

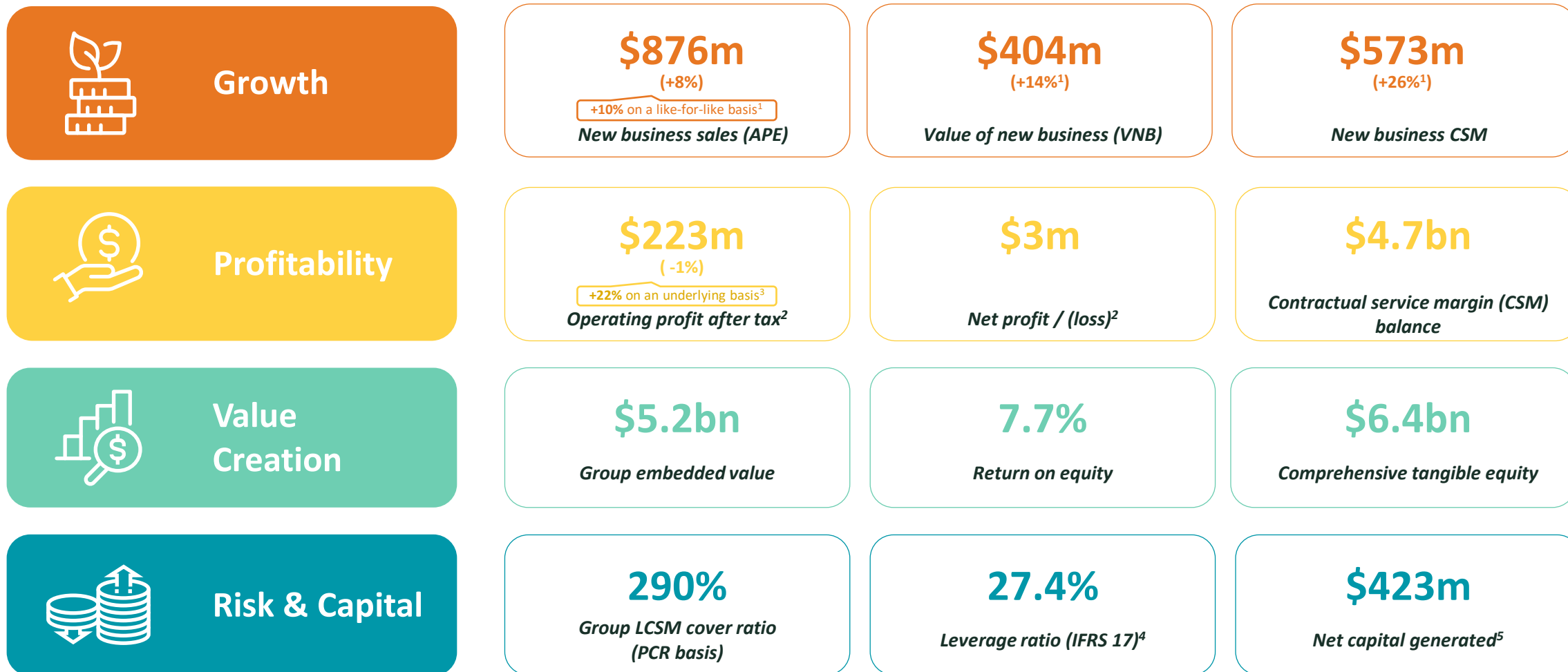


# 1H24 results presentation

August 2024



# Strong financial performance across key metrics continuing into 1H24

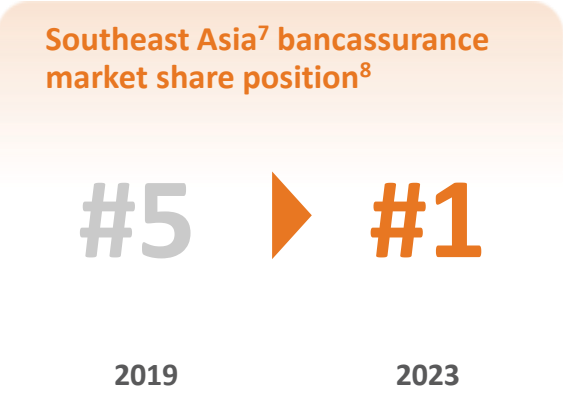
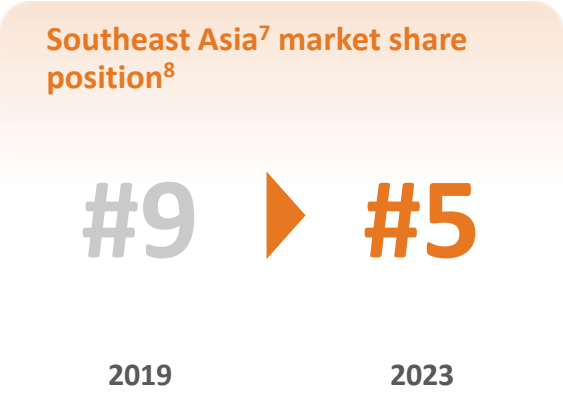
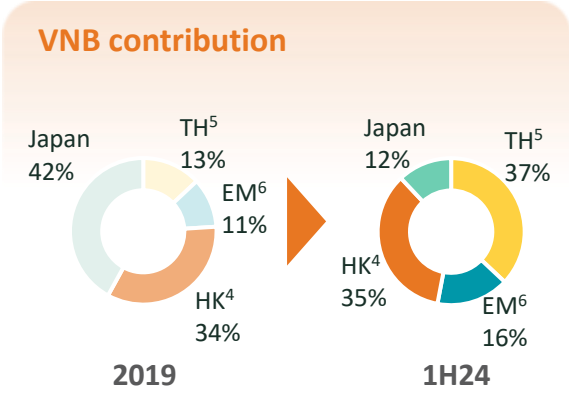
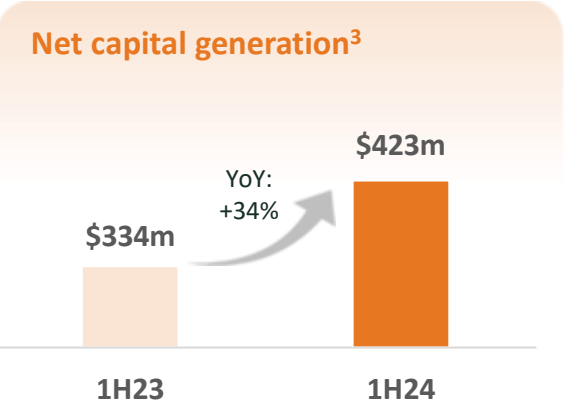
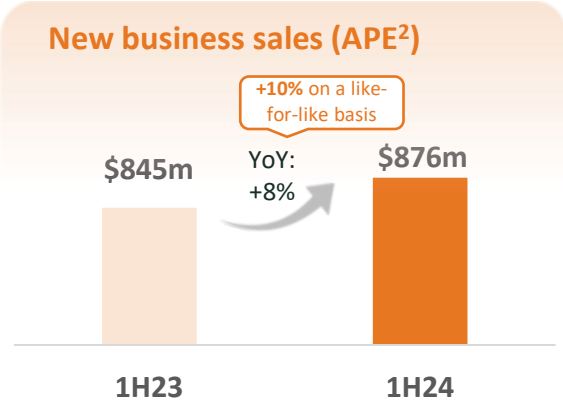
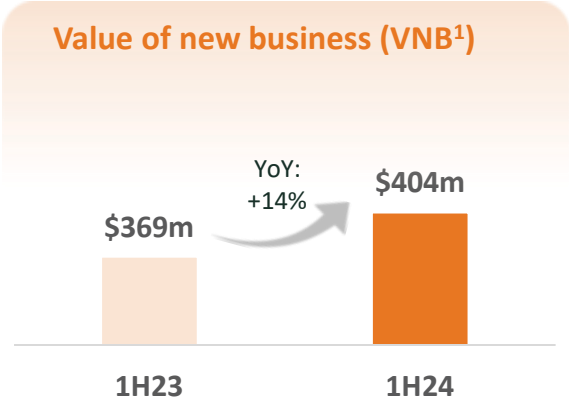


Note: Unless otherwise indicated, all data as of 30-Jun-2024 or during 1H24, with YoY growth rates from 1H23 to 1H24. | <sup>1</sup> 1H23 to 1H24 VNB and new business CSM YoY growth on a like-for-like basis. | <sup>2</sup> Operating profit after tax and net profit attributable to Equity Holders of the Company. | <sup>3</sup> 1H23-24 YoY OPAT growth on an underlying basis adjusted for 2023 operating assumption changes and one-off items. | <sup>4</sup> Normalised leverage ratio excluding indebtedness maturing in the second half of 2024, i.e., \$900m subordinated notes due in July 2024 and the \$325m medium-term notes due in September 2024. | <sup>5</sup> Adjusted net underlying free surplus generation.

A large, solid orange shape on the left side of the slide, resembling a rounded arrow pointing towards the right.

