

2022 results presentation

August 2023






C1 - Public



1. Who we are



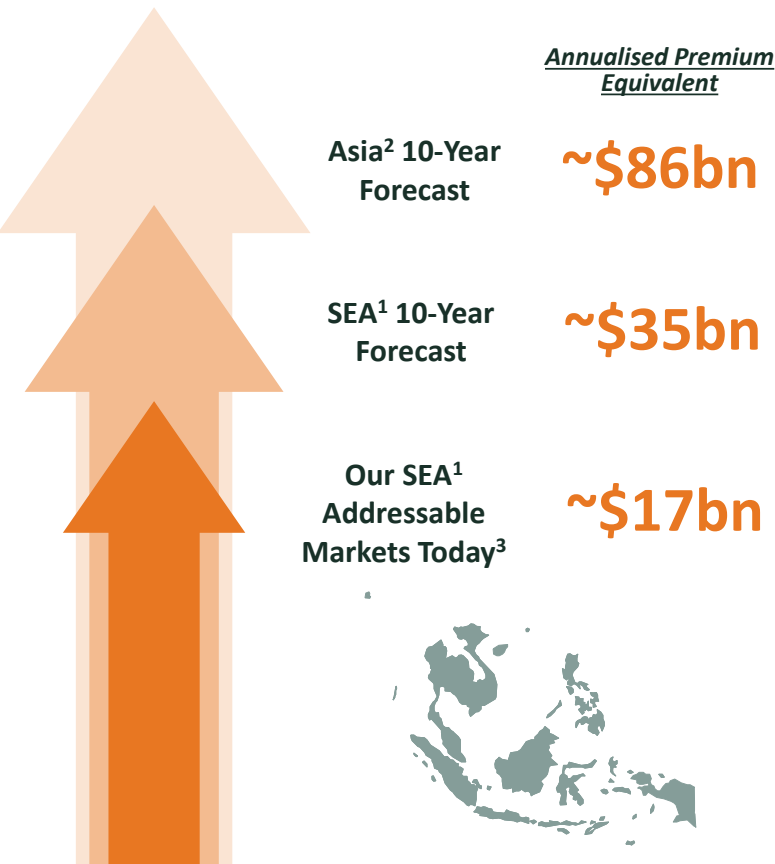
Recap: FWD at a glance

1	Customer led, digital insurer	Customer led DNA, set-up with right technology and distribution platforms; with a tech-enabled business model increasingly powered by AI	
2	Southeast Asia focused growth	Contributing ~60% value of new business (VNB) with multiple exclusive bancassurance partnerships in 2022; entered Malaysia insurance market ¹ in 2023	
3	Upside from Hong Kong and GBA	Strong leverage to Hong Kong mainland Chinese visitors business near term and Greater Bay Area development medium term	
4	Diversified distribution platform	Diversified tech-enabled distribution platform through agency channel (>48,000 agents), bancassurance (22 partnerships), brokers and digital distribution	
5	Consistent delivery and nimble execution	Experienced Asia management team executing customer-led strategy, with consistent delivery of growth in key financial metrics	

¹ Entered the Malaysian life insurance market by acquiring, with local investors, a 70% effective interest in Gibraltar BSN Life Berhad ("Gibraltar BSN") in April 2023.

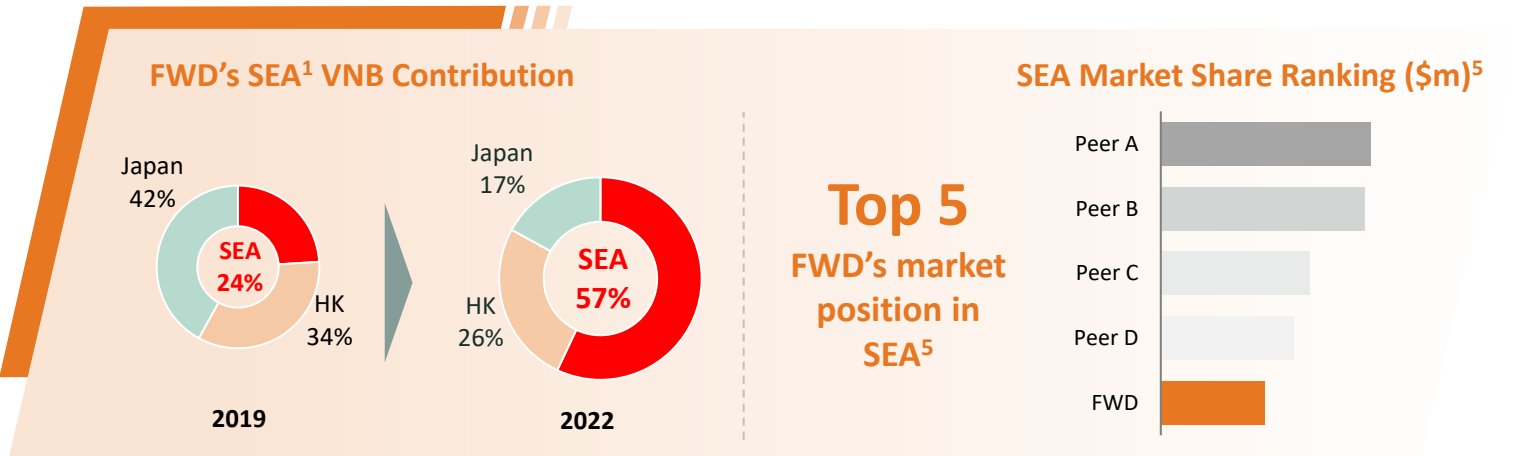
Access to dynamic and unrivalled SEA market opportunities

Southeast Asia¹ offers tremendous value growth potential, generating ~41% of Asia's² life insurance premiums³



Growth drivers powering SEA insurance market expansion

	Large and growing younger populations	~65% of SEA population are under the age of 40 ³
	Robust growth in economic strength	~1.3x global average GDP per capita growth in SEA ⁴
	Wealth accumulation outgrowing global trends	158m middle class population in SEA by 2030E
	Digital acceleration with high mobile penetration	80%+ in FWD SEA markets by 2025E
	Gap in health and mortality protection	\$60bn+ gap in FWD SEA markets

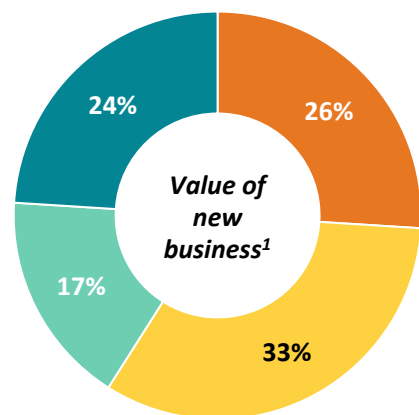


Source: NMG report | ¹ Southeast Asia ("SEA") refers to Cambodia, Vietnam, Indonesia, Philippines, Malaysia, Thailand and Singapore. | ² Asia refers to SEA markets + Hong Kong, Macau and Japan. | ³ 2021. | ⁴ From 2015-2021 | ⁵ Ranking by new business sales (APE) in 2022 in Cambodia, Vietnam, Indonesia, Philippines, Malaysia, Thailand and Singapore.

The customer-led and digitally-enabled pan-Asian life insurer

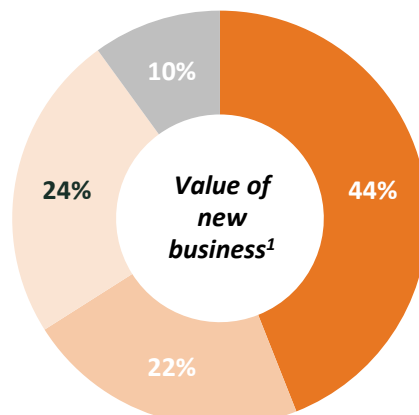
Leading pan-Asian life insurer that delivered outperformance during COVID

Diversified pan-Asian presence



■ Hong Kong & Macau
■ Thailand & Cambodia
■ Japan
■ Emerging Markets²

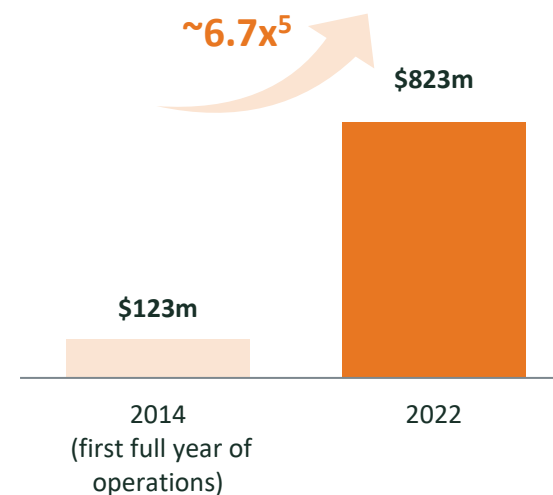
Digitally-transformed multi-channel distribution



■ Bancassurance
■ Agency
■ Broker / IFA³
■ Others⁴

Strong value creation and business growth

Value of new business



Leading market position and scale

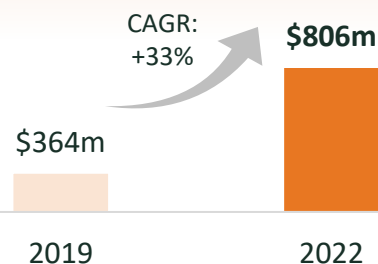
- 🏆 **Top 5** market position in Southeast Asia⁶
- 👥 **8m** policyholders⁷
- 👤 **48.4k** agents
- 🏦 **22** bank partners (of which **9** are **exclusive**)
- 💰 **\$6.3bn** total premiums⁸
- 💵 **\$59bn** total assets⁹

Note: all statistics shown are as of 2022 unless otherwise stated. **All growth rates in this presentation are on a constant exchange rate basis, unless stated otherwise.** | ¹ Based on 2022 value of new business. | ² Include Indonesia, Malaysia, the Philippines, Singapore and Vietnam. | ³ Independent Financial Advisors ("IFA"). | ⁴ Includes neo-insurance, affinity, our employee benefit business, as well as direct marketing and telemarketing. | ⁵ On an actual exchange rate basis. | ⁶ Ranking by new business sales (APE) in 2022; SEA markets include Thailand (and Cambodia), Indonesia, Malaysia, the Philippines, Singapore and Vietnam. | ⁷ Includes policyholders and participating members. | ⁸ Total premiums are calculated on a total weighted premium income ("TWPI") basis, as of 31-Dec-2022. | ⁹ Based on IFRS 4.

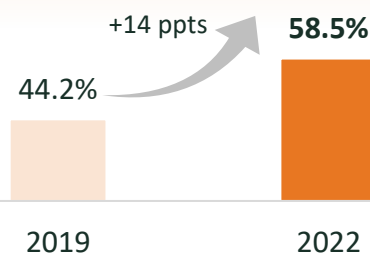
Demonstrated resiliency and business growth through COVID

Pre-COVID (2019) vs. Post-COVID (2022)

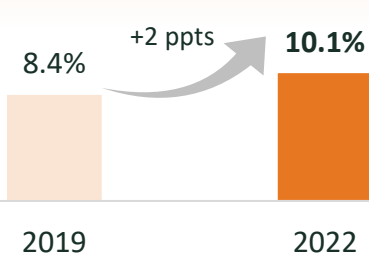
Value of new business (VNB)¹



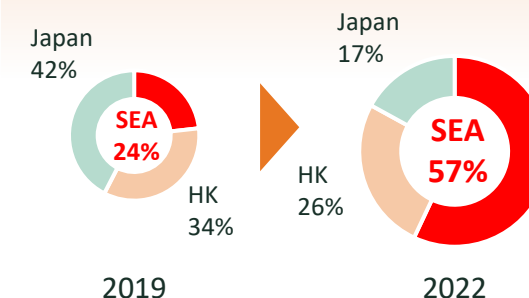
New business margin (% APE²)



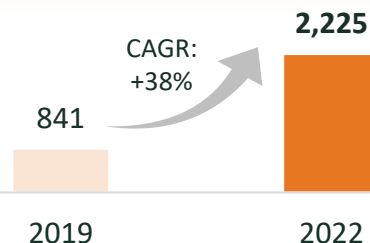
New business margin (% PVNBP³)



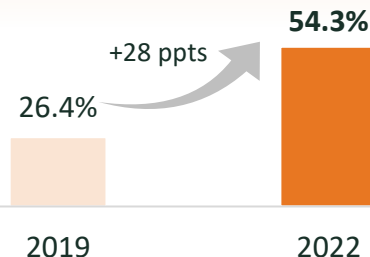
Southeast Asia⁴ VNB contribution



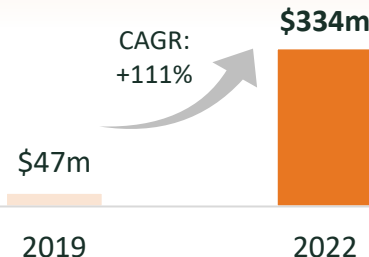
of MDRT-registered members⁵



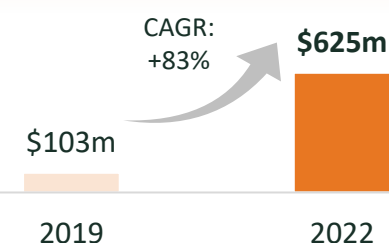
Bancassurance new business margin⁶



Operating profit⁷



Net capital generation^{8,9}

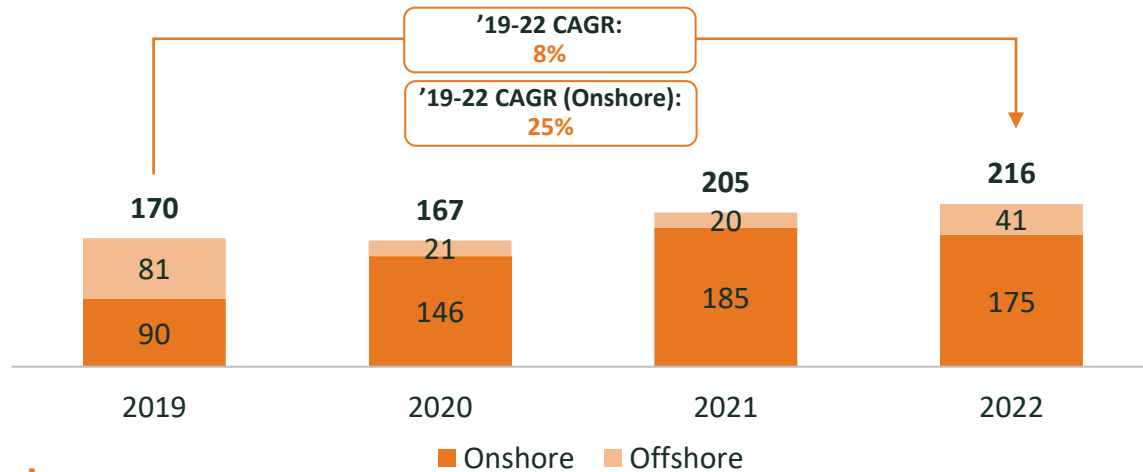


Note: All financial figures in this presentation are presented in USD. All growth rates in this presentation are presented on a constant exchange rate basis, unless otherwise stated. | ¹ Value of new business growth for FWD in 2019-22 excludes contribution from COLI and retrocession reinsurance (Japan). | ² APE denotes annualised premium equivalent. | ³ PVNBP denotes Present Value of new business premiums. | ⁴ Includes both Thailand and Emerging Markets. | ⁵ MDRT-registered members shown according to the MDRT association as of 1-Jul-2019 and 1-Jul-2022, respectively, based on specific qualification criteria in the prior year to determine MDRT eligibility. | ⁶ Defined as Value of New Business derived from bancassurance channel, divided by Annualised Premium Equivalent. | ⁷ Denotes segmental adjusted operating profit before tax. Includes 100% contribution from FWD Malaysia. Excluding deduction of Implementation costs for IFRS 9 and 17 and Group-wide Supervision. | ⁸ Denotes Adjusted net underlying free surplus generation ("UFSG"), i.e. net UFSG excluding one-off opening adjustments, non-economic assumption changes and expense variance. | ⁹ Stated on an actual exchange rate basis.

Demonstrated agile execution with robust growth

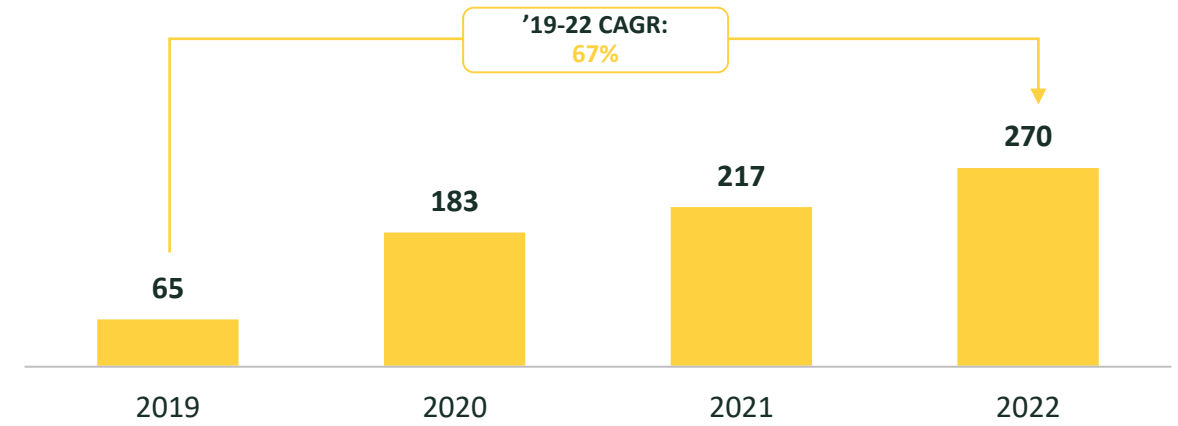
Hong Kong & Macau

Value of new business (\$m)



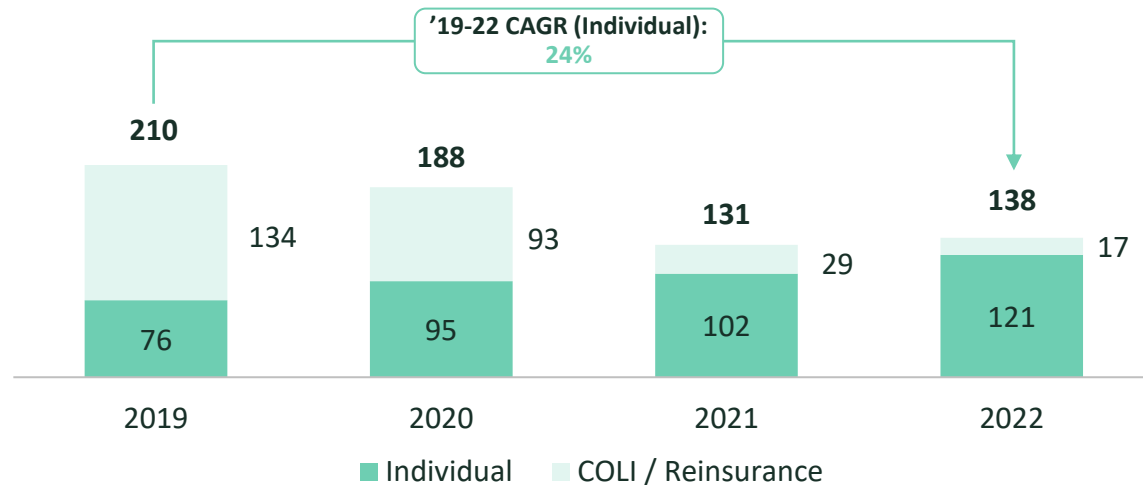
Thailand & Cambodia

Value of new business (\$m)



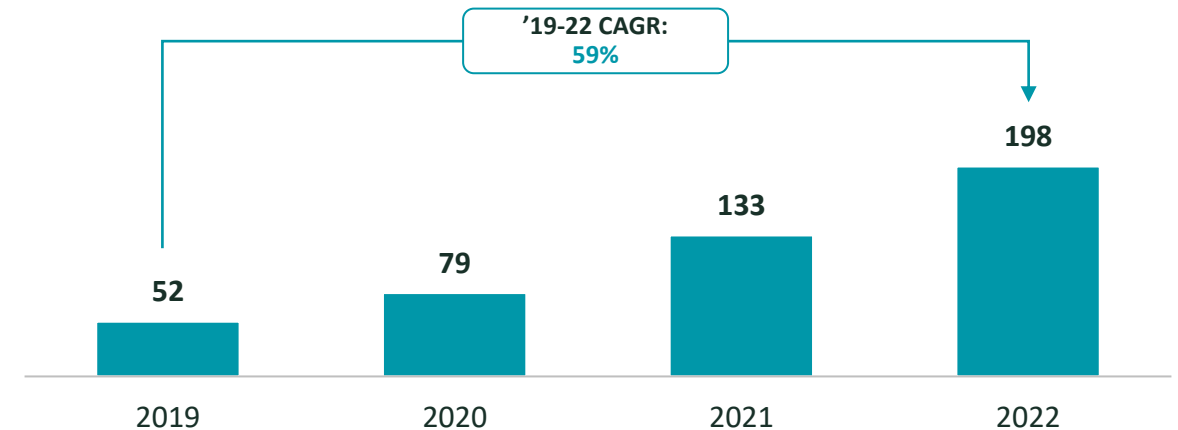
Japan

Value of new business (\$m)



