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***Notice to Hong Kong investors**: The Issuer confirms that each tranche of Instruments (as defined below) is intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and the Programme (as defined below) has been, and the Instruments (to the extent they are to be listed on The Stock Exchange of Hong Kong Limited) will be, listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Instruments are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF THE SUPPLEMENTAL OFFERING CIRCULAR

FWD insurance

FWD GROUP HOLDINGS LIMITED
富衛集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1828)

(the "**Issuer**")

US$5,000,000,000 Global Medium Term Note and Capital Securities Programme

Arrangers

HSBC **Standard Chartered Bank**

Dealers

ANZ **Bank of China (Hong Kong)** **Citigroup** **CMB Wing Lung Bank Limited** **DBS Bank Ltd.**

Goldman Sachs (Asia) L.L.C. **Mizuho** **Morgan Stanley** **OCBC** **SMBC Nikko** **United Overseas Bank**

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Please refer to the supplemental offering circular dated 10 September 2025 (the "**Supplemental Offering Circular**") in relation to the update of the US$5,000,000,000 Global Medium Term Note and Capital Securities Programme (the "**Programme**"), which is supplemental to the offering circular dated 27 March 2025 (the "**Original Offering Circular**"), and together with the Supplemental Offering Circular, the "**Offering Circular**". A copy of the Original Offering Circular is available at https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0328/2025032800420.pdf. As disclosed in the Offering Circular, the medium term notes and dated and perpetual capital securities (the "**Instruments**") to be issued under the Programme are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and the Programme has been, and the Instruments to be issued under the Programme (to the extent they are to be listed on The Stock Exchange of Hong Kong Limited) will be, listed on The Stock Exchange of Hong Kong Limited on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer and no such inducement is intended.

Hong Kong, 11 September 2025

As at the date of this announcement, the directors of FWD Group Holdings Limited 富衛集團有限公司 are Professor MA Si Hang, Frederick as Chairman and independent non-executive director; Mr. LI Tzar Kai, Richard and Mr. HUYNH Thanh Phong (Group Chief Executive Officer) as executive directors; Mr. Walter KIELHOLZ and Mr. John DACEY as non-executive directors; and Ms. CHUNG Kit Hung, Martina, Mr. John BAIRD, Mr. Dirk SLUIMERS, Ms. Laura DEAL-LACEY, Ms. Kyoko HATTORI, Ms. Yijia TIONG, Mr. LEUNG Ka Kui, Dominic and Mr. Andrew WEIR as independent non-executive directors.

APPENDIX – SUPPLEMENTAL OFFERING CIRCULAR DATED 10 SEPTEMBER 2025

SUPPLEMENTAL OFFERING CIRCULAR

FWD GROUP HOLDINGS LIMITED
富衛集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1828)

US$5,000,000,000
Global Medium Term Note and Capital Securities Programme

This Supplemental Offering Circular (the "**Supplemental Offering Circular**") is issued to update the Offering Circular dated 27 March 2025 (the "**Original Offering Circular**"). This Supplemental Offering Circular is supplemental to, and should be read in conjunction with, the Original Offering Circular (together with this Supplemental Offering Circular, the "**Offering Circular**") and all other documents that are deemed to be incorporated by reference therein in relation to the Issuer's Programme. Save to the extent defined in this Supplemental Offering Circular, terms defined or otherwise attributed meanings in the Original Offering Circular have the same meaning when used in this Supplemental Offering Circular. References in the Original Offering Circular and this Supplemental Offering Circular to "this Offering Circular" or "the Offering Circular" mean the Original Offering Circular as supplemented by this Supplemental Offering Circular. To the extent that the Original Offering Circular is inconsistent with this Supplemental Offering Circular, the terms of this Supplemental Offering Circular shall prevail.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**HKSE**") for the listing of the Programme, under which Instruments may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only during the 12-month period after the date of the Original Offering Circular. This Supplemental Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong investors: the Issuer confirms that each Tranche (as defined under "*Terms and Conditions of the Notes*" or "*Terms and Conditions of the Capital Securities*", as applicable) of Instruments issued under the Programme is intended for purchase by Professional Investors only and the Programme has been and the Instruments, to the extent such Instruments are to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Instruments are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this Supplemental Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this Supplemental Offering Circular. Listing of the Programme or the Instruments on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Instruments, the Issuer or the Group or quality of disclosure in the Supplemental Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Supplemental Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Supplemental Offering Circular.

Investors should be aware that certain Capital Securities that may be issued under the Programme may be subordinated, have no maturity and Securityholders may not receive Distribution payments if the Issuer elects to or is required to defer or cancel Distribution payments. In addition, there are various other risks relating to the Notes and the Capital Securities, the Issuer and its subsidiaries, their business and their jurisdictions of operations which investors should familiarize themselves with before making an investment in any Instrument. See "*Risk Factors*" beginning on page 50 of the Original Offering Circular.

Arrangers

HSBC | **Standard Chartered Bank**

Dealers

ANZ | **Bank of China (Hong Kong)** | **Citigroup** | **CMB Wing Lung Bank Limited** | **DBS Bank Ltd.**

Goldman Sachs (Asia) L.L.C. | **Mizuho** | **Morgan Stanley** | **OCBC** | **SMBC Nikko** | **United Overseas Bank**

The date of this Supplemental Offering Circular is 10 September 2025.

DISCLAIMERS

This Supplemental Offering Circular, together with the Original Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

SIGNIFICANT / MATERIAL CHANGE

Since 30 June 2025, there has been no material adverse change in the financial position or prospects nor any significant change in the financial or trading position of the Issuer and the Group.

CONTENTS

RECENT DEVELOPMENTS

Our Initial Public Offering

We began trading on the Main Board of the Hong Kong Stock Exchange as a publicly listed company under the stock code "1828" on 7 July 2025. Our listing on the Hong Kong Stock Exchange represents an important milestone for our customers, our partners and teams across Asia.

As at the date of this Supplemental Offering Circular, the Company has not utilised the net proceeds raised from the IPO after the exercise of Over-allotment Option, as defined in the Company's prospectus dated 26 June 2025 (the "**Prospectus**"). The net proceeds from the IPO after the exercise of Over-allotment Option will be used in the manner as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The Company has no plans at this time to deviate from the use of proceeds and the business strategies disclosed in the Prospectus.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The summary historical data of financial information set forth below has been derived from, and should be read in conjunction with our interim financial statements as at and for the six months ended 30 June 2025 (the "**Interim Condensed Consolidated Financial Statements**") included in this Supplemental Offering Circular as well as the "***Interim Results***" section. Our Interim Condensed Consolidated Financial Statements have been prepared in accordance with IFRS. We have also presented a number of key performance indicators that we believe are useful in evaluating our performance.

SUMMARY CONSOLIDATED INCOME STATEMENT

	Six months ended 30 June	
US$ millions	**2025**	2024
	(Unaudited)	(Unaudited)
Insurance revenue	**1,482**	1,361
Insurance service expenses	**(1,097)**	(1,107)
Net expenses from reinsurance contracts held	**(27)**	(27)
Insurance service result	**358**	227
Interest revenue on		
Financial assets not measured at fair value through profit or loss	**609**	521
Financial assets measured at fair value through profit or loss	**50**	55
Other investment gains/(losses)	**(84)**	217
Net impairment loss on financial assets	**(2)**	(2)
Investment return	**573**	791
Net finance income/(expenses) from insurance contracts	**(564)**	(600)
Net finance income/(expenses) from reinsurance contracts held	**32**	6
Movement in investment contract liabilities	**(2)**	(2)
Net investment result	**39**	195
Net insurance and investment result	**397**	422
Other revenue	**26**	15
General and other expenses	**(205)**	(261)
Borrowings and other finance costs	**(124)**	(119)
Profit/(loss) before share of profit/(loss) from associates and joint ventures	**94**	57
Share of profit/(loss) from associates and joint ventures	**15**	16
Profit/(loss) before tax	**109**	73
Tax benefit/(expense)	**(70)**	(81)
Net profit/(loss)	**39**	(8)

US$ millions	Six months ended 30 June **2025**	 2024
	(Unaudited)	(Unaudited)
Net profit/(loss) attributable to:		
Equity Holders of the Company	**47**	3
Shareholders of the Company	**10**	(54)
Perpetual securities	**37**	57
Non-controlling interests	**(8)**	(11)
	39	(8)

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ millions	**As at 30 June 2025**	**As at 31 December 2024**
	(Unaudited)	
ASSETS		
Intangible assets	**3,175**	3,085
Investments in associates and joint ventures	**448**	438
Property, plant and equipment	**131**	139
Investment property	**497**	466
Insurance contract assets	**685**	683
Reinsurance contract assets	**2,868**	2,696
Financial investments		
At fair value through other comprehensive income debt securities	**35,048**	31,408
At fair value through profit or loss		
Debt securities	**2,707**	1,750
Equity securities	**210**	221
Interests in investment funds	**9,640**	9,103
Derivative financial instruments	**328**	285
Loans and deposits	**969**	902
	48,902	43,669
Deferred tax assets	**214**	176
Current tax recoverable	**51**	51
Other assets	**766**	622
Cash and cash equivalents	**1,624**	1,687
Total assets	**59,361**	53,712

US$ millions	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
LIABILITIES		
Insurance contract liabilities	**46,588**	41,646
Reinsurance contract liabilities	**417**	366
Investment contract liabilities	**18**	32
Borrowings	**2,788**	2,793
Derivative financial instruments	**497**	528
Provisions	**39**	40
Deferred tax liabilities	**169**	172
Current tax liabilities	**214**	147
Other liabilities	**1,330**	1,174
Total liabilities	**52,060**	46,898
EQUITY		
Share capital and share premium	**9,010**	9,010
Other reserves	**193**	190
Retained earnings/(accumulated losses)	**(2,130)**	(2,139)
Amounts reflected in other comprehensive income	**(573)**	(1,049)
Fair value reserve	**(1,615)**	(2,584)
Insurance finance reserve	**1,471**	2,292
Cash flow hedge reserve	**59**	6
Defined benefit obligation revaluation reserve	**3**	3
Foreign currency translation reserve	**(443)**	(714)
Share of other comprehensive income of associates and joint ventures	**(48)**	(52)
Total equity of the Group attributable to:		
Equity Holders of the Company	**7,241**	6,753
Shareholders of the Company	**6,500**	6,012
Perpetual securities	**741**	741
Non-controlling interests	**60**	61
Total equity	**7,301**	6,814
Total liabilities and equity	**59,361**	53,712

OTHER DATA

The following table sets forth our key performance indicators for the periods indicated.

US$ millions, except for percentages	**Six months ended / as at 31 Dec or 30 Jun(1)** **2025**	2024	**Growth (year on year CER basis)**
Profitability			
Operating profit after tax	**251**	223	9%
Net profit/(loss)	**47**	3	nm
CSM balance	**5,996**	5,174	11%
Growth			
New business sales (APE)	**1,246**	876	38%
New business CSM	**794**	573	34%
Value of new businesses	**506**	404	21%
Risk & Capital			
Net underlying free surplus generation	**417**	193	115%
Group local capital summation method cover ratio(2)	**283%**	260%	n/a
Value			
Group embedded value	**6,380**	5,569	8%
Comprehensive tangible equity	**8,150**	7,162	8%
Return on tangible equity	**17%**	15%	n/a

Notes:

(1) The results are for the six months ended 30 June 2025 and are compared to the same period in 2024. CSM balance, Group LCSM cover ratio, group embedded value, comprehensive tangible equity and return on equity 2024 values are December 2024 balances/ratios and growth rates are shown accordingly. Growth rates are represented on a constant exchange rate (CER) basis. Except for operating profit/(loss) after tax (non-IFRS measure), net profit/(loss), CSM, and comprehensive tangible equity, all other numbers are unaudited. Operating profit after tax and net profit after tax represent the amounts attributable to equity holders of the company and are presented net of non-controlling interests. New business sales are calculated on an annualised premium equivalent (APE) basis, based on 100 percent annualised first year premiums and 10 percent single premiums. Return on tangible equity is calculated as operating profit after tax, divided by the average of the balances of tangible equity as of the beginning and end of such period. Tangible equity is calculated as adjusted total equity attributable to shareholders of the company, minus the intangible assets net of non-controlling interests.

(2) Prescribed capital requirement (PCR) basis.

CAPITALISATION

The following table sets forth our consolidated capitalisation as of 30 June 2025. The table should be read in conjunction with the Interim Condensed Consolidated Financial Statements included in this Supplemental Offering Circular.

	As of 30 Jun 2025
	(Unaudited)
	(US$ millions)
Borrowings	
Bank borrowings	990
Medium term notes	318
Subordinated notes	888
Subordinated dated capital securities	592
Total Borrowings	2,788
Equity	
Share capital and share premium	9,010
Other reserves	193
Accumulated losses	(2,130)
Fair value reserve	(1,615)
Insurance finance reserve	1,471
Cash flow hedge reserve	59
Defined benefit obligation revaluation reserve	3
Foreign currency translation reserve	(443)
Share of other comprehensive income of associates and joint ventures	(48)
Total Shareholders' equity	6,500
Perpetual securities	741
Non-controlling interests	60
Total capitalisation(1)	10,089

Note:

(1) Total capitalisation represents the sum of total borrowings, perpetual securities, non-controlling interests and total shareholders' equity.

The Company completed its IPO on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1828" on 7 July 2025. Pursuant to the IPO, 91,342,100 ordinary shares with a par value of US$0.03 each were issued with gross proceeds of US$442 million. The Over-allotment Option, as defined in the Company's Prospectus, was partially exercised on 1 August 2025, pursuant to which there were 5,001,400 ordinary shares with a par value of US$0.03 each issued with gross proceeds of US$24 million on 6 August 2025. In connection with the IPO, the Group incurred listing expenses, which represent professional fees, underwriting commissions and other fees. Listing expenses of approximately US$17 million are expected to be accounted for as a deduction from share premium.

Save as disclosed above, there has been no material change in our total capitalisation since 30 June 2025.

INTERIM RESULTS

The following discussion covers the financial results as at and for the six months ended 30 June 2025 for the current period and for the six months ended 30 June 2024 or as at 31 December 2024 for the comparative period. All figures included in this Supplemental Offering Circular are presented in actual reporting currency (U.S. dollar).

Growth rates and commentaries are provided on a constant exchange rate (CER) basis, unless otherwise stated.

SUMMARY AND KEY FINANCIAL HIGHLIGHTS

FWD Group delivered an excellent set of financial results in the first half of 2025 balancing growth, profitability, and risk in order to deliver long-term value to our shareholders. A major milestone for the Company was achieved with the completion of our IPO in Hong Kong that raised HK$3,611 million (approximately US$466 million) in gross proceeds on 7 July 2025. Moody's upgraded our notional insurer financial strength rating to A2 as a result of our enhanced financial flexibility through various capital management actions, including through the IPO, as well as our improved financial performance.

High quality, profitable new business growth, resulting in an increased stock of future earnings through the contractual service margin (CSM) is transforming into growing operating profits which increased 9 per cent to US$251 million as at 30 June 2025. A record net profit under IFRS17 of US$47 million for the six months ended 30 June 2025 also showcases our ongoing focus on expense discipline.

Supported by increasing profitability and a robust balance sheet, FWD Group is operating cash flow positive in the first half of 2025.

Growth

FWD Group had strong new business growth in the first half of 2025. New business sales (APE) increased by 38 per cent to US$1,246 million compared to the same period last year. New business contractual service margin (NB CSM) also increased by 34 per cent year-on-year to US$794 million, contributed by APE growth and acquisition expense overrun reduction. Following strong sales growth, this also resulted in value of new business (VNB) growth of 21 per cent to US$506 million.

VNB and NB CSM in the first half of 2025 were also impacted by economic factors (including lower interest rates in Thailand), tax regulatory changes and operating assumptions changes as of year-end 2024. Adjusting for these, NB CSM and VNB in the first half of 2025 grew 41 per cent and 33 per cent, respectively. Reported VNB margin was 40.6 per cent in the first half of 2025 but when adjusted for these items was 44.3 per cent and relatively stable from full year 2024 VNB margin. NB CSM margin before the impact of interest rate and operating assumption changes was 67 per cent, which was higher than the same period in 2024 of 65.4 per cent as we have improved operating leverage.

Profitability

Operating profit after tax (OPAT) growth was mostly driven by a predictable and increasing CSM release and improvement in operating variances and assumptions. Each of FWD Group's four geographic reporting segments showed continued positive OPAT contributions. Growth in OPAT was also a key contributing factor to the record net profit achieved under IFRS 17.

CSM as at 30 June 2025 was US$5,996 million, which increased from US$5,174 million as at 31 December 2024 primarily driven by new business growth and positive operating variances, together with favourable foreign exchange impacts.

Risk and Capital

Solvency capital remains strong at 283 per cent solvency ratio (Group Local Capital Summation Method (LCSM) cover ratio on prescribed capital requirement (PCR) basis) as at 30 June 2025. Dividends from operating entities exceeded US$500 million for the second year in a row, with Thailand delivering record remittances.

Net underlying free surplus generation (Net UFSG) in the first half of 2025 was US$417 million and increased by 115 per cent from the same period in 2024, primarily from significant improvement in operating variances and assumption changes, expense overrun reduction and free surplus uplift from a reinsurance transaction.

Our Group LCSM ratios will change following adoption of the Japan regulatory solvency rules change which is moving to ESR effective in March 2026. We are supportive of the change in the Japan regime to ESR as the economic principles underpinning it aligns well with our risk management approach in running the Group's business.

While the ESR rules are subject to change, we do not currently expect changes to be material from the current field test specifications. We expect that the Japan business solvency ratio will reduce from 1,604 per cent (as at 30 June 2025) under the SMR basis to be in the range of 150 to 200 per cent. Under ESR the solvency level that triggers supervisory intervention by authorities is 100 per cent. We do not expect any further constraint on the Group's current financial flexibility or material changes to holding company financial resources as a result of this change.

Our leverage ratio as at 30 June 2025 was 23.7 per cent and on a pro forma basis, when including the IPO proceeds, 23.0 per cent. Whilst there are no immediate refinancing needs, prudent capital management actions will always be considered that could accelerate the attainment of our long-term target leverage ratio of 15 per cent to 20 per cent.

Value

We are committed to creating long term value by growing both Group embedded value (Group EV) and comprehensive tangible equity (CTE), which both increased by 8 per cent in the first half of 2025. As at 30 June 2025, Group EV was US$6,380 million, increasing by US$811 million over the first half of 2025, of which EV operating profit contributed US$837 million. EV operating profit also grew 77 per cent from the same period in 2024, primarily from strong new business and significant improvement in operating variances in the first half of 2025.

CTE as at 30 June 2025 increased to US$8,150 million.

We are well positioned to continue to deliver profitable growth, improved capital and cash flow generation, as well as long-term value to our shareholders, leveraging our financial strength and flexibility as well as our other competitive advantages.

Management discussion and analysis

Growth rates and commentaries are provided on a constant exchange rate (CER) basis, unless otherwise stated.

Growth

New business performance by segment

US$ millions, except for percentages	**Six months ended 30 Jun 2025**	Six months ended 30 Jun 2024	**CER YoY 2025**	AER YoY 2025
Annualised premium equivalent (APE)				
Hong Kong & Macau	**640**	315	**103%**	103%
Thailand & Cambodia	**311**	305	**(5)%**	2%
Japan	**63**	60	**2%**	5%
Emerging markets	**232**	197	**18%**	18%
Total APE	**1,246**	876	**38%**	42%
New business contractual service margin (NB CSM)				
Hong Kong & Macau	**400**	156	**157%**	157%
Thailand & Cambodia	**199**	213	**(13)%**	(6)%
Japan	**106**	96	**7%**	10%
Emerging markets	**89**	109	**(18)%**	(19)%
Total NB CSM	**794**	573	**34%**	38%
Value of new business (VNB)				
Hong Kong & Macau	**267**	140	**91%**	91%
Thailand & Cambodia	**137**	151	**(16)%**	(9)%
Japan	**44**	49	**(12)%**	(10)%
Emerging markets	**58**	64	**(9)%**	(9)%
Total VNB	**506**	404	**21%**	25%
New business margin				
Hong Kong & Macau	**41.7%**	44.3%	**(2.7) pps**	(2.7) pps
Thailand & Cambodia	**44.1%**	49.7%	**(5.6) pps**	(5.6) pps
Japan	**69.7%**	80.8%	**(11.4) pps**	(11.1) pps
Emerging markets	**25.1%**	32.5%	**(7.5) pps**	(7.4) pps
Total new business margin	**40.6%**	46.1%	**(5.7) pps**	(5.5) pps

Notes:

(1) Figures may not be additive due to rounding.

(2) In the context of our reportable segments, Hong Kong & Macau refers to operations in the Hong Kong Special Administrative Region (SAR) and the Macau SAR; Thailand & Cambodia refers to operations in Thailand and Cambodia; and Emerging Markets refers to operations in Indonesia, Malaysia, the Philippines, Singapore and Vietnam. Corporate and Others refers to Group's corporate functions, shared services centers and includes eliminations of intragroup transactions.

Hong Kong & Macau

Hong Kong & Macau APE increased by 103 per cent to US$640 million for the six months ended 30 June 2025 compared to the same period in 2024, driven by strong sales across all channels. Both onshore and offshore APE grew by 95 per cent and 111 per cent respectively, compared to the same period in 2024, with continued growth in demand from both onshore and MCV customers. Our Hong Kong & Macau segment continues to focus on its multi-channel distribution strategy. We have also continued our product innovation in Hong Kong & Macau with the introduction of indexed universal life in July 2025 and new cross-border Greater Bay Area medical services for eligible customers.

FWD Private, our HNW value proposition serving the global high-end insurance market with diversified asset allocation, wealth management and legacy planning has continued to contribute to new business growth.

NB CSM was up 157 per cent to US$400 million for the six months ended 30 June 2025 compared to the same period in 2024, primarily driven by APE growth and higher acquisition expense underrun.

VNB increased by 91 per cent to US$267 million for the six months ended 30 June 2025 compared to the same period in 2024, primarily driven by growth in new business sales. New business margin decreased by 2.7 pps to 41.7 per cent compared to the same period in 2024, mainly driven by higher risk discount rates.

Thailand & Cambodia

Thailand & Cambodia APE were partly impacted by the exit from underwriting new business in the Thailand corporate care sector in late 2024. This partly contributed to the 5 per cent decline to US$311 million in APE in the first half of 2025 compared to the same period in 2024.

Our Thailand & Cambodia business remains well positioned in the market. Our partnership with SCB continues to be the main contributor to new business and maintained its number one market share position in Thailand bancassurance as at 30 June 2025. Our agency retained a number two ranking in the annual MDRT as of July 2025.

NB CSM declined by 13 per cent to US$199 million for the six months ended 30 June 2025 compared to the same period in 2024, impacted by declining interest rates.

VNB also saw a corresponding decrease of 16 per cent to US$137 million for the six months ended 30 June 2025 compared to the same period in 2024, with lower new business margin primarily driven by lower interest rates.

Excluding the impact of lower interest rates, VNB and NB CSM margin were relatively in line with the same period in 2024.

Japan

Japan APE increased by 2 per cent to US$63 million for the six months ended 30 June 2025 compared to the same period in 2024, which also led to a 7 per cent growth in NB CSM to US$106 million for the six months ended 30 June 2025 compared to the same period in 2024. VNB margin for the six months ended 30 June 2025, excluding the impact of operating assumptions changes in year-end 2024, was relatively in line with the same period in 2024.

We are broadening our product offerings into the savings and retirement space, with the launch of our first savings offering in July 2025, a Japanese Yen single premium annuity product.

Emerging Markets

Emerging Markets reported strong APE growth of 18 per cent to US$232 million for the six months ended 30 June 2025 compared to the same period in 2024, despite industry headwinds and economic uncertainties across several markets.

NB CSM and VNB decreased by 18 per cent to US$89 million and 9 per cent to US$58 million, respectively, for the six months ended 30 June 2025 compared to the same period in 2024, due to lower margin which was primarily from operating assumption changes at year-end 2024 and statutory tax changes. VNB increased by

17 per cent when compared to the same period in 2024 before the effects of statutory tax and operating assumption changes. NB CSM was broadly flat compared to the same period in 2024 after these changes.

Adjusting for the tax and operating assumption changes, VNB margin was in line with the same period in 2024 and NB CSM margin was 10 percentage points lower than the same period in 2024 from the channel mix shift in Singapore.

Total weighted premium income (TWPI)

TWPI increased by 15 per cent to US$3,894 million in the first half of 2025 compared to US$3,291 million in the same period of 2024, driven by an increase in new business and renewal premium.

Profitability

Operating profit after tax (OPAT)

OPAT(1) was US$251 million in the first half of 2025, increased by 9 per cent from the same period in 2024, primarily driven by an increase in CSM release.

There are three main components of OPAT, as shown in the table below.

Insurance service result increased by US$86 million to US$353 million in the first half of 2025 driven by higher CSM release from new business and in-force growth, and improvement in the operating variance and assumption changes.

The net investment result was US$135 million in the first half of 2025, reduced by US$30 million from the same period in 2024. This was primarily driven by changes in asset allocations with a lower mix of equity securities.

Other revenue and expenses include expenses not directly attributable to insurance contracts, the share of profit from associates and joint ventures and other revenue. Costs remained relatively stable year-on-year with disciplined expense management across our Business Units and Group Office.

Operating tax increased by US$22 million to US$89 million in the first half of 2025 from higher operating profit before tax, the increase in statutory tax rate in Japan and higher withholding tax from growth in Thailand's dividend remittance.

Note:

(1) Represents OPAT attributable to Equity Holders of the Company.

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**	Six months ended 30 Jun 2024
CSM release	**336**	291
Operating variances	**9**	15
Risk adjustment release	**35**	34
Others	**(27)**	(73)
Net insurance service result	**353**	267
Investment return	**974**	997
Net insurance/reinsurance finance expense	**(839)**	(832)
Net investment result	**135**	165
Other revenue	**26**	15
Non-attributable expenses - Group Office	**(73)**	(71)
Non-attributable expenses - Business Units	**(109)**	(99)
Borrowings and other finance costs	**(12)**	(11)
Share of profit from associates and joint ventures	**14**	14
Other revenue and expenses	**(154)**	(152)
Operating profit before tax	**334**	280
Operating tax	**(89)**	(67)
OPAT	**245**	213
Adjusted basic OPAT per share (US cents)[(1)]	**18.15**	14.10
OPAT attributable to:		
Equity Holders of the Company	**251**	223
Shareholders of the Company	**214**	166
Perpetual securities	**37**	57
Non-controlling interests	**(6)**	(10)

Note:

(1) The number of ordinary shares has been adjusted on the basis that the Conversion of Shares and Share Consolidation was completed at the beginning of each reporting period. Refer to the adjusted per share calculation basis section for further information.

OPAT by segment

Hong Kong & Macau OPAT increased by 28 per cent to US$125 million in the first half of 2025, primarily from higher CSM amortisation because of an increase in the CSM balance from in-force and new business growth.

Thailand & Cambodia OPAT increased by 17 per cent to US$81 million in the first half of 2025, supported by growing CSM amortisation and improvement in operating variances and assumption changes. This was partially offset by lower investment returns due to the changes in asset allocations with a lower mix of equity securities.

Japan OPAT declined by 13 per cent to US$93 million in the first half of 2025, primarily from one-off claims related factors and the higher statutory tax rate.

Emerging Markets OPAT increased by 191 per cent to US$38 million in the first half of 2025, principally due to higher CSM release and persistency improvement.

Corporate and Others operating loss after tax increased by 50 per cent to US$86 million, primarily from lower interest income and higher withholding tax in the first half of 2025. Group Office operating expenses remained broadly stable year-on-year.

US$ millions, except for percentages	**Six months ended 30 Jun 2025**	Six months ended 30 Jun 2024	**CER YoY 2025**	AER YoY 2025
Hong Kong & Macau	**125**	98	**28%**	28%
Thailand & Cambodia	**81**	64	**17%**	26%
Japan	**93**	105	**(13)%**	(11)%
Emerging markets	**38**	13	**191%**	169%
Corporate and Others	**(86)**	(57)	**50%**	50%
OPAT[1]	**251**	223	**9%**	12%

Note:

(1) Represents OPAT attributable to Equity Holders of the Company.

Contractual service margin (CSM)

CSM as at 30 June 2025 was US$5,996 million, up by US$822 million from 31 December 2024.

Our operating change in CSM of US$607 million increased significantly from the same period in 2024 of US$44 million, primarily due to higher new business contribution and positive operating variances and assumption change in the first half of 2025.

Weakening of the US dollar relative to most of our local market currencies, including Thai Baht and Japanese Yen, led to a US$212 million foreign exchange translation increase in the CSM.

US$ millions	**Six months ended 30 Jun 2025**
Opening CSM	**5,174**
New business CSM[1]	**757**
Expected return[2]	**155**
Operating variances and assumption changes	**31**
CSM release	**(336)**
Operating change in CSM	**607**
Economic variances and assumption changes	**(6)**
Foreign exchange	**212**
Others	**9**
Closing CSM	**5,996**

Notes:

(1) New business CSM is the IFRS new business CSM figure, which excludes the impact of the Group's investment in BRI Life, which is accounted for as an investment in associate under IFRS, and includes the impact of one-off new reinsurance contracts that cover in-force business. For avoidance of doubt, the new business CSM is presented on an actual, as-reported basis.

(2) Expected return refers to the accretion of interest on general measurement model contracts, together with the expected return related to variable fee approach contracts based on the expected long-term investment return.

Net profit (NPAT)

NPAT[1] was US$47 million in the first half of 2025, which increased significantly from US$3 million in the same period of 2024.

Non-operating: Market related

NPAT includes the short-term fluctuation impact of market movements related to equity securities, interests in investment funds, and investment property which are backing non-participating business and shareholder surplus, against long-term investment return assumptions. Short-term fluctuations in investment return resulted in US$70 million losses in the first half of 2025. Negative market movements on other non-operating investment return also contributed US$26 million losses in the first half of 2025.

Note:

(1) Represents net profit attributable to Equity Holders of the Company.

Non-operating: Non-market related

Non-market related expenses reduced by US$65 million in the first half of 2025 compared to the same period in 2024.

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**	Six months ended 30 Jun 2024
Net profit/(loss)	**39**	(8)

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**	Six months ended 30 Jun 2024
Tax on operating profit before tax	**89**	67
Tax impact from non-operating items	**(19)**	14
Profit before tax	**109**	73
Non-operating items, net of related changes in insurance and investment contract liabilities:		
Market related:		
Short-term fluctuations in investment return related to equity securities, interests in investment funds and investment property	**70**	18
Loss component on onerous contracts	**(5)**	39
Other non-operating investment return	**26**	(49)
	91	8
Non-market related:		
Finance costs related to borrowings and long-term payables	**112**	108
M&A, business set up and restructuring related costs	**7**	33
IPO related costs including incentive costs	**10**	4
Implementation costs for IFRS 9 and 17 and Group-wide supervision	**4**	17
Other non-operating items	**1**	37
	134	199
Operating profit before tax	**334**	280
Tax on operating profit before tax	**(89)**	(67)
Operating profit after tax	**245**	213
Net profit/(loss) attributable to:		
Equity Holders of the Company	**47**	3
Shareholders of the Company	**10**	(54)
Perpetual securities	**37**	57
Non-controlling interests	**(8)**	(11)
Net profit/(loss)	**39**	(8)
Adjusted basis earnings/(loss) per share (US cents)(1)	**0.85**	(4.58)

Note:

(1) The number of ordinary shares has been adjusted on the basis that the Conversion of Shares and Share Consolidation was completed at the beginning of each reporting period. Refer to the adjusted per share calculation basis section for further information.

CSM and profit before tax sensitivities

Sensitivities for CSM and profit before tax to changes in equity price, interest rate and foreign exchange rate movements, are shown below. Further details are included in note 26 to the Interim Condensed Consolidated Financial Statements.

CSM sensitivities US$ millions	**As at** **30 Jun 2025**	As at 31 Dec 2024
Effect of equity price changes		
10 per cent increase in equity prices	**123**	122
10 per cent decrease in equity prices	**(121)**	(108)
Effect of yield curves changes		
+50 basis points shift in yield curves	**73**	74
-50 basis points shift in yield curves	**(107)**	(106)
Effect of foreign exchange rate changes		
5 per cent strengthening of original currency		
United States dollar	**-**	-
Hong Kong dollar	**39**	40
Thai Baht	**72**	62
Japanese Yen	**84**	75
5 per cent strengthening of US dollar		
United States dollar	**-**	-
Hong Kong dollar	**(33)**	(36)
Thai Baht	**(72)**	(62)
Japanese Yen	**(84)**	(75)

Profit before tax sensitivities US$ millions	**Six months ended** **30 Jun 2025**	Year ended 31 Dec 2024
Effect of equity price changes		
10 per cent increase in equity prices	**116**	128
10 per cent decrease in equity prices	**(118)**	(133)
Effect of yield curves changes		
+50 basis points shift in yield curves	**(2)**	17
-50 basis points shift in yield curves	**(3)**	(24)

Profit before tax sensitivities US$ millions	**Six months ended 30 Jun 2025**	Year ended 31 Dec 2024
Effect of foreign exchange rate changes		
5 per cent strengthening of original currency		
United States dollar	**35**	32
Hong Kong dollar	**(20)**	(28)
Thai Baht	**-**	5
Japanese Yen	**1**	1
5 per cent strengthening of US dollar		
United States dollar	**35**	32
Hong Kong dollar	**16**	25
Thai Baht	**-**	(5)
Japanese Yen	**(1)**	(1)

IFRS Balance Sheet

Consolidated Statement of Financial Position

US$ millions	**As at 30 Jun 2025**	As at 31 Dec 2024
Assets		
Intangible assets	**3,175**	3,085
Insurance contract assets	**685**	683
Reinsurance contract assets	**2,868**	2,696
Financial investments	**48,902**	43,669
Cash and cash equivalents	**1,624**	1,687
Other assets – other than the above	**2,107**	1,892
Total assets	**59,361**	53,712
Liabilities		
Insurance contract liabilities	**46,588**	41,646
Reinsurance contract liabilities	**417**	366
Investment contract liabilities	**18**	32
Derivative financial instruments	**497**	528
Borrowings	**2,788**	2,793
Other liabilities - other than the above	**1,752**	1,533
Total liabilities	**52,060**	46,898

US$ millions	**As at 30 Jun 2025**	As at 31 Dec 2024
Equity		
Share capital and share premium	**9,010**	9,010
Other reserves	**193**	190
Retained earnings/(accumulated losses)	**(2,130)**	(2,139)
Amounts reflected in other comprehensive income	**(573)**	(1,049)
Total equity of the Group attributable to:		
Shareholders of the Company	**6,500**	6,012
Perpetual securities	**741**	741
Non-controlling interests	**60**	61
Total equity	**7,301**	6,814
Total liabilities and equity	**59,361**	53,712

Movement in total equity

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**	Year ended 31 Dec 2024
Opening total equity	**6,814**	7,632
Net profit/(loss)	**39**	10
Other comprehensive income		
Fair value gains/(losses) on debt securities	**853**	(40)
Fair value losses/(gains) on debt securities transferred to income on disposal and impairment	**288**	448
Net finance income/(expenses) from insurance contracts	**(702)**	(47)
Net finance income/(expenses) from reinsurance contracts held	**(271)**	(293)
Cash flow hedges	**67**	48
Foreign currency translation adjustments	**275**	(205)
Share of other comprehensive income/(loss) of associates and joint ventures	**4**	(23)
Related income tax	**(31)**	(10)
Total comprehensive income/(loss) for the period	**522**	(112)
Distributions paid for perpetual securities	**(37)**	(112)
Redemption of a perpetual security	**-**	(600)
Other movements	**2**	6
Closing total equity	**7,301**	6,814

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**	Year ended 31 Dec 2024
Total equity of the Group attributable to:		
Shareholders of the Company	**6,500**	6,012
Perpetual securities	**741**	741
Non-controlling interests	**60**	61
	7,301	6,814
Total equity attributable to Shareholders of the Company per share[(1)] (US$)	**5.52**	5.10

Note:

(1) The number of ordinary shares has been adjusted on the basis that the Conversion of Shares and Share Consolidation was completed at the beginning of each reporting period. Refer to the adjusted per share calculation basis section for further information.

Assets

Total assets increased by US$5,649 million to US$59,361 million as at 30 June 2025 from US$53,712 million as at 31 December 2024, mainly driven by an increase in financial investments from business growth, and positive fair value and foreign exchange rate movements in the first half of 2025.

Liabilities

Total liabilities increased to US$52,060 million as at 30 June 2025 from US$46,898 million as at 31 December 2024.

Insurance contract liabilities increased to US$46,588 million as at 30 June 2025 compared to US$41,646 million as at 31 December 2024, driven by business growth, and the impact of interest rate and foreign exchange rate movements.

Equity

Total equity increased by US$487 million to US$7,301 million as at 30 June 2025 from US$6,814 million as at 31 December 2024.

Total equity includes other comprehensive income or loss which includes the unrealised market movements on debt securities, and the net finance expenses from insurance contracts and reinsurance contracts held. Fair value movements on debt securities of US$1,141 million were offset by US$973 million net finance expenses from insurance contracts and reinsurance contracts held.

Foreign currency translation gains reflected in other comprehensive income of US$275 million was primarily due to the appreciation of Thai Baht and Japanese Yen against the US dollar in the first half of 2025.

Investments

US$ millions, except for percentages	**As at 30 Jun 2025**	**Percentage of total**	**As at 31 Dec 2024**	**Percentage of total**
Total policyholder and shareholder	**46,535**	**92%**	41,877	92%
Total unit-linked contracts	**3,991**	**8%**	3,417	8%
Total investments[1]	**50,526**	**100%**	45,294	100%

US$ millions, except for percentages	**As at 30 Jun 2025**	**Percentage of total**	**As at 31 Dec 2024**	**Percentage of total**
Participating funds and other participating business with distinct portfolios				
Debt securities				
Government bonds	**2,947**	**6%**	2,484	6%
Government agency bonds	**531**	**1%**	651	2%
Corporate bonds	**6,411**	**14%**	5,304	13%
Structured securities	**3,483**	**7%**	2,312	6%
Loans and deposits	**18**	**-**	23	-
Subtotal – Fixed income investments	**13,390**	**29%**	10,774	26%
Equity securities	**127**	**-**	130	-
Interests in investment funds	**3,529**	**8%**	4,007	10%
Cash and cash equivalents	**352**	**1%**	246	1%
Derivative financial instruments	**(158)**	**-**	(102)	-
Subtotal - Participating funds and other participating business with distinct portfolios	**17,240**	**37%**	15,055	36%
Other policyholder and shareholder				
Debt securities				
Government bonds	**16,316**	**35%**	14,602	35%
Government agency bonds	**1,247**	**3%**	1,046	2%
Corporate bonds	**5,096**	**11%**	4,952	12%
Structured securities	**1,712**	**4%**	1,763	4%
Others	**12**	**-**	44	-
Loans and deposits	**951**	**2%**	879	2%
Subtotal – Fixed income investments	**25,334**	**54%**	23,286	56%
Equity securities	**83**	**-**	91	-
Interests in investment funds	**2,120**	**5%**	1,679	4%
Investment property	**497**	**1%**	466	1%
Cash and cash equivalents	**1,272**	**3%**	1,441	3%
Derivative financial instruments	**(11)**	**-**	(141)	-

US$ millions, except for percentages	As at 30 Jun 2025	Percentage of total	As at 31 Dec 2024	Percentage of total
Subtotal - Other policyholder and shareholder	**29,295**	**63%**	26,822	64%
Total policyholder and shareholder	**46,535**	**100%**	41,877	100%

Note:

(1) Includes financial investments, investment property and cash and cash equivalents.

