

# 2023 results presentation

March 2024

**Celebrating 10  
years young**




# 1. FWD at a Glance




# FWD at a glance

- 1 Customer led, digital insurer**


Customer led DNA, set-up with right technology and distribution platforms; with a tech-enabled business model aiming to increasingly be powered by AI


- 2 Southeast Asia focused growth**


Contributing 50%+ value of new business (VNB) with multiple exclusive bancassurance partnerships in 2023; entered Malaysia insurance market<sup>1</sup> in 2023


- 3 Hong Kong and GBA opportunity**


Balanced Hong Kong business with both offshore and onshore presence, and Greater Bay Area opportunity in medium term; consistent track record of growth (VNB +90% since 2019)


- 4 Diversified and resilient platform**

Diversified tech-enabled distribution platform through agency channel (>68K agents), bancassurance (29 partnerships), brokers and digital distribution; broad geographic presence provides resilience when some markets experience disruption (e.g. Vietnam in 2023)

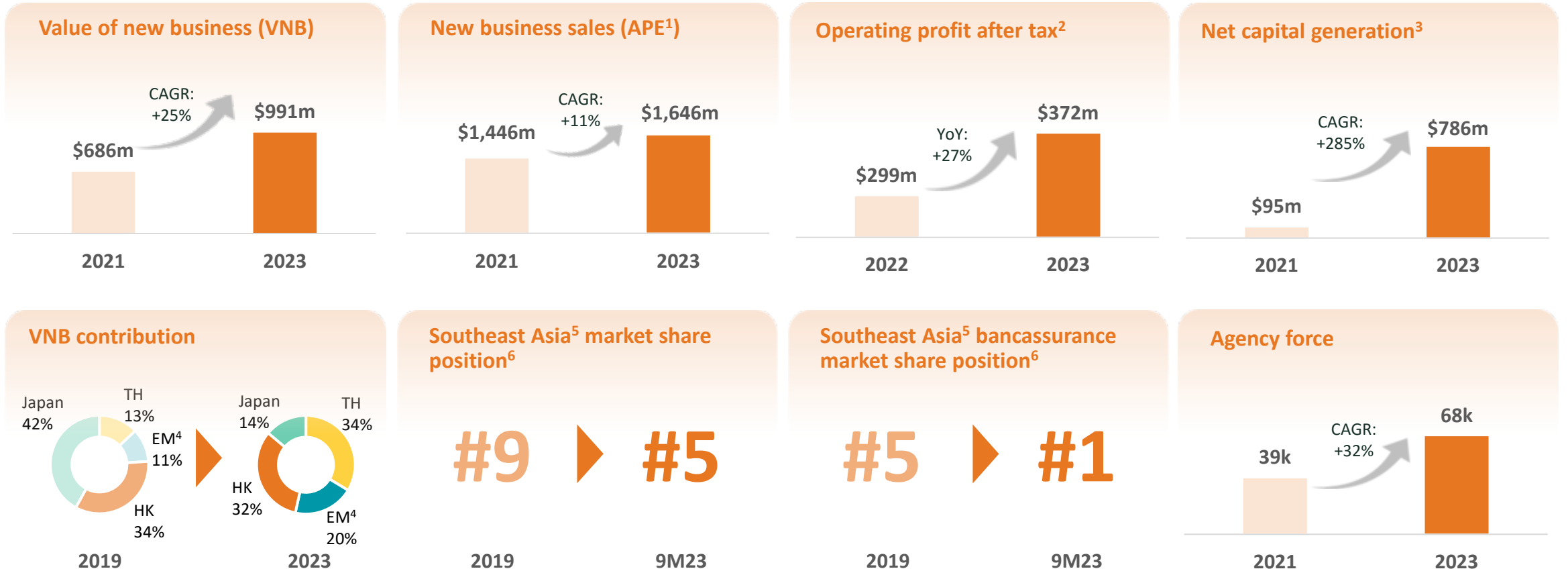

- 5 Consistent delivery and nimble execution**

Experienced Asia management team executing customer-led strategy, with consistent delivery of growth in key financial metrics



<sup>1</sup> Entered the Malaysian life insurance market by acquiring, with local investors, a 70% effective interest in Gibraltar BSN Life Berhad (rebranded as "FWD Insurance Berhad") in April 2023.

# Demonstrated consistent and resilient business growth

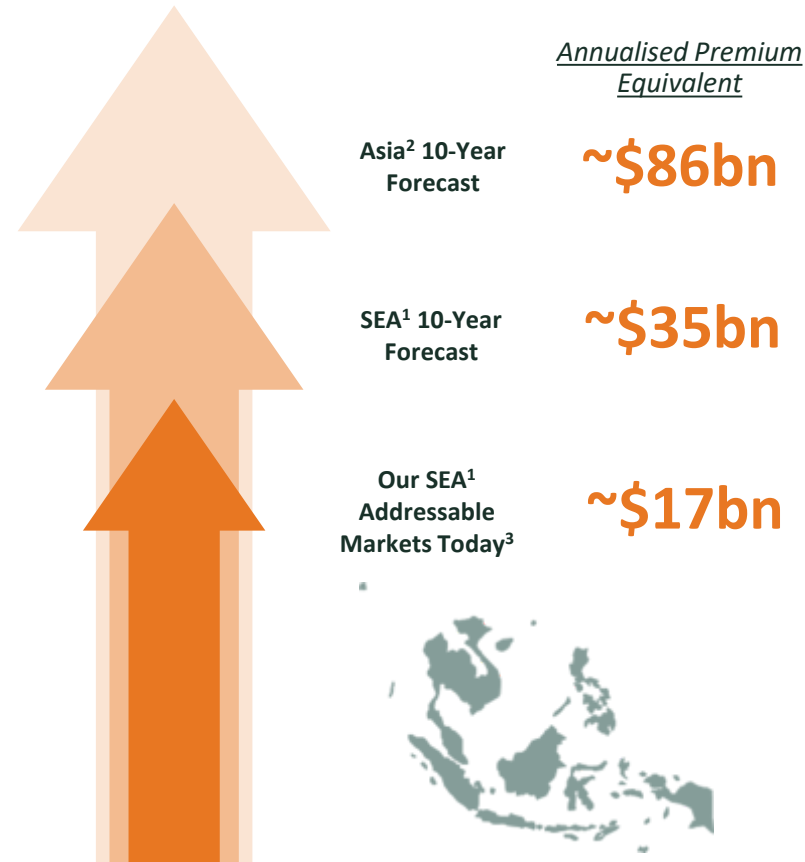


Note: All growth rates in this presentation are on a constant exchange rate basis, unless stated otherwise. | <sup>1</sup> APE denotes annualised premium equivalent. | <sup>2</sup> Denotes segmental adjusted operating profit after tax on an IFRS 17 basis (hence comparison is from 2022 to 2023). Includes 100% contribution from FWD Life Malaysia. Excluding deduction of implementation costs for IFRS 9 and 17 and Group-wide Supervision. | <sup>3</sup> Denotes adjusted net underlying free surplus generation ("UFSG"), i.e. net UFSG excluding one-off opening adjustments, non-economic assumption changes and expense variance. | <sup>4</sup> Includes the Philippines, Indonesia, Singapore, Vietnam and Malaysia. | <sup>5</sup> Includes Thailand & Cambodia and Emerging Markets. | <sup>6</sup> Ranking and market share by new business sales (APE) in 9M23 in Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia based on aggregation of various available industry disclosures in the respective markets.

# Access to dynamic and unrivalled SEA market opportunities

Southeast Asia<sup>1</sup> offers tremendous value growth potential, generating **~41% of Asia's<sup>2</sup> life insurance premiums<sup>3</sup>**

Growth drivers powering SEA insurance market expansion



<b>Large and growing younger populations</b>	<ul style="list-style-type: none"> <li>~<b>65%</b> of SEA population are under the age of 40<sup>3</sup></li> </ul>
<b>Robust growth in economic strength</b>	<ul style="list-style-type: none"> <li>~<b>1.3x</b> global average GDP per capita growth in SEA<sup>4</sup></li> </ul>
<b>Wealth accumulation outgrowing global trends</b>	<ul style="list-style-type: none"> <li><b>158m</b> middle class population in SEA by 2030E</li> </ul>
<b>Digital acceleration with high mobile penetration</b>	<ul style="list-style-type: none"> <li><b>80%+</b> in FWD SEA markets by 2025E</li> </ul>
<b>Gap in health and mortality protection</b>	<ul style="list-style-type: none"> <li><b>\$60bn+</b> gap in FWD SEA markets</li> </ul>

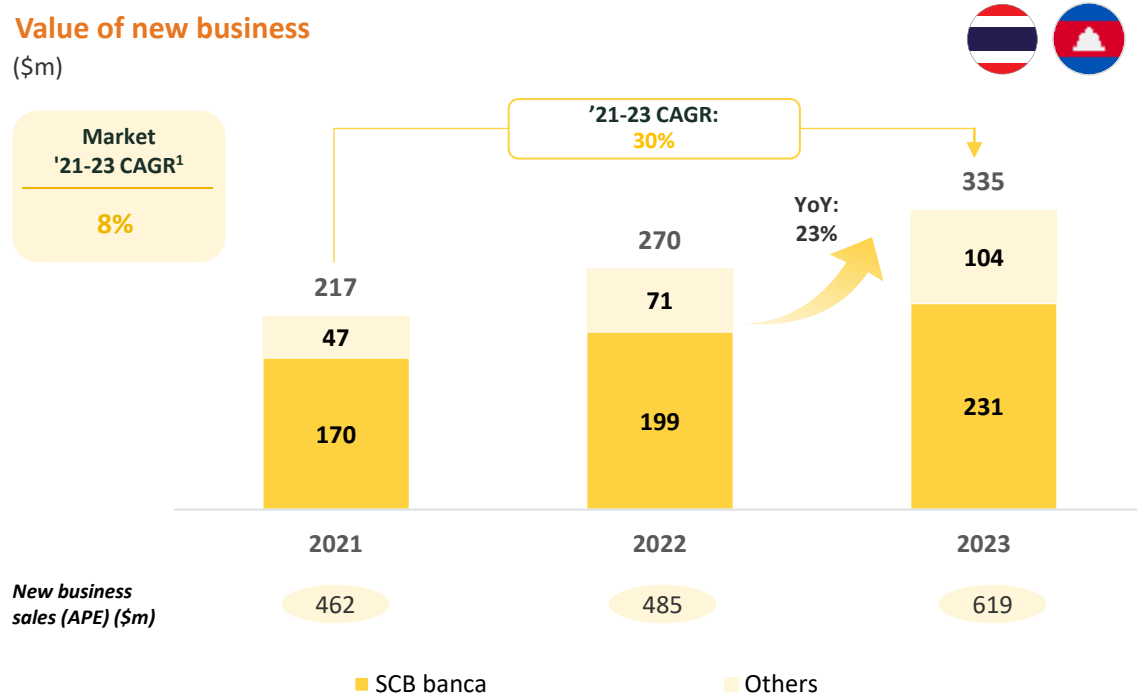
Source: NMG report | <sup>1</sup> Southeast Asia ("SEA") refers to Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia. | <sup>2</sup> Asia refers to SEA markets + Hong Kong, Macau and Japan. | <sup>3</sup> 2021. | <sup>4</sup> From 2015-2021.

# Overview of our business segments

## Thailand & Cambodia

- **Extended banca partnership with SCB in 2023**
- Strong growth in new business sales across all key distribution channels, **especially through agency**
- Continued protection focus that has contributed to a **larger mix of higher margin products**
- Ranked #2, with market share of 19.0% in 9M23, **up 360bps YoY, a significant jump**

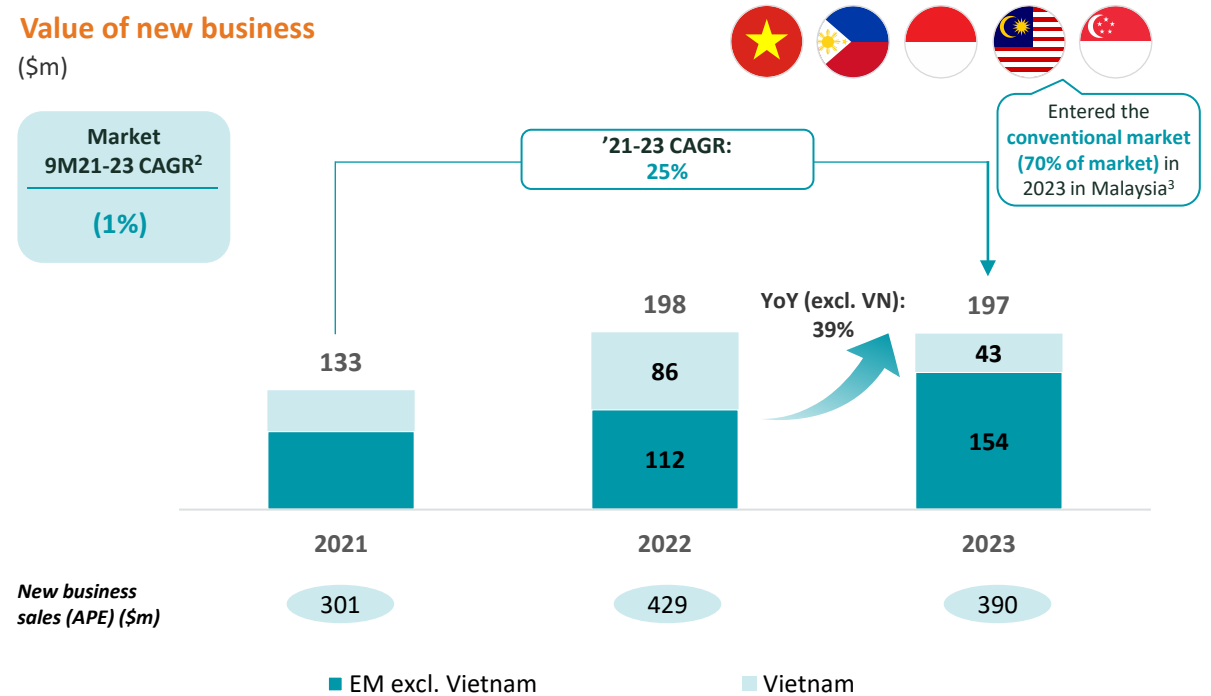
### Value of new business (\$m)



## Emerging Markets

- Market disruption in Vietnam offset **steady growth in other Emerging Markets countries**, with a **continued shift towards higher margin products**
- Deliberate **protection-focused strategy**, including revamping existing protection and savings products, as well as **increasing rider attachment**
- Turned a **positive operating profit<sup>4</sup> for the first time** as operations reach scale

### Value of new business (\$m)



<sup>1</sup> Defined as total life insurance market new business sales (APE) 2021-23 CAGR on an actual exchange rate basis. | <sup>2</sup> Defined as total life insurance market new business sales (APE) 9M2021-9M2023 CAGR on an actual exchange rate basis. | <sup>3</sup> Entered the Malaysian life insurance market by acquiring, with local investors, a 70% effective interest in Gibraltar BSN Life Berhad (now rebranded as "FWD Insurance Berhad") in April 2023. | <sup>4</sup> Segmental adjusted operating profit after tax.

