*This section contains information relating to our industry and the trends that are shaping its development. Certain facts, statistics and data presented in this section and elsewhere in this document have been derived, in part, from various publicly available government and official sources, independent third-party sources and publications. We also commissioned an independent industry consultant, NMG, to prepare a report upon which this Industry section is based (the "**NMG Report**"). In the course of its research, NMG conducted primary and secondary research, and the sources used are considered by NMG to be reliable. All data, including forecasts, referenced in this section is from the NMG Report, unless otherwise specified.*

We believe that the sources of the information relating to our industry in this section and elsewhere in this document are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information included herein that is based on or derived from government and official sources has not been independently verified by us or the [**REDACTED**]*, and no representation is given as to its correctness, accuracy or completeness.*

Further, in relation to the facts, forecasts and other statistics which have been taken from government and official sources or statements, neither we nor the Relevant Persons are responsible for the accuracy, reliability and/or completeness of such information.

We have agreed to pay NMG a fee of US$1,588,000 for the preparation of the NMG Report. The fee is not contingent upon the completion of the [**REDACTED**].

Introduction

The life insurance industry offers a broad range of products that address three core customer needs: (i) savings and investment, (ii) protection from the financial implications of illness, morbidity and mortality, and (iii) retirement income. Typical savings and investment products include endowments, unit-linked products and participating life insurance products. Protection products include medical and health insurance products as well as products protecting against accidents, critical illness, disability and death. Annuity products provide policyholders with income after they retire.

This section principally focuses on the life insurance industry in the markets in which we operate, namely Hong Kong (and Macau), Thailand (and Cambodia), Japan, the Philippines, Indonesia, Singapore, Vietnam and Malaysia. Comparisons are also provided to four markets in which we do not currently operate but which have a sizeable life insurance industry, namely mainland China, India, South Korea and Taiwan. In this section, unless stated otherwise: (i) information and statistics provided for Asia relate to the markets in which we operate and the four comparable markets, and (ii) information and statistics provided for Southeast Asia relate to Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia.

This section discusses five key themes that characterise the current landscape and future growth of the Asia life insurance industry.

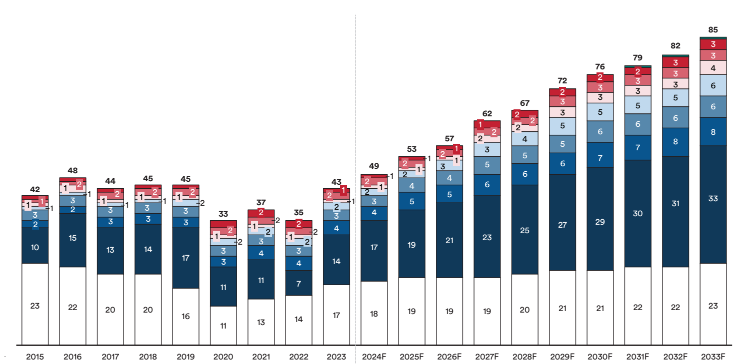
The Asia life insurance industry continues to exhibit robust growth driven by structural and macroeconomic factors.

Market size and growth

Asia is one of the largest life insurance markets globally, with approximately 36% of global life insurance gross written premiums, or GWP, generated in Asia in 2023. Asia generated an estimated US$1,028 billion of life insurance GWP in 2023, 40% of which was originated in the markets in which we operate. Life insurance GWP in Asia is expected to reach US$2,178 billion in 2033. Life insurance APE in our markets grew at a CAGR of 2.0% from 2015 to 2019, reduced by an annualised basis of 1.1% from 2019 to 2023 (impacted by the COVID-19 pandemic), and is expected to grow at a CAGR of 7.1% from 2023 to 2033, as illustrated in the chart below.

FWD Markets – Individual Life Insurance New Business

(APE[1], US$ billions)



Market CAGR	15-19	19-23	23-33F
Cambodia	26.9%	0.8%	26.5%
Vietnam	29.0%	(4.1%)	8.9%
Indonesia	7.3%	(2.2%)	6.8%
Philippines	9.6%	0.5%	14.0%
Malaysia[3]	8.5%	5.3%	10.6%
Thailand	(3.8%)	1.7%	6.9%
Singapore	9.6%	3.2%	8.2%
HK & Macau	15.2%	(5.1%)	9.1%
Japan	(8.2%)	1.0%	3.1%
FWD Markets	**2.0%**	**(1.1%)**	**7.1%**
FWD SEA Markets	**6.3%**	**1.4%**	**8.9%**
FWD Markets ex. Japan	**11.0%**	**(2.3%)**	**9.0%**

Source: NMG Asia Life Insurance Market Model

(1) Using local market convention for APE, using static FX rates as at 30 June 2023.

(2) Includes conventional life insurance and takaful.

Life insurance is currently primarily distributed through face-to-face interactions with intermediaries. The COVID-19 pandemic in 2020 had a significant impact on intermediaries' ability to distribute to consumers, resulting in a material decline in APE. However, based on the NMG Asia Life Consumer Study, experience across global life insurance markets and historical market momentum, underlying customer awareness and appreciation of the importance of life insurance remains. As COVID-19 restrictions were lifted and intermediaries' ability to interact with customers through face-to-face meetings returned, we observed APE volumes rebounding to pre-COVID-19 levels across most markets by 2023. APE growth is expected to accelerate across all markets in the long-term on the back of increased customer awareness of the need for life and health coverage, as well as through the industry digitising across the value chain and customer journey, ultimately enhancing their ability to reach and convert consumers, reducing the protection gap.

While there is significant volatility associated with the macroeconomic environment, the significant projected future long-term increase in life insurance APE across the FWD markets remains unchanged. COVID-19 and the current macroeconomic environment have not materially impacted the long-term fundamental drivers/basis that underpin these forecasts (including but not limited to: fundamental population, demographic and macroeconomic drivers, consumer perceptions of life insurance and trust in insurers, in conjunction with the realisation of digitisation initiatives by providers).

We operate in six of the ten fastest-growing markets in Asia, five of which are in Southeast Asia. Southeast Asia is expected to be a key driver of growth in the Asia life insurance market, given the population base, the proportion of the middle class in the overall population, and the larger protection gap, compared to the rest of the Asia region.

Structural macroeconomic growth drivers

The growth of the Asia life insurance market and the forecasts of NMG above are based on a number of demographic and macroeconomic factors, as discussed below.

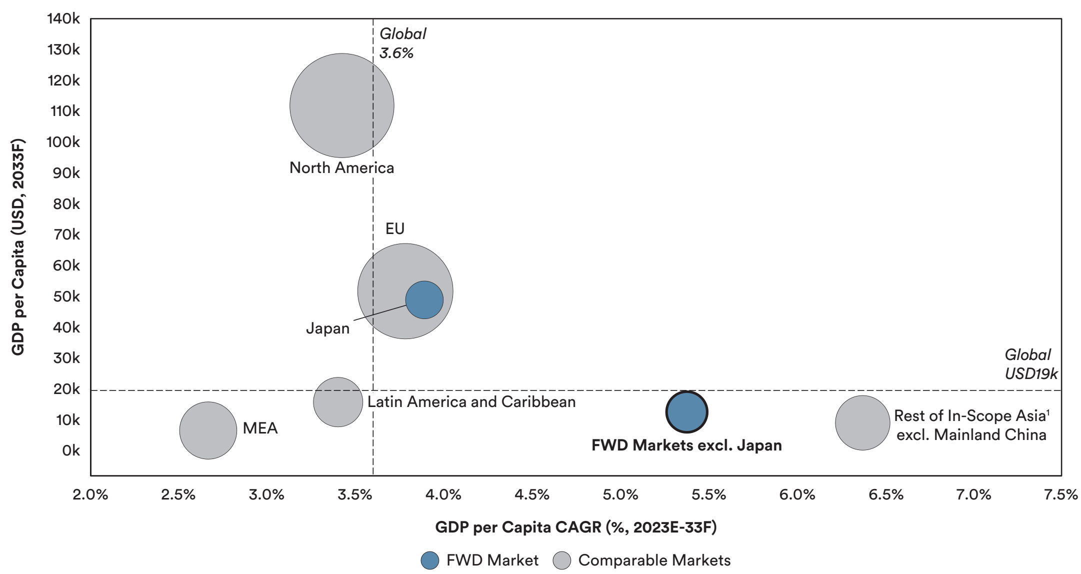
Favourable demographics with growing wealth and expanding middle class

