OVERVIEW

We are a fast-growing Pan-Asian life insurer with a customer-led and digitally-enabled model.

We were founded in 2013 by Mr. Richard Li, with the ambition of forging our own path as a next-generation insurer in Asia. Our vision is *changing the way people feel about insurance*. We have built our leadership team and culture to align with our vision.

We have built a Pan-Asian presence by adapting to evolving market trends and customer needs. We have adopted a multi-channel distribution model, invested in robust digital infrastructure and data analytics capabilities, and expanded partnership and referral opportunities. According to NMG, the aggregate life insurance GWP in our current markets is forecast to grow from an estimated US$407 billion in 2023 to US$579 billion in 2033, offering significant market opportunities. We believe that structural demographic and macroeconomic factors, including middle-class expansion, ongoing wealth accumulation, a significant protection gap, which is the estimated additional life insurance premiums needed annually to fully meet mortality and health protection needs, as well as digital acceleration, are key drivers for the growth of the Pan-Asian insurance sector.

We have grown from three markets at inception to ten markets, including Hong Kong (and Macau), Thailand (and Cambodia), Japan, and Emerging Markets, comprising the Philippines, Indonesia, Singapore, Vietnam and Malaysia. We have entered certain of these new markets by obtaining new licences (such as in the Philippines and Indonesia) or via the acquisition of licensed life insurers with limited operations locally (such as in Singapore, Vietnam, Malaysia and Cambodia). Our Hong Kong (and Macau), Thailand (and Cambodia), Japan and Emerging Markets operations contributed 34.2%, 32.6%, 15.7% and 17.5%, respectively, of new business CSM in 2024. Our geographic coverage provides us with growth opportunities in developed insurance markets such as Hong Kong (and Macau) and Japan, as well as exposure to Southeast Asia, which comprises some of the fastest growing insurance markets in the world with an expanding but underinsured population. Our Southeast Asia markets (comprising Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia) contributed approximately 50% of our new business CSM in 2024. We were ranked as a top five insurer and the top bancassurer within our Southeast Asia markets by APE in 2023, according to NMG.

We are customer-led and we put customers at the heart of everything we do. We have adopted a digitally-enabled, multi-channel distribution model to enhance, extend and empower our distribution, effectively serving diverse customer needs and meeting customers wherever, whenever and however they choose. Our distribution channels include bancassurance, agency, brokerage/IFA and others, which include digital commerce and other distribution channels. These channels contributed 46.6%, 15.2%, 31.8% and 6.5% respectively, of our VNB in 2024. To serve sophisticated, affluent and mass-affluent customers who value personalised interactions, we have built a leading Southeast Asian bancassurance platform with eight exclusive partnerships as of the Latest Practicable Date.

We were ranked sixth in 2024 among multi-national insurers globally in terms of the number of MDRT-registered members. As of 31 December 2024, we had over 2,900 brokerage and IFA partners. We have also built a digital commerce platform to effectively reach digitally native, tech-savvy and young-at-heart customers through our D2C eCommerce platform, our bank partners' digital channels and ecosystem partners' platforms supported by API integration and O2O referral programmes. Together, our distribution channels grant us access to a number of exclusive and non-exclusive bank partners, with a combined customer base of over 280 million, according to NMG.

We offer easy-to-understand and relevant propositions through our diverse portfolio of life insurance, health insurance, employee benefits (group insurance) and financial planning products. We classify our key products into (i) participating life, (ii) non-participating life, (iii) critical illness, term life, medical and riders, (iv) unit-linked insurance, and (v) group insurance and others, which contributed 36.5%, 28.0%, 22.2%, 7.5% and 5.7% respectively, of our VNB in 2024. Through our digital and data analytics tools, which are built increasingly upon artificial intelligence ("**AI**") and are standardised across our Group, we have made our customers' insurance journeys simpler, faster and smoother, providing them with an experience that we believe is best-in-class. As a result of our commitment to understanding and addressing our customers' various insurance needs and pain points, we ranked in the top three among insurance brands for customer experience in Thailand, Malaysia and Singapore according to KPMG's Global Customer Experience Excellence Report in 2024.

We have experienced substantial growth and demonstrated a strong track record of execution across our Pan-Asian business. We also evaluate our performance with a range of key measures. Please see "*Financial Information – Key Performance Indicators*" for details:

- *Profitability*: Our net profit attributable to Equity Holders of the Company (non-IFRS measure) was US$24 million in 2024, which represents a shift from a net loss position in 2022 and 2023. Our operating profit after tax attributable to Equity Holders of the Company (non-IFRS measure), which facilitates a more meaningful understanding and comparability of our performance on an ongoing basis, was US$463 million in 2024, representing a 28.6% increase over 2023 on a CER basis.

- *Growth*: Our new business CSM increased by 30.5% from US$960 million in 2023 to US$1,222 million in 2024 on a like-for-like and CER basis.

- *Risk and Capital*: Our adjusted net UFSG increased by 9.7% on a CER basis from US$786 million in 2023 to US$839 million in 2024. Under GWS, which came into effect in relation to the Group in May 2021, our Group LCSM cover ratio (PCR basis) as of 31 December 2024 was 260%. See "*Financial Information – Solvency and Capital – Group Capital Adequacy*" for details.

- *Value*: Our return on tangible equity (non-IFRS measure) increased from 10.8% in 2023 to 15.4% in 2024.

OUR COMPETITIVE STRENGTHS

Since our inception in 2013, we have positioned ourselves as a trusted provider of customer-led propositions to our customers and as a value-generative partner to our bank and other distribution partners across Asia. We believe that the following competitive strengths have provided us with an edge to maintain our strong growth:

Fast-growing Pan-Asian Life Insurer Capturing Growth Opportunities in the Most Attractive Markets in the Region

Our geographic reach and growth are substantial. Since the launch of our brand in Hong Kong, Macau and Thailand in 2013, we have expanded into seven new markets by means of obtaining new licences and acquisitions, and selected value-accretive acquisitions to establish scale. In particular, we have targeted markets where we have identified what we see as substantial insurance "white space" and underserved populations. Approximately a quarter of financially active consumers across the markets we operate in acknowledge that they do not have sufficient life insurance, according to NMG. While affordability of life insurance is the primary purchasing barrier cited by consumers, we expect this will change as the middle-class population across the markets we operate in is expected to increase from 420 million in 2023 to 537 million by 2033, according to NMG. We believe that our expansion is a testament to our success in activating the large, emerging-affluent and tech-savvy consumer base across Asia with our nimble business model, data insights and proprietary digital tools, and our ability to transfer our know-how, distribution capabilities and technology across markets has been a significant driver of our rapid growth in each market.

As a result, we have achieved 5.2 times growth of our APE in 2024 since our first full year of operations in 2014, growing from US$309 million in 2014 to US$1,916 million in 2024. Our diversified pan-Asian presence provides us with growth opportunities in developed insurance markets such as Hong Kong (and Macau) and Japan, as well as exposure to Southeast Asia. Our strong foothold in Southeast Asia is a core source of our significant growth, and we expect this trend to continue into the future. Our Southeast Asia markets contributed 52% of Group APE in 2024, as we captured the growing demand for insurance products in these markets.

Compelling Customer Propositions with Distinctive Brand

We aim to make insurance easy by tackling the pain points in the customer journey. We believe that we offer new, simple and relevant product propositions in response to evolving and distinctive customer needs.

- *Easy to know*: We believe that it is important for our customers to easily understand the insurance they buy and the scope of coverage. To achieve this, we have sought to make our product offerings transparent, personalised and simple. We have re-written and simplified our policies across eight markets. We have also reduced unnecessary policy exclusions substantially, allowing customers to celebrate living without worrying about uncovered exclusions.

- *Easy to buy*: We have simplified the purchase journey by introducing paperless sales, enabling purchases via user-friendly mobile applications and streamlined underwriting questions for certain products. We have also extended our reach to potential customers with the goal to meet them wherever and whenever they choose, online or offline. To this end, we equip our partners with a range of analytical tools for customer insights.

- *Easy to claim*: We aim to provide our customers peace of mind in their claims experience. Our FWD Omne customer app can generate instant decisions for low risk claims and reduce the average assessment time to as little as two minutes from two days historically. We aim to provide a smooth and swift digital claims process for our customers to be covered and paid in their time of need.

- *Easy to engage*: We provide seamless, intuitive customer experiences with increasing automation. For example, customers seeking to engage with us can utilise our AI chatbots, which are capable of handling inquiries on a 24/7 basis. Our engagement with customers goes beyond insurance, with offerings extending to rewards, lifestyle experiences, post-claim recovery and other services.

- *Easy to love*: Our modern brand is recognised for being "different", according to YouGov BrandIndex, an index evaluating brand associations and brand health using daily consumer opinions of brands across different sectors and across different metrics. We strive to introduce new products which provide relevant and affordable protection for individuals and families as well as providing support post claims through our FWD Care recovery plan.

We have built our business with the aim of making protection easy, accessible and affordable to our customers. We believe that our strong brand, leading customer advocacy and product propositions create significant differentiation and allow us to outperform our peers in attracting and retaining customers. We have experienced significant growth in our customer base historically, from approximately one million as of 31 December 2015, to approximately nine million as of 31 December 2020, and further to over 12 million as of 31 December 2024.

Tech-enabled Multi-channel Distribution Tailored to Market Needs

Our distribution capabilities are anchored in our customer-led and multi-channel approach tailored to each market, including digital-savvy agents in Hong Kong, the top bancassurance platform in Thailand, IFA teams in Japan and diversified channels in Emerging Markets. We have built a differentiated distribution model by enhancing traditional face-to-face distribution channels with technologies, extending reach to prospective, underserved customers through our digital commerce platform, and empowering all channels with relevant propositions, products and skill sets.

We have developed ongoing distribution partnerships with 33 banks as of the Latest Practicable Date. This includes exclusive partnerships with eight banks in Southeast Asia, including SCB in Thailand, VCB in Vietnam and Bank BRI in Indonesia. Through both exclusive and non-exclusive partnerships, we have access to over 280 million potential customers via a network of over 6,800 bank branches, according to NMG. Our leadership position as the top bancassurer in Southeast Asia is evidenced by our market share of approximately 14% based on APE in 2023, according to NMG, which is approximately double that of the average market share for top ten bancassurers in Southeast Asia.

We have a productive agency force of approximately 55,100 agents as of 31 December 2024. Our MDRT-registered agency force ranked sixth in 2024 among multi-national insurers globally in terms of the number of MDRT-registered members, according to the MDRT Association. As of 31 December 2024, we had over 2,900 brokerage and IFA partners. Brokerage/IFA constituted our fastest growing distribution channel in 2024, offering comprehensive insurance solutions to our customers, including high net worth individuals. To consolidate our access to customers with an end-to-end digital journey and natural touchpoints, we have built a digital commerce platform which provided us access to over 260 million potential customers of our ecosystem partners as of January 2025, according to NMG. Our D2C eCommerce platform provides one of the most comprehensive sets of online life insurance products across our markets in 2023, according to NMG. With our strong API-enablement capability, we are also able to integrate our services with digital platforms of our leading bank partners as well as ecosystem partners. We partner with over 50 leading ecosystem players spanning the digital lifestyle, retail and consumer finance sectors.

Our digital core has empowered our agents, banks, brokers, IFAs and ecosystem partners with wider customer access, personalised and effective servicing, and productivity enhancements. We blend the human touch with digitally enhanced direct engagement to drive customer acquisition. Among our agency force, we achieved digital tool adoption and eSubmission ratios of 95% in 2024. For additional information on our overall distribution channels and our digital tools, see "*– Distribution*" and "*– Technology and Digital*."

Purpose-built Digital Infrastructure with Data Analytics at its Core

We have built our entire digital architecture with the purpose of maximising the use of data analytics and technology to inform business decisions, optimise customer experience, empower distribution and enhance operational efficiency. Our digital apps and platforms leverage data from our Data Mesh platform, customer relationship management and proprietary AI models.

Our proprietary Data Mesh platform is a central part of our infrastructure. Its cloud-based data ecosystem provides end-to-end visibility and control of the collection, collation and usage of data across applications, combined with real-time streaming processing and data analysis to improve our understanding of our customer base. Our Data Mesh platform also enables us to increase our business decision-making and operational efficiencies, including by rolling out technological enhancements at a fast pace and in a cost-efficient manner.

Built on our Data Mesh platform is a series of systems and automated digital tools to facilitate prospecting, purchasing, underwriting, claims and servicing. By implementing these digital tools, we aim to deliver a seamless experience along the customer journey. In addition, we are increasingly combining these tools with generative AI technology with a view to improving our customer and distributor experiences as we advance towards our vision of *changing the way people feel about insurance*.

We believe that these digital capabilities have enabled us to deliver value for ourselves, our customers and distribution partners. For instance, we successfully activated our partnership with SCB, a leading bank in Thailand, and created the leading bancassurance platform by GWP in Thailand within just six months of launch, through the introduction of new products and integration of existing products and services into SCB's digital tools. In 2023, we began collaborating with SCB in relation to customer data, enabling us to gain greater customer insights, and focus on AI and data-driven targeted customer campaigns. This has also enabled us to create value in our other exclusive bancassurance partnerships, with an average outperformance over the first three full years of the respective partnerships of 33%, determined on a cumulative basis by comparing (i) the sum of our key performance indicators (such as APE) achieved for the relevant period, and (ii) the sum of pre-agreed annual targets for the relevant period within business plans set forth in our exclusive bancassurance distribution agreements, where available.

Agile Execution by Highly Experienced Management Team

Our Controlling Shareholders and experienced management team promote agile decision-making and execution. Mr. Li, through PCG, has provided critical support in our journey across market expansions and partnership formation in recent years. In particular, Mr. Li serves as an executive director on our board and has been instrumental in the delivery of our vision and setting growth strategies for our business. Our management team, led by our CEO, Mr. Huynh, has on average over 22 years of experience in the financial and technology industries. Driven by their leadership, we have built an employee base that is aligned to our corporate culture and works cohesively to deliver on our vision. We have designed our remuneration policy for senior employees to align incentives and foster long-term sustainable growth of the business within our overall risk management framework, as discussed in further detail in "*– Employees – Executive Remuneration Policy*."

Our management team's strong execution track record is evidenced by our ability to quickly identify market opportunities, balance organic growth and value-accretive acquisitions, and activate and integrate new partnerships in a speedy manner. We have successfully integrated our acquisitions across our markets, which has resulted in 97% of our APE growth between 2022 and 2024 being attributable to organic expansion.

OUR GROWTH STRATEGIES

As we continue to deliver on our vision of *changing the way people feel about insurance*, we believe that our business model and technology will remain crucial to maintaining our competitive advantage. To maintain our strong growth momentum, we plan to implement the following strategies:

Generate Value by Reinforcing Leadership in Customer Acquisition and Engagement

We are focused on sustaining strong growth in new customer acquisition and deepening existing customer relationships. Our strong brand and leading customer advocacy are instrumental to attracting and retaining customers. We have achieved a claims Net Promoter Score of +65 in 2024, and continuously strive to make it easier and faster for our customers to be covered and paid in their time of need. We also intend to continue to form new distribution partnerships to broaden our customer reach and use technology to more efficiently target customers with insurance needs. We strive to increase our wallet share among these customers by building lifetime partnerships and ongoing engagement, including providing insightful user data points which, in turn, will improve our cross-selling and up-selling capabilities.

We believe that by maintaining our seamless customer journeys and building sustained relationships, we will be able to attract and retain more customers, increase policy premiums and incentivise repeat purchases in the future. We plan to leverage our know-how and at-scale operations in Hong Kong, Thailand and Japan to support group-wide innovation, and endeavour to achieve more top three market positions by new business sales, as we have done in markets such as the Philippines.

Increase Scale and Productivity of Distribution Partnerships

We will remain focused on driving our growth and productivity across all distribution channels. We believe that our digital tools will enable us to enhance our current distribution capabilities. Increasing digital adoption and process automation enable us to enhance both our productivity and the productivity of our distribution partners.

We expect to continue to deepen our bancassurance partnerships, including through our digital capabilities, empowering many of our bancassurance partners by providing integrated eCommerce enabled offerings. See "*– Distribution – Other Channels – Digital Commerce Channel.*" We have an established track record of enhancing our bancassurance partnerships. For example, we quickly integrate our products, tools and services into our bancassurance partners' networks and roll out new products, presenting significant upside for further growth.

We are also continuing to roll out mobile tools and technologies, such as FWD Cube, to enable our agents to offer a simple and seamless journey to customers. In turn, we believe this can boost our agents' productivity, expand our MDRT agency force, and broaden our agency footprint.

In addition, we will continue to explore new bancassurance partnerships and referral opportunities to expand customer outreach to underserved segments, including partnering with more leading ecosystem players in adjacent sectors across markets and continuing our roll-out of O2O and cross-channel referral programmes.

Deliver Relevant and Innovative Customer Propositions

We are committed to delivering relevant, affordable and easy-to-understand products. We will continue to introduce new products and value propositions for our customers by adapting to the changing market needs and evolving customer demands.

For example, in 2023 we launched FWD Private, a new brand proposition exclusively dedicated to serving HNW individuals. It offers comprehensive insurance solutions that cater to our customers' needs for global asset allocation, diversification, and wealth appreciation, as well as their desire for legacy planning. Our HNW businesses in Hong Kong, supported by the establishment of operations in Bermuda and a branch in Singapore, enable us to provide a comprehensive FWD Private offering in the region.

In 2024, we launched FWD HealthyMe to advance our accident and health strategy by focusing on strengthening health insurance capabilities, expanding into new segments, and enhancing claims management and customer retention. Our approach emphasises proactive care through partnerships with healthcare and technology firms, along with improving the customer experience by integrating seamless claims processing and timely access to treatment.

We believe that by maintaining our broad suite of products, coupled with our prudent pricing strategy, we will enhance our new business margin and overall profitability.

Optimise Customer Experience and Boost Operating Leverage through Continued Investment in Digitalisation

We believe that our data analytics and digital-enablement strategy are imperative to optimising customer experience and enhancing operating leverage. Powered by our integrated, cloud-based Data Mesh platform in real time, we expect to expand our digital tools across all ten markets in which we operate.

For example, we are progressing on our NextGen Banca strategy, under which we utilise data and customer analytics to better serve our customers and introduce a fully digital, end-to-end sales process in our bancassurance channel. In particular, we aim to deliver a more seamless, efficient, and personalised customer experience in the distribution of our insurance products and services through the banking channels of our bancassurance partners. We will continue to incubate emerging technologies to strengthen our technology capabilities and will roll them out at scale across our Group, as appropriate. We intend to continue to embed data analytics and AI in all we do. We believe that these initiatives will allow us to optimise both our customer and distributor experience, while continuing to improve our operational efficiency, profitability and cash flows.

Create Additional Value by Pursuing Selective Value-enhancing Expansion Opportunities

We continue to evaluate potential acquisition opportunities to scale up and expand customer reach in existing markets where we already have presence, while we focus on maintaining a leading presence across Asia and pursuing organic growth of our regional platform. We have a structured framework to evaluate selective opportunities to ensure such transactions are consistent with our strategy and are value-enhancing. Our experienced team has a strong track record in executing and creating value from these opportunities.