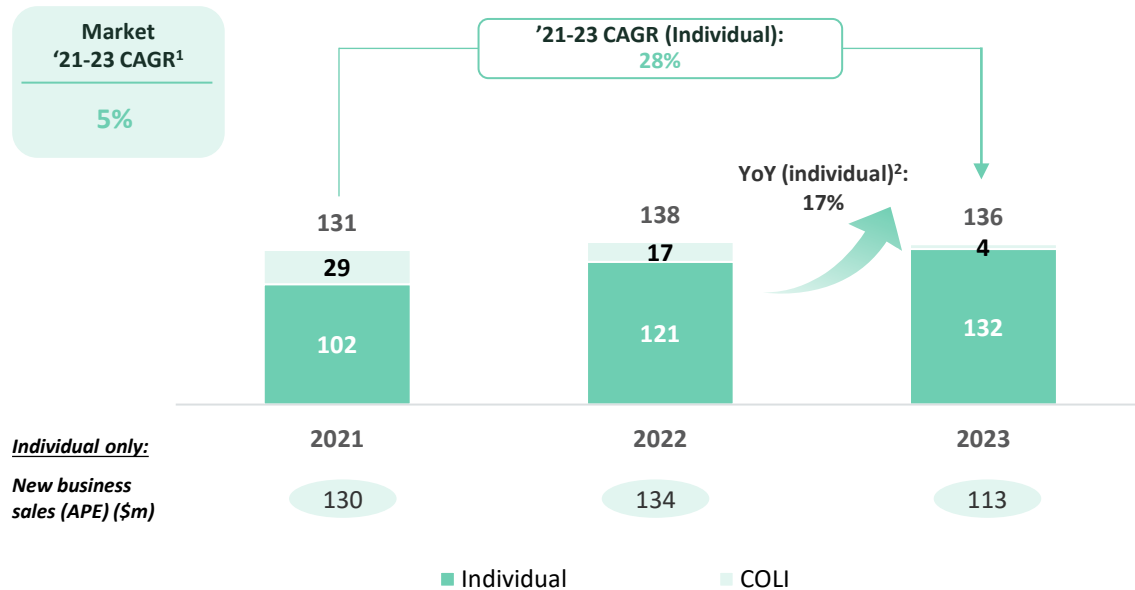
# Overview of our business segments (cont'd)

## Japan

- Focus on enhancing capital efficiency of the business and freeing up capital through Athene reinsurance transaction
- VNB increased due to **continued shift towards more profitable individual protection products**

### Value of new business

(\$m)

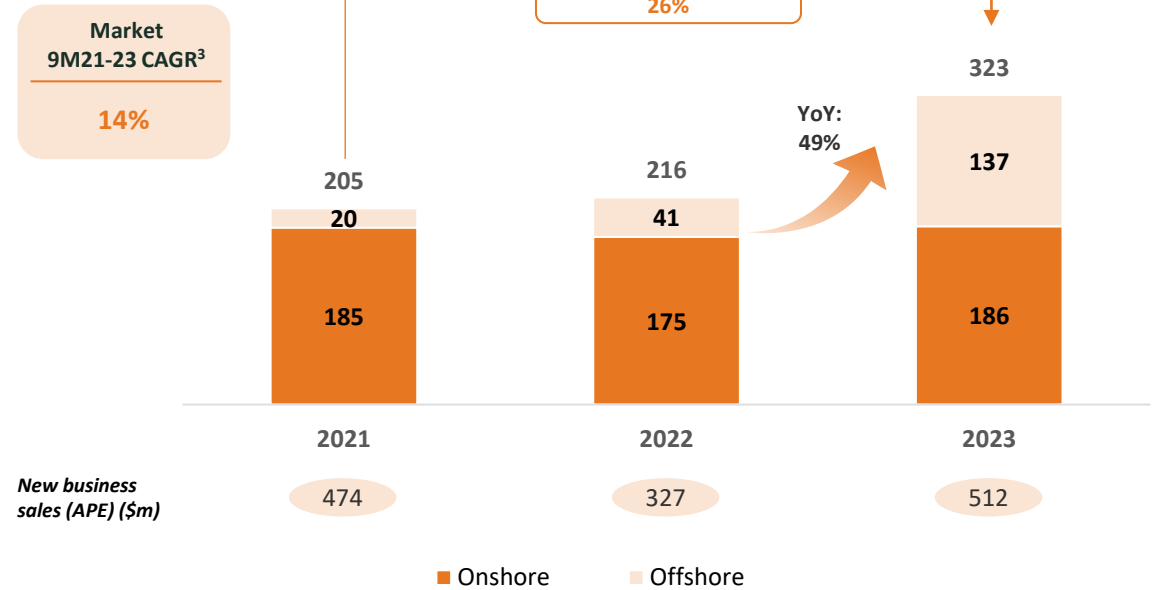


## Hong Kong & Macau

- Increase in new business sales driven by **increase in offshore sales as borders reopened in 2023**
- **Successful HK RBC implementation has led to steady profitable growth**, with operating profit<sup>4</sup> +93% YoY in 2023
- Ranked #10, with market share of 3.0% in 9M23, up 10bps YoY

### Value of new business

(\$m)



<sup>1</sup> Defined as total life insurance market new business sales (APE) full year ending Sep 2021 - Sep 2023 CAGR on an actual exchange rate basis, given FYE March in Japan. | <sup>2</sup> Denotes value of new business for individual business. | <sup>3</sup> Defined as total life insurance market new business sales (APE) 9M2021-9M2023 CAGR on an actual exchange rate basis. | <sup>4</sup> Segmental adjusted operating profit after tax.

# Executing on our strategy: An elite and tech-enabled distribution network

## Sustainable bancassurance growth driven by partners with strong strategy alignment

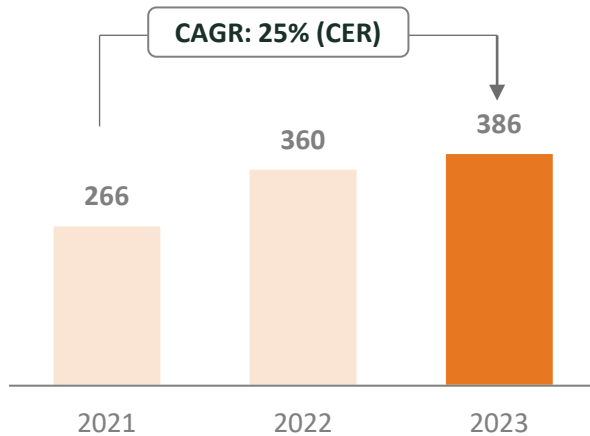
**No.1** bancassurer in SEA<sup>1</sup>

with **9** exclusive partnerships, including:

**SCB** : extended exclusive partnership by **2** years

**BANK BRI** : exclusive partnership via **BRI life**,  
which had **20m+** customers<sup>2</sup>

Bancassurance value of new business (\$m)



## Strong agency value creation through an expanding productive agency force

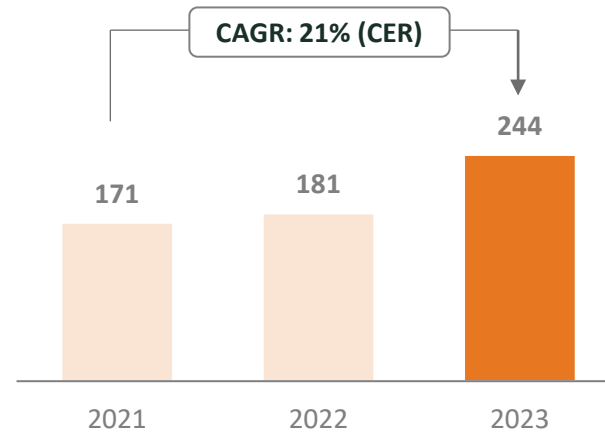
**32%**

2021-2023 agency force CAGR

**Top 3**

2023 Ranking for MDRT membership<sup>3</sup>  
in Thailand, the Philippines and Vietnam

Agency value of new business (\$m)



## Partnership with businesses across the eCommerce, retail and fintech industries

### Ecosystem partnerships

**150m+**

Accessible potential customers



**bolt**tech

traveloka

**HKT**Care  
HKRIA



Lazada



klook

### Cross-channel sales

**Strengthening offline channels**  
with digital capabilities

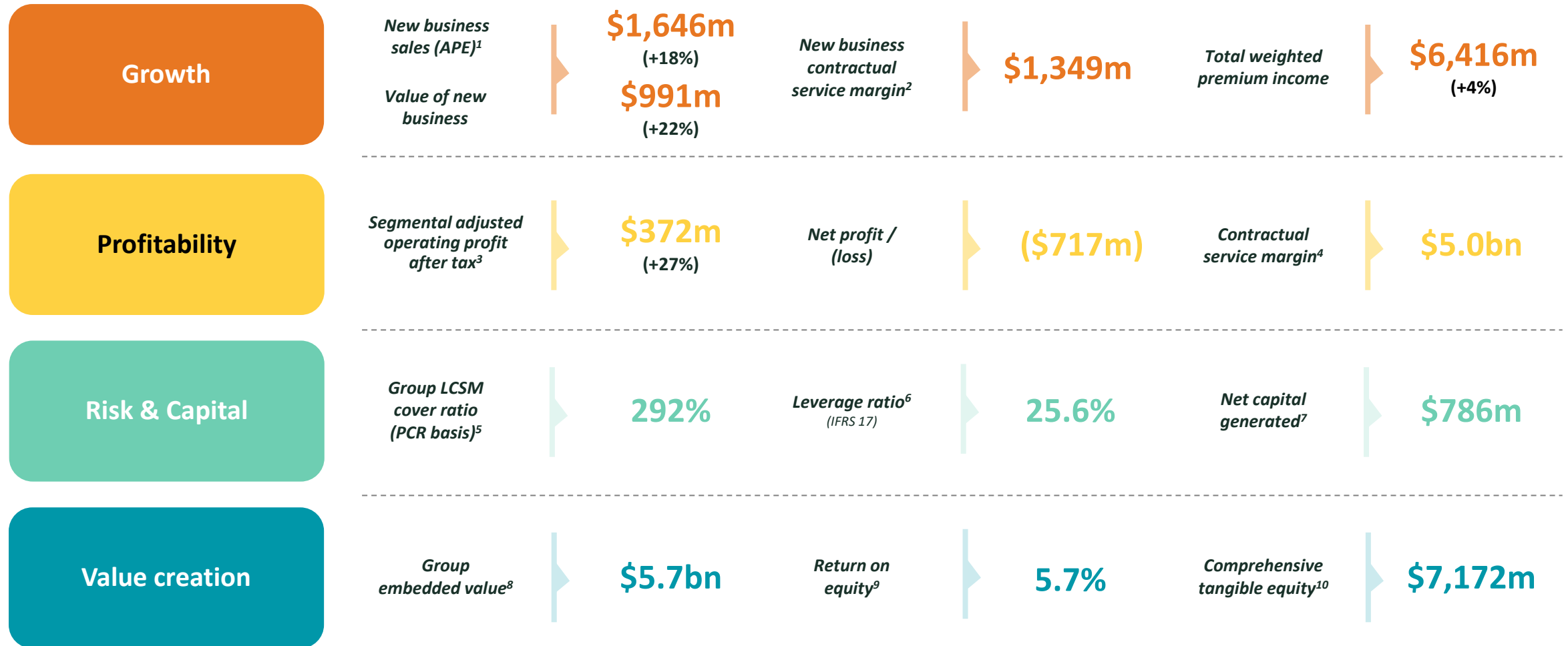
**\$35m** online-to-offline  
value of new business<sup>4</sup>



<sup>1</sup> Ranking by new business sales (APE) in 9M23 in Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia based on aggregation of various available industry disclosures in the respective markets. | <sup>2</sup> Customer numbers as of Dec 2023. As of Mar 2024, we own a 44% equity interest in BRI Life. | <sup>3</sup> MDRT-registered members shown according to the MDRT association based on specific qualification criteria in the prior year to determine MDRT eligibility. | <sup>4</sup> Captured within the respective offline channels in FY2023.