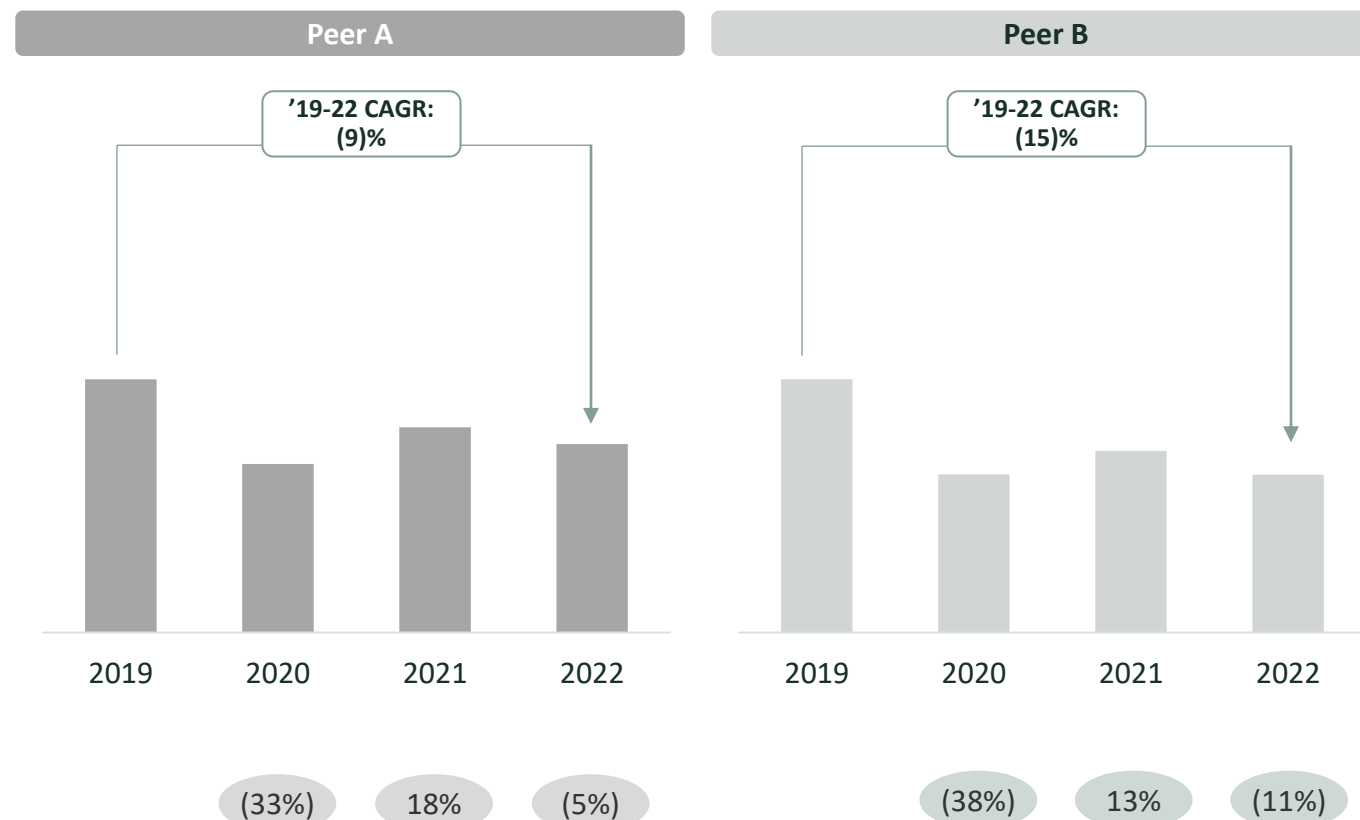
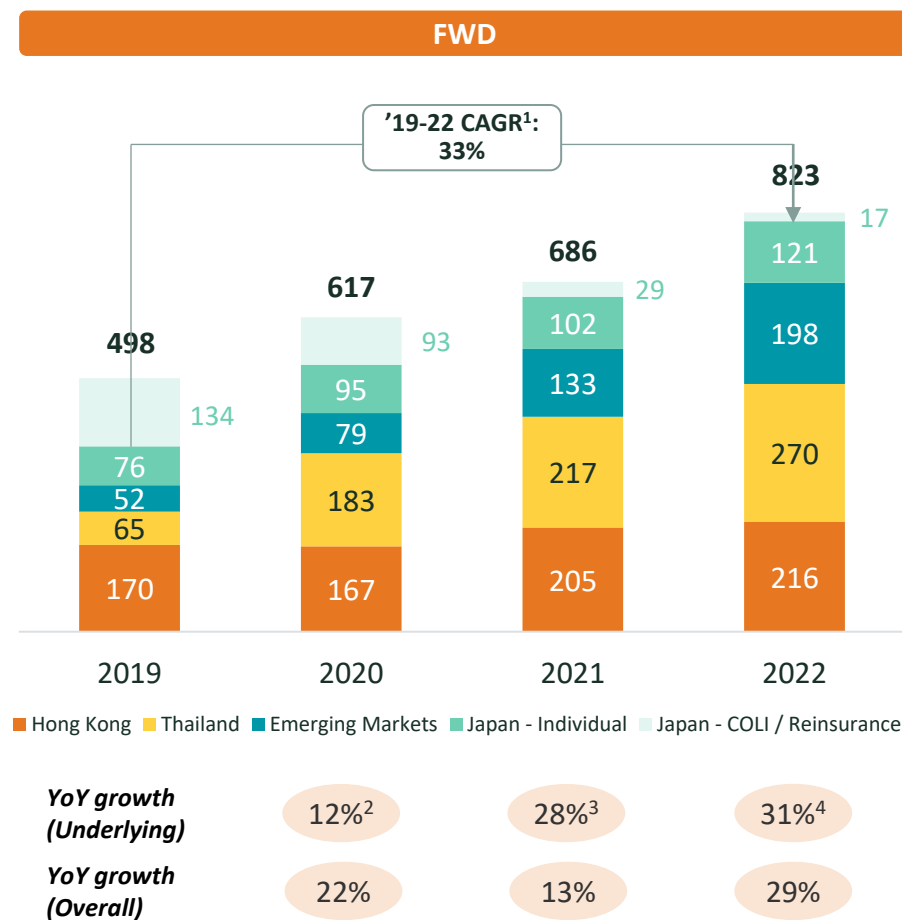
Emerging Markets

Value of new business (\$m)










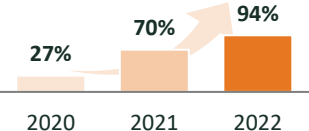
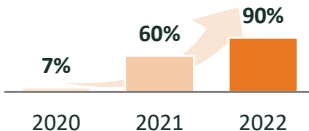
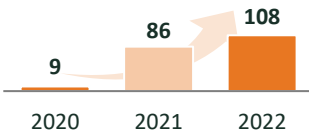

Consistent organic growth delivery

Value of new business
(\$m)




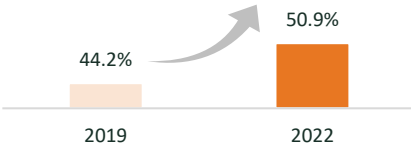
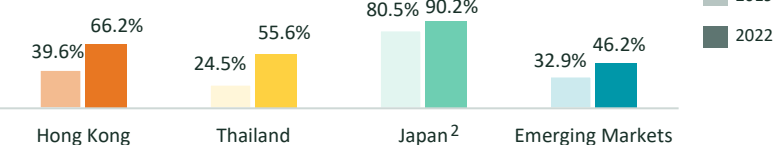

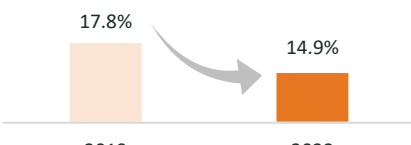




Note: Peers' 2019-22 VNB CAGRs are stated on an actual exchange rate basis. Source: Company filings for listed peers. Peers' value of new business scaled to the size of FWD in 2019 for comparison of relative movements across 2019-2022. | ¹ Value of new business growth for FWD in 2019-22 excludes contribution from COLI and retrocession reinsurance (Japan). | ² Value of new business growth for FWD in 2019-20 excludes contribution from TMB (Thailand), retrocession reinsurance, COLI (Japan), employee benefits (Singapore) and acquisitions/partnerships made since 2019 (including SCB, VCB, HSBC Amanah Takafu, PTBC Indonesia, BRI). | ³ Value of new business growth for FWD in 2020-21 excludes contribution from TMB (Thailand) and retrocession reinsurance (Japan). | ⁴ Value of new business growth for FWD in 2021-22 excludes contribution from COLI (Japan).

How did our strategy drive our growth realisation?

Our strategy	Growth realisation
 Agency growth and productivity uplift	<p>~48,400 agents, of which 61% are millennials</p> <div> <div> 21% Agency force CAGR¹ </div> <div> 100% Digital tool adoption ratio </div> <div> 97% eSubmission ratio </div> </div>
 Delivery on exclusive bancassurance partnerships	<div> <div>  9 Exclusive bancassurance partnerships </div> <div>  37% Bancassurance value of new business CAGR¹ </div> <div>  30% ▶ 54% Bancassurance new business margin (% APE)¹ </div> <div>  37% ▶ 42% Bancassurance protection ratio¹ </div> </div>
 Adoption of digital, data and analytics tools	<div> <div> Apps migrated to the cloud  </div> <div> Apps decommissioned²  </div> <div> Active AI models  </div> </div>
 Leading customer experience and satisfaction	<div> <div> Purchase journey <div> "Great" or "good" rating after onboarding process 90% </div> <div> Onboarding completed in 2 days¹ <50% ▶ 60% </div> </div> <div> Claims journey <div> Claims NPS¹ +42 ▶ +48 </div> <div> Claims paid within three days 57% </div> </div> </div>

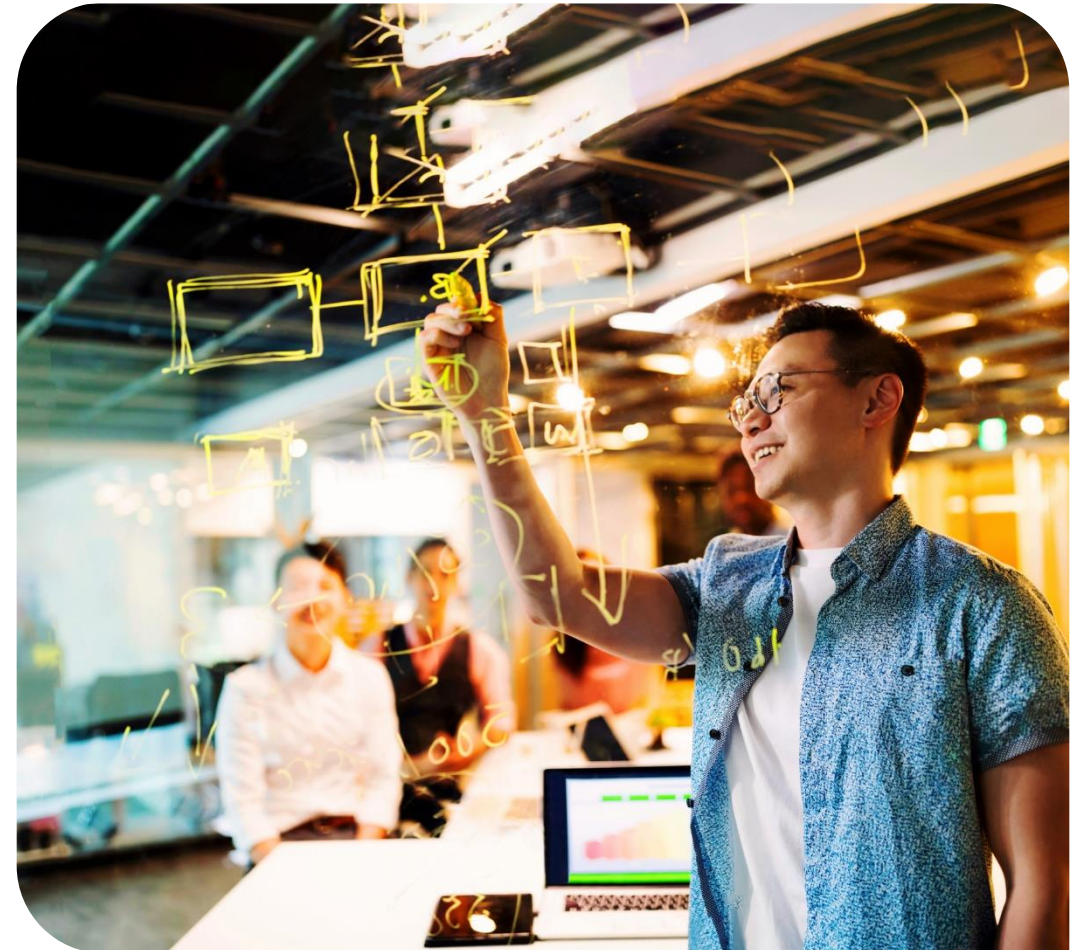
Note: all metrics as of 2022 unless otherwise stated. | ¹ Uplift from 2020 to 2022. | ² Proportion of apps that were targeted for retirement in conjunction with cloud adoption.

How did our strategy drive our growth realisation? (cont'd)

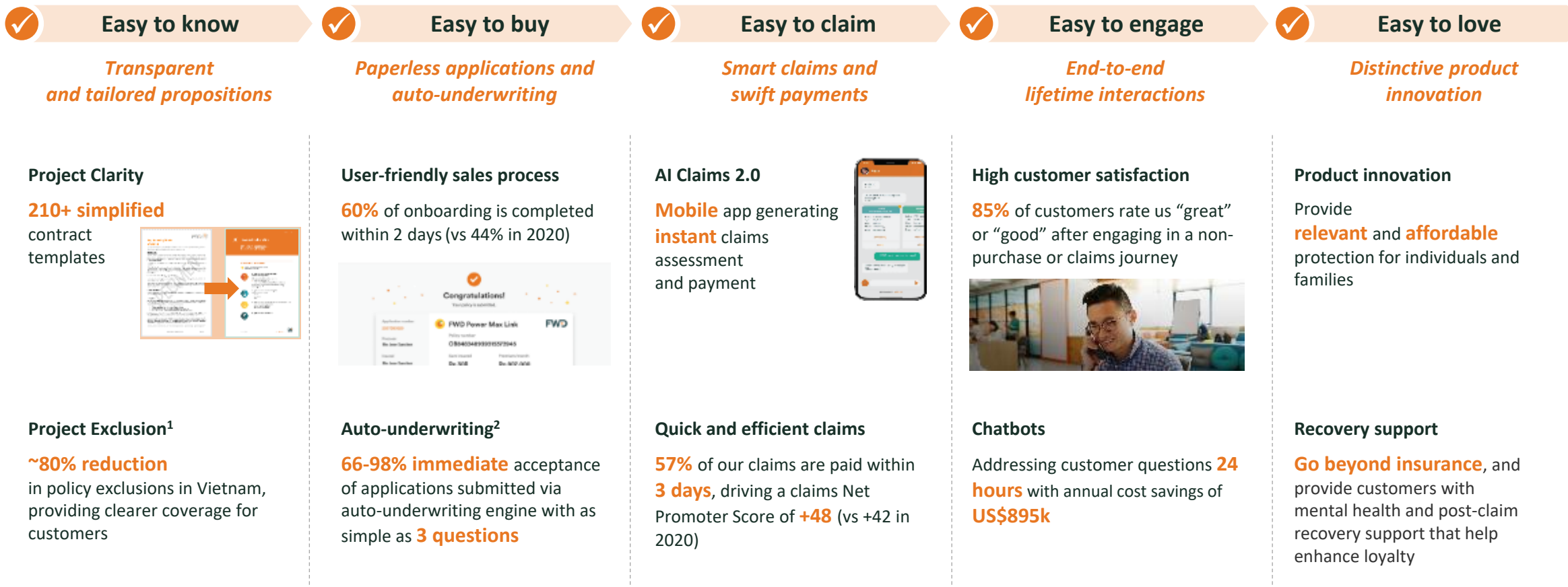
Our strategy	Growth realisation
 Improved protection ratio across markets	<div> Protection ratio¹  </div> <div> New business margin (% APE)  </div>
 Continued expense control	<div> Improving expense ratio³  </div> <div> Reducing operating expense & commission variance  </div>
 Improving capital structure and becoming cash generative	<div> Total private placement capital raised in 2021 and 2022 \$1.825bn </div> <div> Leverage ratio^{4,5} decreasing from reduced debt 64% ► 35% </div> <div> Net capital generated^{4,6} increasing as business becomes cash generative \$103m ► \$625m </div>
 Realising upside on investments and a rising rate environment	<div> Benefiting from higher interest rate environment +135bps increase in 2022 new money fixed income yields vs. 2021 </div> <div> Assets allocated to Apollo  </div>

¹ Based on Total Group Value of New Business. | ² Denotes individual business in Japan. | ³ Calculated as operating expenses / TWPI. Represents the amount attributable to the shareholders of the company. | ⁴ From 2019 to 2022. | ⁵ Calculated as debt divided by the sum of debt and shareholders' allocated segment equity for FWD Group. | ⁶ 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.

2. What we have built



Compelling propositions with best-in-class customer experience...



Note: all statistics shown are as of 2022 unless otherwise stated. | ¹ Includes life, accident, critical illness and medical products. | ² Based on implementation in the Philippines, Malaysia, Singapore, Hong Kong and Indonesia in 2022.

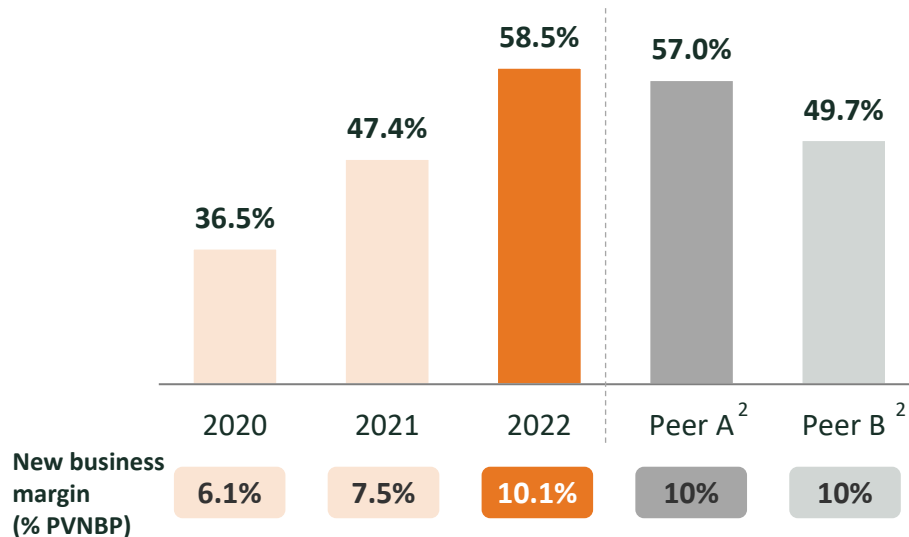
...Making protection more accessible

Growing margins in line with best-in-class peers...

50%+ protection contribution to value of new business (2022)

27%+ protection value of new business CAGR (2020-22)¹

New business margin (% APE)



Source: Company filings for listed peers. | ¹ Excluding the one-time retrocession reinsurance arrangement in Japan in 2020. All growth rates in this presentation are on a constant exchange rate basis, unless stated otherwise. | ² 2022 margin shown. | ³ Certain features are limited to selected products offered by FWD.