# Business highlights

# 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> 1H23 VNB and new business CSM and corresponding 1H23-24 YoY growth on a like-for-like basis. | <sup>2</sup> APE denotes annualised premium equivalent. | <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> Hong Kong & Macau. | <sup>5</sup> Thailand & Cambodia. | <sup>6</sup> Denotes Emerging Markets, which include the Philippines, Indonesia, Singapore, Vietnam and Malaysia. | <sup>7</sup> Includes Thailand & Cambodia and Emerging Markets. | <sup>8</sup> Ranking and market share by individual APE in 2023 in Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia based on aggregation of various available industry disclosures in the respective markets. | <sup>9</sup> MDRT-registered members shown according to the MDRT association (published in Jul 2024) based on specific qualification criteria in the prior year to determine MDRT eligibility.

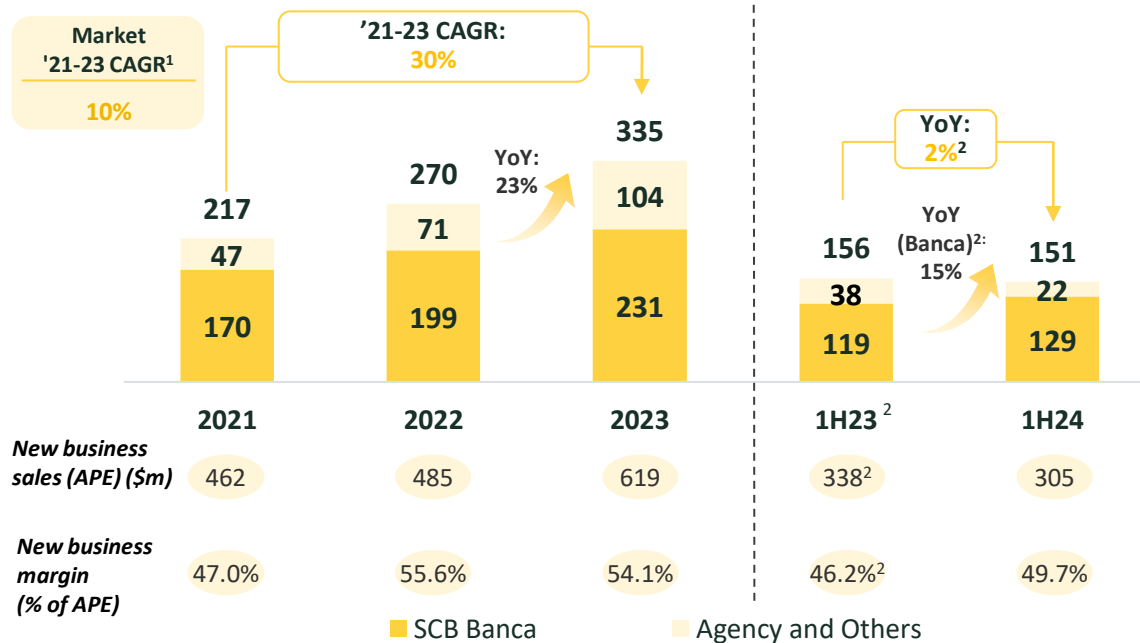
# Overview of our business segments

## Thailand & Cambodia

- Extended banca partnership with SCB in 2023
- Continued strong growth; #1 in bancassurance channel in Thailand
- Ranked #2 in Thailand in terms of individual APE

### Value of new business

(\$m)

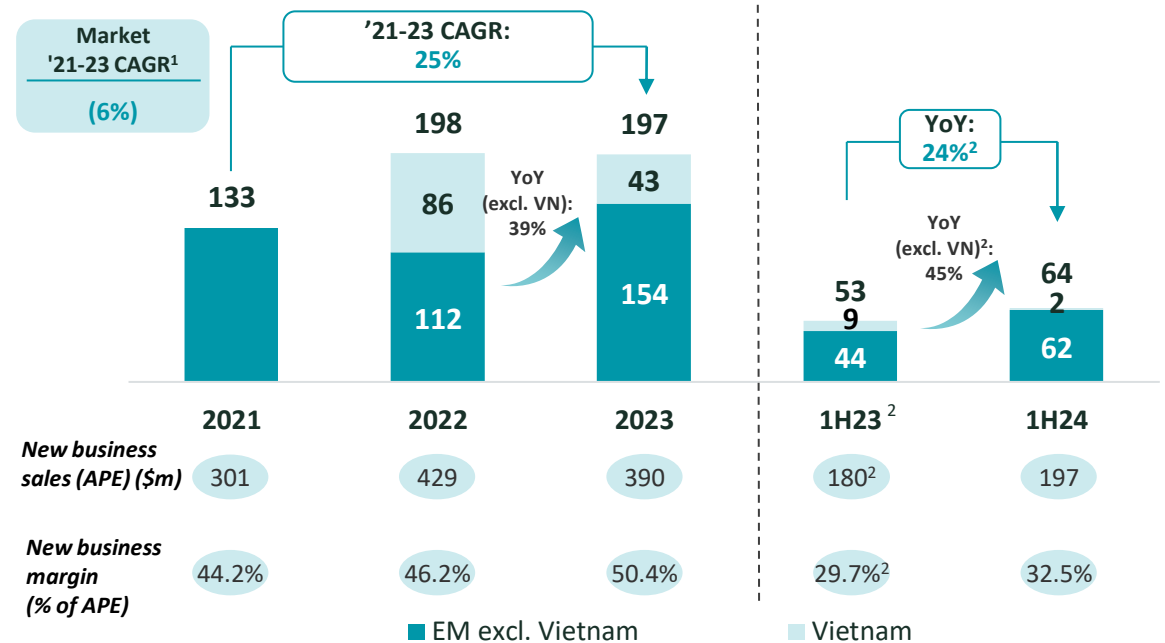


## Emerging Markets

- Market disruption in Vietnam offset by steady growth in other Emerging Markets countries, with a continued shift towards higher margin products
- Deliberate protection-focused strategy and enhanced exclusive partnerships with leading banks in the respective markets
- Positive operating profit<sup>3</sup> since 2023 as operations reach scale

### Value of new business

(\$m)



<sup>1</sup> Defined as total life insurance market individual APE 2021-23 CAGR on an actual exchange rate basis. | <sup>2</sup> 1H23 APE, VNB, VNB margin and 1H23-24 VNB YoY growth stated on a like-for-like basis, assuming changes to actuarial methodology and operating assumptions at the end of to better reflect latest post-COVID experience and market disruption in Vietnam are retrospectively applied and also include costs associated with agency recruitment programmes. | <sup>3</sup> Operating profit after tax.

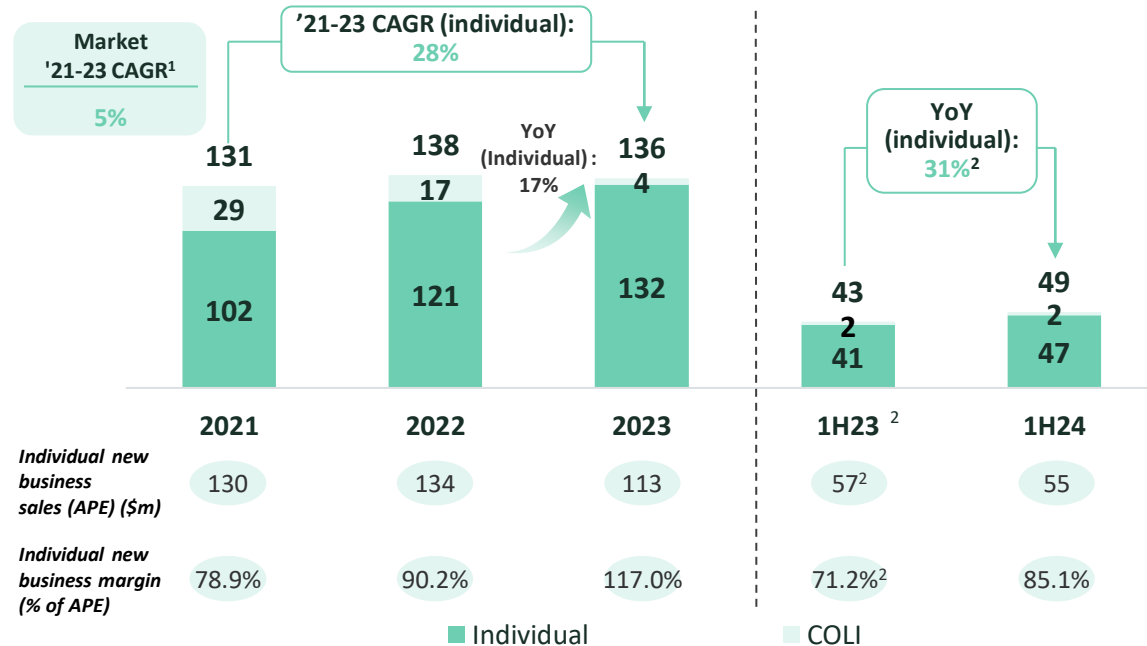
# Overview of our business segments (cont'd)

## 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**
- Successfully **pivoted away from COLI business**

### Value of new business

(\$m)