# Strong 2023 financial performance across key metrics



Note: All data as of 23YE or during FY23, with YoY growth rates from 2022 to 2023. | <sup>1</sup> New business sales volumes defined as new business annualised premium equivalent (APE) sales. | <sup>2</sup> New business contractual service margin presented excludes Athene reinsurance and includes BRI Life. | <sup>3</sup> Including 100% contribution from FWD Life Malaysia. Excluding deduction of implementation costs for IFRS 9 and 17 and Group-wide Supervision. | <sup>4</sup> Presented on a net of reinsurance and gross of tax basis. | <sup>5</sup> Based on Local Capital Summation Method. PCR denotes group prescribed capital requirement. | <sup>6</sup> Normalised leverage ratio excluding pre-financing. Calculated as debt divided by the sum of debt and comprehensive equity, which is adjusted total equity attributable to Shareholders of the Company including non-controlling interest, plus net CSM as of the end of the applicable period (i.e., CSM after allowing for reinsurance and taxes). | <sup>7</sup> Denotes adjusted net underlying free surplus generation ("UFSG"), which is net UFSG excluding one-off opening adjustments, non-economic assumption changes and expense variance. And net UFSG denotes UFSG excluding investment return variances and other items such as the impact of acquisitions, new partnerships and discontinued businesses, capital movements and impact of financing. | <sup>8</sup> Group embedded value presented on a net of financing basis. Financing for this purpose includes debt held and comprises borrowings and perpetual securities. | <sup>9</sup> Calculated as segmental adjusted operating profit after tax for a specified period, divided by the average of the balances of adjusted total equity attributable to Shareholders of the Company as of the beginning and end of such period. | <sup>10</sup> Defined as adjusted total equity attributable to Shareholders of the Company, plus the net CSM, minus the intangible assets.

# On clear path to achieve strategic ambitions



- Maintain focus on our customer led and digitally enabled strategies in order to deliver sustainable growth and profitability



- Scale up high quality agency force to match leading position built in bancassurance



- Expand presence in each market with aim to increase the number of top 3-5 market share positions, leading to profit and cash flow improvements over time



- Maintain strong and stable credit ratings and an investment grade balance sheet



- Continue to benefit from our nimble and fast-moving organisation, enabling us to react quickly in an evolving market environment

## 2. 2023 Financial highlights



# 2023 was a critical year of progress – setting the stage for continued sustainable and profitable growth

<p><b>1</b></p>	<p><b>Reinforced balance sheet</b></p>	<ul style="list-style-type: none"> <li>• Entered into reinsurance transaction with Athene, improving capital position and EV</li> <li>• Issued \$325m MTNs and \$900m Subordinated Note to pre-finance notes due July and Sept 2024</li> <li>• \$685m revolving loan facility (upsized from \$500m), providing further flexibility and boosting strong liquidity position</li> </ul>	
<p><b>2</b></p>	<p><b>Inaugural investment grade credit ratings</b></p>	<ul style="list-style-type: none"> <li>• Assigned insurer financial strength rating of “A” (Fitch) and “A3” (Moody’s)<sup>1</sup></li> <li>• Testament to our strong financial position, healthy business profile and disciplined approach to growth</li> </ul>	
<p><b>3</b></p>	<p><b>Dividend upstream from operating entities</b></p>	<ul style="list-style-type: none"> <li>• All four operating segments profit positive in 2023 (Thailand, HK, Japan, Emerging Markets)</li> <li>• Upstreaming of dividends from all major established operating entities in 2023; largest amount to date</li> </ul>	
<p><b>4</b></p>	<p><b>Successful IFRS 17 accounting transition</b></p>	<ul style="list-style-type: none"> <li>• Executed successful transition with interim and full-year results reported on an IFRS 17 basis</li> <li>• Key best estimate assumptions rebased to reflect our post-COVID operating environment</li> </ul>	

<sup>1</sup> Denotes core life insurance operating entities for Fitch and notional insurance financial strength rating to the Group’s major life insurance operating entities for Moody’s.

# 1 Robust balance sheet further boosted by enhanced liquidity management

## Successful pre-financing of notes due July and Sept 2024

As of December 2023	Amount Outstanding (\$m)	Coupon	Maturity Date
<b>Senior notes</b>	<b>325</b>	<b>7.784%</b>	<b>6 Dec 2033</b>
Senior notes	325	5.000%	24 Sep 2024
<b>Subordinated notes</b>	<b>900</b>	<b>8.400%</b>	<b>5 Apr 2029</b>
Subordinated notes	900	5.750%	9 Jul 2024

Successfully issued **\$325m medium-term notes** and **\$900m subordinated notes** in move to pre-finance notes due July and September 2024

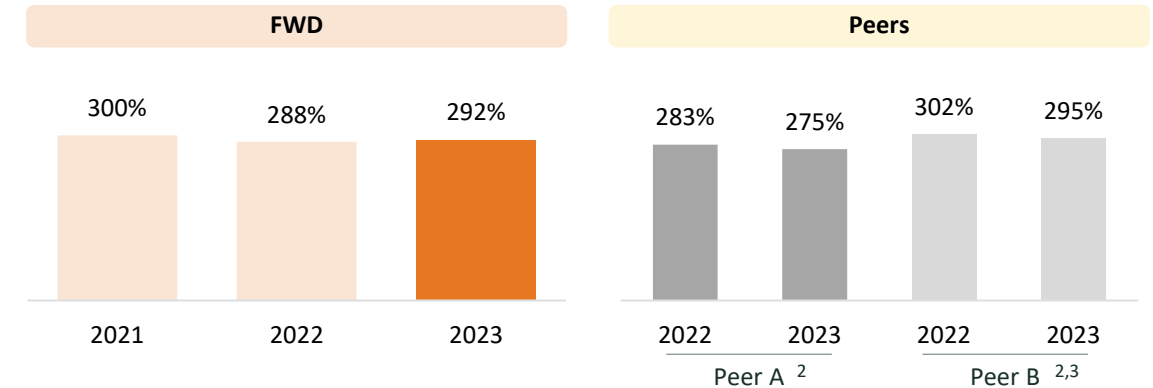
## New revolving loan facility improves flexibility and boosts liquidity position

**\$1,185m**  
in total undrawn credit facilities

+*\$685m in Feb 2024*

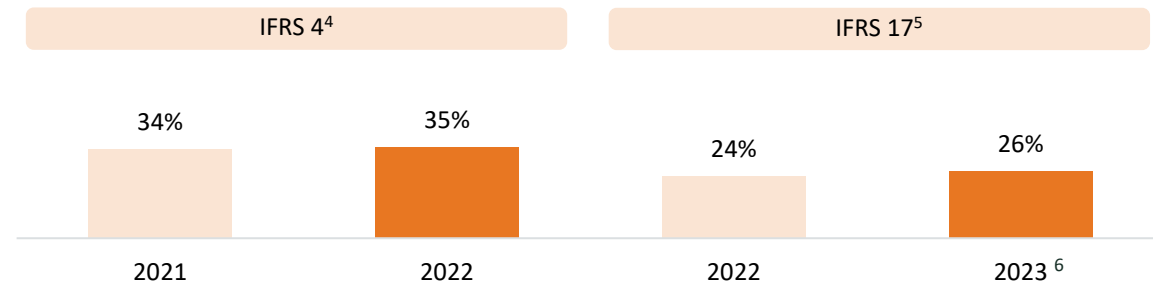
## Robust solvency position on a GWS basis

Group LCSM cover ratio (PCR basis<sup>1</sup>) (%)



## Improving leverage on an IFRS 17 basis

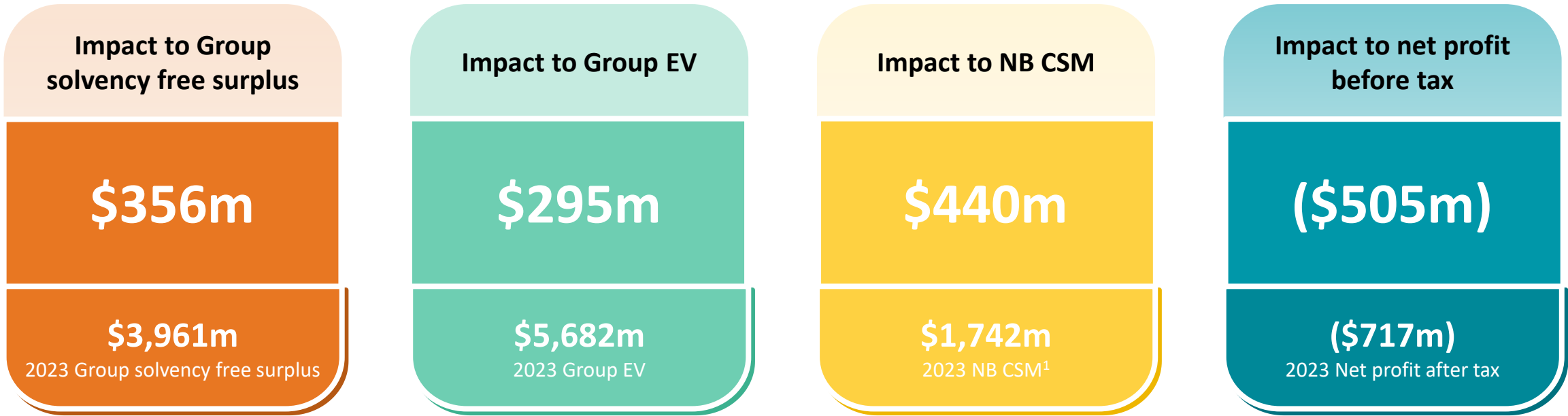
Leverage ratio (%)



<sup>1</sup> Based on Local Capital Summation Method. PCR denotes group prescribed capital requirement. | <sup>2</sup> Denotes total GWS cover ratio (PCR basis) for Peer A (given data availability); shareholder GWS cover ratio (PCR basis) for Peer B. | <sup>3</sup> 2022 ratio was before allowing for the second 2022 interim dividend and pro-forma for \$0.4bn debt redemption in Jan 2023. 2023 ratio was before allowing for the second 2023 interim dividend. | <sup>4</sup> Calculated as debt divided by the sum of debt and adjusted total equity attributable to Shareholders of the Company including non-controlling interest as of the end of the applicable period. | <sup>5</sup> Calculated as debt divided by the sum of debt and comprehensive equity, which is adjusted total equity attributable to Shareholders of the Company including non-controlling interest, plus net CSM as of the end of the applicable period. | <sup>6</sup> Normalised leverage ratio excluding pre-financing.

# 1 Reinsurance transaction in Japan is beneficial in the long-term

• In November 2023, we executed a reinsurance transaction with Athene Re on an **in-force block of whole life insurance policies** of FWD Japan



### Additional benefits to FWD Japan

- ✓ Reduces interest rate risk
- ✓ Improves statutory solvency margin

<sup>1</sup> New business contractual service margin presented includes Athene reinsurance and excludes BRI Life. The Athene reinsurance transaction reduced the interest rate risk of FWD Japan, and we estimate that, as of 31 December 2023, its statutory solvency margin ratio free surplus improved by \$356 million. We also estimate that, as of 31 December 2023, the Athene reinsurance transaction improved the Group EV by \$295 million, and generated new business CSM of \$440 million as of 31 December 2023. Under IFRS, timing differences exist between the recognition of any future IFRS profits and a one-time impact to 2023 IFRS net profits, as the financial assets transferred to fund the transaction were deemed realised.

## 2 Inaugural credit ratings confirming our Investment Grade balance sheet

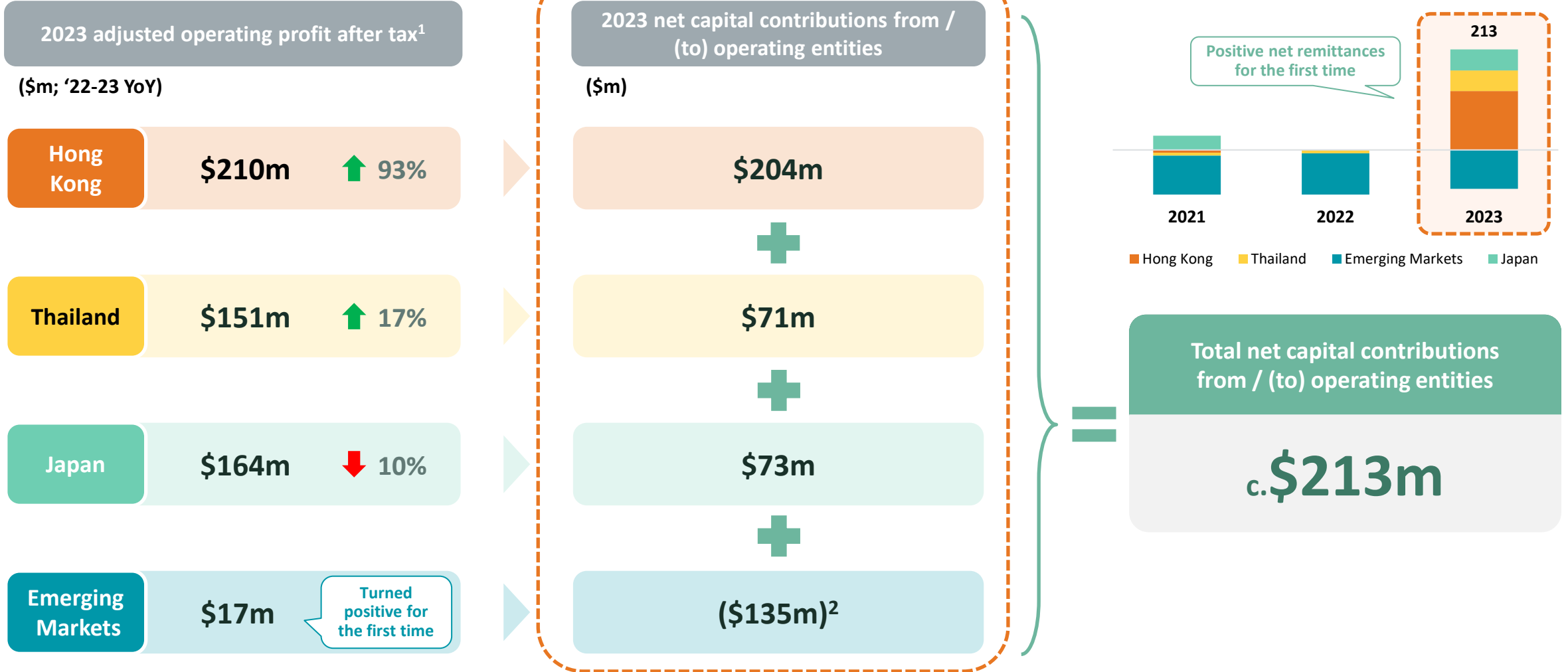
MOODY'S

FitchRatings

Company	Insurance	Previous	Current rating	Previous	Current Rating
FWD Group Holdings Limited	Insurer Financial Strength <sup>1</sup>	-	A3	-	A (Strong)
	Issuer Rating / Issuer Default Rating	-	Baa2 / Positive	-	BBB+ / Stable
FWD Life Hong Kong	Financial Strength	A3 / Stable	A3 / Positive	A / Rating Watch Evolving	A / Stable
PT FWD Insurance Indonesia	Financial Strength	-	-	A (idn) / Rating Watch Positive	A+ (idn) / Stable
FWD Life Insurance Company (Japan)	Financial Strength	-	-	BBB+ / Rating Watch Evolving	A / Stable

<sup>1</sup> Denotes core life insurance operating entities for Fitch and notional insurance financial strength rating to the Group's major life insurance operating entities for Moody's.