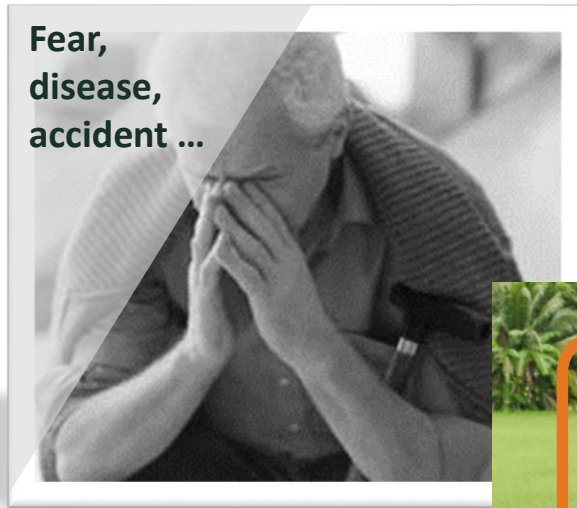
... with a suite of accessible product offerings

Allowing customers to choose the protection coverage they want³



Distinctive brand positioning

A brand that celebrates living



Industry recognition for our innovation



Top 3 in 6 markets¹

for being recognised as the most **different** brand



Top 3 in 4 markets²

among insurance brands for **customer experience**



Innovation of the year 2022

watertechnology
Asia Awards 2022

*Best cloud migration project;
Best alternative data initiative 2022*



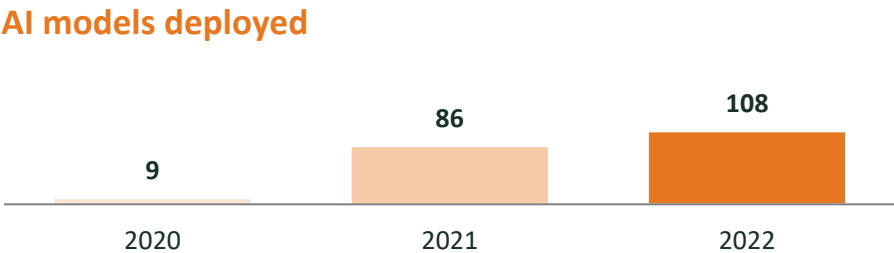
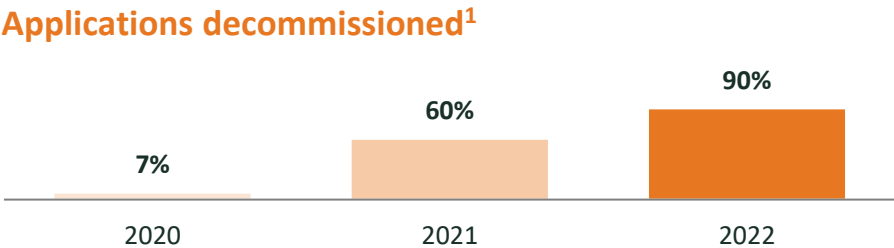
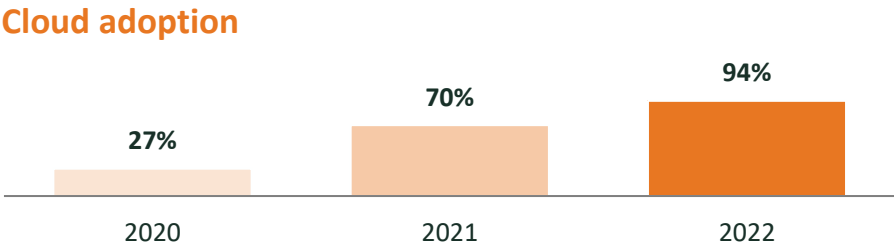
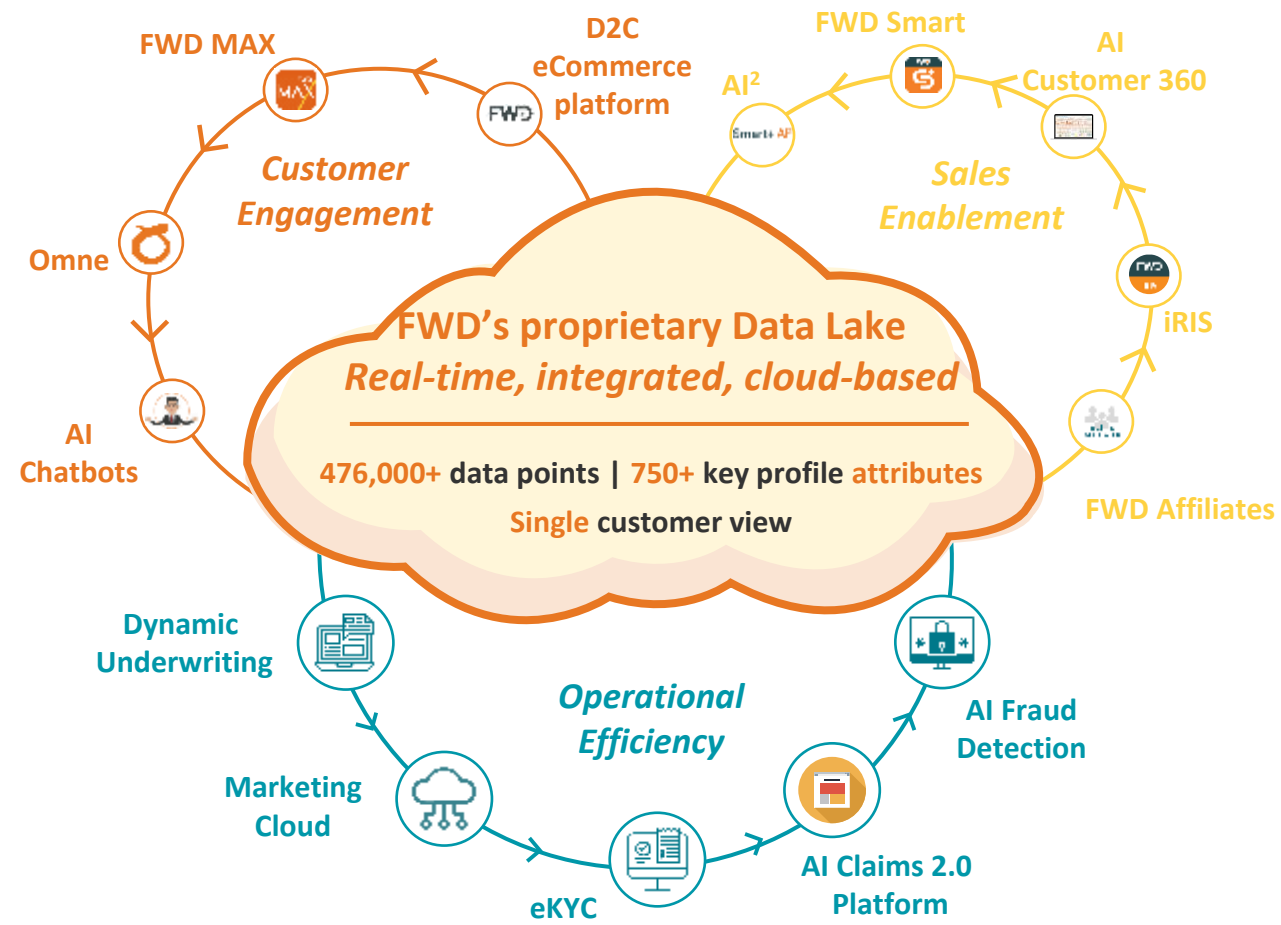
IDC FIIA 2022
Financial Insights Innovation Awards

*Special award for data,
analytics and AI 2022*

¹ Based on 2022 full year data from Blackbox Research's Brand Tracking Survey. Blackbox Research's Brand Tracking Survey is conducted across 9 markets. To measure "Different", respondents are asked to select brands that they perceive to be "A Life Insurance provider that is different to most others". | ² FWD is ranked first in Vietnam, second in Thailand and the Philippines, and third in Japan, according to KPMG's Global Customer Experience Excellence Report in 2022.

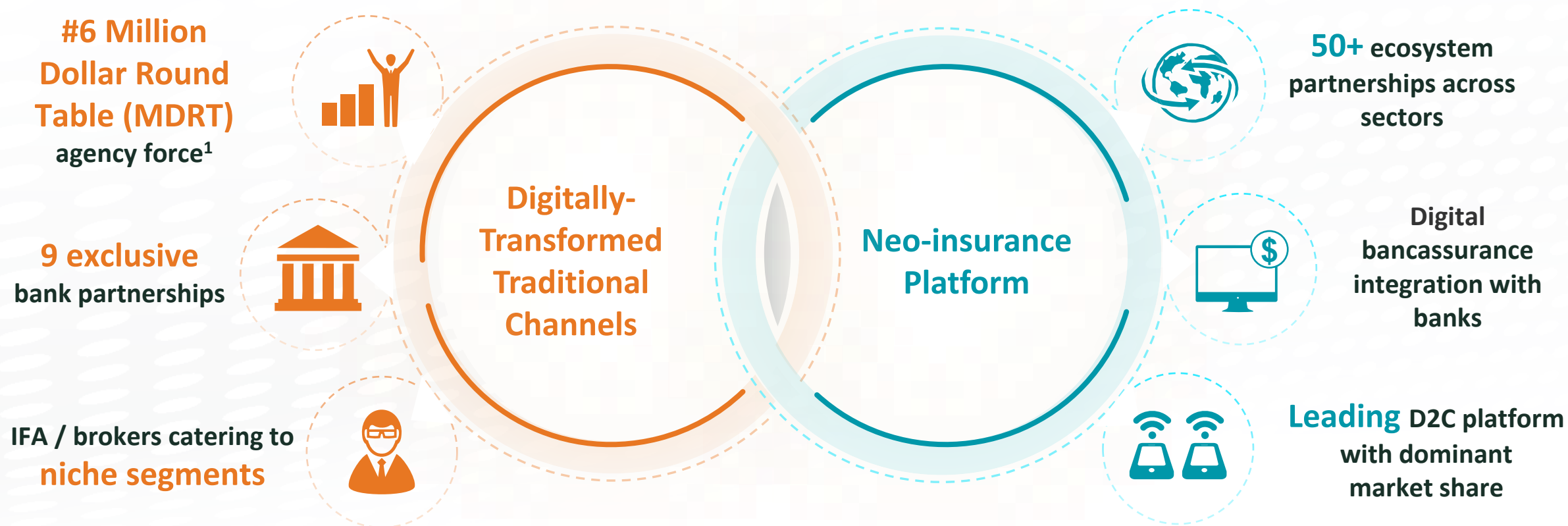
Holistic and end-to-end digital architecture

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



¹ Proportion of apps that were targeted for retirement in conjunction with cloud adoption.

Elite, tailored and tech-enabled distribution



Enhance face-to-face distribution
with technologies

Extend reach to prospective,
underserved customers

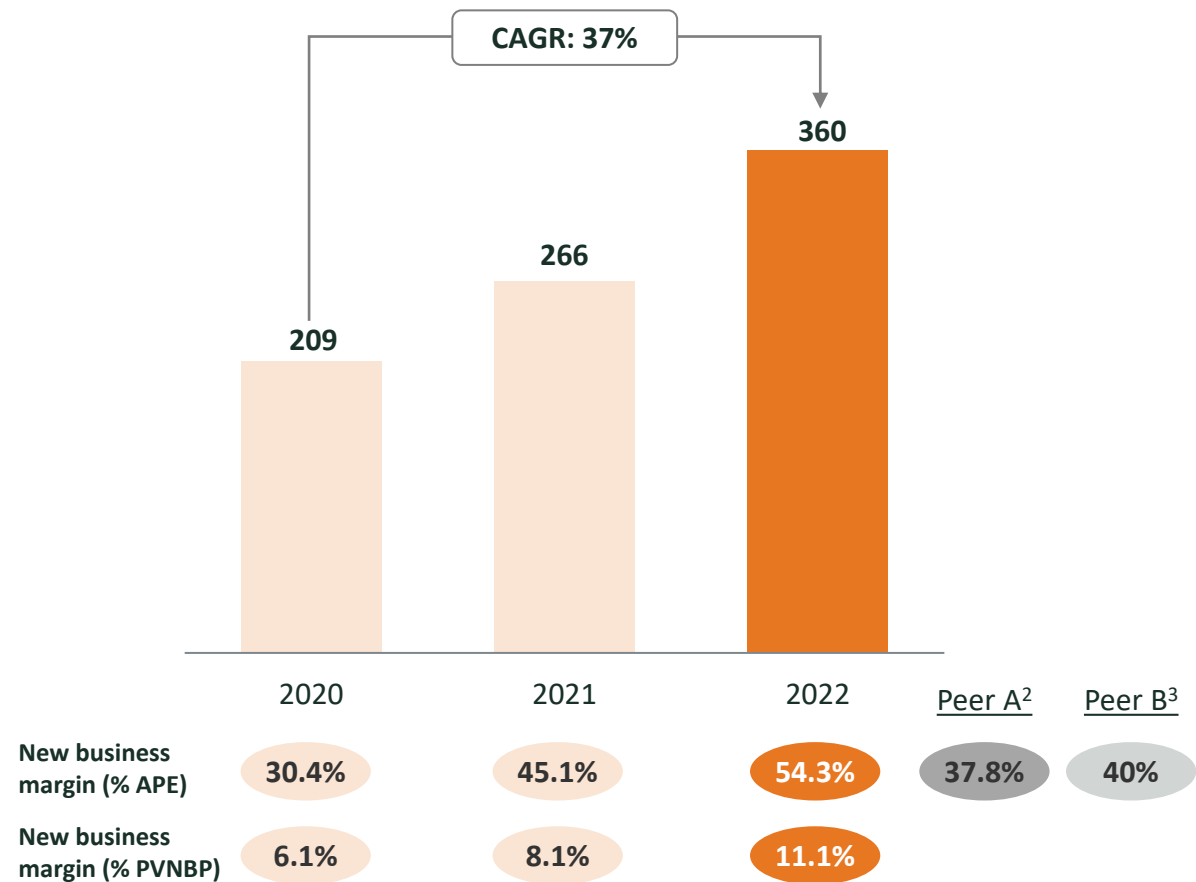
Empower distributors with professional
skills through FWD Elite agency program

¹ Among multi-national insurers globally as of 1-Jul-2022, based on publicly available information on the MDRT website.

Bancassurance: a leader with superior partner selection

Sustainable bancassurance growth and margin expansion...

Bancassurance value of new business (\$m)



... driven by partners with strong strategy alignment

- ✓ Leading position in each market with broad access
- ✓ Aligned target customer base with potential to improve penetration
- ✓ Culture and digital alignment

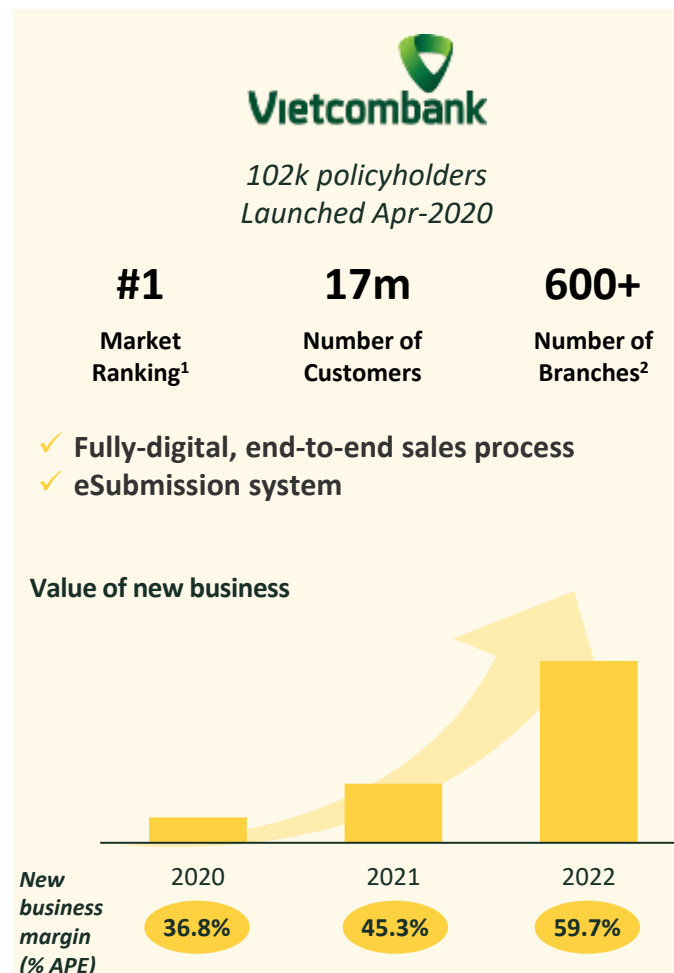
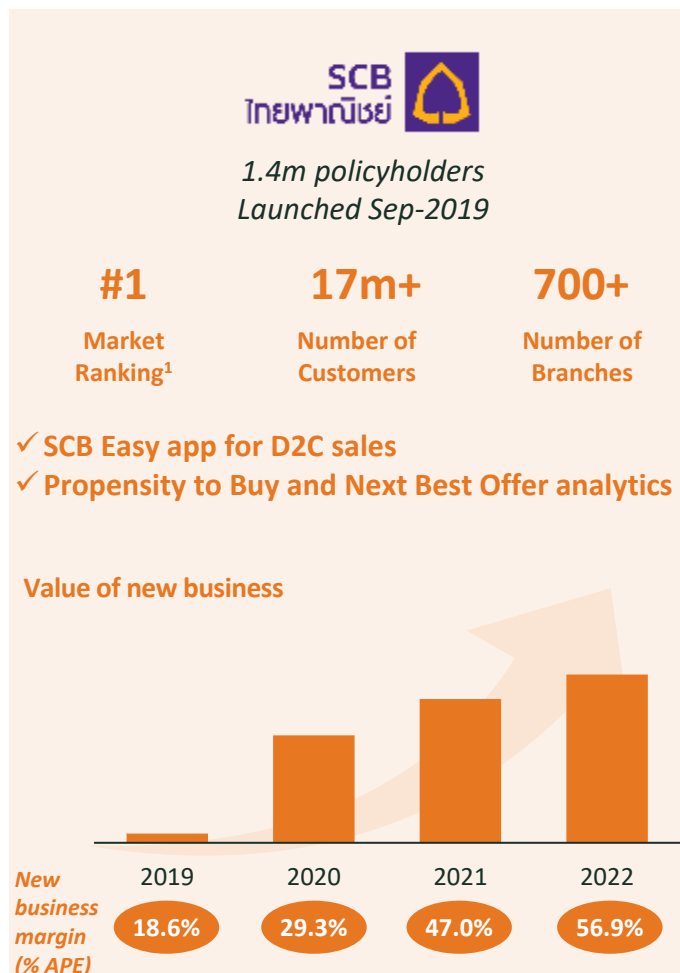
22 bank partnerships across Asia, of which **9** are exclusive
From partnership to launch new products as fast as **3** months¹

Select local champions



Source: NMG and company filings for listed peers. Bank customer and branch statistics are the latest publicly available figures as of Dec-2022. All growth rates in this presentation are on a constant exchange rate basis, unless stated otherwise. | ¹ SCB Multi Care Multi Claims was launched in just 3 months after the launch of the SCB bancassurance partnership. | ² As of 2022, refer to partnership channels including both bancassurance and intermediated channels. | ³ As of 2022.

Bancassurance case studies: continued value generation from partnerships

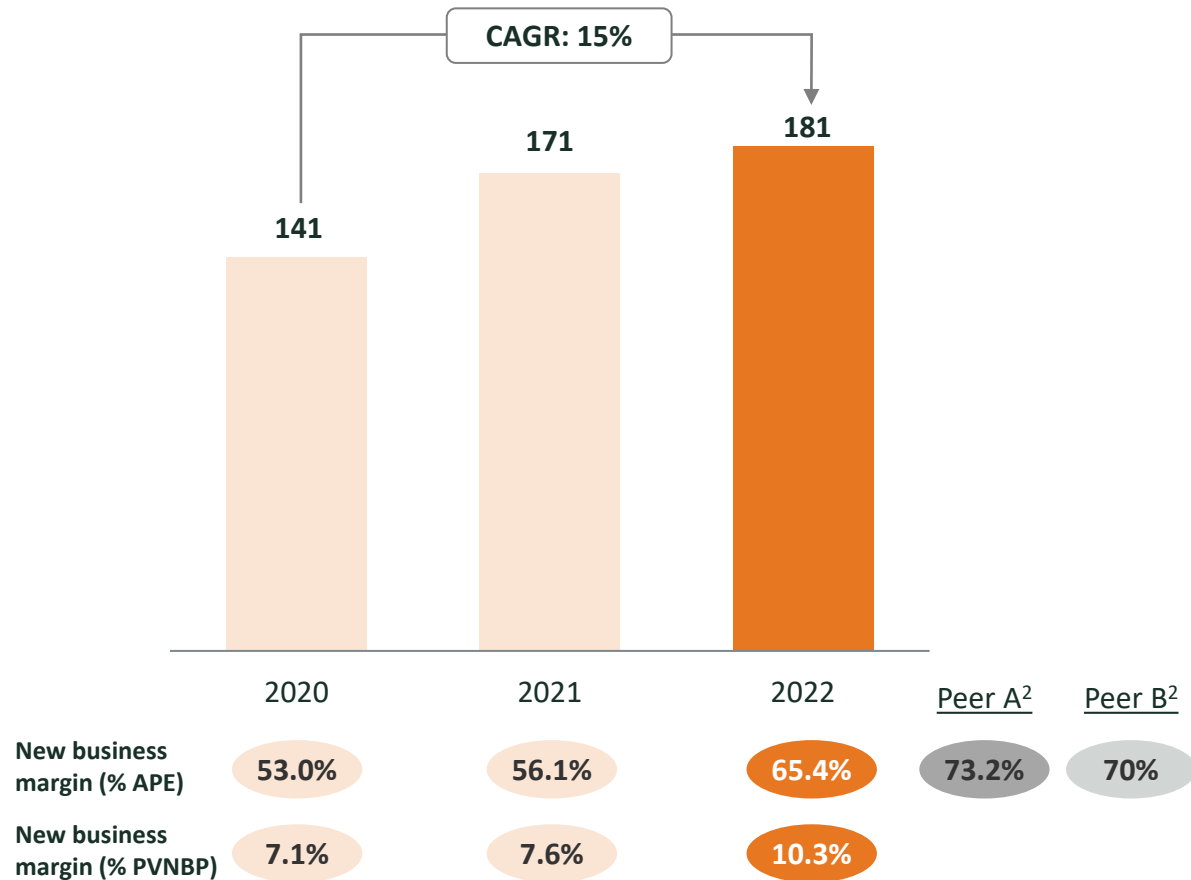


Source: NMG and company disclosures. Bank customer and branch statistics are the latest publicly available figures as of Dec-2022. | Note: value of new business growth rates shown from the first full year of partnership. | ¹ By total assets. | ² Including branches and transaction offices.