We will also continue to explore expansion opportunities, including in mainland China, which, according to NMG, is the largest life insurance market by total premium in the region. We believe that there is significant potential in the Greater Bay Area and that we are well-positioned to tap into the accessible customer base, which is a valuable opportunity for our Hong Kong business. We have a representative office in Shanghai and will consider means to expand our presence in mainland China, including but not limited to obtaining a full life insurance licence, accessing distribution channels in mainland China, and making selective investments or acquisitions as opportunities arise. We may also consider opportunities in other markets, such as India, which is the third largest life insurance market by total premium in the region, according to NMG.

CUSTOMERS

Transforming the Customer Journey

We are a customer-led insurer. Driven by customer needs, we believe that we have created trusted and long-lasting relationships with our customers, creating future advocates of the brand, providing them with peace of mind and protection for the future, and enabling them to celebrate living today. Since our inception in 2013, we have focused on changing the way people feel about insurance and addressing the key pain points for customers who seek insurance protection, including:

- *complex, one-size-fits-all and jargon-laced products*: traditional insurance policies are often drafted with complex words and phrases that are not easy to understand, together with long and convoluted exclusions to limit pay-outs;

- *aggressive product marketing through offline channels*: many insurance providers are overly dependent on offline distribution channels, with sellers focusing on "pushing" products that reward them with higher commissions rather than products that customers need;

- *difficult and time-consuming purchase process*: the traditional underwriting process is time-consuming as it often involves multiple human interactions, paperwork and other cumbersome requirements such as physical examinations; and

- *slow and painful claims settlement*: many insurance providers offer claims processes that are largely paper-based, complicated and tedious, which negatively affects the customer experience.

To address these customer pain points and make the insurance journey simpler, faster and smoother, we have designed our products, purchasing experience, claims process, customer engagement and branding with five key guiding principles in mind:

Easy to Know

Our belief is that customers should be able to easily understand the insurance they buy. As such, we strive to simplify our policies and contracts to provide easy-to-understand products. This includes drafting our insurance contracts without complex jargon (so that our customers can easily know the terms of their insurance contracts), and by reducing the number of unnecessary exclusions in our insurance policies (so that our customers can clearly know what protection they are receiving).

This led us to launch Project Clarity, which was an initiative to study contracts from traditional insurance companies and global market leaders to understand the key areas of complexity which may hinder our customers from understanding their policy contracts. Based on our findings, we subsequently rewrote our insurance contracts in simple language and avoided complex jargon to make them easier for our customers to understand. The revamped insurance contracts took into account user experience and design principles such as highlighting important information for the customers' awareness, clearly defining important phrases, and utilising diagrams and flow charts to illustrate key concepts such as policy benefits. By doing so, we have not only improved the customer experience and our products' attractiveness but also allowed our call centre and online help teams to respond to customer inquiries with increased speed and accuracy.

We also have initiatives to remove exclusions that were based on outdated medical data and unsupported judgments to better gauge our risk exposure to certain activities, which has helped us improve our underwriting process. We believe that, as a result of simplifying the drafting of our policies and reducing the number of unnecessary exclusions for certain products, our customers can more easily know the coverage which they have purchased and feel more confident about their ability to make insurance claims.

Easy to Buy

We aim to make it easy for potential customers to buy insurance from us and our distributors. We have simplified the purchase journey by introducing paperless sales, enabling purchases via user-friendly mobile applications and streamlined underwriting questions for certain products. We have also extended our reach to potential customers with the goal to meet them wherever and whenever they choose.

To this end, we equip our partners with a range of analytical tools for customer insights. We have introduced FWD Cube which equips agents with digital tools to support cashless and paperless sales. By continuously investing in new technologies, we have reduced the paperwork involved in our sales process. Our insurance products are available through streamlined and digitalised purchase processes supported by user-friendly mobile applications that we developed in-house. We have also implemented tools to automate the Know-Your-Customers ("**KYC**") process and reduce the time required for KYC in order to enhance the ease of onboarding and purchase for our customers.

Since 2019, we have been partnering with UnderwriteMe, our automated underwriting solution, to digitise and automate the underwriting approval process with instant decisions at the point of sale in FWD Cube. This delivers a dynamic stream of health questions based on an individual customer's risk profile, which makes it faster and simpler for potential customers to buy insurance. We have implemented our solution in Singapore, Malaysia and the Philippines in 2019, the agency channel in Hong Kong in 2020, Indonesia in 2021, and Vietnam and Malaysia in 2023. In 2024, we had extended the tool more broadly to other channels in Thailand and Malaysia. Traditionally, as part of the underwriting approval process, life and health insurance applications include ten or more health questions, regardless of coverage or the customer's particular circumstances. Through our dynamic underwriting framework, we are able to categorise potential customers into three risk levels based on the information provided in their applications and as a result we have reduced the number of health-related questions to as few as three. With our underwriting framework, we were able to immediately accept between 70% and 94% of applications digitally submitted via our points of sale which are integrated with UnderwriteMe in 2024.

We will continue to invest in our technology capabilities, including expansion of our digital commerce distribution through deployment of technology to both online (such as our D2C platform) and offline channels, identification of customer needs and creation of a smoother and more efficient purchase experience for our current and future customers. In 2024, 86% of our submissions across the Group were submitted digitally, up from 78% in 2022. 92% of our customers rated us "great" or "good" after successfully completing the onboarding process in both 2023 and 2024, which highlights our sustained customer satisfaction.

Easy to Claim

Claims are our "moment of truth". We have undertaken a series of initiatives to make it easier and faster for our customers to be covered and paid in their time of need. Our AI Claims application powered by AI technologies generates decisions instantly for low risk claims and reduces the average assessment time to as little as two minutes from two days historically.

Additionally, we have implemented our proprietary AI Fraud Detection solution in Hong Kong to identify fraudulent claims and speed up the claims process, where 98% of the claims in 2024 were processed by AI. The AI tool analyses existing operational data to identify common patterns for fraudulent cases and incorporates our expertise in identifying applicable risk factors. We have also expedited processing time for claims upon approval. For example, we have partnered with 7-Eleven in Hong Kong to allow our customers to use a QR code to collect payments for their insurance claims at 7-Eleven stores through a quick and efficient process. Approximately 66% of our claims were processed and paid within three days of submission in 2024, and our claims Net Promoter Score was +65 in 2024, up from +48 in 2022.

Easy to Engage

We are committed to changing the way people feel about insurance by looking to create innovative and intuitive ways for our customers throughout the insurance journey. To maximise customer touchpoints and extend our reach, we have also developed a series of systems and tools to optimise customer engagement and help our customers learn and purchase our products, submit claims and stay engaged in an easy and seamless manner. For example, our AI chatbot addresses questions and provides product information on a 24/7 basis, with approximately 97% accuracy in identifying user intent. This has helped manage our call centre volume and provide better service to our customers around the clock. We have rolled out our chatbots in Hong Kong, Thailand, Japan, the Philippines, Indonesia, Singapore and Malaysia.

In addition, our customers can engage with us via our eCommerce Platform, which provides quick quote, O2O lead generation, plug and play functions and fully automated underwriting capability. We have also launched other customer engagement applications and platforms, such as FWD MAX and FWD Omne, to offer customers various value-added services, promotions and content driven by their preferences. FWD MAX is an online-to-offline engagement platform for members to participate in exclusive events and redeem popular experiences with MAX points, and had over 405,400 registered accounts in Hong Kong as of 31 December 2024 (including over 112,300 registered accounts who were policyholders) and in 2024 attracted over 1.8 million visitors, over 25.6 million page views and over 411,600 agent activities. FWD Omne offers self-service and claim functions for our customers. By enhancing the use of the data we collect, we aim to achieve higher customer retention rates and new sales through these platforms, while remaining in compliance with the applicable laws and regulations.

Our distribution partners also play a key role in how we engage with our customers. As such, we seek to partner with banks and other distribution partners who are customer-led and have the same commitment to deliver superior customer experience, through both human and digital interactions. Outside of the insurance ecosystem, we also engage with customers by way of other means consistent with our spirit of 'celebrate living'. For example, FWD Vietnam's customers were rewarded with a family-friendly live music experience at the Music Fest held in July 2024 and FWD Philippines' customers enjoyed VIP treatment at the Aurora Music Festival in April 2024.

Easy to Love

As a result of our customer-driven strategy to refine our products, the purchase experience, claim settlement and customer engagement, our brand is well-recognised by our customers. We are committed to creating solutions to help customers to reduce their protection gap and celebrate living. We have launched multiple new products in various markets, including FWD New Medical in Japan, FWD SpecialMed in Malaysia, Preeminent Legacy in Singapore, Crisis EasyGo in Hong Kong, Health Family Sharing in Thailand and FWD Care across multiple markets. Additionally, we have actively sought ways to make our products affordable and accessible to a wider range of customers. Across our different markets, we have designed our insurance products so that our customers can pick and choose the protection that suits their particular needs.

Since 2021, we have introduced the FWD Care recovery plan across Hong Kong, Thailand, Singapore, Malaysia, Japan, Indonesia and Vietnam. Through FWD Care, we seek to equip our customers and their families with benefits beyond financial aid, such as by providing a dedicated nurse companion and customised support services through critical life events such as a major illness or the death of a loved one. In 2024, FWD Care achieved over 90% satisfaction rating from customers who have used it. FWD Care also received industry recognition, including "Innovation of the Year" award by Asia Insurance Industry Awards in 2022.

We believe that effective customer engagement will be critical to our ability to retain our customers, identify opportunities to cross-sell and up-sell our insurance products, and create advocates of our brand.

Customer Segments

We define our customers as anyone who owns or receives value from our products and services, and we categorise them as either individual customers or group scheme customers. Our individual customers include policyholders (who have the ownership rights to an insurance policy), the insured under life insurance policies and beneficiaries of the policies and active FWD MAX members, whom we define as persons who have maintained an active membership on our FWD MAX platform during the preceding 90 days for the use of our products, services or discounts. Our group scheme customers include corporate policyholders (who have the ownership rights to an insurance policy) and participating members. Our customer numbers presented do not include those of the joint ventures where we hold a minority interest, such as BRI Life. In 2022, 2023 and 2024, APE generated from our five largest customers accounted for 4.3%, 2.3% and 1.0% of our total APE, respectively, and APE generated from our largest customer accounted for 1.5%, 1.1% and 0.3% of our total APE in the same periods, respectively.

Individual Customers

We believe that our focus on transforming our individual customers' insurance journey with relevant propositions tailored to their needs has contributed to the significant growth in our customer numbers. We had 5.7 million, 5.8 million and 6.1 million individual policyholders as of 31 December 2022, 2023 and 2024, respectively, representing a CAGR of 4.0% during this period. This includes organic new individual policyholders of 1.1 million, 1.0 million and 1.1 million for 2022, 2023 and 2024, respectively.

In terms of the insured and beneficiaries under life insurance policies relating to individual policyholders, we had 2.5 million, 3.7 million and 4.0 million total insured and beneficiary customers as of 31 December 2022, 2023 and 2024, respectively, representing a CAGR of 25.6% during this period.

Group Scheme Customers

Our group scheme customer segment consists of corporations and other business organisations to whom we offer group life and health solutions. As of 31 December 2022, 2023 and 2024, we had approximately 3,000, 4,400 and 3,600 corporate policyholders, with 1.9 million, 2.2 million and 2.0 million of participating members, respectively. Our group life insurance products mainly cover total and permanent disablement, death, accidental death and dismemberment and employee benefits, and our group health insurance products primarily cover medical insurance and long-term disability income benefits.

Customer Recognition and Brand Marketing

We measure customer relationships and stickiness through internal metrics, including customer retention, re-purchase rates and multiple customer feedback scores, as well as external sources. As a result of our commitment to understanding and addressing our customers' various insurance needs and pain points, we ranked in the top three among insurance brands for customer experience in three of our markets. FWD achieved a number one ranking for Malaysia (Takaful), a number two ranking for Singapore and a number three ranking for Thailand among insurance brands according to KPMG's Global Customer Experience Excellence Report for 2024 (the "**2024 KPMG Report**"), a leading customer experience report.

KPMG's Global Customer Experience Excellence Report is a survey that KPMG has run for 15 years across 23 markets, in which the report and the details of it are publicly available. The report provides studies of customer experience across sectors, including the insurance sector. The study was not commissioned by FWD, but FWD has licensed from KPMG to receive the report and insights as well as citation rights. The study measures brands across different industries in different markets across six components of customer experience excellence – integrity, resolution, expectations, empathy, personalisation and time and effort. In terms of markets, the study covers, among others, Hong Kong, Indonesia, Japan, Malaysia, the Philippines, Singapore, Thailand and Vietnam. In Vietnam, for example, KPMG reached a sample pool of over 1,500 consumers and evaluated more than 90 local and international brands across eight different sectors. In Singapore, for example, the study included a range of leading domestic and multi-national insurance brands in the market. The 2024 KPMG Report listed us as one of the leading companies in Asia that strives to improve customer service, underwriting and claims processing via AI.

On the basis that KPMG's Global Customer Experience Excellence Report adopts the same approach to measuring brands across six pillars of customer experience excellence, the Group believes that the 2024 KPMG Report is reliable in reflecting a comprehensive research for ranking analysis.

In a survey conducted by YouGov BrandIndex in the second half of 2024, respondents were asked to select life insurance companies that they perceive as being different or innovative. We ranked as a top five most "different" insurer in seven out of eight surveyed markets. We believe that having consumers recognise FWD as being distinct from our competitors is an important aspect of achieving our vision of *changing the way people feel about insurance*. In addition, we ranked as a top five most "innovative" insurer in seven out of eight surveyed markets.

As of January 2025, our partners in the bancassurance and digital commerce distribution channels provide us with access to over 280 million and over 260 million potential customers, respectively, according to NMG. We have been able to, and will continue to, penetrate this customer base for customer acquisition, engagement and retention. We believe that this is key to our cross-selling and up-selling, as we are increasingly utilising the lifetime value of our existing customers. In 2024, 23.9% of our new policies were sold to existing individual policyholders.

Customer Feedback

We collect customer feedback through a variety of means including surveys, focus groups, brand tracking and campaign effectiveness activities. We have adopted a proactive and digitally empowered approach to collecting customer feedback where we solicit real-time feedback from customers after purchasing, servicing and claims. At the completion of these customer journeys, we invite customers via SMS, email, our website or through our app, to participate in a quick online survey to provide feedback on the experience. This approach has been adopted across all of our markets (with the exception of Macau) and is continuously being improved.

We have empowered our local teams to follow up on customer interactions to drive insights to actions through cross-functional collaboration for improved customer experience outcomes. By reviewing customer experience and customer interactions, we aim to improve our product and service quality, as well as address customer feedback in a timely manner.

Customer Complaints Policy

We have adopted a proactive and digitally empowered approach to resolving customer complaints and have established a group-wide complaints management policy. All of our markets have customer complaint management processes in place, including a tracking and reporting mechanism. We input the customer feedback data verbatim into a digital dashboard for each market, which shows daily customer responses and the call-back handling status for dissatisfied customers. This allows our customer service managers to monitor overall customer sentiment and ensure that issues are addressed and resolved quickly and fairly. Our complaints ratio, which is the percentage of complaints received per number of transactions over a calendar year, has consistently been around 0.2% for each year between 2022 and 2024.

DISTRIBUTION

Our Distribution Strategy

Asia is home to hundreds of millions of individuals who need life and health insurance protection but do not have the requisite knowledge of such products or lack potential access to traditional insurance distribution channels, according to NMG. To address this issue, we have adopted a distribution model based on the pillars "*Enhance, Extend and Empower*":

- *Enhance* – We have enhanced traditional face-to-face channels with a host of new technologies that help our bank partners, agents and brokers/IFAs to engage and serve their customers in flexible, dynamic and digital ways. By blending our digital tools with a human touch, we combine offline and online channels to allow customers to engage with us however, wherever and whenever they choose.

- *Extend* – We have extended our reach to individuals underserved by traditional channels. We provide multi-device mobile access so that customers can determine their protection needs, understand our propositions, purchase our products and services and submit claims. Our distribution leverages our digital commerce channels for online D2C sales and we have extended our agency channel with our social media engagement platform.

- *Empower* – We have empowered our customers to celebrate living by providing them with information to help them to choose the right protection whenever, wherever and however through all our channels with simple propositions, advanced data analytics and high-quality sales leads. We use AI algorithms to supply our distribution channels with the customer insights they need to offer tailored solutions. We have streamlined underwriting, simplified the language used in the policies and reduced the number of exclusions, thereby allowing our channels to better help all customers to understand insurance and buy the protection they need.

Distribution Channels

We aim to widen our touchpoints with customers by offering them a choice of how to engage with us based on their protection needs and interaction preferences. Digitalisation of our distribution channels is a key element of this strategy.

We distribute our products through multiple distribution channels, including bancassurance, agency, brokerage/IFA, as well as other channels, which include D2C distribution via digital commerce channels. The breakdown of the overall Group APE by distribution channel for bancassurance, agency, brokerage/IFA and others, was 39.2%, 21.6%, 30.7% and 8.5%, respectively, in 2024.

The following table sets forth the contributions of our distribution channels to our total APE and VNB and the growth rates on a CER basis during the periods indicated. To facilitate a more meaningful comparison, we also present APE and VNB for 2023 and 2024 on a like-for-like basis, which is discussed in "*Financial Information – Key Performance Indicators*" in detail:

	Year ended 31 December			2022-2023	2023	2023-2024	
	2022	2023	2024	YoY	2023 (like-for-like basis)	YoY	YoY (like-for-like basis)
	(US$ millions, except for percentages)						
Bancassurance							
APE	662	715	752	8.5%	715	7.6%	7.6%
VNB	360	386	388	7.8%	346	2.7%	14.7%
Agency							
APE	276	358	414	30.4%	355	16.7%	17.5%
VNB	181	244	127	35.5%	127	(47.6%)	0%
Brokerage/IFA							
APE	279	392	589	45.5%	392	53.1%	53.1%
VNB	199	266	265	39.3%	211	2.9%	29.2%
Others(1)							
APE	191	182	162	(3.8%)	153	(9.1%)	7.7%
VNB	84	94	54	13.5%	65	(41.5%)	(16.4%)
TOTAL							
APE	1,408	1,646	1,916	18.3%	1,616	18.6%	20.9%
VNB	823	991	834	21.9%	749	(14.0%)	13.5%

Note:

(1) Includes digital commerce and other distribution channels.

We have adopted a multi-channel distribution model that is tailored to each of the markets in which we operate. The percentage contributions of our multiple distribution channels to the overall Group APE of our businesses in each market for 2024 is as follows:

	Hong Kong (and Macau)	Thailand (and Cambodia)	Japan	Emerging Markets	Group
APE Breakdown					
Bancassurance	15.2%	72.5%	0.0%	50.5%	39.2%
Agency	27.9%	15.0%	0.0%	24.6%	21.6%
Brokerage/IFA	51.8%	0.1%	80.5%	18.6%	30.7%
Others[1]	5.1%	12.4%	19.5%	6.4%	8.5%

Note:

(1) Includes digital commerce and other distribution channels.

