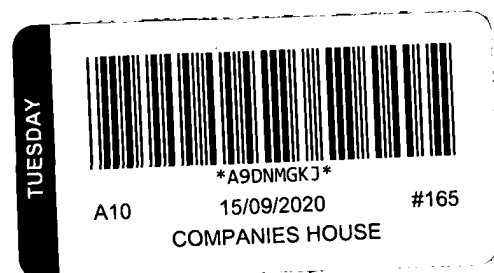


ANNUAL REPORT AND FINANCIAL STATEMENTS
2019

AIOI NISSAY DOWA INSURANCE UK LIMITED
(formerly Aioi Nissay Dowa UK Limited)

Registered in England and Wales
Number: 11105895

MS&AD INSURANCE GROUP



AIOI NISSAY DOWA INSURANCE UK LIMITED

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AIOI NISSAY DOWA INSURANCE UK LIMITED

Directors and Officers

Directors

M Swanborough
K Ohnishi
R McCorrison
M Kainzbauer
H Clarke
J Crotty

Appointed 12 March 2019

Secretary

C Stuart

Resigned 28 June 2019

Auditor

KPMG LLP
15 Canada Square,
London, E14 5GL

Registered office

7th Floor,
52-56 Leadenhall Street,
London
EC3A 2BJ

Telephone: (020) 7367 1010

Registered in England and Wales
Number: 11105895

AIOI NISSAY DOWA INSURANCE UK LIMITED

Strategic Report

Aioi Nissay Dowa Insurance UK Limited ("the Company", "ANDI UK") was incorporated on 11 December 2017. The company was previously called Aioi Nissay Dowa UK Limited and the name was changed to Aioi Nissay Dowa Insurance UK Limited on the 17 December 2019.

The Company is intended to be the Aioi Nissay Dowa Europe Group's ("the Group") underwriting entity for UK insurance business, taking over this business from its sister company, Aioi Nissay Dowa Insurance Company of Europe SE ("ANDIE"). The Company received authorisation to act as an insurance company in the UK from the Prudential Regulation Authority and the Financial Conduct Authority on the 4 July 2019. The Company will gradually take on ANDIE's new and renewal insurance business in the UK. The Company's only transactions during the year was the payment of fees and bank charges.

The requirement for a new insurance company in the UK for the Group is due to Brexit. The Group previously relied on so-called "passporting" permissions to function across the European Economic Area ("EEA"), either through freedom of establishment or freedom of services.

The UK left the European Union ("EU") on 31 January 2020 and is in a transition period until the end of 2020 while the UK and EU negotiate their future relationship. During this transition period the UK will continue to follow all of the EU's rules and its trading relationship will remain the same. It is expected that new rules will take effect on 1 January 2021. In preparation for this, the Group reorganised its corporate structure to enable the business to continue trading within the EEA.

The Group reorganisation of its corporate structure consisted of the following changes:

- Converting the Aioi Nissay Dowa Insurance Company of Europe Ltd ("ANDIE" and its fellow subsidiary, the insurance intermediary Toyota Insurance Management ("TIM"), to "Societas Europaea" ("SE") form and re-domiciling them to Luxembourg. The re-domicile of both companies was completed on 1 March 2019;
- Creating a new entity, Aioi Nissay Dowa Europe Ltd ("ANDEL"), to replace ANDIE as the holding company for the Group. ANDEL became the Group's holding company on 11 April 2018; and
- The creation of a new insurance company in the UK, Aioi Nissay Dowa Insurance UK Limited ("ANDI-UK"). This entity was authorised as an insurer by the UK regulatory authorities on 4 July 2019.

The conversion to SE form and the re-domicile to Luxembourg of ANDIE and TIM has enabled the Group's existing business model in the EU and the EEA to continue largely unaffected, with the European branch structures of ANDIE and TIM preserved during the process.

ANDEL became the Group's holding company on 11 April 2018. As part of this reorganisation, the Company was distributed as a dividend in specie by its former parent ANDIE to ANDEL. This distribution occurred on 12 April 2018.

AIOI NISSAY DOWA INSURANCE UK LIMITED

Strategic Report (continued)

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006, which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.'