Agency: executing on our strategy

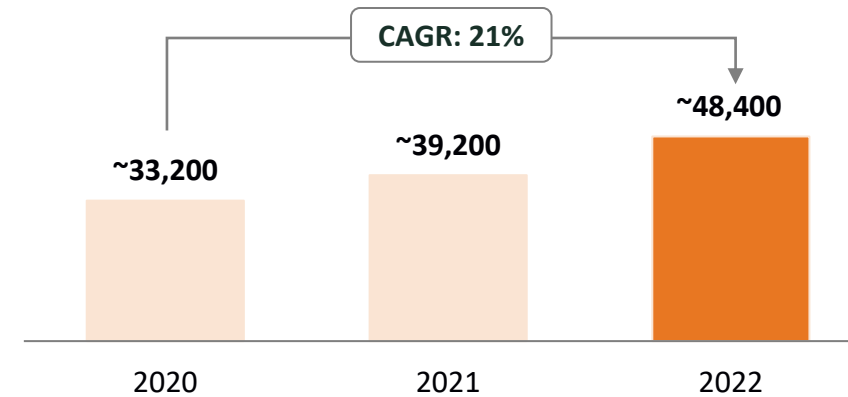
Strong agency value creation...

Agency value of new business (\$m)

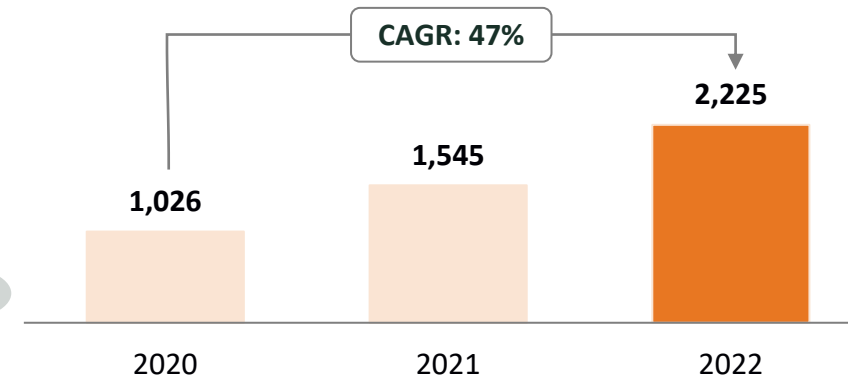


... through an expanding productive agency force

Number of agents



Number of MDRT-registered¹ members

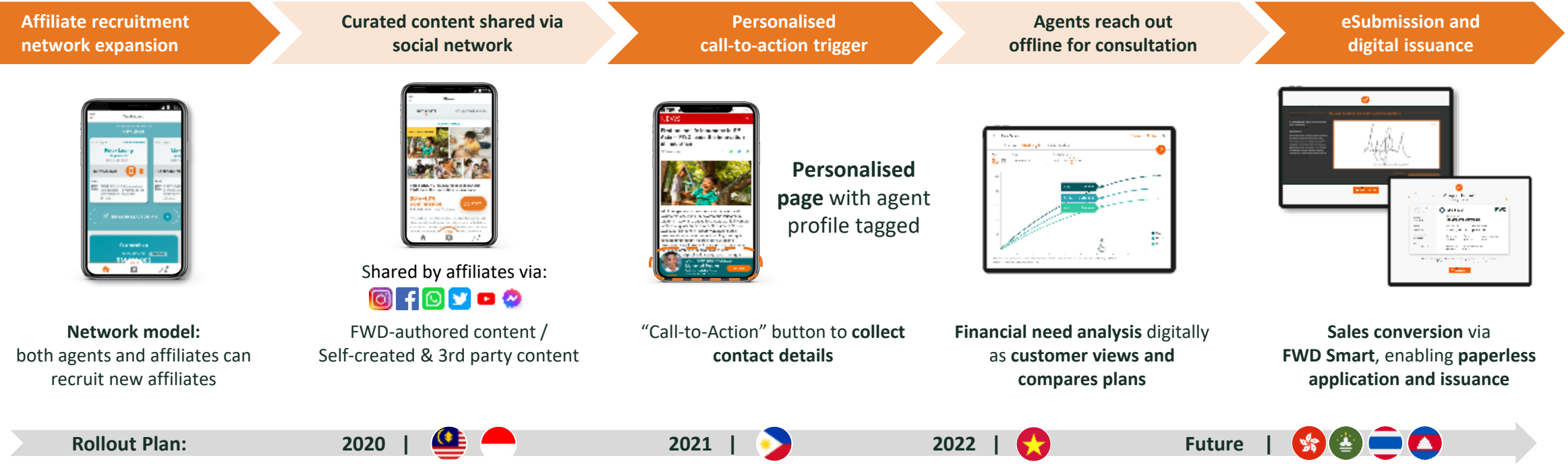


6th largest
MDRT force in
2022, up from
10th in 2021

2020-2022 CAGR
of MDRT
members
~6x higher than
other global top
10 multinational
insurers

All growth rates in this presentation are on a constant exchange rate basis, unless stated otherwise. | ¹ MDRT-registered members shown according to the MDRT association as of 1-Jul-2020 and 1-Jul-2022, respectively, based on specific qualification criteria in the prior year to determine MDRT eligibility. | ² As of 2022.

Agency case study: re-inventing sales engagement & referral via FWD Affiliates



Case study of FWD Affiliates in Indonesia (2022)

Industry recognition

45,000+
Affiliates recruited¹

64%
Average leads-to-sales conversion

4,600+
Leads generated

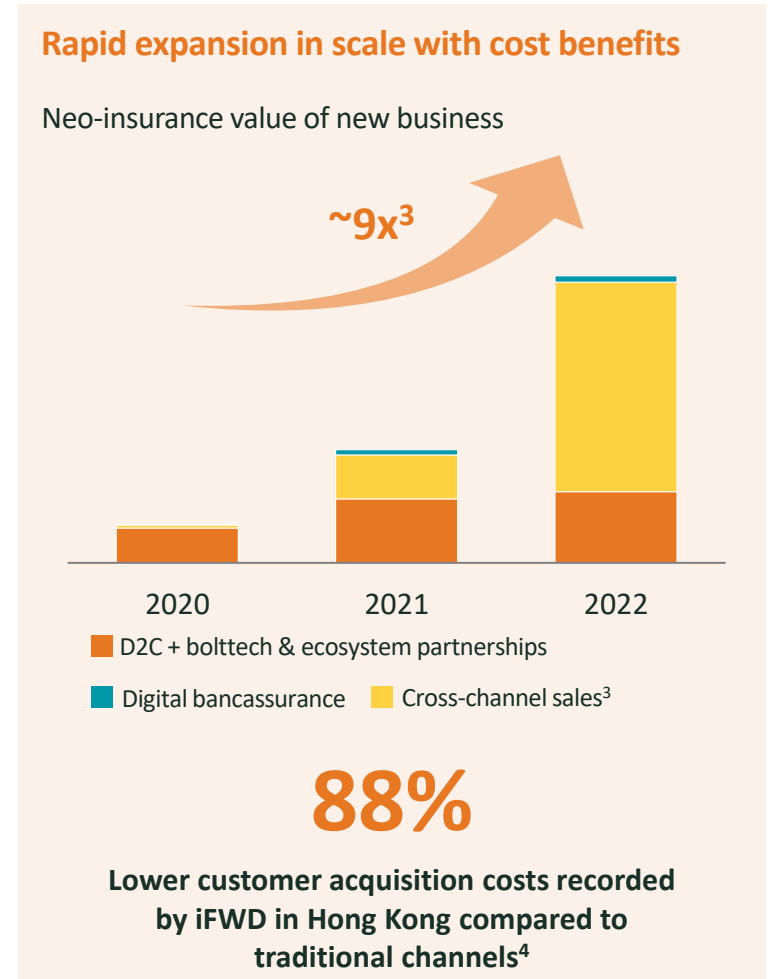
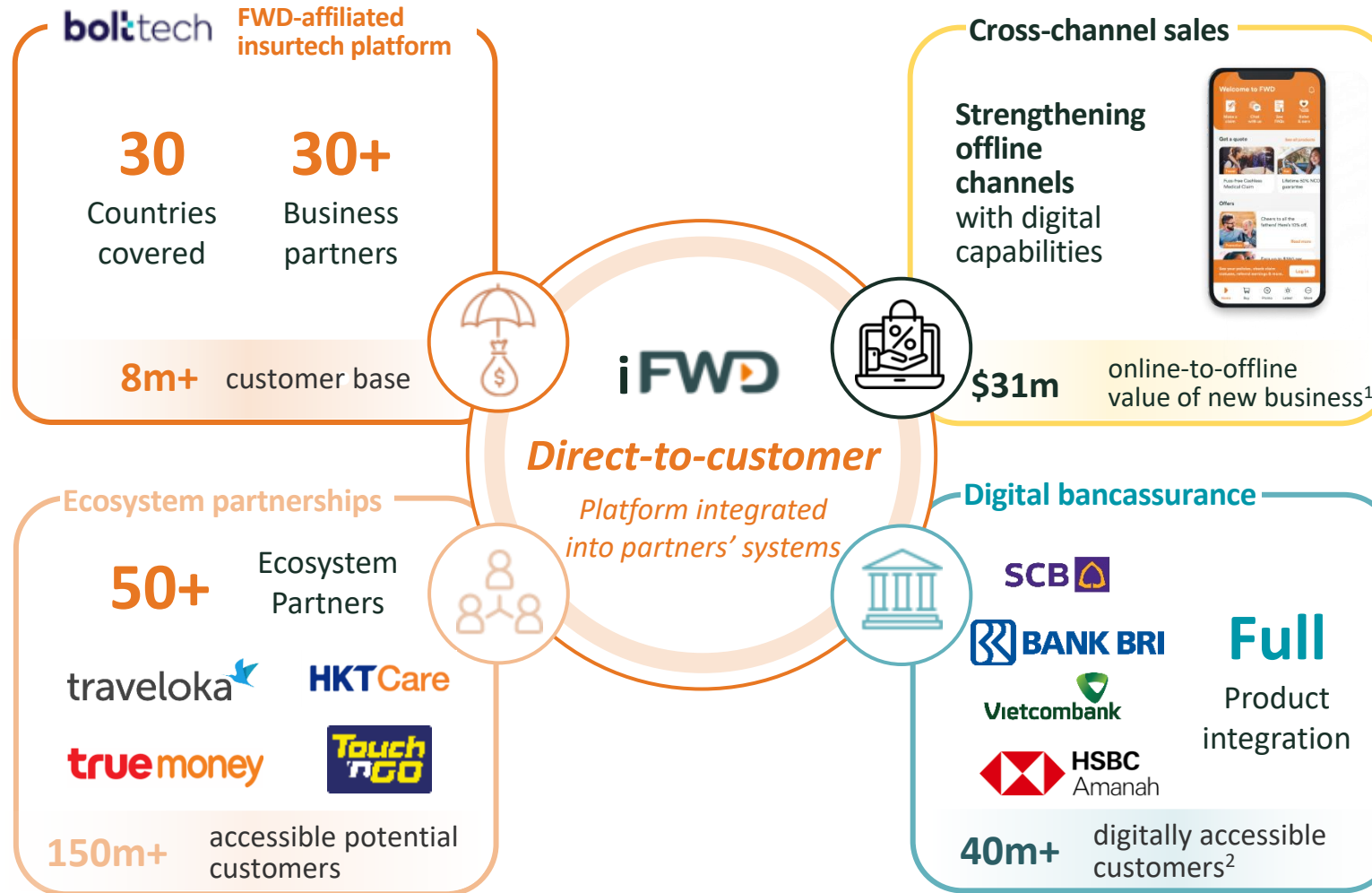
23%
Agency New Business Sales (APE) contribution



Most innovative insurance process Asia (2020)

¹ Since launch in April 2020.

Digital commerce: expanding FWD access to digital natives



Source: Company websites, NMG report | ¹ Captured within the respective offline channels. | ² Based on six digitally integrated bank partners as of Dec 2022, selected bank partner logos shown. | ³ On an actual exchange rate basis; total neo-insurance value of new business growth of ~9x and cross channel sales values shown include online-to-offline sales, which commenced in 2022, generating US\$31mm of VNB and was captured in the respective offline channels. | ⁴ In 2018.

3. How we are doing



Strong 2022 financial performance across key metrics

Growth & value creation

<i>Value of new business</i>	\$823m (’19-22 CAGR: +22%)	<i>New business margin (% APE)</i>	58.5% (+14 ppts ²)	<i>Group embedded value³</i>	\$6.1bn
<i>New business sales (APE)¹</i>	\$1,408m (’19-22 CAGR: +10%)	<i>New business margin (% of PVNBP)</i>	10.1% (+2 ppts ²)	<i>Embedded value operating profit⁴</i>	\$1.1bn (’19-22 CAGR: +29%)

Profitability & scale

<i>Protection ratio⁵</i>	50.9%	<i>’19-22 change</i>	+7ppts	<i>Expense ratio⁶</i>	14.9%	<i>’19-22 change</i>	(3)ppts	<i>Segmental adjusted operating profit before tax⁷</i>	+111%⁷
								IFRS 4	\$334m
								IFRS 17	\$393m

Capital

<i>Net capital generated⁸</i>	\$625m	<i>Leverage ratio</i>	IFRS 4 34.6%⁹ IFRS 17 23.7%¹⁰	<i>GWS cover ratio (MCR basis)¹¹</i>	623%
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Note: All growth rates in this presentation are on a constant exchange rate basis, unless stated otherwise. All data as of 22YE or during FY22. | ¹ New business sales defined as new business annualised premium equivalent. | ² From 2019-2022. | ³ Group embedded value, net of debt. | ⁴ Denotes embedded value operating profit before operating assumption change and other non-operating variances. | ⁵ Based on Total Group Value of New Business. | ⁶ Calculated as operating expenses / TWPI. Represents the amount attributable to the shareholders of the company. | ⁷ Including 100% contribution from FWD Malaysia. Excluding deduction of Implementation costs for IFRS 9 and 17 and Group-wide Supervision. 19-22 CAGR is based on IFRS 4. | ⁸ 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. | ⁹ Calculated based on debt divided by the sum of debt and shareholders’ allocated segment equity as at the end of 31 December 2022. | ¹⁰ Calculated based on debt divided by the sum of debt and comprehensive equity, which is adjusted total equity attributable to Shareholders of the Company plus net CSM (i.e. CSM after allowing for reinsurance and taxes) as at the end of 31 December 2022. | ¹¹ Based on Local Capital Summation Method. MCR denotes minimum capital requirement.

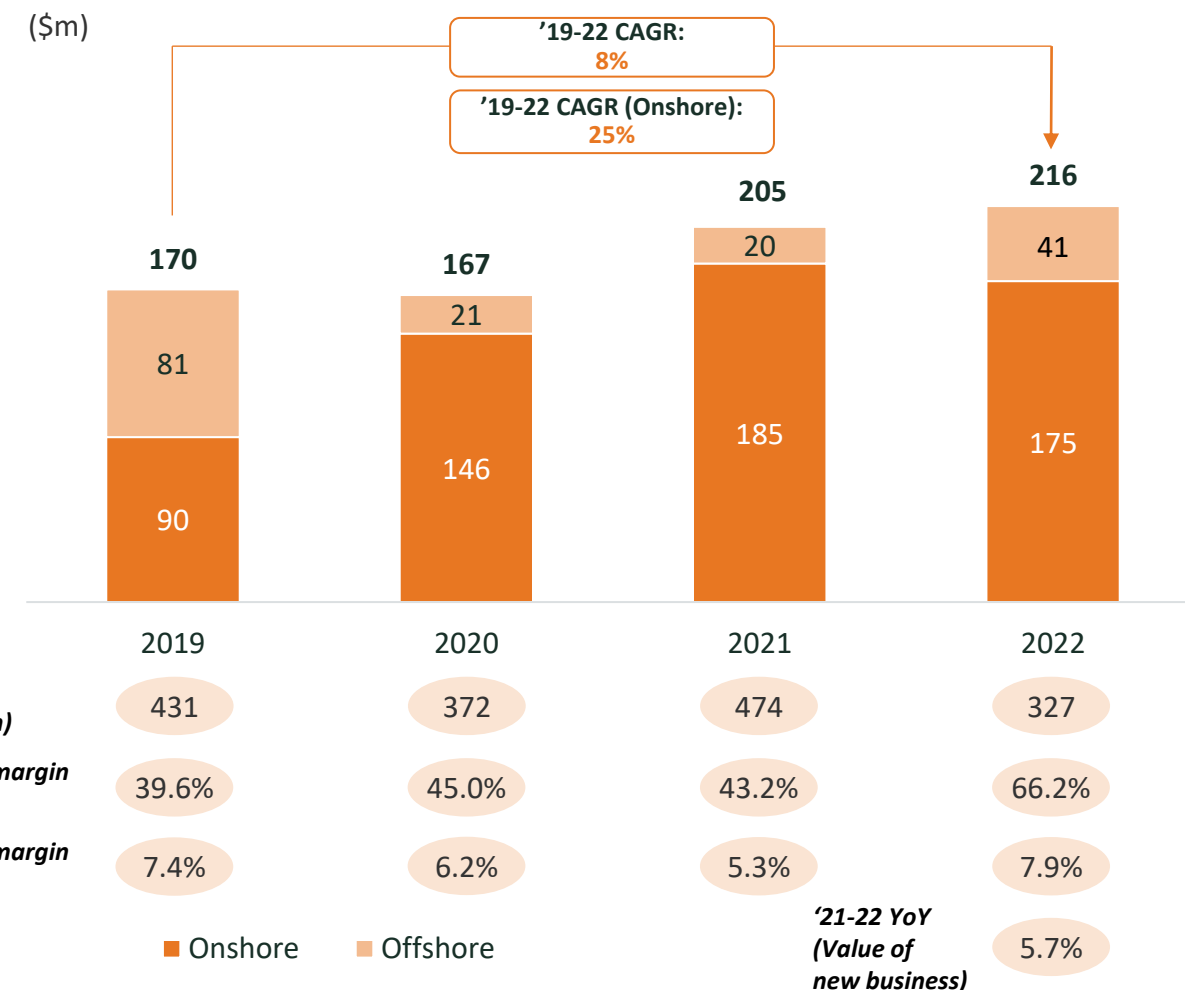
Hong Kong – Successful onshore pivot, upside from border reopening

Focus areas and key highlights



Market '19-22 CAGR¹	
Onshore:	(15%)
Offshore:	(57%)
Total:	(25%)

Value of new business

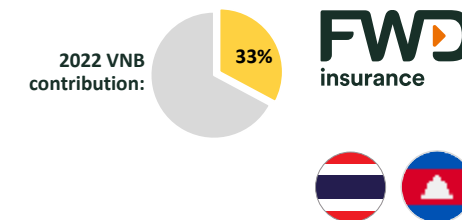


FWD
insurance



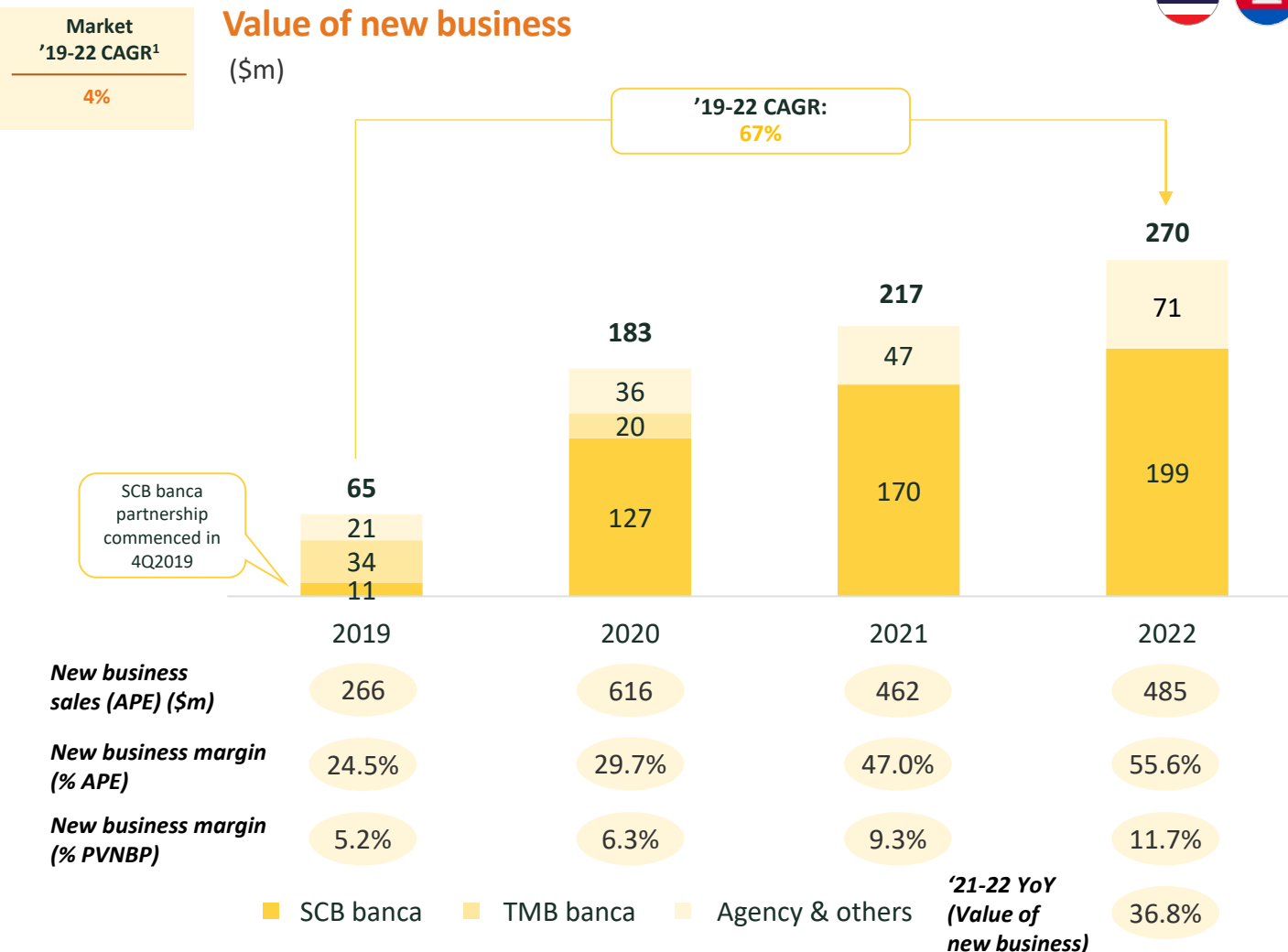
¹ Defined as total life insurance market new business sales (APE) 2019-2022 CAGR. | ² Denotes Mainland Chinese Visitors ("MCV"). | ³ Denotes Greater Bay Area.