### 3 Dividends from operating entities accelerating on the back of profitability improvements



<sup>1</sup> All calculated on an IFRS 17 basis, unless otherwise indicated. Includes 100% contribution from FWD Life Malaysia. | <sup>2</sup> Refers to Note 6.1 in Financial Statements, excludes \$51 million for subscription of additional interest in BRI Life in 2023 and other adjustments.



## 4 Overall positive outcome from IFRS 17 adoption

### Reduced volatility in key metrics



- CSM<sup>1</sup>, estimated future unearned profits on in-force business, is recognised gradually over time
- Reduced volatility in earnings given improved alignment in the financial market related impacts of assets and liabilities

### Higher and more stable equity



- Reduced volatility in equity given improved alignment in the financial market related impacts of assets and liabilities

### Better comparability of accounting metrics



- Sources of earnings (insurance service result and insurance finance income and expenses) will be disclosed, giving better visibility of underlying business

### Total CSM growth higher than peers



- Poised to grow CSM at a higher rate given its relatively smaller in-force business and higher rate of NB CSM growth

<sup>1</sup> Denotes contractual service margin.

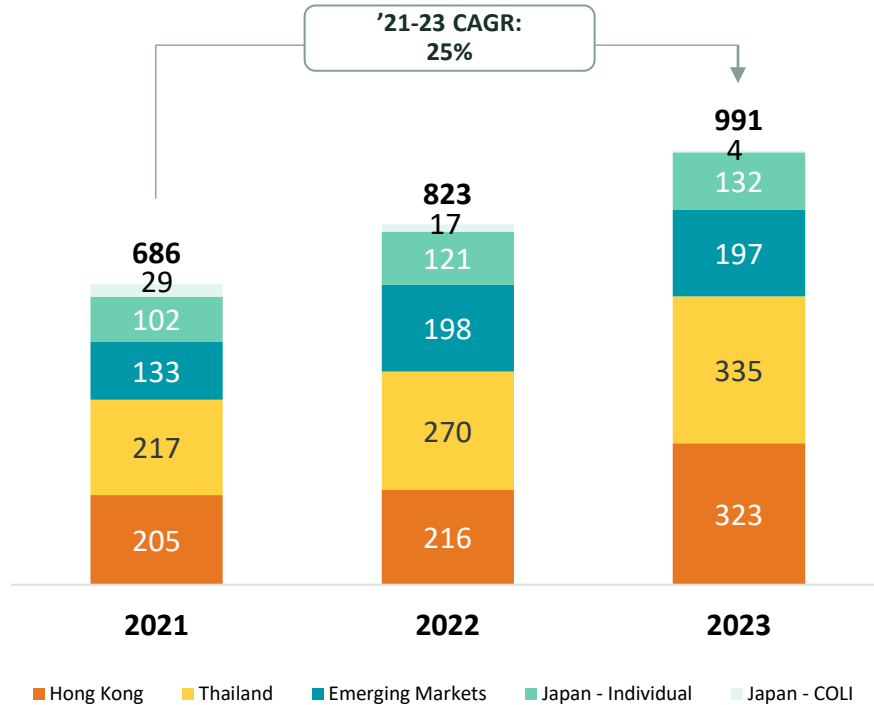
## 3. Financial results



# Consistent organic growth delivery across markets

## Total

Value of new business (\$m)



YoY growth (Overall)

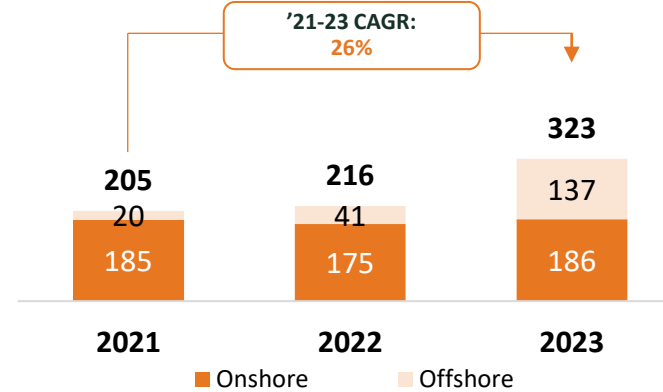
13%

29%

22%

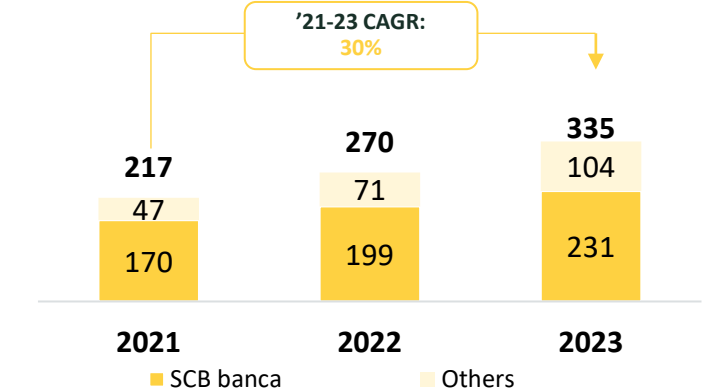
## Hong Kong & Macau

Value of new business (\$m)



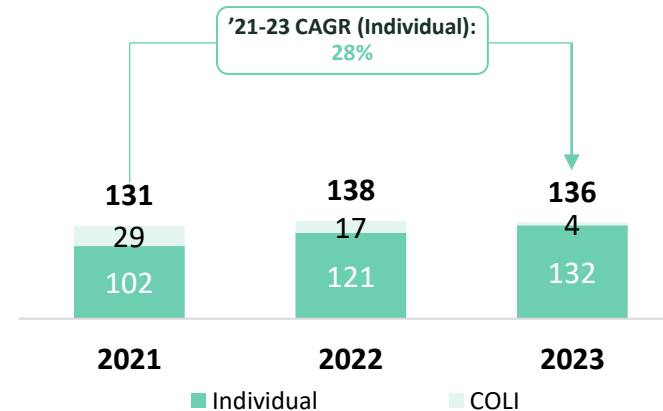
## Thailand & Cambodia

Value of new business (\$m)



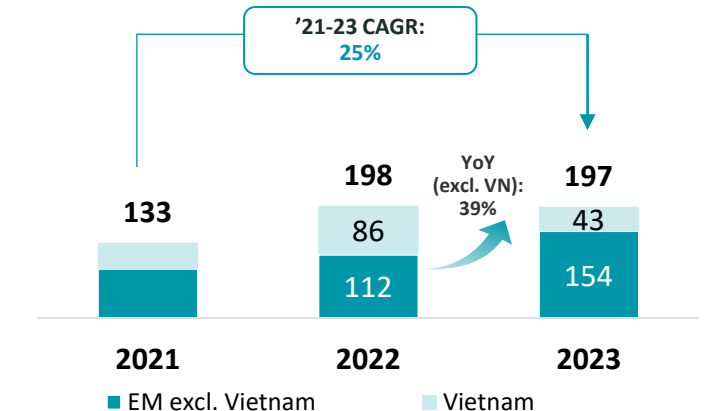
## Japan

Value of new business (\$m)



## Emerging Markets

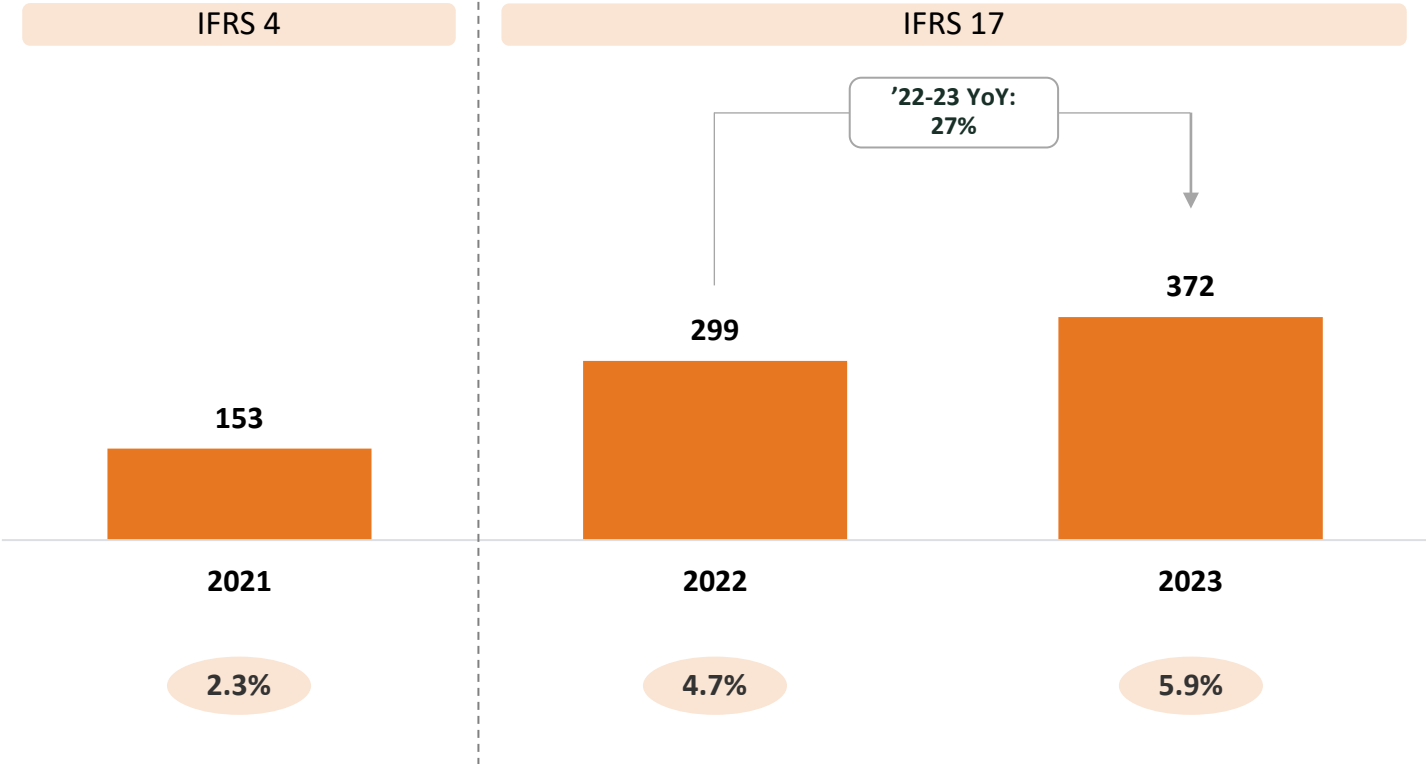
Value of new business (\$m)



# Stable and growing operating profit under IFRS 17

## Segmental adjusted operating profit after tax<sup>1</sup>

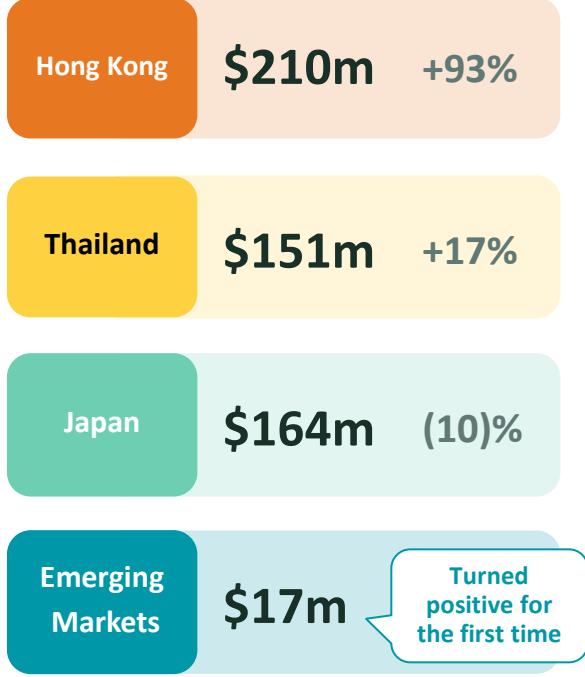
(\$m)



Operating margin<sup>2</sup>

## 2023 adjusted operating profit after tax<sup>1</sup>

(\$m; '22-23 YoY)