The discussion of our investment portfolio composition focuses on our policyholder and shareholder investments. Our unit-linked policyholders are responsible for allocating their premiums among the investment options, and they bear the investment risk of these investments.

Total financial investments held in respect of policyholders and shareholders increased to US$46,535 million as at 30 June 2025 compared to US$41,877 million as at 31 December 2024. As at 30 June 2025, within the total policyholder and shareholder investments, 37 per cent of the financial investments were held to back participating fund business and other participating business with distinct portfolios, with 63 per cent held in respect of non-participating business and shareholder funds. Participating fund business and other participating business with distinct portfolios are generally measured under the variable fee approach (VFA), with investment returns offset by corresponding movements in insurance contract liabilities, and therefore there is no significant impact on the Group's net investment result.

We predominantly invest in fixed income investments based on our liability maturity profile and to generate predictable and stable income. As at 30 June 2025, 83 per cent of our investment portfolio (excluding unit-linked investments) was composed of fixed income investments, compared to 81 per cent as at 31 December 2024.

Government bonds and government agency bonds of US$21,041 million represented 55 per cent of our fixed income investments as at 30 June 2025, compared to US$18,783 million which represented 55 per cent of fixed income investments as at 31 December 2024.

Corporate bonds, structured securities and others of US$16,714 million accounted for 43 per cent of fixed income investments as at 30 June 2025, compared to 42 per cent as at 31 December 2024.

As at 30 June 2025, 96 per cent of our fixed income investment portfolio was rated investment grade. We had a small portion of investments rated below investment grade, primarily because per the Fitch ratings, Thailand had an international sovereign debt rating of BBB+, the Philippines and Indonesia had an international sovereign debt rating of BBB, while Vietnam had an international sovereign debt rating of BB+. As a result, many corporate bonds issued in these markets are below investment grade on an international rating scale.

As at 30 June 2025, we invested US$5,859 million in public and private equity to diversify our portfolio and increase long-term returns, of which US$2,203 million of equity securities and interests in investment funds were backing non-participating business and shareholder funds, representing 8 per cent of our total other policyholder and shareholder investments.

Value

Group embedded value (Group EV)

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**
Opening Group EV	**5,569**
Acquisitions & partnerships / discontinued business	**-**
Expected return on EV	**294**
VNB	**506**
Operating variance and assumption changes	**37**
Total EV operating profit	**837**
Economic variance and assumption changes	**15**
Other non-operating variance	**(150)**
Total EV profit	**701**
Capital movements	**-**
Corporate centre expenses	**(69)**
Financing	**(148)**
Foreign exchange movement	**327**
Closing Group EV	**6,380**
EV per share (US$)(1)	**5.42**

Group EV as at 30 June 2025 was US$6,380 million, which increased by US$811 million from 31 December 2024, representing AER growth of 15 per cent and CER growth of 8 per cent.

Embedded value operating profit

US$ millions, unless otherwise stated	**Six months ended 30 Jun 2025**	Six months ended 30 Jun 2024
Embedded value operating profit		
Expected return on EV	**294**	298
VNB	**506**	404
Operating variance and assumption changes	**37**	(231)
EV operating profit	**837**	470
EV operating profit per share (US cents)(1)	**71.00**	39.90

Notes:

(1) The number of ordinary shares has been adjusted on the basis that the Conversion of Shares and Share Consolidation was completed at the beginning of each reporting period. Refer to the adjusted per share calculation basis section for further information.

(2) Figures may not be additive due to rounding.

EV operating profit in the first half of 2025 was US$837 million and increased by 77 per cent compared to the same period in 2024, primarily from strong new business and significant improvement in operating variances (including expenses, persistency and claims) in the first half of 2025. We are committed to expense discipline which has also led to expense underrun in the first half of 2025.

Economic variance was US$15 million in the first half of 2025, primarily from lower interest rates in Thailand, offset by lower than long-term investment return on private equity impacting Japan and Hong Kong.

Other non-operating variance includes implementation costs for new accounting standards and other mandatory regulatory changes, IPO related costs including incentive costs, integration and restructuring related costs, mergers and acquisitions and one-off adjustments such as the impact of payments related to distribution agreements and methodology and regulatory changes on EV. For the first half of 2025, other non-operating variance also included a negative impact from the GMT implementation of US$61 million.

Positive foreign exchange movement was primarily from Thai Baht and Japanese Yen appreciation against the US dollar in the first half of 2025.

Group embedded value and value of new business sensitivities

Sensitivities for Group EV and VNB to changes in equity price, interest rate movements and foreign exchange rate movements, are shown below. The sensitivity tests on interest rates have been applied to the net investment returns (and corresponding adjustments to the market value of assets for debt securities and derivatives, statutory reserving bases, bonus/dividend scales for participating business, crediting rates for universal life business, unit fund growth rates for unit linked business and risk discount rates). The direction of interest rate sensitivities varies by markets. Please refer to the Embedded Value Supplementary Report section for more details.

Group EV sensitivities

Group EV sensitivities US$ millions	**As at** **30 Jun 2025**	As at 31 Dec 2024
Effect of equity price changes		
10 per cent increase in equity prices	**188**	187
10 per cent decrease in equity prices	**(189)**	(183)
Effect of yield curves changes		
+50 basis points shift in yield curves	**(86)**	(67)
- 50 basis points shift in yield curves	**76**	54
Effect of presentation currency		
5 per cent appreciation of presentation currency	**(312)**	(287)
5 per cent depreciation of presentation currency	**312**	287

VNB sensitivities US$ millions	**As at** **30 Jun 2025**	As at 30 Jun 2024
Effect of yield curves changes		
+50 basis points shift in interest rates	**23**	30
- 50 basis points shift in interest rates	**(26)**	(30)
Effect of presentation currency changes		
5 per cent appreciation of presentation currency	**(13)**	(14)
5 per cent depreciation of presentation currency	**13**	14

Comprehensive tangible equity (CTE)

US$ millions, unless otherwise stated	**As at** **30 Jun 2025**	As at 31 Dec 2024
Total equity of the Group attributable to Shareholders of the Company	**6,500**	6,012
Contractual service margin (net of tax)	**4,823**	4,235
Comprehensive equity	**11,323**	10,247
Less: Intangible assets net of non-controlling interests	**(3,173)**	(3,085)
Comprehensive tangible equity (CTE)	**8,150**	7,162
CTE per share (US$)[1]	**6.92**	6.08

Note:

(1) The number of ordinary shares has been adjusted on the basis that the Conversion of Shares and Share Consolidation was completed at the beginning of each reporting period. Refer to the adjusted per share calculation basis section for further information.

CTE as at 30 June 2025 was US$8,150 million, which increased by US$988 million from 31 December 2024. The increase was primarily driven by strong new business, positive operating variances and favourable foreign exchange variance primarily from Thai Baht and Japanese Yen appreciation against the US dollar in the first half of 2025, partially offset by the impact from the GMT implementation.

Adjusted per share calculation basis

Immediately prior to the completion of the IPO on the Stock Exchange, the Company underwent the Conversion of Shares and Share Consolidation[1]. To better reflect the economics prior to the completion of the IPO, the per share metrics included in this Management's Discussion and Analysis section were calculated by adjusting the weighted average number of ordinary shares for the effect of the Conversion of Shares and Share Consolidation, assuming these events occurred at the beginning of each financial period.

Note:

(1) Refer to note 1.2 in the Interim Condensed Consolidated Financial Statements for further information on the Conversion of Shares and Share Consolidation.

	As at 30 Jun 2025	As at 31 Dec 2024
Number of ordinary shares outstanding	**939,953,815**	939,953,815
Retrospective adjustment for Conversion of Shares	**864,887,971**	864,887,971
Retrospective adjustment for Share Consolidation	**(626,635,879)**	(626,635,879)
Number of ordinary shares used as the denominator in calculating adjusted per share metrics	**1,178,205,907**	1,178,205,907

Risk and Capital

Free surplus

US$ millions	Six months ended 30 Jun 2025	Six months ended 30 Jun 2024
Opening free surplus	**668**	593
Acquisitions & partnerships/discontinued business	**-**	(62)
Underlying free surplus generation	**428**	202
Opening adjustment	**102**	(60)
Underlying free surplus generation before opening adjustment	**326**	262
Free surplus used to fund new business	**(11)**	(10)
Net underlying free surplus generation	**417**	193
Net underlying free surplus generation before opening adjustment	***315***	*252*
Investment return variances and other items	**586**	(411)
Capital movements	**-**	-
Corporate centre expenses	**(69)**	(80)
Financing and finance costs	**(148)**	(164)
Closing free surplus	**1,454**	69
Basic net UFSG per share (US cents)(2)	**35.39**	16.35

Notes:

(1) Figures may not be additive due to rounding.

(2) The number of ordinary shares has been adjusted on the basis that the Conversion of Shares and Share Consolidation was completed at the beginning of each reporting period. Refer to the adjusted per share calculation basis section for further information.

The total free surplus increased by US$786 million in the first half of 2025 (from US$668 million as at 31 December 2024 to US$1,454 million as at 30 June 2025), primarily from underlying free surplus generation (UFSG) and positive investment return variances and other items.

Net underlying free surplus generation (Net UFSG) in the first half of 2025 was US$417 million and increased by 115 per cent from the same period in 2024, primarily from significant improvement in operating variances and assumption changes, expense overrun reduction and opening adjustment which includes free surplus uplift from a reinsurance transaction. Net UFSG before opening adjustment increased by US$62 million to US$315 million in the first half of 2025.

Leverage ratio

The leverage ratio, which is defined as total borrowings expressed as a percentage of the sum of total borrowings, total equity attributable to Shareholders of the Company and CSM net of reinsurance and net of taxes, was 23.7 per cent as at 30 June 2025, compared to 25.5 per cent as at 31 December 2024. The decrease was primarily due to the increase in both the total equity attributable to Shareholders of the Company and the CSM balances. Pro forma leverage ratio, when including the IPO proceeds, was 23.0 per cent as at 30 June 2025.

Solvency

Under the Insurance (Group Capital) Rules, the Group's solvency is measured based on the LCSM. Group LCSM free surplus (PCR basis) is the difference between group available capital and group prescribed capital requirement (GPCR), and Group LCSM cover ratio (PCR basis) is the ratio of group available capital to GPCR. Group LCSM tier 1 cover ratio (MCR basis) is the ratio of Group tier 1 available capital to GMCR. We calculate these amounts as the sum of the available capital and the sum of the minimum and prescribed capital requirements, as applicable, of each entity within the Group as determined in accordance with local regulatory requirements, subject to any capital variation the HKIA considers necessary.

The Group LCSM cover ratio (PCR basis) remained strong at 283 per cent and increased from 260 per cent at 31 December 2024. The increase in Group LCSM cover ratio (PCR basis) is largely due to free surplus generated from business growth, lower interest rates in Thailand, favourable foreign exchange movements from Thai Baht and Japanese Yen, and a reinsurance transaction. The Group LCSM tier 1 cover ratio (MCR basis) increased to 340 per cent from 282 per cent at 31 December 2024 with similar drivers.

US$ millions, except for percentages	**As at 30 Jun 2025**	As at 31 Dec 2024
Group available capital	**7,921**	6,715
of which tier 1 capital	**5,302**	4,139
Group minimum capital requirement (GMCR)	**1,559**	1,467
Group prescribed capital requirement (GPCR)	**2,799**	2,582
Group LCSM free surplus (PCR basis)	**5,122**	4,133
Group LCSM tier 1 cover ratio (MCR basis)[(1)]	**340%**	282%
Group LCSM cover ratio (PCR basis)[(2)]	**283%**	260%

Notes:

(1) Also defined as the "tier 1 group capital coverage ratio".

(2) Also defined as the "eligible group capital resources coverage ratio".

LCSM cover ratio sensitivities (PCR basis)

Our Group LCSM cover ratio (PCR basis) sensitivities, arising from changes to the central assumptions from equity price, interest rate and foreign exchange rate movements and applied consistently with those in EV, are shown below. The interest rate sensitivities apply a 50 basis points movement in current bond yields and the corresponding movement on discount rates applied to the calculation of liabilities. The amount of eligible debt capital is unchanged in the sensitivity calculations.

	As at 30 Jun 2025	As at 31 Dec 2024
Central value	**283%**	260%
Impact of equity price changes		
10 per cent increase in equity prices	**2 pps**	2 pps
10 per cent decrease in equity prices	**(2) pps**	(2) pps
Impact of interest rate changes		
50 basis points increase in interest rates	**(13) pps**	(9) pps
50 basis points decrease in interest rates	**9 pps**	10 pps
Impact of foreign exchange rate changes		
5 per cent appreciation in presentation currency	**(4) pps**	(3) pps
5 per cent depreciation in presentation currency	**4 pps**	3 pps

Local solvency requirements

The Group's operating subsidiaries are subject to solvency and capital regulations of, and the supervision of insurance regulators in, the jurisdictions in which they operate and the jurisdictions in which they are incorporated and/or domiciled. As at 30 June 2025, all operating subsidiaries were in compliance with the relevant solvency and capital requirements prescribed under applicable insurance laws.

The key developments in local solvency requirements are summarised as follows:

Japan

In October 2024, the JFSA announced proposed amendments to laws and regulations in relation to ESR and the use of internal models. On 23 July 2025, the JFSA announced the final ESR regulation and the date of implementation from the fiscal year ending 31 March 2026. The Group has been taking part in field testing and continuously monitors the progress of such implementation to examine the potential impact on the Group.

Insurance capital standard (ICS)

The ICS, which applies to IAIGs, was adopted by the IAIS at its Annual General Meeting in December 2024 (in January 2023, the HKIA identified the Group as an IAIG).

The ICS has been developed as a consolidated group-wide standard for IAIGs. It consists of three components: valuation, qualifying capital resources, and a standard method for the ICS capital requirement. The ICS implementation timelines recognise that it will take some time for jurisdictions to finalise any necessary regulatory and supervisory changes to align with the ICS, taking into account jurisdictional circumstances. In

2026, the IAIS will coordinate a baseline self-assessment by IAIS members of their progress in implementing the ICS, which will serve as a baseline for further implementation progress monitoring. The IAIS will then aim to start in-depth targeted jurisdictional assessments in 2027. The Group has been taking part in field testing for the implementation of the ICS and continuously monitors the progress of such implementation and its potential impact on the Group. Where the HKIA has identified the Group as an IAIG, the Group may become subject to additional capital and solvency requirements.

Global minimum tax

The OECD has been working on a project to address the tax challenges arising from the digitalisation of the economy. The project's second pillar involves the implementation of a global corporate minimum tax rate of 15 per cent to applicable multinational enterprise groups. The OECD has released model rules and other documents for this second pillar (Pillar Two model rules).

On 6 June 2025, Hong Kong enacted legislation to implement the Pillar Two model rules covering domestic minimum tax, with retrospective effect from 1 January 2025. Consequently, the entire group will be subject to the Pillar Two rules from that date, except for Vietnam, where the rules became effective and applicable to us from 1 January 2024.

Under the Pillar Two framework, a top-up tax liability arises when the Group's effective tax rate in a jurisdiction falls below 15 per cent. In our case, if the jurisdiction where the top-up tax arises has enacted domestic Pillar Two legislation covering domestic minimum tax, the liability will be payable locally. Otherwise, the top-up tax will be payable in Hong Kong. The Group does not expect any material current tax exposure under the IFRS basis for the six months ended 30 June 2025. The Group will continue to monitor the Pillar Two rules development and assess the accounting implications accordingly.

Holding company financial resources

The Group maintains and manages sufficient holding company financial resources including its committed contingent liquidity facilities.

Net remittances from operating subsidiaries of US$541 million in the six months ended 30 June 2025 were lower compared to the US$589 million in 2024 (includes capital remittance of US$404 million in July 2024), primarily due to our Hong Kong & Macau segment remitting excess capital in 2024 following the implementation of Hong Kong RBC.

The Group also completed its IPO in July 2025 with gross proceeds of US$466 million including the exercise of the Over-allotment Option.

The Company's liquidity resources as at 30 June 2025 were US$1,906 million, which included committed revolving facilities, which was higher than the US$1,656 million as at 31 December 20241 mainly due to seasonality of capital remittances to the Company occurring in the first half of the year. The Group's debt maturity profile has been extended with the early refinancing and repayment of the facilities which were due in December 2025, with the next loan maturity in 2028 and bond maturity in 2029 as further disclosed in note 22 in the Interim Condensed Consolidated Financial Statements.

OPERATIONAL HIGHLIGHTS – GEOGRAPHICAL MARKETS

Hong Kong & Macau

Market and strategy overview

We commenced our life insurance business in Hong Kong and Macau in 2013, when we acquired ING's life insurance businesses in those markets. We grew our presence in Hong Kong by acquiring MetLife Limited and

Metropolitan Life Insurance Company of Hong Kong Limited in 2020 (subsequently rebranded as FWD Life (Hong Kong) and FWD Life Assurance (Hong Kong), respectively). In 2023, we launched FWD Private, a value proposition exclusively dedicated to serving HNW individuals. It offers comprehensive insurance solutions that cater to our customers' needs for global asset allocation, diversification, and wealth appreciation, as well as their desire for legacy planning.

While Hong Kong is a mature insurance market, the demand for life insurance products continues to grow, driven by solid demographic and macroeconomic tailwinds. With favourable demographic trends, there is growing demand for retirement and health products, as well as untapped potential in medical protection products.

The expanding affluent class in recent years has also contributed to an expanding HNW individual population, providing further potential for future growth in this sector. Benefited by geographical proximity, it is popular among MCVs to seek additional insurance protection in Hong Kong and Macau.

Historically, insurance sales to MCVs have contributed to a significant portion of total industry sales (including FWD), although it slowed down during the COVID-19 pandemic due to travel restrictions. The Mainland China border with Hong Kong and Macau reopened in January 2023, with full resumption of normal travel in February 2023. As a result, the industry and we have seen a significant increase in sales to MCVs during 2023, which continued through 2024, and we expect this trend will continue throughout 2025.

We expect the digital transformation of the insurance industry in Hong Kong to maintain strong momentum driven by the evolving consumer behaviour, with consumers increasingly seeking digital solutions for their insurance needs, which is core to our strategy.

Business highlights

We operate a multi-channel distribution model in Hong Kong and Macau, including tied agents, bancassurance, brokerage/IFA and digital commerce.

Our agency distribution channel has grown significantly in recent years. Our MDRT-registered agency force ranked the fifth largest in Hong Kong in 2025[(1)]. Our agency recruitment strategy mainly focuses on organic recruitment. We have been investing in our in-house agency leaders to recruit and build up our sales force. We and our agents have won multiple awards from the Hong Kong Federation of Insurers, Hong Kong Management Association, Bloomberg, Institute of Financial Planners of Hong Kong and the Life Underwriters Association of Hong Kong.

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

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

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

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

With digitalisation being key to our growth strategy, we have implemented automated underwriting, accepting an increasing number of e-submissions of new insurance applications, and providing digitalised customer management support for our distribution channels. Our award-winning app, FWD MAX, is designed to enhance customer engagement through a variety of lifestyle experiences and utilising data analytics to deliver tailored offers. We have over 422,000 FWD MAX members as of June 2025.

Note:

(1) Based on the statistics published by MDRT as of July 2025.

Financial highlights

Hong Kong & Macau's overall APE increased by 103 per cent to US$640 million for the six months ended 30 June 2025 compared to the same period in 2024, driven by strong growth in both offshore and onshore sales.

NB CSM increased by 157 per cent to US$400 million for the six months ended 30 June 2025 compared to the same period in 2024, driven by new business sales growth and higher acquisition expense underrun.

VNB grew 91 per cent to US$267 million for the six months ended 30 June 2025 compared to the same period in 2024, driven by growth in new business sales.

OPAT has increased by 28 per cent to US$125 million for the six months ended 30 June 2025 compared to the same period in 2024, primarily driven by higher CSM amortisation because of an increase in the CSM balance from in-force and new business growth.

Thailand & Cambodia

Market and strategy overview

Following the acquisition of ING's life insurance business, we began our life insurance operations in Thailand in 2013. In 2019, we acquired SCB's life insurance entity, SCB Life, and entered a long-term exclusive distribution partnership with SCB, which is the largest bank in Thailand by market capitalisation as at June 2025. In 2020, we completed the amalgamation of FWD Thailand with SCB Life.

Our operations in Cambodia commenced in September 2021, utilising our digital expertise and other existing operations in Thailand to enable an efficient operational structure.

Despite the headwinds and economic challenges after the COVID-19 pandemic, Thailand's life insurance industry has managed to maintain stabilised growth in new business sales from 2022 onwards.

We believe there is significant untapped potential in Thailand's life insurance market, as the population remains substantially underinsured. Furthermore, Thailand's aging population which, coupled with rising medical inflation and health spending, has increased the awareness and demand for protection, medical, and pension products.

As of June 2025, FWD Thailand had a 15 per cent market share in terms of new business sales(1). We will continue to focus on customers' needs to sustainably grow our business through a multi-channel distribution model, including bancassurance, agency, brokerage and other partnerships, as well as digital commerce channels. Our key distribution strategy involves strengthening our exclusive partnership with SCB and other SCBX entities while, in parallel, expanding our quality and professional agency and other channels.

Note:

(1) According to Thai Life Assurance Association (TLAA), as of June 2025.

Business highlights

As of June 2025, FWD Thailand remained the second largest life insurer in Thailand in terms of new business sales, while being the market leader in bancassurance channel with approximately 28 per cent market share[(1)]. Our second largest distribution channel in Thailand was the agency channel which remained the sixth largest in Thailand in terms of new business sales[(1)].

The extension of our long-term exclusive distribution agreement with SCB in April 2023 for a further two years demonstrates the strength of our partnership and will help enable us to cement our bancassurance leadership in Thailand. During the first half of 2025, we continued to work closely and collaboratively with SCB on several strategic initiatives to ensure a strong foundation for sustainable growth, customer-centricity in the end-to-end customer journey, and value creation for our stakeholders.

During the first quarter of 2025, our agency channel saw significant growth in health product sales ahead of the industry changes on medical copayment, which became effective in late March 2025. During the second half of this year, we aim to grow the number of professional, full-time agents who are well-trained and equipped with digital tools to help them understand and better serve evolving customer needs.

We strive to utilise our digital capabilities to enhance productivity and operational efficiency. Agents' productivity has been boosted significantly following the implementation of FWD Cube, a digitalised distribution management and productivity platform.

Financial highlights

Thailand & Cambodia's overall APE decreased by 5 per cent to US$311 million for the six months ended 30 June 2025 compared to the same period in 2024, particularly driven by the exit from underwriting new business in the corporate care segment in 2024.

VNB decreased by 16 per cent to US$137 million for the six months ended 30 June 2025 compared to the same period in 2024, with lower new business margin primarily driven by lower interest rates.

NB CSM decreased by 13 per cent to US$199 million for the six months ended 30 June 2025 compared to the same period in 2024, impacted by the lower interest environment.

Excluding the impact of lower interest rates, VNB and NB CSM margin were relatively in line with the same period in 2024.

OPAT increased by 17 per cent to US$81 million for the six months ended 30 June 2025 compared to the same period in 2024 supported by growing CSM amortisation and improvement in operating variances and assumption changes. This was partially offset by lower investment returns due to the changes in asset allocations with a lower mix of equity securities.

Note:

(1) According to Thai Life Assurance Association (TLAA), as of June 2025.

Japan

Market and strategy overview

We entered the Japanese market through the acquisition of AIG Fuji Life in 2017, which was subsequently rebranded as FWD Life Japan.

In response to regulatory changes and industry trends, we have pivoted away from COLI towards individual protection products. Since 2022, we have repriced and updated our individual protection product offerings and introduced eight new products. In March 2025, we launched a new medical insurance product targeting young customers, replacing the prior version of a similar product. The new product has recorded a strong start in the first three months of sales, reaching 1.5 times the monthly average sales of the prior version.

We believe our business model is both competitive and sustainable, with a focus on the specialised yet sizable individual protection market. We see stable growth potential and aim to expand our market share in this sector. In response to the growing needs for savings and retirement planning, we have developed a savings product to meet the evolving needs of our customers, which was launched in July 2025. This is a Yen-denominated single premium variable annuity product with an investment linked portion.

We continue to enhance operational efficiency through transformation and digitalisation, including through AI chatbots, optimised claims processing and enhanced integration with our distribution partners.

Our distribution model in Japan is primarily centred on the IFA channel, supplemented by the digital commerce channel. We regularly refresh our IFA pool to onboard top-performing partners while streamlining IFAs with low productivity. Our D2C distribution also allows customers to purchase our insurance products directly through our website.

Business highlights

We operate with a relatively lean sales force supporting our IFA partners. Our focus has been on digitalising IFA support which has enhanced advisors' productivity, strengthened IFA relationships and improved customer experience.

In line with our digital strategy, we have made significant investments in sales and operating systems. Our operations are supported by robust, cloud-based technology and infrastructure that are seamlessly integrated across business functions.

As part of our digital transformation, we have introduced several key technologies and initiatives across core operational areas. For example, our generative AI-powered chatbot for advisors has been upgraded, with expectations for enhanced productivity in sales activities.

We now offer policy maintenance and claims services via our FWD Omne customer engagement app. We have also implemented an automated claims workflow system to streamline and optimise claims processing. The claims workflow has been operational since January 2025 and has contributed to the improvement in our straight-through processing.

Financial highlights

Japan's APE increased by 2 per cent to US$63 million for the six months ended 30 June 2025 compared to the same period in 2024, which resulted in a 7 per cent increase in NB CSM to US$106 million for the six months ended 30 June 2025 compared to the same period in 2024. VNB margin for first six months ended 30 June 2025, excluding the impact of operating assumptions changes in year-end 2024, was relatively in line with the same period in 2024.

OPAT declined by 13 per cent to US$93 million for the six months ended 30 June 2025 compared to same period in 2024, due to one-off claim related factors and an increase in statutory tax rate.

Emerging Markets

Strategy and business highlights

Emerging Markets include our businesses in the Philippines, Indonesia, Singapore, Vietnam and Malaysia. Apart from the Philippines, we entered in these markets via small acquisitions of legacy platforms and have in the last few years invested in expanding distribution and digitalisation.

Except for Singapore, these markets share features such as a large and expanding labour force, robust economic growth underpinning a growing middle class with wealth accumulation, improving financial inclusion across socio-economic classes accelerated by increased access to technology, and an under-penetrated and underserved population.

Growing health and protection awareness in these markets is expected to increase per capita spending on insurance.

Emerging Markets have been a key growth engine for us, and we believe that we are well-positioned to capture the substantial and dynamic opportunities in these markets, leveraging our digitally empowered and diverse distribution channels and customer propositions. We aim to transform our exclusive partnerships with leading banks in respective markets, accelerate our "FWD Elite" agency growth, establish new ecosystem partnerships for our digital commerce strategy, and drive superior customer service through digital end-to-end customer journeys.

As at 30 June 2025, we had over 31,000 agents, 16 bancassurance partners, as well as various brokerage/IFA partners, digital platforms and eCommerce partners in the Emerging Markets. Among our business units, the digital adoption ratio is most progressed in our Emerging Markets with a 100 per cent agency and brokerage digital adoption ratio in all markets and fully automated underwriting available in all Emerging Markets.

The Philippines

Since entering the market in 2014, FWD Philippines has, and continues to reshape the life insurance landscape by delivering solutions tailored to the diverse needs of our target customers – from digital natives, overseas foreign workers, to the mass affluent, and HNW segments.

This customer-led approach, supported by our commitment to financial inclusion and innovation, has fueled strong growth. In 2024, FWD Philippines was ranked the third largest life insurer in the Philippines by new business sales according to the Insurance Commission(1). This momentum was sustained in 2025, with FWD Philippines achieving the number two market share ranking in the second quarter of 2025(2), marking a significant milestone for FWD.

We continue to build a leading, trusted agency force through the "FWD Elite" development program and talent development initiatives. We have been ranked number two for MDRT membership(3) in the Philippines since 2023.

We have recently extended our long-standing exclusive partnership with Security Bank, with whom we have forged a successful partnership since 2015, and through which we effectively utilise both bank staff and our insurance specialists across Security Bank's network of over 300 branches to optimise sales productivity and explore further opportunities such as the launch of a co-branded debit card and the promotion of our products on Security Bank's ATMs and online platform.

Notes:

(1) According to Insurance Commission, new business annual premium equivalent - singleton basis, as of December 2024.

(2) According to Insurance Commission, new business annual premium equivalent - singleton basis, as of March 2025.

(3) Based on the statistics published by MDRT as of July 2025.

Indonesia

We commenced business operations in Indonesia in 2015 after FWD Indonesia received a Shariah-compliant life insurance license. FWD Indonesia launched its first Shariah product in 2016 aimed at the majority Muslim population in the country. We completed the acquisition of PT Commonwealth Life in 2020 and integrated the two companies under one platform with unified products and systems.

FWD Indonesia operates both through agency and bancassurance distribution channels. FWD Indonesia maintains a non-exclusive partnership with PT Bank OCBC NISP Tbk and has established a number of credit life partnerships, most recently with PT Bank Syariah Indonesia Tbk in 2024.

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

In order to extend our Group's insurance expertise and capabilities to more customers in Indonesia, in March 2021, we subscribed for 29.9 per cent of the issued share capital in BRI Life. We also provided additional capital contribution to BRI Life to increase our stake in BRI Life to 44.0 per cent as at 30 June 2025. Concurrently with our initial subscription into BRI Life, BRI Life entered into a 15-year distribution partnership with Bank BRI, the largest bancassurer in Indonesia as at June 2025 and one of the largest banks in Indonesia by market capitalisation.

Singapore

We commenced operations in Singapore in 2016 following our acquisition of a controlling stake in Shenton Insurance Pte. Ltd. Subsequently in 2019, we acquired the entire remaining stake in the company and it became our wholly owned subsidiary. In 2024, the Monetary Authority of Singapore granted us a license to set up a Singapore branch of FWD Life (Bermuda), which targets HNW clients. The establishment of the Singapore branch, which launched in May 2024, was part of our launch of FWD Private in Hong Kong in 2023. FWD Singapore is a one-stop financial solution provider for the savings, wealth, and protection needs of customers across multiple client segments, including mass market, affluent, as well as HNW individuals under FWD Private.

The distribution channels in Singapore include IFA, international broker channels, bancassurance channels, and digital commerce. We have onboarded over 5,500 IFAs from 38 partners in Singapore as at 30 June 2025, who distribute our products such as our term life insurance plan, the first product launched through the IFA channel, which utilises the straight-through-underwriting system. We have launched non-exclusive partnerships with CIMB Bank Berhad, Singapore Branch and Bank of China Limited, Singapore Branch in 2024.

Customers of FWD Singapore enjoy a seamless insurance experience through our technology-enabled distribution channels. Our straight-through processing capabilities are integrated into our customers' end-to-end journeys. As part of that journey we leverage a GenAI voicebot to handle incoming calls from our customers, reducing waiting time and ensuring more consistent responses.

Vietnam

We commenced our operations in Vietnam in 2016 following our acquisition of Great Eastern Life (Vietnam) Company Limited which was subsequently renamed as FWD Vietnam. In April 2020, we further expanded our business in Vietnam with the acquisition of VCLI[(1)] and launch of our exclusive bancassurance partnership with VCB.

FWD Vietnam offers products ranging from universal life, unit linked, endowment, to a suite of riders serving as add-on protection products as well as standalone protection products such as cancer care, critical illness, medicare, term life and credit life. We have also been simplifying our contract wording to be reader-friendly and easy-to-understand for customers and offering more products online. We continue to maintain a strategic long-term bancassurance partnership with VCB, one of Vietnam's leading commercial banks.

We operate a multi-channel distribution model in Vietnam, including agency, bancassurance, IFA, and digital commerce channels. While bancassurance remains our core strength, we are revitalising the agency network through new models, stronger leadership, and focused recruitment with a view to accelerate growth and boost performance. Notably, we ranked second in the MDRT rankings for life insurers in Vietnam based on the number of MDRT-registered members[(2)].

FWD Vietnam is redefining insurance through digital innovation, delivering a seamless, paperless experience for both customers and agents, powered by smart platforms and automation. Our agency force can utilise a variety of digital tools including eRecruit, eLearning, FWD Ezi (our electronic application submission system) and FWD Cube. We are also transforming our bancassurance partnerships including those with NextGen Banca and VCB by utilising data and customer analytics to better serve our customers. Customers can purchase digital insurance products and manage their policies online with ease.

Notes:

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

(2) Based on the statistics published by MDRT as of July 2025.

Malaysia

We commenced operations in Malaysia with our acquisition of HSBC's 49 per cent stake in HSBC Amanah Takaful in 2019, which was subsequently rebranded as FWD Takaful. In March 2024, we acquired an additional 21 per cent stake in FWD Takaful and became the majority shareholder, with a 70 per cent equity interest.

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

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

In April 2023, we acquired, with local investors, a 70 per cent effective interest in Gibraltar BSN Life Berhad (now rebranded as FWD Insurance Berhad), an insurance company in Malaysia. This acquisition enabled our Group to enter the life insurance market in Malaysia alongside our existing takaful presence, and allows us to create a full-service offering in Malaysia to offer both family takaful and life insurance solutions in a rapidly growing market with long-term potential for growth, as well as to benefit from Gibraltar BSN Life Berhad's existing exclusive life insurance distribution partnership with Bank Simpanan Nasional which we extended in October 2023 until January 2029.

In 2024, we accelerated our digital transformation through the adoption of FWD Cube, complemented by Guru, a generative AI feature, we are committed to deliver seamless, data-driven, and customer-centric experiences across our digital ecosystem.

Financial highlights

The Emerging Markets reported strong APE growth of 18 per cent to US$232 million for the six months ended 30 June 2025 compared to the same period in 2024, despite industry headwinds and economic uncertainties in several markets.

NB CSM and VNB decreased by 18 per cent to US$89 million and 9 per cent to US$58 million, respectively, for the six months ended 30 June 2025 compared to the same period in 2024, due to lower margins which was primarily from operating assumption changes at year-end 2024 and statutory tax changes.

Adjusting for tax and operating assumption changes, VNB margin was in line with the same period in 2024 and NB CSM margin was 10 percentage points lower than the same period in 2024 from channel mix shift in Singapore.

OPAT increased by 191 per cent to US$38 million for the six months ended 30 June 2025 compared to the same period in 2024, principally due to higher CSM release and persistency improvement.

OPERATIONAL HIGHLIGHTS – DISTRIBUTION

Asia is home to hundreds of millions of individuals who need life and health insurance protection but do not have the requisite knowledge of such products or lack potential access to traditional insurance distribution channels[1]. To address this issue, we have adopted a distribution model based on pillars of "Enhance, Extend and Empower": we have "**enhanced**" traditional face-to-face channels with new technologies that help our bank partners, agents and brokers/IFAs to engage and serve their customers in flexible, dynamic and digital ways; we have "**extended**" our reach to individuals underserved by traditional channels by providing multi-device mobile access so that customers can determine their protection needs, understand our propositions, purchase our products and services and submit claims, as well as leveraging our digital commerce channels for online D2C sales and extending our agency channel with our social media engagement platform; we have "**empowered**" our customers to celebrate living by providing them with information to help them to choose the right protection whenever, wherever and however through all our channels with simple propositions, advanced data analytics and high-quality sales leads, utilising AI for customer insights and tailored solutions, and streamlining and simplifying the purchase journey.

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

We distribute our products through multiple distribution channels, including bancassurance, agency, brokerage/IFA, as well as other channels, which include D2C distribution via digital commerce channels. The breakdown of the overall Group APE by distribution channels for bancassurance, agency, brokerage/IFA and others, was 39 per cent, 17 per cent, 37 per cent and 7 per cent, respectively, for the six months ended 30 June 2025.

The following table sets forth the contributions of our distribution channels to our total APE and VNB.

	APE			**VNB**		
US$ millions, except for percentages	**Six months ended 30 Jun**		**YoY CER**	**Six months ended 30 Jun**		**YoY CER**
	2025	2024	**2025**	**2025**	2024	**2025**
Bancassurance	**480**	397	**16%**	**215**	214	**(4)%**
Agency	**209**	171	**20%**	**71**	51	**36%**
Brokerage/IFA	**466**	235	**97%**	**191**	111	**71%**
Others	**92**	74	**19%**	**29**	28	**(1)%**
Total	**1,246**	876	**38%**	**506**	404	**21%**

Note:

(1) According to NMG report, dated May 2025.

Bancassurance Channel

We are one of the leading bancassurers, particularly in Southeast Asia, both in terms of the breadth and depth of our bancassurance partnerships, as well as our demonstrated track record of delivering value through our bancassurance channel. As at 30 June 2025, we had 32 ongoing bancassurance partnerships, including eight exclusive bancassurance partnerships in Southeast Asia.

Our strategy for bancassurance channel has been to partner both exclusively and non-exclusively with leading local banks in each of our markets, promote digital transformation as a means of enhancing our bank partners' sales efforts and productivity, and improve portfolio margins by selling protection-focused products to optimise our VNB. The VNB generated by our bancassurance channel decreased by 4 per cent for the six months ended 30 June 2025 to US$215 million from US$214 million for the same period in 2024.

We had access to our exclusive and non-exclusive bancassurance partners' customer base of over 280 million customers as of June 2025. By quickly integrating our products and services into our leading bank partners' networks and rolling out new products, we have been able to benefit from their customer base and improve their bancassurance productivity and digitalisation of their sales processes.

We use multiple criteria for selecting and evaluating our bancassurance partnerships, including a strategically sustainable market position, a relatively underpenetrated customer base for life insurance, a genuine shared ambition to deliver superior customer experience, alignment with our strategy to promote our digital ecosystem, a focus on fee-based income, and evidence of a collaborative culture.

In particular, our strategy is to partner with national champion banks, which are local financial institutions with leading market positions in their home country, strong financial performance, and active participation and impact on their home country's economy. For example, we formed exclusive partnerships with the national champion banks in Southeast Asia: SCB in Thailand, VCB in Vietnam, Bank BRI in Indonesia. Our bancassurance partnerships, particularly exclusive bancassurance arrangements, typically last for a duration of ten to 15 years, which add long term value and growth potential to our businesses.

Agency Channel

Our agency force is a key channel for accessing our customers. Our total number of agents was approximately 50,000 as at 30 June 2025. The APE generated by our agency channel increased by 20 per cent for the six months ended 30 June 2025 to US$209 million from US$171 million for same period in 2024. Our agency force includes both full-time and part-time tied agents, who sell our products exclusively. With our tech-enabled agency force, we believe that we can effectively foster long-term relationships with customers with significant lifetime value.

We have been focusing on improving the quality of our agency force. We have been consistently ranked top ten among multi-national insurers globally for the past seven years in terms of the number of MDRT-registered members. Founded in 1927, MDRT is a global, independent association of the world's leading life insurance and financial services professionals from more than 700 companies in 85 nations and territories. MDRT membership is recognised internationally as the standard of excellence in the life insurance and financial services business. Our MDRT-registered agency force ranked number two in each of Thailand, Vietnam and the Philippines based on the statistics published by MDRT as of July 2025.

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

Our agents' productivity improved significantly, reflected in over 50 per cent year-on-year growth in APE per active agent for the six months ended 30 June 2025.

Brokerage/IFA Channel

The brokerage/IFA channel consists of insurance distributors that employ a number of brokers and IFAs and sell the products of multiple insurers on a non-exclusive basis. We believe that we are able to offer a well-balanced and diversified distribution platform by supplementing our main distribution channels with our brokerage/IFA channel in certain markets.

We have undertaken multiple initiatives to support our brokerage and IFA partners, including establishing dedicated relationship management teams that meet regularly with the management of these partners and providing dedicated sales and underwriting support and customised products where needed. Our FWD Private brand, which targets HNW individuals through our brokerage/IFA channel has brought meaningful business value to us since its establishment in 2023.