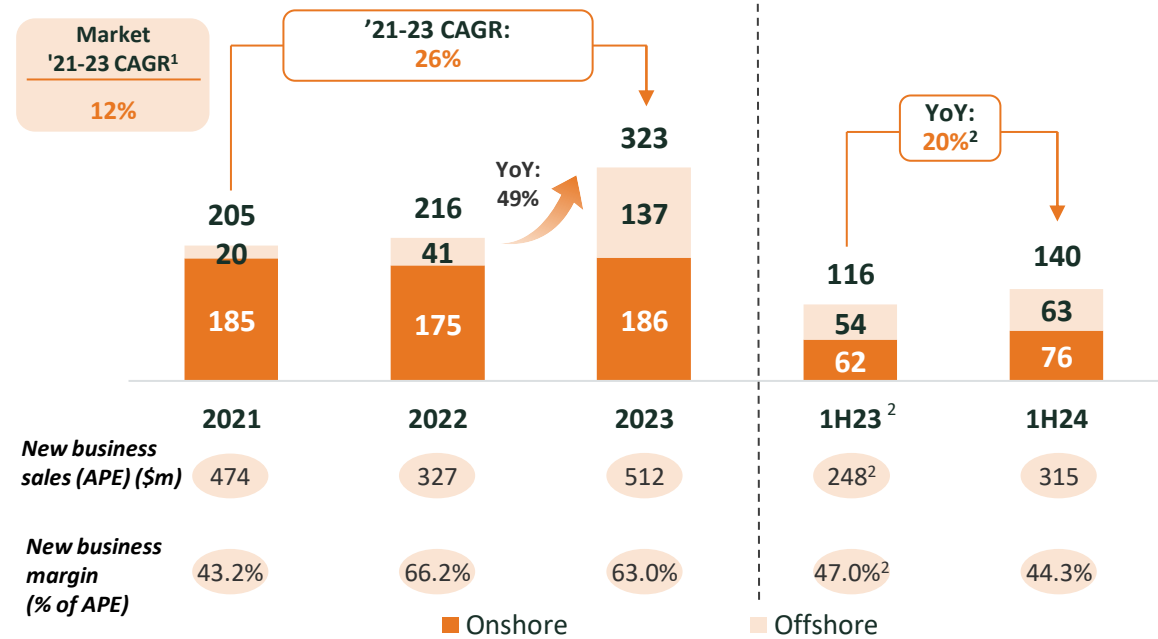


## Hong Kong & Macau

- 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>3</sup> +93% YoY in 2023
- Top 5 across each distribution channel by 2023 FYP<sup>4</sup>

### Value of new business

(\$m)



<sup>1</sup> Defined as total life insurance market individual APE 2021-23 CAGR on an actual exchange rate basis. For Japan, CAGR from the 12 months ended Sep 2021 to the 12 months ended Sep 2023 on an actual exchange rate basis. | <sup>2</sup> 1H23 APE, VNB, VNB margin and 1H23-24 VNB YoY growth stated on a like-for-like basis, assuming changes to actuarial methodology and operating assumptions at the end of to better reflect latest post-COVID experience and market disruption in Vietnam are retrospectively applied and also include costs associated with agency recruitment programmes. | <sup>3</sup> Operating profit after tax. | <sup>4</sup> FYP refers to all single premiums and premiums received in the first year of a recurring premium policy.

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

Sustainable bancassurance growth driven by partners with strong strategy alignment

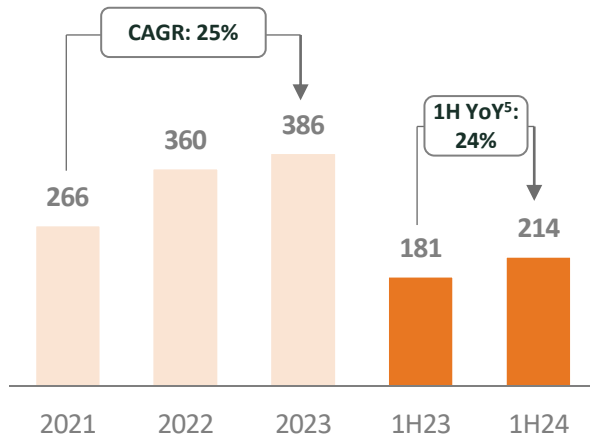
**No.1** bancassurer in SEA<sup>1</sup>

with **9** exclusive partnerships, including:

**SCB** : **extended** exclusive partnership in 2023

**BANK BRI** : exclusive partnership via **BRI life**, which had **18m+** customers<sup>2</sup>

Bancassurance value of new business (\$m)



Strategically investing in scaling a productive agency force

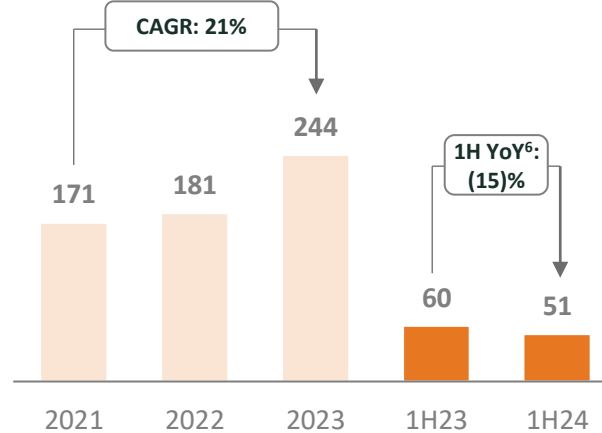
**32%**

2021-2023 agency force CAGR

**Top 2**

2024 Ranking for MDRT membership<sup>3</sup> in Thailand and the Philippines

Agency value of new business (\$m)

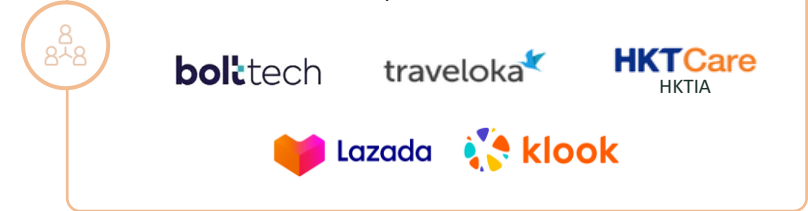


Partnership with businesses across the eCommerce, retail and fintech industries

Ecosystem partnerships

**300m+**

Accessible potential customers<sup>4</sup>



Cross-channel sales

Strengthening offline channels with digital capabilities

**\$35m** online-to-offline value of new business<sup>5</sup>



Note: Unless otherwise indicated, all data as of 30-Jun-2024. <sup>1</sup> Ranking by individual APE in 2023 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 Jun 2024. As of Mar 2024, we owned 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> As of July 2024 according to NMG. | <sup>5</sup> Captured within the respective offline channels in FY2023. | <sup>6</sup> 1H23 and 1H24 agency and bancassurance VNB YoY growth on a like-for-like basis on a constant exchange rate (CER) basis.

# 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 the aim to achieve more top 3 market share positions by new business sales, 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



# Financial highlights

# Achieved financing priorities in 1H24 – setting the stage for profitable and sustainable growth

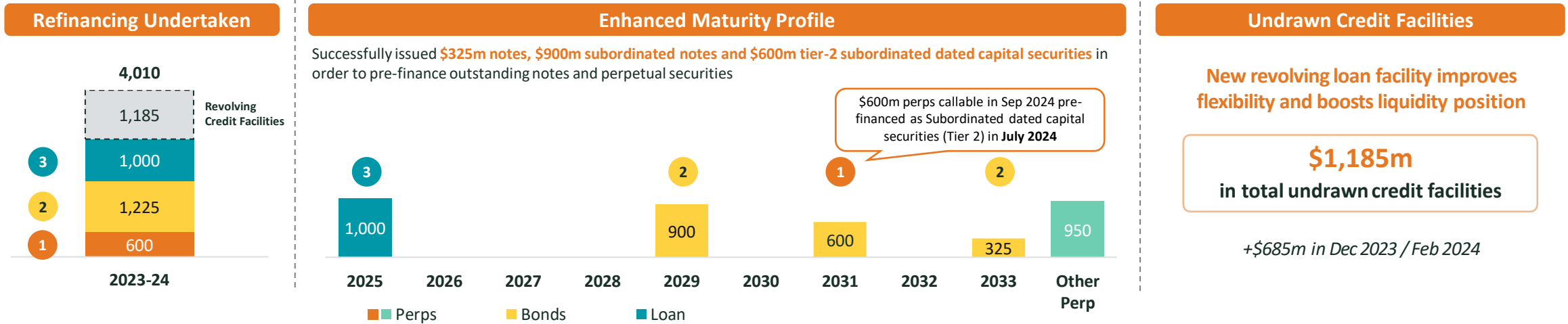
<p><b>1</b></p>	<p><b>Strong investment grade credit ratings</b></p>	<ul style="list-style-type: none"> <li>• Investment Grade credit ratings affirmed by both Moody’s and Fitch with positive outlook from Moody’s</li> <li>• Testament to our strong financial position, healthy business profile and disciplined approach to growth</li> </ul>	
<p><b>2</b></p>	<p><b>Continued balance sheet strengthening</b></p>	<ul style="list-style-type: none"> <li>• Refinanced a total of \$1,825m debt in the last 12 months to refinance outstanding notes and reduce interest cost on perpetual securities</li> <li>• Additional \$685m revolving loan facility, providing further flexibility and boosting strong liquidity position</li> </ul>	
<p><b>3</b></p>	<p><b>Prudent financial management</b></p>	<ul style="list-style-type: none"> <li>• Executing cost and expense management plan, with a pathway to eliminating expense overruns (~50% reduction in 1H23-24)</li> <li>• Revised actuarial methodology and operating assumptions to better reflect post-pandemic experience across markets including market disruption in Vietnam</li> </ul>	
<p><b>4</b></p>	<p><b>Record dividend upstream from operating entities</b></p>	<ul style="list-style-type: none"> <li>• Positive net profit (attributable to equity holders) in 1H24</li> <li>• All four operating segments (Thailand, HK, Japan, Emerging Markets) operating profit positive again in 1H24, with 1H23-24 underlying operating profit<sup>1</sup> growth of 22%</li> <li>• Record amount of upstreaming of dividends from all major established operating segments in 1H24 (c. \$600m)</li> </ul>	

