat lines, profit recovery is expected as the company continues to steadily improve our underwriting portfolio to regain profitability.
- Investment profit is expected to be £163 million on the assumption that the investment environment stabilizes.
- We will continue efforts to reduce operating costs, optimise business processes and promote portfolio remediation to strengthen our long-term profitability.
- As a result, net income will be £43 million.

## Abbreviations of company names used in this presentation

- |                                     |  |
|-------------------------------------|--|
| • MS&AD Holdings :                  | MS&AD Insurance Group Holdings, Inc.             |
| • MS&AD :                           | MS&AD Insurance Group                            |
| • Mitsui Sumitomo Insurance, MSI :  | Mitsui Sumitomo Insurance Co., Ltd.              |
| • Aioi Nissay Dowa Insurance, ADI : | Aioi Nissay Dowa Insurance Co., Ltd.             |
| • Mitsui Direct General :           | Mitsui Direct General Insurance Co., Ltd.        |
| • MSI Aioi Life :                   | Mitsui Sumitomo Aioi Life Insurance Co., Ltd.    |
| • MSI Primary Life :                | Mitsui Sumitomo Primary Life Insurance Co., Ltd. |
| • MS Amlin :                        | MS Amlin plc                                     |
| • MS First Capital :                | MS First Capital Insurance Limited               |

## Definition of “Group Adjusted Profit” and “Group Adjusted ROE”

Group Adjusted Profit = Consolidated net income  
+ Provision for catastrophe loss reserve and others  
- Other incidental factors (amortization of goodwill and other intangible fixed assets and others)  
+ Equity in earnings of the non-consolidated group companies

Adjusted Net Assets = Consolidated net assets + Catastrophe reserve and others - Goodwill and other intangible fixed assets

Group Adjusted ROE = Group Adjusted Profit ÷ Adjusted net assets (average of beginning and ending amounts of B/S)

## Caution About Forward-Looking Statements

This presentation contains statements about future plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings and MS&AD Group companies that constitute forward-looking statements. These statements are based on information currently available to the MS&AD Group. Investors are advised that actual results may differ substantially from those expressed or implied by forward-looking statements for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition in the insurance sector, (3) exchange-rate fluctuations, and (4) changes in tax and other regulatory systems.

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