Many of our markets enjoy a younger demographic. Asia had a total population of approximately 3.7 billion as at 31 December 2023, 60% of which was under the age of 40. The under-40 population in Asia was 2,201 million in 2023, whereas in Europe and in North America, the equivalent population was 349 million and 200 million, respectively. In our markets, the under-40 population was 454 million in 2023, accounting for 60% of the total 2023 population. In particular, 64% of the Southeast Asia population was under the age of 40. The median age in our markets was 34 years as at 2023, compared to 34 years for Asia as a whole, 49 years for Japan, 39 years for China and 30 years for the rest of Asia (excluding our markets). The GDP per capita of our markets grew at a CAGR of 1.1% from 2015 to 2023, reaching approximately US$11,000 as at the end of 2023. It is expected to further grow at a CAGR of 4.3% from 2023 to 2033 (or at a CAGR of 5.4% excluding Japan), compared with forecasted global GDP per capita growth of 3.6% over the same period. Also from 2023 to

2033, GDP per capita in the markets of Southeast Asia in which we operate is expected to grow at a rate of 1.5 times of the global average. Average per capita gross savings of our markets reached approximately US$3,400 as at the end of 2023. Per capita gross national income, or GNI, for the Southeast Asia markets where we operate, grew at a CAGR of 4.3% from 2015 to 2023, compared to the global average of 3.2%. The following chart illustrates per capita GDP growth by region and across our markets.

GDP per Capita and Growth by Region

(USD, 2023E-33F)



Source: United Nations, World Bank, IMF, NMG Estimates

Note: Area of bubbles represent the country's projected GDP in 2033;

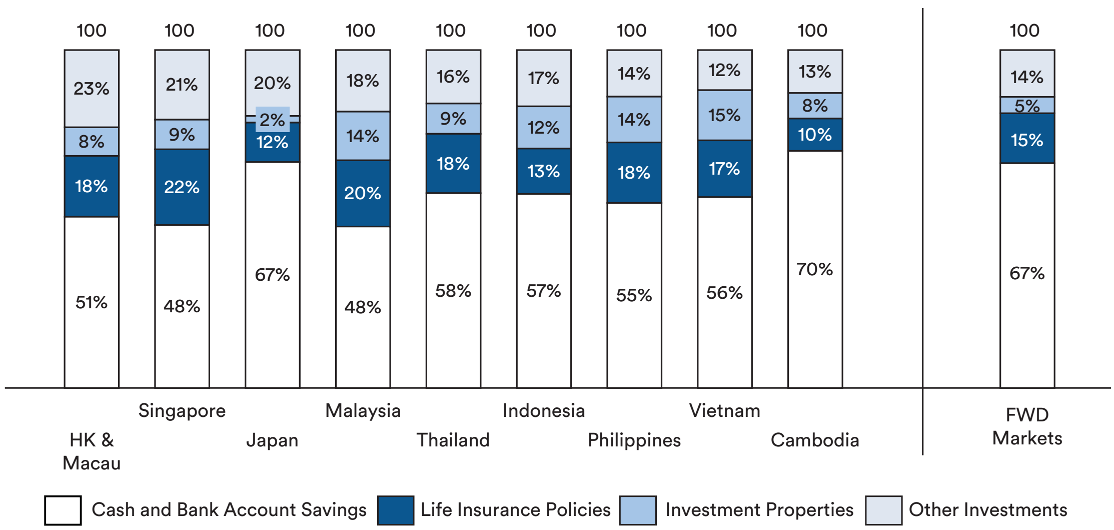
1 Rest of In-Scope Asia comprises of Mainland China, India, South Korea and Taiwan.

The rising income levels in our markets are expected to create opportunities for life insurance companies to capitalise on the increasing savings and investable wealth in those markets. In particular, the middle class population, which is the population classified with daily income between US$20 and US$120 per person in 2017 purchasing power parity terms, grew at a CAGR of 2.5% from 2015 to 2023 in our markets. The middle class accounted for 56% of the total population of our markets as at the end of 2023, compared to the global average of 48%. In particular, the middle class population in the Southeast Asia markets where we operate is expected to grow by approximately 125 million in the next ten years.

A significant portion of the investable wealth in our markets is currently allocated to cash and bank savings, which, on average, accounted for 67% of the total investable wealth of our markets in 2023. There is significant potential in these markets for customers to increase the allocation of their investable wealth to life insurance policies, particularly as their average income and savings increase. The chart below sets forth the breakdown of the average investable wealth distribution by asset type across our markets in 2023.

Average Investable Wealth Distribution by Asset Type

(%, 2023)



Source: UBS Global Wealth Databook 2023, NMG Asia Life Consumer Study 2023

Sizeable protection gap across the Asia region

The growth of the life insurance market is also driven by the mortality and health protection gaps. The mortality protection gap is the shortfall between the financial resources a household needs versus what is available, to maintain its living standard in the event of the premature death of the primary income earner and the health protection gap is the cost of stressful self-financing or forgoing healthcare due to unaffordability, both measured in annualised premium equivalent terms. The protection gap for Asia as measured by APE was US$957 billion as at the end of 2023, including US$7 billion for Hong Kong (and Macau), US$4 billion for Thailand, US$66 billion for Japan, US$26 billion for Indonesia, US$13 billion for Malaysia, US$10 billion for the Philippines, US$10 billion for Vietnam, US$6 billion for Singapore, US$0.3 billion for Cambodia, US$405 billion for mainland China and US$204 billion for the rest of Asia.

The following chart illustrates the demographic and macroeconomic growth drivers for Asia:

Key Individual In-Scope Market Metrics

Market	Life Insurance GWP 2015-23 CAGR (%)	Population (m)	Income per Capita Growth[1]	Protection Gap (USD bn)	Life Insurance Penetration[2]
Cambodia	26.5%	17	6.1%	0.3	0.5%
Vietnam	19.3%	100	6.5%	10	1.6%
India	10.7%	1,438	5.7%	148	2.8%
Mainland China	9.6%	1,411	5.8%	405	2.1%
Singapore	7.6%	6	4.0%	6	6.7%
Malaysia	7.3%	35	2.1%	13	3.7%
Philippines	6.4%	115	3.4%	10	1.3%
HK & Macau	4.9%	8	2.4%	7	14.5%
Indonesia	3.6%	281	5.1%	26	0.9%
Thailand	2.1%	72	3.3%	4	3.5%
Japan	(0.3%)	125	(0.2%)	66	6.1%
South Korea	(0.6%)	52	2.0%	42	4.9%
Taiwan	(5.0%)	23	4.7%	14	7.1%

FWD Markets Other Asia Markets

Source: NMG Asia Life Insurance Market Model, NMG Estimates, Swiss Re Sigma Explorer 2024, United Nations, World Bank, IMF, World Data Lab, GSMA, GWP statistics published by each market's regulatory body and local life insurance association

(1) GNI per capita CAGR from 2015 -2023.

(2) As % of GDP.

In response to the COVID-19 pandemic, we have observed several trends to emerge in Asia's life insurance market, including (i) enhanced consumer awareness for health and protection products; (ii) online and digital engagement with customers becoming a critical part of engagement not only for purchasing but end-to-end servicing; (iii) life insurance companies competing based on their innovation capabilities and their speed to market; and (iv) increasing importance of ecosystem partnerships.