<sup>1</sup> Operating profit after tax and net profit attributable to Equity Holders of the Company. See Note 6 of the 1H24 consolidated financial statements for further information; 1H23-24 YoY growth on an underlying basis excludes the 2023 operating assumption changes and one-off items.

# Robust balance sheet further boosted by enhanced liquidity management

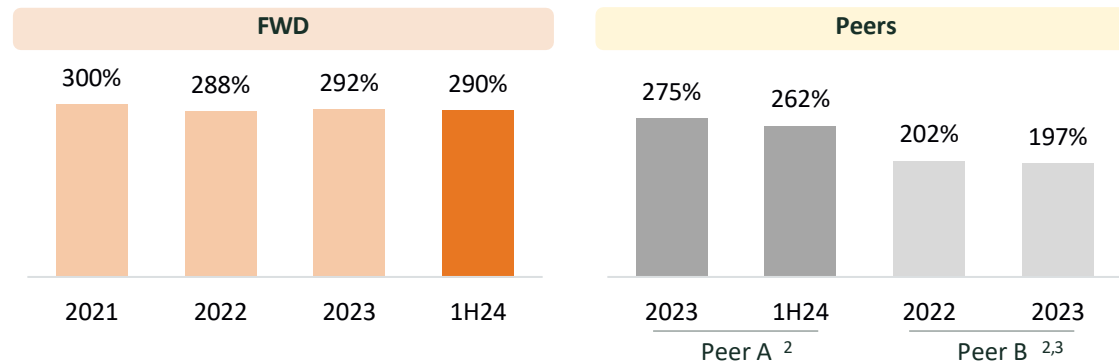
## Enhanced maturity profile from successful refinancing

(\$m)



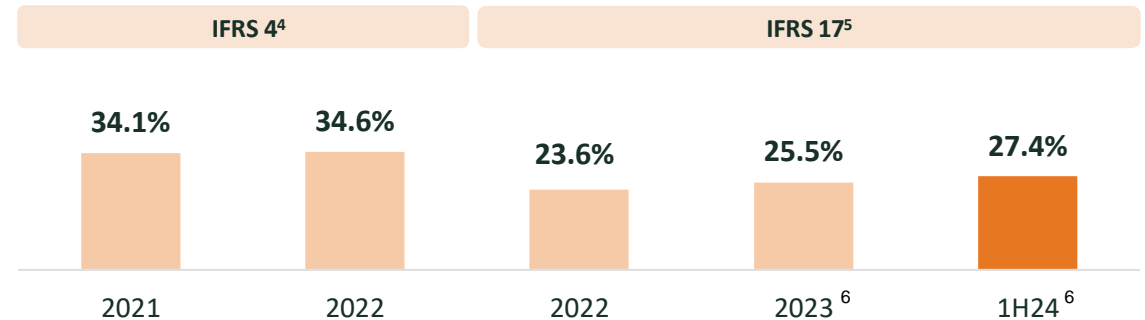
## Robust solvency position on a GWS basis

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



## Improving leverage on an IFRS 17 basis

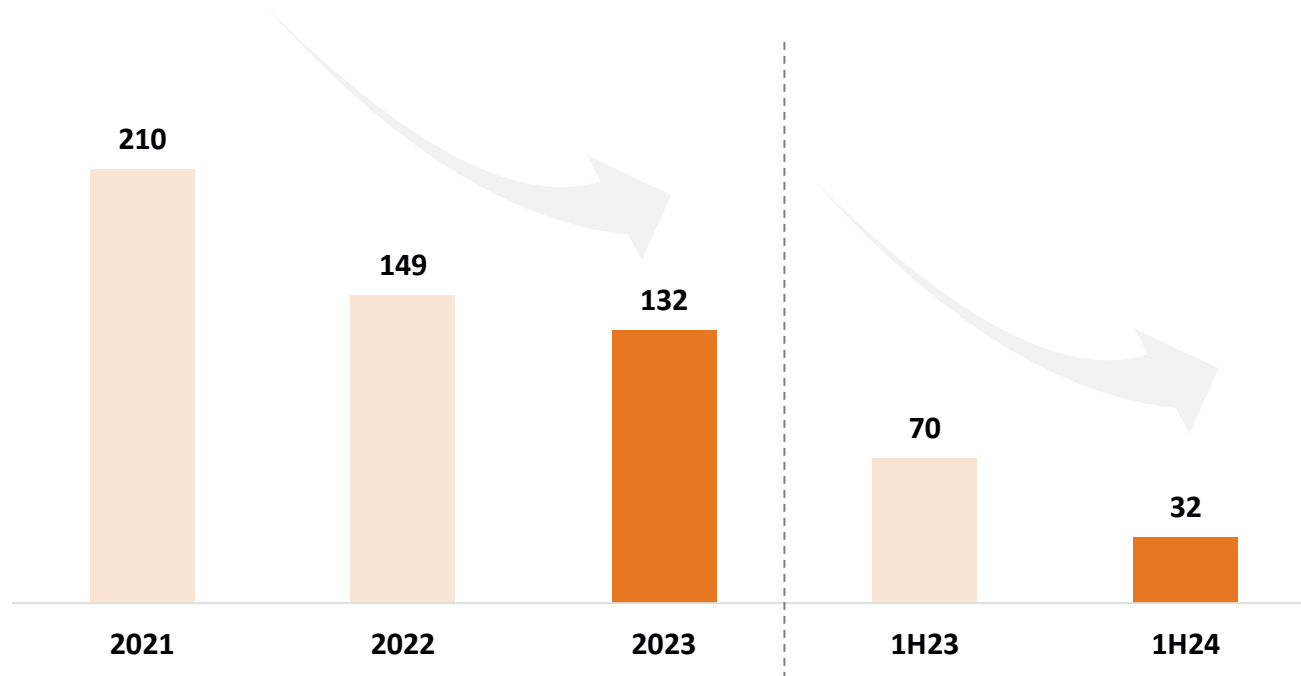
Leverage ratio (%)



<sup>1</sup> Based on Local Capital Summation Method. PCR denotes group prescribed capital requirement. FWD Group Holdings Limited (FWD) was not part of the supervised group in 2021; 2021 ratio reflected the capital resources in FWD for like-to-like comparison with 2022-24. | <sup>2</sup> Denotes total GWS cover ratio (PCR basis) for Peer A (given data availability); total 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 Shareholders' allocated segment equity 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 indebtedness maturing in the second half of 2024, i.e., the \$900m subordinated notes due in Jul 2024 and the \$325m medium-term notes due in Sep 2024.