As of 30 June 2025, we had over 2,800 brokerage and IFA partners across our various markets. The APE generated by our brokerage/IFA channel increased by 97 per cent to US$466 million for the six months ended 30 June 2025 from US$235 million for the same period in 2024.

Other Channels

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

We acquire our digital commerce customers by leveraging our eCommerce platform in the following three key areas: (1) digital direct to customers, (2) through digital platforms of partner banks and ecosystem partnerships, and (3) O2O referrals from other channels. We believe that D2C and online engagement are and continue to be an emerging and fast-growing trend in the life insurance market.

Our ecosystem partnerships form a key piece of our digital commerce channel. By partnering with businesses across the eCommerce, retail and fintech industries, we are able to further penetrate various customer demographics and offer them seamless, integrated and customised lifestyle services. As at 30 June 2025, our partners included but not limited to HKT, Traveloka, yuu and GCash.

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

SUPPLEMENTAL GLOSSARY

active agent	Monthly average number of agents who sold at least one case in each reporting month in that year.
adjusted per share calculations	Immediately prior to the completion of the IPO on the Main Board of the Stock Exchange, the Company underwent the Conversion of Shares (as defined in note 1.2 in the Interim Condensed Consolidated Financial Statements) and Share Consolidation. To better reflect the economics prior to the completion of the IPO, the per share metrics for the six months ended 30 June 2025 and 2024, and year ended 31 December 2024 are calculated by adjusting the weighted average number of ordinary shares for the effect of the Conversion of Shares and Share Consolidation, assuming these events occurred at the beginning of each financial period. The Conversion of Shares and Share Consolidation are described in Note 1.2 in the Interim Condensed Consolidated Financial Statements.
Bank BRI	PT Bank Rakyat Indonesia (Persero) Tbk, a publicly listed bank established and existing under the laws of Indonesia.
BRI Life	PT Asuransi BRI Life, a company in which we own an equity interest of 44.0% as of the date of this Supplemental Offering Circular.
comprehensive tangible equity or CTE	Calculated as adjusted total equity attributable to Shareholders of the Company, plus the CSM balance net of tax and non-controlling interests, minus the intangible assets net of non-controlling interests.
cost of capital or CoC	Represents the cost of holding required capital that has been taking into account when measuring shareholders' profit under traditional embedded value reporting.
Conversion of Shares	The consolidation, redesignation and reclassification of all Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares into 2,594,663,913 ordinary shares (which became 864,887,971 ordinary shares after the Share Consolidation) of the Company by operation of the laws of the Cayman Islands.
conversion rate	The percentage of quoted leads that convert into successful sales.
Emerging Markets	Refers to our operations in the Philippines, Indonesia, Singapore, Vietnam and Malaysia.
Equity Holders of the Company	Shareholders of the Company and the holders of perpetual securities of the Company.

ESR	Economic value-based Solvency Regulation in Japan, which the assets and liabilities are evaluated at economic value and the capital requirement is measured based on the underlying risks involved.
fair value through profit or loss or FVOCI	For financial assets and liabilities measured at fair value through other comprehensive income, some changes in fair value are recognised in other comprehensive income. For details, please refer to note 16 in the Interim Condensed Consolidated Financial Statements.
fair value through profit or loss or FVTPL	For financial assets and liabilities measured at fair value through profit or loss, changes in fair value are recognised in profit or loss as part of net investment result. For details, please refer to note 16 in the Interim Condensed Consolidated Financial Statements.
free surplus used to fund new business	Free surplus used to fund new business refers to the change in free surplus arising from writing new business, including diversification benefit of adding new business, which in turn contributes to the overall free surplus balance.
GMT	Global Minimum Tax.
GMCR	Group minimum capital requirement.
GPCR	Group prescribed capital requirement.
Group embedded value or Group EV	The consolidated EV of our Group and is presented on a net-of-financing basis. Financing for this purpose includes debt held and comprises borrowings and perpetual securities.
Group LCSM cover ratio (PCR basis)	Ratio of our group available capital to our GPCR.
Group LCSM tier 1 cover ratio (MCR basis)	Ratio of our Group tier 1 available capital to our GMCR.
Hong Kong or Hong Kong SAR	The Hong Kong Special Administrative Region of the PRC; in the context of our reportable segments, Hong Kong & Macau refers to operations in the Hong Kong SAR and the Macau SAR.
IAIG	Internationally Active Insurance Groups.
IAIS	The International Association of Insurance Supervisors, which is the global standard setter for the insurance industry.
insurance acquisition cash flows	Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

insurance finance reserve	Insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in other comprehensive income.
investments	Investments include financial investments, investment property and cash and cash equivalents.
IPO	Initial public offering of our Company and listing of the Shares on the Main Board of the Stock Exchange as described further in the Prospectus.
JFSA	The Japan Financial Services Agency.
leverage ratio	Calculated as total borrowings divided by the sum of total borrowings 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.
Loss component	Loss component for onerous contracts.
Management Shares	Management shares in the share capital of our Company with a nominal value of US$0.01 each.
na or N/A	Not available.
net investment result	Comprises investment return, net finance income or expenses from insurance contracts and reinsurance contracts held, and movement in investment contract liabilities.
net profit/(loss)	Net profit/(loss) as calculated and reported under the IFRS.
net profit/(loss) after tax or NPAT	Net profit/(loss) attributable to Equity Holders of the Company, unless otherwise stated.
operating profit after tax	Consists of net profit/(loss) adjusted to exclude non-operating items which, in our view, should be disclosed separately to enable a meaningful understanding of our financial performance.
operating profit after tax attributable to Equity Holders of the Company or OPAT	Operating profit after tax attributable to Equity Holders of the Company, unless otherwise stated.
operating profit before tax or OPBT	Consists of profit/(loss) before tax adjusted to exclude non-operating items.
Over-allotment Option	The option granted by our Company as described in the Prospectus.
policyholder and shareholder investments	Investments other than those held to back unit-linked contracts as well as assets from consolidated investment funds.
pps	Percentage point.
Prospectus	The prospectus of the Company dated 26 June 2025.

return on tangible equity	ROTE is calculated as operating profit after tax for the period, divided by the average of the balances of tangible equity as of the beginning and end of such period. Tangible equity is calculated as adjusted total equity attributable to Shareholders of the Company, minus the intangible assets net of non-controlling interests.
SCB Life	SCB Life Assurance Public Company Limited, a company incorporated under the laws of Thailand, now amalgamated with FWD Thailand.
SCBX	SCB X Public Company Limited.
Security Bank	Security Bank Corporation.
Share Consolidation	The consolidation of every three shares with a nominal value of US$0.01 each in the Company's issued and unissued share capital into one share with a nominal value of US$0.03 each.
Shareholders	Holder of the Shares.
Shares	Ordinary shares of the share capital of our Company with a nominal value of US$0.01 each prior to the Share Consolidation and with a nominal value of US$0.03 each subsequent to the Share Consolidation.
SMR	Solvency Margin Ratio in Japan, which is calculated pursuant to a set of factors and formula prescribed by JFSA.
Thailand	In the context of our reportable segments, Thailand & Cambodia refers to operations in Thailand and Cambodia.
Underlying free surplus generation or UFSG	Represents the free surplus generated by the Group over the period, adjusted to exclude new business funding and certain non-recurring items. It excludes free surplus used to fund new business, investment return variances, corporate centre expenses and other items, acquisitions, partnerships and business lines that have been terminated, capital movements and the impact of financing, but includes methodology updates relating to accounting changes.
VCB	Joint Stock Commercial Bank for Foreign Trade of Vietnam.
VCLI	Vietcombank-Cardif Life Insurance Limited Company, now rebranded as FWD Assurance VietNam Company Limited.

References to "FWD Group", "Group", "we", "our" or "us" are to FWD Group Holdings Limited and its consolidated subsidiaries.

All growth rates and commentaries in this Supplemental Offering Circular are provided on a constant exchange rate basis, unless otherwise stated.

Certain amounts and percentage figures included in this Supplemental Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and statements may not be an arithmetic aggregation of the figures preceding them.

APPENDIX I – EMBEDDED VALUE SUPPLEMENTARY REPORT AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2025

Embedded value supplementary report

Independent report on the review of supplementary embedded value information

Milliman

FWD Group Holdings Limited 富衛集團有限公司 ("FWD Group", "FWD", "the Company", "you" or "your") has prepared, in respect of FWD Group and its subsidiaries, the embedded value ("EV") as at 30 June 2025 and the value of new business ("VNB") for the six months ended 30 June 2025 using traditional embedded value ("TEV") methodology. The Company has also prepared additional analyses, including:

– Analysis of EV movement for the six months ended 30 June 2025;

– EV equity as at 30 June 2025;

– Free surplus generation for the six months ended 30 June 2025;

– Earnings profile as at 30 June 2025; and

– Sensitivity analysis on EV and VNB.

The EV, VNB and additional analyses are collectively referred to as the "EV Results". For comparison purposes, the equivalent EV, EV equity and earnings profile results have also been presented as at 31 December 2024 while the equivalent VNB, analysis of EV movement and free surplus generation have been presented for the six months ended 30 June 2024. The EV Results, along with the methodology and assumptions that have been used to prepare the Results, have been summarised by the Company as part of the supplementary embedded value information ("EV Disclosure") in the Interim Report as at, or for the six months ended 30 June 2025. This letter ("Opinion Letter") should be read in conjunction with the EV Disclosure.

Scope of Services

Milliman Limited ("Milliman", "we", "us" or "our") has been engaged by FWD Group to independently review and provide an opinion on the EV Results. Our scope of work, prepared in accordance with our engagement letter dated 11 March 2024, involved the following:

- We have reviewed the methodology and derivation of assumptions used to determine the EV Results presented in the EV Disclosure.

- We have reviewed the analysis that has been performed by FWD Group to support the risk discount rates.

- We have reviewed certain elements of the Valuation Models[1] used to determine VIF and VNB.

- We have performed checks on the EV Results by Business Unit and have reviewed the consolidated EV Results for FWD Group.

Note:

1. Valuation Models refer to models developed in Prophet, a proprietary modelling software provided by a third party, FIS, and spreadsheets developed in Microsoft Excel for compilation of results and off-model adjustments.

Milliman Opinion

Based on our review of the methodology and assumptions used by FWD to calculate the EV Results, Milliman concludes that:

- The methodology used to calculate the EV Results is consistent in all material respects with the EV Policy.

- The methodology specified in the EV Policy is in all material respects comparable to the TEV methodology commonly adopted by listed insurers incorporated in Asia. There are, however, certain features within the methodology that are specific to FWD given the maturity of some of its Business Units.

- The operating assumptions used to calculate the EV Results have been developed using the operating experience of the Business Units, with allowance for expected future trends where applicable, or have been set with reference to industry experience or pricing assumptions where the experience of the Business Units is not statistically credible. EV Results have been determined using long-term expense assumptions set on the basis that Business Units will be able to eliminate expense overruns in the short to medium term in line with internal business plans. An increase in expenses or a reduction in sales compared to the assumptions used in the business plan forecasts could lead to an increase in expense assumptions and adversely affect the EV Results.

- The economic assumptions used to develop the EV Results have been determined having regard to the investment policy of each Business Unit, and current and expected future economic conditions, and are broadly consistent with economic assumptions adopted by insurers in Asia that report on a TEV basis. Checks have also been performed at a FWD Group level to validate the consistency of the allowance for risk in the risk discount rate with market consistent valuation approaches.

- The EV Results have been prepared in all material respects in accordance with the methodology and assumptions described in the EV Disclosure. This has been validated through the sample model point checks performed for products making up over 90% of VIF (measured by in-force statutory reserves) and 90% of VNB (measured by NB APE) for each Business Unit.

Reliances and Limitations

In carrying out our work and producing this Opinion Letter we have relied on information supplied by FWD. Reliance was placed on, but not limited to, the accuracy of the information provided to us. We have performed no audits or independent verification of the information furnished to us. FWD Group has confirmed to us that the data and information it has provided to us is accurate and complete.

The actuarial valuation of FWD Group has been developed on a going concern basis and assumes a continuation of the current, economic, political and social environment in the markets in which FWD Group operates. It therefore inherently assumes that the environment will remain stable. The user of this Report should be aware that any political, economic or social instability in these markets would add a degree of uncertainty to the results presented. In particular, the EV Results have been based on long-term unit cost loadings determined in accordance with FWD's business plan forecasts. Any large movements in equity markets or interest rates could have a material impact on the EV Results.

In determining the EV Results of FWD Group, assumptions have been made about future experience, including economic and investment experience, mortality, morbidity, persistency, expenses and taxes. Actual experience may differ from that assumed in the projections used to calculate the EV Results. To the extent actual experience is different from the assumptions, actual results will also differ from the results shown. The sensitivity of results to certain changes in assumptions is provided in the EV Disclosure.

The expense assumptions have been chosen on the basis that each Business Unit would continue to operate on a going concern basis. They do not take into account any future changes to product strategy, sales volumes or other matters that may have a consequential impact on product specific expense loadings. They also do not take into account any strategic FWD Group spending or any matters that could lead to an increase in such spending beyond what has been planned and set aside in the VIF. The assumptions, including the allowance for Group Office expenses, have also been set with reference to Board approved business plans prepared by the Company. We have relied on the business plans provided to us and have not reviewed the assumptions underlying them.

We have not attempted to assess the suitability or quality of the assets held by FWD Group or its reinsurance strategy. We have also not assessed, or made allowance for, any claims against FWD Group other than those made by policyholders under the normal terms of life insurance business. In particular, no account has been taken of liabilities in respect of pension entitlements, stock option plans, service contracts, leases and breaches of regulations.

No investigation has been made into the accuracy of the unit pricing and unit allocation procedures adopted by each Business Unit.

The EV Results have been prepared by FWD using the Company's Valuation Models. Although we have performed extensive checks on the Valuation Models and underlying results, our checks were not exhaustive, and hence may not have uncovered all potential issues.

The EV Results set out in this Report do not include any allowance for withholding or other taxes that may apply to the payment of shareholder dividends on remittances out of the Business Units. Separately, we note that a consolidated tax adjustment has been made to reflect the impact of the global minimum tax rate of 15% prescribed by the Organization for Economic Co-operation and Development. We are not tax advisors and have relied on FWD Group's internal assessment. Based on FWD Group's assessment, the dividend leakage due to withholding tax is minimal (approximately 1% of operating entity EV as of 30 June 2025), and that the approach taken with respect to withholding tax is appropriate for EV reporting purposes.

Reserves, cost of capital and tax have been calculated using the prevailing regulatory and tax frameworks applicable at the respective Valuation Dates (i.e. 30 June 2025 or 31 December 2024), and do not take into account any future changes in these frameworks. With the introduction of the group-wide supervision framework by the Hong Kong Insurance Authority effective from 29 March 2021, FWD Group also performs internal analyses at least annually (the last study was as at 30 June 2025) to validate that the framework will not result in an increase in capital requirements beyond what has been assumed in the EV Results set out in this Report. We have not reviewed these internal analyses. We have also relied on the opinion of the operating entities' Appointed Actuaries and auditors that the reserves and capital requirements held as at the respective Valuation Dates comply with the prevailing regulations. Effective from 31 March 2026, capital regulations in Japan are changing to an economic value basis. The new framework is under development based on the International Capital Standard. It is important to note that this regulatory change is not incorporated in the EV Results presented in this Report.

The EV Results allow for adjustments to dividends, profit sharing and crediting rate assumptions taking into account the investment return assumptions and profit sharing rules defined in regulations and/or internal company governance. We have relied on the Business Units' application of these rules within the Valuation Models and note that the impact on the results if the rules incorporated in the Valuation Models are not followed in actual practice can be material.

The EV Results presented in this Report assume the ability to continue to optimise capital through existing external and internal reinsurance arrangements. Any revisions to these arrangements, due to regulatory change or other factors, may have a material impact on the EV Results.

On behalf of Milliman Limited

Wen Yee Lee FIAA

Principal & Consulting Actuary

28 August 2025

Clement Bonnet IA, FASHK

Principal & Consulting Actuary

28 August 2025

Supplementary embedded value information

1. Highlights

The embedded value ("EV") is a measure of the value of shareholders' interests in the distributable earnings from assets allocated to the in-force business after allowance for the aggregate risks in that business. The Group uses a traditional, deterministic discounted cash flow methodology to calculate its EV and value of new business ("VNB"). This methodology makes an implicit overall level of allowance for risk including the cost of investment return guarantees and policyholder options, asset-liability mismatch risk, credit risk, the risk that actual experience in future years differs from that assumed, and the economic cost of capital, through the use of a risk discount rate. The equity attributable to shareholders of the Company on the embedded value basis ("EV Equity") is the total of EV, goodwill and other intangible assets attributable to shareholders of the Company. More details on the EV results, methodology and assumptions are covered in later sections of this report.

Summary of key metrics (US$ millions)

	As at 30 June 2025	As at 31 December 2024	Change CER	Change AER
EV Equity	9,642	8,736	5.6%	10.4%
Group Embedded value (EV)	6,380	5,569	8.2%	14.6%
Adjusted net worth (ANW)	3,463	2,597	23.0 %	33.3%
Value of in-force business (VIF)	2,917	2,972	(5.3)%	(1.8) %
EV per share (US$)[1]	5.42	4.73	8.2 %	14.6 %
EV Equity per share (US$)[1]	8.18	7.41	5.6 %	10.4 %

	Six months ended 30 June 2025	Six months ended 30 June 2024	Change CER	Change AER
Value of new business (VNB)	506	404	21.5%	25.3%
Annualised premium equivalent (APE)	1,246	876	38.4%	42.1%
PV New Business Premium (PVNBP)	6,394	4,485	39.0%	42.6%
New business margin (% of APE)	40.6%	46.1%	(5.7) pps	(5.5) pps
New business margin (% of PVNBP)	7.9%	9.0%	(1.1) pps	(1.1) pps

1. Highlights (continued)

	Six months ended 30 June 2025	Six months ended 30 June 2024	Change CER	Change AER
EV operating profit	837	470	76.9%	77.9%
EV operating profit per share (US cents)[1]	71.00	39.90	76.9%	77.9%
Underlying free surplus generation	428	202	118.9 %	111.6%
Free surplus to fund new business	(11)	(10)	nm	nm
Net underlying free surplus generation	417	193	114.6%	116.4%
Basic net UFSG per share (US cents)[1]	35.39	16.35	114.6%	116.4%

2. Embedded Value Results

2.1 Embedded Value by Business Unit

The EV as at 30 June 2025 is presented consistently with the segment information in the IFRS consolidated financial statements.

Summary of EV by Business Unit[2,3] (US$ millions)

	As at 30 June 2025			As at 31 December 2024		
Business Unit	ANW	VIF	EV	ANW	VIF	EV
Hong Kong and Macau	1,830	1,971	3,801	1,923	1,718	3,641
Thailand and Cambodia	2,518	33	2,551	1,898	458	2,356
Japan	1,358	1,025	2,383	1,288	945	2,233
Emerging Markets	907	411	1,318	902	332	1,234
Operating entity EV	6,613	3,440	10,052	6,010	3,453	9,463
Plus: Corporate & Others net assets	635	–	635	357	–	357
Less: Unallocated Group Office expenses	–	(477)	(477)	–	(477)	(477)
Less: Global minimum tax provision[4]	(20)	(45)	(66)	–	(4)	(4)
Less: Financing	(3,765)	–	(3,765)	(3,770)	–	(3,770)
Group EV	3,463	2,917	6,380	2,597	2,972	5,569
Goodwill and other intangible assets	–	–	3,262	–	–	3,167
Group EV Equity	3,463	2,917	9,642	2,597	2,972	8,736

Notes:
1. The figures are based on the number of ordinary shares outstanding, retrospectively adjusted for the effect of Share Consolidation and Conversion of Shares as stated in note 1.2 to the consolidated financial statements.
2. ANW by Business Unit is after net capital flows between Business Units and Group Office as reported in the IFRS consolidated financial statements.
3. Figures may not be additive due to rounding.
4. Please refer to the section 4.2 for the methodology of global minimum tax provision.

2. Embedded Value Results (continued)

2.2 Reconciliation of ANW from IFRS Equity

Derivation of the consolidated ANW from IFRS equity[5] (US$ millions)

	As at 30 June 2025	As at 31 December 2024
IFRS equity attributable to shareholders	7,241	6,753
Difference between IFRS and local statutory asset and liability items	(708)	(726)
Mark-to-market adjustment for property and mortgage loan and other investments, net of amounts attributable to participating funds	1,002	585
Elimination of intangible assets	(3,408)	(3,327)
Recognition of tax impacts	114	95
Recognition of non-controlling interest impacts of the above adjustments	(37)	(42)
Elimination of external perpetual securities	(741)	(741)
ANW	3,463	2,597

2.3 Breakdown of ANW

The breakdown of the ANW for the Group between the required capital, as defined in Section 4.5 of this report, and the free surplus, which is the ANW in excess of the required capital, is set out below:

Free surplus and required capital for the Group[5] (US$ millions)

	As at 30 June 2025			As at 31 December 2024		
	Op. Entity	Corp. and others	Total	Op. Entity	Corp. and others	Total
Free Surplus	4,604	615	5,219	4,081	357	4,438
Required Capital	2,009	–	2,009	1,929	–	1,929
Less: Financing	–	(3,765)	(3,765)	–	(3,770)	(3,770)
ANW	6,613	(3,149)	3,463	6,010	(3,413)	2,597

2.4 Value of New Business

The APE, VNB and new business margin (% of APE) for the Group for the six months ended 30 June 2025 is summarised in the table below. The VNB is defined as the present value, at the point of sale, of the projected after-tax statutory profits less the cost of required capital. Results are presented consistently with the segment information in the IFRS consolidated financial statements. The new business margin (% of APE) and new business margin (% of PVNBP) are defined as VNB expressed as a percentage of APE and PVNBP respectively. APE is defined as annualised regular premiums plus 10 per cent of single premiums and PVNBP is defined as the present value of projected new business premium. Section 4.1 of this report contains a list of the entities included in this report and the mapping of these entities to Business Units for the purpose of this report.

Notes:
5. Figures may not be additive due to rounding.

2. Embedded Value Results (continued)

2.4 Value of New Business (continued)

The Group VNB for the six months ended 30 June 2025 was US$506 million, an increase of US$102 million, or 21.5 per cent on constant exchange rates ("CER") (25.3 per cent on actual exchange rates ("AER")), from US$404 million for the six months ended 30 June 2024. The Group new business margin (% of APE) for the six months ended 30 June 2025 was 40.6 per cent compared with 46.1 per cent for the six months ended 30 June 2024. The Group new business margin (% of PVNBP) for the six months ended 30 June 2025 was 7.9 per cent compared with 9.0 per cent for the six months ended 30 June 2024.

Summary of APE, VNB and New Business Margin (% of APE) by Business Unit[6] (US$ millions)

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	APE	VNB	New Business Margin (% of APE)	APE	VNB	New Business Margin (% of APE)
Hong Kong and Macau	640	267	41.7%	315	140	44.3%
– Onshore	295	137	46.3%	151	76	50.3%
– Offshore	345	130	37.7%	163	63	38.8%
Thailand and Cambodia	311	137	44.1%	305	151	49.7%
Japan	63	44	69.7%	60	49	80.8%
Emerging Markets	232	58	25.1%	197	64	32.5%
Total	1,246	506	40.6%	876	404	46.1%

APE and VNB Growth Rate by Business Unit[6]

	Six months ended 30 June 2025 – Six months ended 30 June 2024			
Business Unit	APE Change in CER	APE Change in AER	VNB Change in CER	VNB Change in AER
Hong Kong and Macau	103.3%	103.3%	91.0%	91.0%
– Onshore	94.9%	94.9%	79.3%	79.3%
– Offshore	111.0%	111.0%	105.0%	105.0%
Thailand and Cambodia	(5.0)%	2.1%	(15.8)%	(9.4)%
Japan	2.1%	4.6%	(12.2)%	(9.8)%
Emerging Markets	18.0%	17.7 %	(9.2)%	(9.2)%
Total	38.4%	42.1%	21.5%	25.3%

Notes:
6. Figures may not be additive due to rounding.

2. Embedded Value Results (continued)

2.5 Analysis of EV Movement

A breakdown of the EV movement at a consolidated group level is presented below.

Analysis of movement in EV[7] (US$ millions)

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	ANW	VIF	EV	ANW	VIF	EV
Opening EV Equity	2,597	2,972	8,736	2,856	2,826	8,867
Removal of goodwill and other intangible assets	–	–	3,167	–	–	3,186
Opening EV	2,597	2,972	5,569	2,856	2,826	5,682
Acquisitions & partnerships/ Discontinued business	–	–	–	(59)	6	(53)
Expected return on EV	307	(13)	294	439	(141)	298
VNB	–	506	506	–	404	404
Operating variance and assumption changes	35	1	37	(135)	(96)	(231)
Total EV operating profit	343	494	837	304	166	470
Economic variance and assumption changes	468	(453)	15	(77)	39	(38)
Other non-operating variance	40	(190)	(150)	(245)	83	(162)
Total EV profit	850	(149)	701	(18)	288	270
Capital movements	–	–	–	–	–	–
Corporate centre expenses	(69)	–	(69)	(80)	43	(37)
Financing	(148)	–	(148)	(164)	–	(164)
Foreign exchange movement	233	94	327	(328)	(172)	(500)
Closing EV	3,463	2,917	6,380	2,206	2,991	5,197
Inclusion of goodwill and other intangible assets	–	–	3,262	–	–	3,067
Closing EV Equity	3,463	2,917	9,642	2,206	2,991	8,264
Closing EV per share (US$)[8]	na	na	5.42	na	na	4.41
Closing EV Equity per share (US$)[8]	na	na	8.18	na	na	7.01

Notes:

7. Figures may not be additive due to rounding.
8. The figures are based on the number of ordinary shares outstanding, retrospectively adjusted for the effect of Share Consolidation and Conversion of Shares as stated in note 1.2 to the consolidated financial statements.

2. Embedded Value Results (continued)

2.5 Analysis of EV Movement (continued)

A breakdown of the EV movement at 30 June 2025 and 30 June 2024 is presented in the table above.

EV was US$6,380 million at 30 June 2025, an increase of 8 per cent on CER (15 per cent on AER) over the year from US$5,569 million at 31 December 2024. The increase was primarily driven by US$837 million from EV operating profit.

EV Equity was US$9,642 million at 30 June 2025, an increase of 6 per cent on CER (10 per cent on AER) over the year from US$8,736 million at 31 December 2024, after the inclusion of goodwill and other intangible assets of US$3,262 million.

EV operating profit grew by 77 per cent on CER (78 per cent on AER) to US$837 million (2024: US$470 million). Expected return on EV at 30 June 2025 decreased to US$294 million (2024: US$298 million). VNB increased to US$506 million (2024: US$404 million). Operating variance and assumption changes amounted to US$37 million (2024: US$(231) million). EV operating profit in the first half of 2025 increased, primarily from strong new business and significant improvement in operating variances. Expense and commission variance in the first half of 2025 was US$16 million (2024: US$(32) million) mainly due to acquisition expense underrun.

The VNB is calculated at the point of sale for business written during the year. The expected return on EV is the expected change in the EV over the year plus the expected return on the VNB from the point of sale to 30 June 2025. Operating experience variances reflect the impact on the ANW and VIF from differences between the actual experience over the year and that expected based on the operating assumptions.

The EV profit of US$701 million (2024: US$270 million) is the total of EV operating profit, economic variances, the effect of changes in economic assumptions and other non-operating variances.

Economic variance and assumption changes amounted US$15 million (2024: US$(38) million) in the first half of 2025, primarily from lower interest rates in Thailand, offset by lower than long-term investment return on private equity impacting Japan and Hong Kong.

Other non-operating variances amounted to US$(150) million (2024: US$(162) million), largely driven by implementation costs for new accounting standards and other mandatory regulatory changes, IPO related costs including incentive costs, integration and restructuring related costs, mergers and acquisitions and one-off adjustments such as the impact of payments related to distribution agreements and methodology and regulatory changes on EV. For the first half of 2025, other non-operating variances also included impact from FWD Reinsurance Global Minimum Tax implementation of US$(61) million.

The EV movement in relation to the Group Corporate Center amounted to US$(218) million (2024: US$(201) million). It includes capital movement, corporate centre expenses and financing.

Positive foreign exchange movements were US$327 million (2024: US$(500) million) primarily from Thai Baht and Japanese Yen appreciation in the first half of 2025.

2. Embedded Value Results (continued)

2.5 Analysis of EV Movement (continued)

Other non-operating variance[9]

A breakdown of the other non-operating variance is presented below.

	Six months ended 30 June 2025	Six months ended 30 June 2024
Non-operating expense variance	(25)	(78)
Mergers and acquisitions, business set up and restructure related costs	(7)	(31)
IPO related costs including incentive costs	(10)	(9)
Implementation costs for new accounting standards and other mandatory regulatory changes	(4)	(10)
Other non-recurring items	(5)	(28)
Others	(125)	(84)
Total	(150)	(162)

2.6 Free Surplus Generation

Free surplus ("FS") represents the excess of adjusted net worth over required capital. The Group holds FS to enable it to invest in new business, take advantage of inorganic opportunities and absorb the effects of capital market stress.

The underlying free surplus generation ("UFSG") represents the free surplus generated by the Group over the period, adjusted to exclude new business funding and certain non-recurring items. It excludes free surplus used to fund new business, investment return variances, corporate centre expenses and other items, acquisitions, partnerships (i.e. the effect of acquiring stakes in BRI Life) ("Acquisitions & partnerships") and business lines that have been terminated ("Discontinued business"), capital movements and the impact of financing, but includes methodology updates relating to accounting changes classified under opening adjustment shown in the table below. Free surplus used to fund new business refers to the change in free surplus arising from writing new business, including diversification benefit of adding new business, which in turn contributes to the overall free surplus balance.

The net underlying FS generation ("Net UFSG") represents the underlying FS generated from FWD Group allowing for the surplus used to fund new business. The FS generation is before adjustment for borrowing, with financing and financing costs reflecting a positive impact from any financing raised in the period and a negative impact from any financing and interest repaid in the period.

Notes:
9. Figures may not be additive due to rounding.

2. Embedded Value Results (continued)

2.6 Free Surplus Generation (continued)

Group's FS increased by US$786 million in 2025 (from US$668 million as at 31 December 2024 to US$1,454 million as at 30 June 2025), primarily from underlying free surplus generation (UFSG) and positive investment return variances and other items. The change in FS was made up of the following key components:

Acquisitions & partnerships/Discontinued business in 2025 was nil (2024: US$(62) million).

Underlying free surplus generation:

- Opening adjustment in the first half of 2025 was US$102 million and primarily from free surplus uplift from a reinsurance transaction.

- Underlying free surplus generation before opening adjustment was US$326 million in the first half of 2025 and increased from prior year primarily from significant improvement in operating variances and assumption changes.

Negative impact of FS used to fund new business in 2025 was at US$(11) million (2024: US$(10) million).

Capital movements in 2025 was nil (2024: nil).

Corporate centre expenses in 2025 was at US$(69) million (2024: US$ (80) million).

Financing in 2025 was at US$(148) million (2024: US$(164) million).

Investment return variances and other items in 2025 was at US$586 million (2024: US$(411) million).

2. Embedded Value Results (continued)

2.6 Free Surplus Generation (continued)

Breakdown of free surplus generation[10] (in US$ millions)

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Operating entities	Corp. & others	Total	Operating entities	Corp. & others	Total
Opening free surplus	4,081	(3,413)	668	3,821	(3,228)	593
Acquisitions & partnerships/ Discontinued business	–	–	–	13	(75)	(62)
Underlying free surplus generation	444	(16)	428	217	(15)	202
Opening adjustment	123	(20)	102	(17)	(43)	(60)
Underlying free surplus generation before opening adjustment	322	4	326	234	28	262
Free surplus used to fund new business	(11)	–	(11)	(10)	–	(10)
Net underlying free surplus generation	433	(16)	417	207	(15)	193
Net underlying free surplus generation before opening adjustment	*310*	*4*	*315*	*224*	*28*	*252*
Investment return variances and other items	635	(48)	586	(319)	(92)	(411)
Capital movements	(546)	546	–	(174)	174	–
Corporate centre expenses	–	(69)	(69)	–	(80)	(80)
Financing	–	(148)	(148)	–	(164)	(164)
Closing free surplus	4,604	(3,149)	1,454	3,548	(3,480)	69

2.7 Earnings Profile

The projected after-tax distributable earnings of the Group on a discounted and undiscounted basis for the in-force business as at 30 June 2025 and as at 31 December 2024 are set out in table below.

The net-of-tax distributable earnings are defined as the distributable profits to shareholders from the assets backing the statutory reserves and the required capital of in-force business as at the respective Valuation Date. On a discounted basis, the total net-of-tax distributable earnings is equal to the sum of the required capital and the VIF after the cost arising from holding the required capital ("CoC") for the Business Units and corporate and other adjustments.

Notes:
10. Figures may not be additive due to rounding.

2. Embedded Value Results (continued)

2.7 Earnings Profile (continued)

Cash flow profile of projected after-tax distributable earnings for the Group's in-force business[11] (US$ millions)

	As at 30 June 2025		As at 31 December 2024	
Expected period of emergence	Undiscounted	Discounted	Undiscounted	Discounted
1 – 5 years	1,352	930	1,585	1,201
6 – 10 years	2,870	1,601	2,679	1,492
11 – 15 years	2,258	864	2,076	800
16 – 20 years	1,939	500	1,746	455
21 years and thereafter	28,800	1,031	27,519	953
Total	37,219	4,926	35,605	4,901

The discounted value of net-of-tax distributable earnings (30 June 2025: US$4,926 million, 31 December 2024: US$4,901 million) plus free surplus (30 June 2025: US$1,454 million, 31 December 2024: US$668 million) is equal to EV (30 June 2025: US$6,380 million, 31 December 2024: US$5,569 million).

3. Sensitivity Analysis

Sensitivity tests have been performed on the EV as at 30 June 2025 and 31 December 2024 and the VNB for the six months ended 30 June 2025 and 30 June 2024 in respect of changes in key assumptions discussed in Section 5 of this report. For each of the following tests, only the specified parameter has been changed with all other assumptions remaining unchanged:

- 1.0 per cent increase in risk discount rate
- 1.0 per cent decrease in risk discount rate
- 0.5 per cent per annum increase in interest rates
- 0.5 per cent per annum decrease in interest rates
- 10 per cent increase in rates of policy discontinuance, premium discontinuance and partial withdrawal (i.e. 110 per cent of the rates under the base case)
- 10 per cent decrease in rates of policy discontinuance, premium discontinuance and partial withdrawal (i.e. 90 per cent of the rates under the base case)

Notes:
11. Figures may not be additive due to rounding.

3. Sensitivity Analysis (continued)

- 10 per cent increase in rates of mortality and morbidity and loss ratios (i.e. 110 per cent of the rates and loss ratios under the base case)
- 10 per cent decrease in rates of mortality and morbidity and loss ratios (i.e. 90 per cent of the rates and loss ratios under the base case)
- 10 per cent increase in acquisition and maintenance expenses (i.e. 110 per cent of the acquisition and maintenance expenses under the base case) with no revisions made for Group Office expense adjustments
- 10 per cent decrease in acquisition and maintenance expenses (i.e. 90 per cent of the acquisition and maintenance expenses under the base case) with no revisions made for Group Office expense adjustments
- 5 per cent appreciation in presentation currency
- 5 per cent depreciation in presentation currency
- 10 per cent increase in equity prices (i.e. 110 per cent of equity prices (with projected bonus rates on participating business and the value of equity securities and equity funds changed consistently))
- 10 per cent decrease in equity prices (i.e. 90 per cent of equity prices (with projected bonus rates on participating business and the value of equity securities and equity funds changed consistently))
- 1 per cent per annum reduction in the net investment return for private equity assets

The sensitivity tests on increase/decrease in interest rates have been applied to the net investment returns (and corresponding adjustments to the market value of assets for debt securities and derivatives, statutory reserving bases, bonus/dividend scales for participating business, crediting rates for universal life business, unit fund growth rates for unit linked business and risk discount rate).

The sensitivity tests on increase/reduction in equity prices have been applied as at the respective Valuation Dates and are not applicable to VNB.

As FWD operates in multiple Asian markets, the Business Unit EV and VNB results for the Group have been converted from the respective local currency to FWD's US dollar presentation currency. To provide sensitivity results to foreign currency movements, a change of +/- 5 per cent to the US dollar exchange rate has been shown.

3. Sensitivity Analysis (continued)

The sensitivity tests have only been performed on the operating entity EV, with no sensitivities carried out on the EV contributed by corporate and other adjustments. For each of the remaining sensitivity analyses, the statutory reserving bases as at 30 June 2025 and 31 December 2024, projected policyholder dividends on participating business, crediting rates for universal life business and unit fund growth rates for unit-linked business were changed to be consistent with the sensitivity analysis assumptions, while all the other assumptions remain unchanged.

The sensitivities chosen do not represent the boundaries of possible outcomes, but instead illustrate how certain alternative assumptions would affect the results.

Sensitivity of Operating Entities' EV (US$ millions)

	As at 30 June 2025		As at 31 December 2024	
Scenario	EV	Percentage change from base case	EV	Percentage change from base case
Base case	10,052		9,463	
Impact of:				
Increase risk discount rate by 1.0%	(588)	(5.9)%	(554)	(5.9)%
Reduce risk discount rate by 1.0%	736	7.3%	695	7.3%
Increase interest rates by 0.5% p.a.[1]	(86)	(0.9)%	(67)	(0.7)%
Reduce interest rates by 0.5% p.a.[1]	76	0.8%	54	0.6%
Increase discontinuance and partial withdrawal rates by 10%	(298)	(3.0)%	(276)	(2.9)%
Reduce discontinuance and partial withdrawal rates by 10%	348	3.5%	311	3.3%
Increase mortality and morbidity rates and loss ratios by 10%	(746)	(7.4)%	(678)	(7.2)%
Reduce mortality and morbidity rates and loss ratios by 10%	744	7.4%	689	7.3%
Increase acquisition and maintenance expenses by 10%	(132)	(1.3)%	(130)	(1.4)%
Reduce acquisition and maintenance expenses by 10%	131	1.3%	131	1.4%
Appreciation of presentation currency by 5%	(312)	(3.1)%	(287)	(3.0)%
Depreciation of presentation currency by 5%	312	3.1%	287	3.0%
Increase equity prices by 10%	188	1.9%	187	2.0%
Reduce equity prices by 10%	(189)	(1.9)%	(183)	(1.9)%
Reduce net investment returns for private equity assets by 1% p.a.	(123)	(1.2)%	(116)	(1.2)%

Notes:

1. FWD Japan and FWD Vietnam, for debt securities and derivatives with investment returns determined on a book yield basis, sensitivities have not been applied to the market values and investment returns for these securities.

3. Sensitivity Analysis (continued)

The sensitivities tests performed on the consolidated VNB for the six months ended 30 June 2025 and 30 June 2024, together with the change in VNB expressed as a percentage of base case VNB. VNB does not include any allowance for acquisition expense overruns and commission overruns.

Sensitivity of VNB (US$ millions)

	As at 30 June 2025		As at 30 June 2024	
Scenario	VNB	Percentage change from base case	VNB	Percentage change from base case
Base case	506		404	
Impact of:				
Increase risk discount rate by 1.0%	(57)	(11.2)%	(45)	(11.1)%
Reduce risk discount rate by 1.0%	70	13.9%	58	14.3%
Increase interest rates by 0.5% p.a.[2]	23	4.5%	30	7.3%
Reduce interest rates by 0.5% p.a.[2]	(26)	(5.1)%	(30)	(7.5)%
Increase discontinuance and partial withdrawal rates by 10%	(29)	(5.8)%	(30)	(7.4)%
Reduce discontinuance and partial withdrawal rates by 10%	32	6.4%	33	8.3%
Increase mortality and morbidity rates and loss ratios by 10%	(47)	(9.2)%	(44)	(11.0)%
Reduce mortality and morbidity rates and loss ratios by 10%	47	9.2%	44	11.0%
Increase acquisition and maintenance expenses by 10%	(34)	(6.8)%	(28)	(7.0)%
Reduce acquisition and maintenance expenses by 10%	34	6.8%	28	7.0%
Appreciation of presentation currency by 5%	(13)	(2.5)%	(14)	(3.5)%
Depreciation of presentation currency by 5%	13	2.5%	14	3.5%
Reduce net investment returns for private equity assets by 1% p.a.	(7)	(1.3)%	(9)	(2.3)%

Notes:
2. FWD Japan and FWD Vietnam, for debt securities and derivatives with investment returns determined on a book yield basis, sensitivities have not been applied to the market values and investment returns for these securities.