The Company started trading on 1 January 2020. The key decision made by the directors during 2019 was obtaining the Company's insurance licence, to allow it to begin trading. An insurance licence for the Company formed part of the Group's overall Brexit contingency plan. The directors considered the long-term capital implications of both obtaining the insurance licence and the Company's plans to begin to write the UK business of the Group company ANDIE as part of the application process. The Company did not have any key suppliers or customers during 2019.

The Company does not have any employees. The Group companies ANDEL and Aioi Nissay Dowa Insurance Management Limited ("ANDIM") employ the Group's UK-based staff and the services of these employees are provided to the Company to support its activities, in accordance with a service agreement. The directors, who are also directors of the Company's parent company, ANDEL, have proper regard for the interests of the Group's employees. The ways in which the directors of ANDIM have engaged with that company's employees are disclosed in the financial statements of ANDIM.

The below paragraphs set out how, in general terms, the directors fulfil their duties under the Companies Act. The Company forms part of a wider European Group and the Company is aligned with the Group's framework in respect of these areas.

a) Risk management

The Company provides business-critical services to its clients, in a highly regulated environment. As the Company grows, the business and the risk environment also become more complex. It is therefore vital that the Company effectively identifies, evaluates, manages and mitigates the risks it faces. For details of the Company's principal risks and uncertainties, and how these are managed, please see pages 4 to 5.

b) People

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our services. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently and effectively as possible. We must also ensure that we share common values that inform and guide our behaviour so we achieve our goals in the right way.

c) Business relationships

Our strategy prioritises organic growth, driven by retaining our existing clientele and attracting new clients to our Company. To do this, we need to develop and maintain strong client relationships. We value all of our suppliers and work closely with our suppliers to nurture long term relationships.

AIOI NISSAY DOWA INSURANCE UK LIMITED

d) Community and environment

The Company's approach is to use our position of strength to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

e) Shareholder

As detailed in note 1 to the Accounts, the Company forms part of the MS&AD Insurance Group. The Company itself is wholly-owned by ANDEL, the holding company for the Aioi Nissay Dowa Europe Group. The Board is committed to full and open engagement with the shareholder.

Principal risks and uncertainties

The key risks and uncertainties facing the Company are:

a) Financial risk - credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. ANDI-UK has cash held with the bank which falls in the category below;

- Banks and financial institutions with whom the Company banks or invests: The Group has a shared investment policy and investment management process. This specifies the minimum credit rating for an eligible counterparty, and monitors both the rating and the balance by counterparty.

b) Operational risk

This is the risk that errors caused by people, processes or systems lead to losses to the Company. The Company manages this risk through the use of detailed procedure manuals and a structured programme of testing the processes and systems, which are carried out by its parent company's compliance department and internal audit.

c) Covid-19 outbreak

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, delay, the spread of the virus. These measures include the self-isolation or quarantine of those potentially affected, the implementation of social distancing measures and the controlling or closing of borders and "lock-down" of cities, regions and even entire countries.

The economic effects of these events are widespread and include:

- disruption to business operations in those countries which are most significantly affected;
- major disruption to businesses in those sectors most exposed to the effects of the control measures taken by governments, such as trade and transportation, travel and tourism, hospitality entertainment and sport, manufacturing, construction, and retail; and
- a significant increase in economic uncertainty, evidenced by extreme volatility in financial markets, affecting asset prices and currency exchange rates, as well as volatility in government borrowing costs.

AIOI NISSAY DOWA INSURANCE UK LIMITED

Strategic Report (continued)

In response to the outbreak and the social distancing measures put in place by the UK government, the Company and the Group's main UK employing entity Aioi Nissay Dowa Insurance Management Limited ("ANDIM") have put in place comprehensive business continuity arrangements both to allow staff to work safely and to ensure ongoing service to customers. The majority of ANDIM's employees are working from home, accessing systems remotely and continuing normal operations as far as possible. These business continuity arrangements have been tried and tested and have so far responded well to the exceptional circumstances that the Company faces. At a time of such uncertainty, there may be some areas where activities could be disrupted over the coming weeks and months. Nonetheless, overall the directors are confident that the Company can continue to offer an excellent service to customers and to settle and deal with claims promptly and efficiently.