Thailand – Delivering on SCB partnership, executing on agency



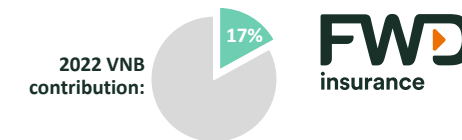
Focus areas and key highlights

<p>SCB</p>	<ul style="list-style-type: none"> SCB acquisition significantly enhanced scale and distribution reach of business with value of new business +29% YoY in 2022
<p>Digitally integrated</p>	<ul style="list-style-type: none"> Seamless digital integration and implementation leading to successful targeting of customers for cross-selling, paving way for AI-driven customer-facing platforms
<p>Protection-focused</p>	<ul style="list-style-type: none"> Switching focus to unit-linked, protection products that contributes to higher margins



¹ Defined as total life insurance market new business sales (APE) 2019-2022 CAGR.

Japan – Focusing on higher-margin protection products

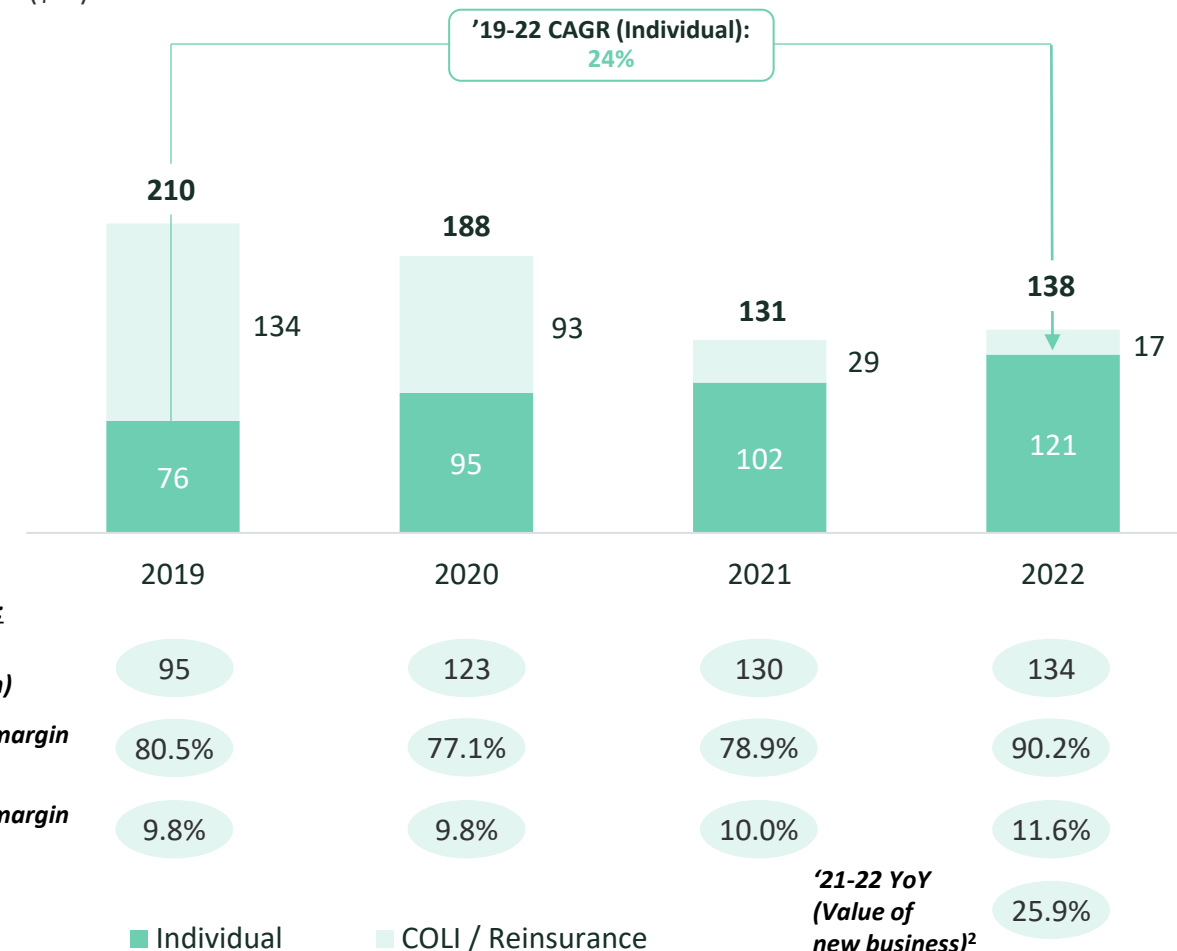


Focus areas and key highlights

 Products	<ul style="list-style-type: none"> Pivoting away from COLI to higher margin individual protection business including medical / cancer protection picking up pace, +41% YoY in 2022
 Individual protection	<ul style="list-style-type: none"> Increasing focus on individual and protection products, leveraging long-standing relationships with IFAs to target niche customer segments
 Operational efficiency	<ul style="list-style-type: none"> Control and optimisation of expenses driven by roll out of group-wide digital tools, unwinding of COLI cost base and optimising our workforce structure

Market
'19-22 CAGR¹
(1%)

Value of new business (\$m)



¹ Defined as total life insurance market new business sales (APE) full year ending Sep 2019 - Sep 2022 CAGR given FYE March in Japan. | ² Denotes overall value of new business.

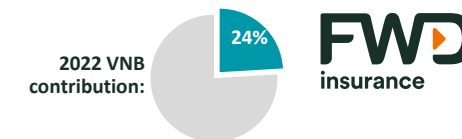
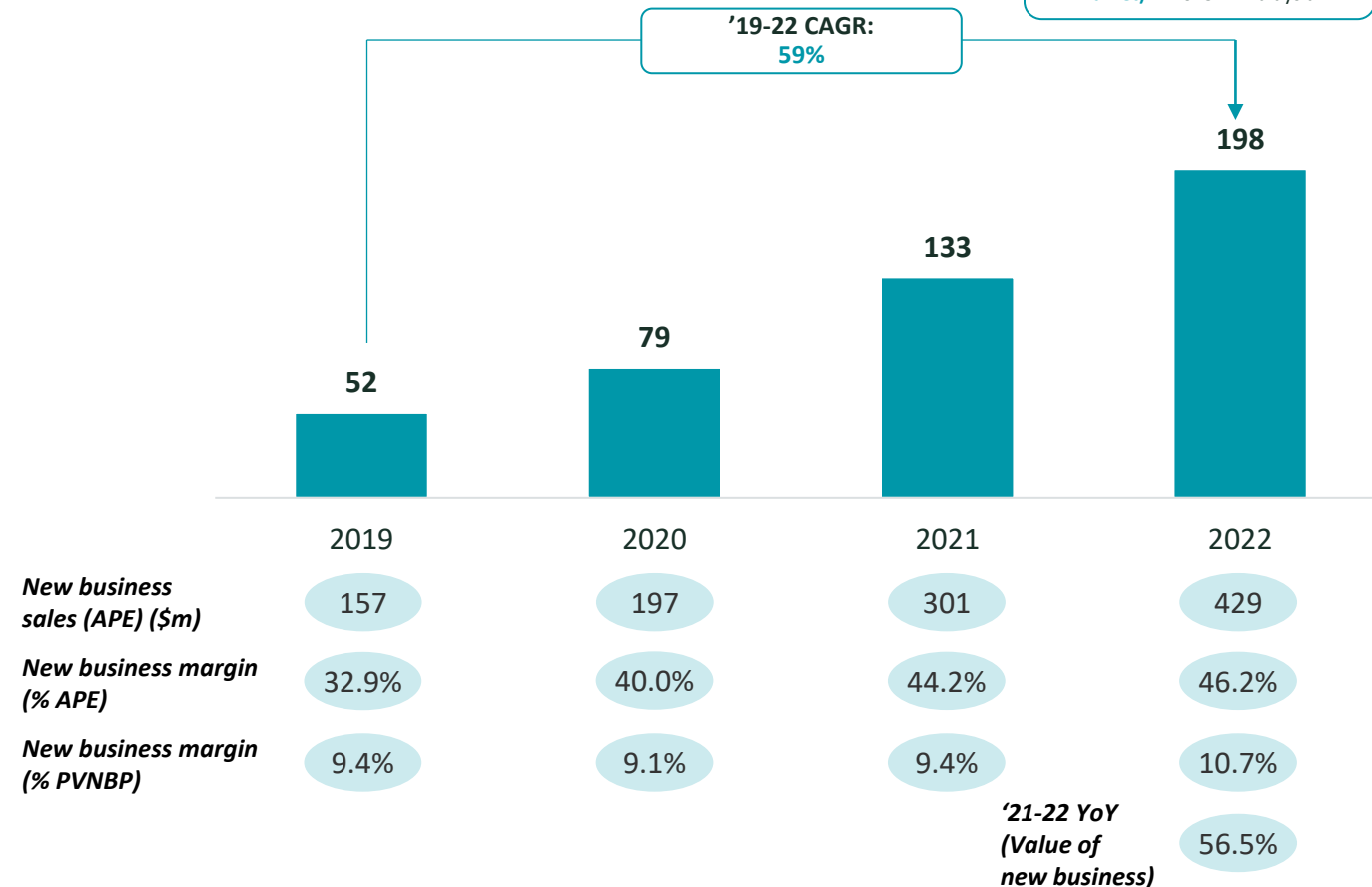
Emerging Markets – Partnerships established, positioned for growth

Focus areas and key highlights

 <p>Bancassurance partnerships</p>	<ul style="list-style-type: none"> ▪ Activating and unlocking value from recent exclusive partnerships – Bank BRI in Indonesia, Vietcombank in Vietnam, Security Bank in the Philippines
 <p>ELITE agency</p>	<ul style="list-style-type: none"> ▪ ELITE agency growth accelerating with digital innovation
 <p>Ecosystem partnerships</p>	<ul style="list-style-type: none"> ▪ Ecosystem partnerships established for “plug-and-play” model with product innovation

Market
'19-22 CAGR¹
4%

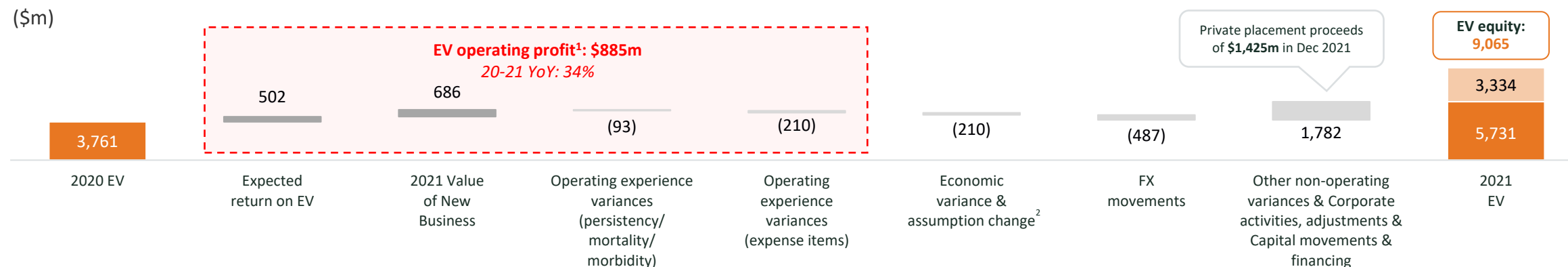
Value of new business (\$m)



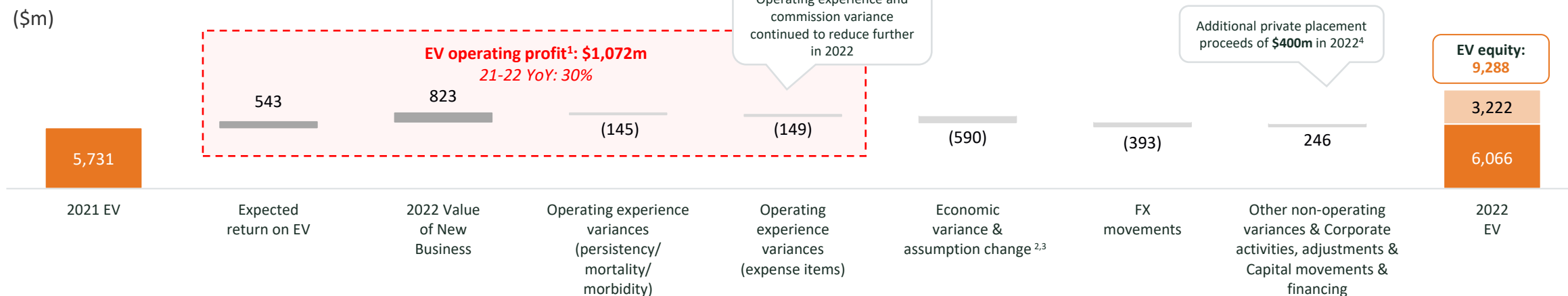
¹ Defined as total life insurance market new business sales (APE) 2019-2022 CAGR, in CER. | ² Entered the Malaysian life insurance market by acquiring, with local investors, a 70% effective interest in Gibraltar BSN Life Berhad ("Gibraltar BSN") in April 2023.

Robust embedded value expansion

2021 embedded value ("EV") evolution



2022 embedded value evolution



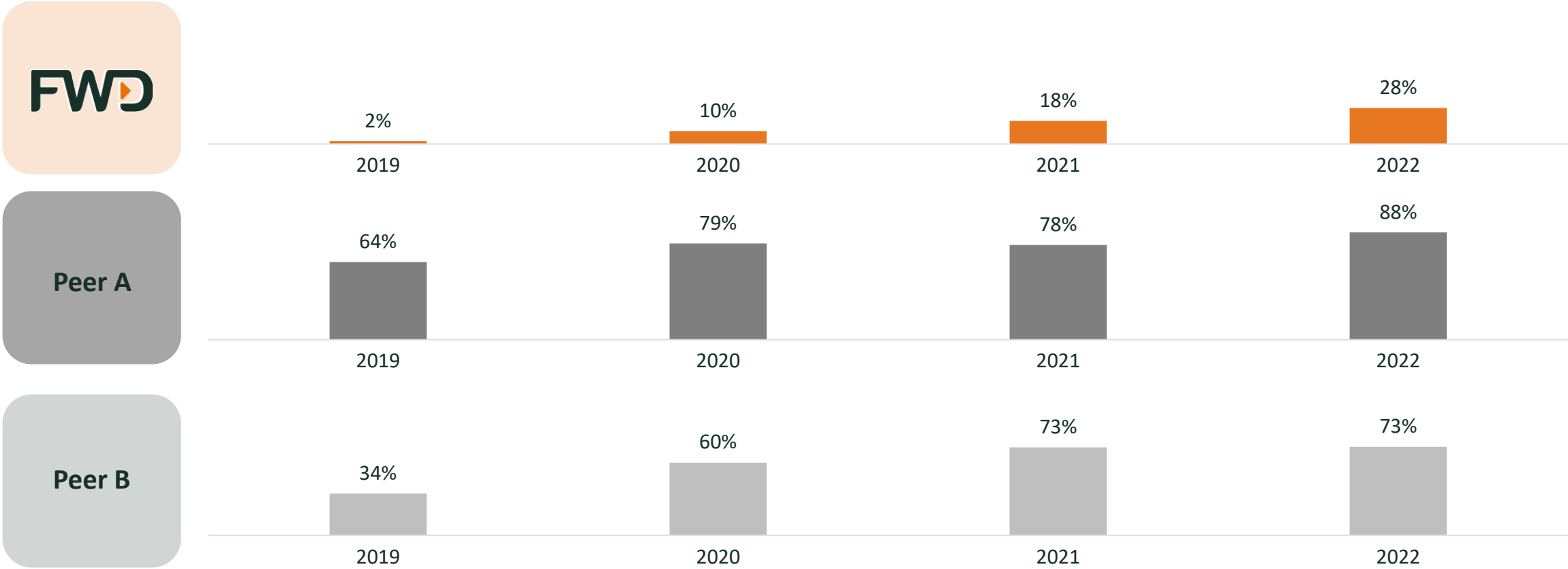
Group EV (net of financing)

Goodwill and intangibles

¹ Components of EV operating profit may not sum up to the total due to rounding. | ² Includes Operating variance – Others and Operating assumption change. | ³ Economic variance of \$(792)m mainly given HK RBC impact was reflected only from second half of 2022; should HK RBC impact be reflected from the beginning of 2022, the economic variance would be further improved as a result of better matching of asset and liabilities valuations. | ⁴ Including \$200m in Jan 2022 and \$200m in Dec 2022.