4. Methodology

4.1 Entities Included in This Report

The FWD Group operates through a number of subsidiaries and the two main holding companies are FWD Limited and FWD Group Limited.

As at 30 June 2025, FWD Limited includes the following entities:

- FWD Life Insurance Company (Bermuda) Limited;
- FWD Life Insurance Company (Macau) Limited;
- FWD Life Assurance Company (Hong Kong) Limited;
- FWD Life (Hong Kong) Limited;
- FWD Vietnam Life Insurance Company Limited;
- FWD Takaful Berhad;
- FWD Financial Planning Limited;
- Antede Limited;
- AMG Financial Group Limited;
- AMG Wealth Management Limited;
- FWD Financial Limited;
- OGS (I) Limited;
- OGS (II) Limited;
- One George Street LLP (in liquidation);
- Sky Accord Limited;
- Future Radiance Limited;
- FWD Properties Limited;
- PT Asuransi BRI Life;
- FWD BSN Holdings Sdn. Bhd.;
- FWD Insurance Berhad; and
- FMH Capricorn Holdings Sdn. Bhd.

4. Methodology (continued)

4.1 Entities Included in This Report (continued)

FWD Life Insurance Company (Bermuda) Limited, FWD Life Insurance Company (Macau) Limited, FWD Life Assurance Company (Hong Kong) Limited and FWD Life (Hong Kong) Limited are the life insurance subsidiaries of FWD Limited, and PT Asuransi BRI Life is a life insurance associate of FWD Limited. FWD Limited owns a minority 43.96 per cent[1] stake in PT Asuransi BRI Life, a life insurance subsidiary of PT Bank Rakyat Indonesia (Persero) Tbk. On 3 April 2023, the Group, along with local investors, acquired a 70% stake in FWD BSN Holdings Sdn. Bhd., a company established under the laws of Malaysia. FWD BSN Holdings Sdn. Bhd. is the holding company of FWD Insurance Berhad (formerly known as "Gibraltar BSN Life Berhad"), a life insurance company acquired from Prudential Insurance Company of America. FWD Takaful Berhad and FWD Vietnam Life Insurance Company Limited are the life insurance subsidiaries of FWD Life Insurance Company (Bermuda) Limited. FWD Life Insurance Company (Bermuda) Limited has also established a branch in Singapore ("FWD Bermuda Singapore") and commenced writing new business through the branch in 2024. FWD Takaful Berhad, FWD Vietnam Life Insurance Company Limited and FWD Bermuda Singapore are treated as separate entities, and the value from these entities is reported separately and not included within the results of FWD Life Insurance Company (Bermuda) Limited.

As at 30 June 2025, FWD Group Limited includes the following entities:

- FWD Life Insurance Corporation;
- FWD Life Insurance Public Company Limited;
- PT FWD Insurance Indonesia;
- FWD Singapore Pte. Ltd.;
- FWD Life Insurance Company, Limited;
- FWD Reinsurance SPC, Ltd.;
- FWD Life Insurance (Cambodia) Plc.;
- FWD Group Services (Thailand) Co., Ltd. (in liquidation);
- IPP Financial Advisers Pte. Ltd.; and
- PT FWD Asset Management (in liquidation)[2]

Notes:

1. On 1 March 2024, FWD acquired an additional 4.14 per cent stake in PT Asuransi BRI Life, increasing its holding from 39.82 per cent to 43.96 per cent. The EV as at 30 June 2025 and 31 December 2024 and VNB in respect of new business written from 1 March 2024 to 31 May 2025 represents a 43.96 per cent economic interest following the increase in this stake. The VNB in respect of new business written from 1 December 2023 to 28 February 2024 represent a 39.82 per cent economic interest following the recent increase in this stake.
2. On 6 March 2025, the OJK approved the surrender of PT FWD Asset Management's investment management licence as a first step of its voluntary liquidation, which is expected to complete in 2025. On 26 March 2025, the shareholders of this subsidiary resolved to dissolve the company. PT FWD Asset Management is now in the liquidation process, which is expected to be completed in 2025.

4. Methodology (continued)

4.1 Entities Included in This Report (continued)

FWD Life Insurance Company, Limited, FWD Reinsurance SPC, Ltd., FWD Life Insurance Public Company Limited, PT FWD Insurance Indonesia, FWD Life Insurance Corporation, FWD Singapore Pte. Ltd., and FWD Life Insurance (Cambodia) Plc. are life insurance subsidiaries of FWD Group Limited.

Operating entities in this Report refer to life insurance subsidiaries and associates, and non-life insurance subsidiaries, as well as other subsidiaries, associates and joint ventures[3]. Life insurance subsidiaries and associates refer to life insurance companies, including composite insurers. Non-life insurance subsidiaries refer to entities that are general insurance companies, asset management companies and financial planning/broking firms. All other entities that are held in FWD Limited and FWD Group Limited and not listed above are classified as "non-operating entities" and form part of "corporate and other" adjustments.

The entities for which VIF and VNB results have been determined are referred to as "Business Units" in this Report. Several entities have been grouped as one Business Unit by FWD. The Business Units referred to in this Report are as follows:

- FWD Hong Kong collectively includes the following entities:
  - FWD Life Insurance Company (Bermuda) Limited ("FWD Life (Bermuda)")[4];
  - FWD Life Assurance Company (Hong Kong) Limited ("FWD Life Assurance (Hong Kong)");
  - FWD Life (Hong Kong) Limited ("FWD Life (Hong Kong)");
  - FWD Financial Planning Limited; and
  - Antede Limited[5]
- FWD Life Insurance Company (Macau) Limited ("FWD Macau")
- FWD Japan collectively includes the following entities:
  - FWD Life Insurance Company, Limited ("FWD Life Japan"); and
  - FWD Reinsurance SPC, Ltd. ("FWD Reinsurance")[6]

Notes:
3. Subsidiaries refer to companies in which the operating entity owns a majority stake, while associates refer to companies in which the operating entity owns a minority stake which the Group has significant influence in but does not have control or joint control. Joint ventures are entities whereby the Group and other parties undertake an economic activity which is subject to joint control arising from a contractual agreement.
4. The life insurance subsidiaries of FWD Life (Bermuda) (i.e. FWD Malaysia and FWD Vietnam) are treated as separate entities and have been excluded from the results prepared for FWD Life (Bermuda). FWD Financial Limited, OGS (I) Limited, OGS (II) Limited, One George Street LLP (in liquidation), Sky Accord Limited, Future Radiance Limited and FWD Properties Limited are included in FWD Life (Bermuda).
5. AMG Financial Group Limited and AMG Wealth Management Limited are included in Antede Limited.
6. The business ceded to FWD Reinsurance is purely from wholly owned FWD Japanese entities. Hence FWD Reinsurance is included as part of FWD Japan.

4. Methodology (continued)

4.1 Entities Included in This Report (continued)

- FWD Thailand collectively includes the following entities:
  - FWD Life Insurance Public Company Limited ("FWD Thailand"); and
  - FWD Group Services (Thailand) Co., Ltd. (in liquidation)
- FWD Indonesia collectively includes the following entities:
  - PT FWD Insurance Indonesia; and
  - PT FWD Asset Management (in liquidation)
- FWD Takaful Berhad ("FWD Malaysia")
- FWD IB collectively includes the following entities:
  - FWD Insurance Berhad;
  - FWD BSN Holdings Sdn. Bhd. ("FWD BSN Holdco"); and
  - FMH Capricorn Holdings Sdn. Bhd.[7]
- FWD Life Insurance Corporation ("FWD Philippines")
- FWD Singapore collectively includes the following entities
  - FWD Singapore Pte. Ltd.; and
  - IPP Financial Advisers Pte. Ltd.
- FWD Bermuda Singapore
- FWD Vietnam Life Insurance Company Limited ("FWD Vietnam")
- FWD Life Insurance (Cambodia) Plc. ("FWD Cambodia")
- PT Asuransi BRI Life ("BRI Life")

Notes:

7. Reclassification was carried out in 2024. Prior to 2024, this entity was not included in FWD IB, and the Group's stake in the company formed part of "non-operating" entity.

4. Methodology (continued)

4.1 Entities Included in This Report (continued)

FWD Life (Bermuda) established a new operation in Bermuda in 2023 to provide high net worth ("HNW") customers in Hong Kong and Singapore with a flexible legacy planning solution. This new operation is referred to as the "HNW operation". The HNW operation in Hong Kong commenced writing new business in 2023, while FWD Bermuda Singapore commenced writing new business in 2024. The value in respect of the HNW operation in Hong Kong and FWD Bermuda Singapore is included as part of the EV results for Hong Kong and Singapore region set out in this report respectively.

The VNB has been presented by region, while the EV and other reporting metrics have been presented at a consolidated group level. The allocation of Business Units to each region is mapped out below:

- Hong Kong and Macau: FWD Hong Kong and FWD Macau
- Thailand and Cambodia: FWD Thailand and FWD Cambodia
- Japan: FWD Japan

Emerging Markets: FWD Indonesia, FWD Malaysia, FWD IB, FWD Philippines, FWD Singapore, FWD Bermuda Singapore, FWD Vietnam and BRI Life

The EV Results in this Report represent a 99.96 per cent holding in FWD Thailand, a 43.96 per cent holding in BRI Life, a 70 per cent[8] holding in FWD BSN Holdco, a 40 per cent holding in IPP Financial Advisers Pte. Ltd. and a 100 per cent holding for other life insurance entities.

4.2 Embedded Value and Value of New Business

The Group uses a traditional deterministic discounted cash flow methodology to determine its EV and VNB. This methodology makes an implicit overall level of allowance for risk including the cost of investment return guarantees and policyholder options, asset-liability mismatch risk, credit risk, the risk that actual experience in future years differs from that assumed, and the economic cost of capital, through the use of a risk discount rate. Typically, the higher the risk discount rate, the greater the allowance for these factors. This is a common methodology currently used by life insurance companies in Asia.

The business included in the VIF and VNB calculations comprises all life insurance business, including medical, accident & health business managed by the Business Units. No allowance has been made in the VIF for non-life business.

Notes:
8. Refers to the stake in FWD BSN Holdco acquired by FWD Group and local investors. The Group owns 20 per cent of the 70 per cent stake in FWD BSN Holdco while FWD BSN Holdco owns 100 per cent of FWD IB. The Group's economic interest in FWD IB is therefore 14 per cent (i.e. 20 per cent x 70 per cent x 100 per cent) of FWD Insurance Berhad and FWD BSN Holdco and 20% of FMH Capricorn Holdings Sdn. Bhd..

4. Methodology (continued)

4.2 Embedded Value and Value of New Business (continued)

The EV is taken to be the sum of the ANW and VIF. The ANW is the statutory net asset value reflecting the excess of the assets backing the policy reserves and other liabilities of the life (and similar) business of the Group, plus mark-to-market adjustments for assets that have not been held on a market value basis, plus the statutory net asset value reported for the other operating entities not referred to as Business Units, less the value of intangible assets. The ANW for non-operating entities reflects the reported IFRS equity, adjusted to reverse out the value of intangible assets aligned with the approach for each Business Unit and for subordinated perpetual capital securities issued through FWD Limited and zero coupon subordinated perpetual capital securities issued through FWD Group Limited. These securities are treated as equity in the unaudited consolidated financial statements of FWD Group Holdings Limited (referred to as “IFRS accounts”). The carrying value of these securities has been deducted in the ANW when determining the Group EV. It excludes any amounts not attributable to shareholders of the Company.

The VIF is the present value of future net-of-tax statutory profits emerging in the future from the current in-force business less CoC required to support the in-force business. The CoC is calculated as the present value of the net-of-tax investment return on shareholder assets backing required capital, plus the present value of any changes in required capital, less the face value of the required capital at the respective Valuation Dates. Where the required capital may be covered by policyholder assets such as surplus assets in a participating fund, there is no associated cost of capital included in the VIF or VNB.

A deduction has been made from the VIF for the present value of future net-of-tax unallocated Group Office expenses, representing the expenses incurred by the Group Office which are not allocated to the Business Units. These unallocated Group Office expenses have been deducted from the VIF. As most of these expenses are incurred in Hong Kong Dollars, the future unallocated Group Office expenses have been discounted using the risk discount rate applicable to Hong Kong and Macau.

The EV Results have been determined using long-term expense assumptions set on the basis that Business Units will be able to eliminate expense overruns in the short to medium term in line with internal business plans. The VIF includes deductions relating to future maintenance expense overruns for in-force business based on the latest business plans of the Business Units. The provision for expense overruns assumed in the VIF excludes future acquisition expense overruns and commission overruns, any expected one-off and non-recurrent expenses, and future maintenance expense overruns for new business that was not in-force as at the respective Valuation Dates.

EV Equity is the total of EV, goodwill and other intangible assets attributable to shareholders of the Company.

4. Methodology (continued)

4.2 Embedded Value and Value of New Business (continued)

The VNB is the present value, measured at the point of sale, of future net-of-tax statutory profits emerging in the future from new business sold in the period less the corresponding cost of capital. The VNB for the Group is calculated quarterly, based on assumptions applicable at the start of each quarter[9]. The VNB results shown in this Report are based on long-term unit costs rather than current expense levels and make no allowance for the value of acquisition expense overruns and commission overruns in respect of the underlying new business.

For each Business Unit, FWD has evaluated the potential need for additional tax adjustments in relation to the global minimum tax initiative led by the Organization for Economic Co-operation and Development. These adjustments have been accounted for separately within the consolidated group results arising when the corporate tax rate under the Business Unit falls below 15%.

4.3 Definition of New Business

The VNB for each Business Unit represents the value to shareholders arising from the new business issued during the relevant reporting period.

The VNB covers all new life insurance sales with premiums paid and policies issued during the reporting period. Incremental premiums to existing contracts, if the increases are triggered by corresponding increases in benefits, are considered to be part of VNB.

4.4 Valuation of Future Statutory Losses

For certain lines of business, projected future statutory profits are negative due to the local statutory reserves being insufficient to meet the value of future policyholder cash flows. Within a traditional embedded value framework, there are a number of acceptable methods for determining the value of a combination of positive and negative statutory profits for different lines of business.

For the purposes of this valuation, a sterling reserve is set up for the future projected statutory losses by discounting them at the earned rate for the relevant Business Unit, with any negative VIF eliminated for each reported segment by reducing the ANW and EV.

Notes:

9. For 2024 VNB, as part of the 2024 mid-cycle review, there were updates to some operating assumptions and these assumptions have been retrospectively applied from the start of 2024. Therefore, the assumptions applicable at the start of each quarter would reflect these revisions.

4. Methodology (continued)

4.5 Required Capital

Each of the Business Units has a regulatory requirement to hold shareholder capital in addition to the assets backing the insurance liabilities. The Group's assumed levels of local required capital for each Business Unit are set out in the table below:

Business Unit	Required Capital
FWD Hong Kong	100% of regulatory risk-based capital requirement
FWD Macau	150% of required minimum solvency margin
FWD Thailand	140% of regulatory risk-based capital requirement (RBC 2)
FWD Life Japan	600% of regulatory risk-based capital requirement
FWD Reinsurance	200% of regulatory risk-based capital requirement
FWD Philippines	125% of regulatory risk-based capital requirement
FWD Indonesia and BRI Life	120% of regulatory risk-based capital requirement
FWD Singapore	114% of regulatory risk-based capital requirement (RBC 2)
FWD Bermuda Singapore	107% of regulatory risk-based capital requirement (RBC 2)
FWD Vietnam	100% of required minimum solvency margin
FWD Malaysia and FWD IB	195% of regulatory risk-based capital requirement for FWD Malaysia 200% of regulatory risk-based capital requirement for FWD IB
FWD Cambodia	120% of required minimum solvency margin

The Hong Kong Insurance Authority introduced a group-wide supervision framework effective from 29 March 2021. FWD Group performed an internal study on 30 June 2025 to validate that the framework will not introduce any additional cost of capital requirements beyond those set out in this Report.

4.6 Foreign Exchange

The EV as at 30 June 2025 and 31 December 2024 has been converted into US dollars using exchange rates as at each valuation date. The VNB and EV operating profit have been calculated quarterly using the quarterly average exchange rates applicable.

The changes in EV and EV equity based on CER have been calculated by converting the local currency results for each Business Unit to USD using the end of period exchange rate applied to both the results at the end of the period and the results at the end of the prior period. The changes in VNB, EV operating profit and free surplus generation based on CER have been calculated by converting the local currency results to USD using the average exchange rates observed for the current reporting period, applied to both results in the current period and results in the prior period.

5. Assumptions

5.1 Introduction

This section summarises the assumptions used by the Group to determine the EV as at 30 June 2025 and the VNB for the six months ended 30 June 2025 and highlights certain differences in assumptions between the EV as at 31 December 2024 and the EV as at 30 June 2025.

5.2 Economic Assumptions

The economic assumptions for each Business Unit have been set based on long-term returns on assets. The long-term returns have been set with reference to the Group's long-term outlook for the economy, interest rates and asset class yields. An adjustment has been included to grade the economic assumptions from the current market yields observed at the respective Valuation Dates to the assumed long-term returns.

For each Business Unit, the investment returns have been determined by applying the projected annual returns by major asset category to the assumed asset mix. The asset mix has been determined based on current and future target asset allocations. Within each Business Unit, the investment returns may differ by product group or by fund.

The difference between the risk discount rate and the risk-free rate of return (set with reference to 10-year government bond yields) is referred to as the "risk margin." The risk margin is intended to represent the level of additional return an investor might consider to be appropriate to reflect the underlying risk of the business.

To provide assurance that the economic assumptions are internally consistent with current economic conditions as at the respective Valuation Dates, the Group has also performed various analyses to assess if the risk discount rate used is appropriate, including comparing the TEV results with the results from market consistent valuations performed by FWD. The approach of using market consistent analyses to assess the reasonableness of the risk discount rate is a common practice for insurers that report TEV results.

Table in this section sets out the risk discount rates, local equity returns and long-term 10-year government bond yields assumed in the EV calculations, along with the current market 10-year government bond yields referenced in the EV Results as at 30 June 2025 and 31 December 2024. VNB has been calculated quarterly, based on the economic assumptions at the start of the quarter.

5. Assumptions (continued)

5.2 Economic Assumptions (continued)

The table below summarises the current market 10-year government bond yields referenced in EV calculations.

Business Unit	Current market 10-year government bond yields referenced in EV calculations (%) As at 30 June 2025	As at 31 December 2024
FWD Hong Kong and FWD Macau[1]	4.24	4.58
FWD Thailand	1.60	2.30
FWD Japan	1.43	1.08
FWD Philippines	6.28	6.18
FWD Indonesia and BRI Life	6.62	7.02
FWD Singapore and FWD Bermuda Singapore	2.20	2.86
FWD Vietnam	3.34	3.12
FWD Malaysia and FWD IB	3.52	3.82
FWD Cambodia	na[2]	na[2]
Group Office expense adjustment	na	na

The table below summarises the risk discount rates and long-term investment returns assumed in EV calculations. The same risk discount rates were used for all the EV results shown in Section 1 and Section 2 of this report. The present value of unallocated Group Office expenses was calculated using the FWD Hong Kong risk discount rate.

	Risk discount rates assumed in EV calculations (%)		Long-term investment returns assumed in EV calculations (%)			
			10-year government bonds		Local equities	
Business Unit	As at 30 June 2025	As at 31 December 2024	As at 30 June 2025	As at 31 December 2024	As at 30 June 2025	As at 31 December 2024
FWD Hong Kong and FWD Macau[1]	8.20	8.20	3.50	3.50	8.00	8.00
FWD Thailand	8.25	8.25	3.20	3.20	8.00	8.00
FWD Japan	6.75	6.75	1.25	1.25	na	na
FWD Philippines	12.55	12.55	5.75	5.75	10.55	10.55
FWD Indonesia and BRI Life	13.00	13.00	6.50	6.50	10.50	10.50
FWD Singapore and FWD Bermuda Singapore	7.35	7.35	2.70	2.70	7.50	7.50
FWD Vietnam	10.65	10.65	4.00	4.00	9.30	9.30
FWD Malaysia and FWD IB	8.65	8.65	3.75	3.75	8.35	8.35
FWD Cambodia	12.60	12.60	na[2]	na[2]	na[2]	na[2]
Group Office expense adjustment	8.20	8.20	na	na	na	na

Notes:
1. The 10-year government bond yields shown above are referred as US dollar bonds rate.
2. na as the investment return assumption for FWD Cambodia has been set with reference to fixed deposit rates.

5. Assumptions (continued)

5.3 Persistency

Persistency assumptions include lapses, premium holidays, partial withdrawals and renewals. The assumptions differ by policy year and are usually split by product or product type. They have been determined by each Business Unit based on historical experience where statistically credible, with allowance for current and future trends and with reference to pricing assumptions where the data available is limited or not statistically credible.

5.4 Expenses

The expense assumptions have been set by each Business Unit considering both historical experience and projected expenses in the relevant business plans. Using these expense assumptions results in expense overruns and commission overruns in the short term, as the aggregated amounts in the Valuation Models are lower than current operating expenses and commission-related costs. These overruns are expected to reduce over time based on business plan forecasts prepared by the Business Units.

The long-term unit cost loadings have been set to support the general operating expenses in line with approved business plans. Any one-off and non-recurrent expenses have been excluded from the expense loadings. The Group's justification for using long-term unit cost loadings is that expense overruns and commission overruns are expected to be eliminated in the short to medium term. The results, therefore, are reliant on the ability of the Business Units to reduce these expense overruns and commission overruns as planned.

Assumptions for commission rates and other sales-related payments have been set in line with actual experience.

Using these expense assumptions results in expense and commission overruns in the short term. These overruns are expected to reduce over time based on business plan forecasts prepared by the Business Units.

Maintenance expense overruns – VIF adjustment

The VIF includes deductions relating to future maintenance expense overruns for in-force business based on the latest business plans of the Business Units. The provision for expense overruns assumed in the VIF excludes future acquisition expense overruns and commission overruns, any expected one-off and non-recurrent expenses, and future maintenance expense overruns for new business that was not in-force as at the respective Valuation Dates.

5. Assumptions (continued)

5.4 Expenses (continued)

Group Office expenses

Group Office expenses are divided into two categories: allocated and unallocated expenses. The allocated Group Office expenses have been charged directly to Business Units and accounted for in the expense studies prepared by each Business Unit when determining expense loadings. The unallocated Group Office expenses are incurred in respect of shareholder services and other developments. The projected unallocated Group Office expenses assumed in the EV include allowance for an increase in allocation of Group Office expenses to Business Units (to the extent that these expenses can be absorbed by expense underruns forecast in the Business Units' business plans) combined with a planned reduction in the overall expenses. These unallocated Group Office expenses have all been included in the consolidated EV, as the Group does not split them into acquisition and maintenance expenses.

The adjustment for unallocated Group Office expenses has been calculated as the present value of the projected unallocated Group Office expenses, discounted at the risk discount rates applicable for Hong Kong and Macau. The unallocated Group Office expenses do not include expenses attributable to the Group's strategic initiatives, as no shareholder value has yet been placed on these initiatives. Any costs relating to these initiatives will be captured as a reduction to ANW as they are incurred. Group's costs related to the platform for insurance services (e.g. claims, underwriting) are included, and no revenue anticipated from potential future partnerships is allowed for. The projection of unallocated Group Office expenses for the first three projection years is based on the Group's internal business plan. For projection years four and five, these expense are assumed to continue to grow at the same rate as observed in the third projection year. From projection years six to year ten, the Group has assumed that the unallocated Group Office expenses will reduce as more expenses can be allocated to Business Units, with unallocated Group Office expenses from projection years eleven to fifteen growing at the inflation rate assumed for Hong Kong and Macau of 2.3% p.a. A 15-year period has been used to reflect the run-off of in-force business, in line with the Group EV policy (referred to as "EV Policy"). The same term and inflation assumption has been used for each year of respective Valuation Date.

5. Assumptions (continued)

5.5 Expense Inflation

The expected long-term expense inflation rates used by Business Unit are set out below:

Expense inflation assumptions by Business Unit (%)

Business Unit	As at 30 June 2025	As at 31 December 2024
FWD Hong Kong and FWD Macau	2.3	2.3
FWD Thailand	2.0	2.0
FWD Japan	0.4	0.4
FWD Philippines	3.0	3.0
FWD Indonesia and BRI Life	3.5	3.5
FWD Singapore and FWD Bermuda Singapore	3.0	3.0
FWD Vietnam	5.0	5.0
FWD Malaysia and FWD IB	3.0	3.0
FWD Cambodia	5.0	5.0

5.6 Mortality

Mortality assumptions have been determined by each Business Unit based on historical experience where statistically credible and with reference to either pricing assumptions or industry experience where there is limited claims experience available. The assumptions have been expressed as a percentage of either a standard industry experience table or set as a percentage of reinsurance rates.

For the following Business Units, an allowance has also been made for assumed future mortality improvement (set with reference to a combination of population, industry and company experience):

- FWD Hong Kong and FWD Macau: Mortality improvement has been applied on all lines of business.

- FWD Japan: Mortality improvement rate has been applied on certain products, namely Accident & Health and annuity products.

5.7 Morbidity

Similar to mortality, morbidity assumptions have been developed based on historical experience where statistically credible, with allowance for current and future trends, and with reference to pricing assumptions where the data available is limited or not statistically credible. The assumptions have either been set as a percentage of reinsurance rates or expressed as a loss ratio applied to the premium earned.

5. Assumptions (continued)

5.8 Reinsurance

Reinsurance assumptions have been developed by each Business Unit based on the reinsurance arrangements in force as at the valuation date and the recent historical and expected future experience.

5.9 Policyholder Dividends, Profit Sharing and Interest Crediting

The projected dividends, profit sharing and crediting rate assumptions have been determined by each Business Unit taking into account the investment return assumptions and profit sharing rules (from regulatory and/or internal governance requirements), as well as other commercial considerations such as market competition and policyholders' reasonable expectations.

5.10 Taxation

The projected statutory profits used to determine the EV and VNB are net of corporate tax. The projections take into account, where applicable, any benefits arising from tax losses carried forward, and have been based on a continuation of the current tax legislation in each jurisdiction.

The local corporate income tax rates used by each Business Unit are set out below:

Local corporate income tax rates (%) by Business Unit	As at 30 June 2025	As at 31 December 2024
FWD Hong Kong	16.5	16.5
FWD Macau	12	12
FWD Thailand	20	20
FWD Japan[3]	28.93	28
FWD Philippines[4]	25	2
FWD Indonesia and BRI Life	22	22
FWD Singapore and FWD Bermuda Singapore	17	17
FWD Vietnam	20	20
FWD Malaysia and FWD IB	24	24
FWD Cambodia	20	20

Notes:
3. FWD Japan has enacted a change in corporate income tax rate from 28 per cent to 28.93 per cent that will become effective from 1 April 2026.
4. FWD Philippines' tax basis was updated from the minimum corporate income tax ("MCIT") rate of 2 per cent to the corporate income tax ("CIT") rate of 25 per cent, effective from 1 January 2025, to align with the company's latest expected tax position.

5. Assumptions (continued)

5.10 Taxation (continued)

The tax assumptions used in the valuation reflect the local corporate income tax rates set out above. Where applicable, tax payable on investment income has been reflected in projected net investment returns.

Given the uncertainty around the timing of dividend distributions, no allowance has been made to the EV Results to reflect any withholding or remittance taxes that may be applicable on any future dividend distributions from the Business Units to the Group. The Group has performed certain projections of the withholding tax position of the relevant Business Units and concluded the impact to the EV Results as at 30 June 2025 would be immaterial (approximately 1% of the operating entity EV). The global minimum tax adjustment is included in the EV results as of at 30 June 2025.

5.11 Statutory Valuation Bases

The projection of regulatory liabilities at future points in time assumes the continuation of the reserving methodologies used to value policyholder liabilities as at the valuation date.

5.12 Product Charges

Management fees and product charges reflected in the VIF and VNB have been assumed to follow existing scales.

6. Events After The Reporting Period

Details of the significant events after the latest reporting date (i.e. 30 June 2025) are set out in note 30 to the consolidated financial statements

APPENDIX II – INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

INDEX TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

Note:

(1) References to page numbers in the Independent review report refer to the original page numbers in the 2025 interim results announcement of the Issuer.

Interim condensed consolidated financial statements

Independent review report

To the shareholders of FWD Group Holdings Limited 富衛集團有限公司
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 57 to 165, which comprises the condensed consolidated statement of financial position of FWD Group Holdings Limited 富衛集團有限公司 (the "Company") and its subsidiaries as at 30 June 2025 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
28 August 2025

Interim condensed consolidated financial statements

Interim condensed consolidated income statement

US$m	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		(Unaudited)	(Unaudited)
Insurance revenue	5	**1,482**	1,361
Insurance service expenses	7,15	**(1,097)**	(1,107)
Net expenses from reinsurance contracts held	15	**(27)**	(27)
Insurance service result		**358**	227
Interest revenue on			
Financial assets not measured at fair value through profit or loss		**609**	521
Financial assets measured at fair value through profit or loss		**50**	55
Other investment gains/(losses)		**(84)**	217
Net impairment loss on financial assets		**(2)**	(2)
Investment return	6	**573**	791
Net finance income/(expenses) from insurance contracts		**(564)**	(600)
Net finance income/(expenses) from reinsurance contracts held		**32**	6
Movement in investment contract liabilities		**(2)**	(2)
Net investment result	6	**39**	195
Net insurance and investment result		**397**	422
Other revenue	5	**26**	15
General and other expenses	7	**(205)**	(261)
Borrowings and other finance costs	8	**(124)**	(119)
Profit/(loss) before share of profit/(loss) from associates and joint ventures		**94**	57
Share of profit/(loss) from associates and joint ventures	13	**15**	16
Profit/(loss) before tax		**109**	73
Tax benefit/(expense)	9	**(70)**	(81)
Net profit/(loss)		**39**	(8)
Net profit/(loss) attributable to:			
Equity Holders of the Company	4	**47**	3
Shareholders of the Company		**10**	(54)
Perpetual securities		**37**	57
Non-controlling interests		**(8)**	(11)
		39	(8)
Earnings/(loss) per share (US cents):			
Basic	10	**2.32**	(12.53)
Diluted	10	**2.24**	(12.53)

Interim condensed consolidated financial statements

Interim condensed consolidated statement of comprehensive income

US$m	Six months ended 30 June 2025	2024
	(Unaudited)	(Unaudited)
Net profit/(loss)	**39**	(8)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss		
Fair value gains/(losses) on debt securities at fair value through other comprehensive income	**853**	(569)
Fair value losses/(gains) on debt securities at fair value through other comprehensive income transferred to income on disposal and impairment	**288**	185
Net finance income/(expenses) from insurance contracts	**(702)**	463
Net finance income/(expenses) from reinsurance contracts held	**(271)**	(241)
Cash flow hedges	**67**	1
Foreign currency translation adjustments	**275**	(454)
Share of other comprehensive income/(loss) from associates and joint ventures	**4**	(26)
Related income tax	**(31)**	41
	483	(600)
Items that will not be reclassified to profit or loss		
Effect of re-measurement of net liability of defined benefit schemes	**–**	1
Total other comprehensive income/(loss)	**483**	(599)
Total comprehensive income/(loss)	**522**	(607)
Total comprehensive income/(loss) attributable to:		
Equity Holders of the Company	**523**	(597)
Shareholders of the Company	**486**	(654)
Perpetual securities	**37**	57
Non-controlling interests	**(1)**	(10)
	522	(607)

Interim condensed consolidated financial statements

Interim condensed consolidated statement of financial position

US$m	Notes	**As at 30 June 2025**	As at 31 December 2024
		(Unaudited)	
ASSETS			
Intangible assets	12	**3,175**	3,085
Investments in associates and joint ventures	13	**448**	438
Property, plant and equipment		**131**	139
Investment property	14	**497**	466
Insurance contract assets	15	**685**	683
Reinsurance contract assets	15	**2,868**	2,696
Financial investments	16,18		
At fair value through other comprehensive income debt securities		**35,048**	31,408
At fair value through profit or loss			
Debt securities		**2,707**	1,750
Equity securities		**210**	221
Interests in investment funds		**9,640**	9,103
Derivative financial instruments	17	**328**	285
Loans and deposits		**969**	902
		48,902	43,669
Deferred tax assets		**214**	176
Current tax recoverable		**51**	51
Other assets	19	**766**	622
Cash and cash equivalents	20	**1,624**	1,687
Total assets		**59,361**	53,712
LIABILITIES			
Insurance contract liabilities	15	**46,588**	41,646
Reinsurance contract liabilities	15	**417**	366
Investment contract liabilities	21	**18**	32
Borrowings	22	**2,788**	2,793
Derivative financial instruments	17	**497**	528
Provisions		**39**	40
Deferred tax liabilities		**169**	172
Current tax liabilities		**214**	147
Other liabilities	23	**1,330**	1,174
Total liabilities		**52,060**	46,898

Interim condensed consolidated statement of financial position (continued)

US$m	Notes	As at 30 June 2025	As at 31 December 2024
		(Unaudited)	
EQUITY			
Share capital and share premium	24	**9,010**	9,010
Other reserves	24	**193**	190
Retained earnings/(accumulated losses)		**(2,130)**	(2,139)
Amounts reflected in other comprehensive income		**(573)**	(1,049)
Fair value reserve	24	**(1,615)**	(2,584)
Insurance finance reserve	24	**1,471**	2,292
Cash flow hedge reserve	24	**59**	6
Defined benefit obligation revaluation reserve		**3**	3
Foreign currency translation reserve	24	**(443)**	(714)
Share of other comprehensive income of associates and joint ventures		**(48)**	(52)
Total equity of the Group attributable to:			
Equity Holders of the Company		**7,241**	6,753
Shareholders of the Company		**6,500**	6,012
Perpetual securities	24	**741**	741
Non-controlling interests	24	**60**	61
Total equity		**7,301**	6,814
Total liabilities and equity		**59,361**	53,712

Interim condensed consolidated statement of changes in equity

US$m	Notes	Share capital and share premium	Other reserves	Retained earnings/ (accumulated losses)	Amounts reflected in other comprehensive income	Fair value reserve	Insurance finance reserve	Cash flow hedge reserve	Defined benefit obligation revaluation reserve	Foreign currency translation reserve	Share of other comprehensive income of associates and joint ventures	Perpetual securities	Non-controlling interests	Total equity
		Attributable to Shareholders of the Company												
Balance as at 1 January 2025		**9,010**	**190**	**(2,139)**	**(1,049)**	**(2,584)**	**2,292**	**6**	**3**	**(714)**	**(52)**	**741**	**61**	**6,814**
Net profit/(loss)		–	–	10	–	–	–	–	–	–	–	37	(8)	39
Other comprehensive income items that may be reclassified subsequently to profit or loss														
Fair value gains/(losses) on debt securities at fair value through other comprehensive income		–	–	–	845	845	–	–	–	–	–	–	8	853
Fair value losses/(gains) on debt securities at fair value through other comprehensive income transferred to income on disposal and impairment		–	–	–	288	288	–	–	–	–	–	–	–	288
Net finance income/(expenses) from insurance contracts		–	–	–	(700)	–	(700)	–	–	–	–	–	(2)	(702)
Net finance income/(expenses) from reinsurance contracts held		–	–	–	(269)	–	(269)	–	–	–	–	–	(2)	(271)
Cash flow hedges		–	–	–	67	–	–	67	–	–	–	–	–	67
Foreign currency translation adjustments		–	–	–	271	–	–	–	–	271	–	–	4	275
Share of other comprehensive income/ (loss) of associates and joint ventures		–	–	–	4	–	–	–	–	–	4	–	–	4
Related income tax		–	–	–	(30)	(164)	148	(14)	–	–	–	–	(1)	(31)
Total comprehensive income/(loss) for the period		–	–	10	476	969	(821)	53	–	271	4	37	(1)	522
Distribution paid	24	–	–	–	–	–	–	–	–	–	–	(37)	–	(37)
Share-based compensation	27	–	3	–	–	–	–	–	–	–	–	–	–	3
Others		–	–	(1)	–	–	–	–	–	–	–	–	–	(1)
Balance as at 30 June 2025 (Unaudited)		**9,010**	**193**	**(2,130)**	**(573)**	**(1,615)**	**1,471**	**59**	**3**	**(443)**	**(48)**	**741**	**60**	**7,301**

Interim condensed consolidated statement of changes in equity (continued)

US$m	Notes	Share capital and share premium	Other reserves	Accumulated losses	Amounts reflected in other comprehensive income	Fair value reserve	Insurance finance reserve	Cash flow hedge reserve	Defined benefit obligation revaluation reserve	Foreign currency translation reserve	Share of other comprehensive income of associates and joint ventures	Perpetual securities	Non-controlling interests	Total equity
		Attributable to Shareholders of the Company												
Balance as at 1 January 2024		9,010	124	(1,956)	(944)	(2,934)	2,558	(32)	3	(510)	(29)	1,348	50	7,632
Net profit/(loss)		–	–	(54)	–	–	–	–	–	–	–	57	(11)	(8)
Other comprehensive income items that may be reclassified subsequently to profit or loss														
Fair value gains/(losses) on debt securities at fair value through other comprehensive income		–	–	–	(571)	(571)	–	–	–	–	–	–	2	(569)
Fair value losses/(gains) on debt securities at fair value through other comprehensive income transferred to income on disposal and impairment		–	–	–	185	185	–	–	–	–	–	–	–	185
Net finance income/(expenses) from insurance contracts		–	–	–	463	–	463	–	–	–	–	–	–	463
Net finance income/(expenses) from reinsurance contracts held		–	–	–	(241)	–	(241)	–	–	–	–	–	–	(241)
Cash flow hedges		–	–	–	1	–	–	1	–	–	–	–	–	1
Foreign currency translation adjustments		–	–	–	(453)	–	–	–	–	(453)	–	–	(1)	(454)
Share of other comprehensive income/(loss) of associates and joint ventures		–	–	–	(26)	–	–	–	–	–	(26)	–	–	(26)
Related income tax		–	–	–	41	84	(43)	–	–	–	–	–	–	41
Other comprehensive income items that will not be reclassified subsequently to profit or loss														
Effect of remeasurement of net liability of defined benefit schemes		–	–	–	1	–	–	–	1	–	–	–	–	1
Total comprehensive income/(loss) for the period		–	–	(54)	(600)	(302)	179	1	1	(453)	(26)	57	(10)	(607)
Distribution paid	24	–	–	–	–	–	–	–	–	–	–	(56)	–	(56)
Share-based compensation	27	–	(5)	–	–	–	–	–	–	–	–	–	–	(5)
Acquisition of non-controlling interests		–	–	(26)	–	–	–	–	–	–	–	–	–	(26)
Others		–	–	(9)	8	3	6	–	–	(1)	–	–	(1)	(2)
Balance as at 30 June 2024 (Unaudited)		9,010	119	(2,045)	(1,536)	(3,233)	2,743	(31)	4	(964)	(55)	1,349	39	6,936

Interim condensed consolidated financial statements

Interim condensed consolidated statement of cash flows

US$m	Notes	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:		**109**	73
Adjustments for:			
Financial investments		**(4,881)**	32
Insurance and reinsurance contract balances		**3,849**	(622)
Investment contract liabilities		**(14)**	(12)
Other non-cash operating items, including the effect of exchange rate changes on certain operating items		**347**	285
Operating cash items:			
Dividend received		**145**	113
Interest received		**649**	630
Interest paid		**(5)**	(5)
Income tax paid		**(71)**	(184)
Net cash provided by/(used in) operating activities		**128**	310
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of interest in an associate		**–**	(49)
Dividend and distribution from an associate	13	**–**	2
Payments for intangible assets		**(53)**	(114)
Payments for property, plant and equipment		**(4)**	(11)
Proceeds from disposal of investment property		**–**	38
Restricted cash for acquisitions		**–**	2
Net cash provided by/(used in) investing activities		**(57)**	(132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank borrowings	22	**(1,000)**	–
Proceeds from bank borrowings	22	**1,000**	–
Proceeds from issuance of a subordinated note	22	**–**	900
Distributions paid on perpetual securities	24	**(37)**	(56)
Acquisition of non-controlling interests		**–**	(26)
Principal portion of lease payments		**(20)**	(20)
Finance costs paid on lease liabilities		**(3)**	(3)
Interest expenses paid on borrowings		**(101)**	(79)
Transaction costs paid on borrowings		**(17)**	(23)
Payment for listing related expenses		**(1)**	–
Net cash provided by/(used in) financing activities		**(179)**	693
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(108)**	871
Cash and cash equivalents at beginning of the period		**1,687**	2,008
Effect of exchange rate changes on cash and cash equivalents		**45**	(73)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**1,624**	2,806
Included in cash and cash equivalents per the consolidated statement of financial position	20	**1,624**	2,806

Notes to the unaudited interim condensed consolidated financial statements

1 CORPORATE INFORMATION

1.1 General information

FWD GROUP HOLDINGS LIMITED 富衛集團有限公司 (the "Company") is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 18 March 2013. The address of the Company's registered office is Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is a holding company. The Company and its subsidiaries (collectively, "FWD Group" or the "Group") are principally engaged in the provision of products and services focusing on life insurance, general insurance and investment services (the "Insurance Business").