# Focus on expense discipline leading to reduction in expense overrun

**EV operating variance – expenses<sup>1</sup>**  
(\$m)



## Key highlights

Expense growth lower than growth in allowances

Dynamic expense management

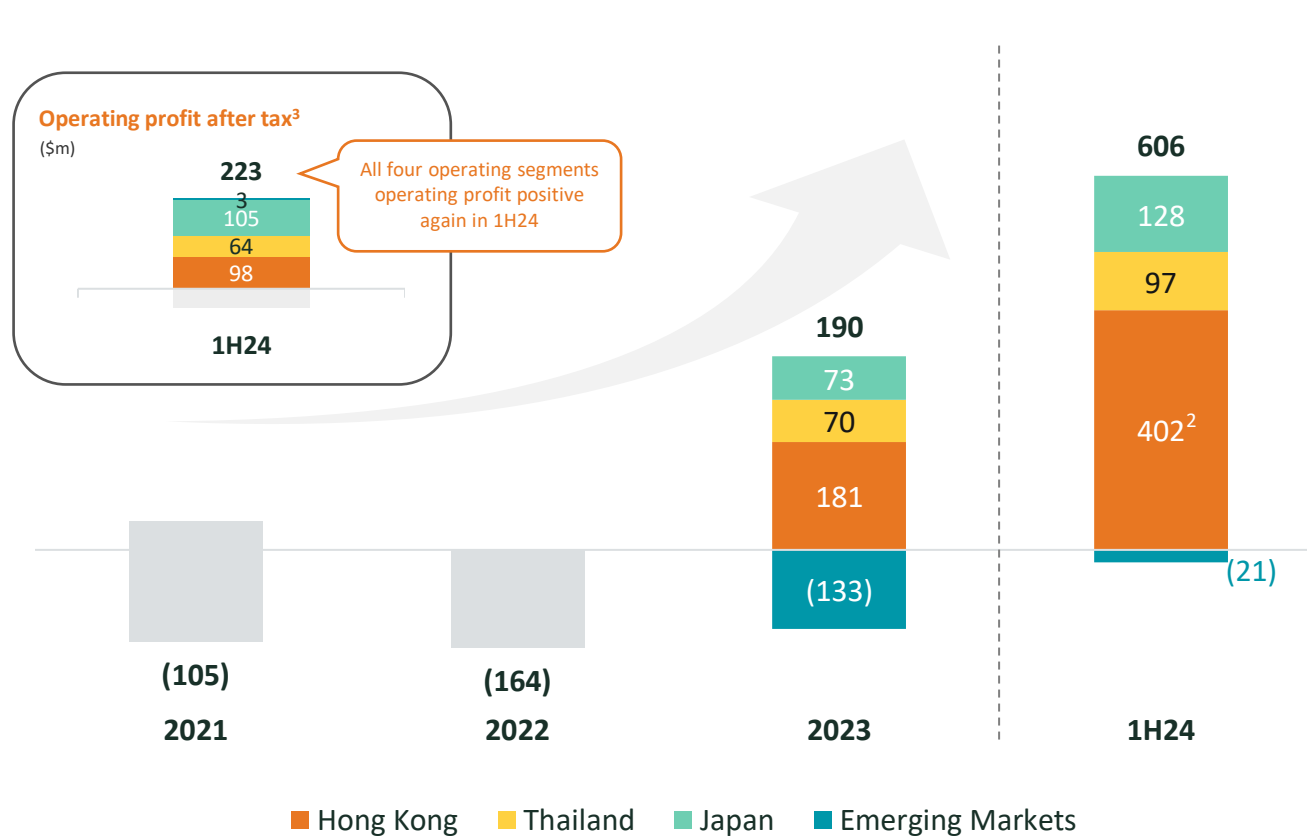
Ongoing cost rationalisation and streamlining with prudent measures taken to manage central costs

<sup>1</sup> Operating expense and commission variances presented as absolute value.

# Higher capital remittances on the back of profitability improvements

## Net remittances by segment<sup>1</sup>

(\$m)



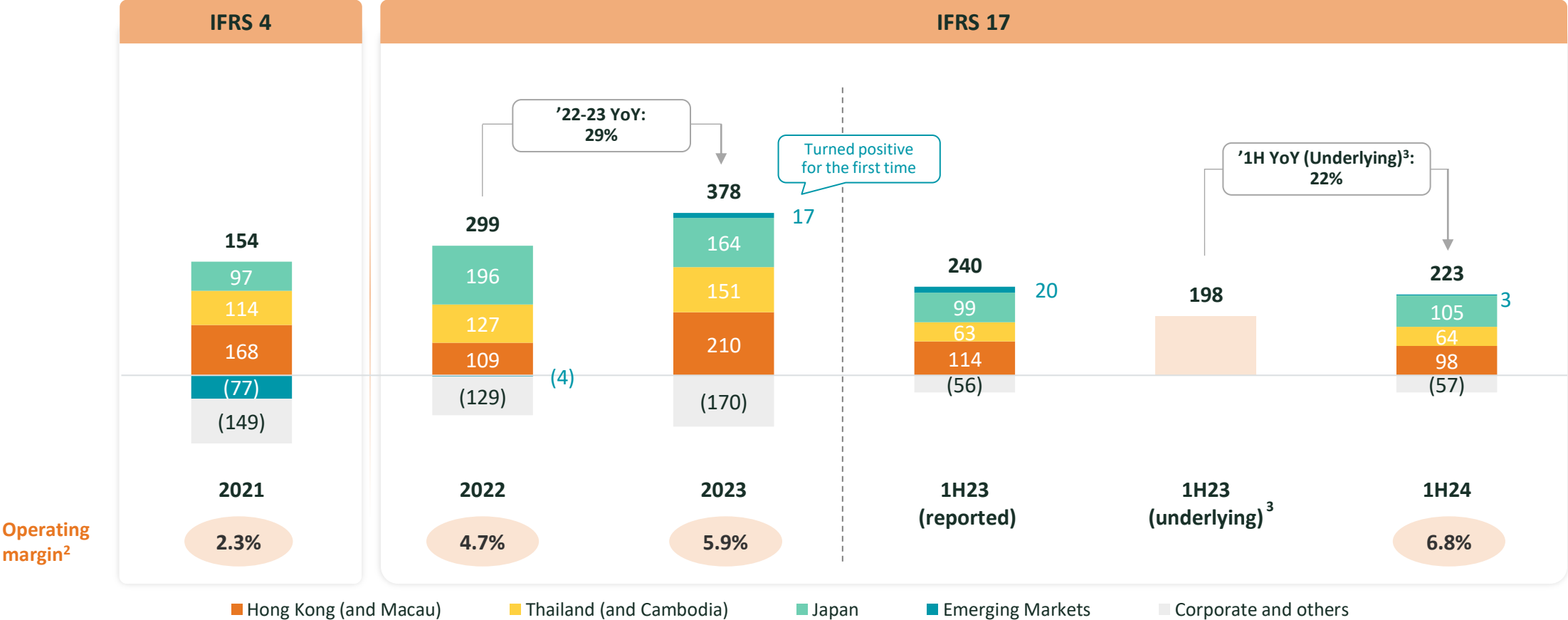
- Hong Kong** Upstreamed dividends for the first time post HK RBC adoption in 2023, which has continued in 2024<sup>2</sup>
- Thailand** Upstreamed dividends for the first time in 2023, benefiting from strong profitable growth
- Japan** First segment to remit capital to Group – remittance increased from \$49m in 2021 to \$73m in 2023 and further to \$128m in 1H24
- Emerging Markets** Positive operating profit for the first time in 2023, becoming self-sustaining as the business scales

<sup>1</sup> Net remittances refer to Note 6.1 in Financial Statements, excludes \$54m, \$49m and \$51 million for subscription of additional interest in BRI Life in 2022, 2023 and 1H24 respectively and other adjustments. | <sup>2</sup> Gross US\$404m dividends received from Hong Kong (and Macau) on 5 July 2024. | <sup>3</sup> Operating profit after tax attributable to Equity Holders of the Company. Segment level split of operating profit after tax (including Corporate and Others) shown is gross of non-controlling interests.

# Financial results

# Stable and growing operating profit under IFRS 17

## Operating profit after tax<sup>1</sup> (\$m)

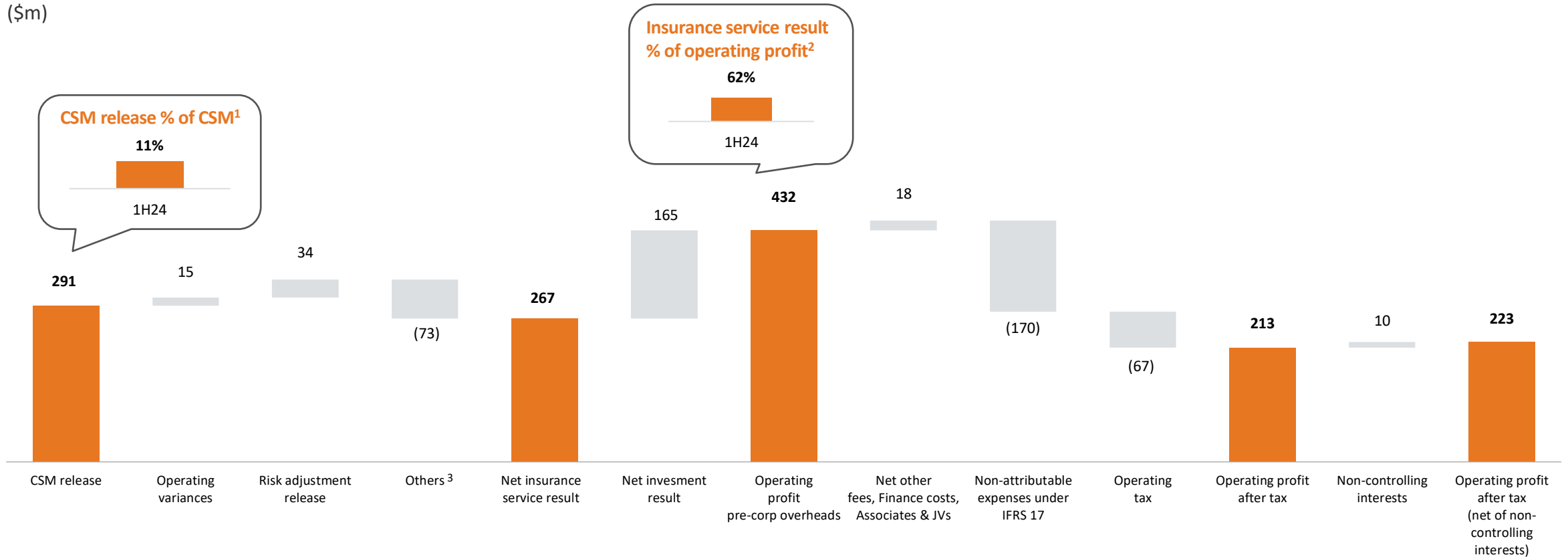


<sup>1</sup> Operating profit after tax net of non-controlling interests. Segment level operating profit after tax shown is gross of non-controlling interests. | <sup>2</sup> Calculated as operating profit after tax (on an IFRS 4 basis for 2021 and on an IFRS 17 basis for 2022, 2023, 1H23 and 1H24) attributable to Equity Holders of the Company, divided by TWPI. | <sup>3</sup> 1H23 OPAT and 1H23-24 YoY growth on an underlying basis excludes the 2023 operating assumption changes and one-off items.