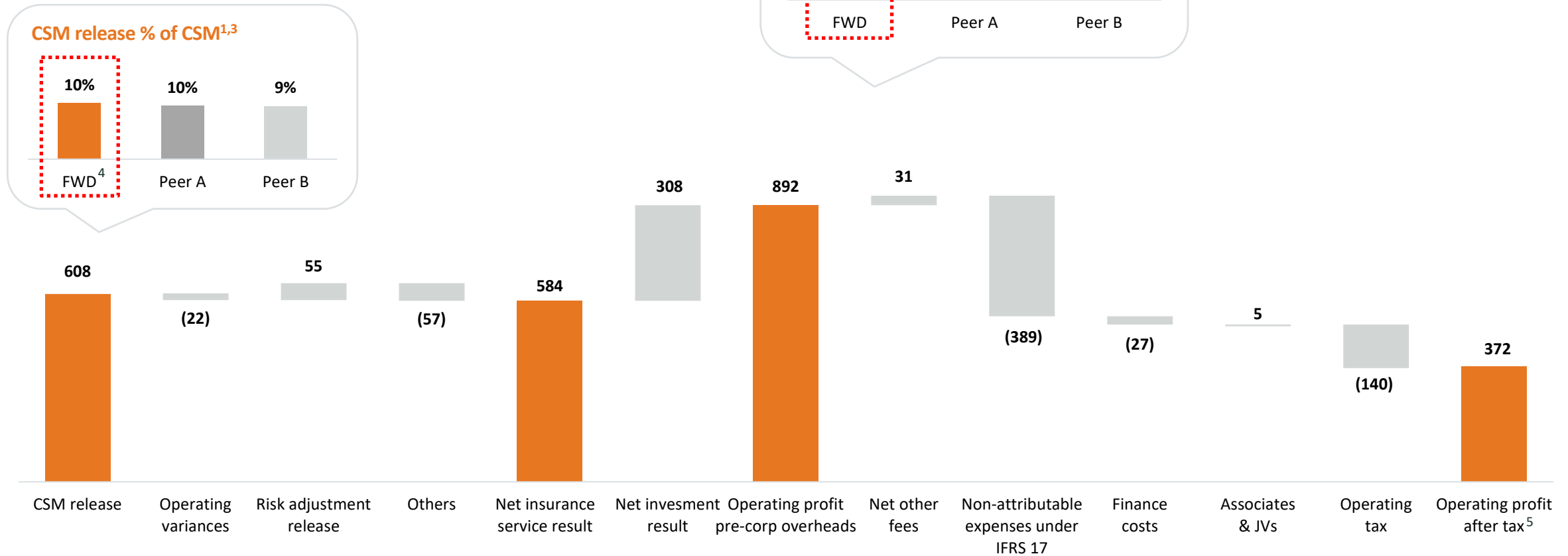


<sup>1</sup> All calculated on an IFRS 17 basis, unless otherwise indicated. Includes 100% contribution from FWD Life Malaysia. | <sup>2</sup> Calculated as segmental adjusted operating profit after tax (on an IFRS 4 basis for 2021 and on an IFRS 17 basis for 2022-23) divided by TWPI.

# CSM release is the core driver of operating profit

## IFRS 17 operating profit bridge (2023)

(\$m)

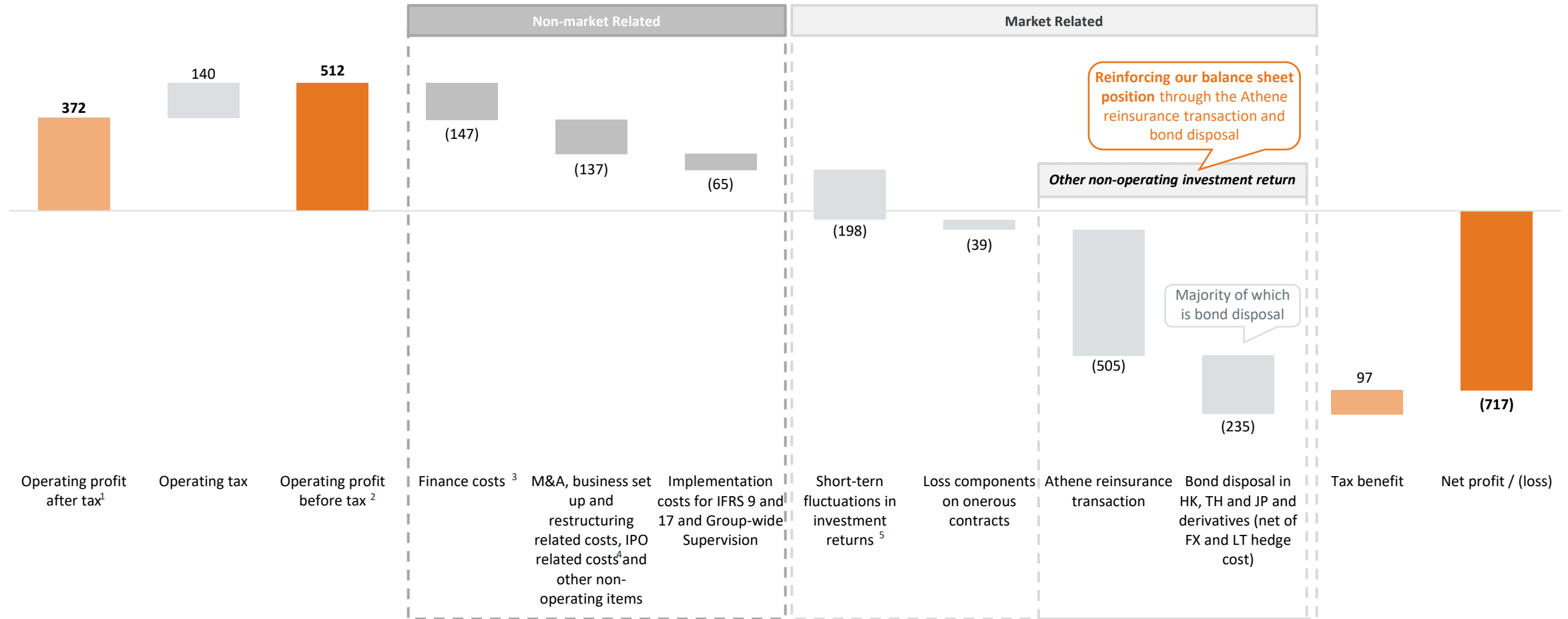


<sup>1</sup> Denotes CSM release divided by closing balance of CSM excluding CSM amortisation and foreign exchange movement. | <sup>2</sup> Denotes operating profit pre-corporate overheads. | <sup>3</sup> Data for Peer A and Peer B as of 2023. | <sup>4</sup> CSM amortisation rate adjusted for the impact of persistency assumption changes in 2023 and one-off items include recapture of reinsurance arrangements. | <sup>5</sup> Including 100% contribution from FWD Life Malaysia. Excluding deduction of implementation costs for IFRS 9 and 17 and Group-wide Supervision.

# Net profit impacted by one-offs and non cash items

## IFRS 17 NPAT to OPAT (2023)

(\$m)

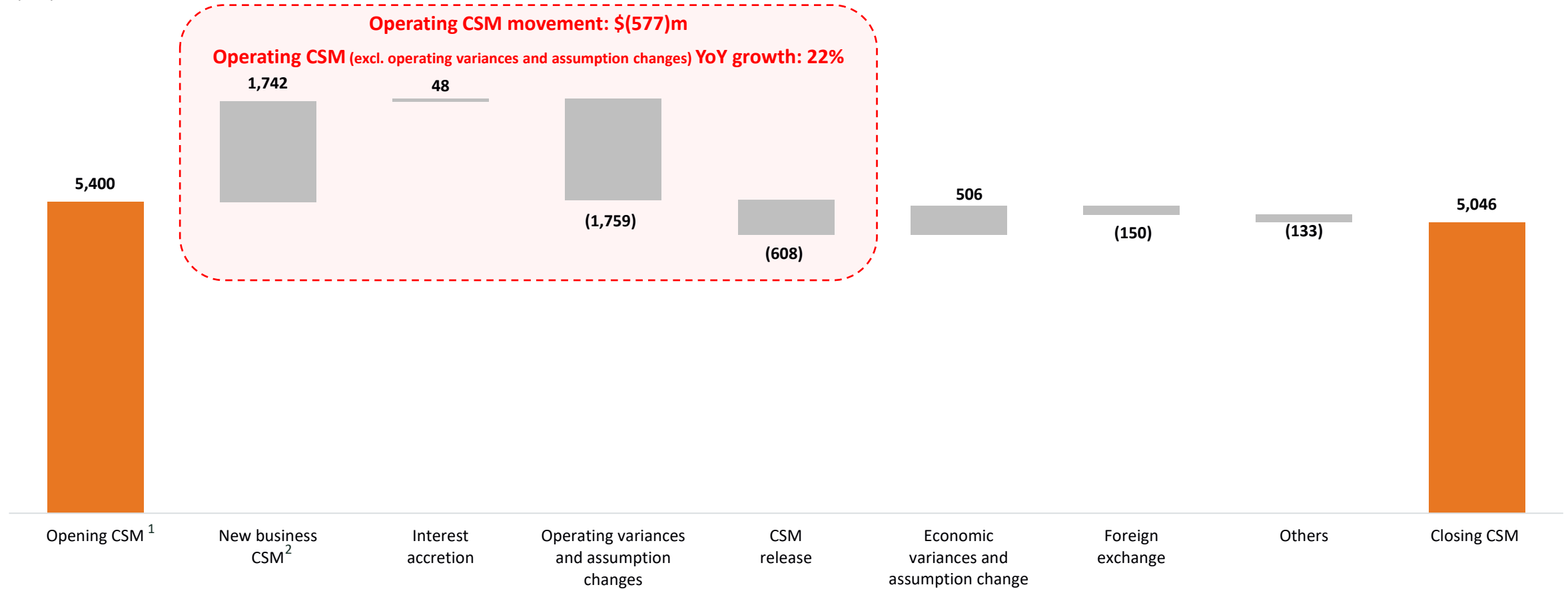


<sup>1</sup> Denotes segmental adjusted operating profit after tax. | <sup>2</sup> Denotes segmental adjusted operating profit before tax. | <sup>3</sup> Related to borrowings and long-term payables. | <sup>4</sup> Including incentive costs. | <sup>5</sup> Related to equities.

# High organic growth of CSM before one-off assumption change

## CSM evolution (2023)

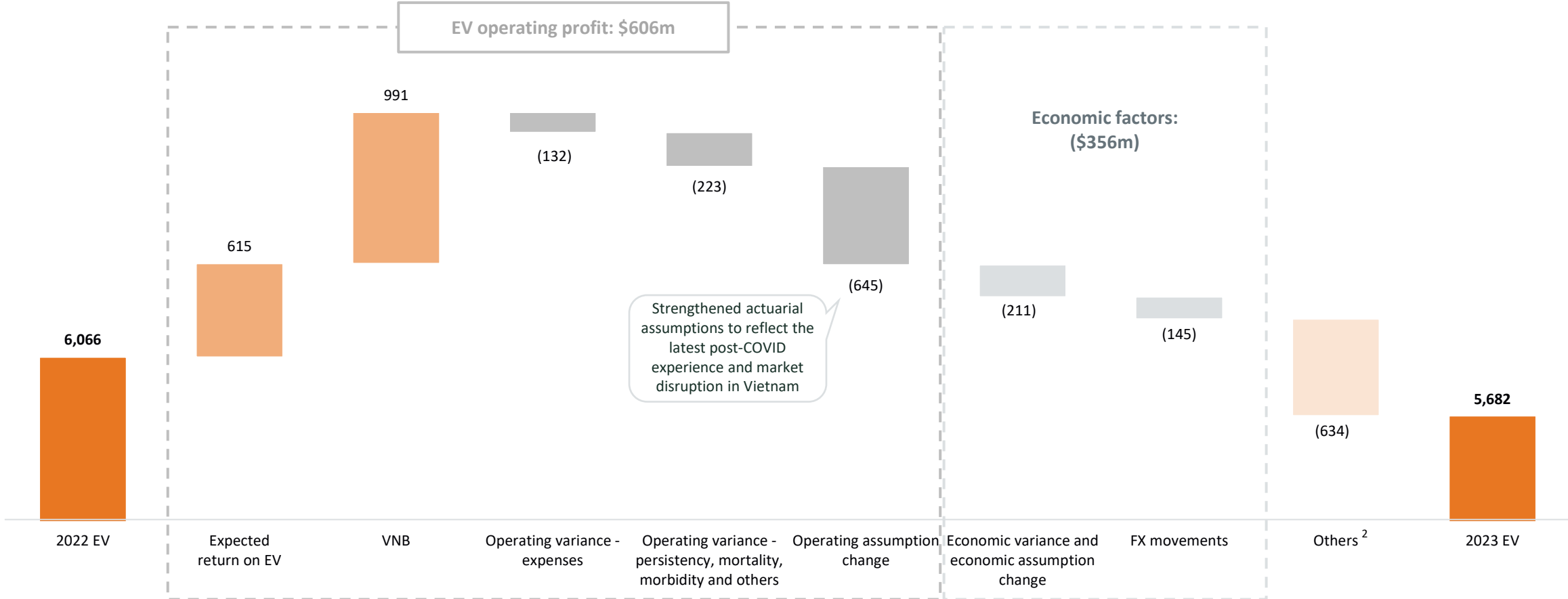
(\$m)



<sup>1</sup> Opening CSM after allowing for reinsurance. | <sup>2</sup> New business contractual service margin presented includes Athene reinsurance and excludes BRI Life.

# Robust embedded value growth before one-off assumption changes

## 2023 embedded value evolution<sup>1</sup> (\$m)



<sup>1</sup> Numbers may not sum due to rounding. | <sup>2</sup> Includes acquisitions & partnerships, other non-operating variance, corporate centre expenses, financing and reinsurance transactions.