The Company completed its initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1828" on 7 July 2025 (the "Initial Public Offering").

1.2 Significant events of the Group

Immediately prior to the completion of the Initial Public Offering, the Company underwent the below,

1. all Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares were mandatorily converted into 2,594,663,913 ordinary shares (which became 864,887,971 ordinary shares after the Share Consolidation as described below) of the Company through the consolidation, redesignation and reclassification of the Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares by operation of the laws of the Cayman Islands (the "Conversion of Shares"). After the Conversion of Shares, the Company has only ordinary shares in issue;

2. the authorised ordinary shares of the Company was increased from US$25m to US$51m; and

3. the issued and unissued ordinary shares of the Company with a nominal or par value of US$0.01 each were consolidated at a ratio of 1-for-3, such that the authorised ordinary share capital of the Company was consolidated from US$51m divided into 5,100,000,000 shares of a nominal or par value of US0.01 each, to US$51m divided into 1,700,000,000 shares of a nominal or par value of US$0.03 each (the "Share Consolidation").

Pursuant to the Initial Public Offering, 91,342,100 ordinary shares with a par value of US$0.03 each were issued with gross proceeds of US$442m. The Over-allotment Option, as defined in the Company's prospectus dated 26 June 2025, was partially exercised on 1 August 2025, pursuant to which there were 5,001,400 ordinary shares with a par value of US$0.03 each issued with gross proceeds of US$24m on 6 August 2025.

Notes to the unaudited interim condensed consolidated financial statements (continued)

1 CORPORATE INFORMATION (continued)

1.2 Significant events of the Group (continued)

In connection with the Initial Public Offering, the Group incurred listing expenses, which represent professional fees, underwriting commissions and other fees.

- For the six months ended 30 June 2025, the Group incurred listing expenses of US$7m, of which US$6m has been charged to the consolidated income statement of the Group and US$1m is expected to be accounted for as a deduction from share premium directly upon Initial Public Offering.

- As of 31 December 2024, the Group incurred listing expenses of US$37m, of which US$29m has been charged to the consolidated income statement of the Group and US$8m is expected to be accounted for as a deduction from share premium directly upon Initial Public Offering.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements have been prepared on a going concern basis.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Accountants' Report set out in the Company's prospectus dated 26 June 2025.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss. The accounting policies adopted in these interim condensed consolidated financial statements are consistent with those followed in the consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new standards and new amendments to the standards from 1 January 2025.

a. Mandatory for six months ended 30 June 2025

The following amendments have been adopted by the Group from 1 January 2025 and have no material impact to the Group:

- Amendments to IAS 21, Lack of Exchangeability (2025)

Notes to the unaudited interim condensed consolidated financial statements (continued)

2 BASIS OF PREPARATION (continued)

b. Issued but not yet effective and have not been early adopted

The following relevant new standards and amendments to standards have been issued but are not yet effective and have not been early adopted for the reporting periods presented:

- Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments (2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11, Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (2026)
- IFRS 18, Presentation and Disclosure in Financial Statements (2027)
- IFRS 19, Subsidiaries without Public Accountability: Disclosures (2027)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

The Group is assessing the application of these new standards and amendments, and does not expect material impacts to the Group.

Certain amounts in the interim condensed consolidated financial statements of prior period have been reclassified to conform to current period presentation.

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results can always differ from those estimates, possibly significantly. Key judgments, estimates and assumptions applied in these interim condensed consolidated financial statements are consistent with those followed in the consolidated financial statements for the year ended 31 December 2024.

Items included in the interim condensed consolidated financial statements of each of the Group's entities are measured in the currency of the primary economic environment in which that entity operates (the functional currency). The interim condensed consolidated financial statements are presented in millions of US dollars (US$m) unless otherwise stated, which is the Company's functional currency, and the presentation currency of the Company and the Group.

Notes to the unaudited interim condensed consolidated financial statements (continued)

3 EXCHANGE RATES

The Group's principal operations during the reporting periods/year were located within the Asia region. The results and cash flows of these operations have been translated into US Dollars at the following average rates:

	US dollar exchange rate	
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Hong Kong	**7.79**	7.82
Japan	**148.49**	152.13
Thailand	**33.53**	36.18

Assets and liabilities have been translated into US Dollars at the following period/year end rates:

	US dollar exchange rate	
	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Hong Kong	**7.85**	7.76
Japan	**144.13**	156.18
Thailand	**32.50**	34.26

Exchange rates are expressed in units of local currency per US$1.

4 SEGMENT INFORMATION

The Group's operating segments, based on the reports received by the Group's Executive Committee, are the geographical markets in which the Group operates.

Each of the reportable segments, other than the "Corporate and Others" segment, writes life insurance business, providing life insurance, accident and health insurance and savings plans to customers in its local market, and distributes related investment and other financial service products. Certain businesses also write general insurance business. The reportable segments are Hong Kong & Macau, Thailand & Cambodia, Japan, Emerging Markets and Corporate and Others. Emerging Markets includes the Group's insurance operations in Indonesia, Malaysia, the Philippines, Singapore and Vietnam. The activities of the Corporate and Others segment consist of the Group's corporate functions, shared services and eliminations of intragroup transactions.

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

As each reportable segment other than the Corporate and Others segment focuses on serving the life insurance needs of its local market, there are limited transactions between reportable segments. The key performance indicators reported in respect of each segment are:

- Total weighted premium income attributable to Equity Holders of the Company[1] ("TWPI") (Note 4.5);
- Investment return (Note 4.1);
- Operating expenses (Note 4.1);
- Operating profit after tax attributable to Equity Holders of the Company[1] (Note 4.2); and
- Expense ratio, measured as operating expenses attributable to Equity Holders of the Company[1] divided by TWPI (Note 4.1);

The segment information has been prepared by (i) consolidating the carrying amounts of assets, liabilities, equities, income and expenses of the Group and (ii) eliminating the inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group. A reconciliation of operating profit after tax to profit/(loss) after tax has been included in Notes 4.2.

The shareholders' allocated segment equity represents the segment assets less segment liabilities in respect of each reportable segment less perpetual securities, fair value reserve, insurance finance reserve and non-controlling interests of the Company.

In presenting net capital in/(out) flows to reportable segments, capital outflows consist of dividends and profit distributions to the Corporate and Others segment and capital inflows consist of capital injections into reportable segments by the Corporate and Others segment. Emerging Markets' capital inflows also include capital allocation for corporate functions. For the Group, net capital in/(out) flows reflect the amount received from shareholders by way of capital contributions.

Note:

1 Equity Holders of the Company represents shareholders of the Company and holders of perpetual securities of the Company.

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.1 Segment results

US$m	Hong Kong & Macau	Thailand & Cambodia	Japan	Emerging Markets	Corporate and Others	Total
Six months ended 30 June 2025 (Unaudited)						
TWPI[1]	**1,398**	**1,390**	**642**	**464**	**–**	**3,894**
Insurance revenue	**541**	**400**	**322**	**219**	**–**	**1,482**
Insurance service expenses	**(377)**	**(297)**	**(242)**	**(186)**	**–**	**(1,102)**
Net income/(expenses) from reinsurance contracts	**(15)**	**(1)**	**(8)**	**(3)**	**–**	**(27)**
Insurance service result	**149**	**102**	**72**	**30**	**–**	**353**
Investment return	**622**	**226**	**66**	**63**	**(3)**	**974**
Net finance income/(expenses) from insurance and reinsurance contracts and movement of investment contract benefits	**(593)**	**(203)**	**4**	**(47)**	**–**	**(839)**
Net insurance and investment result	**178**	**125**	**142**	**46**	**(3)**	**488**
Other revenue	**3**	**–**	**–**	**23**	**–**	**26**
General and other expenses	**(28)**	**(22)**	**(21)**	**(38)**	**(73)**	**(182)**
Borrowings and other finance costs	**(3)**	**–**	**–**	**(9)**	**–**	**(12)**
Operating profit/(loss) before share of profit from associates and joint ventures	**150**	**103**	**121**	**22**	**(76)**	**320**
Share of profit/(loss) from associates and joint ventures	**–**	**–**	**–**	**14**	**–**	**14**
Operating profit/(loss) before tax	**150**	**103**	**121**	**36**	**(76)**	**334**
Tax on operating profit/(loss) before tax	**(25)**	**(22)**	**(28)**	**(4)**	**(10)**	**(89)**
Operating profit/(loss) after tax	**125**	**81**	**93**	**32**	**(86)**	**245**
Operating profit after tax attributable to:						
Equity Holders of the Company	**125**	**81**	**93**	**38**	**(86)**	**251**
Non-controlling interests	**–**	**–**	**–**	**(6)**	**–**	**(6)**
Key operating ratio						
Expense ratio[1]	**10.4%**	**7.8%**	**13.4%**	**24.7%**	**–%**	**13.2%**
Operating profit/(loss) before tax includes:						
Operating expenses	**(146)**	**(109)**	**(86)**	**(115)**	**(74)**	**(530)**

Note:
1 Represents the amount attributable to the Equity Holders of the Company.

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.1 Segment results (continued)

Segment information below represents the financial position of the Group:

US$m	Hong Kong & Macau	Thailand & Cambodia	Japan	Emerging Markets	Corporate and Others	Total
30 June 2025 (Unaudited)						
Total assets	**24,677**	**21,003**	**7,316**	**5,838**	**527**	**59,361**
Total liabilities	**(21,780)**	**(17,576)**	**(6,013)**	**(3,823)**	**(2,868)**	**(52,060)**
Total equity	**2,897**	**3,427**	**1,303**	**2,015**	**(2,341)**	**7,301**
Shareholders' allocated equity	**2,988**	**3,899**	**880**	**1,957**	**(3,079)**	**6,645**
Net capital in/(out) flows	**(250)**	**(245)**	**(95)**	**45**	**545**	**–**
Total assets include:						
Investment in associates and joint ventures	**1**	**–**	**–**	**447**	**–**	**448**

Segment information is reconciled to the consolidated income statement, as shown below:

US$m	Segment information	Short-term fluctuations in investment return related to equities and property investments and other non-operating investment return	Other non-operating items	Total	
Six months ended 30 June 2025 (Unaudited)					
Insurance service result	**353**	**–**	**5**	**358**	Insurance service result
Investment return	**974**	**(401)**	**–**	**573**	Investment return
Net finance expenses from insurance and reinsurance contracts and movement of investment contract benefits	**(839)**	**305**	**–**	**(534)**	Net finance expenses from insurance and reinsurance contracts and movement of investment contract benefits
Net insurance and investment result	**488**	**(96)**	**5**	**397**	**Net insurance and investment result**
Other revenue	**26**	**–**	**–**	**26**	Other revenue
General and other expenses	**(182)**	**–**	**(23)**	**(205)**	General and other expenses
Borrowings and other finance costs	**(12)**	**–**	**(112)**	**(124)**	Borrowings and other finance costs
Operating profit/(loss) before share of profit from associates and joint ventures	**320**	**(96)**	**(130)**	**94**	**Profit/(loss) before share of profit from associates and joint ventures**
Share of profit/(loss) from associates and joint ventures	**14**	**–**	**1**	**15**	Share of profit/(loss) from associates and joint ventures
Operating profit/(loss) before tax	**334**	**(96)**	**(129)**	**109**	**Profit before tax**

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.1 Segment results (continued)

US$m	Hong Kong & Macau	Thailand & Cambodia	Japan	Emerging Markets	Corporate and Others	Total
Six months ended 30 June 2024 (Unaudited)						
TWPI[1]	957	1,311	655	368	–	3,291
Insurance revenue	509	360	293	172	–	1,334
Insurance service expenses	(384)	(292)	(189)	(177)	–	(1,042)
Net income/(expenses) from reinsurance contracts	(10)	2	(21)	4	–	(25)
Insurance service result	115	70	83	(1)	–	267
Investment return	543	235	71	131	17	997
Net finance income/(expenses) from insurance and reinsurance contracts and movement of investment contract benefits	(521)	(200)	3	(114)	–	(832)
Net insurance and investment result	137	105	157	16	17	432
Other revenue	2	–	1	11	1	15
General and other expenses	(19)	(21)	(28)	(31)	(71)	(170)
Borrowings and other finance costs	(4)	–	(1)	(6)	–	(11)
Operating profit/(loss) before share of profit from associates and joint ventures	116	84	129	(10)	(53)	266
Share of profit/(loss) from associates and joint ventures	–	–	–	14	–	14
Operating profit/(loss) before tax	116	84	129	4	(53)	280
Tax on operating profit/(loss) before tax	(18)	(20)	(24)	(1)	(4)	(67)
Operating profit/(loss) after tax	98	64	105	3	(57)	213
Operating profit after tax attributable to:						
Equity Holders of the Company	98	64	105	13	(57)	223
Non-controlling interests	–	–	–	(10)	–	(10)
Key operating ratio						
Expense ratio[1]	12.9%	8.2%	13.1%	35.1%	–%	15.7%
Operating profit/(loss) before tax includes:						
Operating expenses	(123)	(107)	(86)	(129)	(72)	(517)

Note:
1 Represents the amount attributable to the Equity Holders of the Company.

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.1 Segment results (continued)

Segment information below represents the financial position of the Group:

US$m	Hong Kong & Macau	Thailand & Cambodia	Japan	Emerging Markets	Corporate and Others	Total
31 December 2024						
Total assets	22,016	18,906	7,347	5,137	306	53,712
Total liabilities	(19,076)	(15,590)	(6,102)	(3,205)	(2,925)	(46,898)
Total equity	2,940	3,316	1,245	1,932	(2,619)	6,814
Shareholders' allocated equity	3,119	3,836	831	1,875	(3,357)	6,304
Net capital in/(out) flows	(400)	(95)	(128)	123	474	(26)
Total assets include:						
Investment in associates and joint ventures	1	–	–	437	–	438

Segment information is reconciled to the consolidated income statement, as shown below:

US$m	Segment information	Short-term fluctuations in investment return related to equities and property investments and other non- operating investment return	Other non-operating items	Total	
Six months ended 30 June 2024 (Unaudited)					
Insurance service result	267	–	(40)	227	Insurance service result
Investment return	997	(205)	(1)	791	Investment return
Net finance income/(expenses) from insurance and reinsurance contracts and movement of investment contract benefits	(832)	236	–	(596)	Net finance income/(expenses) from insurance and reinsurance contracts and movement of investment contract benefits
Net insurance and investment result	432	31	(41)	422	Net insurance and investment result
Other revenue	15	–	–	15	Other revenue
General and other expenses	(170)	–	(91)	(261)	General and other expenses
Borrowings and other finance costs	(11)	–	(108)	(119)	Borrowings and other finance costs
Operating profit before share of profit from associates and joint ventures	266	31	(240)	57	Profit before share of profit from associates and joint ventures
Share of profit from associates and joint ventures	14	–	2	16	Share of profit from associates and joint ventures
Operating profit before tax	280	31	(238)	73	Profit before tax

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.2 Operating profit

The long-term nature of the Group's operations means that, for management's decision-making and internal performance management purposes, the Group evaluates its results and its operating segments using a financial performance measure referred to as "operating profit". Operating profit is provided to assist in the comparison of business trends in different reporting periods on a consistent basis and to enhance overall understanding of financial performance.

Operating profit includes among others the expected long-term investment returns for investments in equities, interests in investment funds and investment property based on the assumptions applied by the Group in the calculations of Embedded Value. The Group defines operating profit as net profit/(loss) of the Group adjusted to exclude the following items:

Market related

- Short-term fluctuations in investment return related to equities, interests in investment funds and investment property;
- Loss component on onerous contracts measured under VFA, relating to market movements; and
- Any other items which, in the Directors' view, should be disclosed separately to enable a full understanding of the Group's financial performance.

Non-market related

- Finance costs related to borrowings and long-term payables;
- M&A, business set up and restructuring related costs;
- IPO related costs including incentive costs;
- Implementation costs for IFRS 9 and 17 and Group-wide Supervision;
- Any other items which, in the Directors' view, should be disclosed separately to enable a full understanding of the Group's financial performance.

The Group considers that the presentation of operating profit enhances the understanding and comparability of its performance and that of its operating segments on an ongoing basis. The Group considers that trends can be more clearly identified without the significant impact of the one-off costs of integration activities and the costs of servicing debt used to finance acquisition activities and the fluctuating effects of other non-operating items which are largely dependent on market factors.

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.2 Operating profit (continued)

Net profit/(loss) is reconciled to the operating profit/(loss) after tax as follows:

US$m	Note	Six months ended 30 June 2025	2024
		(Unaudited)	(Unaudited)
Net profit/(loss)		**39**	(8)
Tax on operating profit before tax		**89**	67
Tax impact from non-operating items		**(19)**	14
Profit/(loss) before tax		**109**	73
Non-operating items, net of related changes in insurance and investment contract liabilities:			
Market related:			
Short-term fluctuations in investment return related to equities, interests in investment funds and investment property		**70**	18
Loss component on onerous contracts		**(5)**	39
Other non-operating investment return		**26**	(49)
		91	8
Non-market related:			
Finance costs related to borrowings and long-term payables		**112**	108
M&A, business set up and restructuring related costs		**7**	33
IPO related costs including incentive costs		**10**	4
Implementation costs for IFRS 9 and 17 and Group-wide supervision		**4**	17
Other non-operating items		**1**	37
		134	199
Operating profit before tax		**334**	280
Tax on operating profit before tax		**(89)**	(67)
Operating profit after tax	4.1	**245**	213
Operating profit after tax attributable to:			
Equity Holders of the Company		**251**	223
Shareholders of the Company		**214**	166
Perpetual securities		**37**	57
Non-controlling interests		**(6)**	(10)
		245	213

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.3 Comprehensive tangible equity

Comprehensive tangible equity is defined as total equity of the Group attributable to shareholders of the Company plus contractual service margin (net of tax), minus intangible assets.

US$m	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Total equity of the Group attributable to shareholders of the Company	**6,500**	6,012
Contractual service margin (net of tax)[1]	**4,823**	4,235
Comprehensive equity	**11,323**	10,247
Intangible assets[2]	**(3,173)**	(3,085)
Comprehensive tangible equity	**8,150**	7,162

Notes:
1 After allowing for reinsurance and taxes and net of non-controlling interests
2 Net of non-controlling interests

4.4 Adjusted earnings/(loss) per share

The Conversion of Shares completed on 7 July 2025 resulted in a change in the number of outstanding ordinary shares of the Company. To provide financial information for management's decision-making and internal performance management purposes, the earnings/(loss) per share for the six months ended 30 June 2025 and 2024 are adjusted on the basis that the Conversion of Shares was completed at the beginning of both reporting periods (the "Adjusted EPS").

A. Adjusted basic earnings/(loss) per share

Adjusted basic earnings/(loss) per share is calculated by dividing:

- the net profit/(loss) attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial periods, retrospectively adjusted for the effect of Share Consolidation and Conversion of Shares (Note 1.2)

		Six months ended 30 June	
	Notes	**2025**	2024
		(Unaudited)	(Unaudited)
Net profit/(loss) attributable to shareholders of the Company (US$m)	D(i)	**10**	(54)
Adjusted weighted average number of ordinary shares outstanding	D(ii)	**1,178,205,907**	1,178,205,907
Adjusted basic earnings/(loss) per share (US cents)		**0.85**	(4.58)

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.4 Adjusted earnings/(loss) per share (continued)

B. Adjusted diluted earnings/(loss) per share

Adjusted diluted earnings/(loss) per share adjusts the figures used in the determination of adjusted basic earnings/(loss) per share to take into account:

- the after income tax effect of any income/expenses associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Notes	Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Net profit/(loss) attributable to the shareholders of the Company used in calculating adjusted diluted earnings/(loss) per share	D(i)	**10**	(54)
Weighted average number of ordinary shares and dilutive potential ordinary shares used as the denominator in calculating adjusted diluted earnings/(loss) per share	D(ii)	**1,189,772,253**	1,178,205,907
Adjusted diluted earnings/(loss) per share (US cents)		**0.84**	(4.58)

C. Adjusted basic operating profit/(loss) after tax per share

Adjusted basic operating profit/(loss) after tax per share is calculated by dividing:

- the Operating profit/(loss) after tax attributable to shareholders of the Company
- by the weighted average number of ordinary shares used as the denominator in calculating adjusted basic earnings/(loss) per share

	Notes	Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Operating profit/(loss) after tax attributable to shareholders of the Company (US$m)	4.2	**214**	166
Weighted average number of ordinary shares used as the denominator in calculating adjusted basic operating profit/(loss) after tax per share	D(ii)	**1,178,205,907**	1,178,205,907
Adjusted basic operating profit/(loss) after tax per share (US cents)		**18.15**	14.10

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.4 Adjusted earnings/(loss) per share (continued)

D. Information concerning the calculation of Adjusted EPS

(i) Earnings/(loss) used in calculating Adjusted EPS

Prior to the Conversion of Shares on 7 July 2025, profit/(loss) was allocated to Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares on the basis that the outstanding Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares had been converted to ordinary shares on a 1 to 1 basis. Profit/(loss) attributable to Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares are excluded in the earnings/(loss) used in calculating earnings/(loss) per share as disclosed in Note 10.

The Adjusted EPS retrospectively adjusted for the impact of Conversion of Shares on the basis that the Conversion of Shares was completed at the beginning of both reporting periods. Profit/(loss) attributable to these converted ordinary shares are included in the earnings/(loss) used in calculating Adjusted EPS.

(ii) Weighted average number of shares used as the denominator

	Notes	Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue	24	**939,953,815**	939,953,815
Retrospective adjustment for Share Consolidation	1.2	**(626,635,879)**	(626,635,879)
Retrospective adjustment for Conversion of Shares	1.2	**864,887,971**	864,887,971
Weighted average number of ordinary shares used as the denominator in calculating adjusted basic earnings/(loss) per share		**1,178,205,907**	1,178,205,907
Adjustments for calculation of adjusted diluted earnings/(loss) per share:			
RSUs and share options granted under share-based compensation plans[1]	10E(ii), 27	**11,566,346**	–
Weighted average number of ordinary shares and dilutive potential ordinary shares used as the denominator in calculating adjusted diluted earnings/(loss) per share		**1,189,772,253**	1,178,205,907

Note:

1 The weighted average number of dilutive potential ordinary shares used in calculating adjusted diluted earning/(loss) per share are consistent with the weighted average number of dilutive potential ordinary shares used in calculating diluted earning/(loss) per share as disclosed in Note 10.

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.4 Adjusted earnings/(loss) per share (continued)

D. Information concerning the calculation of Adjusted EPS (continued)

(iii) Issuance of ordinary shares upon Initial Public Offering

On 7 July 2025, the Company issued 91,342,100 ordinary shares pursuant to the Initial Public Offering and issued 1,455,870 ordinary shares to directors and a former director pursuant to satisfaction of certain share-based payments obligations. The Over-allotment Option was partially exercised on 1 August 2025, pursuant to which the Company issued an aggregate of 5,001,400 ordinary shares on 6 August 2025. These ordinary shares are not included in the determination of Adjusted EPS for the periods ended 30 June 2025 and 2024. Please refer to Note 1.2 and Note 27 for details.

4.5 Total Weighted Premium Income

For management decision-making and internal performance management purposes, the Group measures business volumes during the period using a performance measure referred to as TWPI. TWPI is presented based on the Group's effective ownership interest in the Insurance Business.

TWPI consists of 100 per cent of renewal premiums, 100 per cent of first year premiums and 10 per cent of single premiums, before reinsurance ceded, and includes deposits and contributions for contracts that are accounted for as deposits in accordance with the Group's accounting policies. TWPI represents the amount attributable to the Equity Holders of the Company.

Management considers that TWPI provides an indicative volume measure of transactions undertaken in the reporting period that have the potential to generate profits for shareholders. The amounts shown are not intended to be indicative of premiums and fee income recorded in the consolidated income statement.

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
TWPI by geography		
Hong Kong & Macau	**1,398**	957
Thailand & Cambodia	**1,390**	1,311
Japan	**642**	655
Emerging Markets	**464**	368
Total	**3,894**	3,291
First year premiums by geography		
Hong Kong & Macau	**425**	237
Thailand & Cambodia	**295**	300
Japan	**57**	56
Emerging Markets	**155**	116
Total	**932**	709

Notes to the unaudited interim condensed consolidated financial statements (continued)

4 SEGMENT INFORMATION (continued)

4.5 Total Weighted Premium Income (continued)

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Single premiums by geography		
Hong Kong & Macau	**2,117**	818
Thailand & Cambodia	**52**	86
Japan	**–**	–
Emerging Markets	**474**	308
Total	**2,643**	1,212
Renewal premiums by geography		
Hong Kong & Macau	**761**	639
Thailand & Cambodia	**1,090**	1,002
Japan	**585**	599
Emerging Markets	**262**	222
Total	**2,698**	2,462

5 INSURANCE REVENUE AND OTHER REVENUE

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Contracts not measured under the PAA		
Amounts relating to changes in liabilities for remaining coverage:		
CSM recognised for services provided	**353**	310
Change in risk adjustment for non-financial risk for risk expired	**39**	38
Expected incurred claims and other insurance service expenses	**570**	482
Recovery of insurance acquisition cash flows	**425**	406
	1,387	1,236
Contracts measured under the PAA	**95**	125
Total insurance revenue	**1,482**	1,361
Represented by:		
Contracts measured under the modified retrospective approach	**43**	44
Contracts measured under the fair value approach	**415**	451
Other contracts	**1,024**	866
	1,482	1,361

Other revenue

Other revenue largely consists of asset management fee and administrative fee income.

Notes to the unaudited interim condensed consolidated financial statements (continued)

6 NET INVESTMENT RESULT

Analysis of investment result in profit or loss and other comprehensive income:

US$m	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		(Unaudited)	(Unaudited)
Investment return:			
Interest revenue	B	**659**	576
Other investment gains/(losses)	C	**(84)**	217
Net impairment loss on financial assets		**(2)**	(2)
Amounts recognised in OCI		**1,208**	(383)
Total investment return		**1,781**	408
Net finance income/(expenses) from insurance contracts:			
Changes in fair value of underlying items of direct participating contracts		**(749)**	(194)
Interest accreted		**(217)**	(164)
Effect of changes in interest rates and other financial assumptions		**(340)**	239
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition		**(1)**	1
Net foreign exchange gain/(loss)		**41**	(19)
Total net finance income/(expenses) from insurance contracts	A	**(1,266)**	(137)
Net finance income/(expenses) from reinsurance contracts held:			
Interest accreted		**(2)**	(36)
Effect of changes in interest rates and other financial assumptions		**(241)**	(196)
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition		**1**	–
Others		**3**	(3)
Total net finance income/(expenses) from reinsurance contracts held	A	**(239)**	(235)
Movement in investment contract liabilities		**(2)**	(2)
Net investment result		**274**	34
Represented by:			
Amounts recognised in profit or loss		**39**	195
Amounts recognised in OCI		**235**	(161)
		274	34

Notes to the unaudited interim condensed consolidated financial statements (continued)

6 NET INVESTMENT RESULT (continued)

A. Insurance finance income and expenses

US$m	Six months ended 30 June 2025	2024
	(Unaudited)	(Unaudited)
Net finance income/(expenses) from insurance contracts		
Recognised in profit or loss	**(564)**	(600)
Recognised in OCI	**(702)**	463
	(1,266)	(137)
Net finance income/(expenses) from reinsurance contracts held		
Recognised in profit or loss	**32**	6
Recognised in OCI	**(271)**	(241)
	(239)	(235)

B. Interest revenue

US$m	Six months ended 30 June 2025	2024
	(Unaudited)	(Unaudited)
Interest revenue calculated using the effective interest method		
Debt securities measured at FVOCI	**579**	468
Financial investments measured at amortised cost	**30**	53
	609	521
Other interest revenue		
Financial investments measured at FVTPL	**50**	55
	659	576

Notes to the unaudited interim condensed consolidated financial statements (continued)

6 NET INVESTMENT RESULT (continued)

C. Other investment gains/(losses)

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Financial investments mandatorily measured at FVTPL:		
Net fair value gains/(losses) on		
Debt securities	**9**	1
Derivatives	**(117)**	(379)
Equity securities	**(16)**	3
Interests in investment funds	**174**	292
Dividend income	**145**	114
Net foreign exchange gain	**(62)**	245
	133	276
Net losses on derecognition of debt investments measured at FVOCI	**(286)**	(183)
Net foreign exchange gain on instruments not measured at FVTPL	**59**	107
Lease income from investment property	**11**	11
Net fair value movement of investment property	**2**	–
Other investment income	**(3)**	6
Total	**(84)**	217

D. Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

On transition to IFRS 17, for certain groups of insurance and reinsurance contracts, the Group determined the cumulative insurance finance income and expenses recognised in OCI at 1 January 2022 using the modified retrospective approach or the fair value approach. The movement in the fair value reserve for the debt investments measured at FVOCI related to those groups of contracts was as follows.

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Fair value reserve		
Balance at beginning of the period	**(2,625)**	(2,861)
Change in fair value, net of fair value change transferred to income on disposal and impairment	**1,744**	(367)
Related income tax	**(310)**	93
Sharing to non-controlling interests	**2**	–
Balance at ending of the period	**(1,189)**	(3,135)

Notes to the unaudited interim condensed consolidated financial statements (continued)

7 EXPENSES

US$m	Six months ended 30 June 2025	2024
	(Unaudited)	(Unaudited)
Claims and benefits	**476**	428
Loss on onerous insurance contracts	**28**	126
Commission and other acquisition expenses	**1,121**	792
Employee benefits expenses	**305**	307
Professional service fees	**54**	62
Information technology expenses	**68**	76
Depreciation	**29**	30
Amortisation	**23**	22
Marketing and advertising	**18**	30
Investment management expenses	**36**	31
Others[1]	**69**	82
	2,227	1,986
Amounts attributed to insurance acquisition cash flows	**(1,363)**	(1,041)
Amortisation of insurance acquisition cash flows	**438**	423
Total	**1,302**	1,368
Represented by:		
Insurance service expenses	**1,097**	1,107
General and other expenses – operating	**182**	170
General and other expenses – non operating	**23**	91
	1,302	1,368

Note:

1 Includes travel and entertainment, bank charges, office related expenses, other general operating expenses and impairment of intangible assets.

Employee benefits expenses consist of:

US$m	Six months ended 30 June 2025	2024
	(Unaudited)	(Unaudited)
Wages and salaries	**251**	260
Share-based compensation	**20**	15
Pension costs	**14**	15
Other employee benefits expenses	**20**	17
Total	**305**	307

Notes to the unaudited interim condensed consolidated financial statements (continued)

8 BORROWINGS AND OTHER FINANCE COSTS

Borrowings and other finance costs may be analysed as follows:

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Borrowings	**111**	107
Lease liabilities	**3**	3
Others	**10**	9
Total	**124**	119

9 INCOME TAX

(1) Tax benefit/(expense)

Taxes on assessable profits have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates. The total tax benefit/(expense) comprises:

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Current income tax	**(97)**	(164)
Deferred income tax	**27**	83
Total	**(70)**	(81)

The Group calculates income tax expense for the six months ended 30 June 2025 and 2024 using tax rate that would be applicable to the expected total annual profit/(loss) before tax. The Group's effective tax rate for the six months ended 30 June 2025 was 63.9 per cent (six months ended 30 June 2024: 111.3 per cent). The difference is primarily explained by change to the Group's recognition of deferred tax assets and non-taxable/deductible items.

In 2023, Bermuda introduced and enacted a corporate income tax rate of 15 per cent that became effective from 1 January 2025.

Japan has enacted a change in corporate income tax rate from 28 per cent to 28.93 per cent that will become effective from 1 April 2026.

The Organisation for Economic Co-operation and Development ("OECD") has been working on a project to address the tax challenges arising from the digitalisation of the economy. The project's second pillar involves the implementation of a global corporate minimum tax rate of 15 per cent to applicable multinational enterprise groups. The OECD has released model rules and other documents for this second pillar (the "Pillar Two model rules").

Notes to the unaudited interim condensed consolidated financial statements (continued)

9 INCOME TAX (continued)

(1) Tax benefit/(expense) (continued)

On 6 June 2025, Hong Kong enacted legislation to implement the Pillar Two model rules covering domestic minimum tax, with retrospective effect from 1 January 2025. Consequently, the entire group will be subject to the Pillar Two rules from that date, except for Vietnam, where the rules became effective and applicable from 1 January 2024.

Under the Pillar Two framework, a top-up tax liability arises when the Group's effective tax rate in a jurisdiction falls below 15 per cent. In our case, if the jurisdiction where the top-up tax arises has enacted domestic Pillar Two legislation covering domestic minimum tax, the liability will be payable locally. Otherwise, the top-up tax will be payable in Hong Kong. The Group does not expect any material current tax exposure for the period ended 30 June 2025. The Group will continue to monitor the Pillar Two rules development and assess the accounting implications accordingly.

10 EARNINGS/(LOSS) PER SHARE

A. Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing:

- the net profit/(loss) attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial periods, retrospectively adjusted for the effect of Share Consolidation (Note 1.2)

	Notes	Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Net profit/(loss) attributable to ordinary shareholders of the Company (US$m)	C	**7**	(39)
Weighted average number of ordinary shares outstanding	D	**313,317,936**	313,317,936
Basic earnings/(loss) per share (US cents)		**2.32**	(12.53)

Notes to the unaudited interim condensed consolidated financial statements (continued)

10 EARNINGS/(LOSS) PER SHARE (continued)

B. Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account:

- the after income tax effect of any income/expenses associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Notes	Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Net profit/(loss) attributable to the ordinary shareholders of the Company used in calculating diluted earnings/(loss) per share	C	**7**	(39)
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	D	**324,884,282**	313,317,936
Diluted earnings/(loss) per share (US cents)		**2.24**	(12.53)

C. Reconciliations of earnings/(loss) used in calculating earnings/(loss) per share

US$m	Note	Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Net profit/(loss) attributable to shareholders of the Company, as presented in the consolidated income statement		**10**	(54)
Less: net profit/(loss) attributable to Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares	E(i)	**3**	(15)
Net profit/(loss) attributable to the ordinary shareholders of the Company used in calculating basic and diluted earnings/(loss) per share		**7**	(39)

Notes to the unaudited interim condensed consolidated financial statements (continued)

10 EARNINGS/(LOSS) PER SHARE (continued)

D. Weighted average number of shares used as the denominator

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
		(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue	24	**939,953,815**	939,953,815
Retrospective adjustment for Share Consolidation	1.2	**(626,635,879)**	(626,635,879)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share		**313,317,936**	313,317,936
Adjustments for calculation of diluted earnings/(loss) per share:			
RSUs and share options granted under share-based compensation plans	E(ii), 27	**11,566,346**	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share		**324,884,282**	313,317,936

E. Information concerning the calculation of earnings/(loss) per share

(i) Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares

Prior to the Conversion of Shares on 7 July 2025, profit/(loss) was allocated to Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares on the basis that the outstanding Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares had been converted to ordinary shares on a 1 to 1 basis.

On 7 July 2025, Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares were mandatorily converted into 2,594,663,913 ordinary shares (which became 864,887,971 ordinary shares after the Share Consolidation) of the Company, please refer to Note 1.2 for details. The impact of conversion are not included in the calculation of basic and diluted earnings/(loss) per share for the six months ended 30 June 2025 and 2024 as the listing condition was not met at the end of both reporting periods.

To provide financial information for management's decision-making and internal performance management purposes, the earnings/(loss) per share for the six months ended 30 June 2025 and 2024 are adjusted on the basis that the Conversion of Shares was completed at the beginning of both reporting periods. Please refer to Note 4.4 for details.

Notes to the unaudited interim condensed consolidated financial statements (continued)

10 EARNINGS/(LOSS) PER SHARE (continued)

E. Information concerning the calculation of earnings/(loss) per share (continued)

(ii) RSUs and share options granted to employees

RSUs and share options granted to employees under the Share Option and RSU Plan and the Share Award Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings/(loss) per share to the extent to which they are dilutive. The RSUs and share options have not been included in the determination of basic earnings/(loss) per share. Details relating to the RSUs and share options are set out in Note 27.

The RSUs and share options granted as of 30 June 2024 are not included in the calculation of diluted earnings/(loss) per share because they are anti-dilutive for the six months ended 30 June 2024.

(iii) Issuance of ordinary shares upon Initial Public Offering

On 7 July 2025, the Company issued 91,342,100 ordinary shares pursuant to the Initial Public Offering and issued 1,455,870 ordinary shares to directors and a former director pursuant to the satisfaction of certain share-based payments obligations. The Over-allotment Option was partially exercised on 1 August 2025, pursuant to which the Company issued an aggregate of 5,001,400 ordinary shares on 6 August 2025. These ordinary shares are not included in the determination of basic and diluted earnings/(loss) per share for the periods ended 30 June 2025 and 2024. Please refer to Note 1.2 and Note 27 for details.

11 DIVIDENDS

No dividend has been paid or declared by the Company since 1 January 2024.