Ratio of OPAT to EV operating profit show maturation increasing

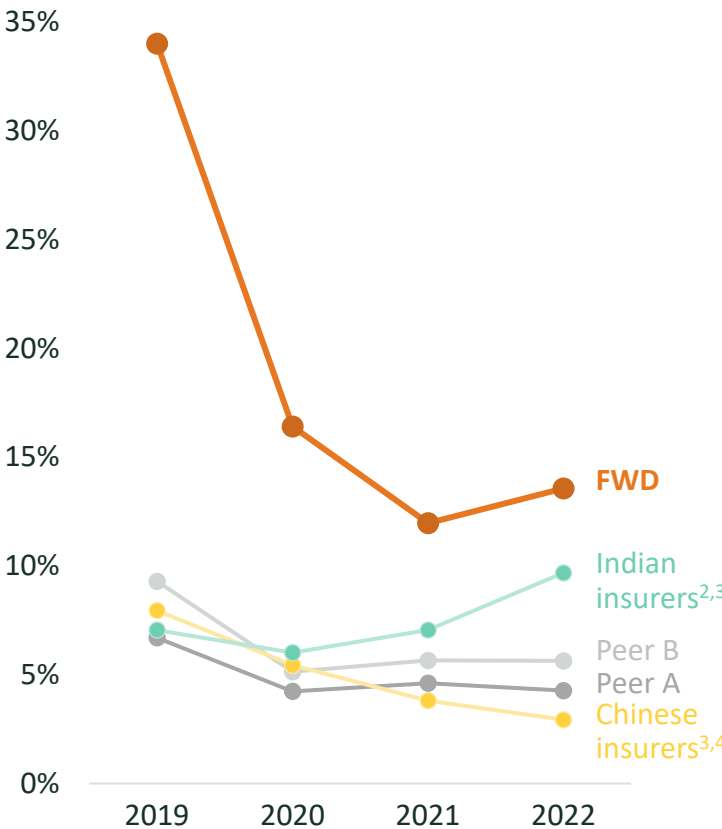
Operating profit after tax (“OPAT”) as % EV operating profit



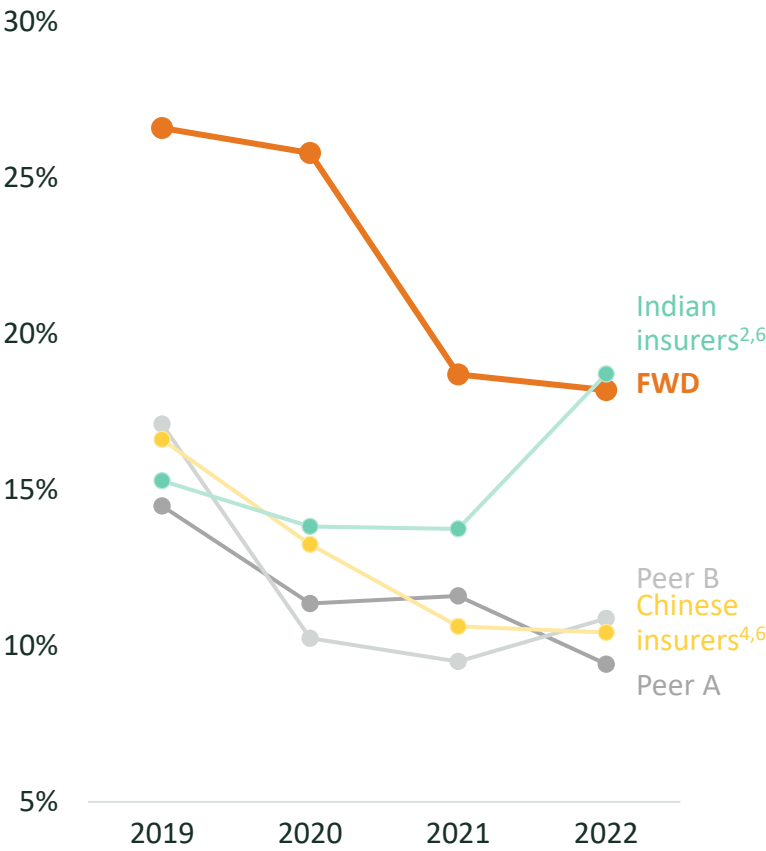
Source: Company filings for listed peers.

Embedded value growth ahead of peers

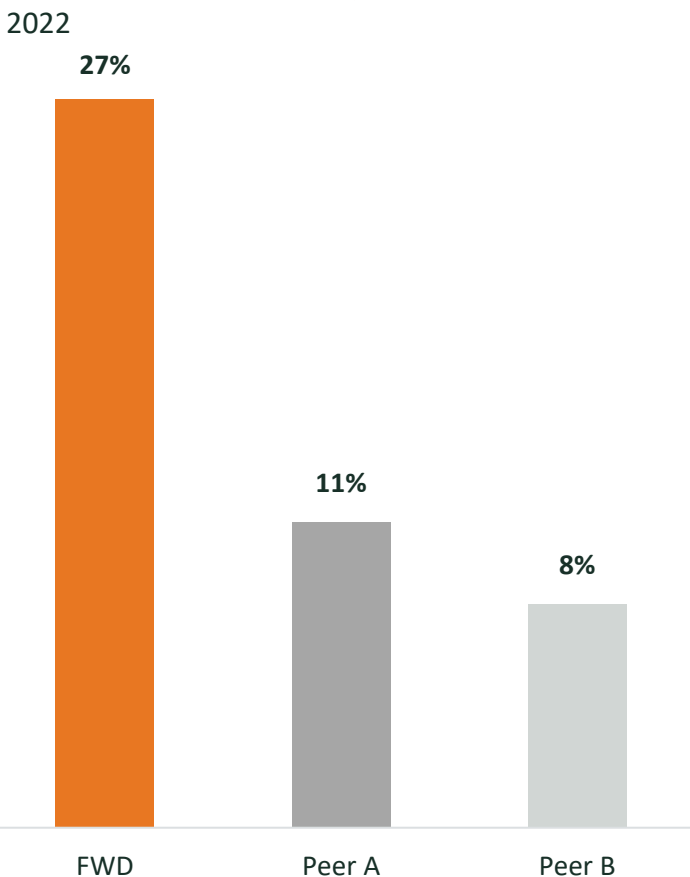
Value of new business / embedded value¹



Return on embedded value^{1,5}



New business CSM⁷ / CSM⁸

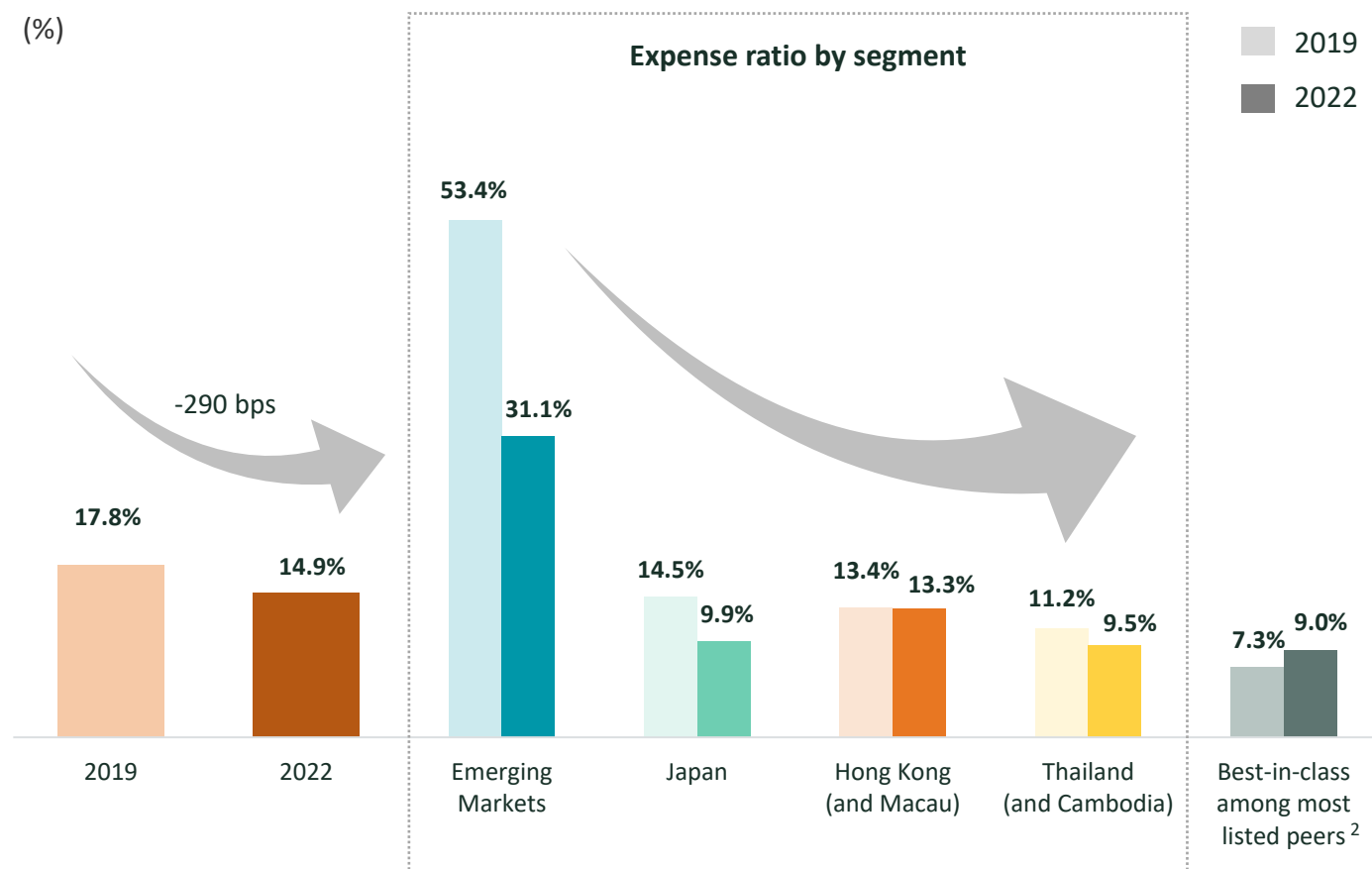


Source: Company filings for listed peers. | ¹ Life EV only. | ² Indian insurers include SBI Life, HDFC Life and ICICI Pru. FYE Mar for Indian insurers. | ³ Weighted by VNB. | ⁴ Chinese insurers include Ping An, China Life, China Pacific, China Taiping, New China Life and PICC Life. | ⁵ Denotes operating return on embedded value, including return on EV, value of new business and operating variance. | ⁶ Weighted by EV. | ⁷ Denotes net CSM, which is CSM after allowing for reinsurance. | ⁸ Opening net CSM.

Improving operating leverage through digitalisation and scale...

Expense ratio¹

(%)



Scale

- Strong growth from **increasing renewal premiums, SCB Life acquisition and traction in newly-established distribution channels**



Digitalisation

- **Digitalisation and integration of underwriting** with front-end sales tools



Cost control

- **Tight cost control** to offset the Emerging Markets

Source: Company filings for listed peers. | ¹ Calculated as operating expenses divided by Total Weighted Premium Income ("TWPI"). Represents the amount attributable to the shareholders of the company. Ratio for FWD includes expenses from Corporate & Other segment of US\$95m in 2019 and US\$116m in 2022. | ² Peers include AIA, China Life, Ping An, CPIC, and New China Life.

Overall positive outcome from IFRS 17 adoption

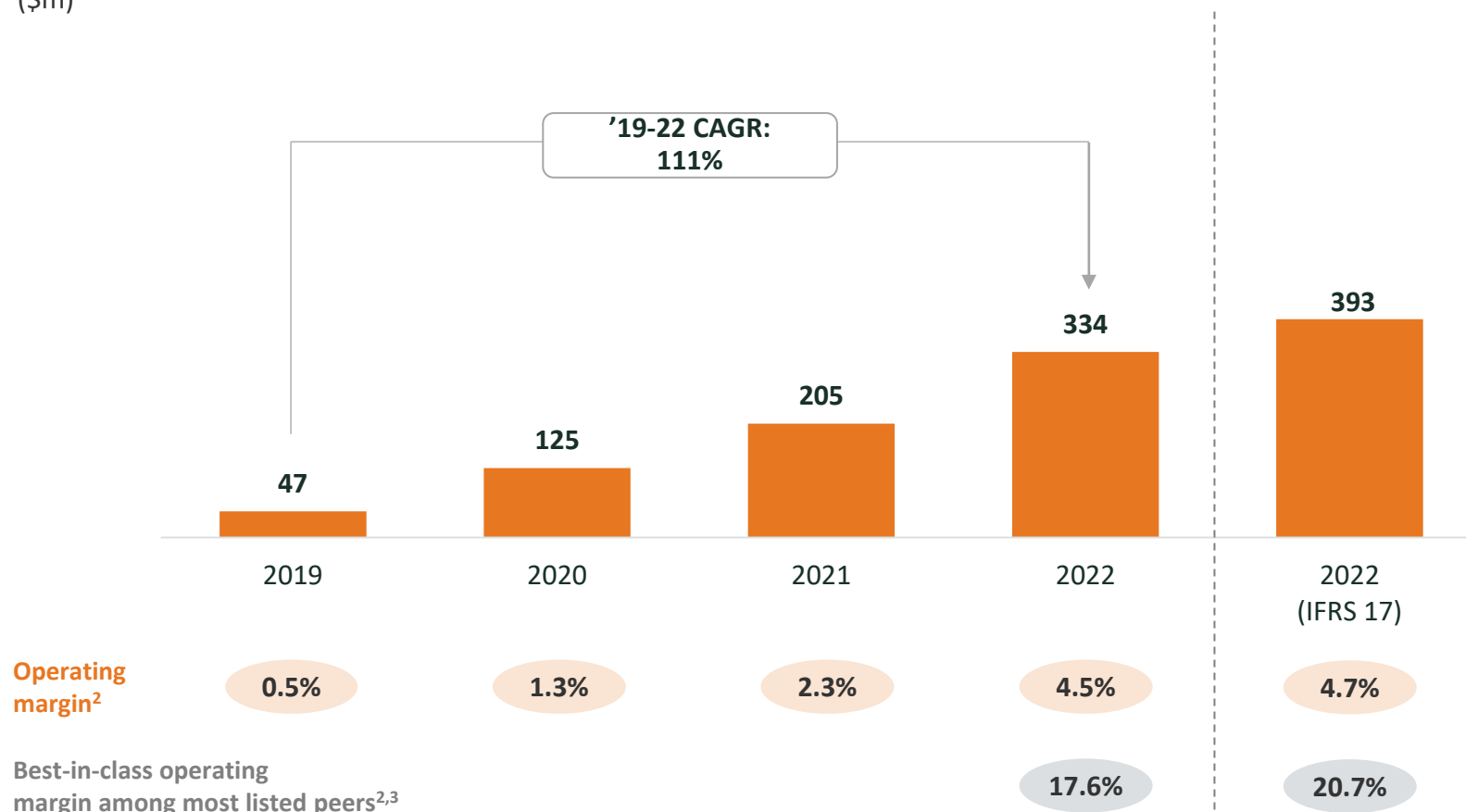
1	Higher and more stable profit	<ul style="list-style-type: none"> CSM¹, estimated future unearned profits on in-force business, is recognised gradually over time Reduced volatility in earnings given improved alignment in the financial market related impacts of assets and liabilities
2	Higher and more stable equity	<ul style="list-style-type: none"> Reduced volatility in equity given improved alignment in the financial market related impacts of assets and liabilities
3	Better comparability of accounting metrics	<ul style="list-style-type: none"> Sources of earnings (insurance service result and insurance finance income and expenses) will be disclosed, giving better visibility of underlying business
4	Total CSM growth higher than peers	<ul style="list-style-type: none"> FWD is poised to grow CSM at a higher rate given its relatively smaller in-force business and higher rate of NB CSM growth

¹ Denotes contractual service margin.

Higher and more stable profit

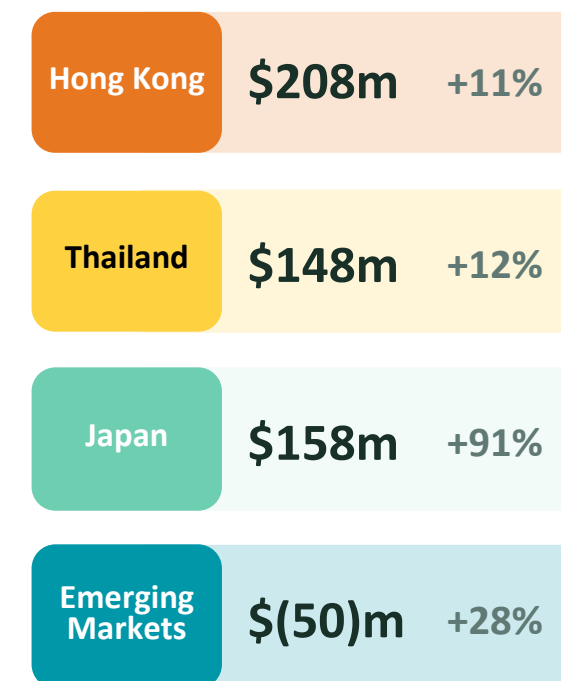
Segmental adjusted operating profit before tax¹

(\$m)



2022 adjusted operating profit before tax¹

(\$m; '21-22 YoY)



Source: Company filings for listed peers. | ¹ All calculated on an IFRS 4 basis, unless otherwise indicated. Includes 100% contribution from FWD Malaysia. | ² All calculated using IFRS 4 figures, except for 2022 operating margin, which is also given on an IFRS 17 basis.
| ³ Listed peers include AIA, China Life, Ping An, CPIC and New China Life.

Lower volatility in reported NPAT

(\$m)	IFRS 4			IFRS 17
	2020	2021	2022	2022
Net profit / (loss)	(252)	249	(740)	(320)
Profit / (loss) before tax from continuing operations¹	(183)	326	(704)	(284)
<u>Market related:</u>				
Short-term fluctuations in investment return ¹	104	(503)	586	187
Other non-operating investment return	(233)	(39)	6	10
Loss component on onerous contracts				99
<u>Non-market related:</u>				
Finance costs ²	162	174	109	109
Amortisation of value of business acquired (VOBA)	82	100	66	0
M&A, business set up and restructuring related costs	151	104	90	88
IPO related costs ³	40	73	72	73
Other non-operating items	(22)	(59)	30	32
Implementation costs for IFRS 9 and 17 and Group-wide Supervision	24	29	79	79
Operating profit⁴	125	205	334	393
Tax on operating profit ⁴	(50)	(52)	(51)	(94)
Operating profit after tax⁵	75	153	283	299

Equity-related volatility was reduced significantly

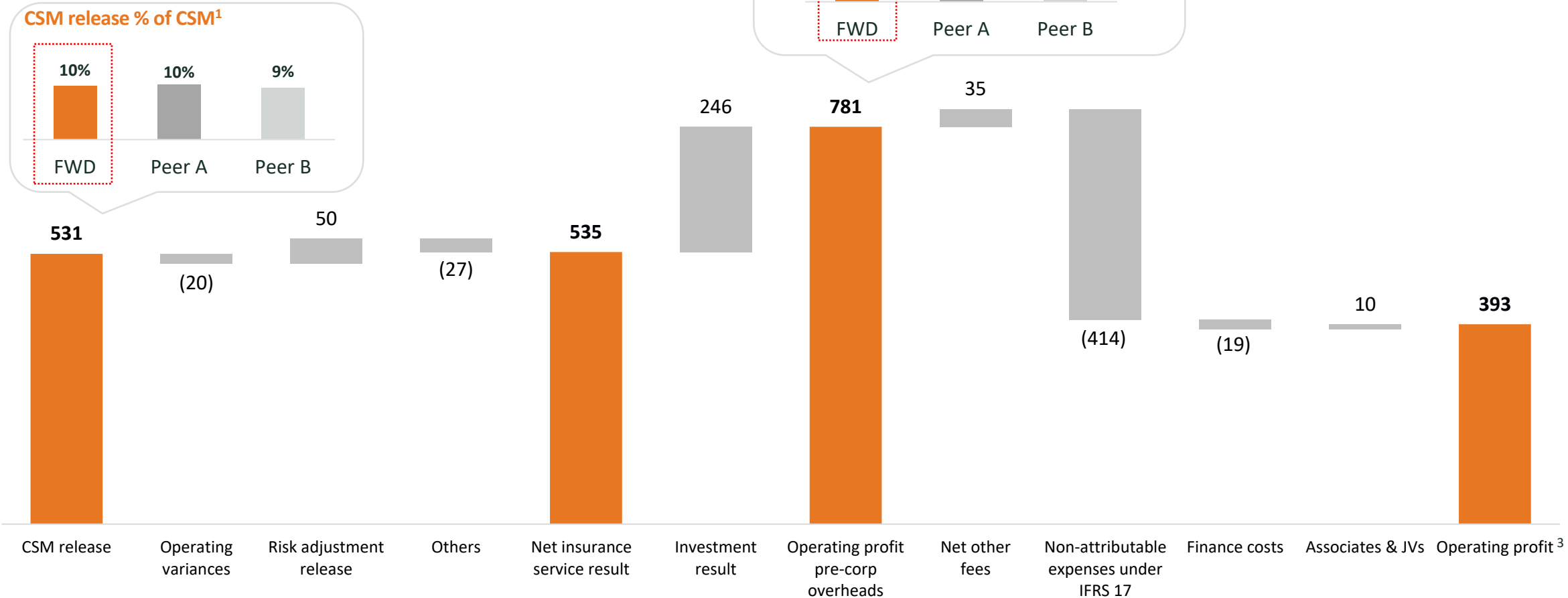
Under IFRS 17, VOBA is subsumed into CSM

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

CSM release is the core driver of operating profit

IFRS 17 operating profit bridge (2022)

(\$m)

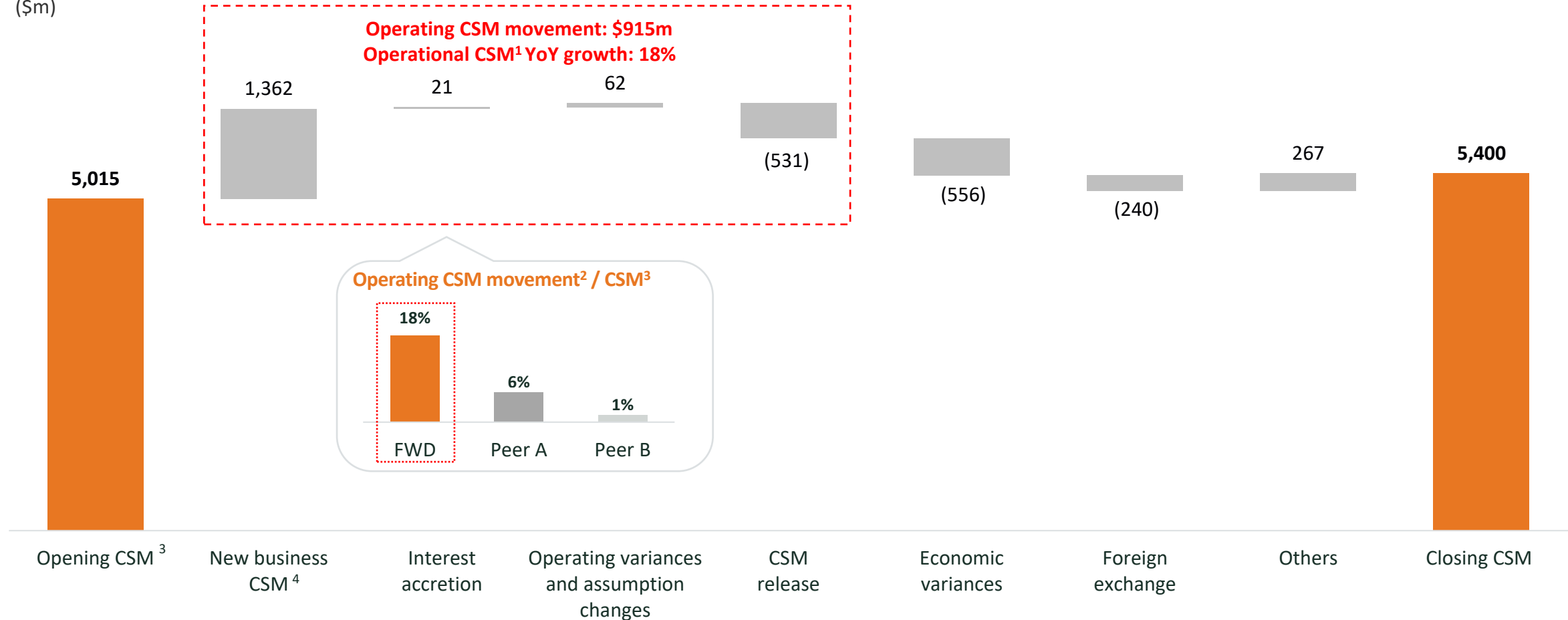


¹ Denotes CSM release divided by beginning balance of CSM. | ² Denotes operating profit pre-corporate overheads. | ³ Including 100% contribution from FWD Malaysia. Excluding deduction of Implementation costs for IFRS 9 and 17 and Group-wide Supervision

High organic growth of CSM vs. peers

CSM evolution (2022)

(\$m)



¹ Excludes assumption changes. | ² Includes new business CSM, expected return on in-force portfolio, operating variances and net CSM release. Peer A and B do not disclose operating and economic variances separately. | ³ Opening CSM after allowing for reinsurance. | ⁴ Denotes new business CSM after allowing for reinsurance.