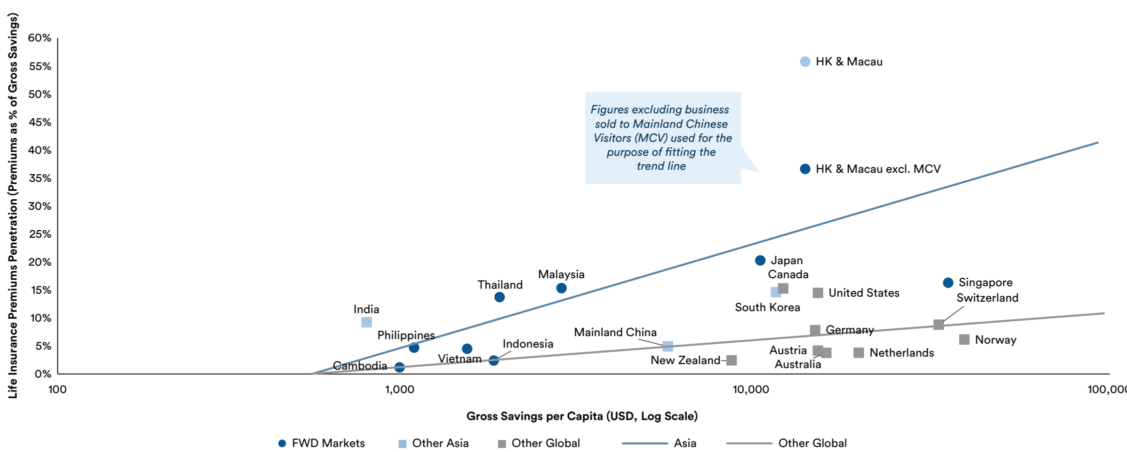
There is a substantial underserved insurance "white space" with significant lifetime value.

Life insurance penetration

The emerging markets in Asia, including our markets such as Thailand, Cambodia, the Philippines, Indonesia, Vietnam and Malaysia, currently have significant potential for life insurance penetration. In Asia, life insurance premiums per capita are at only US$200 and the ratio of life insurance premiums to gross savings is 6.5%. The ratio of life insurance premiums to gross savings in North America and Europe is 14.6% and 15.5%, respectively. This indicates significant growth opportunities for emerging markets in the Asia region. The chart below illustrates the life insurance penetration rates by market as at the end of 2023.

Life Insurance Penetration

(Premiums as % of Gross Savings, 2023E)



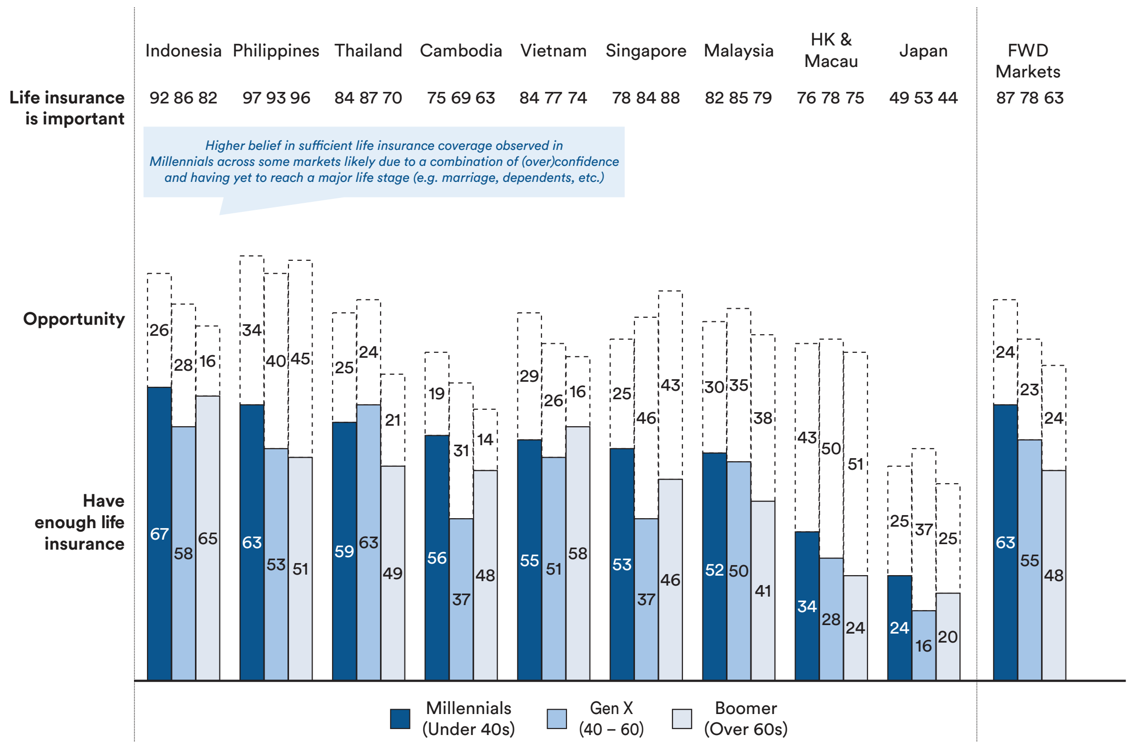
Source: NMG Asia Life Insurance Market Model, Swiss Re Institute, World Bank

Gap between intent to buy and actual purchase propensity

Consumers across all age groups within our markets, including millennials (defined as those aged under 40), acknowledge that despite having the intention to purchase life insurance, they remain under-insured. As illustrated in the following chart, 87% of millennials regard life insurance as important, but only 63%, when surveyed, stated that they believe they have adequate life insurance. This significant gap between having the intention to purchase and having adequate life insurance coverage is observed in consumers across all age segments in our markets.

Consumer Views on Life Insurance

(Stated importance of life insurance vs whether current life insurance is sufficient, %, 2023)



Source: NMG Asia Life Consumer Study 2023

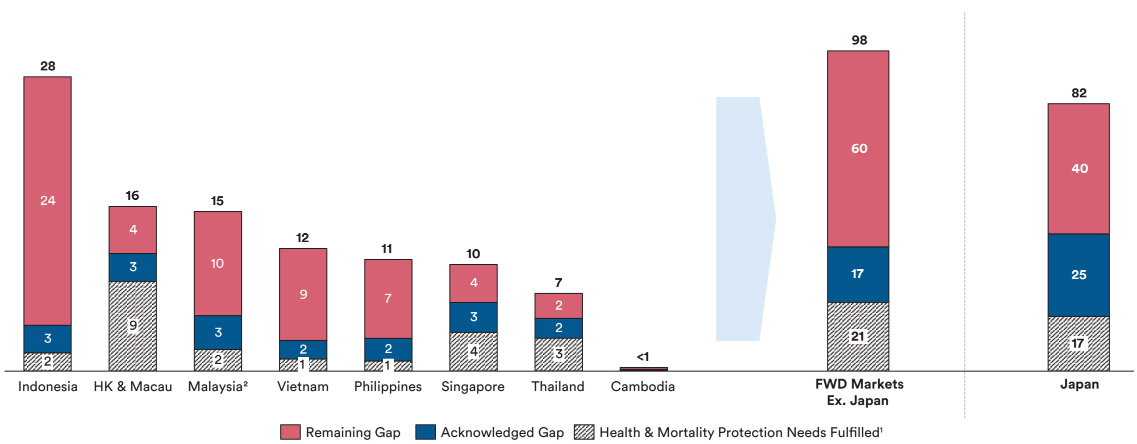
NMG's research methodology and scoring basis implemented quotas across markets, and key demographic variables (gender, personal income and age), as well as screening questions to ensure a representative sample. The 'opportunity' metric is the difference between the proportion of consumers that answered 'moderately important' or 'very important' to the question 'how important is life insurance to you and your household?', and 'not confident' or 'not confident at all' to the question 'how confident are you that you have enough coverage for you and your household across the following?'.

We believe these underserved consumer needs have resulted from several customer pain points throughout the customer journey, from being unable to afford life insurance to being unsatisfied with a long-winding purchase process.