# CSM release remains the core driver of operating profit

## IFRS 17 operating profit bridge (1H24)

(\$m)



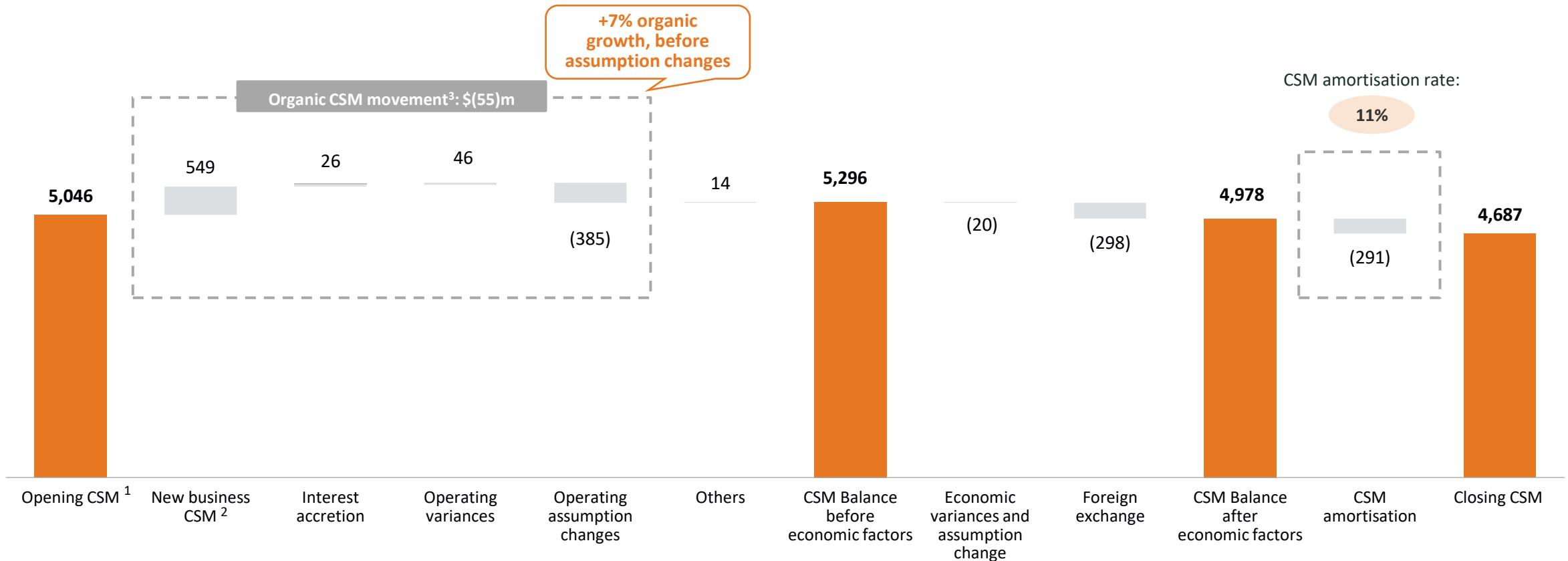
<sup>1</sup> Denotes CSM release divided by closing balance of CSM excluding CSM amortisation and foreign exchange movement. | <sup>2</sup> Denotes operating profit pre-corporate overheads. | <sup>3</sup> Other revenue and operating onerous loss.



# High organic growth of CSM before assumption change

## CSM evolution (1H24)

(\$m)

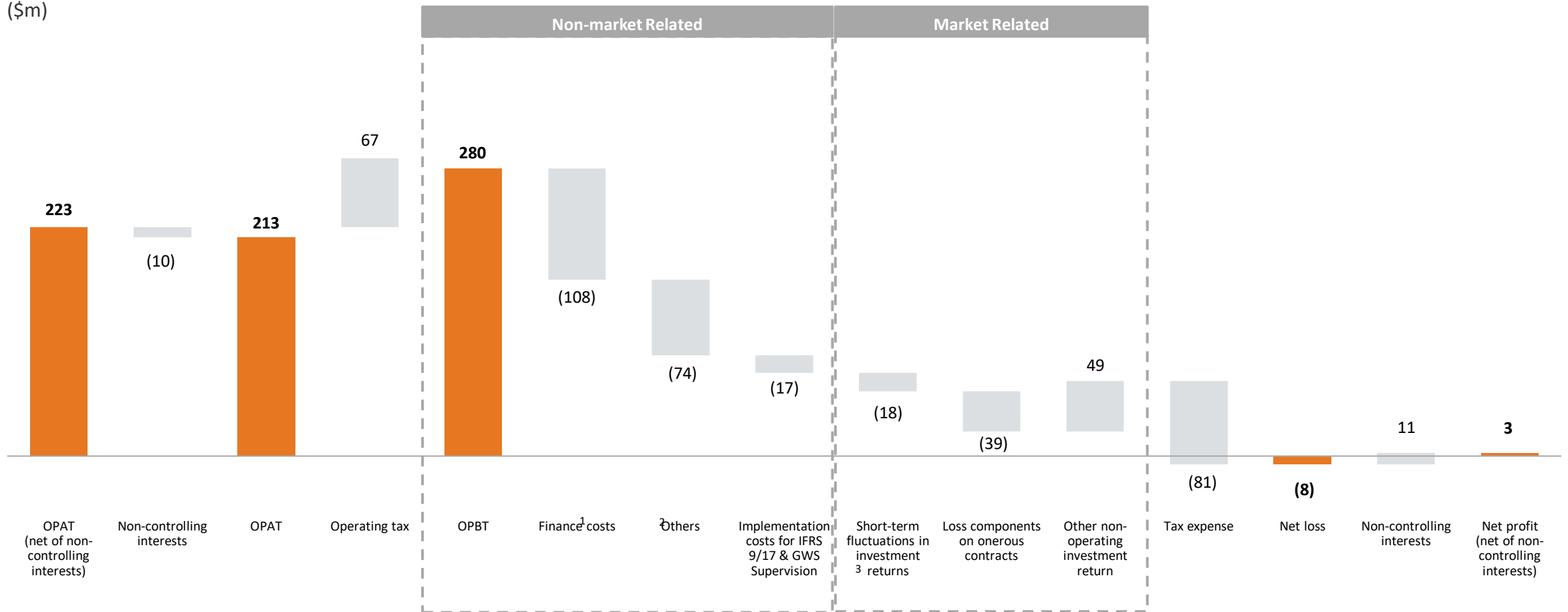


<sup>1</sup> Opening CSM after allowing for reinsurance. | <sup>2</sup> New business contractual service margin presented excludes the impact of the investment in BRI Life. | <sup>3</sup> Organic CSM movement includes CSM amortisation of \$(291)m for 1H24.