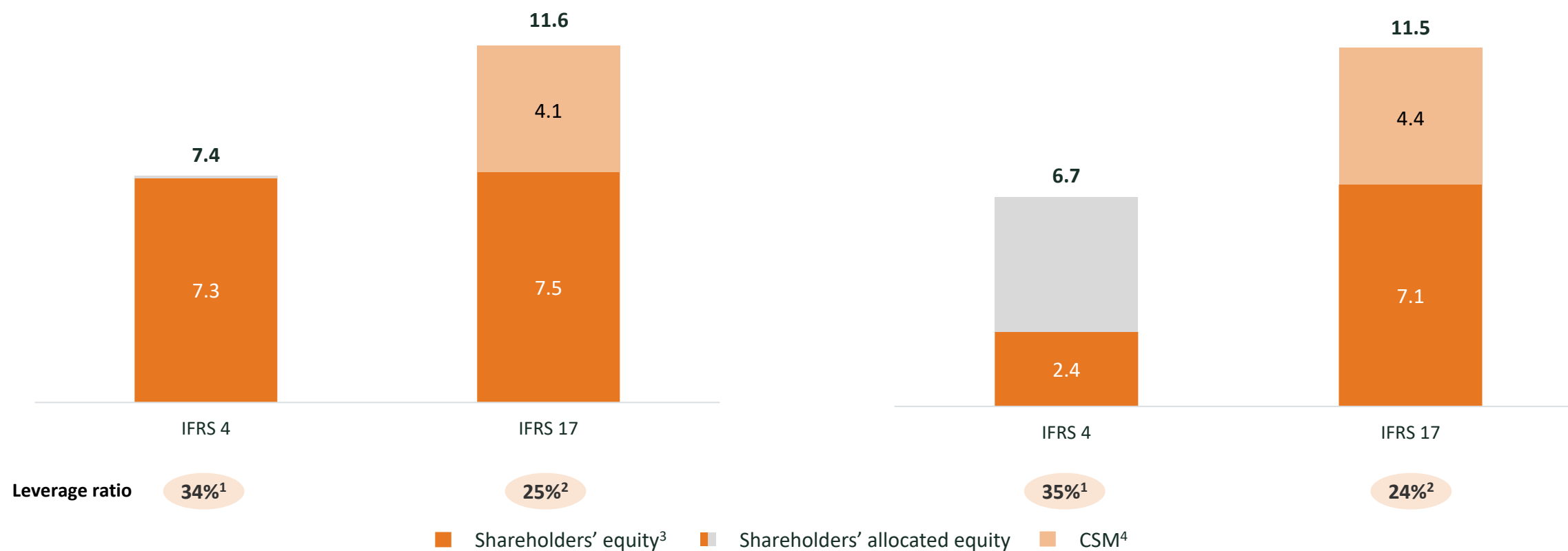
Higher and more stable equity

Comprehensive equity

(\$bn)

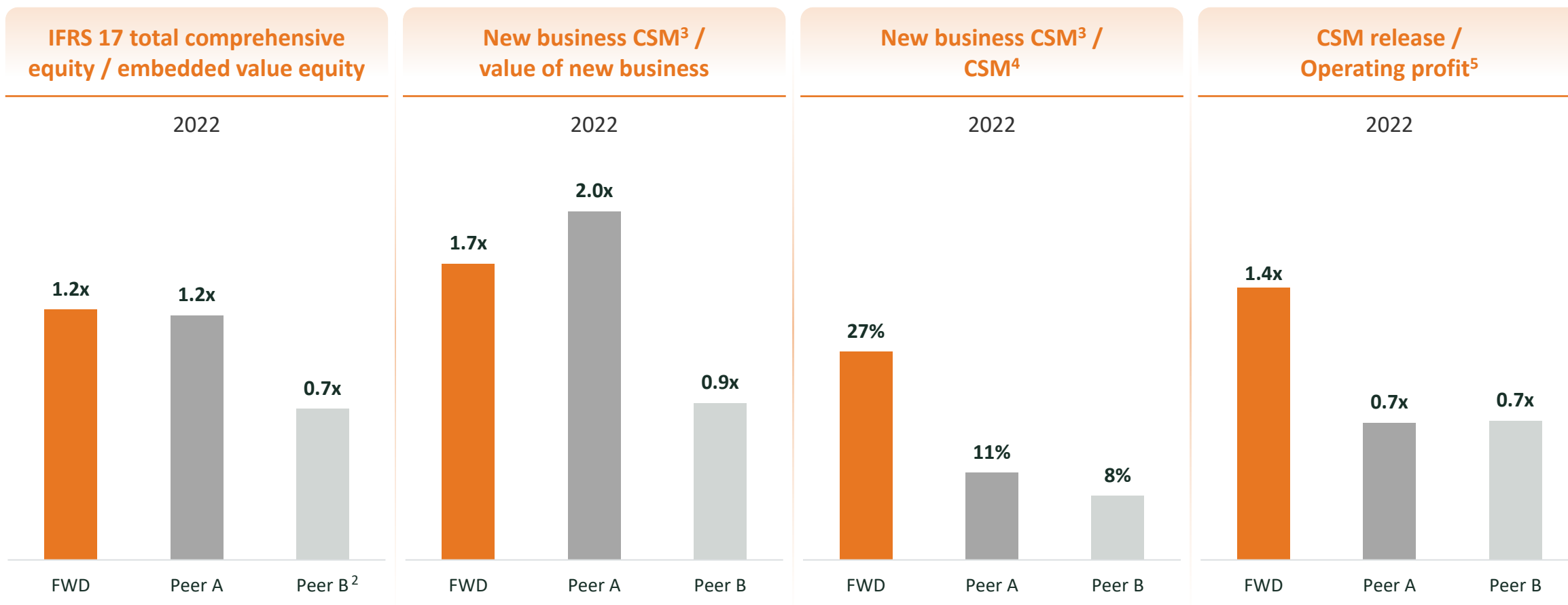
2021

2022



Note: 2021 denotes 2022/1/1 opening balance for IFRS 17. | ¹ For IFRS 4, calculated as debt divided by the sum of debt and shareholders' allocated segment equity for FWD Group. | ² For IFRS 17, calculated as debt divided by the sum of debt and comprehensive equity, which is adjusted total equity attributable to Shareholders of the Company plus net CSM (i.e. CSM after allowing for reinsurance and taxes) as at the end of 31 December 2022. | ³ For IFRS 4, denotes adjusted total equity of the Operating Group attributable to Shareholders of the Company. The adjusted results excluding the results and certain balances attributable to the Transfer and Novation of Borrowings and Related Parties Balances and Exchange of Share Capital of FL and FGL, and the results and certain balances of the Company and the Financing Entities. For IFRS 17, denotes adjusted total equity attributable to Shareholders of the Company. | ⁴ Denotes net CSM, which is CSM after allowing for reinsurance and taxes.

Poised to grow CSM faster than peers given smaller in-force business

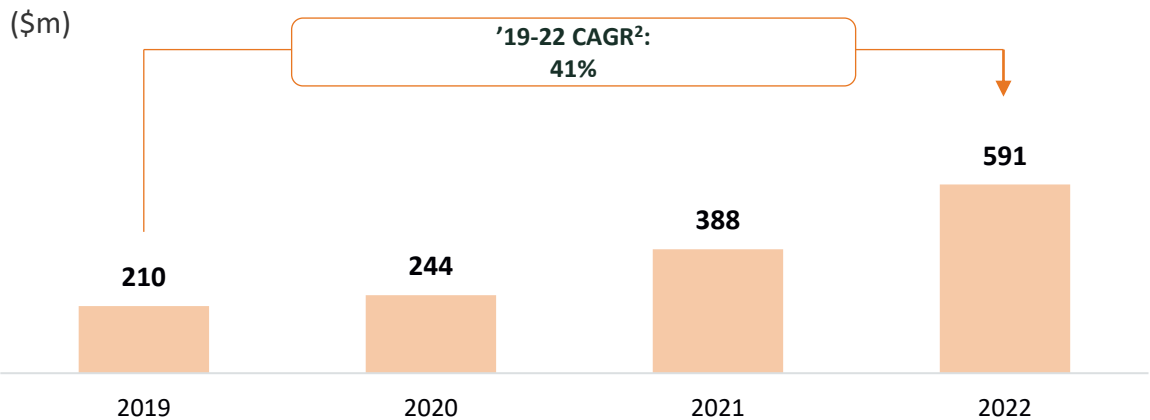


Source: Company filings for listed peers. | ¹ Denotes shareholders' equity plus net CSM, which is CSM after allowing for reinsurance and taxes. | ² Peer B's EV equity calculated as EEV, plus goodwill and intangibles. | ³ Denotes new business CSM after allowing for reinsurance. | ⁴ Opening CSM after allowing for reinsurance. | ⁵ Denotes Segmental adjusted operating profit. Including 100% contribution from FWD Malaysia. Excluding deduction of Implementation costs for IFRS 9 and 17 and Group-wide Supervision.

Significant uptick in net underlying free surplus generation

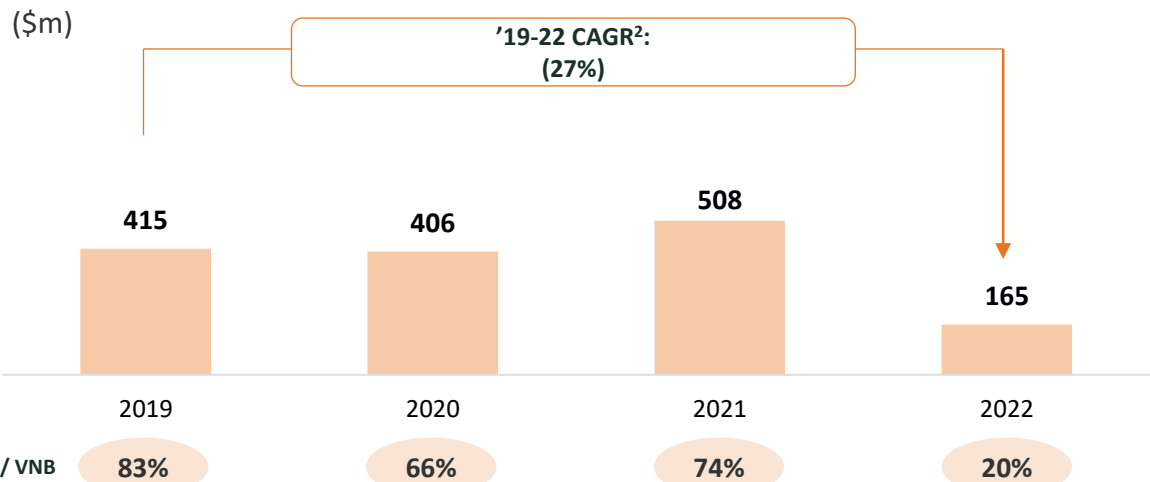
Capital generated from inforce portfolio

Underlying free surplus generation ("UFSG")¹



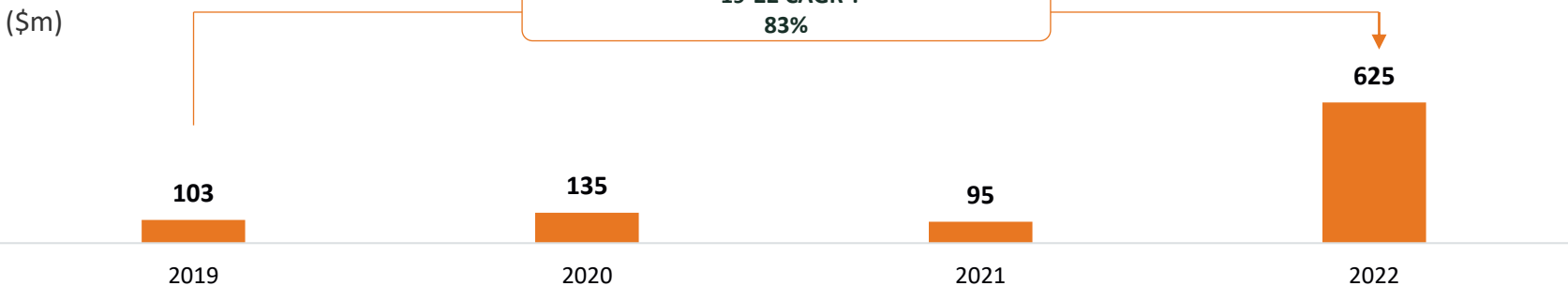
Capital used to fund new business

New business strain ("NBS")



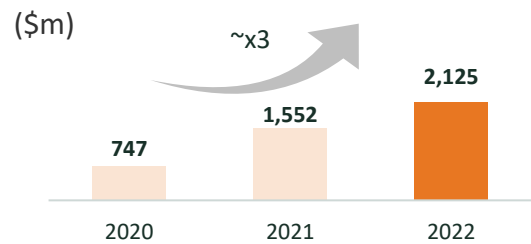
Net capital generated

Adjusted net UFSG³



Significant improvement in distributable earnings

Undiscounted 1-5 years cash flow profile



¹ Underlying free surplus generation adjusted to exclude one-off variances of \$388m, \$410m, \$68m and \$1,162m for 2019, 2020, 2021, and 2022, respectively. | ² Stated on an actual exchange rate basis. | ³ 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. Adjusted Net UFSG is Net UFSG excluding one-off opening adjustments, non-economic assumption changes and expense variance.

Robust balance sheet to support growth

Recent developments

Group wide supervision (“GWS”)

- Designated by HKIA as subject to GWS framework from May 2021, on an aggregate basis
- Completed GWS filing requirements following the agreed transition plan
- HK RBC early adoption approved from HKIA

Leverage

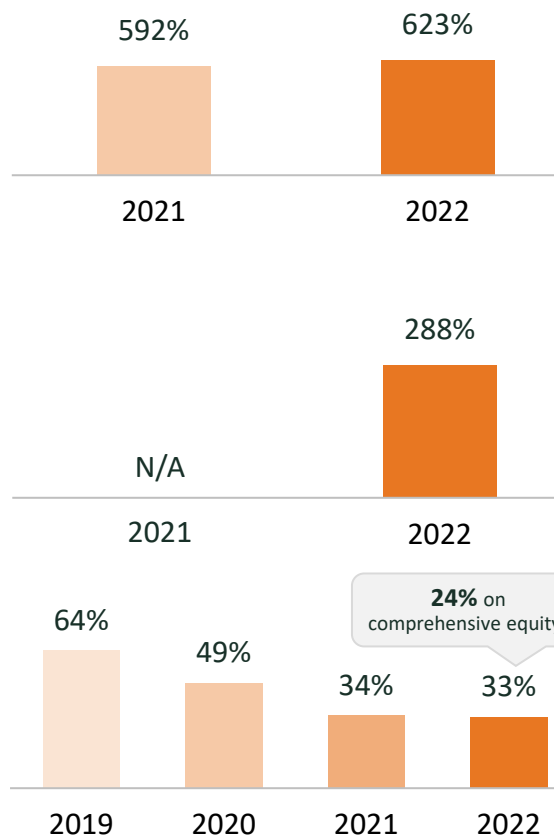
- Capital raising and financing activities conducted, including \$1.825bn equity raised in 2021 and 2022, partly been used to de-leverage
- Refinanced \$1.8bn bank loan to Dec 2025, reducing to a \$1bn term loan and a \$0.5bn revolving loan facility
- Redeemed \$250m perpetual securities in Jan 2022

GWS cover ratio
(MCR basis¹)
(%)

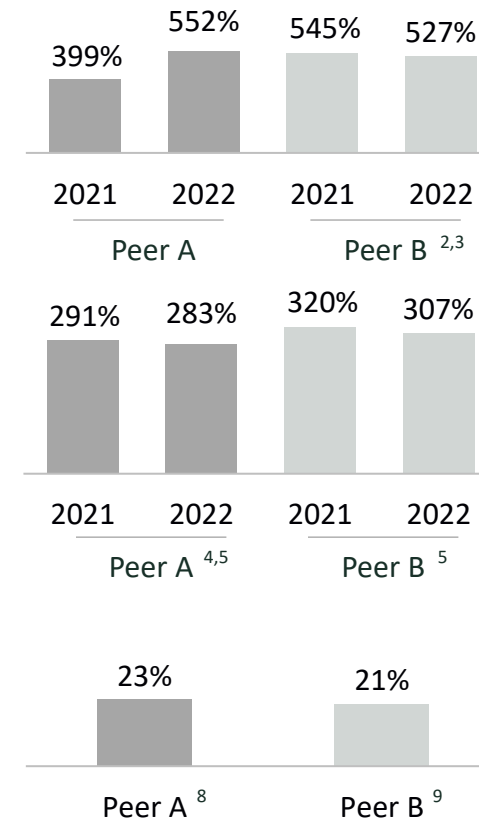
GWS cover ratio
(PCR basis^{1,5})
(%)

Leverage ratio⁶
(%)

FWD



Peers

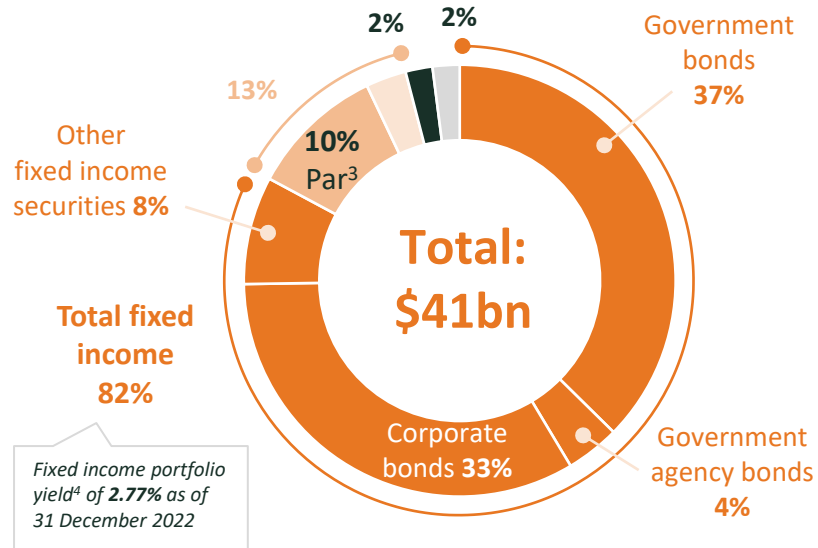


Source: Company filings for listed peers. | ¹ Based on Local Capital Summation Method. MCR denotes minimum capital requirement. PCR denotes group prescribed capital requirement. | ² 2021 data was pro-forma for \$1.7bn debt redemption in Jan 2022, before allowing for 2021 second cash interim dividend and including the impact of HKRBC and C-ROSS II. Reported GWS cover ratio (MCR basis) was 408% as of 21YE. | ³ 2022 GWS cover ratio (MCR basis) not disclosed; estimated based on group capital resources (\$23.2bn) divided by required capital (\$4.4bn). | ⁴ 2021 data was pro-forma assuming early adoption of HKRBC, introduction of C-ROSS II and the release of additional resilience margins. | ⁵ Denotes total GWS cover ratio (PCR basis) for FWD and Peer A (given data availability); shareholder GWS cover ratio (PCR basis) for Peer B. | ⁶ Calculated as debt divided by the sum of debt and shareholders' allocated segment equity for FWD Group. | ⁷ Calculated as debt divided by the sum of debt and comprehensive equity, which is adjusted total equity attributable to Shareholders of the Company plus net CSM (i.e. CSM after allowing for reinsurance and taxes). | ⁸ Calculated as Borrowings / (Borrowings + Total Equity). | ⁹ Moody's total leverage ratio.