The customers are often offered complex and jargon-laced products via offline channels. At the same time, distributors lack timely access, natural touchpoints and insights into these prospective customers to serve them effectively. As a result of the legacy systems of many life insurance companies, customers are often faced with convoluted, paper-based and time-consuming purchase processes.

In addition, NMG found that approximately one-third of life insurance claimants in Asia are dissatisfied with the claims process because it is lengthy, difficult to understand, coupled with limited post-sale engagement and unsatisfactory customer service and excessive amount of information required. See "– *Asia's life insurance landscape is constrained by traditional business models*" for more details on these customer pain points. As illustrated in the following chart, consumers' acknowledgement of underinsurance translates to approximately US$42 billion of the overall approximately US$143 billion protection gap, as measured by APE as at the end of 2023. We expect that rising income and wealth levels as well as the ongoing growth of the life insurance industry will help consumers better understand their need for protection.

Estimated Health & Mortality Protection Needs and Gap Across FWD Markets as measured by APE[1]
(2023, US$ billions)



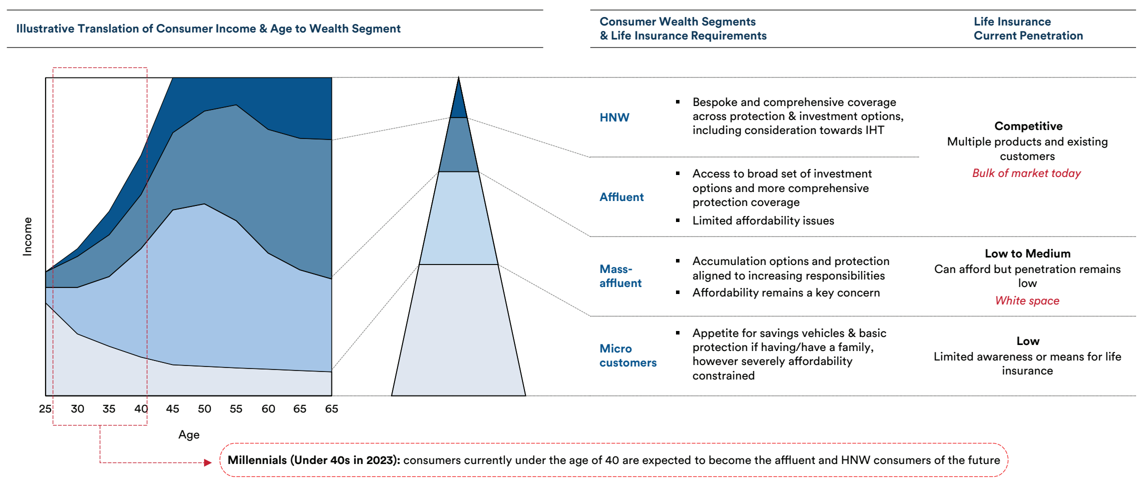
Source: NMG Asia Life Insurance Market Model, NMG Asia Life Consumer Study 2023, Swiss Re Institute, NMG Estimates

(1) 'Health & Mortality Protection Needs Fulfilled' is actual life insurance new business volumes written (as measured by APE) in 2023. The total gap (acknowledged and remaining) is based on Swiss Re's published life and health protection gaps, with additional NMG estimates overlaid to calculate individual country gaps where not published by Swiss Re.

(2) Includes conventional life insurance and takaful.

Customer segmentation and lifetime value

The following chart illustrates the four different customer segments for the life insurance industry and their correlation with age.

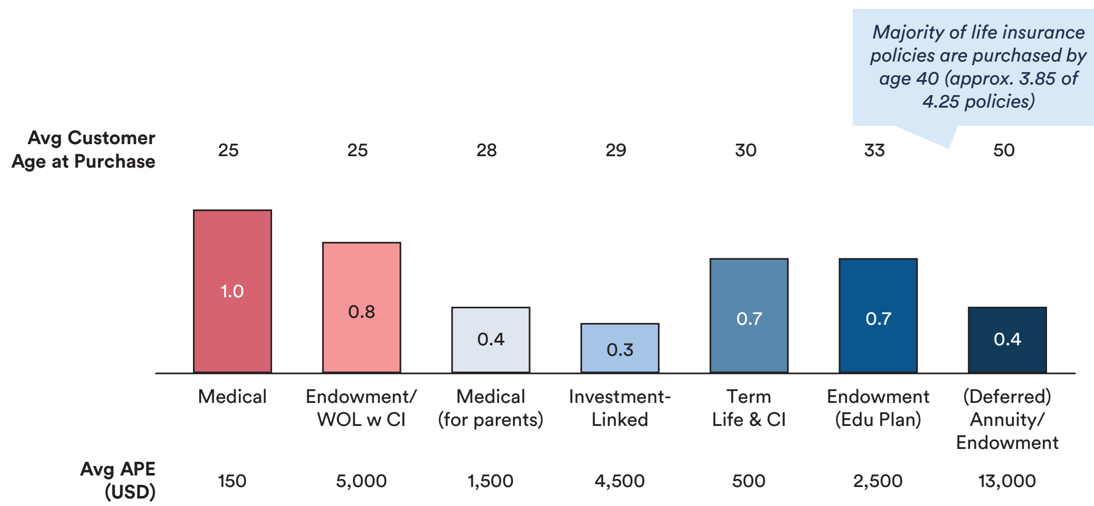


Source: NMG

Although the millennial population currently makes up only a small proportion of high net worth and affluent customers, as their income and wealth level increases, this proportion is expected to increase over time. However, due to the traditional business models discussed below, the majority of the millennials segment is currently underserved because life insurance products and propositions generally appeal more to older high net worth and affluent customers. Since a large proportion of millennial customers will become affluent and high net worth customers over time and offer substantial lifetime value, insurance companies can capture these potential customers early on.

The evolving needs and high lifetime value of millennials allow life insurance companies to gain greater value throughout their life insurance journey. The cumulative lifetime value of a typical new 25-year-old policyholder in mature FWD markets such as Singapore and Hong Kong is on average ten times the value of their initial purchase (approximately US$2,800 and US$260, respectively). New 25-year-old policyholders will, on average, purchase 4.25 life insurance policies over their lifetimes and the majority of these policies will be purchased before they reach the age of 40. In addition, since customers prefer different products at different life stages, the change in product preferences of the current millennial segment also offers opportunities for life insurance companies to cross-sell as well as up-sell. Millennials generally prefer medical insurance products in early life stages and, as they age and as they accumulate wealth, their preference changes to a broader range of insurance products such as term life, critical illness and unit-linked products. Therefore, millennials are expected to have greater needs for products that address their protection needs, as they go through their life stages. For example, the following chart illustrates the purchasing journey and lifetime value of a typical 25-year-old new policyholder.

Average # of Policies Over Typical New 25-Year-Old Customer's Lifetime



Source: NMG Asia Customer Lifetime Value Model

Asia's life insurance landscape is constrained by traditional business models.

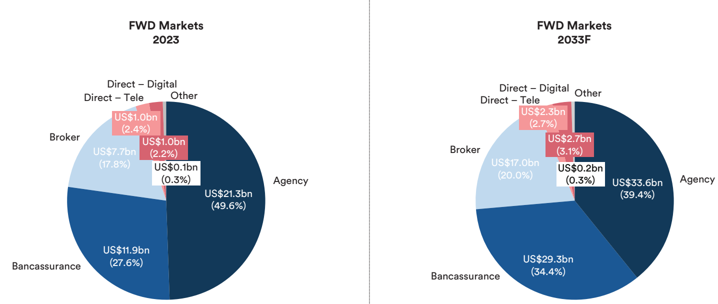
Overview

The majority of life insurance companies in Asia have been constrained by traditional business models. The top three Pan-Asian life insurers, as measured by total APE market share, have been investing significantly in upgrading their infrastructure, but attempts to digitalise the life insurance business and streamline the relevant processes take time to gain traction among insurance companies, and effective digitalisation efforts appear to be largely limited to a few players. In addition, there are some slower growth mid-sized multi-national and local insurers who either may have more limited resources or lack the support and commitment to make a significant difference. As a result, many of Asia's life insurance companies are still in the early to mid stages of digital transformation.