Bancassurance Channel

We are a leading bancassurer, particularly in Southeast Asia, both in terms of the breadth and depth of our bancassurance partnerships, as well as our demonstrated track record of delivering value through our bancassurance channel. Our bancassurance strategy is built on partnerships through initiatives such as HiVE, an annual networking event that fosters best practice sharing among senior executives across FWD and our partners, and FWD Elite, which includes a region-wide customised learning program designed exclusively in collaboration with our program partner, Yale University. As of the Latest Practicable Date, we had 33 ongoing bancassurance partnerships, including eight exclusive bancassurance partnerships in Southeast Asia. Our strategy for our bancassurance channel has been to partner both exclusively and non-exclusively with leading local banks in each of our markets, promote digital transformation as a means of enhancing our bank partners' sales efforts and productivity, and improve portfolio margins by selling protection-focused products to optimise our VNB. The VNB generated by our bancassurance channel increased by 7.8% from US$360 million in 2022 to US$386 million in 2023 on a CER basis, and increased by 14.7% from US$346 million in 2023 to US$388 million in 2024 on a like-for-like and CER basis. We have access to our exclusive and non-exclusive bancassurance partners' customer base of over 280 million customers as of January 2025, according to NMG. By quickly integrating our products and services into our leading bank partners' networks and rolling out new products, we have been able to benefit from their customer base and improve their bancassurance productivity and digitalisation of their sales processes.

We use multiple criteria for selecting and evaluating our bancassurance partnerships, including a strategically sustainable market position, a relatively underpenetrated customer base for life insurance, a genuine shared ambition to deliver superior customer experience, alignment with our strategy to promote our digital ecosystem, a focus on fee-based income, and evidence of a collaborative culture. In particular, our strategy is to partner with national champion banks, which are local financial institutions with leading market positions in their home country, strong financial performance, and active participation and impact on their home country's economy.

- *Thailand – SCB*. In Thailand, our exclusive bancassurance partnership with SCB, a leading bank in Thailand, has been a key driver of our growth since 2019. By quickly integrating our products and services into SCB's distribution tools, launching new innovative products, adopting advanced data analytics and implementing digital integration, we were able to unlock significant value in SCB's customer base and increase its bancassurance productivity in terms of APE relative to total bank deposits. These initiatives have made us the top bancassurance platform by APE in Thailand and have enabled us to expand our policyholder base in Thailand to 1.7 million as of 31 December 2024.

- *Vietnam – VCB*. In Vietnam, we launched our partnership with VCB, a leading commercial bank in Vietnam in 2020. As of 31 January 2025, VCB had over 22 million customers and over 630 branches and transaction offices, according to NMG. We have been transforming our bancassurance partnership with VCB with our NextGen Banca strategy, pursuant to which we are utilising data and customer analysis to better serve our customers and are introducing a fully-digital, end-to-end sales process to replace the previous paper-based process. As a result of our successful integration, 95% of applications were handled via FWD's eSubmission system in 2024. Additionally, digital sales comprised 39% of total policies issued, and on average 65% of ePolicies were issued within two hours of submission in 2024.

- *Indonesia – Bank BRI*. In Indonesia, through our 44% stake in BRI Life as of 31 December 2024, we collaborate with Bank BRI, the leading retail bank in the country in terms of customer base with over 179 million customers, of which 31% were digitally activated, serviced through its network of over 1,000 branches as of 31 January 2025, according to NMG.

- *Philippines – Security Bank.* In the Philippines, our exclusive partnership with Security Bank started in 2015, and has grown into a strong and strategic collaboration, with Security Bank's network of over 325 branches as of 31 January 2025, according to NMG. By integrating our offerings and digital solutions across Security Bank's branches, digital channels, and co-branded initiatives, we had 124,200 policyholders as of 31 December 2024.

Exclusive bancassurance partnerships generally require bancassurance partners to distribute our products on either an exclusive or preferred basis to their customers across networks and jurisdictions specified under their contracts and subject to applicable laws and regulations. Exclusive bancassurance arrangements commonly include termination rights which may be triggered if specific, pre-defined conditions are met, for example upon material breaches by either party, in the event a party becomes a competitor, upon a change of control or in the event of force majeure. In addition, in limited cases exclusivity also applies to us over the partnership term.

Our bancassurance arrangements generally include commission-based payment terms. We generally pay a combination of fixed sum and performance based variable incentives depending on the scope and exclusivity of the partnership, in line with the relevant market standards. Our bancassurance partnerships, particularly exclusive bancassurance arrangements, typically last for a duration of ten to 15 years.

Agency Channel

Our agency force is a key channel for accessing our customers. Our total number of agents increased from approximately 48,400 as of 31 December 2022 to approximately 55,100 as of 31 December 2024. The APE generated by our agency channel increased by 17.5% from US$355 million in 2023 to US$414 million in 2024 on a like-for-like and CER basis. Our agency force includes both full-time and part-time tied agents, who sell our products exclusively. With our digitally-enabled agency force, we believe that we can effectively foster long-term relationships with customers with significant lifetime value.

The following table shows the size of our agency force as of the dates indicated below:

	As of 31 December		
	2022	**2023**	**2024**
	No. of Agents (rounded to hundreds)		
Hong Kong (and Macau)	4,100	4,600	4,400
Thailand (and Cambodia)	10,600	15,200	15,500
Japan	N/A	N/A	N/A
Emerging Markets	33,700	48,600	35,300
Total	**48,400**	**68,400**	**55,100**(1)

Note:

(1) The sum of the numbers in the 2024 column is 55,200 due to rounding. Exact 2024 total is 55,135 and rounded down to 55,100.

As a result of our investments in our agency force and our focus on expanding and improving our distribution capabilities, many of our agents have attained and continue to maintain MDRT status. Founded in 1927, MDRT is a global, independent association of the world's leading life insurance and financial services professionals from more than 700 companies in 80 nations and territories. MDRT membership is recognised internationally as the standard of excellence in the life insurance and financial services business. We were ranked sixth in 2024 among multi-national insurers globally in terms of the number of MDRT-registered members, for the third consecutive year. Our MDRT-registered agency force ranked in the top two in each of Thailand, Vietnam and the Philippines based on the statistics published by MDRT as of July 2024.

In addition to MDRT membership, we have also been investing in building a segment of FWD Elite agents. Such agents are eligible to participate in our FWD Elite programme if they meet certain qualification criteria, such as meeting or exceeding industry performance benchmarks in terms of income and productivity. The FWD Elite programme is a key part of our agency force through which we cultivate top-tier and digitally-focused agents, and invest in their future development. The FWD Elite programme offers access to training and incentives designed to help FWD Elite agents build meaningful and rewarding careers at FWD.

The following table shows the number of our MDRT-registered members as of the dates indicated below:

	As of 31 December		
	2022	**2023**	**2024**(3)
	No. of MDRT-registered members(1)		
Hong Kong (and Macau)	647	468	594
Thailand (and Cambodia)	253	371	496
Japan	N/A(2)	N/A(2)	N/A(2)
Emerging Markets	1,324	1,291	998
Total	**2,225**	**2,131**	**2,089**

Notes:

(1) MDRT-registered member statistics according to the MDRT Association as determined annually, based on specific qualification criteria in the prior year to determine MDRT eligibility.

(2) Includes one MDRT-registered IFA in Japan in each of 31 December 2022, 2023 and July 2024.

(3) Based on MDRT-registered member statistics published by MDRT in July 2024.

The following table shows the number of our active agents for the years indicated below:

	Year ended 31 December		
	2022	**2023**	**2024**
	No. of active agents[(1)]		
Hong Kong (and Macau)	1,178	1,375	1,311
Thailand (and Cambodia)	2,351	3,197	4,373
Japan	N/A	N/A	N/A
Emerging Markets	4,007	4,893	5,627
Total	**7,536**	**9,465**	**11,311**

Note:

(1) Active agents refer to the monthly average number of agents who sold at least one case in each reporting month in that year.

We do not consider our agents to be employees of the Group across our Business Units. We provide competitive remuneration packages that reward high performance, align our agents with our customer strategy and drive agent recruitment. Our agent compensation generally comprises commissions calculated based on policy sales, sales incentives upon meeting specific sales volume and product mix thresholds as well as training and other expense reimbursements. We regularly review our compensation arrangements through market intelligence and benchmarking against peer companies in the relevant market.

Our contracts with agents are required to be, and are, in compliance with local regulatory requirements. These contracts contain a range of obligations that agents must comply with, including for the purpose of detecting and deterring agent misconduct. The contracts typically provide that agents must indemnify the contracting Group entity in full for breaches or losses suffered as a result of the Group entity being held responsible for the agent's breach of the agreement or for any misconduct by the agent.

Brokerage/IFA Channels

The brokerage/IFA channels consist of insurance distributors that employ a number of brokers and IFAs and sell the products of multiple insurers on a non-exclusive basis. We believe that we are able to offer a well-balanced and diversified distribution platform by supplementing our main distribution channels with our brokerage and IFA channels in certain markets. As of 31 December 2024, we had over 2,900 brokerage and IFA partners across our various markets. The VNB generated by our brokerage/IFA channels increased by 39.3% from US$199 million in 2022 to US$266 million in 2023 on a CER basis, and by 29.2% from US$211 million in 2023 to US$265 million in 2024 on a like-for-like and CER basis. We have undertaken a number of initiatives to support our brokerage and IFA partners, including establishing dedicated relationship management teams that meet regularly with the management of these partners and providing dedicated sales and underwriting support and customised products where needed.

We generally focus on our key distribution partners by identifying a set of core brokers and IFAs, and providing them a wide range of benefits including access to facilities such as 1881 Heritage, and FWD Premier Business Centre to hold client events and enhance client relationships. We are also aiming to roll out a self-service agency portal as well as paperless products to our brokers to improve the customer experience.

Our brokerage/IFA channels are designed to align with the specific dynamics of each market, with a strong focus on serving targeted customer segments by offering tailored financial solutions that meet their needs and expectations.

- *Japan*. In Japan, where we are focused on individual protection insurance product sales, we currently distribute our products through different types of IFAs, mainly including shop-type agencies (which serve young retail customers with outlets in shopping malls) and door-to-door agencies (which sell insurance products to SME and HNW customers in person). We continuously refine our IFA network to partner with top-performing IFAs while expanding our offerings, such as medical, cancer, critical illness, and savings products, to strengthen our market position.

- *Singapore*. In Singapore, the IFA channel plays a vital role in our strategy to expand into the affluent and HNW segments, leveraging the city's position as a leading global wealth hub. Since launching term life sales via IFAs in 2020, we have continuously expanded our offerings, including unit-linked and participating fund products, while also strengthening our distribution network with over 4,900 IFAs and, in 2024, securing a MAS license for FWD Life (Bermuda) to further serve HNW clients via FWD Private. We expect to collaborate with IFA firms in Singapore to capture further HNW opportunities.

- *Hong Kong*. In Hong Kong, IFAs are instrumental to our operations with a growing portfolio in offshore business. As of 31 December 2024, approximately 81% of our IFA businesses in Hong Kong was from offshore customers, including the Greater Bay Area in China, Taiwan, South Korea and emerging markets such as Vietnam and Cambodia.

We provide competitive compensation to our brokers and IFAs, subject to the applicable regulations. Currently, our compensation to brokers and IFAs includes non-volume related incentives, such as marketing sponsorship for brand-building, training and compliance-related fees, as well as bonus payments related to service quality.

Other Channels

Our digital commerce channel focuses on our eCommerce initiatives through which we distribute simpler, typically smaller-ticket products such as life, health and accident products. The channel appeals to customers who prefer to self-manage their insurance needs at times that are most convenient to them by providing a simple, fast and seamless user experience that is available 24-hours a day on both desktop and mobile devices. In addition to serving as an important distribution channel, we believe that our digital commerce channel also increases the traction of our other channels through sales referrals as well as O2O lead generation and sales conversion.

We acquire our digital commerce customers by leveraging our eCommerce platform in the following three key areas: (1) digital direct to customers, (2) through digital platforms of partner banks and ecosystem partnerships, and (3) O2O referrals from other channels. We believe that D2C and online engagement is and continues to be an emerging and fast-growing trend in the life insurance market. We have developed our D2C capability with the establishment of our API-enabled eCommerce platform for our digital commerce offerings, which allows us to integrate into our distribution partners' systems. As of 31 December 2024, we had a comprehensive online offering of 68 products on-shelf for our customers, and have expanded our focus to strengthen offline, assisted-sales distribution channels.

Our ecosystem partnerships form a key piece of our digital commerce channel. By partnering with businesses across the eCommerce, retail and fintech industries, we are able to further penetrate various customer demographics and offer them seamless, integrated and customised lifestyle services. As of 31 December 2024, our partners included Traveloka, Grab and GCash. We also serve customers through collaboration and distribution agreements with our affiliate, bolttech, which is an insurtech platform operator and operates across over 35 markets. For further information on our transactions with bolttech, see "*Connected Transactions*."

The operating model for each ecosystem partner differs depending on the nature of the partnership, the alignment of products and propositions, and the market in which the partner is operating. In general, we seek to offer market-competitive compensation arrangements, such as advertising agreements, click-out payments and commissions.

Other Distribution Channels

Our other distribution channels include our affinity partnerships in Thailand where our products are distributed through these partners, our employee benefits business in certain markets as well as direct marketing and telemarketing channels.

OUR PRODUCTS

Life Insurance Products

Our key life insurance products include the following:

- *Participating life insurance*. Traditional participating life insurance products are contracts of insurance whereby the policyholders have a contractual right to receive additional benefits based on investment returns or other factors, normally at the discretion of the insurer, as a supplement to any guaranteed benefits.

- *Non-participating life insurance*. Non-participating life insurance products are contracts of insurance where the policyholder has a guaranteed right to the benefit, which is not at the contractual discretion of the insurer.

- *Critical illness, term life, medical and riders*. Critical illness, term life and medical policies are products that give policyholders a contractual right to receive benefits in the case of death, injury or illness. Riders are insurance policy provisions that add benefits to or amend the terms of a base insurance policy to provide additional options and coverage.

- *Unit-linked insurance*. Unit-linked insurance products are insurance products that link the customer's account value to the value of underlying investments. Insurance coverage, investment and administration services are provided, for which the charges are deducted from the customer's account value. Benefits payable will depend on the price of the units prevailing at the time of surrender, death or the maturity of the policy, subject to surrender charges. In general, the investment risk associated with the account value of these products is borne by the policyholder.

- *Group insurance and others*. Group insurance products include both group life insurance and group medical benefits that are offered to a group of customers under a master policy contract. Group insurance is typically marketed to corporations, government entities and associations, and coverage is typically arranged by employers for employees. Employers typically pay premiums for basic policies, such as group term life and group medical coverage. Others primarily included COLI products mainly sold to small-and-medium-sized companies in Japan to provide key-person protection, which represented less than 1% of our new business CSM in 2024.

A high proportion of our APE is generated from regular premiums, which amounted to 85%, 89% and 86% of our APE in 2022, 2023 and 2024, respectively. The following table sets forth a breakdown of our APE and VNB by product category for the periods indicated below:

	Year ended 31 December					
	2022		2023		2024	
	APE	VNB	APE	VNB	APE	VNB
Participating life	17%	19%	27%	25%	38%	37%
Non-participating life	32%	25%	37%	29%	32%	28%
Critical illness, term life, medical and riders	22%	34%	19%	33%	17%	22%
Unit-linked	19%	12%	11%	8%	10%	8%
Group and others	10%	9%	6%	6%	4%	6%
Total	100%	100%(1)	100%	100%(1)	100%(1)	100%(1)

Note:

(1) Numbers may not sum up to 100% due to rounding.

Product Strategy and Development

We offer a diverse portfolio of life and health insurance, employee benefits (group insurance) and financial planning products.

We believe that we have introduced a variety of new products that present unique value propositions to our customers, examples of which are set forth below:

- in Malaysia, we introduced FWD SpecialMed in 2022, an online family takaful medical plan tailored for persons with learning disabilities, and FWD SpecialMed 2 in 2024, extending coverage to persons with hearing and visual disabilities; we also introduced an inflation-adjusted medical plan, under which the benefits and limit increase every three years;

- in Japan, we introduced FWD New Medical in 2022, which offers benefits beyond hospitalisation and surgery, covering survival risks including cancer, cerebrovascular disease, heart disease, outpatient care, disabilities and female illnesses;

- in Singapore, we introduced Preeminent Legacy in 2023, a whole-of-life protection product covering death and terminal illness, which is the first insurance plan in the Singaporean market allowing customers to access and invest in alternative investments managed by asset manager Apollo;

- in Hong Kong, we introduced Crisis USupporter and Crisis USupporter Pro in 2023, which offer comprehensive critical illness protection, with additional payout for critical illnesses diagnosed after experiencing designated crises and medically necessary infertility treatment due to such crises. The plans also provide critical illness coverage to the insured's parents and children without medical underwriting questions;

- in Thailand, we introduced Health Family Sharing in 2023, a policy that broadens the definition of "family" beyond traditional family relationships to include individuals such as LGBTQIA+ partners and allows customers to share the health coverage with family and loved ones. We also introduced FWD Life Up, the first term life insurance which gives customers the option to increase their coverage every year to help combat against inflation. In addition, we introduced a goal-based investment-linked sales journey which aims to assist customers to plan for and attain both protection and investment goals and to enable agents to offer interactive sales tools to visualise goals and solutions;

- in Philippines, we introduced The One for Gamers in 2023, the first insurance plan tailored for the gaming community. It offers customisable plan that includes life coverage, with options to add-on benefits from accidental death to critical illness, affordable premiums and no medical exams required. The plan also includes exclusive Mobile Legends: Bang Bang in-game rewards and eye care vouchers, making protection both relevant and accessible for gamers.

- in Hong Kong, we introduced Crisis EasyGo in 2024 to reduce the protection gap by allowing customers with certain medical histories to purchase critical illness cover. In addition, we further enhanced many existing saving and protection products' proposition and benefits for better customer value and sustainability; and

- in Singapore, we launched a product in 2024 under FWD Private, FWD Century Life, a participating whole life plan offering lifetime guaranteed legacy protection tailored for the high-net-worth segment.

Additionally, in 2024, we embarked on our new accident and health strategy and enhanced our focus on the health business, by establishing FWD HealthyMe. Our accident and health strategy focuses on three key pillars: (i) developing strong health insurance capabilities through improved claims management, health data analytics, customer retention initiatives, and expansion into new segments with tailored protection and insurance offerings; (ii) providing proactive care and early detection services, with the ambition of slowing or even preventing disease progression, by establishing regional partnerships with healthcare providers, along with diagnostics and technology firms; and (iii) enhancing and improving the combined customer health and insurance journey, including timely access to treatment through our network, integrated with insurance coverage and a seamless claims process.

Our product development process is customer-led and we rely on data analytics to gain insight into our customers and shape aspects of the design and launch of our products based on our customers' behaviours and needs.