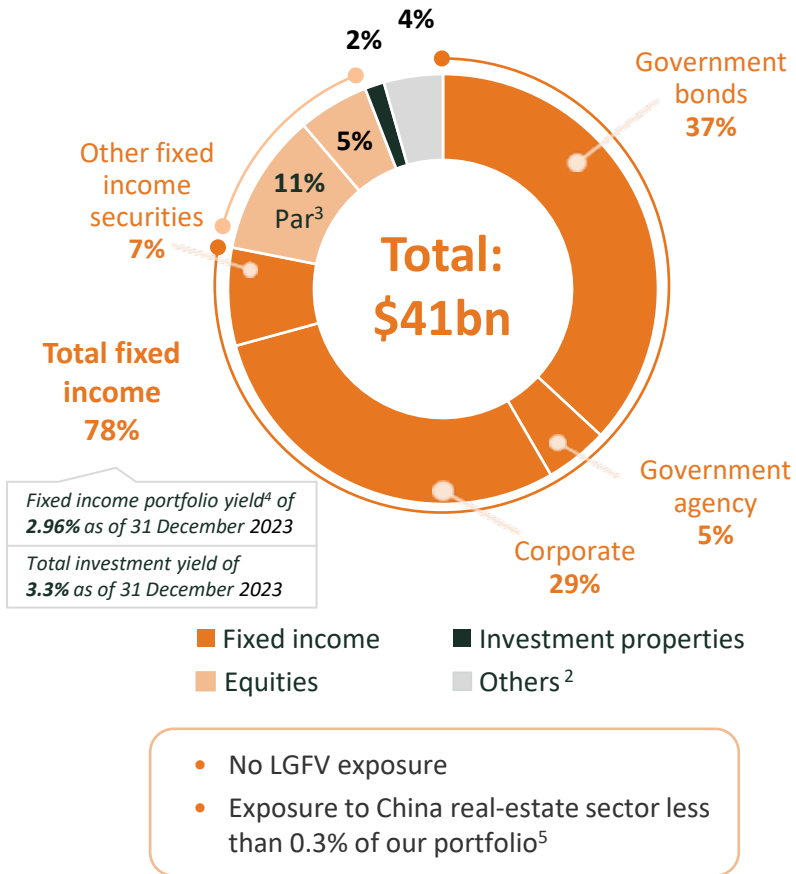
# Appendix



# Balanced investment portfolio

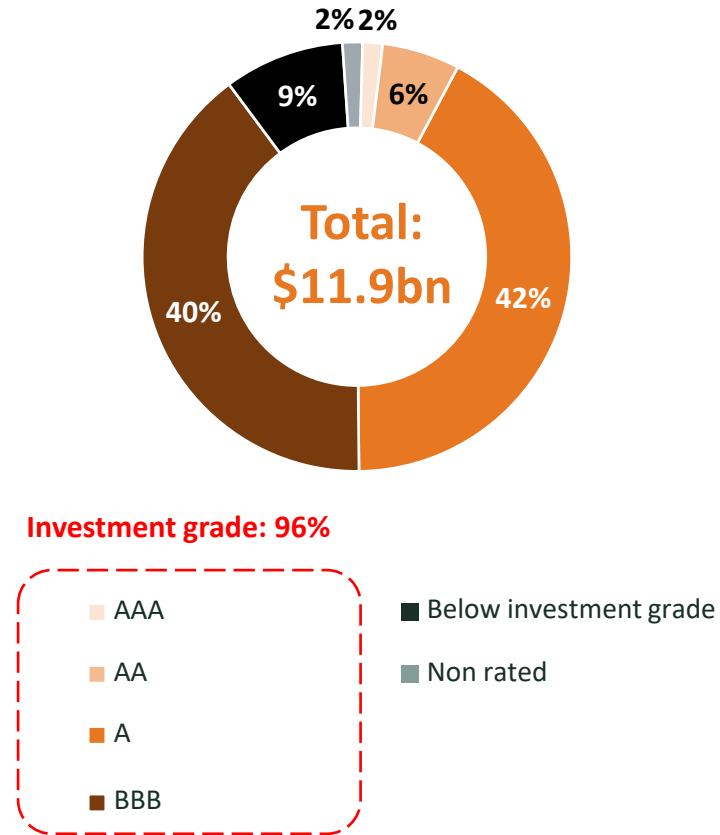
## Investment portfolio by asset class<sup>1</sup>

2023



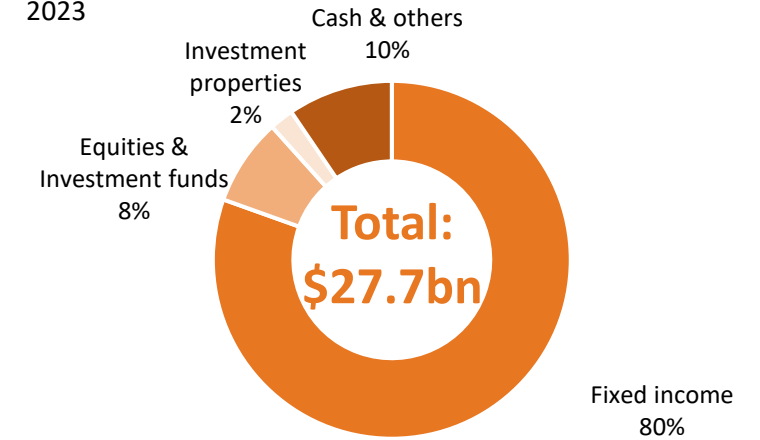
## Corporate bonds by credit ratings<sup>1</sup>

2023



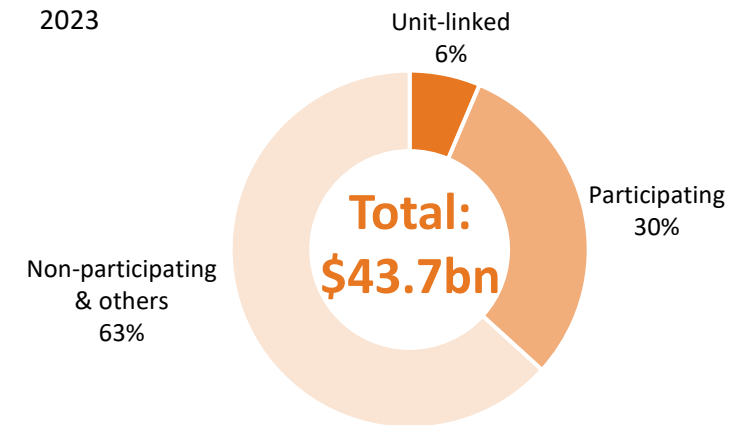
## Non-par and surplus assets by asset class<sup>1</sup>

2023



## Invested assets<sup>1</sup>

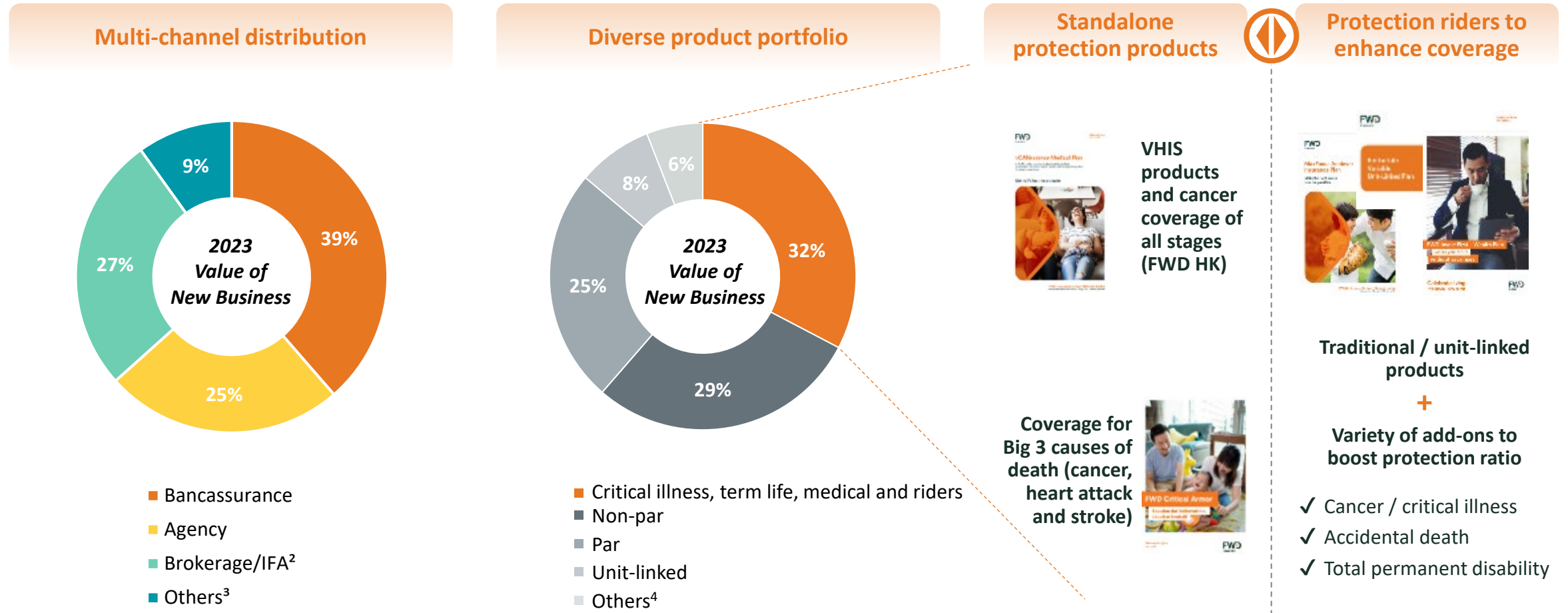
2023



<sup>1</sup> May not sum up to 100% due to rounding. | <sup>2</sup> Includes policy loans, secured loans, derivatives, and cash and cash equivalents. | <sup>3</sup> Includes policyholder and shareholder Participating funds, other participating business with distinct portfolios for Equity shares and Interests in investment funds. Unit-linked investments are excluded. | <sup>4</sup> Quarterly investment yield on fixed income portfolio (annualised). | <sup>5</sup> Mainly in corporate bonds, as of 31 December 2023.

# Diversified products make protection more accessible across all channels

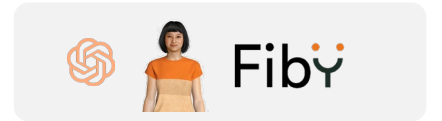
Provide customers with a suite of accessible product offerings through diversified channels, allowing them to choose the protection coverage they want<sup>1</sup>



<sup>1</sup> Certain features are limited to selected products offered by FWD. | <sup>2</sup> Independent Financial Advisors ("IFA"). | <sup>3</sup> Includes neo-insurance, affinity, our employee benefit business, as well as direct marketing and telemarketing. | <sup>4</sup> Includes group insurance and COLI.

# Automated, flexible and secure digital transformations

## Digital Enablement and Innovation



## Core Insurance Platform

Security and Authentication	Financial Needs Analysis	Product Configurator	Digital Payments	FWD Marketing Cloud	Messaging and Communications
STP Underwriting	Claims	Policy Administration	Documents and Digital Signing	Call Center and Servicing	Agency Management

## AI and Data Analytics Layer

*Selected applications:*

<b>190+</b> AI models deployed	AI Next Best Product	AI Claims 2.0	Data Mesh	Open AI Library
	AI Fraud Detection	AI Lapse Models	AI Ops	Cloud-first Infrastructure