At the meeting of the Group Board on 25 March 2020, the Group directors considered the potential economic effects of the outbreak on the Group overall. The scenario analysis reviewed by the Group directors examined the possible impact on the Group's operations, its investment holdings, reinsurance arrangements, underwriting and its individual subsidiaries. This analysis showed that, under a highly-stressed scenario, the Group could face significant losses, with the largest effects being on the Group's fixed income investment holdings, its existing reinsurance assets and cover and its future ability to obtain excess of loss reinsurance cover. The Company's directors have also reviewed the analysis provided to the Group board and have noted that the Company, having started to trade on 1 January 2020, and not holding any fixed income investments, could, in the highly-stressed scenario, be affected mainly by increased underwriting losses and the risk to the placement of excess of loss reinsurance cover. Operationally, the Company may also face delays as it seeks to begin to write the Group's UK new business and renewals, but these delays are not expected to be significant. This scenario analysis has been updated and refreshed based on the latest information available as at the date of the signing of the accounts.

The Company is in a strong position to deal with such a scenario. Although it is not yet required to prepare Solvency II reporting, the directors have reviewed capital forecasts which show that the Company expects to have a surplus over its Solvency Capital Requirement ("SCR") (calculated on an Solvency II basis) as at 31 December 2020 and 2021. The scenario analysis presented to the Group directors at the meeting on 25 March 2020, and refreshed based on the latest available information as at the date of the signing of the accounts, showed that a severe but plausible impact of the outbreak on the Company would be significantly less than the amount of the Company's surplus over SCR and that the Company will have Solvency II own funds sufficient to remain above 100% of SCR even were the Company to experience what the directors regard as a severe but plausible scenario. As a result, the directors are confident that the Company will be able to survive the immediate impact of the outbreak and its subsequent effects and that it will be able to continue to operate in the reasonably foreseeable future.

Approved by the Board and signed on its behalf by:



M Swanborough
Director

30 April 2020

AIOI NISSAY DOWA INSURANCE UK LIMITED

Directors' report

The directors present their annual report on the affairs of the Company together with the financial statements for the year ended 31 December 2019.

Results and dividends

The loss after tax for the year is £3k. The directors do not propose a dividend for the period.

Going concern

After an assessment of the Company and having made appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

The directors have also considered the actual and potential effects of the Covid-19 / novel coronavirus outbreak on the Company when making the going concern assessment. Based on an assessment of a severe but plausible impact of the outbreak on the Group presented at the Group's Board (of which all of the Company's directors are members) on 25 March 2020, and which has been refreshed based on the latest available information as at the date of the signing of the accounts, the directors do not consider that the outbreak threatens the going concern of the Company over the next 12 months from the signing date of these accounts or beyond. For this reason, the directors have continued to adopt the going concern basis in preparing the annual report and accounts.

Post-balance sheet event

Details of the risks and uncertainties for the Company resulting from the Covid-19 outbreak are provided in the Strategic Report, in the section on "Principal risks and uncertainties".

Directors

The names of the directors who held office during the year are set out on page 1.

No director has any beneficial interest in the shares of the Company.

Directors' indemnities

Liability insurance for the directors and officers of the Company is maintained by its immediate holding company Aioi Nissay Dowa Europe Limited ("ANDEL").

Change from FRS 101 to FRS 102

The financial statements for the previous period were prepared under FRS 101, *Reduced Disclosure Framework*. Following the Company's receipt of an insurance licence in July 2019, the directors have opted to change the basis of preparation to FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The directors have made this change as they consider that FRS 102 will be a more appropriate standard for the Company's financial reporting as an insurance company. There has been no effect on the financial statements as a result of this change and there is no requirement to restate the Company's brought forward result or opening balance sheet due to the impact of changes in accounting policies.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

AIOI NISSAY DOWA INSURANCE UK LIMITED

Directors' report (continued)

- the director has taken all steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to appoint KPMG LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