Balanced investment portfolio and robust capital position

Investment portfolio by asset class¹

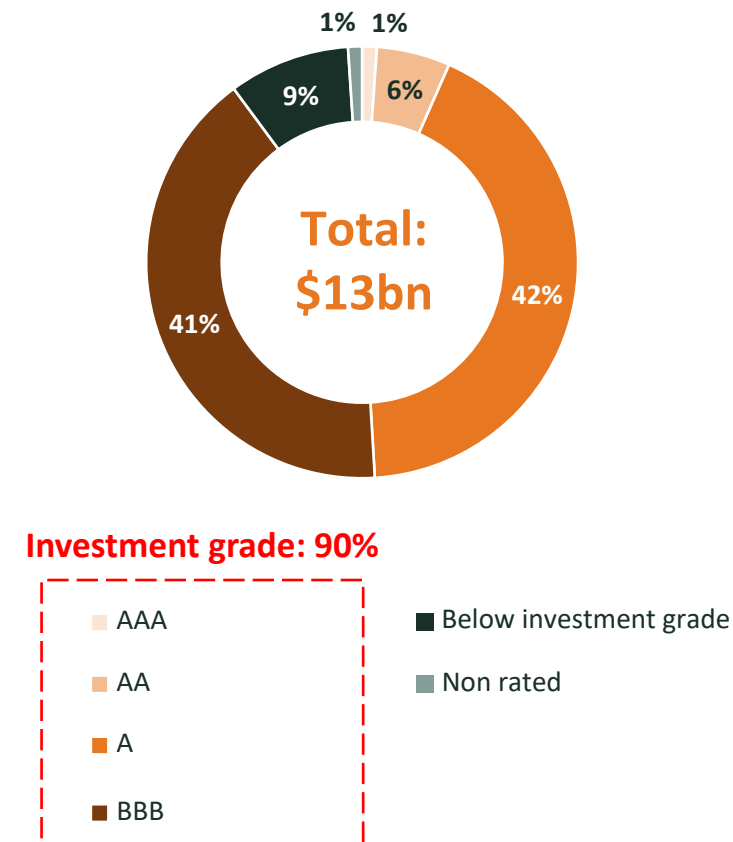
2022



- Fixed income
- Equities
- Investment properties
- Others²

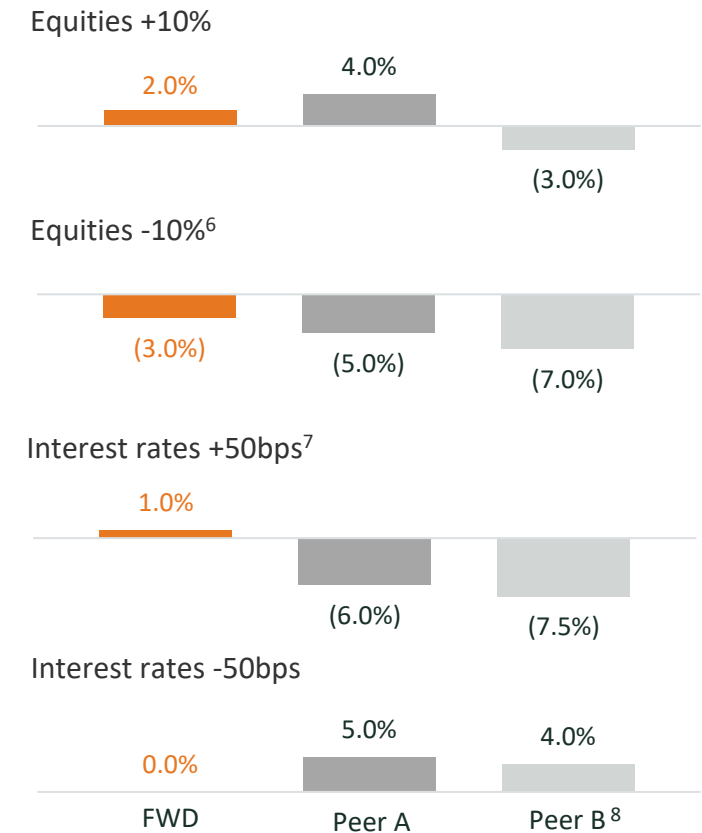
Corporate bonds by credit ratings¹

2022



Sensitivity analysis of GWS cover ratio (PCR basis)⁵

2022



Source: Company filings for listed peers. | ¹ May not sum up to 100% due to rounding. | ² Includes policy loans, secured loans, and derivatives. | ³ 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. | ⁴ Quarterly investment yield on fixed income portfolio (annualised). | ⁵ Based on Local Capital Summation Method. PCR denotes group prescribed capital requirement. | ⁶ Peer B disclosed the sensitivities for equities -20% only, thus the sensitivities for equities -10% is derived by dividing by 2. | ⁷ Peer B disclosed the sensitivities for interest rates +100bps only, thus the sensitivities for interest rates +50bps is derived by dividing by 2. | ⁸ Peer B sensitivities are corresponding to the shareholder GWS cover ratio (PCR basis) of 307%, i.e., not pro-forma for \$0.4bn debt redemption in January 2023.

Appendix



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 now provides a leadership role in ESG strategy and oversees its progress
- A diverse Board with 27% women and 55% 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

- 99% 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

- 31% women in senior management¹
- 2,352 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

- 60% of new customers under 40
- 14k+ 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

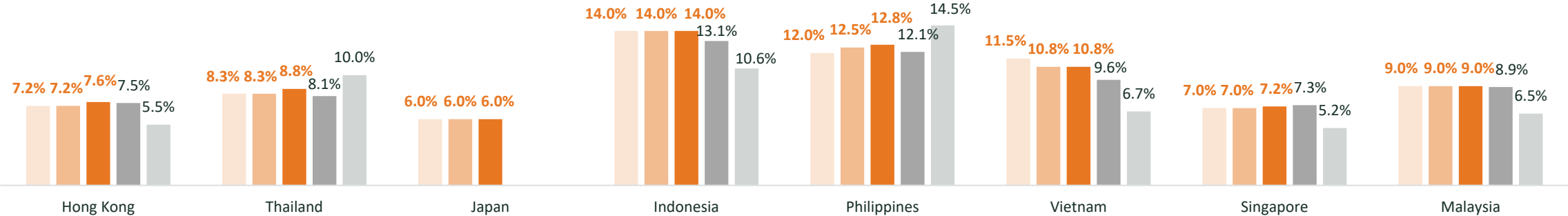
- Transition towards a low carbon economy to help achieve net zero

- Developed our first 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

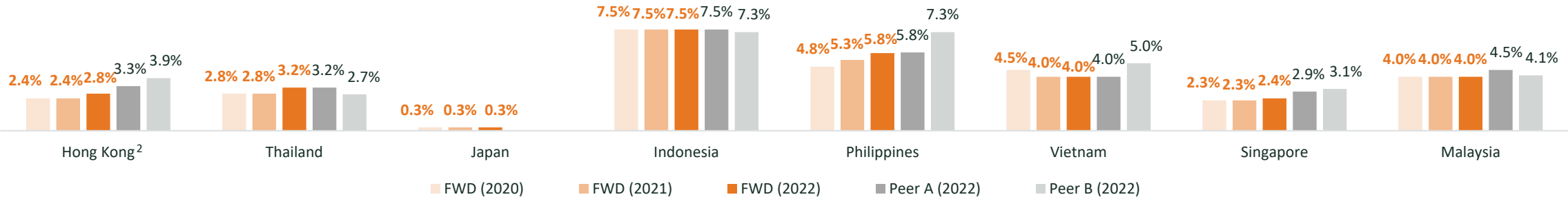
¹ Senior management is defined as assistant vice president or above.

Prudent economic assumptions vs. peers

Risk discount rate comparison¹ (%)



10-Yr government bond yield comparison (%)

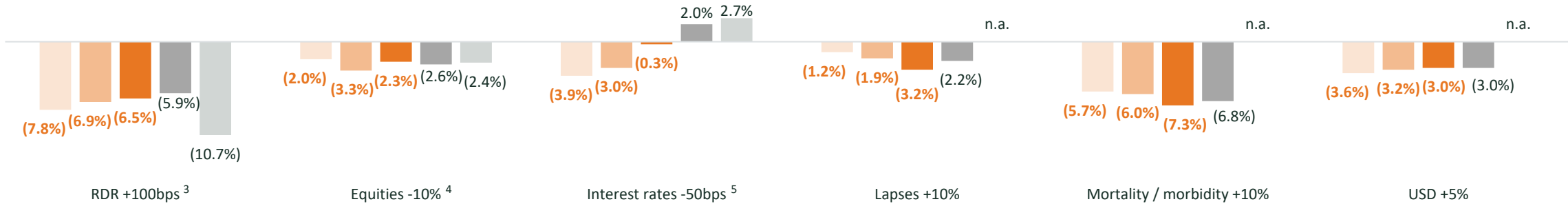


Source: Company filings for listed peers. | ¹ Denotes in-force risk discount rate for Peer B. | ² Long-term 10-year government bond yields in US dollar-denominated bonds for FWD and Peer A.

Embedded value and value of new business sensitivities

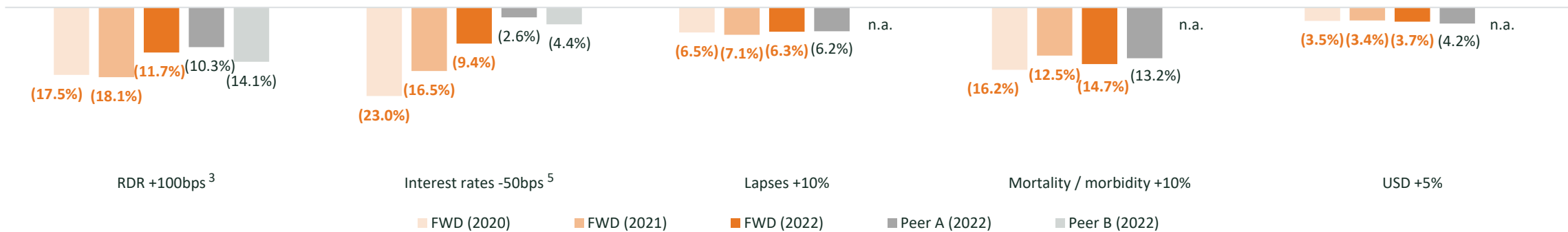
Key embedded value sensitivities comparison^{1,2}

(%)



Key value of new business sensitivities comparison

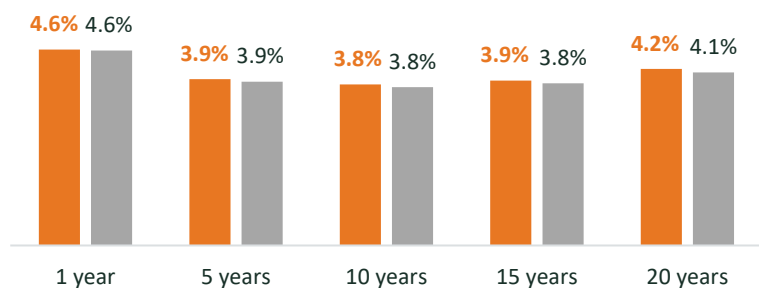
(%)



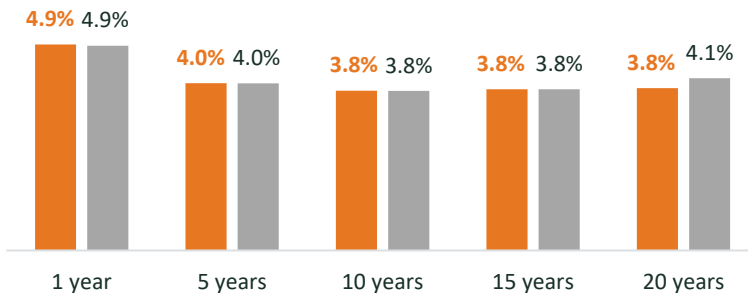
Source: Company filings for listed peers. | ¹ Embedded value and value of new business sensitivities are presented before considering the effect of HK RBC implementation. | ² Based on Operating EV. | ³ Peer A disclosed the sensitivities for RDR -200bps only, thus the sensitivities for RDR -100bps is derived by dividing by 2. | ⁴ Peer B disclosed the sensitivities for equities -200bps only, thus the sensitivities for equities -100bps is derived by dividing by 2. | ⁵ For Peer B, denotes both interest rates and consequential effects.

Similar risk-free rates assumed, if not more conservative to leading peers

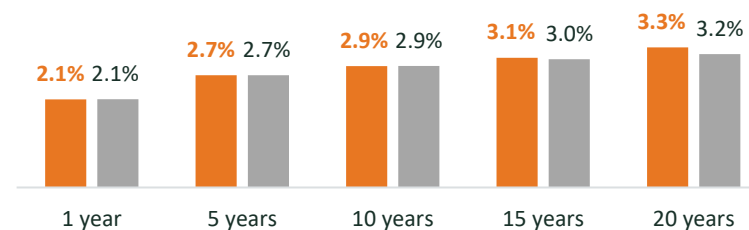
Risk free rate – USD



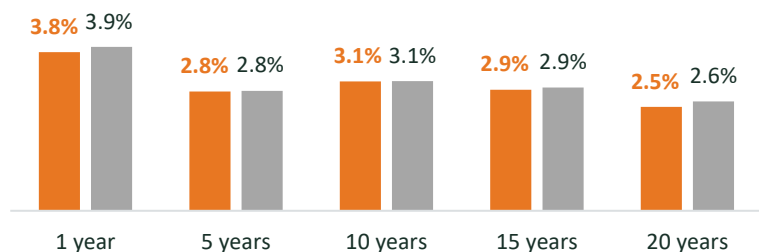
Risk free rate – HKD



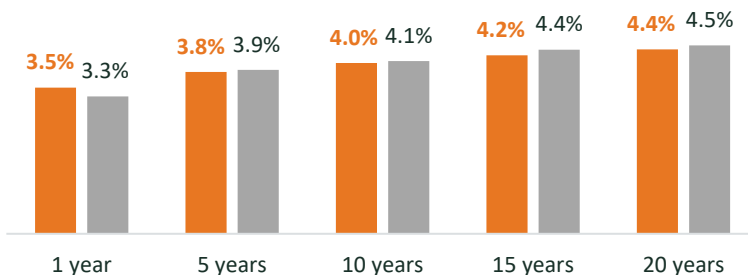
Risk free rate – CNY



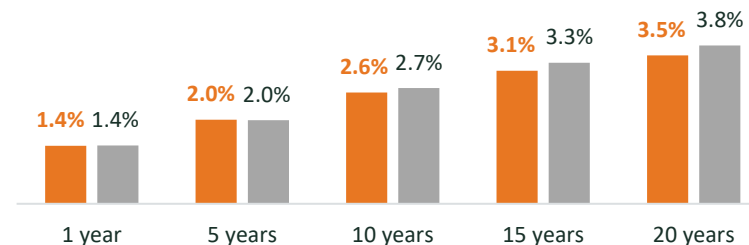
Risk free rate – SGD



Risk free rate – MYR



Risk free rate – THB

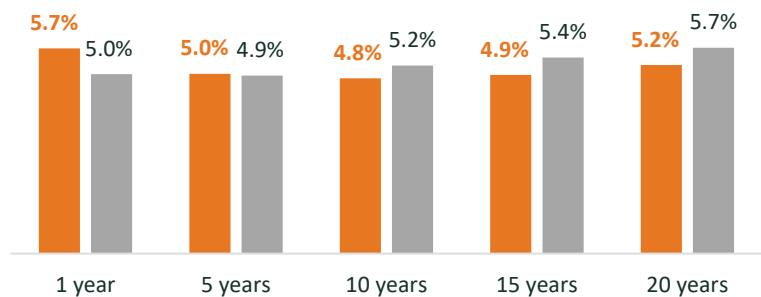


■ FWD (2022) ■ Peer A (2022)

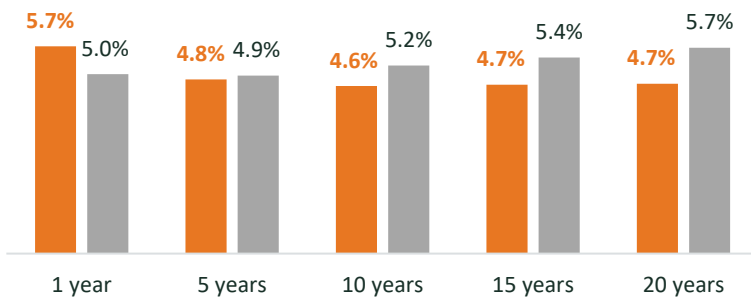
Source: Company filings for listed peer. | Note: All rates presented are spot rates as of Dec 31, 2022.

Risk free rates with illiquidity premium comparison

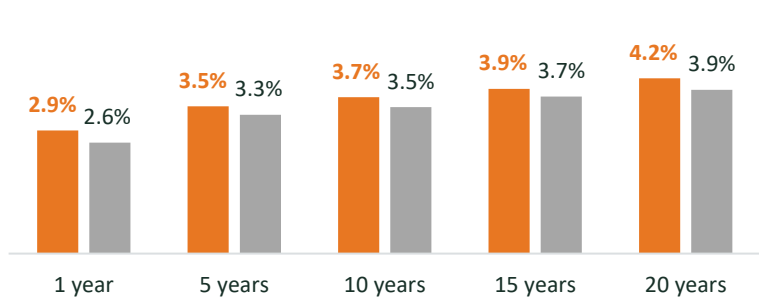
Risk-free rate (“RFR”) with illiquidity premium – USD



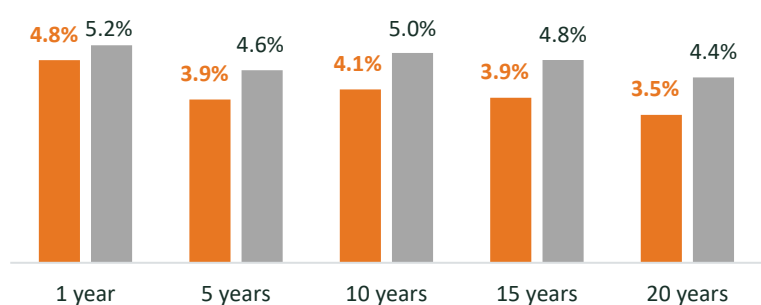
RFR with illiquidity premium – HKD



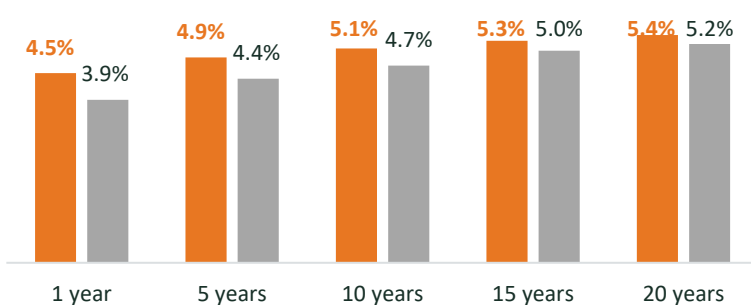
RFR with illiquidity premium – CNY



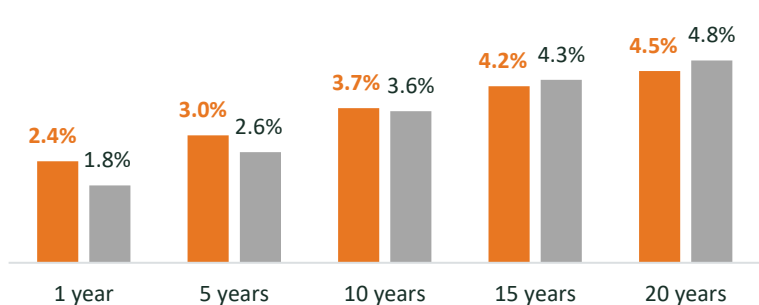
RFR with illiquidity premium – SGD



RFR with illiquidity premium – MYR



RFR with illiquidity premium – THB



■ FWD (2022) ■ Peer A (2022)

Source: Company filings for listed peer. | Note: All rates presented are spot rates as of Dec 31, 2022.

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