# Improvement to net profit from reductions in one-off impacts

## IFRS 17 OPAT to NPAT (1H24)

(\$m)

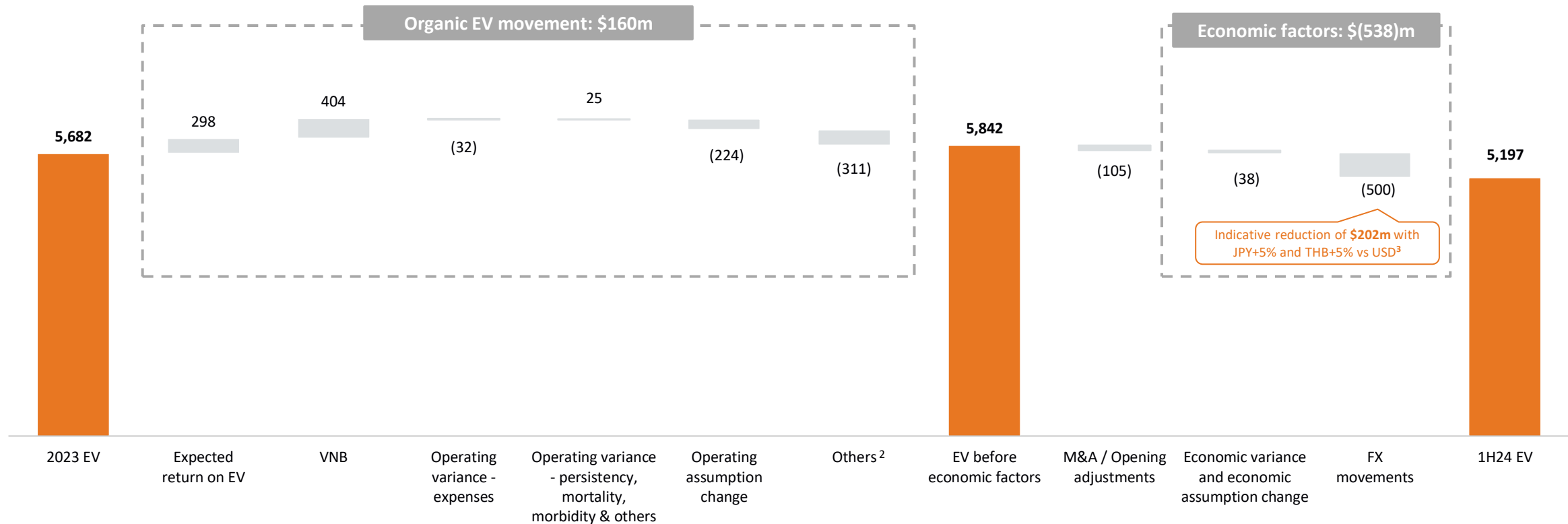


<sup>1</sup> Related to borrowings and long-term payables. | <sup>2</sup> M&A, business set up and restructuring related costs, IPO related costs and other non-operating items. | <sup>3</sup> Related to equities, interests in investment funds and investment property.

# Diminishing one-off impacts to embedded value

## 1H24 embedded value (EV) evolution<sup>1</sup>

(\$m)



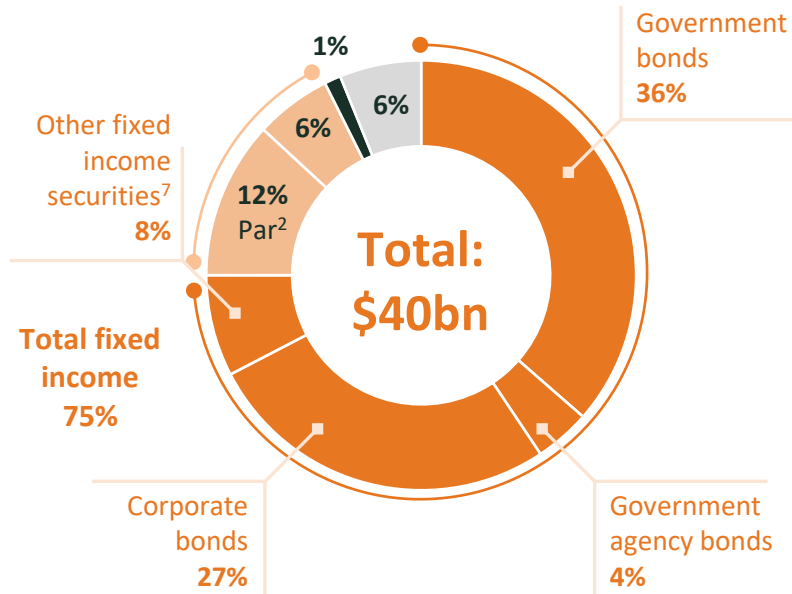
<sup>1</sup> Numbers may not sum due to rounding. | <sup>2</sup> Includes acquisitions & partnerships, other non-operating variance, corporate centre expenses, financing and reinsurance transactions. | <sup>3</sup> Based on +5% appreciation in JPY and THB having an effect of \$102m and \$100m, respectively, to the Japan and Thailand 1H24 operating entity EV.

# Appendix

# Balanced investment portfolio to achieve sustainable growth

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

1H24

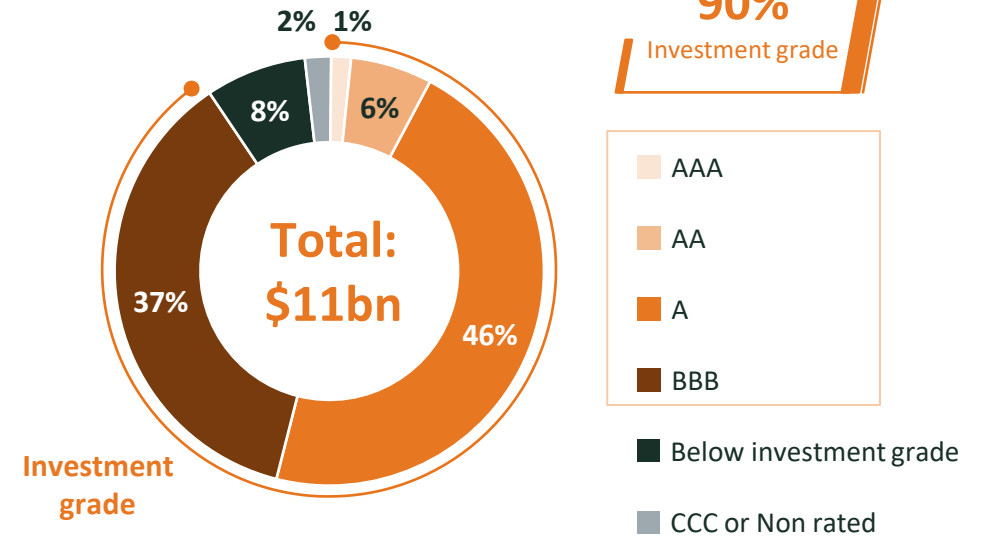


■ Fixed income   
 ■ Equities   
 ■ Investment properties   
 ■ Others<sup>3</sup>



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

1H24



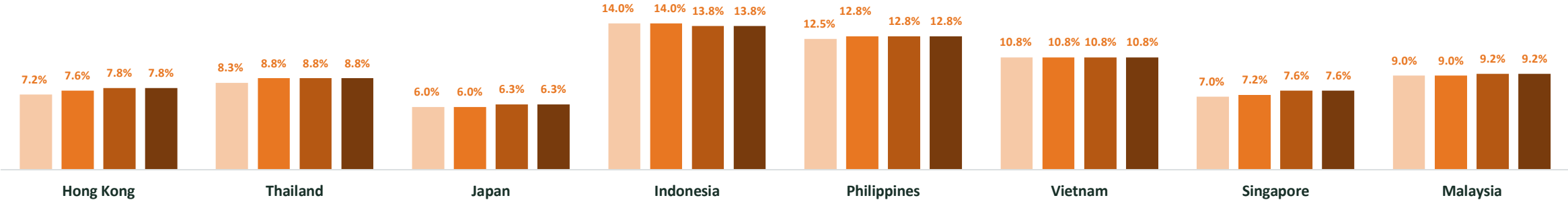
■ AAA  
■ AA  
■ A  
■ BBB  
■ Below investment grade  
■ CCC or Non rated

<sup>1</sup> May not sum up to 100% due to rounding. | <sup>2</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>3</sup> Includes policy loans, secured loans, derivatives, and cash and cash equivalents. | <sup>4</sup> Quarterly investment yield on non-participating portion of invested assets (annualised), as of 30 June 2024. | <sup>5</sup> As of 30 June 2024. | <sup>6</sup> Local government financing vehicle. | <sup>7</sup> Mainly includes structured securities and others.

# Embedded value: economic assumptions

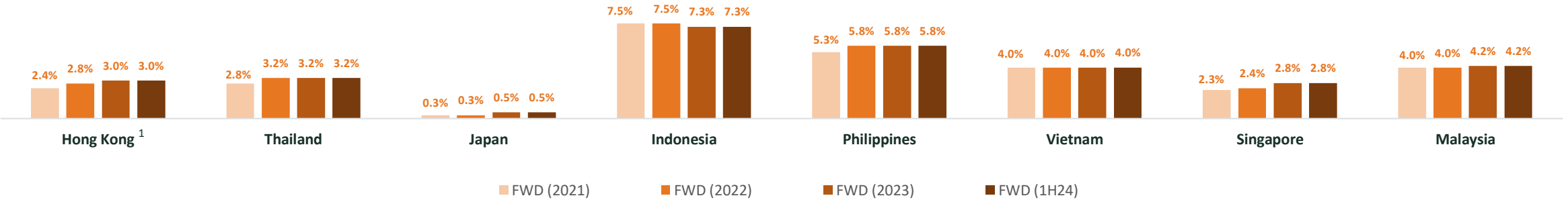
## Risk discount rate comparison

(%)



## Long-term 10-year government bond yield comparison

(%)

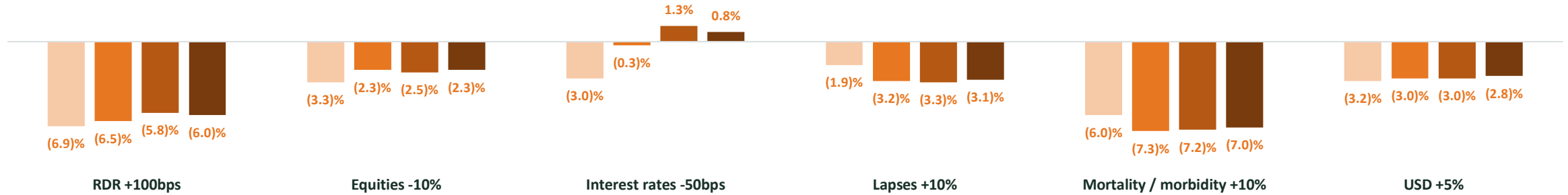


<sup>1</sup> Long-term 10-year government bond yields in US dollar-denominated bonds.