M Swanborough
Director

30 April 2020

AIOI NISSAY DOWA INSURANCE UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIOI NISSAY DOWA INSURANCE UK LIMITED (FORMERLY AIOI NISSAY DOWA UK LIMITED)

1 Our opinion is unmodified

We have audited the financial statements of Aioi Nissay Dowa Insurance UK Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of profit and loss and other comprehensive income, Statement of financial position, Statement of changes in equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 26 March 2019. The period of total uninterrupted engagement is for the two financial years ended 31 December 2019. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resource in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter, in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

Completeness, Existence and Accuracy of Money Market Funds and Cash in Bank (2019: £60,072,000; 2018: £75,000).

Risk vs 2018: New key audit matter

Refer to page 17 (accounting policy)

The risk

Our response

Physical quantities

Although there were no significant transactions in 2019, due to the materiality in the context of the financial statements as a whole, money market funds and cash in bank are considered to be the area which has the highest risk of material misstatement and the greatest effect on our overall strategy and allocation of resources in the planning and completion of our audit.

Our procedures included:

- We independently obtained bank confirmations for the bank accounts as at 31 December 2019 and vouched these to the underlying accounting records.
- We independently obtained the money market fund statement from the fund manager as at 31 December 2019 and vouched to the underlying accounting record.

Our findings

We found the money market fund and cash in bank balances to be acceptable (2018: *acceptable*)

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £0.5m (2018: £0.1m), determined with reference to a benchmark of total assets, of which it represents 0.85% (2018: 1%).

We agreed to report to the Audit, Risk and Compliance Committee any corrected or uncorrected identified misstatements exceeding £0.03m (2018: £0.05m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at the Company's offices in London.

4 We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of COVID-19, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant

doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on the strategic report and the directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in those reports;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 8, the Directors are responsible for the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and

regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with this law and regulation as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the area of regulatory capital as the most likely to have such effect recognising the financial and regulated nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Orr (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
30 April 2020

AIOI NISSAY DOWA INSURANCE UK LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2019

		2019	11 December 2017 to 31 December 2018
	Notes	£'000	£'000
Turnover		-	-
Administrative expenses		<u>(3)</u>	<u>(25)</u>
Loss on ordinary activities before tax		(3)	(25)
Tax on loss on ordinary activities		-	-
Loss for the financial period		<u>(3)</u>	<u>(25)</u>
Other comprehensive income for the period net of tax		-	-
Total comprehensive loss for the period		<u>(3)</u>	<u>(25)</u>

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes on pages 17 to 19.

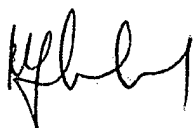
AIOI NISSAY DOWA INSURANCE UK LIMITED

STATEMENT OF FINANCIAL POSITION As at 31 December 2019

	Notes	2019 £'000	11 December 2017 to 31 December 2018 £'000
Current assets			
Money market funds		60,000	-
Cash at bank		72	75
Total assets		60,072	75
Net assets		60,072	75
Capital and reserves			
Called up share capital	4	60,100	100
Profit and loss account		(28)	(25)
Shareholders' funds		60,072	75

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 17 to 19.

The financial statements were approved by the Board of Directors and they were signed on its behalf by:



M Swanborough
Director

30 April 2020

Registered in England and Wales
Number: 11105895

AIOI NISSAY DOWA INSURANCE UK LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance as at 11 December 2017	100	-	100
Total comprehensive loss for the period	-	(25)	(25)
Balance at 31 December 2018	100	(25)	75
Capital injection	60,000	-	60,000
Total comprehensive loss for the period	-	(3)	(3)
Balance at 31 December 2019	60,100	(28)	60,072

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes on pages 17 to 19.

AIOI NISSAY DOWA INSURANCE UK LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	2019 £'000	11 December 2017 to 31 December 2018 £'000
Cash flows from operating activities			
Loss for the period		(3)	(25)
Net cash from operating activities		(3)	(25)
Cash flows from investing activities			
Acquisition of other investments		(60,000)	-
Net cash used in investing activities		(60,000)	-
Cash flows from financing activities			
Proceeds from issue of share capital		60,000	100
Net cash from financing activities		60,000	100
Net decrease/increase in cash and cash equivalents		(3)	75
Cash and cash equivalents at 1 January		75	-
Cash and cash equivalents at 31 December		72	75

The above Statement of Cash Flows should be read in conjunction with the accompanying notes on pages 17 to 19.