Distribution channels

The Asia life insurance market is relatively reliant on traditional distribution channels such as agency, bancassurance and brokerage/IFA. While direct channels are expected to grow at a much faster rate, bancassurance, agency and brokerage/IFA channels are still expected to make up the majority of distribution over the next decade. In our markets (excluding Japan), APE distributed through the direct digital channel is expected to grow at a CAGR of 25.2% from 2023 to 2033F, compared to projected growth of 6.3% for the agency channel, 10.2% for the bancassurance channel, 10.4% for the brokerage/IFA channel, and 10.4% for traditional direct tele-marketing over the same period. Amongst the top three distribution channels (agency, bancassurance and brokerage/IFA) in FWD markets (excluding Japan), the brokerage/IFA channel is the only channel that achieved positive growth during the 2019-2023 period under COVID disruption. In addition, going forward the brokerage/IFA channel is expected to be the fastest growing channel amongst the top three distribution channels in FWD Markets from 2023-2033F. Agency, bancassurance and brokerage/IFA channels together are expected to amount to approximately US$79 billion, which represents 92.9% of the APE in our markets in 2033. The following chart illustrates the breakdown of APE by distribution channel in our markets in 2023 and 2033.

Individual Life Insurance New Business by Distribution Channel
(APE[1], US$ billions)



FWD Markets excl. Japan

Channel CAGR	15-19	19-23	23-33F
Agency	9.3%	(2.4%)	6.3%
Bancassurance	8.8%	(4.2%)	10.2%
Broker	26.1%	3.1%	10.4%
Direct – Tele	15.1%	(4.4%)	10.4%
Direct – Digital	36.5%	21.1%	25.2%
Other	14.2%	(8.8%)	6.2%
Total	**11.0%**	**(2.3%)**	**9.0%**

Japan

Channel CAGR	15-19	19-23	23-33F
Agency	(10.0%)	2.0%	2.7%
Bancassurance	(6.1%)	(1.7%)	2.8%
Broker	(3.2%)	(1.0%)	3.9%
Direct – Tele	(10.4%)	(2.6%)	2.1%
Direct – Digital	10.9%	5.6%	7.8%
Other	-	-	-
Total	**(8.2%)**	**1.0%**	**3.1%**

Source: NMG Asia Life Insurance Market Model

(1) Using local market convention for APE, using static FX rates as at 30 June 2023.

Most life insurance companies in Asia are heavily reliant on the agency channel, which has experienced very limited digital adoption historically. Similarly, traditional direct channels are not digitally enabled and are severely limited in terms of the types of products they currently offer and the underlying purchase process. However, the COVID-19 pandemic has further accelerated insurers investment into the digitisation of their agency forces and their direct channels.

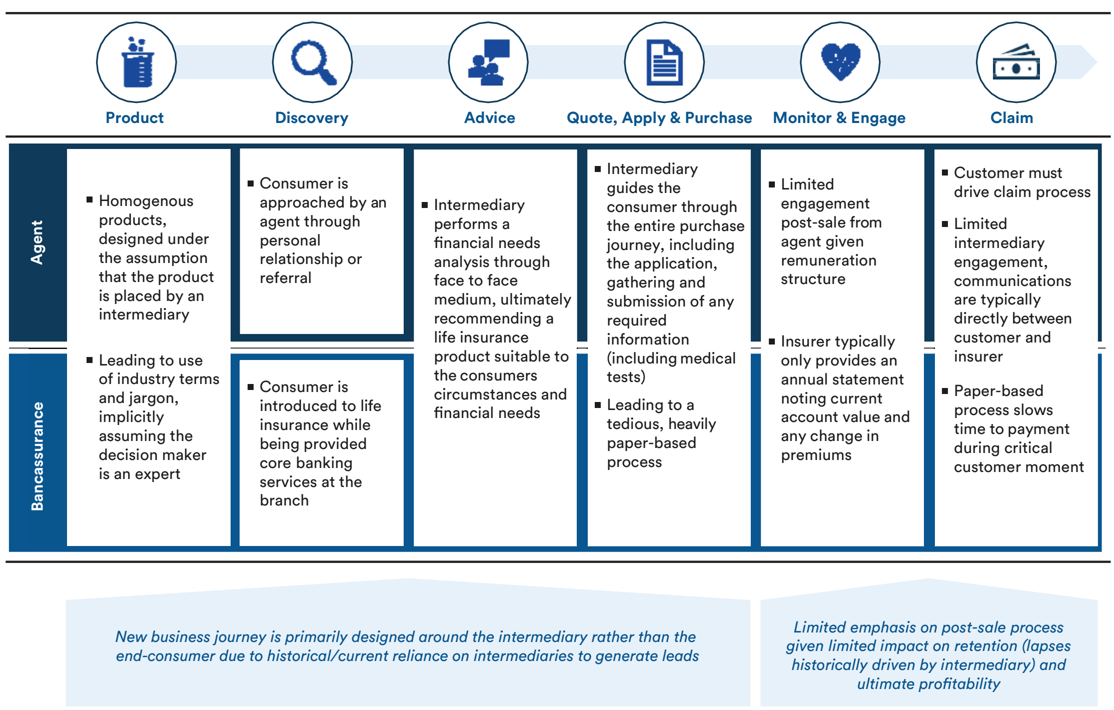
Homogenised product offerings

Within Asia, there are limited differences across the core benefits of product offerings in each market, and since pricing remains opaque, it is difficult for customers to compare fees and other costs across insurers. Customers are often offered standard products with bundled coverage and benefits, limiting customer ability to choose coverage or benefits that are tailored to their specific needs. In addition, due to the dominance of agency and bancassurance as distribution channels, products are often designed to be distributed through an intermediary, such as an agent or bank staff, which results in the pervasive use of industry jargon that customers do not understand.

Products offered by Asia's life insurance companies generally fall into the following categories: medical/health, personal accident, term life, endowment, whole of life, investment-linked and retirement income. The core characteristics of products within the same category are generally the same, with only marginal differences in areas such as coverage limits, number of exclusions, detailed terms and optional riders.

Customer journey

Given the dominance of the agency and bancassurance channels, the traditional customer journey is designed to focus heavily on the origination phase and rely on agents and bank staff to engage with customers and guide them through the sale process. Since there is limited engagement from agents post-sale, policyholders receive very little after-sale service and are often left alone to drive the claims process. In addition, the traditional sale and claims processes have been heavily paper-based and require a substantial amount of information. Even where modern digital claim tools are utilised, without engagement with agents, the claims process can still prove difficult to navigate for customers. The chart below shows a simplified version of a typical traditional customer journey across different stages for the agency and bancassurance channels.



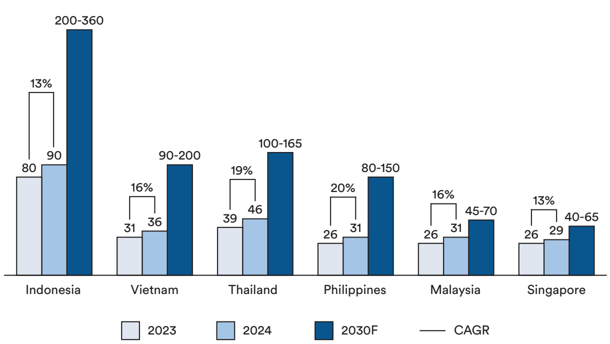
Source: NMG

Digital adoption is a key enabler of change for Asia's life insurance industry.