Notes to the unaudited interim condensed consolidated financial statements (continued)

12 INTANGIBLE ASSETS

US$m	Goodwill	Distribution rights	Computer software and others	Total
Cost				
At 1 January 2024	1,569	1,712	324	3,605
Additions	–	25	62	87
Disposals	–	–	(8)	(8)
Foreign exchange movements	(7)	(28)	(11)	(46)
At 31 December 2024	1,562	1,709	367	3,638
Additions	–	46	10	56
Disposals	–	–	(5)	(5)
Foreign exchange movements	25	55	11	91
At 30 June 2025 (Unaudited)	**1,587**	**1,810**	**383**	**3,780**
Accumulated amortisation and impairment				
At 1 January 2024	(34)	(239)	(178)	(451)
Amortisation charge for the year	–	(37)	(46)	(83)
Disposals	–	–	6	6
Impairment	(21)	–	(17)	(38)
Foreign exchange movements	–	6	7	13
At 31 December 2024	(55)	(270)	(228)	(553)
Amortisation charge for the period	–	(17)	(23)	(40)
Disposals	–	–	4	4
Foreign exchange movements	(1)	(8)	(7)	(16)
At 30 June 2025 (Unaudited)	**(56)**	**(295)**	**(254)**	**(605)**
Net book value				
At 31 December 2024	1,507	1,439	139	3,085
At 30 June 2025 (Unaudited)	**1,531**	**1,515**	**129**	**3,175**

Distribution rights

On 11 December 2024, the Group entered into an amendment to the existing distribution agreement with Security Bank Corporation, pursuant to which the existing exclusive distribution right in the Philippines will be extended to no later than 31 December 2043. The regulatory approvals were obtained and the Group paid Security Bank Corporation a fee of US$43m in 2025.

Notes to the unaudited interim condensed consolidated financial statements (continued)

13 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Investments in associates	**448**	438

Investment in joint ventures was US$nil as at 30 June 2025 (31 December 2024: less than US$1m).

The Group's interests in its key associate are as follows:

					Group's interest %	
Entity	Place of incorporation	Principal activity	Type of investments	Type of shares held	As at 30 June 2025	As at 31 December 2024
					(Unaudited)	
PT Asuransi BRI Life (“BRI Life”)	Indonesia	Life insurance	Associate	Ordinary	**43.96%**	43.96%

All associates and joint ventures are unlisted.

Dividend declared by/received from BRI Life to the Group during the six months ended 30 June 2025 was US$4m (six months ended 30 June 2024: US$2m).

14 INVESTMENT PROPERTY

US$m	
Fair value	
At 1 January 2024	599
Disposal	(76)
Fair value gains/(losses)	(5)
Foreign exchange movements	(52)
At 31 December 2024	**466**
Fair value gains/(losses)	**2**
Reclassification	**(9)**
Foreign exchange movements	**38**
At 30 June 2025 (Unaudited)	**497**

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES

Insurance contracts

US$m	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Insurance contract assets	**685**	683
Insurance contract liabilities	**(46,588)**	(41,646)
Total	**(45,903)**	(40,963)

Reinsurance contracts held

US$m	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Reinsurance contract assets	**2,868**	2,696
Reinsurance contract liabilities	**(417)**	(366)
Total	**2,451**	2,330

The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be recovered/(settled) more than 12 months after the reporting date.

US$m	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Insurance contract assets	**1,428**	1,400
Insurance contract liabilities	**(36,092)**	(32,580)
Reinsurance contract assets	**2,840**	2,227
Reinsurance contract liabilities	**(1,046)**	(394)

The estimates of the present value of future cash flows from insurance and reinsurance contract assets represent the Group's maximum exposure to credit risk from these assets.

Insurance and reinsurance contracts

(a) Movement in insurance and reinsurance contract balances

The Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI.

A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(i) (a) Insurance contracts not measured under the premium allocation approach

Analysis by remaining coverage and incurred claims

		Six months ended 30 June 2025 (Unaudited)			
		Liabilities for remaining coverage			
US$m	Notes	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening assets		762	(24)	(69)	669
Opening liabilities		(40,186)	(189)	(1,187)	(41,562)
Net opening balance		(39,424)	(213)	(1,256)	(40,893)
Changes in the statement of profit or loss and OCI					
Insurance revenue	5				
Contracts under the modified retrospective approach		43	–	–	43
Contracts under the fair value approach		415	–	–	415
Other contracts		929	–	–	929
		1,387	–	–	1,387
Insurance service expenses					
Incurred claims and other insurance service expenses		–	22	(558)	(536)
Amortisation of insurance acquisition cash flows		(425)	–	–	(425)
Losses and reversals of losses on onerous contracts		–	(28)	–	(28)
Adjustments to liabilities for incurred claims		–	–	(22)	(22)
		(425)	(6)	(580)	(1,011)
Investment components		1,985	–	(1,985)	–
Insurance service result		2,947	(6)	(2,565)	376
Net finance income/(expenses) from insurance contracts	6	(1,263)	(5)	2	(1,266)
Foreign exchange movements		(1,302)	(5)	(48)	(1,355)
Total changes in the statement of profit or loss and OCI		382	(16)	(2,611)	(2,245)
Cash flows					
Premium received		(6,430)	–	–	(6,430)
Claims and other insurance service expenses paid; including investment components		–	–	2,394	2,394
Insurance acquisition cash flows		1,336	–	–	1,336
Total cash flows		(5,094)	–	2,394	(2,700)
Net closing balance		(44,136)	(229)	(1,473)	(45,838)
Closing assets		771	(3)	(84)	684
Closing liabilities		(44,907)	(226)	(1,389)	(46,522)
Net closing balance		(44,136)	(229)	(1,473)	(45,838)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(i) (a) Insurance contracts not measured under the premium allocation approach (continued)

Analysis by remaining coverage and incurred claims (continued)

	Year ended 31 December 2024			
	Liabilities for remaining coverage			
US$m	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening assets	838	(25)	(26)	787
Opening liabilities	(38,909)	(224)	(831)	(39,964)
Net opening balance	(38,071)	(249)	(857)	(39,177)
Changes in the statement of profit or loss and OCI				
Insurance revenue				
Contracts under the modified retrospective approach	90	–	–	90
Contracts under the fair value approach	909	–	–	909
Other contracts	1,477	–	–	1,477
	2,476	–	–	2,476
Insurance service expenses				
Incurred claims and other insurance service expenses	–	68	(1,055)	(987)
Amortisation of insurance acquisition cash flows	(774)	–	–	(774)
Losses and reversals of losses on onerous contracts	–	(31)	–	(31)
Adjustments to liabilities for incurred claims	–	–	11	11
	(774)	37	(1,044)	(1,781)
Investment components	4,333	–	(4,333)	–
Insurance service result	6,035	37	(5,377)	695
Net finance expenses from insurance contracts	(1,095)	(3)	–	(1,098)
Foreign exchange movements	629	2	(13)	618
Total changes in the statement of profit or loss and OCI	5,569	36	(5,390)	215
Cash flows				
Premium received	(9,017)	–	–	(9,017)
Claims and other insurance service expenses paid; including investment components	–	–	4,991	4,991
Insurance acquisition cash flows	2,095	–	–	2,095
Total cash flows	(6,922)	–	4,991	(1,931)
Net closing balance	(39,424)	(213)	(1,256)	(40,893)
Closing assets	762	(24)	(69)	669
Closing liabilities	(40,186)	(189)	(1,187)	(41,562)
Net closing balance	(39,424)	(213)	(1,256)	(40,893)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(i) (a) Insurance contracts not measured under the premium allocation approach (continued)

Analysis by measurement component

		Six months ended 30 June 2025 (Unaudited)						
				CSM				
US$m	Notes	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Subtotal	Total
Opening assets		1,678	(96)	–	(147)	(766)	(913)	669
Opening liabilities		(36,635)	(560)	(156)	(1,397)	(2,814)	(4,367)	(41,562)
Net opening balance		(34,957)	(656)	(156)	(1,544)	(3,580)	(5,280)	(40,893)
Changes in the statement of profit or loss and OCI								
Changes that relate to current services								
CSM recognised for services received	5	–	–	10	89	254	353	353
Change in risk adjustment for non-financial risk for risk expired		–	39	–	–	–	–	39
Experience adjustments		34	–	–	–	–	–	34
Changes that relate to future services								
Contracts initially recognised in the period		921	(56)	–	–	(872)	(872)	(7)
Changes in estimates that adjust the CSM		224	(22)	2	(69)	(135)	(202)	–
Changes in estimates that result in losses and reversals of losses on onerous contracts		(19)	(2)	–	–	–	–	(21)
Changes that relate to past services								
Adjustments to liabilities for incurred claims		(22)	–	–	–	–	–	(22)
Insurance service result		1,138	(41)	12	20	(753)	(721)	376
Net finance income/(expenses) from insurance contracts	6	(1,254)	2	(2)	(4)	(8)	(14)	(1,266)
Effect of movements in exchange rates		(1,113)	(25)	(8)	(41)	(168)	(217)	(1,355)
Total changes in the statement of profit or loss and OCI		(1,229)	(64)	2	(25)	(929)	(952)	(2,245)
Cash flows								
Premium received		(6,430)	–	–	–	–	–	(6,430)
Claims and other insurance service expenses paid; including investment components		2,394	–	–	–	–	–	2,394
Insurance acquisition cash flows		1,336	–	–	–	–	–	1,336
Total cash flows		(2,700)	–	–	–	–	–	(2,700)
Net closing balance		(38,886)	(720)	(154)	(1,569)	(4,509)	(6,232)	(45,838)
Closing assets		1,723	(74)	–	(143)	(822)	(965)	684
Closing liabilities		(40,609)	(646)	(154)	(1,426)	(3,687)	(5,267)	(46,522)
Net closing balance		(38,886)	(720)	(154)	(1,569)	(4,509)	(6,232)	(45,838)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(i) (a) Insurance contracts not measured under the premium allocation approach (continued)

Analysis by measurement component (continued)

	Year ended 31 December 2024						
			CSM				
US$m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Subtotal	Total
Opening assets	1,888	(109)	–	(162)	(830)	(992)	787
Opening liabilities	(35,128)	(578)	(199)	(1,898)	(2,161)	(4,258)	(39,964)
Net opening balance	(33,240)	(687)	(199)	(2,060)	(2,991)	(5,250)	(39,177)
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services received	–	–	22	180	406	608	608
Change in risk adjustment for non-financial risk for risk expired	–	71	–	–	–	–	71
Experience adjustments	36	–	–	–	–	–	36
Changes that relate to future services							
Contracts initially recognised in the year	1,424	(98)	–	–	(1,344)	(1,344)	(18)
Changes in estimates that adjust the CSM	(619)	29	22	269	299	590	–
Changes in estimates that result in losses and reversals of losses on onerous contracts	(15)	2	–	–	–	–	(13)
Changes that relate to past services							
Adjustments to liabilities for incurred claims	11	–	–	–	–	–	11
Insurance service result	837	4	44	449	(639)	(146)	695
Net finance income/(expenses) from insurance contracts	(1,035)	(1)	(4)	(7)	(51)	(62)	(1,098)
Effect of movements in exchange rates	412	28	3	74	101	178	618
Total changes in the statement of profit or loss and OCI	214	31	43	516	(589)	(30)	215
Cash flows							
Premium received	(9,017)	–	–	–	–	–	(9,017)
Claims and other insurance service expenses paid; including investment components	4,991	–	–	–	–	–	4,991
Insurance acquisition cash flows	2,095	–	–	–	–	–	2,095
Total cash flows	(1,931)	–	–	–	–	–	(1,931)
Net closing balance	(34,957)	(656)	(156)	(1,544)	(3,580)	(5,280)	(40,893)
Closing assets	1,678	(96)	–	(147)	(766)	(913)	669
Closing liabilities	(36,635)	(560)	(156)	(1,397)	(2,814)	(4,367)	(41,562)
Net closing balance	(34,957)	(656)	(156)	(1,544)	(3,580)	(5,280)	(40,893)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(i) (b) Insurance contracts measured under the premium allocation approach

Analysis by remaining coverage and incurred claims

		Six months ended 30 June 2025 (Unaudited)				
		Liabilities for remaining coverage		Liabilities for incurred claims		
US$m	Note	Excluding loss component	Loss component	Estimates of PV of FCF	Risk Adjustment	Total
Opening assets		(1)	–	15	–	14
Opening liabilities		(24)	(3)	(55)	(2)	(84)
Net opening balance		(25)	(3)	(40)	(2)	(70)
Changes in the statement of profit or loss and OCI						
Insurance revenue	5					
Other contracts		95	–	–	–	95
Insurance service expenses						
Incurred claims and other insurance service expenses		–	–	(80)	–	(80)
Amortisation of insurance acquisition cash flows		(13)	–	–	–	(13)
Adjustments to liabilities for incurred claims		–	–	6	1	7
		(13)	–	(74)	1	(86)
Insurance service result		82	–	(74)	1	9
Foreign exchange movements		(2)	–	(1)	–	(3)
Total changes in the statement of profit or loss and OCI		80	–	(75)	1	6
Cash flows						
Premium received		(91)	–	–	–	(91)
Claims and other insurance service expenses paid; including investment components		–	–	76	–	76
Insurance acquisition cash flows		14	–	–	–	14
Total cash flows		(77)	–	76	–	(1)
Net closing balance		(22)	(3)	(39)	(1)	(65)
Closing assets		1	–	–	–	1
Closing liabilities		(23)	(3)	(39)	(1)	(66)
Net closing balance		(22)	(3)	(39)	(1)	(65)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(i) (b) Insurance contracts measured under the premium allocation approach (continued)

Analysis by remaining coverage and incurred claims (continued)

	Year ended 31 December 2024				
	Liabilities for remaining coverage		Liabilities for incurred claims		
US$m	Excluding loss component	Loss component	Estimates of PV of FCF	Risk Adjustment	Total
Opening assets	–	–	11	–	11
Opening liabilities	(53)	(4)	(50)	(2)	(109)
Net opening balance	(53)	(4)	(39)	(2)	(98)
Changes in the statement of profit or loss and OCI					
Insurance revenue					
Other contracts	248	–	–	–	248
Insurance service expenses					
Incurred claims and other insurance service expenses	–	–	(199)	(1)	(200)
Amortisation of insurance acquisition cash flows	(33)	–	–	–	(33)
Losses and reversals of losses on onerous contracts	–	1	–	–	1
Adjustments to liabilities for incurred claims	–	–	–	1	1
	(33)	1	(199)	–	(231)
Insurance service result	215	1	(199)	–	17
Foreign exchange movements	–	–	1	–	1
Total changes in the statement of profit or loss and OCI	215	1	(198)	–	18
Cash flows					
Premium received	(222)	–	–	–	(222)
Claims and other insurance service expenses paid; including investment components	–	–	197	–	197
Insurance acquisition cash flows	35	–	–	–	35
Total cash flows	(187)	–	197	–	10
Net closing balance	(25)	(3)	(40)	(2)	(70)
Closing assets	(1)	–	15	–	14
Closing liabilities	(24)	(3)	(55)	(2)	(84)
Net closing balance	(25)	(3)	(40)	(2)	(70)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(ii) (a) Reinsurance contracts held not measured under the premium allocation approach

Analysis by remaining coverage and incurred claims

		Six months ended 30 June 2025 (Unaudited)			
		Assets for remaining coverage			
US$m	Note	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Opening assets		2,302	24	355	2,681
Opening liabilities		(439)	7	68	(364)
Net opening balance		**1,863**	**31**	**423**	**2,317**
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid		(156)	–	–	(156)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses		–	(3)	129	126
Recoveries and reversals of recoveries of losses on onerous underlying contracts		–	5	–	5
Adjustments to assets for incurred claims		–	–	(1)	(1)
		–	2	128	130
Investment components and premium refunds		(229)	–	229	–
Net expenses from reinsurance contracts		(385)	2	357	(26)
Net finance income/(expenses) from reinsurance contracts	6	(243)	1	3	(239)
Foreign exchange movements		146	1	14	161
Total changes in the statement of profit or loss and OCI		(482)	4	374	(104)
Cash flows					
Premium paid		507	–	–	507
Amounts received		–	–	(278)	(278)
Total cash flows		507	–	(278)	229
Net closing balance		1,888	35	519	2,442
Closing assets		2,505	23	327	2,855
Closing liabilities		(617)	12	192	(413)
Net closing balance		1,888	35	519	2,442

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(ii) (a) Reinsurance contracts held not measured under the premium allocation approach (continued)

Analysis by remaining coverage and incurred claims (continued)

	Year ended 31 December 2024			
	Assets for remaining coverage			
US$m	Excluding loss-recovery component	Loss-recovery component	Assets for incurred claims	Total
Opening assets	2,510	8	338	2,856
Opening liabilities	(326)	1	23	(302)
Net opening balance	2,184	9	361	2,554
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premium paid	(271)	–	–	(271)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	–	(7)	223	216
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	27	–	27
Adjustments to assets for incurred claims	–	–	(5)	(5)
	–	20	218	238
Investment components and premium refunds	(377)	–	377	–
Net expenses from reinsurance contracts	(648)	20	595	(33)
Effect of changes in non-performance risk of reinsurers	3	–	–	3
Net finance income/(expenses) from reinsurance contracts	(267)	2	–	(265)
Foreign exchange movements	(217)	–	(10)	(227)
Total changes in the statement of profit or loss and OCI	(1,129)	22	585	(522)
Cash flows				
Premium paid	808	–	–	808
Amounts received	–	–	(523)	(523)
Total cash flows	808	–	(523)	285
Net closing balance	1,863	31	423	2,317
Closing assets	2,302	24	355	2,681
Closing liabilities	(439)	7	68	(364)
Net closing balance	1,863	31	423	2,317

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(ii) (a) Reinsurance contracts held not measured under the premium allocation approach (continued)

Analysis by measurement component

	Six months ended 30 June 2025 (Unaudited)						
			CSM				
US$m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Subtotal	Total
Opening assets	2,553	73	4	116	(65)	55	2,681
Opening liabilities	(427)	12	2	(11)	60	51	(364)
Net opening balance	2,126	85	6	105	(5)	106	2,317
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services received	–	–	(2)	(8)	(7)	(17)	(17)
Change in risk adjustment for non-financial risk for risk expired	–	(4)	–	–	–	–	(4)
Experience adjustments	(9)	–	–	–	–	–	(9)
Changes that relate to future services							
Contracts initially recognised in the period	(108)	5	–	–	104	104	1
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–	–	–	–	2	2	2
Changes in estimates that adjust the CSM	(38)	4	1	5	28	34	–
Changes in estimates that result in losses and reversals of losses on onerous underlying contracts	2	–	–	–	–	–	2
Changes that relate to past services							
Adjustments to assets for incurred claims	(1)	–	–	–	–	–	(1)
Net expenses from reinsurance contracts	(154)	5	(1)	(3)	127	123	(26)
Net finance income/(expenses) from reinsurance contracts	(240)	–	–	–	1	1	(239)
Foreign exchange movements	148	7	–	5	1	6	161
Total changes in the statement of profit or loss and OCI	(246)	12	(1)	2	129	130	(104)
Cash flows							
Premium paid	507	–	–	–	–	–	507
Amounts received	(278)	–	–	–	–	–	(278)
Total cash flows	229	–	–	–	–	–	229
Net closing balance	2,109	97	5	107	124	236	2,442
Closing assets	3,230	29	3	102	(509)	(404)	2,855
Closing liabilities	(1,121)	68	2	5	633	640	(413)
Net closing balance	2,109	97	5	107	124	236	2,442

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(ii) (a) Reinsurance contracts held not measured under the premium allocation approach (continued)

Analysis by measurement component (continued)

	Year ended 31 December 2024						
			CSM				
US$m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Subtotal	Total
Opening assets	2,670	87	4	156	(61)	99	2,856
Opening liabilities	(417)	10	2	58	45	105	(302)
Net opening balance	2,253	97	6	214	(16)	204	2,554
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services received	–	–	(1)	(17)	(2)	(20)	(20)
Change in risk adjustment for non-financial risk for risk expired	–	(7)	–	–	–	–	(7)
Experience adjustments	(28)	–	–	–	–	–	(28)
Changes that relate to future services							
Contracts initially recognised in the year	(158)	9	–	–	155	155	6
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	4	–	–	11	6	17	21
Changes in estimates that adjust the CSM	257	(6)	1	(98)	(154)	(251)	–
Changes that relate to past services							
Adjustments to assets for incurred claims	(5)	–	–	–	–	–	(5)
Net expenses from reinsurance contracts	70	(4)	–	(104)	5	(99)	(33)
Effect of changes in non-performance risk of reinsurers	3	–	–	–	–	–	3
Net finance income/(expenses) from reinsurance contracts	(270)	–	–	3	2	5	(265)
Foreign exchange movements	(215)	(8)	–	(8)	4	(4)	(227)
Total changes in the statement of profit or loss and OCI	(412)	(12)	–	(109)	11	(98)	(522)
Cash flows							
Premium paid	808	–	–	–	–	–	808
Amounts received	(523)	–	–	–	–	–	(523)
Total cash flows	285	–	–	–	–	–	285
Net closing balance	2,126	85	6	105	(5)	106	2,317
Closing assets	2,553	73	4	116	(65)	55	2,681
Closing liabilities	(427)	12	2	(11)	60	51	(364)
Net closing balance	2,126	85	6	105	(5)	106	2,317

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(ii) (b) Reinsurance contract held measured under the premium allocation approach

Analysis by remaining coverage and incurred claims

	Six months ended 30 June 2025 (Unaudited)				
	Assets for remaining coverage		Assets for incurred claims		
US$m	Excluding loss-recovery component	Loss-recovery component	Estimates of PV of FCF	Risk Adjustment	Total
Opening assets	2	–	12	1	15
Opening liabilities	–	–	(2)	–	(2)
Net opening balance	2	–	10	1	13
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid	(4)	–	–	–	(4)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	–	–	5	–	5
Adjustments to assets for incurred claims	–	–	(2)	–	(2)
	–	–	3	–	3
Net expenses from reinsurance contracts	(4)	–	3	–	(1)
Foreign exchange movements	–	–	1	–	1
Total changes in the statement of profit or loss and OCI	(4)	–	4	–	–
Cash flows					
Premium paid	3	–	–	–	3
Amounts received	–	–	(7)	–	(7)
Total cash flows	3	–	(7)	–	(4)
Net closing balance	1	–	7	1	9
Closing assets	2	–	10	1	13
Closing liabilities	(1)	–	(3)	–	(4)
Net closing balance	1	–	7	1	9

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(a) Movement in insurance and reinsurance contract balances (continued)

(ii) (b) Reinsurance contract held measured under the premium allocation approach (continued)

Analysis by remaining coverage and incurred claims (continued)

	Year ended 31 December 2024				
	Assets for remaining coverage		Assets for incurred claims		
US$m	Excluding loss-recovery component	Loss-recovery component	Estimates of PV of FCF	Risk Adjustment	Total
Opening assets	(2)	1	20	1	20
Opening liabilities	(1)	–	(1)	–	(2)
Net opening balance	(3)	1	19	1	18
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premium paid	(18)	–	–	–	(18)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	–	–	16	–	16
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–	(1)	–	–	(1)
Adjustments to assets for incurred claims	–	–	(6)	–	(6)
	–	(1)	10	–	9
Net expenses from reinsurance contracts	(18)	(1)	10	–	(9)
Total changes in the statement of profit or loss and OCI	(18)	(1)	10	–	(9)
Cash flows					
Premium paid	23	–	–	–	23
Amounts received	–	–	(19)	–	(19)
Total cash flows	23	–	(19)	–	4
Net closing balance	2	–	10	1	13
Closing assets	2	–	12	1	15
Closing liabilities	–	–	(2)	–	(2)
Net closing balance	2	–	10	1	13

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(b) Effect of contracts initially recognised in the period/year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts held not measured under the PAA in the year.

(i) Insurance contracts

US$m	Profitable contracts issued	Onerous contracts issued	Total
30 June 2025 (Unaudited)			
Claims and other insurance service expenses payable	**(4,921)**	**(70)**	**(4,991)**
Insurance acquisition cash flows	**(1,339)**	**(25)**	**(1,364)**
Estimates of present value of cash outflows	**(6,260)**	**(95)**	**(6,355)**
Estimates of present value of cash inflows	**7,187**	**89**	**7,276**
Risk adjustment for non-financial risk	**(55)**	**(1)**	**(56)**
Contractual service margin (CSM)	**(872)**	**–**	**(872)**
Amount included in insurance contract assets/liabilities for the period	**–**	**(7)**	**(7)**
31 December 2024			
Claims and other insurance service expenses payable	(7,216)	(210)	(7,426)
Insurance acquisition cash flows	(2,133)	(83)	(2,216)
Estimates of present value of cash outflows	(9,349)	(293)	(9,642)
Estimates of present value of cash inflows	10,787	279	11,066
Risk adjustment for non-financial risk	(94)	(4)	(98)
Contractual service margin (CSM)	(1,344)	–	(1,344)
Amount included in insurance contract assets/liabilities for the year	–	(18)	(18)

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(b) Effect of contracts initially recognised in the period/year (continued)

(ii) Reinsurance contracts held

US$m	Contracts initiated
30 June 2025 (Unaudited)	
Estimates of present value of cash inflows	**1,019**
Estimates of present value of cash outflows	**(1,127)**
Risk adjustment for non-financial risk	**5**
Contractual service margin (CSM)	**104**
Amount included in reinsurance contract assets/liabilities for the period	**1**
31 December 2024	
Estimates of present value of cash inflows	1,057
Estimates of present value of cash outflows	(1,215)
Risk adjustment for non-financial risk	9
Contractual service margin (CSM)	155
Amount included in reinsurance contract assets/liabilities for the year	6

(c) Contractual service margin (CSM)

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

	As at 30 June 2025 (Unaudited)			As at 31 December 2024		
US$m	**Insurance contracts**	**Reinsurance contracts held**	**Total**	Insurance contracts	Reinsurance contracts held	Total
Within one year	**685**	**(27)**	**658**	589	(19)	570
One to five years	**1,990**	**(58)**	**1,932**	1,677	(24)	1,653
Five to ten years	**1,459**	**(31)**	**1,428**	1,217	(4)	1,213
More than ten years	**2,098**	**(120)**	**1,978**	1,797	(59)	1,738
Total	**6,232**	**(236)**	**5,996**	5,280	(106)	5,174

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Insurance and reinsurance contracts (continued)

(c) Contractual service margin (CSM) (continued)

The following table summarises the key variables on which insurance and investment contract cash flows depend.

Type of contract	Material terms and conditions	Nature of benefits and compensation for claims	Factors affecting contract cash flows	Key reportable segments
Traditional participating life assurance with DPF	Participating products combine protection with a savings element. The basic sum assured, payable on death or maturity, may be enhanced by dividends, the timing or amount of which is at the discretion of the insurer taking into account factors such as investment experience.	Minimum guaranteed benefits may be enhanced based on investment experience and other considerations.	Investment performance Expenses Mortality Lapses Morbidity Dividend/bonus rates	All
Takaful	Products combine savings with protection, with an arrangement based on mutual assistance under which takaful participants agree to contribute to a common fund (Family risk fund) providing for mutual financial benefits payable on the occurrence of pre-agreed events.	Minimum guaranteed benefits may be enhanced based on investment experience and other considerations.	Investment performance Expenses Mortality Lapses Morbidity Partial withdrawals Premium holidays	Emerging markets (Malaysia and Indonesia)
Traditional non-participating life	Benefits paid on death, maturity, sickness or disability that are fixed and guaranteed and not at the discretion of the insurer.	Benefits, defined in the insurance contract, are determined by the contract and are not affected by investment performance or the performance of the contract as a whole.	Mortality Morbidity Lapses Expenses	All
Accident and health non-participating	These products provide morbidity or sickness benefits and include health, disability, critical illness and accident cover.	Benefits, defined in the insurance contract, are determined by the contract and are not affected by investment performance or the performance of the contract as a whole.	Mortality Morbidity Lapses Expenses	All
Universal Life	Universal Life contracts combine savings with protection. Account balances are credited with interest at a rate set by the insurer.	Benefits are based on the account balance and death and living benefits.	Investment performance Crediting rates Lapses Partial withdrawals Premium holidays Expenses Mortality Morbidity	Hong Kong, Emerging Markets (Vietnam and Singapore)
Unit-linked	Investment-linked contracts combine savings with protection, the cash value of the policy depending on the value of unitised funds.	Benefits are based on the value of the unitised funds and death and living benefits.	Investment performance Lapses Partial withdrawals Premium holidays Expenses Mortality Morbidity	Hong Kong, Thailand, Emerging markets

Notes to the unaudited interim condensed consolidated financial statements (continued)

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Methodology and assumptions

The most significant items to which profit or loss for the period and shareholders' equity are sensitive are market, insurance and lapse risks which are shown in the table below. Indirect exposure indicates that there is a second order impact. For example, whilst the profit or loss for the period attributable to shareholders is not directly affected by investment income earned where the investment risk is borne by policyholders (for example, in respect of unit-linked contracts), there is a second order effect through the investment management fees which the Group earns by managing such investments. The distinction between direct and indirect exposure is not intended to indicate the relative sensitivity to each of these items. Where the direct exposure is shown as being "net neutral", this is because the exposure to market and credit risk is offset by a corresponding movement in insurance contract liabilities.

	Market and credit risk			
	Direct exposure			
Type of contract	**Insurance contract liabilities**	**Risks associated with related investment portfolio**	**Indirect exposure**	**Significant insurance and lapse risks**
Traditional participating life assurance with DPF	Net neutral except for the insurer's share of participating investment performance Guarantees	Net neutral except for the insurer's share of participating investment performance	Investment performance	Persistency Mortality Morbidity
Takaful	Net neutral except for the insurer's share of participating investment performance Guarantees	Net neutral except for the insurer's share of participating investment performance	Investment performance	Persistency Mortality Morbidity Partial withdrawals Premium holidays
Traditional non-participating life assurance	Investment performance Asset-liability mismatch risk	Asset-liability mismatch risk Credit Risk Investment performance	Not applicable	Mortality Morbidity Persistency
Accident and health non-participating	Loss ratio Asset-liability mismatch risk	Investment performance Credit risk Asset-liability mismatch risk	Not applicable	Morbidity Persistency
Universal Life	Guarantees Asset-liability mismatch risk	Investment performance Credit risk Asset-liability mismatch risk	Spread between earned rate and crediting rate to policyholders	Mortality Persistency Partial withdrawals Premium holidays
Unit-Linked	Net neutral	Net neutral	Performance-related investment management fees	Mortality Persistency Partial withdrawals Premium holidays

The Group is also exposed to foreign currency risk in respect of its operations, and to interest rate risk, credit risk and equity price risk on assets representing net shareholders' equity, and to expense risk to the extent that actual expenses exceed those that can be charged to insurance contract holders on non-participating business. Expense assumptions applied in the Group's actuarial valuation models assume a continuing level of business volumes.

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The Group generally determines the risk-free rates using either government bond yields or swap yield curve. The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on changes to long-term expectations. To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium. Illiquidity premiums are generally determined by adjusting the return of a reference portfolio to eliminate any factors that are not relevant to the insurance contracts.

The tables below set out the spot rates used to discount the cash flows of insurance contracts for major currencies.

As at 30 June 2025 (Unaudited)	**1 year**		**5 years**		**10 years**		**15 years**		**20 years**	
Spot rates	**Risk free**	**With illiquidity premium**	**Risk free**	**With illiquidity premium**	**Risk free**	**With illiquidity premium**	**Risk free**	**With illiquidity premium**	**Risk free**	**With illiquidity premium**
USD	**3.90%**	**4.73%**	**3.75%**	**4.58%**	**4.26%**	**5.08%**	**4.67%**	**5.50%**	**4.94%**	**5.77%**
HKD	**2.47%**	**3.36%**	**2.59%**	**3.48%**	**2.90%**	**3.79%**	**3.10%**	**3.98%**	**3.23%**	**4.12%**
THB	**1.42%**	**2.20%**	**1.45%**	**2.23%**	**1.62%**	**2.40%**	**1.85%**	**2.63%**	**2.30%**	**3.08%**
JPY	**0.58%**	**0.58%**	**0.99%**	**0.99%**	**1.48%**	**1.48%**	**2.03%**	**2.03%**	**2.52%**	**2.52%**
CNY	**1.34%**	**1.69%**	**1.52%**	**1.87%**	**1.66%**	**2.01%**	**2.03%**	**2.38%**	**2.47%**	**2.82%**

As at 31 December 2024	1 year		5 years		10 years		15 years		20 years	
Spot rates	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium	Risk free	With illiquidity premium
USD	4.11%	4.85%	4.34%	5.08%	4.55%	5.29%	4.77%	5.51%	4.90%	5.64%
HKD	3.88%	4.70%	3.60%	4.41%	3.65%	4.46%	3.72%	4.53%	3.75%	4.56%
THB	1.96%	2.74%	2.09%	2.87%	2.29%	3.07%	2.52%	3.30%	2.88%	3.66%
JPY	0.41%	0.43%	0.73%	0.75%	1.12%	1.14%	1.56%	1.58%	1.97%	2.00%
CNY	1.08%	1.64%	1.42%	1.98%	1.70%	2.25%	2.09%	2.65%	2.52%	3.08%

Cash flows that vary based on the returns on any financial underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

When the present value of future cash flows is estimated by stochastic modelling, the cash flows are discounted at scenario-specific rates calibrated, on average, to be the risk-free rates as adjusted for illiquidity.

15 INSURANCE AND REINSURANCE CONTRACT BALANCES (continued)

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are generally determined by considering the expected cash flows arising from insurance contracts in each segment for each of the geographical markets in which the Group operates, consistent with the way that non-financial risk is managed. Risk adjustments are determined separately from estimates from the present value of future cash flows, using the confidence level technique.

Applying a confidence level technique, the Group estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at 75th percentile (the target confidence level) over the expected present value of the future cash flows.

16 FINANCIAL INVESTMENTS

The following tables analyse the Group's financial investments by type and nature. The Group manages its financial investments in two distinct categories: Unit-linked Investments and Policyholder and Shareholder Investments.

Unit-linked contract holders are responsible for allocation of their policy values amongst investment options offered by the Group. The investment risk in respect of Unit-linked Investments is generally wholly borne by the customers and these investments are measured at fair value through profit or loss. Policyholder and Shareholder Investments include all financial investments other than Unit-linked Investments. The investment risk in respect of Policyholder and Shareholder Investments is partially or wholly borne by the Group.

Policyholder and Shareholder Investments are further categorised as Participating Funds, other participating business with discretionary expected sharing with policyholders and underlying distinct investment portfolios ("Other Participating Business with distinct Portfolios") and Other Policyholder and Shareholder investments. Other Participating Business with distinct Portfolios refers to business where it is expected that the policyholder will receive, at the discretion of the insurer, additional benefits based on the performance of underlying segregated investment assets where this asset segregation is supported by an explicit statutory reserve and reporting in the relevant territory.

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

The reason for separately analysing financial investments held by Participating Funds and Other Participating Business with distinct Portfolios is that Participating Funds are subject to local regulations that generally prescribe a minimum proportion of policyholder participation in declared dividends and for Other Participating Business with distinct Portfolios is, as explained above, expected that the policyholder will receive, at the discretion of the insurer, additional benefits based on the performance of the underlying segregated investment assets where this asset segregation is supported by an explicit statutory reserve and reporting in the relevant territory. For Participating Funds and Other Participating Business with distinct Portfolios, the Group measures equity shares and interests in investment funds at fair value through profit or loss, and debt securities at fair value through other comprehensive income except for those being mandatory at fair value through profit or loss.

Other Policyholder and Shareholder Investments are distinct from Unit-linked Investments, Participating Funds and Other Participating Business with distinct Portfolios as there is not any direct contractual or regulatory requirement governing the amount, if any, for allocation to policyholders. The Group measures equity shares and interests in investment funds at fair value through profit or loss in this category and debt securities at fair value through other comprehensive income except for those being mandatory at fair value through profit or loss in this category. The investment risk from investments in this category directly impacts the Group’s financial statements. For certain benefits of business written in “Participating Funds and Other Participating Business with distinct Portfolios” funds and Unit-linked funds that are not supported by the underlying segregated assets, the backing assets are generally included in “Other policyholder and shareholder” funds.

In the following tables, “FVTPL” indicates financial investments classified as fair value through profit or loss and “FVOCI” indicates financial investments classified as fair value through other comprehensive income.

16.1 Debt securities

In compiling the tables below, external international issue ratings have been used in accordance with the Group’s credit risk assessment framework. Where external international issue ratings are not readily available, external local issue ratings are used by mapping to external international ratings based on an internal rating methodology. Where there is no external international or local issue rating, the external credit rating of the issuer is used and if not available, the debt security is classified as not-rated.

Standard and Poor’s and Fitch	Moody’s	Internal ratings reported as
AAA	Aaa	AAA
AA+ to AA-	Aa1 to Aa3	AA
A+ to A-	A1 to A3	A
BBB+ to BBB-	Baa1 to Baa3	BBB
BB+ to BB-	Ba1 to Ba3	BB (Below investment grade)
B+ to B-	B1 to B3	B (Below investment grade)
CCC+ and below	Caa1 and below	CCC or Not rated

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

16.1 Debt securities (continued)

Debt securities by type comprise the following:

US$m	Policyholder and shareholder investments: Participating funds and other participating business with distinct portfolios		Other policyholder and shareholder investments		Total
	FVTPL (Mandatory)	FVOCI	FVTPL (Mandatory)	FVOCI	
30 June 2025 (Unaudited)					
Government bonds					
United States	–	2,413	–	203	2,616
Japan	–	–	–	1,691	1,691
Thailand	–	–	–	14,086	14,086
Other	–	534	–	336	870
Sub-total	–	2,947	–	16,316	19,263
Government agency bonds[1]					
AAA	–	6	–	38	44
AA	–	351	–	189	540
A	–	108	–	464	572
BBB	–	55	–	542	597
Below investment grade	–	3	–	14	17
CCC or not rated	–	8	–	–	8
Sub-total	–	531	–	1,247	1,778
Corporate bonds					
AAA	–	154	–	43	197
AA	2	596	–	243	841
A	643	3,174	79	2,083	5,979
BBB	49	1,639	140	1,895	3,723
Below investment grade	–	10	–	537	547
CCC or not rated	80	64	5	71	220
Sub-total	774	5,637	224	4,872	11,507

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

16.1 Debt securities (continued)

US$m	Policyholder and shareholder investments				Total
	Participating funds and other participating business with distinct portfolios		Other policyholder and shareholder investments		
	FVTPL (Mandatory)	FVOCI	FVTPL (Mandatory)	FVOCI	
30 June 2025 (Unaudited)					
Structured securities[2]					
AAA	380	684	3	770	1,837
AA	587	833	100	235	1,755
A	196	595	15	173	979
BBB	7	138	366	–	511
CCC or not rated	35	28	20	30	113
Sub-total	1,205	2,278	504	1,208	5,195
Others					
Certificate of deposits	–	–	–	12	12
Sub-total	–	–	–	12	12
Total[3]	1,979	11,393	728	23,655	37,755

Notes:

1 Government agency bonds comprise bonds issued by government-sponsored institutions such as national, provincial and municipal authorities and government-related entities.

2 Structured securities include collateralised debt obligations, mortgage-backed securities and other asset-backed securities.

3 As at 30 June 2025, debt securities of US$4,516m, US$599m, US$18m and US$6m are restricted due to local regulatory requirements in Thailand, Macau, Indonesia and the Philippines, respectively.

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

16.1 Debt securities (continued)

US$m	Policyholder and shareholder investments				
	Participating funds and other participating business with distinct portfolios		Other policyholder and shareholder investments		Total
	FVTPL (Mandatory)	FVOCI	FVTPL (Mandatory)	FVOCI	
31 December 2024					
Government bonds					
United States	–	1,853	–	229	2,082
Japan	–	–	–	1,722	1,722
Thailand	–	–	–	12,231	12,231
Other	–	631	–	420	1,051
Sub-total	–	2,484	–	14,602	17,086
Government agency bonds[1]					
AAA	2	5	–	–	7
AA	–	432	–	188	620
A	–	138	–	398	536
BBB	–	71	–	454	525
Below investment grade	–	3	–	6	9
Sub-total	2	649	–	1,046	1,697
Corporate bonds					
AAA	–	166	–	9	175
AA	6	523	–	156	685
A	101	2,848	85	1,773	4,807
BBB	111	1,443	122	2,003	3,679
Below investment grade	–	10	20	703	733
CCC or not rated	27	69	45	36	177
Sub-total	245	5,059	272	4,680	10,256

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

16.1 Debt securities (continued)

US$m	Policyholder and shareholder investments				
	Participating funds and other participating business with distinct portfolios		Other policyholder and shareholder investments		Total
	FVTPL (Mandatory)	FVOCI	FVTPL (Mandatory)	FVOCI	
31 December 2024					
Structured securities[2]					
AAA	63	362	52	558	1,035
AA	252	770	65	145	1,232
A	41	639	8	174	862
BBB	–	90	681	1	772
CCC or not rated	42	53	27	52	174
Sub-total	398	1,914	833	930	4,075
Others					
Certificate of deposits	–	–	–	44	44
Sub-total	–	–	–	44	44
Total[3]	645	10,106	1,105	21,302	33,158

Notes:
1 Government agency bonds comprise bonds issued by government-sponsored institutions such as national, provincial and municipal authorities and government-related entities.
2 Structured securities include collateralised debt obligations, mortgage-backed securities and other asset-backed securities.
3 As at 31 December 2024, debt securities of US$3,954m, US$570m, US$18m and US$6m are restricted due to local regulatory requirements in Thailand, Macau, Indonesia and the Philippines, respectively.