PRICING AND UNDERWRITING

Pricing

We formulate our Group-wide product pricing methodology based on our Group Pricing Policy and Guideline, where Business Units are required to submit to Group Office a product approval report, which sets out details of product pricing and the relevant assumptions for each product. We determine the premium rates for our products using a number of factors, including product design, profit targets and competition. We base our calculations on a number of assumptions, including expected mortality and morbidity rates, persistency rates, lapse, interest rates, investment returns, commissions and allowances, operating expenses and inflation, as appropriate. These assumptions are derived primarily from our own experience, as well as broader industry experience and input from reinsurers, where appropriate. Each product is required to meet our pricing benchmarks on a standalone basis, thereby avoiding cross-subsidisation of products.

In determining product pricing, we aim to balance profitability, market competitiveness and customer fairness. To stay agile and competitive in the various markets we operate in, our product pricing teams work closely with our sales teams to understand and reflect market demand as well as solicit customer feedback.

Underwriting

We structure our underwriting process with the overarching goal of limiting friction in our customers' purchase process by using digital tools and enabling paperless straight-through-sales wherever possible. See "*– Customers – Transforming the Customer Journey – Easy to Buy*" for further details.

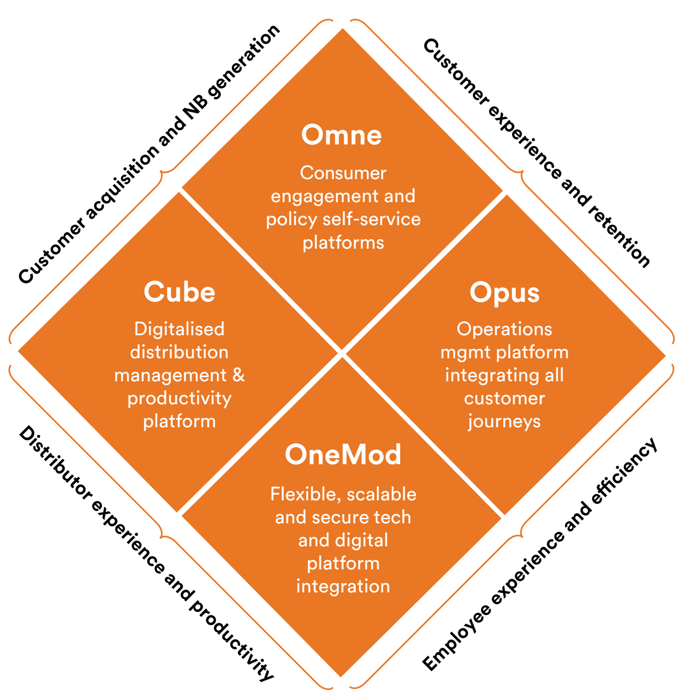
TECHNOLOGY AND DIGITAL

Technological innovation is at the core of our business. We take a customer-led approach to our technology through the entire insurance journey, driving us to build and distribute products which are easy to know, easy to buy, easy to claim, easy to engage and easy to love by customers. Our technology is built on integrated, scalable and modular architecture and is complemented by AI, data analytics, and cloud technology to facilitate the transformation of customer experience, to protect and future-proof our business, and to deliver with speed and agility.

Data analytics and AI architecture serve as central building blocks and empower our entire operations and functions, from customer engagement, distribution and partner enablement to operation automation and intelligent management of our customers' policies. With AI analytics implemented in all of our ten markets, we are committed to using data analytics to gain insights into our customers' experience and support various aspects of our business operations. As of 31 December 2024, we had 293 active AI models applied across our business, which increased to nearly 2 times as compared to the 152 active AI models deployed as of 31 December 2022.

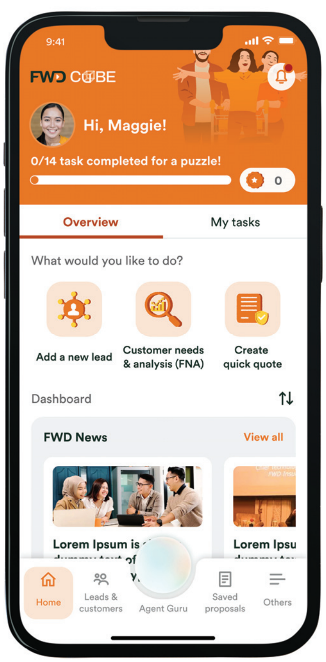
At the heart of our technologies is our proprietary cloud-based Data Mesh platform, a data ecosystem that manages customer data collected from multiple source systems in different markets and provides real-time data processing to support upstream and downstream front-end applications and back-end services. Launched in 2019, our Data Mesh platform supported all of our markets as of 31 December 2024, and was capable of consolidating and analysing data from over 570,000 data points, including our corporate databases and various social media channels, and presenting over 1,610 key profile attributes for a single customer. 80+ proprietary applications and 180+ active AI models are leveraging Data Mesh as of 31 December 2024. Our infrastructure is secured by strong data governance to ensure privacy protection and security with high data quality. See "*Risk Factors – Risks Relating to our Technology – Our proprietary AI models may not operate properly or as we expect them to, which could cause us to write policies we should not write, price those policies inappropriately or overpay claims that are made by our customers. Moreover, our proprietary AI models may lead to unintentional bias and discrimination.*"

Our early and historical investments in the Data Mesh platform have formed a solid foundation for our 85 proprietary data applications, thereby allowing us to meet the evolving customer needs in a timely manner. These robust technology and AI capabilities, and the digital infrastructure are cloud-based and seamlessly integrated across business functions and with external partners. As of 31 December 2024, 98% of our applications were migrated to the cloud, an increase as compared to 94% as of 31 December 2022. Cloud technology has positively impacted our software development and deployment, expediting time-to-market and enhancing customer experiences. This extends across our integrated digital platforms, which aim to enhance development efficiency and security and seek to maximise operating and financial benefits in the following four pillars:

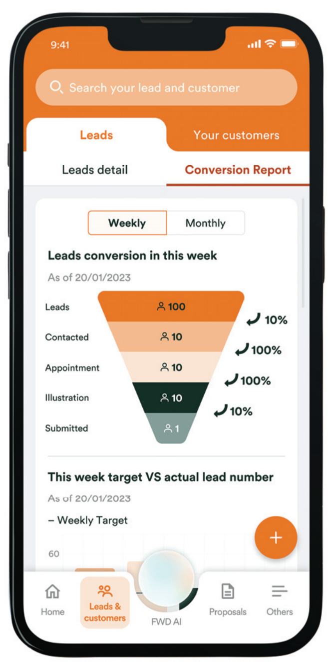


Sales Enablement – FWD Cube

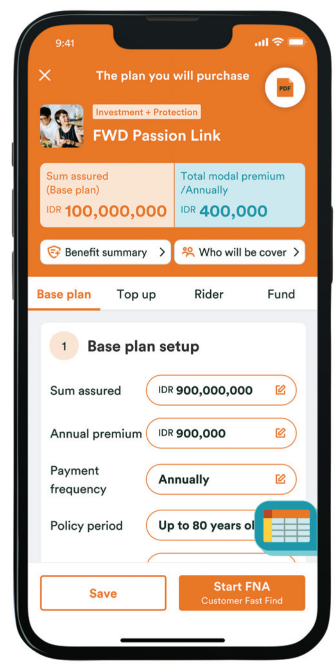
We have transformed our traditional face-to-face distribution channels by enhancing and empowering our agents and bancassurance partners with digitalised tools and by integrating the digital experience with the human touch. To this end, we have developed and consolidated various tools and platforms into a consolidated seller tool to support the entire sales process, enabling analysis of customers' financial needs, quotations, eSubmission and automated underwriting. For example, we have streamlined the end-to-end sales journey through FWD Cube, which is primarily utilised by agents. FWD Cube seeks to maximise the agent lifecycle from recruitment and onboarding to sales by offering a unified experience through tablet, web and mobile apps. It provides agents with AI-enabled and data driven models to understand customer needs, customer segmentation and behaviours. In turn, we believe that this helps better serve protection needs, enables up-selling, cross-selling and remote selling opportunities, and enhances team management and engagement. Key features are described below:



Shortcuts to most used functions such as quote creation and KYC



Leads conversion funnel enables agents to proactively manage leads and customers



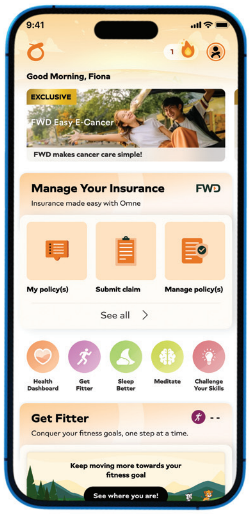
Easy access to sale activities such as the base plan, riders, and fund allocation

We believe that these technologies and tools have been well received by our partners and have significantly boosted their productivity. For instance, there has been significant success following the implementation of FWD Cube in our agency force in Thailand. Based on data available from October 2023 to June 2024, 90% of digital submissions were ultimately issued, including a protection mix of 64%. Agent productivity was strong, with an approximately 40% growth in average active agent count and an approximately 13% growth in average APE per month of protection product sales. Implementation of FWD Cube in Thailand has also enabled us to deliver increased automated underwriting cases from 62% in 2023 to 69% in 2024. Following the implementation of FWD Cube in Thailand, our average monthly call volume also reduced by 41% in 2024 as compared to the first quarter average of 2023. Implementation of FWD Cube in the Philippines and Malaysia has been equally strong. From October 2024 to December 2024, the adoption rate on FWD Cube grew from 96% to 100% in the Philippines and grew from 15% to 48% in Malaysia. Similarly, we have been able to swiftly roll out such tools to our other partnerships, such as bancassurance partners and brokers, in order to transform sales force productivity for our strategic partners via FWD Cube.

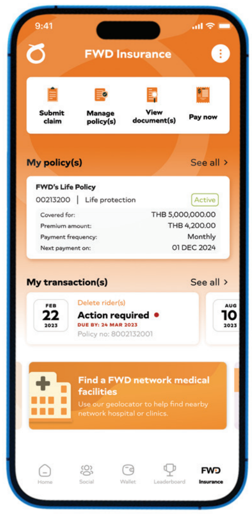
Customer Engagement – FWD MAX and FWD Omne

We put customers at the centre of everything we do. We are focused on providing our customers with a seamless and easy customer experience through a combination of digitalised and human services. To maximise customer touchpoints and foster stronger connections beyond products and services, we have launched our customer engagement apps, FWD MAX and FWD Omne. FWD MAX is our award-winning digital platform in Hong Kong designed to enhance customer engagement through a variety of lifestyle experiences, utilising data analytics to deliver tailored offers, rewards, experiences, articles and videos, FWD MAX also enables user-friendly digital interactions to enhance the agent-customer connection. For the awards received by FWD MAX, see "– *Awards and Recognitions*." FWD Omne is our digital app for insurance self-servicing and claims in Thailand, Cambodia, Japan, Philippines and Indonesia, with other markets to follow. Through this 24/7 self-service platform, our customers can obtain and manage their own policies, as well as submit claims for instant processing and payments. Leveraging our proprietary AI-powered fraud detection solution and optical character recognition capabilities for claims submission, we are able to provide instant payment for claims. The platform includes selected content designed to complement our broad suite of product offering with the aim of achieving higher customer retention rates.

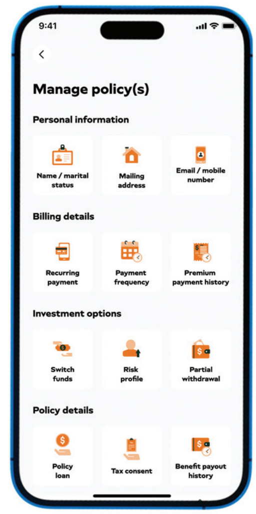
Through FWD Omne, insurance can be managed quickly and easily as illustrated below:



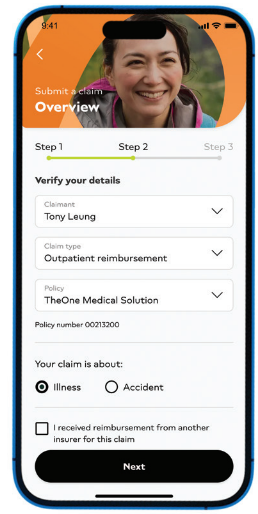
Overview page with easy access to customer engagement functionality



Insurance dashboard provides a quick view of policies and latest updates



FWD Omne empowers customers to digitally manage their policies seamlessly



Submitting a claim through FWD Omne is as easy as 3 steps

Operations Management Platform – FWD Opus

FWD Opus is our operations management platform integrated across customer engagement platforms and channels, which aims to provide a frictionless customer experience and increase our operational efficiency. It enables the simplification of core operational flows in customer journeys such as purchasing, onboarding, servicing, and claims while supporting automation and straight-through processing ("**STP**"). It is built as a modular and cloud-native end-to-end operations processing and workflow system, and we have leveraged data analytics to optimise operational performance. As part of its key advantages, FWD Opus enables full paperless operations through automation and digitisation of core operational processes and enhances STP outcomes. Through management dashboards and reporting on FWD Opus, we can easily analyse KPIs and outcomes of strategic initiatives. Additionally, by streamlining process delivery through the value chain with the aim of delivering a continuous flow of value to customers, we target to optimise the time and resources required for delivery, while also maximising the performance of our employees through productivity management and employee support.

Scalable and Modular Technology Roll-out – OneMod

We have built a flexible, scalable, modular and secure enterprise architecture that underpins and supports FWD Omne, FWD Cube and FWD Opus, and our other digital, data and technology assets. This OneMod architecture is capable of leveraging real-time data insights in applications and providing 24/7 services across all stages of the insurance value chain supporting claims, purchasing, policy management, and customer engagement. Through our OneMod initiative, we are driving end to end technology standardisation and legacy modernisation across our operating markets which enables us to improve operational and cost efficiency in various aspects, such as reducing the average lead time for product launch by 29 days. We target to continue improving our cost optimisation and revenue generation through our technology roll-out plan across the Group as well as expand the platform to cover more functional areas of the insurance value chain like our contact centre.

We adopt agile practices, by having two-week sprint cycle and product launches, enabling us to swiftly adapt to customer feedback and market shifts. By leveraging DevSecOps practices and tools, we can expedite time-to-market of our projects, with over 250 projects now adhering to these agile practices. Additionally, we have retired legacy applications and unified our applications through platform technology. As of 31 December 2024, we had decommissioned 99% of applications that we had targeted for retirement, compared to 90% as of 31 December 2022.

Data Analytics and AI

Underlying each of our digital platforms is the data analytics and AI which we have applied across our sales, underwriting, claims, policy administration, actuarial, collections and finance functions. To automate our processes and enhance operational efficiency, we have introduced the following key initiatives:

- *AI Underwriting*: AI-driven underwriting to complement our automated underwriting engine to provide a faster and simpler underwriting process to our customers. We have reduced our number of underwriting questions and refined them to solicit more relevant and accurate data, which helps us to better and more quickly assess a potential customer's health condition for underwriting. We have leveraged GenAI technology to enhance our operational efficiency in 2024. For example, Gen AI Assist for Underwriting facilitates web searches for medical information which aids underwriters in risk assessment, analyses and summarises customer data, provides underwriters with a summary for assessment of new business underwriting, and provides recommendations for decision-making.

- *AI Vision*: By extracting text from documents such as identification documents for the electronic Know Your Customer ("**eKYC**") process and claims documents, we have streamlined operations and enhanced our STP capabilities. For instance, in 2024, FWD Vision achieved an 97% accuracy rate in processing Japanese hospital receipts and treatment details documents.

- *AI Fraud Detection*: AI Fraud Detection is our proprietary AI-powered fraud detection solution, which is integrated with our claims system. We have rolled out AI Fraud Detection in Hong Kong, Thailand and Japan as of December 2024.

- *Leads Enrichment and AI Lapse Prevention*: In 2024, we launched 540 AI monetisation campaigns across all of our markets, which include acquisition, cross-sell, up-sell, renewal, reinstatement and win-back campaigns. In particular, we seek to identify the needs and products for customers to initiate automatic targeted customer engagement. AI Lapse Prevention offers insights to enhance the efficient allocation of resources, with a focus on targeting high risk cases to settle renewal premiums.

- *Leads Management*: We manage leads through an integrated approach, and embed AI and data-driven insights along the sales journey, to enhance the selling experience. We target higher conversion and cross-selling opportunities by providing a personalised and holistic view of our customers' insurance needs. As a result of our AI campaign, our Group's incremental new VNB from up-selling and cross-selling reached US$37 million in 2024.

OUR OPERATIONS IN OUR GEOGRAPHIC MARKETS

Our subsidiaries operate the Group's life insurance business across Hong Kong (and Macau), Thailand (and Cambodia), Japan and the Emerging Markets, which include the Philippines, Indonesia, Singapore, Vietnam and Malaysia. As used herein, references to "we" and "us" are to our subsidiaries operating our insurance business in each of our geographic markets.

Hong Kong (and Macau)

Market and Business Overview

While Hong Kong is a mature insurance market, the demand for life insurance products continues to grow, driven by solid demographic and macroeconomic tailwinds. With favourable demographic trends, there is growing demand for retirement and health products, as well as untapped potential in medical protection products. The expanding affluent class in recent years has also contributed to an expanding HNW individual population providing further potential for future growth in this sector. Benefited by geographical proximity, it is popular among MCVs to seek additional insurance protection in Hong Kong. Historically, insurance sales from MCVs have contributed to a significant portion of total industry sales, although it slowed down due to travel restrictions imposed during part of the Track Record Period as a result of the COVID-19 pandemic. The Hong Kong-mainland China border reopened in early 2023, resulting in strong recovery in MCV sales in 2023, which continued through 2024.

FWD Life (Bermuda), FWD Life (Macau), FWD Life (Hong Kong) and FWD Life Assurance (Hong Kong) operate the Group's life insurance business in Hong Kong and Macau. In February 2013, we acquired FWD Life (Bermuda) and FWD Life (Macau) from ING. Following the acquisition, we have been expanding our presence in Hong Kong with our customer-led brand and our vision to change the way people feel about insurance. We completed the acquisition of MetLife Limited and Metropolitan Life Insurance Company of Hong Kong Limited in June 2020 (subsequently rebranded as FWD Life (Hong Kong) and FWD Life Assurance (Hong Kong), respectively). In 2023, we launched FWD Private, a new brand proposition exclusively dedicated to serving HNW individuals. It offers comprehensive insurance solutions that cater to our customers' needs for global asset allocation, diversification, and wealth appreciation, as well as their desire for legacy planning. We have also set up a Centre of Excellence with dedicated resources to engage business partners and provide support.

Our TWPI (non-IFRS measure) in Hong Kong (and Macau) was US$1,664 million, US$1,708 million and US$2,106 million in 2022, 2023 and 2024, respectively. From 2014 to 2024, our VNB in Hong Kong (and Macau) has grown 3 times from US$80 million to US$333 million. Our VNB in Hong Kong (and Macau) increased by 49.3% on a CER basis from US$216 million in 2022 to US$323 million in 2023, and by 32.5% from US$251 million in 2023 to US$333 million in 2024 on a like-for-like and CER basis.

We operate a multi-channel distribution model in Hong Kong and Macau, including tied agents, bancassurance, brokerage and digital commerce. Our scale extends across these channels, evidenced by us ranking as a top five life insurer by the aggregate of all single premiums and all first year premiums in each of the bancassurance, agency, brokerage and direct distribution channels in Hong Kong in 2023, according to NMG.