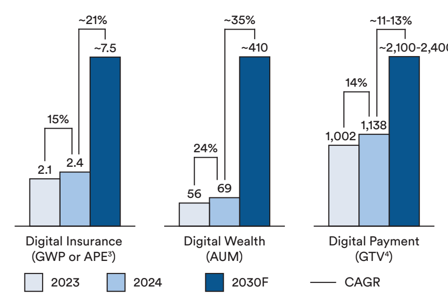
Growth of the digital economy

Growth of the digital economy across our markets is a key growth driver for the life insurance industry as customers become increasingly digitally savvy. The expanding levels of digital connectivity, as well as the increasing affordability and higher adoption rates for digital services, enable insurers with digitally native, customer-focused business models to penetrate underserved customer segments rapidly. The following chart illustrates the growth in the digital economy across our markets over the periods indicated.

Digital Economy Across Southeast Asia[1]
(GMV[2], US$ billions)



Digital Financial Services Across Southeast Asia[1]
(US$ billions)



Source: Google, Temasek and Bain e-Conomy SEA 2024 report

(1) Southeast Asia here only encompasses Thailand, the Philippines, Indonesia, Singapore, Vietnam, and Malaysia.

(2) GMV means Gross Merchandise Value, including insurance through eCommerce.

(3) GWP for non-life insurance, APE for life insurance.

(4) GTV means Gross Transaction Value.

Mobile devices are becoming increasingly accessible and affordable in our markets. Consumers are becoming increasingly more skilled at using digital devices, with more than 60% of smartphone users having purchased a product or service online in 2020. The mobile internet penetration rate for Southeast Asia was 55% in 2021, and the smartphone penetration rate in our markets is expected to reach more than 90% by 2030. As a result of these changes, contemporary life insurance customers in Asia expect a typical customer journey to be "mobile-first" and digital, and have higher expectations for seamless customer experience, easy-to-understand products and competitive pricing.

Technology enablement of traditional distribution channels

Digitalisation is transforming traditional distribution channels, such as agency and bancassurance, through the development of digital tools. For example, agents use social media to complement their network and improve their lead generation capabilities, and with the growing popularity of internet and mobile banking, bank staff can capture leads and acquire customers digitally to complement their branch network. Customer relationship management tools and automated processing tools can improve agents' productivity by enabling them to serve customers remotely and more efficiently. Propensity modelling improves customer retention rates by allowing agents to engage in proactive retention activities. Customer relationship management tools can also increase cross-selling and up-selling opportunities by managing customers' lifecycle.

Adoption of ecosystem models to broaden customer access

Digital ecosystems are emerging as modern distribution channels and key growth engines for life insurers in Asia. While agency and bancassurance are expected to remain important distribution channels in the next five years, ecosystem partnerships will also play a key role in distribution.

A common type of digital ecosystem adopted by life insurance companies is the digital marketplace model, where insurance companies collaborate with eCommerce partners to broaden customer access and leverage their infrastructure. The digital marketplace model focuses on customer acquisition. Customers have a one-stop shop for a broad range of products, including insurance, and are able to easily complete insurance transactions through eCommerce portals. By seeking to improve policyholders' health and well-being, insurers can reduce the amount and frequency of claims.

Compared to the traditional distribution channels, digital ecosystems provide greater customer engagement and acquisition opportunities. They allow digital insurers to leverage technology, data and analytics to build ecosystem partnerships to access hundreds of millions of previously untapped customers across Asia. Life insurance companies are also able to derive superior lifetime value from policyholders and increase cross-sell and up-sell potential as a result of higher levels of customer engagement.

Omni-channel model with human touch

With the rapid development of the digital economy, millennials are increasingly turning to digital channels to research and purchase life insurance, and 42% of millennials in our markets expressed trust in digital channels to research life insurance. Consumers' increasing preference for digital channels provides insurers with the opportunity to offer seamless customer journeys with simplified purchase processes, customised products and pricing, enhanced customer engagement and streamlined claims processes.

88% of consumers across all ages still prefer to have some form of human contact during the sales process, with 56% of millennials (aged below 40), 49% of Gen X (aged between 40 and 60) and 40% of Baby Boomers (aged over 60) preferring to purchase life insurance through digital channels.

Given the diverging preferences for engagement by customers of different ages and the general preference for some level of human contact, omni-channels, involving both an online and in-person component that can adapt to consumers' preferences, are becoming increasingly important.

Digitalisation of back-end processing and customer servicing

The increased adoption of automation and AI has led to higher customer expectations for experience and productivity. Processes can be automated to provide instant services that are available at all times while also increasing cost efficiency and enabling insurance companies to build scalable, agile and efficient platforms. Process automation is regarded by insurance companies as a priority for their digital investments. By simplifying and automating various processes, operating and cost efficiencies can be significantly improved. For example, AI-enabled chatbots are utilised for customer services to increase the speed and efficiency of these services. AI-enabled chatbots can interact with customers around the clock, enhancing customer experience across the marketing, distribution and claim processes. Automation has also been adopted in the marketing, underwriting, and claims processes.

Data analytics and the application of AI will have positive impacts across the life insurance value chain by increasing efficiency and reducing operating costs. For example, data analytics and AI enable life insurance companies to fulfil the needs of more customers during the marketing, sales and distribution processes through automated and targeted marketing campaigns, automated triage processes that match customers with the most suitable distribution channel and AI-supported financial analysis and advice. AI also simplifies and expedites the underwriting process by adopting AI-supported adaptive underwriting questionnaires that only ask necessary questions and augmenting information derived from the questionnaires with external datasets. AI also allows insurance companies to analyse customers' requirements early on to create customised products quickly and offer dynamic pricing. Automated risk-profiling improves customer retention rates and increases cross-sell and up-sell opportunities.

Digital infrastructure

A modern enterprise architecture is essential for digital-first insurers to understand customers' needs, deliver innovative propositions and improve cost efficiencies. While most life insurance companies have made significant investments in developing applications and tools to improve the customer experience, many large insurance companies are not able to utilise these tools effectively in and across different jurisdictions in Asia due to their legacy systems and outdated data structures.

The key component for companies that are to be regarded as leaders in digital-first transformation is their establishment of common data models for use throughout their entire business so that data can be consolidated into a centralised source. The development of digital infrastructure is essential to digitalising the customer journey, utilising customer data and integrating processes and systems to offer customers the omni-channel experience. With an open modular architecture, scalable and real-time changes can be made to individual modules without interrupting the whole application, and applications can be seamlessly integrated. Centralised data can be utilised to derive comprehensive customer profiles across all products and services to improve cost efficiencies and offer more relevant customer propositions quickly.

There are significant growth opportunities for tech-enabled players operating at scale.

Dynamic Pan-Asian Life Insurance Landscape

There are substantial growth opportunities for innovative life insurance companies that have achieved scale, particularly in Southeast Asia.

The life insurance sector is generally characterised by high capital requirements, with significant advantages to achieving and operating at scale, which also present significant barriers to entry. While there have been a number of genuine new entrants (i.e. not through the acquisition of an existing life insurer) since 2015 within the FWD markets (including Bowtie Life, St James' Place International and Well Link Life in Hong Kong, China Taiping and Singlife (pre-Aviva merger) in Singapore, 1CISP and Singlife in Philippines, China Life and Ciputra Life and Victoria Life in Indonesia), none have reached more than 2% market share and most are sub-scale at less than 0.5%. We have observed that new entrants tend to enter the market in niche market segments; in general, absent of significant capital investment and inorganic growth, new entrants typically require a significant amount of time to build up competitive distribution channels and capabilities; historical experience suggests growing into the top 10 market share organically is both challenging and time consuming.

As illustrated in the following chart, growth for the leading life insurance companies in terms of market share has lagged compared with the emerging insurtech companies, which, while enjoying rapid growth, have yet to gain enough market share to take advantage of the benefits of the omni-channel model. Wherever life insurance companies in Asia remain constrained by traditional business models, companies that are successful in their transformation are particularly well-positioned to capture growth opportunities. In addition, with the rapid growth of the life insurance market in Asia, aside from capturing and retaining existing customers, there are significant opportunities for expansion offered by currently untapped and underserved customers.