# Embedded value and value of new business sensitivities

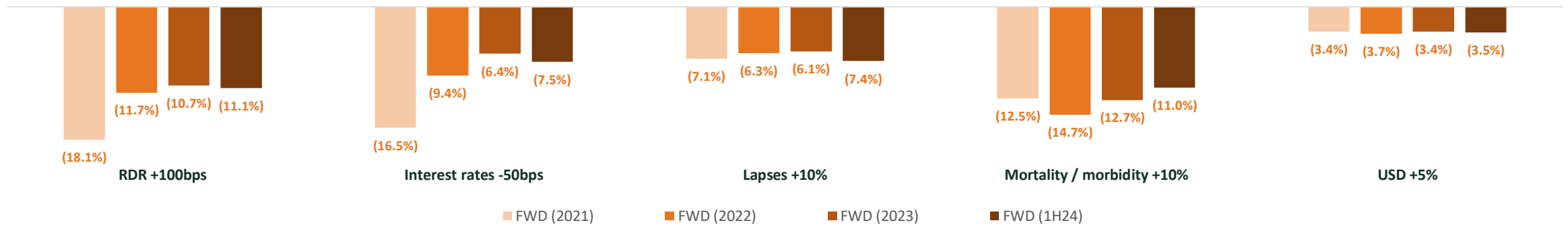
## Key embedded value sensitivities comparison<sup>1</sup>

(%)



## Key value of new business sensitivities comparison

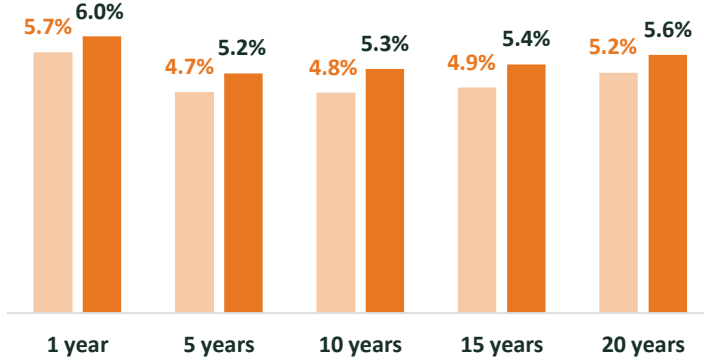
(%)



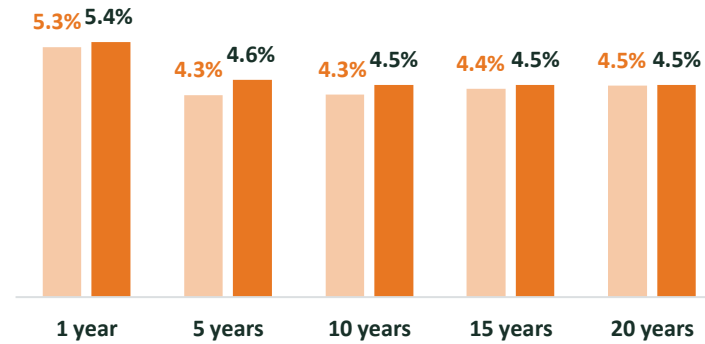
<sup>1</sup> Based on Operating EV.

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

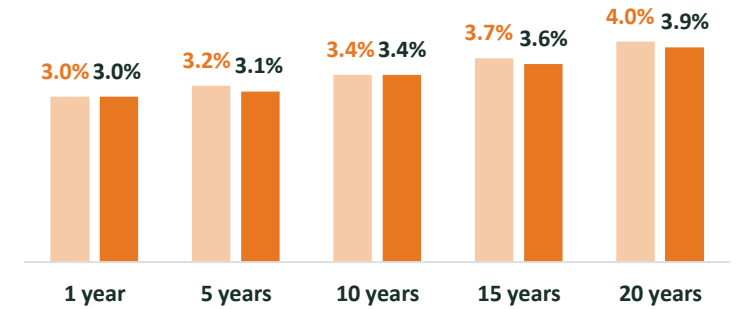
## Risk-free rate (“RFR”) with illiquidity premium – USD



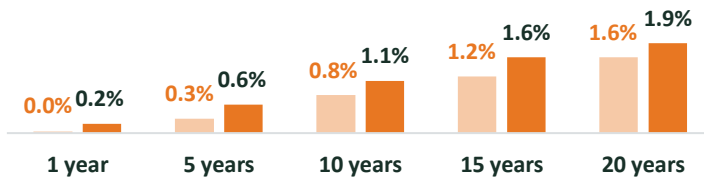
## RFR with illiquidity premium – HKD



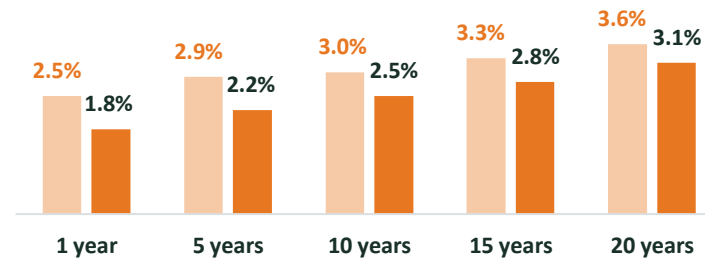
## RFR with illiquidity premium – THB



## RFR with illiquidity premium – JPY



## RFR with illiquidity premium – CNY



■ FWD (2023) ■ FWD (1H24)

Note: All rates presented for FWD are spot rates as of 31 December 2023 and 30 June 2024 for 2023 and 1H24, respectively.



# Disclaimer (1/4)

THIS PRESENTATION IS PROVIDED TO YOU FOR REFERENCE ONLY.

## Forward Looking Statements

This presentation may contain a number of "forward-looking statements". Forward looking statements include information concerning FWD Group ("FWD")'s possible or assumed future results of operations, business strategies, competitive position, industry environment and potential growth opportunities. These forward looking statements are based on FWD's management's current expectations, estimates, projections and beliefs, as well as a number of assumptions concerning future events. When used in this presentation, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future", "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements.

These forward looking statements are not a guarantee of future performance, conditions or results, and are subject to and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside FWD's management's control, that could cause actual results to differ materially from the results discussed in the forward looking statements. These risks, uncertainties, assumptions and other important factors include, but are not limited to, the possibility that FWD may be adversely affected by local, national and international economic, financial, political, business or competitive factors, as well as factors affecting local and international financial markets and economies and other risks, uncertainties and factors disclosed and identified by FWD from time to time. You are cautioned not to place undue reliance upon any forward looking statements, which speak only as of the dates made.

## Disclaimer (2/4)

### Key Performance Indicators

This presentation may also contain indicators of historical financial and operating performance that are based on a number of assumptions. These indicators include, but are not limited to, value of new business, new business margin, embedded value (EV), adjusted net UFG, operating EV, EV equity, EV operating profit, expected return on EV, operating ROEV and EV non-operating profit. These indicators, in particular those involving embedded value, are based on assumptions and methodologies that may not be consistent with US actuarial practices. Indicators prepared in accordance with US actuarial practices may be materially different and less favorable to FWD. These indicators reflect numerous assumptions, including assumptions with respect to industry performance, general business and economic conditions, investment returns, reserving standards, regulatory requirements with regard to solvency ratios and policyholder values, taxation, life expectancy and other matters, all of which are difficult to predict and many of which are beyond FWD's control. These indicators are inherently subjective in many respects and as the underlying assumptions for these indicators are forward-looking, actual results may differ materially from those assumed in the calculations. These key performance indicators are subject to adjustments or other changes, and any such adjustments or changes could be material.

In particular, embedded value is an estimate of our economic value and is based on a discounted cash flow valuation. However, standards with respect to the calculation of embedded value are still evolving, and there is no universal standard which defines the form, calculation method or presentation format of the embedded value of an insurance company. Assumptions used in embedded value calculations may deviate significantly from our actual experience and therefore the embedded value is consequently not inherently predictive. Furthermore, embedded value should not be construed to be a direct reflection of our performance. The inclusion of embedded value in this presentation should not be regarded as a representation by us, our management or any other person as to our future profitability. Because of the technical complexity involved in embedded value calculations and the fact that embedded value estimates vary materially as key assumptions are changed, you should use special care when interpreting embedded value results and should not place undue reliance solely on them.

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