Our agency distribution channel has grown significantly in recent years. Our agency force comprised approximately 4,400 agents as of 31 December 2024, including 594 MDRT-registered members in Hong Kong and Macau. We have the fifth largest number of MDRT-registered members in Hong Kong, and our agency distribution channel in Hong Kong ranked fifth in market share by APE in 2023, according to NMG. Our agency recruitment strategy mainly focuses on organic recruitment. We have been investing in our in-house agency leaders to recruit and build up our sales force. We and our agents have won multiple awards from Hong Kong Federation of Insurers, Hong Kong Management Association, Bloomberg, Institute of Financial Planners of Hong Kong and the Life Underwriters Association of Hong Kong.

For our bancassurance channel, we cooperate with Bank of Communications (HK) Ltd, China Construction Bank (Asia) Corporation Limited, E.Sun Commercial Bank, Ltd, Industrial and Commercial Bank of China (Asia) Ltd, Nanyang Commercial Bank, Limited, CMB Wing Lung Bank-Macau Branch, China CITIC Bank International Limited Macau Branch and CTBC Bank Co. Ltd under a non-exclusive, preferred banking partnership model where we align our product proposition with the banks' segmentation strategy, provide tailored training programmes for banks, launch co-branding programmes such as co-branded credit cards and deploy digital tools to help us and our banking partners to enhance the sales and customer journey. Additionally, our long-term partnerships with the Hong Kong-incorporated bank subsidiaries of leading PRC banks allow us to tap into the vast population across the Greater Bay Area.

Brokers in Hong Kong strategically target MCVs and HNW individuals and we believe that our brokers are well-positioned to take advantage of the forecasted market growth and potential insurance opportunities in the Greater Bay Area. We also revamped the self-service portal for our brokers and rolled out a digital onboarding system with one of our brokers to enhance sales and customer experience.

Consequently, through such bancassurance partners and brokers, we are able to present diverse and tailored product solutions to a wide group of HNW and mass affluent customers.

We also strive to make digital insurance more accessible to customers through our digital commerce distribution, including our D2C eCommerce platform, digital ecosystems and partnerships, as well as our O2O digital referral model. By optimising our customer-led eCommerce platforms with simplified design and a straight-through product application process, we seek to further increase online traffic at our platforms and increase the online purchase conversion rate. We also distribute our products through the platforms of our digital partners, including online brokers, large eCommerce websites and e-wallets platform, and capture cross-selling opportunities by offering exclusive rewards for the members of such partner websites. Furthermore, we seek to maximise cost efficiency through O2O sales conversion through effective online lead management, digital referrals and data analytics capabilities.

In terms of customers and products, we have been diversifying our product portfolio based on evolving customer needs. We have diversified our product suite from universal life products to participating and protection products, including critical illness, medical and life policies, which are less sensitive to interest rate movements and could enhance our profit margin. In 2024, our top three product categories by APE contribution for the region were participating life (86%), non-participating life (9%) and individual protection (4%). In addition to life insurance, we also distribute MPF products for our partner, general insurance products for bolttech, and mutual fund products through FWD Financial Planning. Additionally, we have launched a number of new products that present attractive value propositions to our customers, including Crisis EasyGo series. See "*– Our Products – Product Strategy and Development*."

As digitalisation is key to our growth strategy, we have invested heavily in R&D. In terms of customer servicing, our AI chatbot with real-time and multi-language support capabilities currently handles approximately 54% of our call centre traffic. We have also implemented automated underwriting, accepting an increasing number of e-submissions of new insurance applications, and providing digitalised customer management support for our distribution channels.

We have promoted systems integration between Hong Kong and Macau to enable us to shift sales and operations across the two markets in a flexible and agile manner. We also benefit from shareholder support and work closely with affiliated companies such as the HKT Group and the bolttech Group on cross-selling and other collaboration opportunities.

Strategy

In the Hong Kong and Macau markets, we aim to improve profitability, accelerate protection growth and eliminate expense overrun by:

- further strengthening our multi-channel strategy, including expanding our agency force, driving digital adoption by our agency force to enhance productivity, promoting the preferred partner model for our bancassurance and brokerage channel to deepen penetration in HNW and targeted customers, and further broadening our customer reach and deepening customer engagement through our digital commerce channel;

- product revamps and launches to enhance value creation, such as enhancing core critical illness and medical products with new features and enriching the packaging of savings products to differentiate ourselves from our peers;

- pursuing digital advancement to achieve operational excellence, through technologies and initiatives such as our cloud computing, automated underwriting, digitalised sales and services platforms, and AI chatbots;

- continuing to focus on growing our sales volumes to MCVs via our multiple channels following the Hong Kong-mainland China border reopening in early 2023; and

- tapping into strong growth of HNW individuals through the FWD Private brand.

Thailand (and Cambodia)

Market and Business Overview

We believe that there is significant untapped potential within the Thailand life insurance market as the population remains substantially underinsured. In addition, Thailand's aging population has increased the demand for protection, medical and pension products.

We commenced life insurance business in Thailand in 2013, when we acquired ING's life insurance business in the country and rebranded it as FWD Thailand, our regulated insurance subsidiary which operates our business in Thailand. In September 2019, we acquired SCB Life, which amalgamated with FWD Thailand in October 2020, significantly enhancing our business scale, distribution reach and brand visibility. We are now the second largest insurer and the largest bancassurer by APE in Thailand in 2023 according to NMG. Our TWPI (non-IFRS measure) in Thailand was US$2,166 million, US$2,390 million, US$2,468 million for 2022, 2023 and 2024, respectively. Our APE in Thailand grew by 26.9% from 2022 to 2023 on a CER basis and decreased by 3.7% from 2023 to 2024 on a like-for-like and CER basis, compared with an industry average CAGR of approximately 10% on a CER basis from 2021 to 2023, according to NMG.

We operate under a multi-channel distribution model in Thailand, including bancassurance, agency, brokerage and other partnerships, as well as digital commerce channels. We ranked as the leading insurer in three out of these five channels and the top two life insurer in Thailand by APE in 2023, according to NMG.

We have built our bancassurance channel in Thailand through our current exclusive partnership with SCB, one of the largest banks in Thailand based on total assets, according to NMG. Our bancassurance partnership with SCB commenced in 2019 and is now the leading bancassurance platform by APE in Thailand, according to NMG. In 2022, our VNB generated from our partnership with SCB grew by 15.5% from 2022 to 2023 on a CER basis and by 9.9% from 2023 to 2024 on a like-for-like and CER basis. SCB has multiple digital channels with an array of products to serve its customers, including its SCB EASY app, which had approximately 15 million users as of 31 January 2025, according to NMG.

From the beginning of our partnership with SCB in 2019, we have worked closely with the bank, launching new products in just three months from commencement of our partnership. In 2024, we also launched nine new products and riders through our partnership with SCB. We continue to cooperate in building data analytics models, including Propensity to Buy and Next Best Offer, which analyse a customer's life stage, coverage gap, persona and purchase behaviour to predict what is the next best appropriate product for the customers, prompting customised product recommendations that are tailored to cover the customer's specific protection needs. As of 31 December 2024, we had a base of approximately 1.7 million policyholders through our partnership with SCB. With the support of our digital capabilities, SCB more than doubled in leads conversion as compared to pre-implementation of our sales enablement tools. We believe that the above initiatives have supported our strong post-acquisition organic growth in policyholder base and financial performance.

In April 2023, in recognition of our bancassurance partnership with SCB being the largest contributor to our APE and VNB in Thailand, and the delivery of strong organic growth, we extended our partnership with SCB for a further two years. This extension, as well as entering into new distribution partnerships with SCB affiliates Card X Company Limited and AutoX Company Limited in 2023, in addition to our existing arrangement with SCB Protect Company Limited, demonstrates the strength and breadth of our partnership with SCB and the SCBX Group and will allow us to deliver on our strategy of enhancing our bancassurance channel and distribution reach in Thailand.

Our second largest distribution channel in Thailand is the agency channel, with approximately 15,300 agents in Thailand, as of 31 December 2024. We ranked second in the MDRT 2024 rankings for life insurers in Thailand based on the number of MDRT-registered members, with 493 MDRT-registered members as of December 2024. To meet evolving customer needs, we are offering more riders through the agency channel. Riders are additional benefits or coverage that customers can select to add to a base insurance policy to provide further protection.

We have introduced a number of new products and tools, including mobile applications, in Thailand to empower our customers and distributors. We offer products such as life insurance, personal accident and health products through our eCommerce platform on a D2C basis. In recent years, the focus of our product portfolio has changed from short- and medium-term savings products to protection and health. In 2024, our top three product categories by APE contribution for Thailand and Cambodia were non-participating life (79%), individual protection (8%) and unit-linked (7%).

Strategy

To achieve continued growth in Thailand, we aim to:

- sustain leadership in bancassurance sales by increasing penetration in the SCB customer base through further digital integration and customer insights and expand health and protection growth through the SCB Protect direct sales force;

- develop digital customer engagement and servicing ecosystems to enhance operational efficiency, eliminate manual processes, support sales and strengthen our multi-channel distribution capability;

- continue to drive quality growth and improvement in our agency channel through increased recruitment, campaigns and training;

- promote sales of protection products and riders to provide customers with relevant protection cover and improve our new business margin; and

- launch new, simple and personalised customer-facing platforms based on our AI data analytics and interconnected technology backbone.

Cambodia

In December 2020, we acquired Bangkok Life Assurance (Cambodia) Plc. (renamed as FWD Life Insurance (Cambodia) Plc.) to operate our insurance business in Cambodia. FWD Cambodia launched operations in Cambodia in September 2021. Our bancassurance channel comprises exclusive partnerships with First Finance Plc and Chip Mong Commercial Bank Plc. Our operating model is:

- to leverage the digital capabilities and back-office infrastructure of our leading Thailand business to position FWD Cambodia as a digital leader with paperless and highly automated operations underpinned by an efficient capital structure;

- to leverage our digital capabilities to serve a multi-channel sales model across bancassurance and agency sales;

- to develop a product portfolio with focus on endowment products packaged with protection riders, complemented by simple protection products such as term life and credit life; and

- to focus on the emerging-middle to upper-middle-class Cambodian customers, primarily residing in major urban areas.

Japan

Market and Business Overview

FWD Life Japan operates as a specialist life insurer focusing on individual protection business sold through the IFA channel in Japan. We also sell individual protection products direct to consumers via our digital commerce channel.

We commenced our operations in Japan after we completed the acquisition of AIG Fuji Life Insurance Company, Limited from American International Group, Inc. ("**AIG**") for US$330 million in April 2017, which was subsequently rebranded FWD Life Japan, our regulated insurance subsidiary which operates our business in Japan. Our TWPI (non-IFRS measure) in Japan was US$1,757 million, US$1,579 million, US$1,249 million in 2022, 2023 and 2024, respectively. The decrease was primarily due to the shift in product strategy from COLI to individual protection products which have a higher profit margin, as well as depreciation of the Japanese Yen against the US dollar. The new business CSM reached a year-over-year CER growth of 21% from 2023 to 2024 on like-for-like basis.

In response to regulatory changes and industry trends, we have pivoted away from COLI towards individual protection products. The APE generated from COLI as a percentage of total APE in Japan significantly decreased from 20% in 2022 to 8% in 2024, with the percentage of individual protection products rising from 80% to 92%. We have repriced and updated our individual protection product offerings and introduced 8 new products from

2022 to December 2024. In 2024, our top three product categories by APE contribution for the region were individual protection (91%), group and others (8%) and non-participating life (1%). Our major product lines in Japan include medical, cancer, critical illness and monthly income benefit, and we are a leader across these products. Due to our efforts to accelerate the offering of individual protection products, our VNB in Japan, excluding COLI, grew by 16.6% from 2022 to 2023 on a CER basis, and by 13.1% from 2023 to 2024 on a like-for-like and CER basis. We believe that we operate a competitive and sustainable business model focused on the specialised but large individual protection market. We aim to gain market share and believe that there is ample room to grow in this market segment. Furthermore, we continue to explore profitable proposition innovations in Japan, including within the savings and investment sector. We are currently planning to enter the savings and retirement market with the launch of a savings product, which we expect to launch in 2025.

Our distribution model in Japan is primarily focused on the IFA channel, supplemented by the digital commerce channel. In Japan, IFAs distribute products via various avenues, including shop-type agencies (which serve young retail customers with retail-style outlets) and door-to-door agencies (which sell insurance products to SME and HNW customers in person). We are regularly refreshing our IFA force to capture the top nationwide IFA partners in the market while reducing the number of IFAs with low productivity. Our D2C distribution also allows customers to purchase our insurance products directly through our website or by mail.

We operate with a relatively small sales force in Japan, but in the post-COVID-19 environment, we have hired and trained new sales staff with the intention of strengthening our ability to make proposals to IFAs. In addition, we are looking to improve productivity through the use of digital tools. As a result of our efforts to improve the capacities and capabilities of our sales staff as specialists in protection, we believe that our sales force has been able to maintain higher productivity than most of our competitors, which has allowed us to strengthen our relationships with IFAs.

In addition, we have invested heavily in research and development in accordance with our digitalisation strategy. Our operations are supported by robust technology capabilities and digital infrastructure which is cloud-based and seamlessly integrated across our business functions. As part of our business digitalisation, we have introduced multiple key technologies and initiatives that cover key areas of our operation. For example, we have increased our operational efficiency, and business scalability through digitalisation of our operations and utilisation of cloud infrastructure to host our applications and servers. We have also enhanced customer satisfaction in claims processing through automation. Our STP and AI Claims 2.0 systems have increased processing speed, reduced error ratios and cut waiting time by employing analytics-driven software.

Strategy

To achieve continued growth in Japan, we aim to:

- maintain an agile business model to adapt to changes in customer, product and regulatory trends in the Japanese insurance market; to achieve this, we have reengineered our approach to product development and delivery to meet the evolving needs of Japanese consumers and IFA distributors;

- focus on the sales of individual product offerings such as medical, cancer and critical illness and monthly income benefit, as well as explore products and propositions within the savings and investments sectors, via IFA and digital commerce, to further increase our market share in our target segments;

- accelerate the digitalisation of our operations and products, including the introduction of paperless and automated processes, customer self-service portals and enhanced integration with our distribution partners to become a digitally-oriented insurance company; and

- enhance our operational efficiency, including by promoting digitalisation and optimising our workforce structure.

Our Emerging Markets

Market and Business Overview

Through our regulated insurance subsidiaries, we operate in key and fast-growing markets in Southeast Asia, including the Philippines, Indonesia, Singapore, Vietnam and Malaysia. Except for Singapore, these markets share features such as a large and expanding labour force, robust economic growth underpinning a growing middle class with wealth accumulation, improving financial inclusion across socio-economic classes accelerated by increased access to technology, and an underpenetrated and underserved population. Additionally, except for Singapore, the level of insurance penetration in these emerging markets, measured by calculating insurance premiums as a percentage of total GDP in a given market, was less than 5% as of 31 December 2023, according to NMG, with growing health and protection awareness in these markets is expected to increase per capita spending on insurance.

Emerging Markets have been a key growth engine for us, and represented 11.2%, 11.5% and 12.2% of our total TWPI (non-IFRS measure) for 2022, 2023 and 2024, respectively. We believe that we are well-positioned to capture the substantial and dynamic opportunities in these markets, leveraging our digitally empowered and diverse distribution channels and customer propositions. In 2024, our top three product categories by APE contribution for the region were unit-linked (36%), individual protection (33%) and non-participating life (21%).

As of 31 December 2024, we had over 35,300 agents, 15 bancassurance partners, as well as various brokerage/IFA partners, digital commerce platforms and eCommerce partners in Emerging Markets. Among our Business Units, our digital adoption is most progressed in Emerging Markets with a 100% agency digital adoption ratio and 100% eSubmission in all markets in each of 2023 and 2024 and fully automated underwriting available in the Philippines, Singapore, Indonesia and Malaysia. We have generally outperformed our competitors in these markets, and our APE growth has exceeded the industry APE growth in each of the countries in Emerging Markets, according to NMG. Our TWPI (non-IFRS measure) in Emerging Markets was US$708 million, US$739 million and US$809 million in 2022, 2023 and 2024, respectively.

Strategy

To achieve continued growth in our Emerging Markets operations, we aim to:

- optimise our product mix with a focus on individual protection products to target the needs of various segments, including the micro segment, as well as to target the needs of middle class, upper-middle class, affluent and HNW customers;

- enhance our exclusive partnerships with leading banks in the respective markets, accelerate FWD Elite agency growth, establish new ecosystem partnerships for digital commerce strategy, and drive superior customer service through digital end-to-end customer journeys;

- achieve larger business scale through sustainable organic growth and enhanced profitability;

- build a team of talented employees to challenge industry traditions and create a unique and engaging work environment; and

- further promote digital differentiators in line with our overall Group strategy to attract digitally-native customers and enhance our productivity and operational efficiency.

We have also tailored specific market strategies based on our operating history and industry dynamics, and target to:

- (in the Philippines) focus on our target customer segments of HNW individuals and tech-savvy customers by deepening our brand presence in Metro Manila, Davao and Cebu;

- (in Indonesia) optimise and enhance performance, agency force, distribution access, customer reach as well as product mix following our amalgamation of PT Commonwealth Life and FWD Indonesia, minority investment in BRI Life and subsequent entry into partnership with Bank BRI;

- (in Vietnam) accelerate our activation of the VCB customer base with a wide range of new products and lead the market through best-in-class distribution practices to offer simple and relevant propositions; and

- (in Malaysia) realise synergies through our presence in Malaysia via FWD Takaful and FWD Life Malaysia, including by tapping into the agency force of FWD Life Malaysia for takaful sales and placing a target operating model across both businesses to deliver operating efficiencies.

The Philippines

Through FWD Philippines, we are the first foreign life insurer licensed by the Insurance Commission under the new Insurance Code, Republic Act No. 10607 which was enacted into law in 2013, to operate in the Philippines. We launched commercial operations through FWD Philippines in September 2014. Our APE in the Philippines grew by 18.1% from 2022 to 2023 on a CER basis and by 48.5% from 2023 to 2024 on a like-for-like and CER basis. According to NMG, the industry APE in the Philippines grew at a CAGR of approximately 5% on a CER basis from 2021 to 2023. In 2023, we ranked as the third largest life insurer in the Philippines as measured by new business APE, according to Philippines Insurance Commission, according to NMG.

Since entering the market, we have, and continue to develop, new products and services to meet the protection and investment needs of our target customers, including tech-savvy customers, mass affluent, HNW and OFW segments.