Digital-first advantage

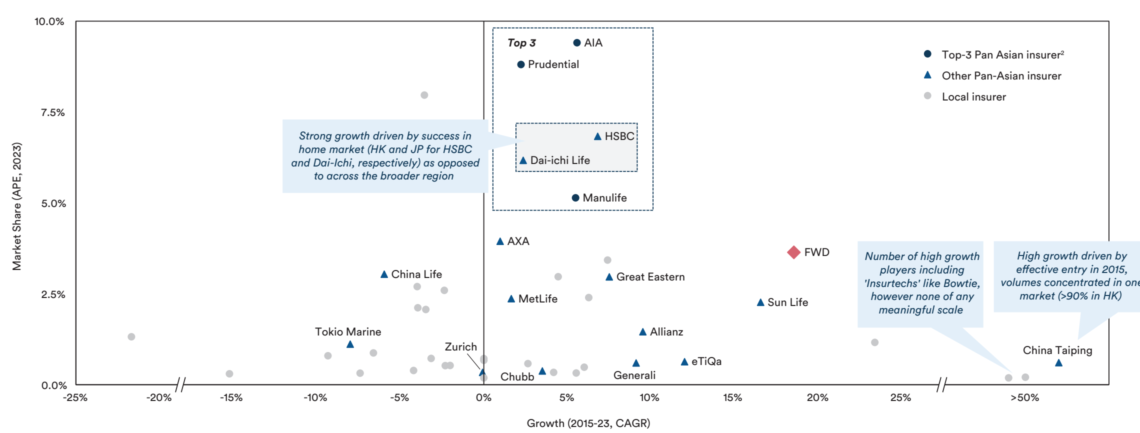
The emergence of digitally native customers, together with the growth of the digital economy, is driving the transformation of life insurance companies to digital-first insurers. Digitally native customers are those that have been brought up in the digital age who are familiar and comfortable with smartphones, computers and the internet. Digital-first insurers can enhance the customer experience by gaining a deeper understanding of customers through data collection, transforming the traditional distribution channels and building ecosystems to broaden customer propositions.

A true digital-first life insurance company recognises digitalisation as the core of future growth, invests in digitalisation deliberately and strategically, and emphasises the development of data and digital infrastructure. Digital-first life insurance companies have the following core capabilities and culture: in terms of customer experience, digital-first insurers adopt a customer-centric approach that permeates across the life insurance value chain. In terms of platforms and ecosystems, they focus on both developing traditional distribution channels such as bancassurance and agency and building multi-channel ecosystems for future partnerships. They have an underlying infrastructure that supports easy integration with different partners across various markets. In terms of digital infrastructure, they have invested strategically early on to establish an integrated infrastructure for data across their businesses in different markets.

Insurers have been investing heavily in digitalisation with a central focus on customer acquisition by building new distribution channels and developing corresponding products, digitising the application process and developing tools to facilitate automated marketing, underwriting and claim management. However, such investments can be slower to pay off without transforming the underlying infrastructure, and as a result, many insurers in the Asia region are still far from being true digital-first insurers. In particular, insurers are often restricted in their digital transformation efforts due to the cost, challenges and complexities associated with transforming a myriad of legacy systems.

Competitor Market Share and Growth across FWD Markets – Individual Life Insurance New Sales

(APE[1], 2023)



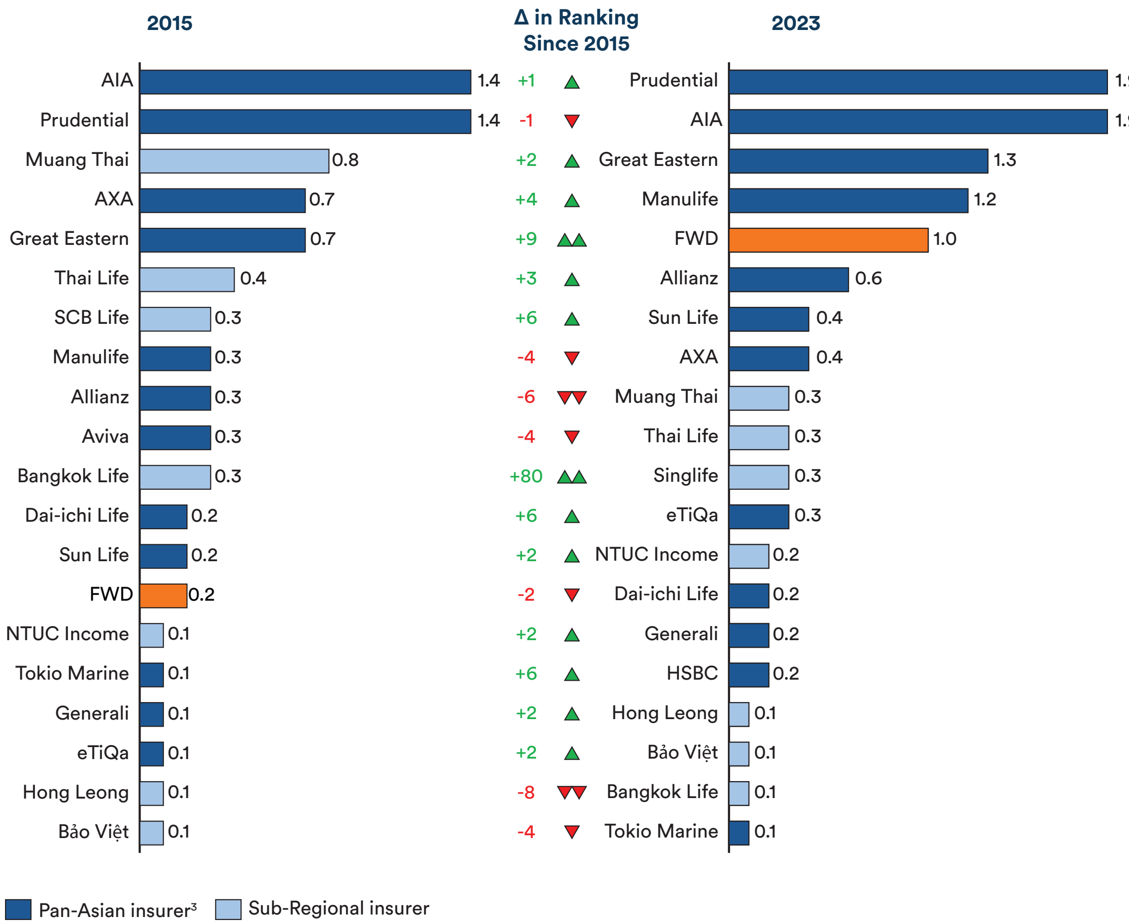
Source: NMG Asia Life Insurance Market Model

(1) Using static FX rates as at 30 June 2023.

(2) Pan-Asian insurer is defined as a life insurer competing in three or more FWD markets (and where an insurer is grouped to its ultimate shareholder if ownership stake is greater than 40%).

As illustrated in the following chart, the competitive landscape of Southeast Asia's life insurance industry has changed dramatically in a short period of time. In terms of ranking by APE in our Southeast Asia markets (comprising Thailand (and Cambodia), Philippines, Indonesia, Singapore, Vietnam and Malaysia), we are estimated to have grown from fourteenth place in 2015 to fifth place in 2023 , making us the fastest-growing Pan-Asian life insurer in that period.

Insurers Across Southeast Asia Markets[1] by Individual New Business
(APE[2], 2023, US$ billions)



Source: NMG Asia Life Insurance Market Model

(1) Southeast Asia markets include Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam, and Malaysia.

(2) Using local market convention for APE, using static FX rates as at 30 June 2023.

(3) Pan-Asian insurer is defined as a life insurer competing in three or more FWD markets, and Sub-Regional insurer is defined as an insurer competing in two or fewer FWD markets (and where an insurer is grouped to its ultimate shareholder if ownership stake is greater than 40%).