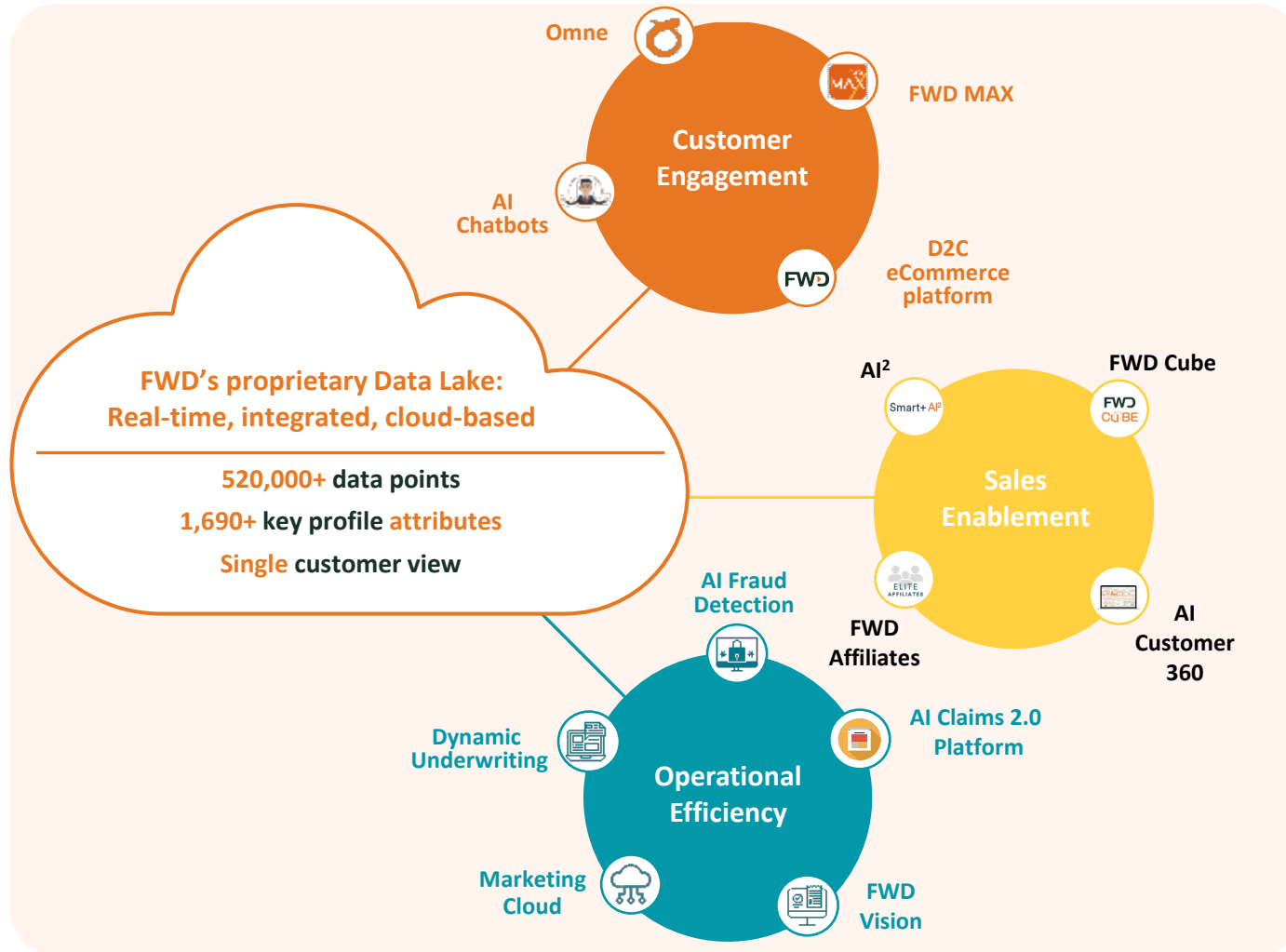
## KPIs

<b>97%</b> Cloud adoption <sup>1</sup>	<b>93%</b> App rationalisation <sup>1,2</sup>	<b>3.30</b> FWD NIST Security Maturity Score *Average score of FS1 <3.0 <sup>3</sup>
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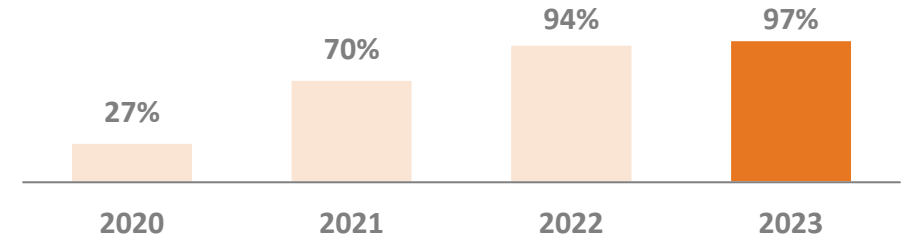
As of 23YE. | <sup>2</sup> Proportion of apps that were targeted for retirement. | <sup>3</sup> Source: PwC assessment report on FWD NIST Security Mature Score.

# Holistic and end-to-end digital architecture increasingly powered by AI

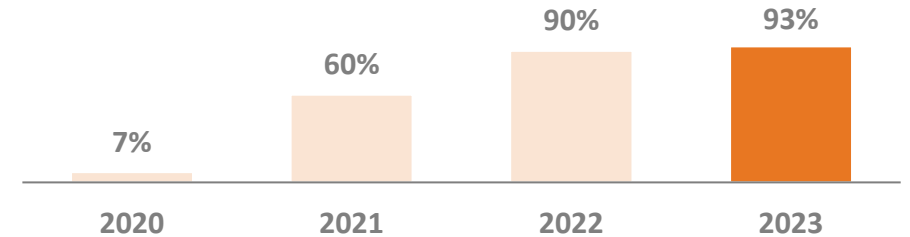
85 proprietary applications leveraging Data Lake and proprietary AI models supported by an experienced technology team



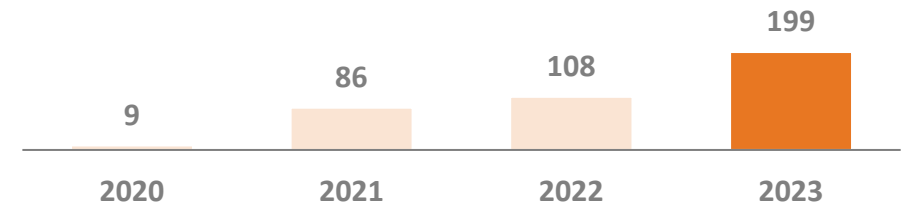
Cloud adoption



Applications decommissioned<sup>1</sup>



AI models deployed



<sup>1</sup> Proportion of apps that were targeted for retirement in conjunction with cloud adoption.

# Experienced management team with strong execution record

Embracing our **digital-first culture** and promoting **agile decision-making and execution**  
Sustaining the culture of **continuous innovation** with **continuous investments** to stay ahead of peers

## Key management team

*Average 25+ years of experience in the financial and technology sectors*



**Huynh Thanh Phong**  
Group CEO



**Sid Sankaran**  
Managing Director and  
Group CFO



**Sim Preston**  
Managing Director and  
Group COO



**Binayak Dutta**  
Managing Director,  
Emerging Markets



**Lee Yen Ho**  
Group Chief Distribution &  
Proposition Officer



**Ryan Kim**  
Group Chief  
Digital Officer



**Jeremy Porter**  
Group Chief  
Risk Officer



**Julie Chow**  
Group Chief Human  
Resources Officer



**Lau Chi Kin (Ken)**  
Managing Director,  
Greater China and  
CEO, Hong Kong



**David Korunić**  
CEO, Thailand & Cambodia



**Hideki Yamagishi**  
CEO, Japan



**Antonio De Rosas**  
CEO, Philippines



**Desy Natalia  
Widjaya**  
CEO, Indonesia



**Adrian Vincent**  
CEO, Singapore



**Anantharaman  
Sridharan**  
CEO, Vietnam



**Aman Chowla**  
CEO, Malaysia Life



**Salim Zain**  
CEO, Malaysia Takaful

# Environmental, Social and Governance (“ESG”) strategy and progress

## SUSTAINABLE DEVELOPMENT GOALS



### International standards

Global Reporting Initiative (“GRI”)



Sustainability Accounting Standards Board (“SASB”)



Task Force on Climate-related Financial Disclosures (“TCFD”)



Principles for Responsible Investment (“PRI”)

## Our value creation strategy

## Progress

### Strong governance

- Strong corporate governance and risk management to ensure robust and transparent decision-making
- Incorporate ESG factors into risk management

- Nomination & Corporate Governance Board committee provides a leadership role in ESG strategy and oversees its progress
- A diverse Board with 27% women and 64% independent directors

### Trust

- Be there in the moments that matter, offering personalised customer experiences
- Deliver the protection that customers need via simpler, more inclusive products

- 100% of employees completed annual Treating Customers Fairly refresher training
- Continued investment to further our leadership and capabilities as a digital-first inclusive insurer

### Talent

- Attract, develop and retain people who will change insurance
- Foster a diverse & flexible workplace culture with inclusive leadership

- 33% women in senior management<sup>1</sup>
- 2,418 FWD Elite agents
- Continued increase in employee engagement score

### Closing the protection gap

- Committed to closing the protection gap of underserved customers
- Educate the next generation to ensure a brighter financial future

- Continued initiatives to reach underserved customer segments
- ~74k Individuals supported by financial education and literacy training

### Sustainable investment

- Embed ESG into investment process to promote sustainable financial performance
- Share passion for a life worth celebrating by investing in local communities

- Signatory to the United Nations Principles of Responsible Investment
- Contributed to our Community Care programmes to empower people to lead fulfilled lives across Asia

### Climate resilience

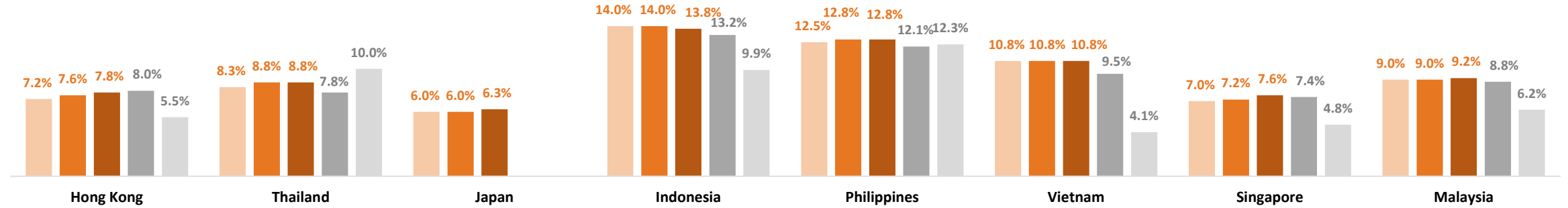
- Transition towards a low carbon economy to help achieve net zero

- Enhanced our Task Force on Climate-related Financial Disclosures (“TCFD”) report
- Striving to reduce financed emission including phasing out investment in thermal coal and exit by 2030

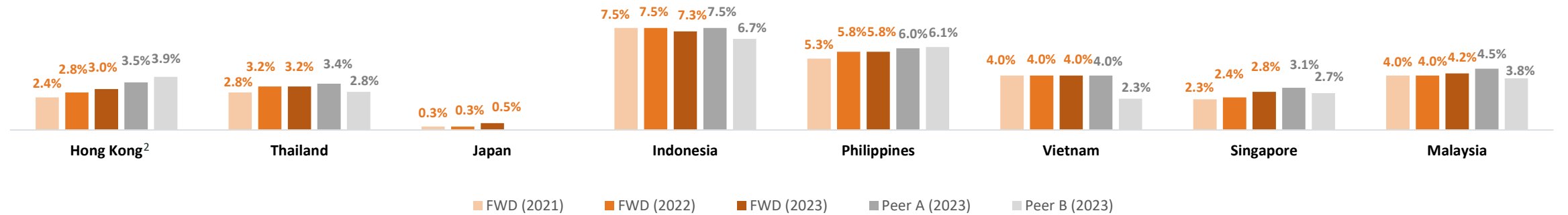
<sup>1</sup> Senior management is defined as assistant vice president or above.

# Embedded value: Economic assumptions vs. peers

## Risk discount rate comparison<sup>1</sup> (%)



## Long-term 10-year government bond yield comparison (%)



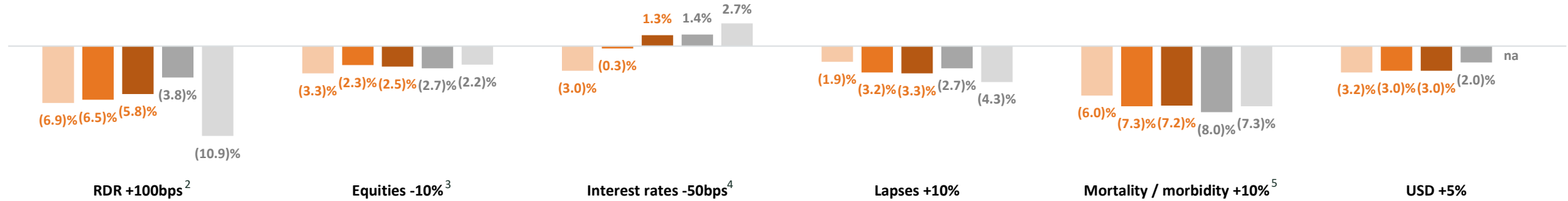
Source: Company filings for listed peers. | <sup>1</sup> Denotes in-force risk discount rate for Peer B. | <sup>2</sup> Long-term 10-year government bond yields in US dollar-denominated bonds for FWD and Peer A.



# Embedded value and value of new business sensitivities

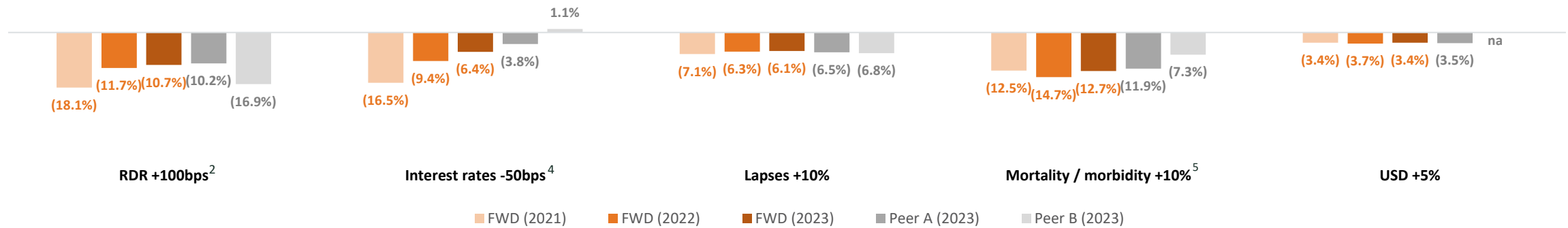
## Key embedded value sensitivities comparison<sup>1</sup>

(%)



## Key value of new business sensitivities comparison

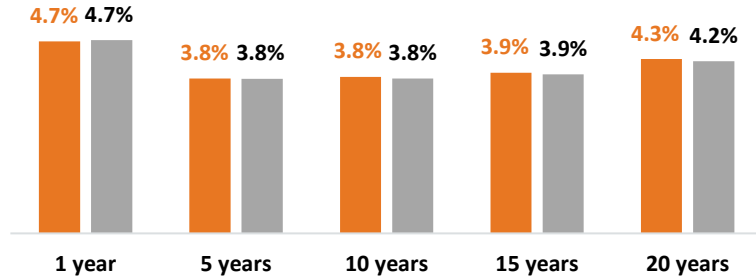
(%)



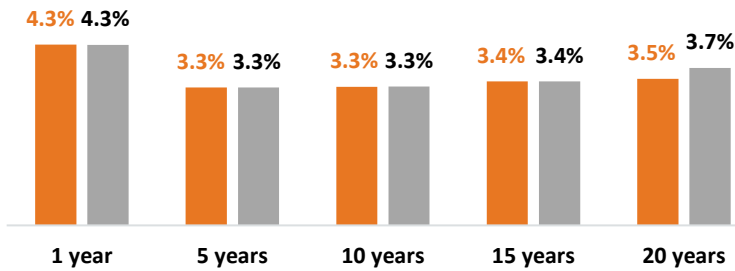
Source: Company filings for listed peers. | <sup>1</sup> Based on Operating EV. | <sup>2</sup> Peer A disclosed the sensitivities for RDR -100bps only, thus the sensitivities for RDR +100bps is derived by multiplying by -1. | <sup>3</sup> Peer B disclosed the sensitivities for equities -20% only, thus the sensitivities for equities -10% is derived by dividing by 2. | <sup>4</sup> For Peer B, denotes both interest rates and consequential effects. | <sup>5</sup> Peer B disclosed the sensitivities for mortality / morbidity +5% only, thus the sensitivities for mortality / morbidity +10% is derived by multiplying by 2.