As of 31 December 2024, we had approximately 14,100 agents in the Philippines, and continue to develop a trusted and digitally-literate agency force through recruitment and MDRT development. As a result of our efforts in growing our agency distribution capabilities, our agency force in the Philippines increased at a CAGR of 62% from 2022 to the 2024. We ranked second in the MDRT 2024 rankings for life insurers in the Philippines based on the number of MDRT-registered members, with 368 MDRT-registered agents as of December 2024. We also forged a successful long-term exclusive bancassurance partnership with Security Bank in 2015, through which we effectively utilise both bank staff and our insurance specialists across its network of over 300 branches to optimise sales productivity and explore further opportunities such as the launch of a co-branded debit card and the promotion of our products on Security Bank's ATMs and online platform. Under this partnership, we have successfully achieved an increase in Security Bank's sales productivity as demonstrated by a 76% increase in monthly average case count per active financial sales consultant from the launch of our partnership in 2015 to 2024 to reach an average monthly case count of over 10 in 2024 which, in turn, resulted in the increase in bancassurance APE generated by Security Bank at a CAGR of 21.5% over the same period. To demonstrate both our and Security Bank's respective investment in the partnership and its strategic importance, on 12 December 2024, we announced the extension of our partnership with Security Bank. We also operate a direct digital channel and have proactively integrated our online and offline offerings to increase our sales. As of 31 December 2024, we had more than 124,200 policyholders from Security Bank.

We were the first insurance provider in the country to launch in-market 24-hour customer service in 2017, to obtain approvals from the regulators to offer remote insurance sales through the use of electronic signatures and to conduct remote recruitment by self-certifying agents during the COVID-19 pandemic. In 2018, we launched FWD Tapp, which offers customers a 24-hour information gateway and service centre and allows our customers to access and manage their insurance policies with us quickly and easily. The Philippines was also among the first markets where we launched AI^2, our AI-driven financial planning tool. We have employed new technologies and tools to boost our productivity in the Philippines. For instance, APE per active agent in Philippines was approximately PHP113,000 for the period between August and December 2023. Upon adoption of virtual coach (i.e. Guru), APE per active agent for Guru users increased to approximately PHP123,000 for the same period in 2024, whereas APE per active agent for non-Guru users remained the same, reflecting an effective 10% uplift in agent productivity through Guru.

Indonesia

We commenced business operations in Indonesia in June 2015 and consolidated FWD Indonesia's business in our financial results from 2015. FWD Indonesia, which is our regulated insurance subsidiary operating our insurance business in Indonesia, received a Shariah-compliant life insurance licence in 2015 and launched its first Shariah product in 2016 aimed at the majority Muslim population in the country. We completed the acquisition of PT Commonwealth Life in June 2020 and as of December 2020, we integrated the two companies under one platform with unified products and systems. The APE of our Indonesia business increased by 2.1% from US$51 million in 2022 to US$51 million in 2023 on a CER basis, and decreased by 5.5% from US$44 million in 2023 to US$40 million in 2024 on a like-for-like and CER basis, primarily due to lower sales resulting from the acquisition by PT OCBC NSIP Tbk of PT Bank Commonwealth (with whom we previously had an exclusive distribution agreement). According to NMG, the industry APE in Indonesia declined at an annualised basis of approximately 1% on a CER basis from 2021 to 2023. In 2023, we ranked as number one on aggregate individual and group bancassurance new business APE, according to NMG.

As of 31 December 2024, FWD Indonesia had approximately 2,800 agents, and our agency channel's APE grew by 17.6% from 2022 to 2023 on a CER basis and by 1.5% from 2023 to 2024 on a like-for-like and CER basis. We have non-exclusive bancassurance partnerships with PT Bank OCBC NSIP Tbk and PT Bank Mestika Dharma Tbk, and in 2024, we launched a non-exclusive partnership with Bank Syariah Indonesia, with an objective of expanding credit life and Sharia business in Indonesia. In 2022, we entered into the ecosystem partnership space with Traveloka, Southeast Asia's leading digital travel and lifestyle booking platform. Through this platform, we provide users with convenient access to comprehensive protection, offering customisable health insurance benefits and affordable cancer protection since early stages without requiring any medical check-up.

We have conducted extensive customer research to create a product portfolio that best caters to the needs of Indonesian customers. Unit-linked products have historically comprised most of our insurance product sales in Indonesia, but we have shifted our focus to also target traditional critical illness products with a protection focus. We offer FWD Critical Armor, which covers up to three critical illness claims in a single policy, and recently launched FWD Whole Life Protection, both of which reinforce our protection focus. We have also introduced a number of new products in Indonesia, including a medical care Shariah product that can be bought online with an in-patient, hospital health benefit.

Since the inception of the business, FWD Indonesia has operated on a paperless and cashless basis, including e-submission, electronic signature as well as electronic policy issuance and delivery. We have also launched an e-claims process and an e-policy assistant to allow our customers to complete a substantial amount of their transactions with us online by themselves. For our distribution channels, we have automated our agency recruitment process and provide e-training through our e-licensing platform to onboard our new agents.

In order to extend our Group's insurance expertise and capabilities to more customers in Indonesia, in March 2021, we subscribed for 29.9% of the issued share capital in BRI Life, the largest bancassurer in Indonesia in 2023 in terms of the aggregate individual and group bancassurance APE, according to NMG. As of 30 June 2024, BRI Life had more than 18 million customers.

Our Group also agreed to provide additional capital contribution to BRI Life, which has increased our stake in BRI Life to 44.0% as of 31 December 2024. Concurrently with our initial subscription into BRI Life, BRI Life entered into a 15-year exclusive distribution partnership with Bank BRI. Bank BRI is one of the largest banks in Indonesia by market capitalisation as of 30 June 2024, according to NMG. As such this collaboration strategically complements our own agency channel and our non-exclusive bancassurance partnerships. Bank BRI shares our focus on strong digital capabilities that enable cost-effective access to the customer base with predominantly protection products, as evidenced by an approximately 25% year-over-year increase in BRIMO mobile app users as of 30 September 2024. Since our initial investment in BRI Life, its VNB has increased by 34% from US$26 million in 2022 to US$35 million in 2023 on a CER basis, and by 12.8% from US$35 million in 2023 to US$38 million in 2024 on a like-for-like and CER basis.

Singapore

We acquired a controlling stake in Shenton Insurance Pte. Ltd. in 2016. Subsequently, we acquired the entire remaining stake in the company, and it became our wholly-owned subsidiary in June 2019, responsible for operating our insurance business in Singapore. Our life insurance APE in Singapore grew by 38.1% from 2022 to 2023 on a CER basis and by 24.4% from 2023 to 2024 on a like-for-like and CER basis. According to NMG, the industry life insurance APE declined at an annualised basis of approximately 4% on a CER basis from 2021 to 2023.

While our API-enabled D2C platform focuses on mass customers as a primary target segment in Singapore, we are increasingly focused on expanding our reach to penetrate affluent and HNW individuals through the fast-growing IFA channel given Singapore's status as one of the largest offshore wealth management hubs in the world. While group insurance products used to be a dominant product category in our portfolio, they have been replaced by our individual life insurance product offerings since 2021, which include term life, critical illness and medical products. After the launch of term life sales via the IFA channel in 2020, we also commenced the offering of unit-linked products in 2021 and in 2023 launched a participating fund. In 2024, the MAS granted us a licence to set up a Singapore branch of FWD Life (Bermuda), which targets the HNW client segment. The establishment of the Singapore branch, which launched in May 2024, is part of our launch of FWD Private in Hong Kong in 2023.

FWD Singapore currently distributes our products in Singapore through digital commerce, IFA, international broker channels and bancassurance channels. Under our digital commerce channel, we acquire customers on a D2C basis through our website, search engines and affiliate partnerships as well as O2O cross-selling opportunities. For our IFA and international broker channel, we have onboarded over 4,900 IFAs from 35 partners in Singapore as of 31 December 2024, who distribute our products such as our term life insurance plan, the first product launched through the IFA channel, which utilises the straight-through-underwriting system. Our IFAs can also leverage various digital tools, such as our platform that allows remote sales, transactions and customer consultation. In 2024, we have also launched non-exclusive bancassurance partnerships with CIMB Bank Berhad, Singapore Branch and Bank of China Limited, Singapore Branch.

Our customers in Singapore enjoy a seamless and paperless purchase journey through our fully digital platform and technology-enabled IFA channel. We are automating our underwriting process, which is integrated along with other digital tools into our sales support application FWD Smart. Since 2020, all of our new insurance applications and most service requests in Singapore were submitted online.

Vietnam

We commenced our operations in Vietnam in 2016 following our acquisition of Great Eastern Life (Vietnam) Company Limited. We subsequently renamed it as FWD Vietnam, which is our regulated insurance subsidiary operating our insurance business in Vietnam. In April 2020, we further expanded our business in Vietnam with the acquisition of VCLI and launch of our exclusive bancassurance partnership with VCB. During 2023, the insurance market in Vietnam was disrupted by the industry-wide review of bancassurance sales practices and a fall of consumer confidence, which resulted in regulatory intervention and a significant slowdown of new business. However, the scope of such regulatory intervention was narrower than anticipated. NMG expects the Vietnam life insurance market to return to greater than 20% year-on-year growth in APE volumes through 2028, given favourable socio-economic fundamentals and projections, strong underlying need for insurance and regulatory focus on closing the protection gap.

The APE of our Vietnam business decreased by 46.9% from 2022 to 2023 on a CER basis and decreased by 17.2% from 2023 to 2024 on a like-for-like and CER basis. According to NMG, the industry APE in Vietnam declined at an annualised basis of approximately 23% on a CER basis from 2021 to 2023. We were the seventh largest life insurer in Vietnam in terms of APE and third largest bancassurer in 2023, according to NMG.

FWD Vietnam offers products ranging from universal life, unit linked, endowment, to a suite of riders serving as add-on protection products as well as standalone protection products such as cancer care, critical illness, Medicare, term life and credit life. We design our products under a customer-led approach. We have also been simplifying our contract wording to be reader-friendly and easy-to-understand for customers and offering more products online. We believe that our rider attachments drive an increased protection ratio, serve customer needs and improve our profit margin.

We operate a multi-channel distribution model in Vietnam, including tied agency, bancassurance, IFA, and digital commerce channels. We have built a highly productive agency force and ranked second in the MDRT 2024 rankings for life insurers in Vietnam based on the number of MDRT-registered members. We launched our IFA channel in 2017 and are currently cooperating with ten IFA partners locally.

We formed our exclusive bancassurance partnership with VCB, the leading commercial bank in Vietnam, in 2020 as part of our acquisition of VCLI, which had over 108,000 policyholders as of 31 December 2024. We subsequently disposed of VCLI in March 2022. We also have non-exclusive bancassurance partnerships with leading regional banks, including HD Bank and Agribank.

Our operations in Vietnam are among the most digitally-advanced of our business. Our agency force can utilise a variety of digital tools including eRecruit, eLearning, FWD Ezi (our electronic application submission system) and FWD Cube. We are also transforming our bancassurance partnerships including those with NextGen Banca and VCB by utilising data and customer analytics to better serve our customers. For instance, through our digital integration with VCB, digital sales represented 39% of total policies issued and 65% of ePolicies are issued within two hours in 2024. Our digital commerce channel includes our digital distribution via our eCommerce platform. In addition to adopting a cashless and paperless sales model, we have also implemented other initiatives such as eClaims, ePolicy, eCash withdrawal to enhance the customer experience.

Malaysia

We commenced operations in Malaysia with our acquisition of HSBC's 49% stake in HSBC Amanah Takaful in March 2019. In March 2024, we subsequently acquired an additional 21% of the equity interest in FWD Takaful, which brought our equity interest in FWD Takaful to 70%. The VNB of our Malaysia business grewby 12.0% from 2022 to 2023 on a CER basis and by 1,615.3% from 2023 to 2024 on a like-for-like and CER basis. According to NMG, the industry APE in Malaysia declined at an annualised basis of approximately 1% on a CER basis from 2021 to 2023. We ranked as the sixth largest takaful operator and the tenth largest takaful operator and conventional insurer by APE in Malaysia in 2023, according to NMG.

FWD Takaful's product portfolio covers unit-linked products, traditional products, premium-paying riders, advisory and other individual and group products. In general, we are shifting our focus away from savings to protection products, including term life, critical illness, cancer, hospital cash benefit and medical. We are also extending the coverage of many of our products to the insured's family and children.

FWD Takaful operates a multi-channel distribution model, including (i) a bancatakaful partnership with HSBC Amanah Malaysia Berhad, (ii) an agency channel with over 3,000 agents who have access to FWD Affiliates, (iii) a digital commerce channel for online D2C sales, and (iv) other channels that provide takaful protection for government servants.

In April 2023, we acquired, with local investors, a 70% effective interest in GBSN Life, a life insurance company in Malaysia, which has since rebranded to FWD Life Malaysia. Within six months from our acquisition, FWD Life Malaysia launched three new propositions (FWD WealthLink, WealthLink Pro with Smart Protection and FWD MediFirst), launched a new brand campaign, and transitioned from GBSN Life's legacy systems to 18 new FWD systems, demonstrating our ability to activate the business for growth in a speedy manner. In addition, since our acquisition, consistent with our strategy of recruiting a growth-oriented agency force, we have grown our agency force to more than 1,200 agents as of 31 December 2024, up from 458 agents at the time of the acquisition.

Our acquisition of GBSN Life has enabled our Group to enter into the life insurance market in Malaysia alongside our existing takaful presence, and has allowed us to create a full-service offering in Malaysia to offer both family takaful and life insurance solutions in a rapidly growing market with long-term potential for growth, as well as to benefit from GBSN Life's existing exclusive life insurance distribution partnership with Bank Simpanan Nasional which we extended in October 2023 until January 2029.

We utilise various digital tools to manage and enhance the performance of our distribution channels. We use FWD Cube to monitor sales through our agents. Our digital commerce channel mainly comprises our eCommerce platform, which supports STP through our automated underwriting engine.

INVESTMENTS AND ASSET MANAGEMENT

Overview

We invest the premiums and other income generated from our insurance businesses to generate investment return. Our investment philosophy is to maintain a balanced asset portfolio that generates relatively stable investment returns that match our long-term liabilities. We focus on investment grade fixed income securities. We also invest in riskier assets with higher returns, such as equity securities, real estate and alternative investments, mainly to support our traditional participating and universal life insurance products.

As of 31 December 2024, we had US$45.3 billion in investment assets (which includes financial investments, investment property, and the assets and liabilities of derivative financial instruments), of which US$41.9 billion were policyholder and shareholder investments and US$3.4 billion were unit-linked investments. For 2022, 2023 and 2024, we had investment income of US$1,225 million, US$1,418 million and US$1,457 million, respectively. We separate our financial investments into two categories: policyholder and shareholder investments, and unit-linked investments. In general, the investment risk of unit-linked investments is borne by our customers, who are responsible for allocating their premiums among the investment options that we offer. Policyholder and shareholder investments include all financial investments other than unit-linked investments.

Investment Management and Framework

We manage our investments in accordance with our investment management framework, which seeks to ensure that our investment functions are effective and compliant with relevant laws and regulations. It also requires that our investment functions adhere to our ethical standards and risk management policies.

Our Board has established a risk committee (the "**Risk Committee**"), which has primary responsibility for overseeing the investment of all our assets (other than operating assets) within the risk guidelines set by our Board. To meet our investment objectives, the Risk Committee reviews and approves our investment strategy and asset allocation. See *"– Risk Management"* and "*Directors and Senior Management – Board Committees – Risk Committee"* for further details.

Our investment activities are overseen by the ALMCO, which is a management committee established by the Risk Committee. The ALMCO is required to report all significant risks and issues identified in performing its duties to the Risk Committee, which provides oversight of our risk management framework.

The ALMCO is chaired by our Group Chief Financial Officer. It currently consists of seven other members, namely, our Regional Chief Financial Officer (when such position is filled), Group Chief Actuary, Group Chief Investment Officer, Group Chief Risk Officer, Group Chief Compliance Officer, Group Treasurer and Group Chief Strategic Development Officer. The ALMCO has delegated authority from the Risk Committee to oversee the management of insurance risk, market risk, credit risk and asset liability management matters. It reviews and approves the formulation and execution of investment strategy, taking into consideration financial markets, investment opportunities, capital implications, liquidity market conditions, and the economic environment.

The Group manages its assets and liabilities according to its asset liability management policy under the enterprise risk management framework which addresses risks arising from market exposures, asset-liability mismatches, liquidity management, currency exposures and fund segregation. Each Business Unit also has specific goals and objectives – whilst these differ depending upon their individual circumstances and environment, there are some overarching principles that are applied.

These principles ensure that any local legislation that may apply to the treatment of assets and liabilities is considered and that asset cash flows are managed in relation to liability cash flows in a manner that is within the agreed limits and risk appetite of the Group. Additionally, only asset classes permitted by the Group can be invested in and any financial derivative instruments must never be used for speculative purposes.

Asset-liability mismatch risk is the risk of adverse movements in the relative value of assets and liabilities. Assets and liabilities are considered to be well matched if their changes in value in response to market movements are highly correlated and within predefined risk metric limits. In assessing its asset-liability mismatch, each Business Unit determines the appropriate metrics and respective risk thresholds and have approvals for these from the ALMCO. These typically include mismatches between the asset and liability cashflows, duration, dollar duration, liquidity and currency.

The duration of interest-bearing financial assets is regularly reviewed and monitored against the duration of insurance contract liabilities at segment-level. In order to reduce exposure to changes in interest rates, the Group seeks to match, to the extent possible and appropriate, the duration of assets and related liabilities. However, the availability of assets of suitable duration may be restricted by applicable insurance laws, rules and regulations or other market factors.

In addition, the Group continuously monitors its investments through various methods, including management reports, review of risk indicators, action tracking, key control testing, supervision, quality assurance, back-testing, scorecard review, policy review and self-assessment. Our local investment committees and the ALMCO review, at least on a quarterly basis, investment reports by asset class, sector allocation and allocation across ratings. Furthermore, our equity investments are mainly managed by dedicated managers, who provide us regular access to portfolio performance and details.

Specific governance processes and procedures are in place for ALMCO to ensure any breaches or errors are identified quickly and to govern the process for escalating any of these breaches to the appropriate parties.

Investment Strategy

Our insurance products are of a long-term nature and may embed guaranteed and non-guaranteed returns. The main objectives of our investment strategy are to meet our financial obligations to policyholders, the reasonable expectations of policyholders, and regulatory capital requirements. In this regard, our Group's investment strategy takes into account the different product characteristics and capital requirements within each Business Unit.

Our policies require each Business Unit to formulate its strategic asset allocation ("**SAA**") that is able to meet our main investment objectives and to manage investments within the approved risk appetite. Our insurance portfolios include the following major asset classes:

- fixed income assets, which can provide predictable cash flow from coupons and maturity payments to meet our contractual liability payments;
- major debt fixed income classes such as government and government agency bonds and corporate bonds; and
- structured securities, which can provide diversification and return.

Our focus is on credit quality. Our fixed income investments are predominantly investment grade credits comprising AAA to BBB- ratings. Within these major fixed income asset classes, we also seek diversification across geographies, industry sectors and issuers. Currency exposure on account of bonds denominated in currencies other than the underlying insurance liabilities will be hedged.

Individual insurance portfolios are composed of these fixed income asset classes with varying degrees of exposure depending on the characteristics of insurance liabilities. For example, long duration liability portfolios tend to be invested to a larger degree in government bond securities as these are issued with long maturities up to 50 years. Portfolios with higher return targets would focus more on corporate bonds that provide higher income due to credit spreads over government securities.

To a smaller degree, insurance portfolios may hold riskier assets such as public and private equity, other alternative assets, and property. Such holdings provide diversification and higher expected long-term returns.