As illustrated in the following data tables, on an APE basis, FWD's ranking and market share within each of its operating markets was tenth and 4% in Hong Kong (and Macau), second and 18% in Thailand, seventh and 2% in Cambodia, twentieth and 1% in Japan, ninth and 2% in Malaysia, seventh and 7% in Vietnam, fourth and 9% in Indonesia, eighth and 2% in Singapore, as well as fourth and 8% in the Philippines.

Individual Life Insurance Market Share Rankings Across FWD Markets
(APE[1], 2023)

All FWD Markets

Competitor	Market Share
AIA	9.4%
Prudential	8.8%
Nippon Life	8.0%
HSBC	6.8%
Dai-ichi Life	6.2%
Manulife	5.1%
AXA	3.9%
FWD [#8]	**3.6%**
BOC LIFE	3.4%
China Life	3.0%
Other	41.6%

Hong Kong & Macau

Competitor	Market Share
HSBC	20.3%
AIA	16.0%
Prudential	14.1%
BOC LIFE	10.8%
China Life	9.5%
Manulife	6.2%
AXA	4.9%
Sun Life	4.0%
CTF Life	3.7%
FWD [#10]	**3.6%**
Other	7.0%

Thailand

Competitor	Market Share
AIA	23.3%
FWD [#2]	**17.7%**
Muang Thai	11.1%
Thai Life	10.1%
Prudential	6.6%
AXA	6.5%
Allianz	5.5%
Bangkok Life	4.5%
Thai Samsung	1.5%
Tokio Marine	1.4%
Other	11.8%

Cambodia

Competitor	Market Share
Prudential	35.8%
Manulife	21.0%
AIA	16.5%
Dai-ichi Life	9.8%
Sovannaphum	9.4%
eTiQa	2.8%
FWD [#7]	**1.8%**
Phillip	1.2%
Forte Life	0.9%
Fortune Life	0.5%
Other	0.3%

Japan

Competitor	Market Share
Nippon Life	20.6%
Dai-ichi Life	14.8%
Taiyo Life	7.7%
Mitsui Sumitomo	6.7%
PFI	6.7%
Sony Life	6.2%
MetLife	5.9%
Meiji Yasuda Life	5.5%
Sumitomo Life	5.3%
AXA	3.6%
FWD [#20]	**0.7%**
Other	16.4%

Malaysia[2]

Competitor	Market Share
Great Eastern	20.8%
Prudential	20.4%
AIA	18.0%
eTiQa	9.3%
Allianz	7.6%
Hong Leong	7.3%
Sun Life	4.2%
Tokio Marine	2.4%
FWD [#9]	**2.0%**
Zurich	**1.9%**
Other	6.0%

Vietnam

Competitor	Market Share
Prudential	17.5%
Dai-ichi Life	13.5%
Manulife	13.1%
Bảo Việt	12.3%
Sun Life	7.6%
AIA	7.1%
FWD [#7]	**6.9%**
MB Ageas	4.7%
Generali	4.6%
Chubb	3.4%
Other	9.4%

Indonesia

Competitor	Market Share
Allianz	14.4%
Prudential	13.7%
AXA	10.0%
FWD[3] [#4]	**8.9%**
Manulife	7.5%
AIA	6.6%
Capital Life	5.2%
Generali	3.8%
SIMAS JIWA	3.4%
Mitsui Sumitomo	3.0%
Other	23.4%

Singapore

Competitor	Market Share
Great Eastern	22.8%
Manulife	21.4%
Prudential	17.0%
AIA	13.1%
Singlife	7.8%
NTUC Income	5.7%
HSBC	4.5%
FWD [#8]	**1.7%**
Utmost	1.4%
eTiQa	1.4%
Other	3.2%

Philippines

Competitor	Market Share
Sun Life	19.3%
Prudential	17.1%
AIA	9.1%
FWD [#4]	**7.5%**
BDO	6.7%
Manulife	6.5%
Insular	6.0%
Allianz	5.4%
AXA	5.1%
eTiQa	3.3%
Other	**14.0%**

Pan-Asian insurer[4]   Sub-Regional insurer

Source: NMG Asia Life Insurance Market Model

(1) Using static FX rates as at 30 June 2023.

(2) Includes conventional life insurance and takaful.

(3) Includes BRI Life.

(4) Pan-Asian insurer is defined as a life insurer competing in three or more FWD markets, and Sub-Regional insurer is defined as an insurer competing in two or fewer FWD markets (and where an insurer is grouped to its ultimate shareholder if ownership stake is greater than 40%).

Bancassurance has been a very successful channel given industry adjacency and customer access advantage. In the Southeast Asia bancassurance individual new business market, FWD's ranking and market share was first and 14.1%. FWD's ranking and market share within each of its operating markets was first and 32.8% in Thailand, second and 13.9% in Indonesia (first on an aggregate individual and group bancassurance basis), third and 14.4% in Vietnam, fourth and 11.8% in the Philippines, as well as tenth and 2.4% in Malaysia.

Bancassurance Market Share Rankings Across Southeast Asia Markets
(Individual APE[1], 2023)

Total Southeast Asia Markets[2]

Competitor	Market Share
FWD [#1]	**14.1%**
Prudential	13.5%
Manulife	13.1%
AIA	8.3%
Great Eastern	7.9%
AXA	5.4%
Allianz	4.8%
Muang Thai	4.3%
eTiQa	4.2%
Sun Life	4.0%
Other	20.4%

Thailand

Competitor	Market Share
FWD [#1]	**32.8%**
Muang Thai	15.5%
Prudential	14.4%
AIA	7.4%
Bangkok Life	7.1%
AXA	6.6%
Allianz	5.3%
Thai Life	5.2%
DLA	2.5%
Generali	2.0%
Other	1.2%

Indonesia

Competitor	Market Share
AXA	17.3%
FWD[3] [#2]	**13.9%**
AIA	10.8%
Allianz	9.2%
Manulife	8.7%
Capital Life	6.2%
SIMAS JIWA	5.2%
Sun Life	4.6%
BNI LIFE INSURANCE	4.5%
Astra	4.3%
Other	15.3%

Vietnam

Competitor	Market Share
Dai-ichi Life	16.1%
Manulife	15.6%
FWD [#3]	**14.4%**
Prudential	13.8%
Sun Life	12.1%
MB Ageas	10.1%
AIA	7.3%
Generali	4.4%
MetLife	3.1%
Mirae Asset Prevoir	1.5%
Other	1.7%

Philippines

Competitor	Market Share
AIA	17.1%
BDO Life Assurance	17.0%
Allianz	12.5%
FWD [#4]	**11.8%**
Sun Life	8.2%
Ageas	7.6%
Insular Life Assurance	7.3%
Manulife	6.3%
AXA	6.1%
eTiQa	5.6%
Other	0.6%

Malaysia

Competitor	Market Share
eTiQa	24.1%
Prudential	20.8%
Sun Life	11.3%
AIA	10.5%
Hong Leong	7.6%
Great Eastern	6.2%
Allianz	6.0%
Tokio Marine	4.4%
STMB	2.7%
FWD [#10]	**2.4%**
Other	3.8%

Singapore

Competitor	Market Share
Manulife	37.8%
Great Eastern	26.4%
Prudential	19.4%
HSBC	4.2%
AIA	4.2%
Singlife	4.1%
eTiQa	2.9%
NTUC Income	0.6%
China Life	0.2%
China Taiping	0.2%
Other	0.0%

Pan-Asian insurer[4]   Sub-Regional insurer

Source: NMG Asia Life Insurance Market Model

(1) Using static FX rates as at 30 June 2023.

(2) Excludes Cambodia given immateriality.

(3) Includes BRI Life.

(4) Pan-Asian insurer is defined as a life insurer competing in three or more FWD markets, and Sub-Regional insurer is defined as an insurer competing in two or fewer FWD markets (and where an insurer is grouped to its ultimate shareholder if ownership stake is greater than 40%).