# IFRS 17: Risk-free rates assumed vs. peers

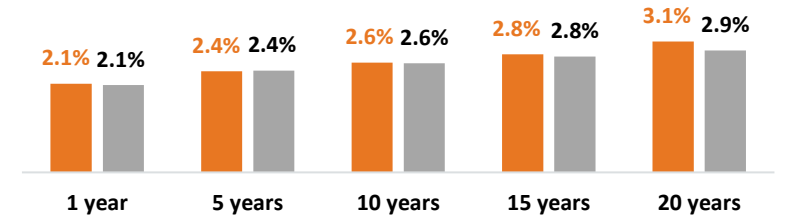
## Risk free rate – USD



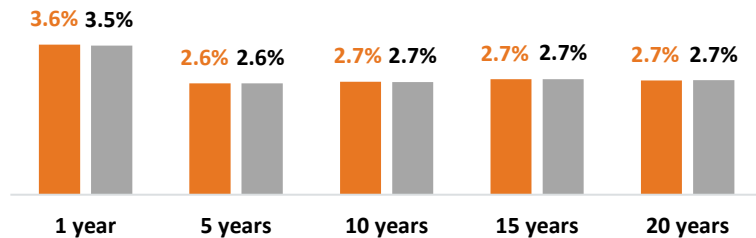
## Risk free rate – HKD



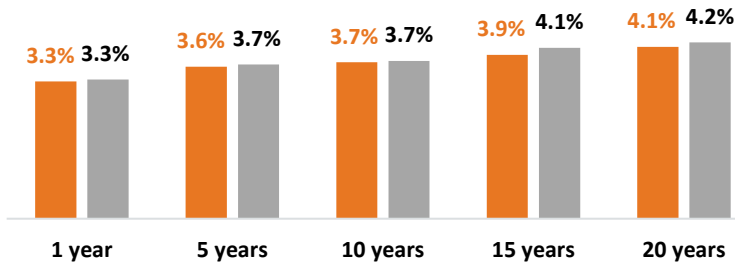
## Risk free rate – CNY



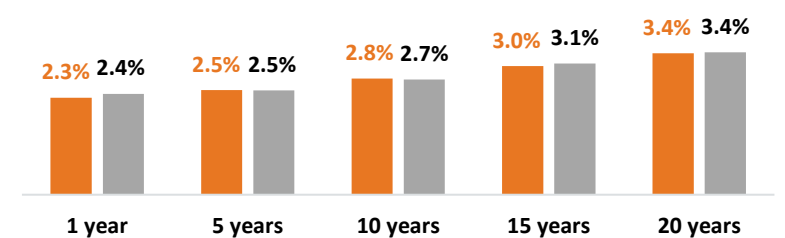
## Risk free rate – SGD



## Risk free rate – MYR



## Risk free rate – THB

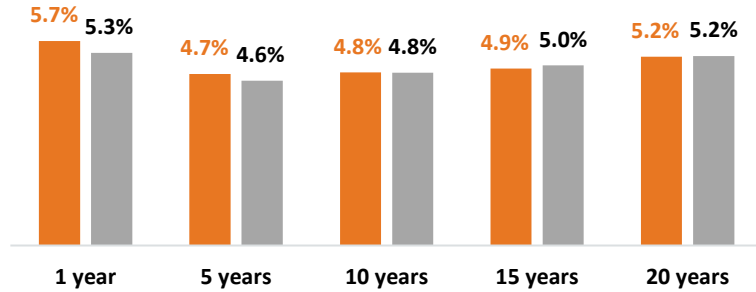


■ FWD (2023)
 ■ Peer A (2023)

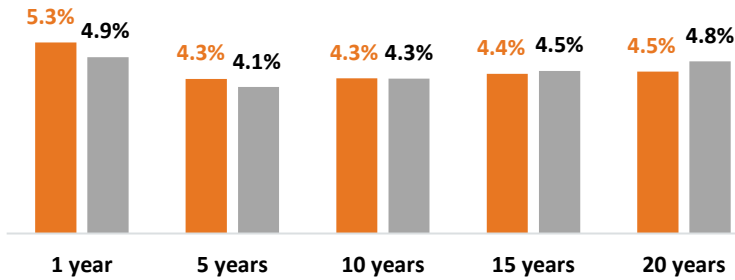
Source: Company filings for listed peer. Peer B only discloses a range of IFRS 17 risk-free rates by currency, thus has not been included in the comparison. | Note: All rates presented for FWD and Peer A are spot rates as of 31 December 2023.

# IFRS 17: Risk-free rates with illiquidity premium comparison

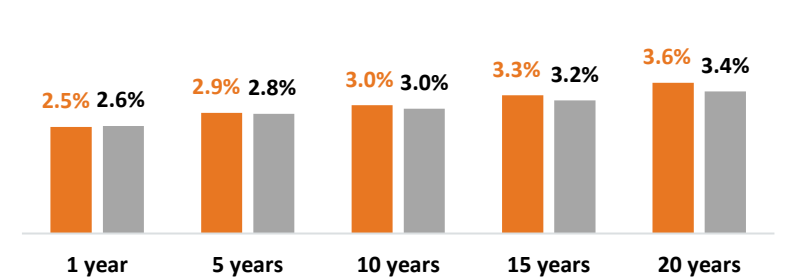
### Risk-free rate (“RFR”) with illiquidity premium – USD



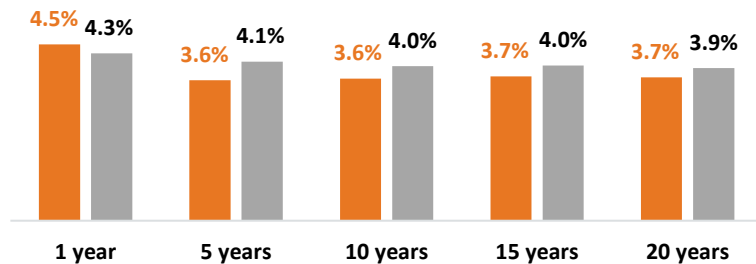
### RFR with illiquidity premium – HKD



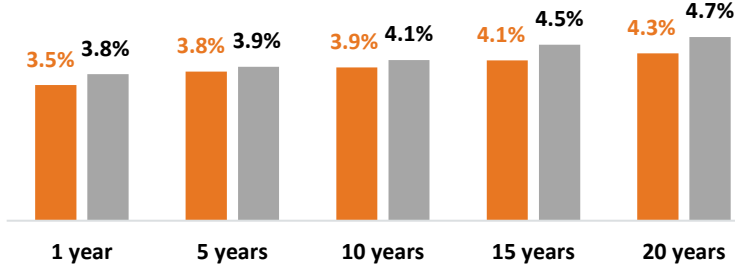
### RFR with illiquidity premium – CNY



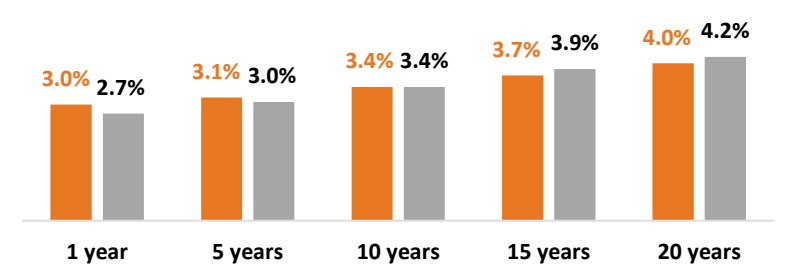
### RFR with illiquidity premium – SGD



### RFR with illiquidity premium – MYR



### RFR with illiquidity premium – THB

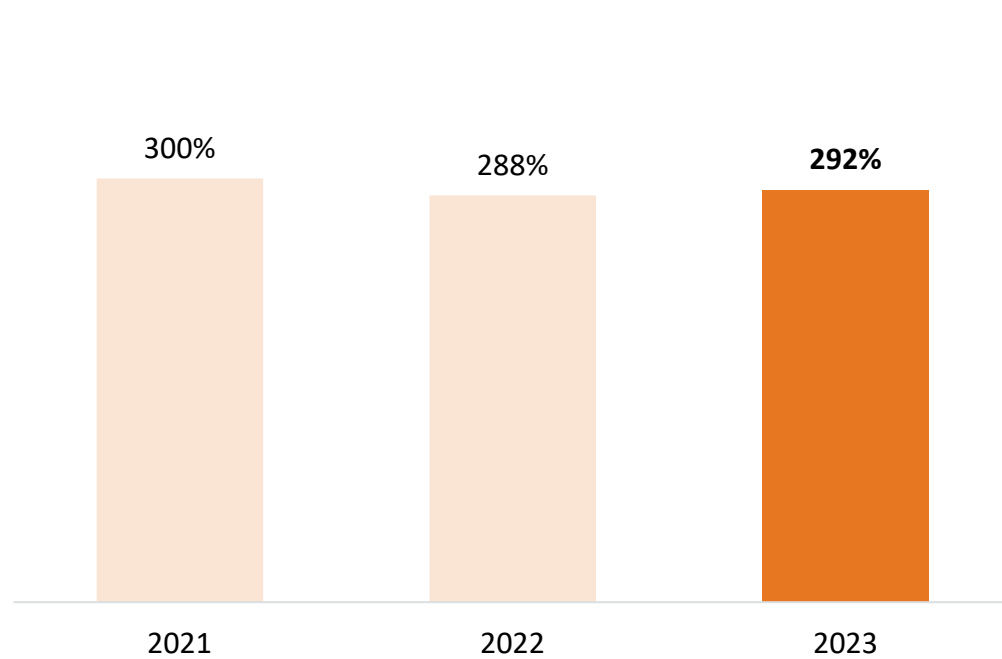


■ FWD (2023)
 ■ Peer A (2023)

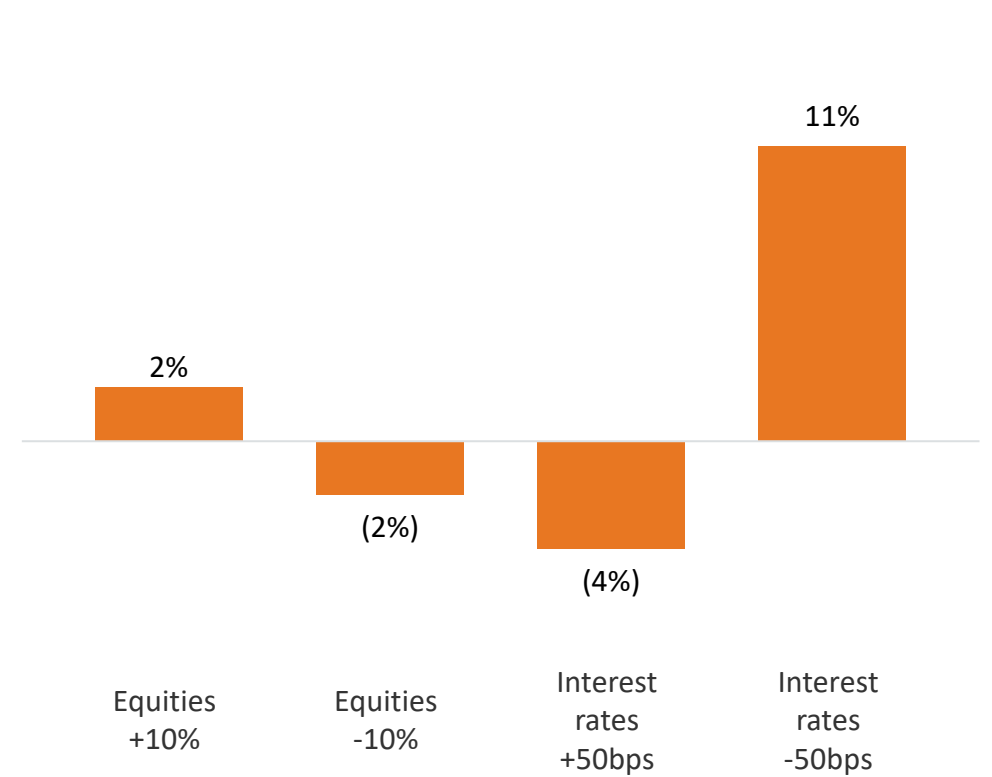
Source: Company filings for listed peer. Peer B only discloses a range of IFRS 17 risk-free rates by currency, thus has not been included in the comparison. | Note: All rates presented for FWD and Peer A are spot rates as of 31 December 2023.

# Robust solvency on a GWS basis

**Group LCSM cover ratio (PCR basis<sup>1</sup>)**  
(%)



**Sensitivity analysis of Group LCSM cover ratio (PCR basis<sup>1</sup>)**  
2023



<sup>1</sup> Based on Local Capital Summation Method. PCR denotes group prescribed capital requirement.

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