The Group aims to hold and manage capital to meet all policyholder obligations, regulatory capital requirements and economic capital requirements sufficient to meet our credit rating needs and in accordance with the Group Risk Appetite Framework as approved by the Group Board. We have also established a set of risk policies that support the implementation of our Enterprise Risk Management Framework and Risk Appetite Framework to govern risk-taking across various risk factors pertaining to investment assets. Our SAA Policy and Asset Universe documents stipulate the limit for each asset class and the permitted underlying instrument for each asset class. There are relevant policies that involve multiple layers of limit systems where risks are monitored against the approved risk limits, and prescribe escalation procedures to address excessive risks which are reported to and addressed by the ALMCO or Board committees. During the Track Record Period, the Group did not record any material and reportable deviation from the risk limits defined in the Risk Appetite Framework for the investment portfolio.

Outsourced Investment Managers

We outsource a portion of our investment portfolio to external investment managers. As of 31 December 2024, we managed 31.8% of our Assets Under Management ("**AUM**") for policyholder and shareholder investments. PineBridge managed 20.6% of our AUM as of 31 December 2024, primarily consisting of investment grade bonds and alternative investments primarily for our Hong Kong, Japan and Singapore Business Unit portfolios. For more information regarding our investment management agreement with PineBridge, see "*Connected Transactions*." SCB Asset Management Company Limited managed 33.9% of our AUM as of 31 December 2024, which primarily included investments in equities and investment grade and high yield bonds for our Thailand business. The remaining balance of our AUM was managed by other external third parties.

On 13 December 2021, we entered into an Amended and Restated Investment Management Framework Agreement with Apollo Management Holdings, L.P. and Athene and an Amended and Restated Master Investment Management Implementation Agreement with certain affiliates of Apollo, which together set out the framework for a strategic collaboration between certain affiliates of Apollo, Athene and our Company in asset management, product distribution and reinsurance. Apollo is one of the largest asset managers globally, with an AUM of US$785 billion as of 31 March 2025. The partnership allows the Group to tap into Apollo's expertise in managing insurance balance sheets and deploying capital globally, having built up significant capabilities to support affiliated and third-party clients. Our Directors believe that the Group will also be able to benefit from Apollo's scalable origination platform with a track record in achieving yield uplift for its clients. Save for the [**REDACTED**] Investment by Athene and our arms-length arrangement with Athene Annuity Re for the Athene Reinsurance transaction, Apollo is an independent third party of our Company.

Pursuant to the Amended and Restated Master Investment Management Implementation Agreement, one or more Apollo affiliates will manage part of our Company's investment portfolio, across multi-credit and alternative asset classes. Since the entry into these agreements, we have made purchases of investment grade assets from public markets with blended yields above comparable indices, and we expect the allocation to increase over time with an aim to achieve further yield uplift.

The initial term with respect to the multi-credit asset classes will be five years from the date of each deposit of assets in connection with the investment management mandate, with automatic annual renewals thereafter up to year 10, subject to performance, fees and compliance with law and regulations. The Amended and Restated Master Investment Management Implementation Agreement and the Amended and Restated Investment Management Framework Agreement may be terminated by our Company at any time if Athene and/or its affiliate assignees, which now include Apollo Principal Holdings following the transfer from Athene to it of the Shares Athene held in our Company as described under "*History, Reorganisation and Corporate Structure – Background Information about our* [**REDACTED**] *Investors*"), cease to hold at least 75% of the Tranche A Purchased Shares purchased by Athene in the [**REDACTED**] Investment.

The effectiveness of the Amended and Restated Master Investment Management Implementation Agreement was subject to certain conditions, including applicable regulatory approvals required from the HKIA under its material outsourcing regime, and the OIC in Thailand, which were obtained in September 2023 and January 2024, respectively. Furthermore, pursuant to these agreements, if our Company fails to make the requisite initial deposits on time and such failure is not remedied within a specific period of time, our Company is required to waive the lock-up restrictions applicable to Athene's [**REDACTED**] Investment. For details regarding the lock-up restrictions, please refer to "*History, Reorganisation and Corporate Structure – Major Shareholding Changes of our Company –* [**REDACTED**] *Investments.*" As of 31 December 2024, our Company has allocated over US$4.2 billion of its assets to Apollo affiliates under advisory, and partnership or fund management agreements.

Investment Portfolio

See "*Financial Information – Discussion of Major Items in the Consolidated Statements of Financial Position – Consolidated Statements of Financial Position as of 31 December 2024, 2023 and 2022 – Investment Portfolio*" for details of our investment portfolio.

RISK MANAGEMENT

The core of our business is accepting, pooling and managing risk for the benefit of our policyholders. We have established a comprehensive risk management framework, including a risk management committee structure and robust risk management frameworks, policies and strategies. Our risk management framework is designed to ensure that the risks we have undertaken are backed by appropriate levels of capital to support the ongoing businesses and protect policyholders. We aim to balance efficient capital structures in each of our operating insurance subsidiaries within acceptable levels of risk without compromising either financial strength or our requirement for appropriate returns.

Our risk management cycle starts with identifying the risks, agreeing on and implementing mitigation actions until the risks are resolved and managed within our risk appetite. We have established risk and compliance KPIs and conduct risk culture activities regularly to promote our staff's awareness of risk issues.

Risk Management Committees

We manage our risk profile through our Risk Committee, which functions independently and is supported by the ALMCO and the Compliance and Operational Risk Committee as well as additional working committees.

Risk Management Framework

Our risk management framework applies to all our Business Units, which helps to ensure that we adopt a holistic approach towards risk management and that our risk management policies and strategies can be consistently implemented across our Group. Our risk management framework assigns clear accountability, roles and responsibilities for the management of risk in line with our risk appetite. We regularly review, and stress test our risk management framework to ascertain if any update is needed.

Our risk management framework is based on a "*three lines of defence*" model, which ensures that risks are managed according to the risk appetite established by our Board. The first line of defence is our managers and employees who manage risks on a daily basis in accordance with the strategies and policies set by our Board. The second line of defence is our risk management and compliance functions, who (i) assist the relevant risk committees to formulate the risk management strategies and policies; (ii) coordinate and oversee the execution of our risk management strategies and policies; and (iii) provide an independent assessment of our risk exposure. The third line of defence is our audit function, governed by our Audit Committee. Our internal audit function independently assesses the design and effectiveness of our overall risk management system.

Our risk appetite reflects the amount of total risk exposure that we are willing to accept or retain on the basis of risk-reward trade-offs in qualitative and quantitative terms. Our risk philosophy and approach to risk management stem from our vision, and are reflective of our strategy, risk capacity, code of ethics and business conduct, and our stakeholders' expectations. Our Board establishes our risk appetite through the promulgation of qualitative risk appetite statements. These statements communicate the principles that guide our selection and preference of different types of risks and establish a clear link between our overall business strategy and our risk tolerances. The qualitative risk appetite statements are supported by actionable statements and further broken down into more granular specific risk tolerances for our key risk categories. These risk tolerances are monitored using quantitative metrics set by senior management in collaboration with the Risk Committee and are reported to our Board on a quarterly basis.

Risk Appetite Statements

Our current risk appetite statements are as follows:

- Strategic Risk: we accept strategic risk as part of our business planning process and pursuit of our vision and strategic objectives. We have no appetite for business activities or decisions that knowingly lead, or are likely to lead, to negative impacts on our brand value or customer outcomes. We accept the long term risks posed by climate change (for example, physical and transition risk) where it is identified, assessed and incorporated into the business planning process.

- Market Risk: we accept market risk exposure where we have ample understanding and are able to manage our position as a long term investor to generate adequate and sustainable risk adjusted returns for the benefit of our policyholders and Shareholders. We have low appetite for concentration risk from market risk. We have no appetite for complex market risks for which the Group has no knowledge.

- Credit Risk: we have low appetite for credit risk arising from a default by an insurance, reinsurance or investment counterparty (except credit investments) to fulfil its obligations to the Group. We have low appetite for concentration risk.

- Insurance Risk: we accept insurance risk exposure that the Group has the experience to understand, ability to measure and reasonable expectation to price and derive value for Shareholders and customers.

- Liquidity Risk: we have a low appetite for liquidity risk arising from group operating expenses, debt servicing, external dividends, and capital support to Business Units. Within each Business Unit, the liquidity need arises from insurance business activities and planned remittance to the Group.

- Operational, Compliance & Reputational Risk: we accept that operational risk (including technology and cybersecurity risks) is an inherent part of business operations and have varying appetite and tolerance levels for different types of operational risk, nevertheless we will proactively take steps to mitigate the risks and minimise the impact. We have no appetite for behaviours and decisions that knowingly lead, or are likely to lead, to unfair customer outcomes, regulatory intervention, breach of code of conduct or reputational damage. We have low appetite for adverse business resilience and no appetite for control deficiencies that result in material losses (direct or indirect).

Key Risk Categories

We have identified the following key risks as part of our risk appetite framework. For each key risk, we establish a number of risk monitoring metrics, each with a predetermined tolerance level and clearly defined risk ranges, to facilitate detailed monitoring of our risk profile.

Strategic Risks

Strategic risks are risks related to the competitiveness and sustainability of our Group, such as our reputation risk, long-term direction and contagion risk. Reputational risks are risks of loss of franchise value due to damage to our brand or reputation with customers, distributors, investors and regulators. Our consideration of reputational risk is a key element in our strategic risk management.

Insurance Risks

Insurance risk includes the risks inherent in insurance products, including (i) product design risk, which refers to the potential defects in the development of particular insurance products, (ii) underwriting and expense overrun risk, which refers to the possibility of product-related income being inadequate to support future obligations arising from insurance products, (iii) lapse risk, which refers to the possibility of actual lapse experience diverging from the anticipated experience assumed in product pricing, and (iv) claims risk, which refers to the possibility that the frequency or severity of claims arising from insurance products exceeding the levels assumed when the products were priced.

We utilise several benchmarks to assess the pricing adequacy of a new product and the ongoing appropriateness of an existing product.

The lapse risk includes the potential financial loss incurred due to early termination of policies or contracts in circumstances where the acquisition costs incurred are no longer recoverable from future revenue. To reduce our exposure to lapse risk, we carry out regular reviews of persistency experience, and the results are reflected in new product pricing and in-force product management. In addition, many of our products include surrender charges that entitle us to additional fees upon early termination by policyholders. There are many drivers of lapse, including sales quality, customer experience and economic factors. These drivers are monitored through mystery shopping, welcome calls and customer engagement for example, with the results factored into operational improvements.

We seek to mitigate claims risk by conducting regular reviews of mortality and morbidity experience and reflecting this experience in new product pricing. We also manage claims risk by adhering to our underwriting and claims management policies and procedures. Finally, we use reinsurance solutions to help reduce concentration and volatility risk, especially with large policies or new risks, and as a protection against catastrophes.

Operational Risks

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, personnel and systems or from external events. Our businesses depend on the accurate and efficient processing and reporting of a high volume of complex transactions across numerous and diverse products and services. Any weakness in these internal processes, systems or security could have an adverse effect on our results and on our ability to deliver appropriate service to customers during the affected period. Key operational risks include risks relating to information technology, cyber and information security, business continuity and fraud. Compliance risks, which are the risks of noncompliance with regulatory requirements, are also part of the operational risk categorisation. Key compliance risks include risks relating to regulatory compliance, conduct risk (including mis-selling), anti-money laundering and counter terrorist financing, sanctions, anti-bribery and corruption and privacy. We accept that operational risk is an inherent part of our business operations and have varying appetite and tolerance levels for different types of operational risk. We have put in place robust processes and procedures to control operational risks by identifying, assessing, monitoring and developing strategies to mitigate these risks.

We have established a strong data governance framework to ensure data privacy protection and information security. Under this framework, we developed our AI and machine learning models in-house and adopted a well-established process to test and monitor these models and validate their results on a continuous basis. In 2022, we updated AI and Data Governance policy first published in 2019 that provides greater clarity on roles and responsibilities in the context of AI and data governance and has been adopted across FWD. Additionally, our Responsible AI Standard, published in 2023, aims to ensure that FWD develops AI and machine learning solutions that are trustworthy, reliable, fair and secure. In accordance with this standard, all our AI and machine learning models' initiatives are aligned with the standardised AI life cycle from business objective and planning, feasibility assessment and signoff, project setup, model development, project governance review, model deployment and monitoring to feedback and reporting. For details, see "*– Data Privacy and Cybersecurity*."

Financial Risks

We are exposed to a range of financial risks, including interest rate risk, liquidity risk, credit risk, equity price risk, credit spread risk and exchange rate risk. We also monitor on a quarterly basis the sensitivities across EV, IFRS, statutory solvency and economic capital to interest rate risk, credit spread risk, equity risk and FX risk. For details, see "*Financial Information – Factors and Trends Affecting our Results of Operations – Fluctuations in market interest rates and equity markets*" and "*Financial Information – Factors and Trends Affecting our Results of Operations – Regulatory environment.*"

Transactions within the Group

Intra-group transactions are overseen by the relevant Group Office functions to ensure adherence with the relevant Group policies. The Group oversees the processes to identify and assess material systematic intra-group transaction risks, and ensure risks assumed are within the Group's Risk Management Framework. During the Track Record Period, material intra-group transactions are related to reinsurance, intra-group dividends, loans, recharges, funding and bonds.

RESERVES

For all of our product lines, we establish, and carry as liabilities, actuarially determined amounts to meet our future obligations under our insurance policies. In accordance with IFRS, our reserves for financial reporting purposes are based on commonly applied actuarial methodologies for estimating future policy benefits and claims. We expect these reserve amounts, along with future payments on policies and contracts, and investment earnings on these amounts, to be sufficient to meet our insurance policy and contract obligations. The amount of our consolidated insurance contract liabilities as of 31 December 2024 was US$41,646 million.

We establish the liabilities for future policy benefits and claims based on assumptions that are uncertain when made. Our assumptions include mortality, morbidity, policyholder persistency, administrative expenses, investment returns and inflation. Our actual experience may be different from our assumptions, and as a result, we cannot determine precisely the amounts that we will ultimately pay to settle these liabilities or the timing of these payments. These amounts may vary from the estimated amounts, particularly when these payments do not occur until well into the future. We evaluate our liabilities periodically, based on changes in the assumptions used to establish the liabilities, as well as our actual policy benefits and claims experience.

We have governance and controls in place to assess the appropriateness of the data, assumptions, methodology and models being used in determining our reserves and the reasonableness of the results, including conducting independent reviews and external audits to provide further assurance.

REINSURANCE

We reinsure a portion of the risks that we assume under our insurance products to multiple international and local reinsurers to manage our risk, maintain our capital position within our risk appetite limits and leverage the reinsurers' knowledge for our product development. To reduce our reinsurance concentration risk, we use various leading international and local reinsurers. We select our reinsurers based on their financial strength, service, terms of coverage, claims settlement efficiency and price. We usually consider at least three reputable reinsurers during the selection process and take into account local regulatory requirements. We review our reinsurance arrangements periodically and regularly monitor the financial strength and credit rating of our reinsurers and our concentration risks to ensure we do not have excess risk exposure to any particular reinsurer.

We have established a reinsurance management framework that sets out the principles and requirements of our reinsurance management. We tailor our reinsurance strategy to our products and the geographical markets in which we operate. We determine our retention limit and participation ratio based on the insurance laws and regulations of the relevant geographical market, our solvency margin, the characteristics of our products as well as our business needs and strategies. Examples of such external reinsurance arrangements which have been adopted by us include individual surplus reinsurance, quota share reinsurance, catastrophe covers, financial reinsurance and coinsurance. We also receive commissions from reinsurers generally to bear our operating expenses such as new policy acquisition costs and personnel costs.

As part of our overall reinsurance strategy, we have entered into various arm's length arrangements with Swiss Re, the intermediate parent company of one of our Shareholders, Swiss Re PICA, to reinsure certain products. Under these arrangements, Swiss Re has undertaken to reinsure a portion of the risks undertaken by us. As consideration for undertaking a portion of the risk, we pay reinsurance risk premiums to Swiss Re on a periodic basis under the terms of these arrangements.

We have similarly entered into an arms-length arrangement with Athene Annuity Re for the Athene Reinsurance transaction. In conjunction with the Athene Reinsurance transaction, Athene Annuity Re independently entered into an agreement to retrocede the mortality risk associated with the block to Swiss Re.

In addition to using external reinsurers, we have also established FWD Reinsurance, a Cayman incorporated captive reinsurance company, for capital optimisation and margin enhancement. Our reinsurance with FWD Reinsurance is arranged through a rated third-party reinsurer to support arm's length pricing.

INSURANCE

We maintain insurance for our directors and employees and insure against defined incidental loss or damage to our owned self-use properties in accordance with applicable laws. Our Directors are of the view that we have maintained insurance coverage to suit such defined purposes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Our ESG Governance

As part of our overall business strategy, we aim to closely align our ESG efforts with our business goals and ensure that we allocate sufficient resources to our ESG functions. Our Group Executive Committee ("**GEC**") is responsible for our ESG function and is supported by three designated working groups representing each of the pillars of our ESG strategy. The GEC is chaired by Mr. Huynh, our CEO and executive director, and comprises senior managers from across the business. The Board has delegated to the GEC to oversee and review our ESG goals and strategy. The GEC is responsible for establishing our ESG goals and strategy, evaluating our performance, and responding to emerging ESG risks and opportunities. The GEC reports our various ESG initiatives and progress to our Board via the nomination and corporate governance committee ("**Nomination Committee**") quarterly. The Nomination Committee provides a leadership role in monitoring the implementation of the Group ESG goals and strategy and has oversight of its progress through GEC updates. The Nomination Committee meets on a quarterly basis.

Our ESG Strategy

Our Group-wide ESG goals and strategy prioritise the ESG issues that are most important to our business and those impacted by our decisions. It is designed to help us strengthen our social licence to operate while delivering value to our stakeholders.

Our strategic ESG

Priorities focus on six United Nations Sustainable Development Goals ("**SDGs**") which are most applicable and relevant to our business and where we can make the greatest contribution: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 10 (Reduced Inequalities) and SDG 13 (Climate Action).

As part of our broader commitment to ESG initiatives, we measure and voluntarily disclose annually our ESG performance with reference to Global Reporting Initiative Universal Standards, the Sustainability Accounting Standards Board Standard for the Insurance sector, the recommendations of the Task Force on Climate-related Financial Disclosures, and in compliance with Part A to C of Appendix C2 Environmental, Social and Governance Reporting Code under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Following the publication of the International Sustainability Standards Board (ISSB) Standards – IFRS S1 and IFRS S2, IFRS Foundation has taken over the monitoring of the progress on companies' climate-related disclosures from the Task Force on Climate-related Financial Disclosures from 2024. We will closely monitor the adoption of the ISSB standards in the markets we operate to align our future climate-related disclosures.