As at 30 June 2025, debt securities of US$261m (31 December 2024: US$259m), are subject to repurchase and forward agreements, whereby securities are sold to third parties with a concurrent agreement to repurchase the securities at a specified date. The securities related to the repurchase and forward agreements are not derecognised from the consolidated statement of financial position, but are retained within the appropriate financial asset classification. During the term of the repurchase and forward agreements, the counterparty is restricted from selling or pledging the transferred debt securities. Refer to Note 23 for additional information on the associated liabilities.

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

16.2 Equity securities

Equity securities at fair value through profit and loss:

US$m	Policyholder and shareholder investments: Participating funds and other participating business with distinct portfolios	Policyholder and shareholder investments: Other policyholder and shareholder investments	Total
30 June 2025 (Unaudited)	**127**	**83**	**210**
31 December 2024	130	91	221

16.3 Interests in investment funds

Interests in investment funds at fair value through profit and loss:

US$m	Policyholder and shareholder investments: Participating funds and other participating business with distinct portfolios	Policyholder and shareholder investments: Other policyholder and shareholder investments	Sub-total	Unit-linked	Total
30 June 2025 (Unaudited)	**3,529**	**2,120**	**5,649**	**3,991**	**9,640**
31 December 2024	4,007	1,679	5,686	3,417	9,103

Note:

1 As at 30 June 2025, interests in investment funds of US$57m (31 December 2024: US$99m) are restricted due to local regulatory requirements in Macau.

Notes to the unaudited interim condensed consolidated financial statements (continued)

16 FINANCIAL INVESTMENTS (continued)

16.4 Loans and deposits

US$m	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Accreting deposits and promissory notes	**487**	454
Term deposits	**480**	448
Other financial receivables	**8**	8
Provision for impairment	**(6)**	(8)
Total	**969**	902

Accreting deposits and promissory notes are stated at amortised cost. As at 30 June 2025, the accreting deposits and promissory notes bear interest rates ranging from 3.8 per cent to 4.5 per cent per annum (31 December 2024: 3.8 per cent to 4.5 per cent per annum) and are repayable upon maturity.

Certain term deposits of US$39m as at 30 June 2025 (31 December 2024: US$38m) are restricted due to local regulatory requirements.

Notes to the unaudited interim condensed consolidated financial statements (continued)

17 DERIVATIVE FINANCIAL INSTRUMENTS

The followings summarised the Group's derivative exposure:

US$m	Notional amount	Fair value	
		Assets	Liabilities
30 June 2025 (Unaudited)			
Foreign exchange contracts			
Forwards	**9,831**	**92**	**(335)**
Cross-currency swaps	**982**	**59**	**(20)**
Total foreign exchange contracts	**10,813**	**151**	**(355)**
Interest rate swaps	**159**	**3**	**–**
Others			
Warrants and options	**659**	**63**	**(8)**
Bond forward contracts	**2,688**	**100**	**(132)**
Other equity derivatives	**132**	**11**	**(2)**
Total	**14,451**	**328**	**(497)**
31 December 2024			
Foreign exchange contracts			
Forwards	8,699	107	(377)
Cross-currency swaps	831	55	(3)
Total foreign exchange contracts	9,530	162	(380)
Interest rate swaps	8	–	–
Others			
Warrants and options	792	63	(10)
Bond forward contracts	2,409	47	(138)
Other equity derivatives	50	13	–
Total	12,789	285	(528)

Notional amount of foreign exchange contracts refers to the receive leg of foreign derivative transactions.

The Group's derivatives are over-the-counter (OTC) derivatives. OTC derivative contracts are individually negotiated between contracting parties and not cleared through an exchange. OTC derivatives include forwards, swaps and options. Derivatives are subject to various risks including market, liquidity and credit risks, similar to those related to the underlying financial instruments.

Derivatives assets and derivative liabilities are recognised in the consolidated statement of financial position as financial assets at fair value through profit or loss and derivative financial liabilities, respectively. The Group's derivative contracts are established to economic hedge financial exposures. The Group adopts hedge accounting in certain circumstances. The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities in the consolidated statement of financial position as they do not represent the fair value of these transactions. The notional amounts in the previous table reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of derivative transactions.

Notes to the unaudited interim condensed consolidated financial statements (continued)

17 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Foreign exchange contracts

Foreign exchange forward and futures contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date. Currency swaps are contractual agreements that involve the exchange of both periodic and final amounts in two different currencies. Exposure to gains and losses on the foreign exchange contracts will increase or decrease over their respective lives as a function of maturity dates, interest and foreign exchange rates, implied volatility of the underlying indices and the timing of payments.

Interest rate swaps

Interest rate contracts are contractual agreements between two parties to exchange periodic payments in the same currency, each of which is computed on a different interest rate basis, on a specified notional amount. Most interest rate contracts involve the net exchange of payments calculated as the difference between the fixed and floating rate interest payments.

Other derivatives

Forward contracts are contractual obligations to buy or sell a financial instrument on a predetermined future date at a specified price.

As at 30 June 2025 and 31 December 2024, the Group held a call option, pursuant to which the Group has the right to acquire a minority stake in a related party at a discounted price. Refer to Note 28 for details.

Collateral under derivative transactions

As at 30 June 2025, the Group held cash collateral of US$164m (31 December 2024: US$84m) and debt securities collateral with a carrying value of US$nil (31 December 2024: US$8m) for assets, and posted cash collateral of US$75m (31 December 2024: US$95m) and pledged debt securities with a carrying value of US$371m (31 December 2024: US$368m) for liabilities. The Group did not sell or repledge the collateral received. These transactions are conducted under terms that are usual and customary to collateralised transactions. Further information relating to cash collateral is included in Notes 19 and 23.

Derivatives designated as hedging instruments

As at 30 June 2025, the Group has designated certain foreign exchange derivative assets with fair values of US$37m (31 December 2024: US$22m), and certain foreign exchange derivative liabilities with fair values of US$46m (31 December 2024: US$92m) in cash flow hedges of foreign exchange risk. For details, please refer to Note 26 Foreign exchange rate risk. As at 30 June 2025, the Group has also designated certain bond forward derivatives assets with fair values of US$93m (31 December 2024: US$39m) in cash flow hedges of bond price risk. These hedging relationships were considered highly effective as at 30 June 2025 and 31 December 2024.

18 FAIR VALUE MEASUREMENT

Fair value hierarchy

Fair value is the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities recorded at fair value in the consolidated statement of financial position are measured and classified in a hierarchy for disclosure purposes consisting of three "levels" based on the observability of inputs available in the marketplace used to measure their fair values ("Fair Value Hierarchy") as discussed below:

- Level 1: Fair value measurements that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access as of the measurement date. Market price data is generally obtained from exchange or dealer markets. The Group does not adjust the quoted price for such instruments. Assets measured at fair value on a recurring basis and classified as Level 1 are actively traded equities, debt securities and interests in investment funds.

- Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted prices that are observable for the asset and liability, such as interest rates and yield curves that are observable at commonly quoted intervals. Assets and liabilities measured at fair value on a recurring basis and classified as Level 2 generally include debt securities, equity securities, interests in investment funds and derivative contracts.

- Level 3: Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Unobservable inputs are only used to measure fair value to the extent that relevant observable inputs are not available, allowing for circumstances in which there is little, if any, market activity for the asset or liability. Assets and liabilities measured at fair value on a recurring basis and classified as Level 3 mainly include investment property and private equity fund investments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement. In making the assessment, the Group considers factors specific to the asset or liability.

18 FAIR VALUE MEASUREMENT (continued)

18.1 Fair value measurements on a recurring basis

The Group measures investment property, financial instruments classified at fair value through profit or loss, financial instruments classified at fair value through OCI, derivative assets and liabilities, and investment contract liabilities at fair value on a recurring basis. The following methods and assumptions were used by the Group to estimate the fair value.

Debt securities, equity securities and interests in investment funds

Fair values for fixed interest securities are based on quoted market prices, where available. For those securities not actively traded, fair values are estimated using values obtained from brokers, private pricing services or by discounting expected future cash flows using a current market rate applicable to the yield, credit quality and maturity of the investment. Priority is given to values from independent sources when available, but overall the source of pricing and/or valuation technique is chosen with the objective of arriving at the price at which an orderly transaction would take place between market participants on the measurement date. The inputs to determining fair value that are relevant to fixed interest securities include, but not limited to risk-free interest rates, the obligor's credit spreads, foreign exchange rates and credit default rates.

The fair values of listed equity securities are based on quoted market prices. The transaction price is used as the best estimate of fair value at inception. The fair values of unlisted private equity funds are based on the reported net assets value ("NAV") in their financial statements, considering various factors including the accounting policies adopted by the investees, the restrictions and barriers preventing the Group from disposing the investments, the Group's ownership percentage over the investee and other relevant factors.

Derivative financial instruments

The Group values its derivative financial assets and liabilities using market transactions and other market evidence whenever possible, including market-based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value a derivative depends on the contract terms of, and specific risks inherent in, the instrument as well as the availability of pricing information in the market. The Group generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be verified and model selection does not involve significant management judgement. Examples of inputs that are generally observable include foreign exchange spot and forward rates, benchmark interest rate curves and volatilities for commonly traded option products. Examples of inputs that may be unobservable include volatilities for less commonly traded option products and correlations between market factors.

Notes to the unaudited interim condensed consolidated financial statements (continued)

18 FAIR VALUE MEASUREMENT (continued)

18.1 Fair value measurements on a recurring basis (continued)

Investment contract liabilities without DPF

Investment contracts can be surrendered by the holder at any time. Accordingly, their fair value is not less than the amount payable on demand. The fair values are based on the fair value of the underlying items less any surrender charges.

A summary of assets and liabilities carried at fair value on a recurring basis according to fair value hierarchy is given below:

	Fair value hierarchy			
US$m	Level 1	Level 2	Level 3	Total
30 June 2025 (Unaudited)				
Recurring fair value measurements				
Financial assets				
At fair value through OCI				
Debt securities	**2,902**	**32,066**	**80**	**35,048**
Government bonds	**2,863**	**16,400**	**–**	**19,263**
Government agency bonds	**39**	**1,739**	**–**	**1,778**
Corporate bonds	**–**	**10,429**	**80**	**10,509**
Structured securities	**–**	**3,486**	**–**	**3,486**
Others	**–**	**12**	**–**	**12**
At fair value through profit or loss				
Debt securities	**–**	**2,342**	**365**	**2,707**
Corporate bonds	**–**	**998**	**–**	**998**
Structured securities	**–**	**1,344**	**365**	**1,709**
Equity shares	**86**	**–**	**124**	**210**
Interests in investment funds	**1,177**	**4,885**	**3,578**	**9,640**
Derivative financial instruments	**–**	**268**	**60**	**328**
Total assets on a recurring fair value measurement basis	**4,165**	**39,561**	**4,207**	**47,933**
% of Total	**9%**	**82%**	**9%**	**100%**
Financial liabilities				
Investment contract liabilities without DPF	**–**	**–**	**18**	**18**
Derivative financial instruments	**–**	**497**	**–**	**497**
Total liabilities on a recurring fair value measurement basis	**–**	**497**	**18**	**515**
% of Total	**–%**	**97%**	**3%**	**100%**

Notes to the unaudited interim condensed consolidated financial statements (continued)

18 FAIR VALUE MEASUREMENT (continued)

18.1 Fair value measurements on a recurring basis (continued)

	Fair value hierarchy			
US$m	Level 1	Level 2	Level 3	Total
31 December 2024				
Recurring fair value measurements				
Financial assets				
At fair value through OCI				
Debt securities	2,358	28,966	84	31,408
Government bonds	2,329	14,757	–	17,086
Government agency bonds	29	1,666	–	1,695
Corporate bonds	–	9,655	84	9,739
Structured securities	–	2,844	–	2,844
Others	–	44	–	44
At fair value through profit or loss				
Debt securities	–	1,069	681	1,750
Government agency bonds	–	2	–	2
Corporate bonds	–	517	–	517
Structured securities	–	550	681	1,231
Equity shares	104	–	117	221
Interests in investment funds	1,819	3,824	3,460	9,103
Derivative financial instruments	–	224	61	285
Total assets on a recurring fair value measurement basis	4,281	34,083	4,403	42,767
% of Total	10%	80%	10%	100%
Financial liabilities				
Investment contract liabilities without DPF	–	–	32	32
Derivative financial instruments	–	528	–	528
Total liabilities on a recurring fair value measurement basis	–	528	32	560
% of Total	–%	94%	6%	100%

The Group's policy is to recognise transfers of assets and liabilities between Level 1 and Level 2 at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Assets are transferred out of Level 1 when they are no longer transacted with sufficient frequency and volume in an active market. During the six months ended 30 June 2025, there was no movement of financial assets between Level 1 and Level 2. During the year ended 31 December 2024, the Group transferred US$3m of financial assets from Level 1 to Level 2.

The Group's Level 2 financial instruments include debt securities, interests in investment funds and derivative instruments. The fair values of Level 2 financial instruments are estimated using values obtained from private pricing services and brokers corroborated with internal review as necessary. When the quotes from third-party pricing services and brokers are not available, internal valuation techniques and inputs will be used to derive the fair value for the financial instruments.

Notes to the unaudited interim condensed consolidated financial statements (continued)

18 FAIR VALUE MEASUREMENT (continued)

18.1 Fair value measurements on a recurring basis (continued)

Level 3 assets and liabilities

The tables below set out a summary of changes in the Group's Level 3 assets and liabilities measured at fair value on a recurring basis for the six months ended 30 June 2025 and year ended 31 December 2024. The tables reflect gains and losses, including gains and losses on assets and liabilities categorised as Level 3 as at 30 June 2025 and 31 December 2024.

US$m	Debt securities	Equity securities	Interests in investment funds	Derivative financial assets/ (liabilities)	Investment contract liabilities without DPF
As at 1 January 2025	**765**	**117**	**3,460**	**61**	**(32)**
Net movement on investment contract liabilities	**–**	**–**	**–**	**–**	**14**
Total gains/(losses)					
Reported under investment return in the consolidated income statement	**(21)**	**6**	**(41)**	**(1)**	**–**
Reported under fair value reserve and foreign currency translation reserve in the consolidated statement of comprehensive income	**29**	**1**	**58**	**–**	**–**
Purchases	**–**	**–**	**190**	**–**	**–**
Sales	**(326)**	**–**	**(89)**	**–**	**–**
Settlements	**(2)**	**–**	**–**	**–**	**–**
As at 30 June 2025 (Unaudited)	**445**	**124**	**3,578**	**60**	**(18)**
Change in unrealised gains/ (losses) included in the consolidated income statement for assets and liabilities held at the end of the reporting period, under investment return	**(14)**	**6**	**(33)**	**(1)**	**–**

Notes to the unaudited interim condensed consolidated financial statements (continued)

18 FAIR VALUE MEASUREMENT (continued)

18.1 Fair value measurements on a recurring basis (continued)

Level 3 assets and liabilities (continued)

US$m	Debt securities	Equity securities	Interests in investment funds	Derivative financial assets/ (liabilities)	Investment contract liabilities without DPF
As at 1 January 2024	1,170	98	3,315	67	(56)
Net movement on investment contract liabilities	–	–	–	–	24
Total gains/(losses)					
Reported under investment return in the consolidated income statement	73	16	11	(6)	–
Reported under fair value reserve and foreign currency translation reserve in the consolidated statement of comprehensive income	(36)	–	(51)	–	–
Purchases	14	3	379	–	–
Sales	(456)	–	(152)	–	–
Transfer out of level 3	–	–	(42)	–	–
As at 31 December 2024	765	117	3,460	61	(32)
Change in unrealised gains/ (losses) included in the consolidated income statement for assets and liabilities held at the end of the reporting period, under investment return	78	9	2	(6)	–

18 FAIR VALUE MEASUREMENT (continued)

18.1 Fair value measurements on a recurring basis (continued)

Level 3 assets and liabilities (continued)

Movements in investment contract liabilities at fair value are offset by movements in the underlying portfolio of matching assets. Details of the movement in investment contract liabilities are provided in Note 21.

Assets transferred into Level 3 mainly relate to interests in investment funds of which market-observable inputs became unavailable during the year/period and were not used in determining the fair value. Assets transferred out of Level 3 mainly relate to interests in investment funds of which market-observable inputs became available during the year/period and were used in determining the fair value.

Level 3 interests in investment funds and debt securities

As at 30 June 2025 and 31 December 2024, interests in investment funds classified as level 3 mainly include unlisted investment funds, debt securities classified as level 3 mainly include unlisted asset-backed securities. The Group determines the fair values of these investment funds based on the reported NAV in their audited financial statements and may make adjustments where appropriate taking into consideration various factors including accounting policies adopted by the fund, the restrictions and barriers preventing the Group from disposing of its interests in such fund and the Group's ownership percentage in such fund. For those funds where reporting period/year end audited financial statements are not available, the Group performs a roll forward analysis on the latest NAV of the fund based on fund managers' statements available and capital movements up to the reporting period/year end. This valuation methodology is in accordance with guidelines of the International Valuation Standards Council. The Group considers that the change in the input to the valuation technique would not have a significant impact on the consolidated financial statements. No quantitative analysis has been presented.

Level 3 investment contract liabilities without DPF

Investment contract liabilities categorised in Level 3 of the fair value hierarchy are measured with reference to the value of the underlying items which are mainly unlisted investment funds.

18 FAIR VALUE MEASUREMENT (continued)

18.2 Fair value measurements for disclosure purpose

Fair values of financial assets and liabilities for disclosure purpose are determined using the same Fair Value Hierarchy.

Loans and deposits

For loans and deposits that are repriced frequently and have not had any significant changes in credit risk, carrying amounts represent a reasonable estimate of fair values. The fair values of other loans and deposits are estimated by discounting expected future cash flows using interest rate offered for similar instruments to holders with similar credit ratings.

Other assets

The carrying amount of other financial assets is not materially different to their fair value.

Cash and cash equivalents

The carrying amount of cash approximates its fair value.

Borrowings

The fair values of borrowings with stated maturities have been estimated based on discounting future cash flows using the interest rates currently applicable to deposits of similar maturities or prices obtained from brokers.

Other liabilities

The fair values of other unquoted financial liabilities is estimated by discounting expected future cash flows using current market rates applicable to their yield, credit quality and maturity, except for those without stated maturity, where the carrying value approximates to fair value.

Notes to the unaudited interim condensed consolidated financial statements (continued)

18 FAIR VALUE MEASUREMENT (continued)

18.2 Fair value measurements for disclosure purpose (continued)

A summary of fair value hierarchy of assets and liabilities not carried at fair value but for which the fair value is disclosed as at and 30 June 2025 and 31 December 2024 is given below.

	Fair value hierarchy			
US$m	Level 1	Level 2	Level 3	Total
30 June 2025 (Unaudited)				
Assets for which the fair value is disclosed				
Financial assets				
Accreting deposits	**–**	**482**	**–**	**482**
Total assets for which the fair value is disclosed	**–**	**482**	**–**	**482**
Liabilities for which the fair value is disclosed				
Financial liabilities				
Medium term notes/subordinated notes/ subordinated dated capital securities	**1,955**	**–**	**–**	**1,955**
Total liabilities for which the fair value is disclosed	**1,955**	**–**	**–**	**1,955**

	Fair value hierarchy			
US$m	Level 1	Level 2	Level 3	Total
31 December 2024				
Assets for which the fair value is disclosed				
Financial assets				
Accreting deposits	–	440	–	440
Total assets for which the fair value is disclosed	–	440	–	440
Liabilities for which the fair value is disclosed				
Financial liabilities				
Medium term notes/subordinated notes/ subordinated dated capital securities	1,954	–	–	1,954
Total liabilities for which the fair value is disclosed	1,954	–	–	1,954

Notes to the unaudited interim condensed consolidated financial statements (continued)

18 FAIR VALUE MEASUREMENT (continued)

18.2 Fair value measurements for disclosure purpose (continued)

The following table sets out the composition and the fair value of underlying items for the Group's insurance contracts with direct participation features as at 30 June 2025 and 31 December 2024.

US$m	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Financial assets		
Loans and deposits	**144**	133
At fair value through OCI		
Debt securities	**13,546**	12,449
Government bonds	**3,037**	2,580
Government agency bonds	**617**	744
Corporate bonds	**7,324**	6,911
Structured securities	**2,567**	2,213
Others	**1**	1
At fair value through profit or loss		
Debt securities	**2,114**	828
Government agency bonds	**–**	2
Corporate bonds	**807**	357
Structured securities	**1,307**	469
Equity shares	**128**	131
Interests in investment funds	**7,826**	7,741
Derivative financial instruments	**33**	44
Cash and cash equivalents	**384**	285
	24,175	21,611
Financial liabilities		
Derivative financial instruments	**194**	145
	194	145

18.3 Fair value measurements on a non-recurring basis

The Group does not have assets or liabilities measured at fair value on a non-recurring basis during the six months ended 30 June 2025 and the year ended 31 December 2024.

Notes to the unaudited interim condensed consolidated financial statements (continued)

19 OTHER ASSETS

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Accounts receivable[1]	324	237
Accrued investment income	311	279
Deposits	23	22
Prepayments	108	84
Total	**766**	622

Note:
1 Accounts receivable as at 30 June 2025 includes cash collaterals of US$75m (31 December 2024: US$95m) posted for derivative liabilities.

All amounts other than certain prepayments are generally expected to be recovered within 12 months after the end of the reporting period. Accordingly, no ageing analysis has been provided.

20 CASH AND CASH EQUIVALENTS

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Cash	1,426	1,397
Cash equivalents	198	290
Total	**1,624**	1,687

Cash comprises cash at bank and cash in hand. Cash equivalents comprise bank deposits with maturities at acquisition of three months or less.

21 INVESTMENT CONTRACT LIABILITIES

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
At beginning of period/year	**32**	56
Benefits paid	(16)	(25)
Investment return from underlying assets	2	1
At ending of period/year	**18**	32

Notes to the unaudited interim condensed consolidated financial statements (continued)

22 BORROWINGS

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Bank borrowings	990	996
Medium term notes	318	318
Subordinated notes	888	887
Subordinated dated capital securities	592	592
Total	**2,788**	2,793

Interest expense on borrowings is shown in Note 8. Further information relating to interest rates and the maturity profile of borrowings is presented in Note 26.

Outstanding bank borrowings and notes placed to the market as at 30 June 2025:

Issue date	Nominal amount	Interest rate	Tenor
Bank borrowings			
21 January 2025[1]	US$500m	SOFR + 0.97%	3 years
21 January 2025[1]	US$500m	SOFR + 1.12%	5 years
Medium term notes			
6 December 2023	US$325m	7.784%	10 years
Subordinated notes			
5 April 2024	US$900m	8.400%	5 years
Subordinated dated capital securities			
2 July 2024	US$600m	7.635%	7 years

Note:

1 The bank borrowings of the Group are subject to standard covenants that are customary for commercial bank loans. The lenders may accelerate the repayment dates of these borrowings if the Group does not comply with such covenants, subject to any applicable grace periods. The Group is not aware of any non-compliance with these covenants that could result in the repayment dates of such borrowings being accelerated.

Notes to the unaudited interim condensed consolidated financial statements (continued)

22 BORROWINGS (continued)

During the six months ended 30 June 2025, the Group has voluntarily prepaid the following borrowings before their scheduled maturity date:

Issue date	Nominal amount	Interest rate	Tenor	Status
Bank borrowings				
30 December 2021	US$1,000m	Note 1	4 years	Settled

Note:
1 The interest rate of bank borrowings was SOFR plus i) a credit adjustment spread and ii) 1.075 per cent as at 31 December 2024.

These medium term notes, subordinated notes and subordinated dated capital securities are listed on The Stock Exchange of Hong Kong Limited. The net proceeds from the issuance of the medium term notes, subordinated notes and subordinated dated capital securities are used for acquisitions, general corporate purposes and funding requirements of the Group.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period/year:

US$m

Facility agreement date	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
Undrawn committed revolving credit facilities[1]		
28 December 2021[2]	**–**	500
17 December 2023[3]	**885**	885
22 November 2024[4]	**500**	500
	1,385	1,885
Undrawn committed term loan facilities		
22 November 2024[5]	**–**	1,000

Notes:
1 The borrowing facilities are unsecured and used for general corporate purposes.
2 Consisting of a US$500m committed revolving credit facility with an original maturity of three years which was extended in February 2023 by one year to 2025. On 21 January 2025, the Company voluntarily cancelled in full the US$500m revolving credit facility before its scheduled maturity date in December 2025.
3 Consisting of a US$885m committed revolving credit facility maturing in 2027.
4 Consisting of US$250m and US$250m committed revolving credit facilities maturing in 2028 and 2030, respectively. These committed revolving credit facilities were entered for refinancing the US$500m committed revolving credit facilities under the facilities agreement dated 28 December 2021.
5 Consisting of US$500m and US$500m committed term loan facilities maturing in 2028 and 2030, respectively. These committed term loan facilities are unsecured and were drawn down on 21 January 2025 for refinancing the US$1,000m bank borrowings under the facilities agreement dated 28 December 2021.

Notes to the unaudited interim condensed consolidated financial statements (continued)

23 OTHER LIABILITIES

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Trade and other payables[1]	**963**	816
Distribution agreement payable	**26**	26
Lease liabilities	**93**	106
Obligations under repurchase and forward arrangements	**248**	226
Total	**1,330**	1,174

Note:
1 Other payables of the Group as at 30 June 2025 includes US$164m (31 December 2024: US84m) relating to the cash collateral held for derivative assets.

All trade and other payables are generally expected to be settled within 12 months after the end of the reporting period. Accordingly, no ageing analysis has been provided.

Distribution agreement payable represents the deferred payments to be paid in accordance with the terms set out in Vietcombank Distribution Agreement.

The total cash outflow for leases for the six months ended 30 June 2025 was US$25m (six months ended 30 June 2024: US$26m).

During the six months ended 30 June 2025 and year ended 31 December 2024, the Group has entered into repurchase and forward agreements whereby certain debt securities are sold to third parties with a concurrent agreement to repurchase the securities at a specified date. Refer to Note 16.1 for details.

Notes to the unaudited interim condensed consolidated financial statements (continued)

24 SHARE CAPITAL, SHARE PREMIUM AND RESERVES

24.1 Share capital and share premium

Ordinary Shares	Number of shares	Share capital nominal value US$m	Share premium US$m	Total share capital and share premium US$m
Authorised:				
Ordinary shares of US$0.01 each as at 31 December 2024 and 30 June 2025	2,118,816,290	21	–	21
Issued and fully paid:				
Ordinary shares of US$0.01 each as at 1 January 2024, 31 December 2024 and 30 June 2025	939,953,815	9	6,402	6,411

Management Shares	Number of shares	Share capital nominal value US$m	Share premium US$m	Total share capital and share premium US$m
Authorised:				
Management Shares of US$0.01 each as at 31 December 2024 and 30 June 2025	65,000,000	1	–	1
Issued and fully paid:				
Management Shares of US$0.01 each as at 1 January 2024, 31 December 2024 and 30 June 2025	34,756,740	–	160	160

Series P Conversion Shares	Number of shares	Share capital nominal value US$m	Share premium US$m	Total share capital and share premium US$m
Authorised:				
Series P Conversion Shares of US$0.01 each as at 31 December 2024 and 30 June 2025	120,099,900	1	–	1
Issued and fully paid:				
Series P Conversion Shares of US$0.01 each as at 1 January 2024, 31 December 2024 and 30 June 2025	120,099,900	1	376	377

Notes to the unaudited interim condensed consolidated financial statements (continued)

24 SHARE CAPITAL, SHARE PREMIUM AND RESERVES (continued)

24.1 Share capital and share premium (continued)

Series A, B-2 and B-3 Conversion Shares	Number of shares	Share capital nominal value US$m	Share premium US$m	Total share capital and share premium US$m
Authorised:				
Series A, B-2 and B-3 Conversion Shares of US$0.01 each as at 31 December 2024 and 30 June 2025	196,083,810	2	–	2
Issued and fully paid:				
Series A, B-2 and B-3 Conversion Shares of US$0.01 each as at 1 January 2024, 31 December 2024 and 30 June 2025	196,083,810	2	2,060	2,062
As at 31 December 2024	1,290,894,265	12	8,998	9,010
As at 30 June 2025 (Unaudited)	**1,290,894,265**	**12**	**8,998**	**9,010**

Immediately prior to and upon the completion of the Initial Public Offering, the Company underwent a series of share capital restructuring events. Please refer to Note 1.2 for details.

Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares issued by the Company did not have fixed maturity, participated in discretionary dividends and were non-redeemable. These shares ranked pari passu with all other shares on any payment of dividend or distribution or return of capital, with the exception that on any payment of a dividend or distribution or return of capital (other than on a liquidation event), holders of Series A, B-2 and B-3 Conversion Shares had the benefit of an increased entitlement to such dividend or distribution. The holders of Management Shares and Series P Conversion Shares were entitled to the same voting rights as each ordinary share in the Company, while holders of Series A, B-2 and B-3 Conversion Shares were not entitled to attend or vote at general meetings of the Company. These shares were mandatorily converted into ordinary shares of the Company upon completion of the Initial Public Offering.

Management Shares, Series P Conversion Shares and Series A, B-2 and B-3 Conversion Shares did not contain any contractual obligations to deliver cash, other financial assets or a variable number of the Group's own equity instruments which could not be unconditionally avoided by the Group. Accordingly, they were classified as equity in the Group's consolidated financial statements.

Notes to the unaudited interim condensed consolidated financial statements (continued)

24 SHARE CAPITAL, SHARE PREMIUM AND RESERVES (continued)

24.2 Reserves

(a) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial investments measured at FVOCI held at the end of the reporting period.

(b) Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance finance income and expenses recognised in other comprehensive income.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of foreign operations.

(d) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative gain or loss on the hedging instruments from the inception of the cash flow hedge.

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualified as cash flow hedges. Amounts are subsequently reclassified to profit or loss.

The Group defers the changes in the forward element of forward contracts in the costs of hedging reserve and amortises the forward points at the inception of the hedge in the consolidated income statement over the life of the hedge. The Group's hedging reserves relate to the following hedging instruments:

Notes to the unaudited interim condensed consolidated financial statements (continued)

24 SHARE CAPITAL, SHARE PREMIUM AND RESERVES (continued)

24.2 Reserves (continued)

(d) Cash flow hedge reserve (continued)

US$'m	Cost of hedging reserve	Effective portion of foreign currency derivatives	Others	Total cash flow hedge reserves
Opening balance at 1 January 2025	**(8)**	**8**	**6**	**6**
Add: Change in fair value of hedging instruments recognised in OCI for the period	–	70	51	121
Add: Costs of hedging deferred and recognised in OCI	(17)	–	–	(17)
Less: Reclassified from OCI to profit or loss – included in investment return	–	(74)	26	(48)
Less: Amortisation of cost of hedging recognised in profit or loss – included in investment return	11	–	–	11
Less: Deferred tax	1	1	(16)	(14)
Closing balance at 30 June 2025 (Unaudited)	**(13)**	**5**	**67**	**59**

(e) Other reserves

Other reserves mainly include capital redemption reserve and share-based compensation reserve.

Notes to the unaudited interim condensed consolidated financial statements (continued)

24 SHARE CAPITAL, SHARE PREMIUM AND RESERVES (continued)

24.3 Perpetual securities

Issue date	Nominal amount	Distribution rate	Tenor
15 June 2017	US$500m	8.045%	Perpetual
6 July 2017	US$250m	8.045%	Perpetual
1 February 2018	US$200m	6.675%	Perpetual

Carrying amount of the perpetual securities:

US$m

Issue date	**As at 30 June 2025**	As at 31 December 2024
	(Unaudited)	
15 June 2017	**360**	360
6 July 2017	**178**	178
1 February 2018	**203**	203
	741	**741**

The issuers of the perpetual securities may, at its sole option, defer the distributions by giving notice to the holders. In the event of any distribution deferral, the issuers cannot declare or pay any dividend on its ordinary or preference share capital, except if payments are declared, paid or made in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors or consultants. The perpetual securities have been treated as equity in the Group's consolidated statement of financial position. The proceeds from the issuance were used for general corporate purposes, potential transactions and/or repayment of the Group's own indebtedness. During the six months ended 30 June 2025, the Group paid distributions of US$37m (year ended 31 December 2024: US$112m), respectively.

24.4 Non-controlling interests

Non-controlling interests represent ordinary shares, preference shares and convertible preference shares which are not attributable to the Company.

As at 30 June 2025, equity of the Group attributable to non-controlling interests is US$60m (31 December 2024: US$61m), which is related to ordinary shares and preference shares issued by the subsidiaries of FL and FGL to non-controlling interests holders.

25 GROUP CAPITAL STRUCTURE

Capital Management Approach

The Group's capital management objectives focus on maintaining a strong capital base to support the development of the business, maximising shareholders' value and satisfying regulatory capital requirements at all times.

The Group's capital management activity considers all capital-related activities of the Group and assists senior management in making capital decisions. The capital management activity includes asset-liability management, strategic asset allocation and ongoing solvency management. This includes ensuring capital considerations are paramount in the strategy and business planning processes.

Group-wide Supervision Framework

The group supervisor of the Group is the Hong Kong Insurance Authority ("HKIA"). The Group is in compliance with the group capital adequacy requirements as applied to it.

In 2021, the HKIA implemented Group-wide Supervision ("GWS") framework, under which the HKIA has direct regulatory powers over Hong Kong incorporated holding companies of insurance groups that are designated. The Group has been subject to the GWS framework since 14 May 2021 and FWD Group Holdings Limited (the "Company") was identified as the reference company under GWS.

Under the GWS framework, the group capital adequacy requirements are determined in accordance with the Insurance (Group Capital) Rules ("Group Capital Rules"), subject to any capital variation the HKIA considers necessary.

Local Regulatory Solvency

The Group's individual subsidiaries are also subject to the supervision of government regulators in the jurisdictions in which the subsidiaries and their parent entity operate and, in relation to subsidiaries, in which they are incorporated. The various regulators monitor our local solvency positions. The Group has been in compliance with the solvency and capital adequacy requirements applied by its regulators at all times.

The primary insurance regulators for the Group's key operating companies are:

Subsidiary	Primary insurance regulator	Solvency regulation
FWD Life Insurance Company (Bermuda) Limited	Insurance Authority ("HKIA")	Hong Kong Insurance Ordinance ("HKIO")
FWD Life Insurance Public Company Limited	Thailand Office of Insurance Commission ("THOIC")	Life Insurance Act of Thailand
FWD Life Insurance Company, Limited	Financial Services Agency ("FSA")	Insurance Business Act

Notes to the unaudited interim condensed consolidated financial statements (continued)

25 GROUP CAPITAL STRUCTURE (continued)

Local Regulatory Solvency (continued)

The HKIA (among other matters) sets minimum solvency margin requirements that an insurer must meet in order to be authorised to carry on insurance business in or from Hong Kong. The Hong Kong Risk based capital regime ("HKRBC") became effective on 1 July 2024. Previously, on 30 June 2022, the HKIA had approved the early adoption of HKRBC for FWD Life Insurance Company (Bermuda) Limited.) Under HKRBC, FWD Life Insurance Company (Bermuda) Limited is required to maintain an amount of capital not less than the prescribed capital amount (as defined in the Insurance (Amendment) Ordinance 2023) at all times.

The Life Insurance Act of Thailand (among other matters) sets minimum solvency margin requirements that an insurer must meet in order to be authorised to carry on insurance business in or from Thailand. The Life Insurance Act of Thailand requires FWD Life Insurance Public Company Limited to maintain a prescribed capital requirement ratio of 140 per cent and a minimum capital requirement ratio of 100 per cent.

The Enforcement Ordinance of the Insurance Business Act and Comprehensive Guidelines for Supervision of Insurance Companies sets minimum solvency margin requirements that an insurer must meet in order to be authorised to carry on insurance business in or from Japan. The Comprehensive Guidelines for Supervision of Insurance Companies Section II-2-2-2 requires FWD Life Insurance Company, Limited to maintain a prescribed capital requirement ratio of 200 per cent and minimum capital requirement ratio of 100 per cent.

Subsidiary dividend restrictions and restricted net assets

The Company's ability to distribute dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. These distributions may be subject to restrictions, specifically related to the need by local insurance regulators for certain subsidiaries to maintain specific capital or solvency levels, and the need to meet other specific local regulations such as those relating to legal capital levels or foreign exchange restrictions.

Payments of dividends to the Company by its insurance subsidiaries are subject to certain restrictions imposed by the relevant regulatory authorities. With respect to the insurance subsidiaries, the payment of any dividend may require formal approval from the relevant insurance regulator in the particular jurisdiction that the subsidiary is domiciled or operate in.

26 RISK MANAGEMENT

Risk management framework

The Group's Risk Management Framework has been established for the identification, evaluation and management of the key risks faced by the organisation within its stated Risk Appetite. The framework includes an established risk governance structure with clear oversight and assignment of responsibility for monitoring and management of financial and non-financial risks.

The Group issues contracts that transfer insurance risks, financial risks or both. The insurance risks and financial risks associated with the Group's operations and the Group's management of these risks are summarised below:

Insurance risks

Life insurance contracts

Insurance risks comprise product design risk, underwriting and expense overrun risk, lapse risk and claims risk.

(a) *Product design risk*

Product design risk refers to potential defects in the development of a particular insurance product. The Group manages product design risk through its product approval process where products are reviewed against pricing, design and operational risk parameters. New products and product enhancements are reviewed and approved by the Group Chief Actuary.

The Group closely monitors the performance of new products and actively manages the product portfolio to minimise risks in the in-force book and new products. A portion of the Group's life insurance business is participating in nature. In the event of a volatile investment environment and/or unusual claims experience, the Group has the option of adjusting non-guaranteed bonuses and dividends payable to policyholders.

(b) *Underwriting and expense overrun risk*

Underwriting and expense overrun risk refers to the possibility of product-related income being inadequate to support future obligations arising from an insurance product. The Group manages underwriting risk by adhering to underwriting guidelines. Each operating unit maintains a team of professional underwriters who review and select risks that are consistent with the underwriting strategy of the Group. In certain circumstances where insufficient experience data is available, the Group makes use of reinsurers to obtain underwriting expertise. In pricing insurance products, the Group manages expense overrun risk by allowing for an appropriate level of expenses that reflects a realistic medium-to long-term view of the underlying cost structure. A disciplined expense budgeting and management process is followed to control expenses.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Insurance risks (continued)

Life insurance contracts (continued)

(c) Lapse risk

Lapse risk refers to the possibility that lapse experience diverges from that assumed when products were priced. It includes potential financial loss due to early termination of contracts where the acquisition costs incurred may not be recoverable from future revenue. The Group carries out regular reviews of persistency experience. In addition, many of the Group's products include surrender charges that entitle the Group to additional fees on early termination by the policyholder, thereby reducing exposure to lapse risk.