AIOI NISSAY DOWA INSURANCE UK LIMITED

NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

1.1 Accounting policies

a) Going concern

After an assessment of the Company and having made appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

The directors have also considered the actual and potential effects of the Covid-19 / novel coronavirus outbreak on the Company when making the going concern assessment. Based on an assessment of a severe but plausible impact of the outbreak on the Group presented at the Group's Board (of which all of the Company's directors are members) on 25 March 2020, and which has been refreshed based on the latest available information as at the date of the signing of the accounts, the directors do not consider that the outbreak threatens the going concern of the Company over the next 12 months from the signing date of these accounts or beyond. For this reason, the directors have continued to adopt the going concern basis in preparing the annual report and accounts.

b) Basis of accounting

Aioi Nissay Dowa Insurance UK Limited is a private company incorporated, domiciled and registered in England in the United Kingdom. The address and registered number of the Company are set out on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 - 3.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its financial statements:

- Financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments,
 - exposure to and management of financial risks.

c) Functional and presentation currency

These financial statements are presented in Sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

e) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash.

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f) Comparatives

The comparative period covers the period from incorporation on the 11 December 2017 to the end of the following calendar year, 31 December 2018, and as such covers a period greater than 12 months.

1.2 Critical accounting judgements and estimates

There are no critical accounting judgements and estimates employed in the production of these financial statements.

2. SHARE CAPITAL

Ordinary shares of £1.00 each Allotted and fully paid	2019 No.	2019 £'000
At 1 January 2019	100,000	100
Issued during the year	60,000,000	60,000
At 31 December 2019	60,100,000	60,100

On 18 December 2019 60,000,000 ordinary shares were issued for £60,000,000.

3. AUDITOR'S REMUNERATION

The auditor's fees for the audit of the Company are settled by the Company's sister company Aioi Nissay Dowa Insurance Company of Europe SE, with costs attributable to the Company of £15,000 (2018 - £4,000).

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4. DIRECTORS' REMUNERATION

As the Company has not traded up to 31 December 2019, the directors of the Company have not received any specific remuneration for their roles as directors of this Company. The directors are remunerated by other entities within the ANDEL Group and recharged where appropriate. The directors' remuneration is disclosed in the accounts of the holding company ANDEL and the Company's sister company Aioi Nissay Dowa Insurance Company of Europe SE.

5. CALLED UP SHARE CAPITAL

	2019 £'000	2018 £'000
Authorised 60,100,000 Ordinary shares £1 each	<u>60,100</u>	<u>100</u>
Allotted, issued and fully paid 60,100,000 shares of £1 each	<u>60,100</u>	<u>100</u>

The share capital was increased by the issue of 60,000,000 shares on the 18 December 2019.

6. ULTIMATE HOLDING COMPANY

The Company's parent company is Aioi Nissay Dowa Europe Limited, a company incorporated in the United Kingdom, and forms the largest body of undertakings of which the Company forms a part as a direct subsidiary undertaking. The Company's parent company is exempt from the requirement under UK Law to prepare consolidated accounts due to its results and those of its subsidiaries being consolidated within the publicly-available accounts of its ultimate parent company.

MS&AD Insurance Group Holdings, Inc., a company incorporated in Japan, is the ultimate parent company and ultimate controlling party. Copies of the consolidated financial statements of MS&AD Insurance Group Holdings, Inc. can be obtained from The Secretary, MS&AD Insurance Group Holdings, Inc., 27-2 Shinkawa 2-chome Chuo-ku, Tokyo, Japan.

7. POST BALANCE SHEET EVENTS

The outbreak of COVID-19 within the UK is considered to be a non-adjusting post balance sheet event. For further details of the principal risks assessed, refer to the principal risks and uncertainties section within the strategic report.