We are working towards putting our group ESG strategy into action by striving to create a meaningful and lasting impact through the following three strategic pillars: (1) accessible protection, (2) sustainable investment, and (3) effective governance and sustainable business as described below:

Accessible Protection

We are committed to closing the social gap by providing accessible and inclusive protection to our diverse customer base across Asia. Our approach focuses on offering life and health insurance products that are not only affordable but also tailored to meet the needs of our customers, including the underserved communities. By leveraging digital platforms, we enhance the customer journey, making it easier for individuals to access the protection they need. We also actively engage with our communities to raise financial and health literacy, ensuring that everyone has the knowledge and resources to make informed decisions about their insurance needs. In 2024, we have supported over 95,000 individuals through financial education and literacy programmes.

Sustainable Investment

We continue to embed sustainable investment practices across portfolio to promote long-term value creation and promote long term value creation for our stakeholders. Our investment philosophy focuses on maintaining a balanced portfolio that generates stable returns while considering ESG factors in our investment process. We are signatory to the United Nations Principles of Responsible Investment ("UNPRI"), with 86% of portfolio screened for ESG risk in 2024. By prioritising investments in sectors and companies that support ESG practices, we aim to contribute to the transition to a lower carbon economy. Our commitment to sustainable investment is reflected in our ongoing efforts to enhance ESG integration, engage with high-emitting issuers and reduce exposure to sectors with significant environmental risks.

Effective Governance and Sustainable Business

We are committed to maintaining robust corporate governance and promote sustainable business practices across our operations. Our corporate governance framework ensures that we have the structures, operating models, and mechanisms in place to manage and control our business effectively, with a focus on long-term shareholder value and the interests of key stakeholders, including customers, regulators, and business partners. By fostering a culture of equity, inclusion, and well-being, we aim to attract, develop, and retain talent that will help drive the insurance industry forward. As of the Latest Practicable Date, women made up 31% of our board and, as of 31 December 2024, 32% of our assistant vice presidents or above. In 2024, we maintained our voluntary turnover at 12%. Our commitment to sustainability is also reflected in our efforts to manage our own operational emissions and the carbon risk of our investment portfolio. Through responsible business practices and strong governance, we strive to create positive impacts for the millions of lives we touch.

Our ESG Risk Management

Our team regularly identifies the laws, regulations, rules and industry standards applicable to us in relation to various ESG-related risks, such as employee well-being, consumer rights, anti-corruption, community support and others, to ensure that we comply with the relevant legal requirements and stay in line with or above the industry standard. We also set short-term and long-term targets for our ESG-related initiatives, gather and submit data in connection with the implementation of these initiatives, and regularly review the progress.

In addition, our management holds internal discussions and consults external advisers from time to time to identify potential material ESG risks which may affect our business and stakeholders based on actual developments in our business and the evolving characteristics of the insurance industry. We continually monitor our ESG targets and metrics with reference to applicable industry standards and other leading industry players.

DATA PRIVACY AND CYBERSECURITY

Since our business relies on generating, analysing and handling transactions with customer data, data privacy and cybersecurity are important part of protecting our customers and building trust. We are committed to protecting data privacy and ensuring that the collection, use, disclosure and other processing of personal data is in accordance with applicable laws, regulations and guidelines on data privacy.

Data Collection and Storage

We may collect and store personal data of our current, past or potential customers, including identity-related information (such as name, email address, telephone number, and health information), professional information (such as profession, occupation, and company name), technical information (such as IP address, browser information, operating systems and platform), and some personal information of third parties (such as dependents, beneficiaries, and authorized representatives). By providing the personal information of these third parties, our customers confirm that they have properly obtained the consent of such third parties.

Data Security

We have implemented reasonable security measures to protect personal data against any unauthorised access, processing, erasure, loss or destruction. Measures have been taken to ensure the integrity, prudence and competence of persons having access to personal data and that it is processed by secure means. We also have in place disaster recovery and business continuity plans and maintain disaster recovery facilities designed to be activated in place of our primary facilities in the event of failure.

Data Sharing

Where permitted by law or where such disclosure is necessary to fulfil the required purpose, we may share personal data with affiliates or members of the Group, agents, consultants, contractors or third-party service providers authorised by us, relevant government bodies or authorities, or law enforcement agencies to comply with laws, rules and regulations or schemes imposed by applicable governmental authorities.

Direct Marketing

Where permitted by law, we may use customers' names, contact details, services and products portfolio information, financial background and demographic data for promotional or marketing purposes and conduct direct marketing to market products and services which may be relevant to our customers. Customers can opt out of direct marketing activities by writing to our Group Data Protection Officer by post or by email, if they do not wish us to use their personal data for direct marketing purposes.

Data Retention and Destruction

We will not retain personal data for longer than is necessary to fulfill the purposes for which it is obtained or to comply with applicable laws and regulations, and take reasonable steps to delete or destroy personal data.

During the Track Record Period and up to the Latest Practicable Date, we had certain incidents of inadvertent data leakage and security breaches, involving either employees or customer information, which have not had a material and adverse impact on our business, financial condition or results of operations. We took remedial actions promptly and notified the relevant regulatory authorities, and we were not subject to any fines or penalties by the relevant regulatory authorities relating to non-compliance with personal data and privacy protection laws and regulations during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

In general, the insurance industry is highly competitive. Insurers compete based on a number of factors, including distribution reach, brand recognition, marketing methods, products, pricing, customer service, financial strength ratings and other indices of financial health. We believe that we are well positioned to compete with both established players as well as new entrants and to continue increasing our market share by leveraging our customer-led and digitally-enabled strategy and our ability to quickly adapt to changes in market trends and the regulatory environment.

Leading market participants in the insurance industry are primarily either regional or multi-national insurance companies, local entities or subsidiaries of banks and other financial institutions. Subsidiaries of European and North American life insurance groups that operate in Asia tend to operate in many of the major markets in the region, and some currently have top ten market shares in a few major markets. Many local domestic life insurers in Asia remain primarily focused on their home market. We face strong competition in the markets in which we operate. In Hong Kong, we face competition from established regional players including local subsidiaries of large insurance groups and new entrants such as digital insurers. In Thailand, we face competition from local branches of international insurance groups and local insurance companies. In Japan, we face competition from domestic insurance companies and large domestic financial service providers that either have their own insurance subsidiaries or enter into co-operative arrangements with major insurance companies. In our Emerging Markets, we face competition from regional players, especially those with a strong locally established presence and customer reach. For more information, see "*Industry Overview*."

AWARDS AND RECOGNITIONS

We have received numerous awards and recognitions which reflect our renowned industry achievements. The tables below set forth some major awards and recognitions we have received:

Selected business awards

Year	Award/Recognition	Issuing Body
2024	Underwriting Initiative of the Year	Insurance Asia News
2024	Best Customer Insights Initiative – Insurance	The Digital Banker
2024	Public/Professional Body and NGO – Silver Award	The Investor and Financial Education Council
2024	The Social Enterprise Supporter Award	Fullness Social Enterprises Society
2024	FWD MAX – Best Mobile Campaign – Gold	Digiz Awards
2023	SBR Technology Excellence Awards for the Digital – Life Insurance	Singapore Business Review
2022	Best Digital CX in Insurance – Social Channels	Digital CX Awards

Selected insurtech and innovation awards

Year	Award/Recognition	Issuing Body
2024	Global Insurance Innovation Awards	The Digital Banker
2024	Best AI and Cloud Initiatives	Infopro Digital
2024	Digital Insurer Award	Insurtech Connect Asia
2024	FWD MAX – Best Digital Integration – Gold	Marketing Event Awards
2023	Digital Transformation Initiative of the Year	Insurance Asia Awards
2023	Intelligence Cloud Modernisation	Informatica
2023	Best Use of AI for Customer Experience – Insurance	The Digital Banker
2023	The Most Innovative Insurer	International Data Corporation
2022	Special Award for Data, Analytics and AI	International Data Corporation

Selected Brand & Marketing awards

Year	Award/Recognition	Issuing Body
2024	2024 Model Insurer Award for Customer Experience Transformation	Celent
2024	FWD MAX – Customer Engagement – Excellence	Bloomberg Business Week Financial Institution
2023	Excellence in Digital Transformation Award – Grand Award	Hong Kong Insurance Awards 2023
2023	Integrated Marketing (Product Promotion) – Excellence	Bloomberg Business Week Financial Institution Awards 2023
2023	Best Customer Journey – Gold	DigiZ Awards
2023	Best Use of Social Media – Gold	Marketing Events Awards 2023
2023	Best Loyalty Campaign – Gold	Loyalty & Engagement Awards 2023
2023	Best Brand Marketing Campaign Award	EDigest Brand Award 2023

INTELLECTUAL PROPERTY

The protection of our technology and intellectual property is an important aspect of our business. As of the Latest Practicable Date, we owned 30 registered trademarks, including eleven trademarks and eleven domain names which are material to our business and four patents. Intellectual property laws, procedures and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated.

REGULATORY LICENCES

We need to maintain valid relevant insurance licences in each market to operate our businesses. We are subject to extensive oversight and comprehensive regulations by the relevant regulators in each market we operate in. In addition, we also need to obtain prior authorisation from respective regulators for the sale of new insurance products or key changes in the terms of our products. Please see "*Risk Factors – Risks Relating to our Business – We and our Business Units are subject to extensive regulation as insurance companies, including monitoring and inspection of our financial soundness, which may restrict our business activities and investments and increase our cost of complying with such regulations*."

During the Track Record Period and up to the Latest Practicable Date, we have obtained all material licences, approvals and permits from the relevant government authorities necessary for the operation of our business in the jurisdictions in which we operate, and such licences, approvals and permits remain valid and in force. We have not experienced any refusal of the renewal application of any material licences, approvals and permits necessary for the operation of our business. Details of our material licences and permits are as follows:

Licence/Permit	Holder/Jurisdiction	Grant Date/ Expiration Date	Description of Licence/Permit
Life insurance	FWD Life (Bermuda)/ Hong Kong	1984/N/A	Long term insurance business
Life insurance	FWD Life (Bermuda)/ Hong Kong	28 December 2011/N/A	Long term insurance business
Life insurance	FWD Life (Hong Kong)/ Hong Kong	27 May 2002/ N/A	Long term insurance business
Life insurance	FWD Life Assurance (Hong Kong)/ Hong Kong	23 September 1983/N/A	Long term insurance business
Life insurance	FWD Life Insurance Company Macau Ltd/Macau	27 July 1999/N/A	Life insurance
Life insurance	FWD Fuji Life Insurance Company, Limited/Japan	27 August 1996/ N/A	Life insurance
Life insurance	FWD Life Insurance Public Company Ltd/Thailand	1 Dec 2023 (first issued 12 December 1997)/N/A	Life insurance
Life insurance business permit	FWD Indonesia/ Indonesia	24 June 2020/ N/A	Life insurance
Family takaful	FWD Takaful/ Malaysia	3 July 2018/N/A	Family takaful business
Life insurance	FWD Vietnam/ Vietnam	23 November 2007/ 23 November 2057	Life insurance business (including accident and health insurance business)
Life insurance	FWD Assurance (Vietnam)[(1)]/Vietnam	23 October 2008/23 October 2033	Life insurance business (including accident and health insurance business

Licence/Permit	Holder/Jurisdiction	Grant Date/ Expiration Date	Description of Licence/Permit
Direct insurer (composite)	FWD Singapore/ Singapore	19 April 2016/N/A	Direct insurer to carry on life and general business
Certificate of authority	FWD Philippines/ Philippines	1 January 2025/ 31 December 2027	Life insurance business
Class B (iii) licence	FWD Reinsurance/ Cayman Islands	6 April 2017/N/A	Insurance business
Life insurance	FWD Cambodia/ Cambodia	14 June 2024/ N/A	Life insurance business
Life insurance	FWD Life Malaysia/ Malaysia	27 June 1997/N/A	Life insurance business

Note:

(1) In March 2022 we disposed of our entire interest in FWD Assurance (Vietnam) to Tan Viet Securities Joint Stock Company and a group of investors.

EMPLOYEES

As of 31 December 2022, 2023 and 2024, we had 7,006, 7,469 and 6,927 full-time employees, respectively, and five, eight and two temporary employees, respectively. The following table sets out a breakdown of our full-time employees by Business Unit as of 31 December 2024:

Full-time Employees

	Full-time Employees
Hong Kong (and Macau)[1]	1,007
Thailand (and Cambodia)	1,777
Japan	935
Emerging Markets	2,236
Group Office[2]	409
Shared services and Innovation Hub[3]	563
Total	**6,927**

Notes:

(1) Includes non-shared services full-time employees from FWD Life (Bermuda), FWD Life (Hong Kong), FWD Life Assurance (Hong Kong), Macau and China representative office.

(2) Includes non-shared services full-time employees from FWD Group Financial Services, FWD Group Management and Valdimir.

(3) Includes shared services full-time employees from FWD China Technology Company, FWD Life (Bermuda) and Valdimir, and all employees from FWD Technology and Innovation Malaysia Sdn. Bhd, an innovation hub in Malaysia.

The following table sets out a breakdown of our full-time employees by function as of 31 December 2024:

	Full-time Employees
Sales, Branding and Marketing	2,426
Technology, Digital and Data Analytics	1,477
Group Operations	1,237
Finance, Actuarial and Investments	883
Corporate Governance[1]	313
Proposition & Protection	228
Strategy	46
Human Resources	282
Group Executive Management	15
Others	20
Total	**6,927**

Note:

(1) Includes legal, compliance, risk and audit functions.

Other than our employees in Japan, none of our other employees are subject to any collective bargaining agreements or represented by a union. We believe that we have good employment relationships with our employees and have not experienced any interruptions of operations due to labour disagreements as of the Latest Practicable Date.

Executive Remuneration Policy

The remuneration of our senior employees is designed to provide equitable and competitive incentives to align with Shareholders' interests and foster the long-term sustainable growth of the business within the overall risk management framework. The remuneration mainly comprises base salary and variable remuneration including short-term and long-term incentives. The table below summarises the remuneration elements for the Track Record Period.

Element	Purpose	Coverage and frequency
Annual Base Salary	Recognises the daily contribution of our people and the skills, experience and knowledge they bring to our Group	All employees and paid monthly

Element	Purpose	Coverage and frequency
Short-term incentives	Recognises the annual performance of our people and allows us to collectively share and celebrate in our Group's short-term successes	All eligible permanent employees. Annual measurement and payment.
Long-term incentives	Share-based awards (in the form of RSUs and/or PSUs) granted to senior employees of our Group aligns them with the long-term goals of our Group and our Shareholders	Eligible senior employees by invitation. Measured and paid over no less than a three-year period, depending on grade.
Allowances	Recognises specific skills or circumstances	Individual or role-based entitlement and paid monthly

Variable remuneration opportunities are designed to motivate employees to deliver on key short-term and long-term objectives. The variable remuneration is linked to achievement of certain key performance indicators, with the respective weightings reflecting our business strategies with a focus on sustainable and value-focused growth. In particular, substantial weighting is afforded to VNB. Depending on business and individual performance results, such incentives may result in award levels above or below target, reflecting superior performance and performance below expectations, respectively.

Short-term Incentive Policy

Our short-term incentive policy recognises the contribution of all permanent employees to our Group's short-term successes and incentivises the achievement of specific annual performance objectives that are aligned to our strategy. It also provides a means to reward the individual and collective performance of our employees.

For the Track Record Period, the performance measures used in the short-term incentive policy were as follows:

Performance Measures	Weighting	Description
VNB	25-40%	VNB is a main valuation driver for our Group at this stage of our development and therefore is an important metric in terms of weighting

Performance Measures	Weighting	Description
Operating Profit Before Tax ("OPBT") and/or Operating Profit After Tax ("OPAT")	10-25%	OPBT and OPAT growth is key to demonstrate progress and the path towards profitability over the medium term
New Business Strain ("NBS") as % of VNB	0-10%	NBS measures the capital consumption of our new business and is a key driver of cash flow over the medium term
Excess Embedded Value Growth ("EEVG")	10-25%	EEVG measures operating performance (expenses, persistency and claim) against our actuarial assumptions and is critical to demonstrate the underlying cash flow generation of our in-force business
Strategic Metrics	25-30%	To drive medium term performance enhancement through key actions during the Track Record Period. As agreed by our Group Board every year

An individual's performance contribution is also considered when determining the amounts to be paid to the senior employees. The total value of short-term incentive awards that was paid to the senior management for 2024 was US$9.4 million.

During the Track Record Period, additional incentives were provided to support the FWD 10th anniversary celebration.

Long-term Incentive Plan

We offer a long-term share incentive plan to senior employees of the FWD Group in order to recognise our people who can influence, and contribute towards, the achievement of FWD's long-term goals and success and to drive retention of key talent. Eligible senior employees may receive an annual grant of either time-based or time-based and performance-based share awards, which vest over periods of three to four years.

For 2022 and 2023, the performance measures used in the long-term incentive plan were as follows:

Performance Measures	Weighting	Description
Cumulative VNB	30%	VNB is the main valuation driver for our Group at this stage of our development and therefore remains the most important metric in terms of weighting
Cumulative OPBT	15-20%	OPBT growth is key to demonstrate progress and the path towards profitability over the medium term
Cumulative NBS as % of cumulative VNB	10%	NBS measures the capital consumption of our new business and is a key driver of cash flow over the medium term
Cumulative EEVG	10-15%	EEVG measures operating performance (expenses, persistency, and claim) against our actuarial assumptions and is critical to demonstrate the underlying cash flow generation of our in-force business
Strategic and Organisational Health	30%	To drive long-term performance enhancement through critical strategic and organisational health metrics

For 2024, the performance measures used in the long-term share incentive plan were as follows:

Performance Measures	Weighting	Description
Organic Embedded Value Contribution	35%	To drive embedded value growth contribution that is organically driven and under management control, which excludes economic factors
Return on Equity	20%	To drive path to profitability and increase in shareholder value returns
Net Operating Cashflow	25%	To drive liquidity and cash flow management
Strategic Metrics	20%	To drive long-term performance enhancement through critical strategic and organisational health metrics

PROPERTIES

As of 31 December 2024, we operated our business primarily through leased premises. We lease various properties in the jurisdictions in which we operate and we primarily use our leased properties as office premises for our business operations. We are headquartered in Hong Kong, where we lease 16 properties covering a gross floor area of over 44,000 square meters.

As of 31 December 2024, each of our investment properties had a carrying amount of less than 1% of our consolidated total assets and none of our non-investment properties had a carrying amount of 15% or more of our consolidated total assets. Therefore, we are not required to include a property valuation report in this document.

LEGAL PROCEEDINGS

We are subject to routine legal proceedings in the normal course of operating our insurance business. We are not currently, and have not been during the 12 months preceding the date of this document, involved in any legal proceedings which reasonably could be expected to have a material adverse effect on our business, results of operations or financial condition.

During the Track Record Period and up to the Latest Practicable Date, we have not been, no member of our Group has been, and no director thereof has been, engaged in any litigation, claim or arbitration of material importance nor, to the best of the Directors' knowledge, is any litigation, claim or arbitration of material importance pending or threatened against us, any member of our Group or any Director. In addition, as of the Latest Practicable Date, none of us, any of our Business Units or any Director was the subject of any actual, pending or threatened bankruptcy or receivership claims.

LEGAL COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we have complied with the relevant laws and regulations in relation to our business in all material respects and there were no material breaches or violations of the laws or regulations applicable to us that would have a material adverse effect on our business or financial condition taken as a whole.