(d) Claims risk

Claims risk refers to the possibility that the frequency or severity of claims arising from insurance contracts exceeds the level assumed when the products were priced. The Group seeks to mitigate claims risk by conducting regular experience studies, including reviews of mortality and morbidity experience, reviewing internal and external data, and considering the impact of these on product design, pricing and reinsurance needs.

Reinsurance solutions are used to help reduce concentration and volatility risk, especially with large policies or new risks, and as protection against catastrophes. Although the Group has reinsurance arrangements in place, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements.

Non-life insurance contracts

The Group's non-life insurance business is diversified over seven classes of business. The Group has developed a robust underwriting framework to ensure that all risks accepted meet the guidelines and standards.

The Group has developed a reinsurance strategy to ensure that a prudent and appropriate reinsurance program is in place, which manages such concentration of insurance risks based on historical experience of loss frequency and severity of similar risks and in similar geographical zones. The primary objectives of the Group's reinsurance strategy include protection of shareholders' funds, reduction in volatility of the Group's underwriting result and diversified credit risk. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance strategy, ascertaining suitable allowance for impairment of reinsurance assets.

26 RISK MANAGEMENT (continued)

Insurance risks (continued)

Non-life insurance contracts (continued)

(i) Case estimates

For non-life insurance contracts, the case estimate for each reported claim is set up based on the best estimate of the ultimate claim settlement amount considering all the information available for the claim. The case estimate is revised from time to time according to the latest information available. When setting case estimates for larger claims, reference is made to the advice of independent consultants such as loss adjusters and solicitors where applicable.

(ii) Key assumptions

Generally accepted actuarial methodologies, such as chain-ladder and Bornhuetter-Ferguson methods, are used to project the ultimate claims by class of business. The Group's past experience and claim development patterns are important assumptions for such projections. Other assumptions include average claim costs, claims handling expenses and claims inflation. The projected ultimate claim amount may also be judgmentally adjusted by external factors such as prevailing trends in judicial decisions, the economic environment and relevant government legislation.

Concentration risk

The Group actively assesses and manages concentration of insurance risk, either geographical or product concentration risk, of the Group's operations, as below:

i. Concentration of insurance risk arises from a lack of geographical and product diversification within the Group's insurance portfolio, and could result in significant financial losses in the case certain events exhibiting geographical and/or product concentrations occur and give rise to higher levels of claims;

ii. From a geographical standpoint, because the Group operates across multiple markets, its results of operations are not substantially dependent on any one of its individual markets. Such regional footprint provides a natural benefit of geographical diversification of insurance and other risks associated with the Group's operations (e.g. regulatory, competitive and political risks of a localised and single-market nature);

26 RISK MANAGEMENT (continued)

Concentration risk (continued)

iii. From a product exposure standpoint, despite the Group's primary focus on long-term life insurance, it has a range of product offerings with different extent and nature of risk coverage, e.g., participating, critical illness, unit-linked, term life and medical. This naturally also reduces the Group's exposures to concentrations of mortality or morbidity risk;

iv. Concentrations of risk are managed within each market through the monitoring of product sales and size of the in-force book by product group. As a result of the Group's growing operating history and scale, a substantial amount of experience data has been accumulated which assists in evaluation, pricing and management of insurance risk; and

v. In addition, reinsurance solutions are used to help reduce concentration and volatility risk, especially with large policies or new risks, and as protection against catastrophes, and the Group has developed a reinsurance strategy to ensure that a prudent and appropriate reinsurance program is in place, which manages such concentration of insurance risks based on historical experience of loss frequency and severity of similar risks and in similar geographical zones.

Financial risks

The Group is exposed to a range of financial risks, including asset concentration risk, credit risk, market risk and liquidity risk. The Group applies a consistent risk management philosophy that is embedded in management processes and controls such that both existing and emerging risks are considered and addressed.

The following section summarises the Group's key risk exposures and the primary policies and processes used by the Group to manage its exposures to these risks.

Asset concentration risk

Concentration risk is managed at the Group level and within each business unit. The Group will determine concentration limits and then cascades these to the business units. Limits are set for single issuers, groups of related issuers, country of risk and sectors. The Group's investment system maintains a set of rules monitoring such limits. Violations of such rules trigger alerts or pre-trade approvals depending on materiality. The investment team works with external managers to ensure asset exposures stay within the stated limits. Exposures exceeding limits needs to be tabled at the relevant business unit's and the Group's Asset and Liability Management Committee or Investment Committee. These committees decide the course of action required to address limit violations should they occur. Limit monitoring takes place at both the Group level and business unit level. Asset concentration reports are tabled at the relevant committees. The greatest aggregate concentration of fair value to direct holdings of an individual issuer (excluding all government related fixed income assets) is less than 1 per cent of the total equity and debt investments as at 30 June 2025 and 31 December 2024.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Although the primary source of credit risk is the Group's investment portfolio, credit risk also arises in reinsurance arrangements, derivative transactions, settlement and treasury activities.

The level of credit risk the Group accepts is managed and monitored by the Group Asset and Liability Management Committee, through establishment of an exposure limit for each counterparty or group of counterparties, reporting of credit risk exposures, monitoring compliance with exposure limits, and a regular review of limits due to changes in the financial strength and risk appetite of the Group and/or macro-economic environment.

The Group actively manages its investments to ensure that there is no significant concentration of credit risk to single counterparty or single group of related counterparties. On aggregate basis, the overall credit quality of the investment portfolio has to meet target quality.

The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing the internal rating as at the reporting date with the internal rating as at the date of initial recognition of the exposure. Where external credit ratings are available, internal ratings are assigned consistent with such ratings in accordance with the Group's credit rating mapping guidelines.

The Group monitors changes in credit risk by tracking the change in internal rating of the exposure. The Group also monitors relevant information, including price movements of securities, and assess whether such information signifies a change in credit risk.

Expected Credit Loss ("ECL") Methodology

The measurement of ECL is the product of the financial instrument's probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") discounted at the effective interest rate to the reporting date.

ECL is measured at an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Group adopts three economic scenarios in the ECL measurement to meet the requirements of IFRS 9. The "Baseline" scenario represents a most likely outcome and the other two scenarios, referred to as "Upside" scenario and "Downside" scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to Baseline scenario.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Credit risk (continued)

Expected Credit Loss ("ECL") Methodology (continued)

The Baseline scenario is prepared using historical data, economic trend, external forecast from governmental and non-governmental organisations, etc. as benchmarks to ensure the scenario is reasonable and supportable. For the Upside and Downside scenarios, the Group makes reference to the historical and forecast macroeconomic data.

The probability assigned for each scenario reflects the Group's view for the economic environment, which implements the Group's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance. A higher probability is assigned to the Baseline scenario to reflect the most likely outcome and a lower probability is assigned to the Upside and Downside scenarios to reflect the less likely outcomes.

The following tables set out the credit quality analysis for debt investments measured at FVOCI and at amortised cost. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

US$m	Stage 1	Stage 2	Stage 3	Stage 3 – Purchased or originated credit-impaired financial assets	Total
30 June 2025 (Unaudited)					
Debt securities under FVOCI					
AAA	**1,743**	**–**	**–**	**–**	**1,743**
AA	**6,105**	**–**	**–**	**–**	**6,105**
A	**9,984**	**–**	**–**	**–**	**9,984**
BBB	**18,256**	**–**	**–**	**–**	**18,256**
Below investment grade	**566**	**15**	**–**	**–**	**581**
CCC or not rated	**206**	**20**	**–**	**–**	**226**
Sub-total	**36,860**	**35**	**–**	**–**	**36,895**
Loss allowance	**(39)**	**(5)**	**–**	**–**	**(44)**
Amortised cost	**36,821**	**30**	**–**	**–**	**36,851**
Carrying amount – fair value	**35,020**	**28**	**–**	**–**	**35,048**

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Credit risk (continued)

Expected Credit Loss ("ECL") Methodology (continued)

US$m	Stage 1	Stage 2	Stage 3	Stage 3 – Purchased or originated credit-impaired financial assets	Total
31 December 2024					
Debt securities under FVOCI					
AAA	1,162	–	–	–	1,162
AA	5,412	–	–	–	5,412
A	9,481	–	–	–	9,481
BBB	17,254	–	–	–	17,254
Below investment grade	733	16	–	–	749
CCC or not rated	256	21	–	–	277
Sub-total	34,298	37	–	–	34,335
Loss allowance	(41)	(5)	–	–	(46)
Amortised cost	34,257	32	–	–	34,289
Carrying amount – fair value	31,379	29	–	–	31,408

US$m	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 3 – Purchased or originated credit-impaired financial assets**	**Total**
30 June 2025 (Unaudited)					
Loans and deposits under amortised cost					
AAA	**1**	**–**	**–**	**–**	**1**
AA	**25**	**–**	**–**	**–**	**25**
A	**66**	**–**	**–**	**–**	**66**
BBB	**447**	**–**	**–**	**–**	**447**
Below investment grade	**407**	**–**	**–**	**–**	**407**
CCC or not rated	**27**	**–**	**2**	**–**	**29**
Sub-total	**973**	**–**	**2**	**–**	**975**
Loss allowance	**(4)**	**–**	**(2)**	**–**	**(6)**
Carrying amount	**969**	**–**	**–**	**–**	**969**

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Credit risk (continued)

Expected Credit Loss ("ECL") Methodology (continued)

US$m	Stage 1	Stage 2	Stage 3	Stage 3 – Purchased or originated credit-impaired financial assets	Total
31 December 2024					
Loans and deposits under amortised cost					
AA	23	–	–	–	23
A	30	–	–	–	30
BBB	419	–	–	–	419
Below investment grade	395	–	–	–	395
CCC or not rated	41	–	2	–	43
Sub-total	908	–	2	–	910
Loss allowance	(6)	–	(2)	–	(8)
Carrying amount	902	–	–	–	902

Interest rate risk

The Group's exposure to interest rate risk predominantly arises from any difference between the duration of the Group's liabilities and assets, predominantly its traditional insurance liabilities. This exposure is heightened in products with inherent interest rate options or guarantees.

The Group seeks to manage interest rate risk by ensuring appropriate product design and underlying assumptions as part of the product approval process and by matching, to the extent possible and appropriate, the duration of investment assets with the duration of insurance contracts. Given the long duration of policy liabilities and the uncertainty of future cash flows arising from these contracts, it is challenging to acquire assets that will perfectly match the policy liabilities. This results in interest rate risk, which is managed and monitored by the Asset and Liability Management Committee of the Group. The duration of interest-bearing financial assets is regularly reviewed and monitored by referencing the estimated duration of insurance contract liabilities.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Interest rate risk (continued)

The table below summarises the nature of the interest rate risk associated with financial assets and financial liabilities.

US$m	Variable interest rate	Fixed interest rate	Non-interest bearing	Total
30 June 2025 (Unaudited)				
Financial assets				
Debt securities	**5,739**	**32,016**	**–**	**37,755**
Cash and cash equivalents	**1,624**	**–**	**–**	**1,624**
Loans and deposits	**5**	**964**	**–**	**969**
Equity securities	**–**	**–**	**210**	**210**
Interests in investment funds	**–**	**–**	**9,640**	**9,640**
Derivative financial instruments	**–**	**–**	**328**	**328**
Accrued investment income	**–**	**–**	**311**	**311**
Other assets	**–**	**–**	**347**	**347**
Total financial assets	**7,368**	**32,980**	**10,836**	**51,184**
Insurance and reinsurance contract assets				
Insurance contract assets				**685**
Reinsurance contract assets				**2,868**
Total insurance and reinsurance contract assets				**3,553**
Financial liabilities				
Borrowings	**990**	**1,798**	**–**	**2,788**
Other liabilities	**–**	**461**	**869**	**1,330**
Derivative financial instruments	**–**	**–**	**497**	**497**
Total financial liabilities	**990**	**2,259**	**1,366**	**4,615**
Insurance and reinsurance contract liabilities				
Insurance contract liabilities				**46,588**
Reinsurance contract liabilities				**417**
Total insurance and reinsurance contract liabilities				**47,005**

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Interest rate risk (continued)

US$m	Variable interest rate	Fixed interest rate	Non-interest bearing	Total
31 December 2024				
Financial assets				
Debt securities	4,257	28,901	–	33,158
Cash and cash equivalents	1,687	–	–	1,687
Loans and deposits	–	902	–	902
Equity securities	–	–	221	221
Interests in investment funds	–	–	9,103	9,103
Derivative financial instruments	–	–	285	285
Accrued investment income	–	–	279	279
Other assets	–	–	259	259
Total financial assets	5,944	29,803	10,147	45,894
Insurance and reinsurance contract assets				
Insurance contract assets				683
Reinsurance contract assets				2,696
Total insurance and reinsurance contract assets				3,379
Financial liabilities				
Borrowings	996	1,797	–	2,793
Other liabilities	–	435	739	1,174
Derivative financial instruments	–	–	528	528
Total financial liabilities	996	2,232	1,267	4,495
Insurance and reinsurance contract liabilities				
Insurance contract liabilities				41,646
Reinsurance contract liabilities				366
Total insurance and reinsurance contract liabilities				42,012

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Interest rate risk (continued)

The analysis below illustrates the sensitivity of shareholders' equity to changes in interest rates. The analysis illustrates the impact of changing interest rates in isolation, and does not quantify potential impacts arising from changes in other assumptions.

US$m	Impact on profit before tax	Impact on other components of equity (before the effects of taxation)	Impact on shareholders' allocated equity (before the effects of taxation)	Impact on CSM
30 June 2025 (Unaudited)				
+50 basis points shift in yield curves				
Insurance contracts and reinsurance contracts held	**105**	**1,426**	**105**	**73**
Financial instruments	**(107)**	**(1,729)**	**(107)**	**–**
	(2)	**(303)**	**(2)**	**73**
– 50 basis points shift in yield curves				
Insurance contracts and reinsurance contracts held	**(125)**	**(1,566)**	**(125)**	**(107)**
Financial instruments	**122**	**1,898**	**122**	**–**
	(3)	**332**	**(3)**	**(107)**
31 December 2024				
+50 basis points shift in yield curves				
Insurance contracts and reinsurance contracts held	108	1,270	108	74
Financial instruments	(91)	(1,464)	(91)	–
	17	(194)	17	74
– 50 basis points shift in yield curves				
Insurance contracts and reinsurance contracts held	(128)	(1,385)	(128)	(106)
Financial instruments	104	1,611	104	–
	(24)	226	(24)	(106)

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Equity price risk

The Group's equity price risk exposure relates to financial assets and liabilities whose values fluctuate as a result of changes in market prices.

The Group manages these risks by setting and monitoring investment limits by asset types and sectors. The Group's principal price risk relates to movement in the fair value of its equity securities and interest in investment funds.

Equity price risk is managed through the selection process of equity funds and portfolio criteria for segregated equity mandates, which includes tracking errors based on benchmarks or specific concentration limits. Lower exposure limits are set for each private equity investment to manage concentration risk with the consideration of illiquidity in nature.

The analysis below illustrates the estimated impact on profits and shareholders' equity arising from a change in a single variable before taking into account the effects of taxation.

US$m	Impact on profit before tax	Impact on other components of equity (before the effects of taxation)	Impact on shareholders' allocated equity (before the effects of taxation)	Impact on CSM
30 June 2025 (Unaudited)				
10 per cent increase in equity prices				
Insurance contracts and reinsurance contracts held	**(591)**	**–**	**(587)**	**123**
Financial instruments	**707**	**–**	**703**	**–**
	116	**–**	**116**	**123**
10 per cent decrease in equity prices				
Insurance contracts and reinsurance contracts held	**588**	**(1)**	**584**	**(121)**
Financial instruments	**(706)**	**–**	**(702)**	**–**
	(118)	**(1)**	**(118)**	**(121)**
31 December 2024				
10 per cent increase in equity prices				
Insurance contracts and reinsurance contracts held	(593)	1	(585)	122
Financial instruments	721	–	709	–
	128	1	124	122
10 per cent decrease in equity prices				
Insurance contracts and reinsurance contracts held	582	(1)	574	(108)
Financial instruments	(715)	–	(703)	–
	(133)	(1)	(129)	(108)

26 RISK MANAGEMENT (continued)

Foreign exchange rate risk

The Group's financial assets are predominantly denominated in the same currencies as its insurance liabilities, which serves to mitigate the foreign exchange rate risk. The level of currency risk the Group accepts is managed and monitored by the Group Asset and Liability Management Committee, through regular monitoring of currency positions of financial assets and insurance contracts.

Foreign currency transaction risk arising from insurance and reinsurance contracts is managed by holding cash and investing in assets denominated in currencies that match the related liabilities, to the extent that it is deemed by local management to be both practical and appropriate. The Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. Foreign currency transaction risk arising from the underlying items of participating contracts is generally borne by contract holders except to the extent of the Group's share of the performance of the underlying items.

The Group has more United States dollar denominated assets than it has corresponding United States dollar denominated liabilities due to the much deeper pool of investment assets available in United States dollars. As a result, some of the United States dollar-denominated assets are used to back Hong Kong dollar denominated liabilities. This currency mismatch is then hedged, using foreign currency forward contracts, to reduce the currency risk. The Group's foreign currency derivative contracts are established to economic hedge financial exposures. The Group adopts hedge accounting in certain circumstances, as explained below.

Hedge accounting

The Group's major hedging activity is to hedge USD foreign currency risk exposure of cash flow variability arising from the debt investments held by certain business units through foreign currency derivatives. The hedges were determined to be fully effective as the carrying value of the hedged items did not drop below the notional amount of the hedging instruments throughout the hedging period. For foreign exchange forward contracts, the Group designates the spot elements to hedge its currency risk, with the forward elements excluded from the designation and separately accounted for as a cost of hedging.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Foreign exchange rate risk (continued)

Hedge accounting (continued)

As at 30 June 2025, the Group held the following instruments to hedge exposures to changes in foreign exchange rate:

	Maturity			
Foreign currency derivatives	**1-6 months**	**6-12 months**	**Over 1 year**	**Total**
30 June 2025 (Unaudited)				
Carrying amount (in US$m)				
Derivative assets	**6**	**1**	**30**	**37**
Derivative liabilities	**(4)**	**–**	**(42)**	**(46)**
Net exposure – notional amount (in US$m)	**686**	**23**	**889**	**1,598**
Weighted average contracted rate				
US$: JPY	**148.6**	**144.3**	**111.2**	
US$: THB	**32.4**	**–**	**32.9**	
JPY: US$	**–**	**–**	**109.0**	

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency risk, the Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows, and enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency risk, ineffectiveness may arise if there are changes in the credit risk of the derivative counterparty. Hedging ineffectiveness in relation to the Group's hedges of foreign currency risk was insignificant during the period ended 30 June 2025.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Foreign exchange rate risk (continued)

Exposure to foreign exchange rate and sensitivity analysis on foreign exchange rate risk

The Group's foreign currency exposures and the estimated impact of changes in foreign exchange rates are set out in the tables below after taking into account derivative contracts entered into to hedge foreign exchange rate risk. Currency exposure reflects the net notional amount of currency derivative positions as well as net financial instruments and insurance and reinsurance contract balances by currency. Other currencies for which net exposure is not significant are excluded from the analysis below.

A reasonably possible strengthening or weakening of the following currencies against all other currencies at the reporting date would have affected the measurement of insurance contracts and reinsurance contracts held and financial instruments denominated in foreign currency and affected the profit before tax, total equity and CSM by the amounts shown below. This analysis assumes that all other variables remain constant.

US$m	United States Dollar	Hong Kong Dollar	Thai Baht	Japanese Yen
30 June 2025 (Unaudited)				
Financial assets	**25,179**	**467**	**17,512**	**2,275**
Financial liabilities	**(3,470)**	**(160)**	**(221)**	**(80)**
Insurance and reinsurance contract assets	**475**	**41**	**42**	**2,743**
Insurance and reinsurance contract liabilities	**(17,065)**	**(3,982)**	**(17,286)**	**(5,595)**
Net notional amounts of currency derivatives	**(5,567)**	**3,796**	**1,570**	**1,138**
5% strengthening of original currency				
Impact on profit before tax				
Financial instruments	**85**	**207**	**–**	**1**
Insurance contracts and reinsurance contracts held	**(50)**	**(227)**	**–**	**–**
Impact on total equity				
Financial instruments	**–**	**205**	**947**	**164**
Insurance contracts and reinsurance contracts held	**–**	**(197)**	**(862)**	**(143)**
Impact on CSM				
Insurance contracts and reinsurance contracts held	**–**	**39**	**72**	**84**
5% strengthening of US dollar				
Impact on profit before tax				
Financial instruments	**85**	**(196)**	**–**	**(1)**
Insurance contracts and reinsurance contracts held	**(50)**	**212**	**–**	**–**
Impact on total equity				
Financial instruments	**–**	**(194)**	**(947)**	**(164)**
Insurance contracts and reinsurance contracts held	**–**	**184**	**862**	**143**
Impact on CSM				
Insurance contracts and reinsurance contrats held	**–**	**(33)**	**(72)**	**(84)**

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Foreign exchange rate risk (continued)

Exposure to foreign exchange rate and sensitivity analysis on foreign exchange rate risk (continued)

US$m	United States Dollar	Hong Kong Dollar	Thai Baht	Japanese Yen
31 December 2024				
Financial assets	22,271	968	15,456	2,187
Financial liabilities	(3,376)	(186)	(133)	(84)
Insurance and reinsurance contract assets	313	66	42	2,690
Insurance and reinsurance contract liabilities	(14,465)	(4,072)	(15,312)	(5,613)
Net notional amounts of currency derivatives	(5,332)	3,185	1,651	1,271
5% strengthening of original currency				
Impact on profit before tax				
Financial instruments	75	201	5	1
Insurance contracts and reinsurance contracts held	(43)	(229)	–	–
Impact on total equity				
Financial instruments	–	197	857	166
Insurance contracts and reinsurance contracts held	–	(200)	(764)	(146)
Impact on CSM				
Insurance contracts and reinsurance contracts held	–	40	62	75
5% strengthening of US dollar				
Impact on profit before tax				
Financial instruments	75	(190)	(5)	(1)
Insurance contracts and reinsurance contracts held	(43)	215	–	–
Impact on total equity				
Financial instruments	–	(187)	(857)	(166)
Insurance contracts and reinsurance contracts held	–	188	764	146
Impact on CSM				
Insurance contracts and reinsurance contracts held	–	(36)	(62)	(75)

Liquidity risk

Liquidity risk primarily refers to the possibility of having insufficient cash available to meet payment obligations when they become due. The Group is exposed to liquidity risk in respect of insurance contracts that permit surrender, withdrawal or other forms of early termination for a cash surrender value specified in the contractual terms and conditions.

To manage liquidity risk, the Group has implemented a variety of measures, with an emphasis on flexible insurance product design, so that it can retain the greatest flexibility to adjust contract pricing or crediting rates. The Group also seeks to match, to the extent possible and appropriate, the duration of its investment assets with the duration of its insurance contracts. The Group performs regular monitoring of its liquidity position through cash flow projections.

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Liquidity risk (continued)

The table below summarises financial assets and liabilities of the Group into their relevant maturity groupings based on the remaining period at the end of the reporting period/year to their contractual maturities or expected repayment dates. Most of the Group's assets are used to support its insurance contract liabilities. Refer to Note 15 for additional information on the Group's insurance contract liabilities, as well as to the Insurance Risks section within this note.

US$m	Total	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	No fixed maturity
30 June 2025 (Unaudited)								
Financial and insurance contract assets								
Fair value through OCI debt securities	35,048	1,446	882	1,135	1,631	755	29,199	–
Fair value through profit or loss debt securities, equity securities and interests in investment funds	12,557	617	26	5	1	3	2,055	9,850
Loans and deposits	969	348	249	43	17	107	205	–
Derivative financial instruments	328	171	35	34	37	9	42	–
Insurance contract assets (Estimated PV of future cash flow)	1,723	295	90	82	79	80	1,097	–
Reinsurance contract assets (Estimated PV of future cash flow)	3,240	400	169	159	155	161	2,196	–
Other assets	658	634	11	1	3	1	8	–
Cash and cash equivalents	1,624	1,624	–	–	–	–	–	–
Total	56,147	5,535	1,462	1,459	1,923	1,116	34,802	9,850
Financial and insurance contract liabilities								
Insurance contract liabilities (Estimated PV of future cash flow)	(40,648)	(4,555)	(2,446)	(2,267)	(2,058)	(2,106)	(27,216)	–
Reinsurance contract liabilities (Estimated PV of future cash flow)	(1,124)	(76)	(63)	(59)	(57)	(58)	(811)	–
Investment contract liabilities	(18)	–	–	–	–	–	(18)	–
Borrowings	(2,788)	–	–	(496)	(888)	(494)	(910)	–
Derivative financial instruments	(497)	(208)	(109)	(78)	(63)	(18)	(21)	–
Other liabilities	(1,237)	(1,204)	(1)	(26)	(1)	–	(5)	–
Lease liabilities	(93)	(36)	(22)	(15)	(8)	(3)	(9)	–
Total	(46,405)	(6,079)	(2,641)	(2,941)	(3,075)	(2,679)	(28,990)	–

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Liquidity risk (continued)

US$m	Total	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	No fixed maturity
31 December 2024								
Financial and insurance contract assets								
Fair value through OCI debt securities	31,408	1,244	1,535	884	1,223	1,308	25,214	–
Fair value through profit or loss debt securities, equity securities and interests in investment funds	11,074	40	44	153	6	16	1,491	9,324
Loans and deposits	902	246	277	54	19	16	290	–
Derivative financial instruments	285	142	29	22	52	6	34	–
Insurance contract assets (Estimated PV of future cash flow)	1,693	293	87	84	72	71	1,086	–
Reinsurance contract assets (Estimated PV of future cash flow)	2,565	338	135	122	116	117	1,737	–
Other assets	538	507	13	2	7	1	8	–
Cash and cash equivalents	1,687	1,687	–	–	–	–	–	–
Total	50,152	4,497	2,120	1,321	1,495	1,535	29,860	9,324
Financial and insurance contract liabilities								
Insurance contract liabilities (Estimated PV of future cash flow)	(36,690)	(4,112)	(2,308)	(2,156)	(1,861)	(1,789)	(24,464)	–
Reinsurance contract liabilities (Estimated PV of future cash flow)	(429)	(35)	(24)	(22)	(20)	(18)	(310)	–
Investment contract liabilities	(32)	–	–	–	–	–	(32)	–
Borrowings	(2,793)	(996)	–	–	–	(887)	(910)	–
Derivative financial instruments	(528)	(172)	(95)	(127)	(97)	(19)	(18)	–
Other liabilities	(1,068)	(1,062)	–	–	(1)	–	(5)	–
Lease liabilities	(106)	(40)	(25)	(22)	(9)	(5)	(5)	–
Total	(41,646)	(6,417)	(2,452)	(2,327)	(1,988)	(2,718)	(25,744)	–

The amounts payable on demand in the insurance contract liabilities represent the policyholders' account values of US$42,861m as at 30 June 2025 (31 December 2024: US$38,391m).

Notes to the unaudited interim condensed consolidated financial statements (continued)

26 RISK MANAGEMENT (continued)

Transactions within the Group

Intra-group transactions are overseen by the relevant Group Office functions to ensure adherence with the relevant Group policies. The Group risk function oversees the processes to identify and assess material systematic intra-group transaction risks, and ensure risks assumed are within the Group's risk management framework. During the six months ended 30 June 2025 and year ended 31 December 2024, material intra-group transactions related to reinsurance, intra-group dividends, loans, recharges, funding and bonds.

27 SHARE-BASED COMPENSATION

During the six months ended 30 June 2025 and the year ended 31 December 2024, the Group operated both the Share Option and RSU Plan and the Share Award Plan to reward eligible persons for their services and the achievement of shareholder value targets. These share-based awards are contingent rights to receive ordinary shares or a conditional allocation of ordinary shares. These awards have vesting periods of up to four years and are at nil or nominal cost to the eligible person. Save for in certain circumstances, vesting of time-vesting awards is conditional upon the eligible person being in active employment with the Group at the time of vesting. Vesting of performance-vesting awards is, in addition, subject to certain market and non-market performance conditions. Performance-vesting share-based awards are delivered to the eligible persons at the end of the vesting period conditional upon and depending on the actual achievement of the performance conditions. Award holders do not have any right to dividends or voting rights attaching to the shares prior to delivery of the shares. Each share option has a 10-year exercise period.

On 30 January 2022, the Board of Directors approved a new Employee Share Purchase Plan ("ESPP") to retain, incentivise, reward, remunerate and/or compensate its eligible persons and drive the performance and growth of the Group's business. The ESPP became effective upon the completion of the Initial Public Offering.

Details of RSUs and share options as at 30 June 2025 and 31 December 2024 under the Group's Share Option and RSU Plan and the Share Award Plan are disclosed below.

(i) RSUs

During the six months ended 30 June 2025 and the year ended 31 December 2024, the awards granted under the Share Option and RSU Plan and the Share Award Plan were based on fixed monetary values. The Board of Directors has approved that all the outstanding awards will be satisfied with the Company's shares upon vesting based on the listing price of HK$38.

Accordingly, the maximum total number of the Company's shares which may be issued upon vesting of all such RSUs that were outstanding prior to Initial Public Offering is, in aggregate, up to 27,115,200 shares.

27 SHARE-BASED COMPENSATION (continued)

(i) RSUs (continued)

Valuation methodology

For RSUs with performance conditions, the Group utilises a binomial option pricing model to calculate the fair value of the RSUs, taking into account the terms and conditions upon which the grants were made. Significant assumptions include expected volatility and risk-free interest rates. The expected volatility of the shares is estimated based on an analysis of market-implied volatility of comparators, incorporating certain management judgements. The risk-free interest rate is estimated based on the market implied yield of the Government Bonds issued by the Hong Kong Monetary Authority over two years. The simulation for achievement of market conditions depends on assumptions of expected volatility of the shares and other market comparators as well as the correlations. These assumptions are estimated based on an analysis of historical data over a period consistent with the expected life of the RSUs.

Forfeitures prior to vesting are not allowed for in the valuation of the grants.

The total fair value of RSUs granted during the six months ended 30 June 2025 was US$40m (year ended 31 December 2024: US$44m).

Recognised compensation cost

The fair value of the employee services received in exchange for the grant of RSUs is recognised as an expense in profit or loss over the vesting period with a corresponding amount recorded in equity.

The total expense recognised in the consolidated financial statements related to RSUs granted by the Group for the six months ended 30 June 2025 was US$19m (six months ended 30 June 2024: US$14m).

(ii) Share options

As at 30 June 2025, 31,251 share options were outstanding (31 December 2024: 35,886). No share options were granted by the Group during the six months ended 30 June 2025 and year ended 31 December 2024 under the Group's Share Option and RSU Plan or the Share Award Plan.

The total expense recognised in the consolidated financial statements related to share options granted under the Share Option and RSU Plan and the Share Award Plan by the Group for the six months ended 30 June 2025 was US$1m (six months ended 30 June 2024: US$1m).

The share options that have not been vested and/or have not been exercised as at 30 June 2025 and before the date of the Initial Public Offering, became zero in value after the completion of the Initial Public Offering. As a result, there are no outstanding share options upon completion of the Initial Public Offering.

Notes to the unaudited interim condensed consolidated financial statements (continued)

28 RELATED PARTY TRANSACTIONS

(a) Compensation of Directors and key management personnel of the Group:

	Six months ended 30 June	
US$m	**2025**	2024
	(Unaudited)	(Unaudited)
Short-term employee benefits	**12**	11
Share-based payments	**8**	10
Other benefits	**–**	1
Total	**20**	22

(b) Transactions and balances with related parties:

The Group has transactions with certain related companies and these consolidated financial statements reflect the effect of these transactions which are conducted in accordance with terms mutually agreed between the parties. In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following related party transactions during the period.

(i) Related companies charged US$16m for the provision of telecommunication, IT and investment advisory, advertising and consulting services to the Group for the six months ended 30 June 2025 (six months ended 30 June 2024: US$15m).

(ii) The Group has underwritten various group insurance contracts with related companies. The total premium received from those contracts for the six months ended 30 June 2025 was US$14m (six months ended 30 June 2024: US$14m).

(iii) The Group has entered into reinsurance contract arrangements with a related company. The total premiums ceded, claim recoveries received and commission income received for the six months ended 30 June 2025 was US$26m, US$17m and US$1m, respectively. The total premiums ceded, claim recoveries received and commission income received for the six months ended 30 June 2024 was US$24m, US$14m and US$2m, respectively.

(iv) The Group has accepted certain liabilities in connection with reinsurance contracts from related companies. The total premium revenue, claims incurred and commissions paid for these contracts for the six months ended 30 June 2025 was US$12m, US$8m and US$1m, respectively. The total premium revenue, claims incurred and commissions paid for these contracts for the six months ended 30 June 2024 was US$11m, US$7m and US$1m, respectively.

Notes to the unaudited interim condensed consolidated financial statements (continued)

28 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions and balances with related parties: (continued)

(v) The Group charged related parties US$1m for administration services during the six months ended 30 June 2025 (six months ended 30 June 2024: US$1m).

(vi) The Group held a call option, pursuant to which the Group has the right to acquire a minority stake in a related party at a discounted price. As at 30 June 2025, the fair value of the call option was US$60m (31 December 2024: US$61m).

(vii) The Group held financial investments of US$15m issued or controlled by related parties as at 30 June 2025 (31 December 2024: US$23m).

(viii) During the year ended 31 December 2024, the Group redeemed perpetual securities with aggregate principal amounts of US$144m from related companies. There were no outstanding perpetual securities held by related companies after the redemptions. The total distributions accrued to these related companies for the six months ended 30 June 2025 was US$nil (six months ended 30 June 2024: US$5m).

(ix) The Group has investment fund balances of US$245m managed by related companies as at 30 June 2025 (31 December 2024: US$98m).

(x) The Group had amounts due from related companies of US$4m as at 30 June 2025 (31 December 2024: US$7m). The amounts due are unsecured, interest-free and repayable on demand.

(xi) The Group had outstanding payable to related companies of US$5m as at 30 June 2025 (31 December 2024: US$5m). The payables due are unsecured, interest-free and repayable on demand.

(xii) The Group had loans to directors of US$574,000 as at 30 June 2025 (31 December 2024: US$482,000). The loans to directors are unsecured, interest-free and repayable based on the terms set out in the loan agreements.

(c) Transactions and balances with associates:

(i) The Group has entered into broker and non-exclusive distribution agreements with associates, pursuant to which the total commission expenses recognised by the Group for the six months ended 2025 was US$6m (six months ended 30 June 2024: US$7m).

(ii) The Group had amount due from an associate of US$4m as at 30 June 2025 (31 December 2024: US$nil). The amount due is unsecured, interest-free and repayable on demand.

(iii) The Group had a loan to an associate at US$3m as at 30 June 2025 (31 December 2024: US$4m) which is interest-bearing and repayable on the maturity date.

Notes to the unaudited interim condensed consolidated financial statements (continued)

29 COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Group as a lessor

The Group leased its investment property portfolio consisting of certain commercial buildings and land. These leases have terms of between 1 and 30 years. The Group had total future minimum rental receivable under non-cancellable operating leases falling due as follows:

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Within one year	18	16
In the second to fifth years	39	36
Over five years	45	46
Total	**102**	98

Investment and capital commitments

The Group has investments and capital commitments to invest in its private equity partnerships and other financial investments.

US$m	As at 30 June 2025	As at 31 December 2024
	(Unaudited)	
Within one year	377	393
In the second to fifth years	807	660
Total	**1,184**	1,053

Commitments in Malaysia

As of 30 June 2025, the Group had planned to invest a total of US$44m (31 December 2024: US$46m) in Malaysia.

Capital commitment for acquisitions

As of 30 June 2025, the Group agreed to make additional payments in aggregate amounts of up to US$33m (31 December 2024: US$31m) in relation to acquisitions.

29 COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

The Group is subject to regulation in each of the geographical markets in which it operates from insurance business and other regulators and is exposed to the risk of regulatory actions in response to perceived or actual non-compliance with regulations relating to suitability, sales or underwriting practices, claims payments and procedures, product design, disclosure, administration, denial or delay of benefits and breaches of fiduciary or other duties. The Group believes that these matters have been adequately provided for in these consolidated financial statements.

The Group is exposed to risk exposures including legal proceedings, complaints etc. from its activities including those arising from commercial activities, sales practices, suitability of products, policies and claims. The Group believes that these matters are adequately provided for in these consolidated financial statements.

30 EVENTS AFTER REPORTING PERIOD

Saved as disclosed in these interim condensed consolidated financial statements, there are no other events after reporting period to disclose.

Notes to the unaudited interim condensed consolidated financial statements (continued)

31 INTERIM STATEMENT OF FINANCIAL POSITION OF THE COMPANY

US$m	Note	As at 30 June 2025	As at 31 December 2024
		(Unaudited)	
ASSETS			
Investment in subsidiaries		**8,470**	8,470
Financial investments			
At fair value through profit or loss			
Derivative financial instruments		**3**	2
Interests in investment funds		**405**	–
		408	2
Amounts due from subsidiaries		**3,315**	3,591
Other assets		**18**	15
Cash and cash equivalents		**116**	271
Total assets		**12,327**	12,349
LIABILITIES			
Borrowings		**2,788**	2,793
Current tax liabilities		**2**	2
Amounts due to subsidiaries		**71**	73
Other liabilities		**69**	61
Total liabilities		**2,930**	2,929
EQUITY			
Share capital and share premium	24.1	**9,010**	9,010
Other reserves		**23**	22
Accumulated losses		**(543)**	(519)
Total equity of the Company attributable to:			
Shareholders of the Company		**8,490**	8,513
Perpetual securities		**907**	907
Total equity		**9,397**	9,420
Total liabilities and equity		**12,327**	12,349

Notes to the unaudited interim condensed consolidated financial statements (continued)

32 INTERIM STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

US$m	Attributable to Shareholders of the Company				
	Share capital and share premium	**Other reserves**	**Accumulated losses**	**Perpetual securities[1]**	**Total equity**
Balance as at 1 January 2025	**9,010**	**22**	**(519)**	**907**	**9,420**
Net profit/(loss)	**–**	**–**	**(24)**	**47**	**23**
Distribution paid to perpetual securities holders[2]	**–**	**–**	**–**	**(47)**	**(47)**
Share-based compensation	**–**	**1**	**–**	**–**	**1**
Balance as at 30 June 2025 (Unaudited)	**9,010**	**23**	**(543)**	**907**	**9,397**

US$m	Attributable to Shareholders of the Company				
	Share capital and share premium	Other reserves	Accumulated losses	Perpetual securities[1]	Total equity
Balance as at 1 January 2024	9,010	22	(182)	1,566	10,416
Net profit/(loss)	–	–	(152)	70	(82)
Distribution paid to perpetual securities holders[2]	–	–	–	(69)	(69)
Redemption of perpetual securities[1]	–	–	(23)	(52)	(75)
Balance as at 30 June 2024 (Unaudited)	9,010	22	(357)	1,515	10,190

Notes:

1 As at 30 June 2025, there were perpetual securities issued by the Company to a subsidiary with nominal amount of US$239m (30 June 2024: US$239m) and carrying amount of US$166m (30 June 2024: US$166m). The coupon rate for these perpetual securities was 8.625 per cent for the six months ended 30 June 2025 and 30 June 2024. On 28 May 2024, the Company partially settled perpetual securities of US$75m to its subsidiary. These are intra-group transactions and balances that are eliminated when preparing the Group's consolidated financial statements.

2 For the six months ended 30 June 2025, there were distributions of US$10m related to perpetual securities held by a subsidiary (six months ended 30 June 2024: US$13m). These are intra-group transactions that are eliminated when preparing the Group's consolidated financial statements.

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