MILLIMAN REPORT

2024 embedded value results: Asia

Sustained growth in EV and VNB

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Opening remarks

Thank you for taking the time to read the latest edition of Milliman's Asian embedded value (EV) report.

In 2024, EV increased by 5.0% overall with Taiwan, India and China reporting increases of 13.7%, 9.3% and 5.1%, respectively (Vietnam showed an increase of 25.0%; however, there was only one insurer reporting EV in Vietnam). Indonesia was the only market that has showed a decline, of 1.5%, although similar to Vietnam, only one insurer reported EV attributable to the country. Also, there was an increase in the overall value of new business (VNB) of 8.3%. There was a particularly sharp increase in VNB in Japan of 22.0%, which was largely driven by higher sales volumes and a rise in Japanese Yen (JPY) interest rates, particularly for savings products.

Bond yields showed a mixed picture during 2024, with bond yields declining in China and India but increasing in Japan. Falling bond yields in China led Chinese insurers to decrease their investment return and discount rate assumptions for 2024. Responses to changes in bond yields were more varied in other markets.

Our report compares and contrasts the various approaches taken to EV reporting across Asian markets and insurers. A report on shareholder value reporting in Europe will be available in autumn 2025.

Once again, we would appreciate any feedback you have on our report content and format.

Best regards,

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Executive summary

EMBEDDED VALUE RESULTS AND ASSUMPTIONS

Overall, the growth in reported EV in 2024 was positive. Vietnam (+25.0%) reported a steep increase in EV; Taiwan (+13.7%), Malaysia (+13.3%) and Thailand (+11.9%) reported significant double-digit increases in EV, while growth for India (+9.3%), China (+5.1%) and Hong Kong (+4.7%) was more modest. Japan (+1.3%) and Indonesia (-1.5%) were broadly flat.

In Taiwan, the increase in EV was mainly caused by an increase in the adjusted net worth (ANW), which was attributed to strong investment returns in 2024. India's growth was led by an unwind of the discount rate curve (India's yields are relatively high in an Asian context) and contributions from new business. China's growth was led by an increase in ANW due to an increase in net profit.

The growth in reported EV for multinational companies (MNCs) varied between (-2.0%) and +4.1%. There was also significant variance within specific markets. For example, the growth in reported EV in China varied between (-15.7%) and +18.0%.

There has been a general increase in ANW reported throughout the region with India (+57.9%) showing strong growth due to continued strong profitability. In contrast, Japan (-44.4%) has seen a steep fall in ANW primarily due to an adverse movement in the market value of bonds caused by rising interest rates.

Reported value in force (VIF) grew for all Asian markets except for China, where VIF fell due to a downwards shift in assumed investment returns. On the other hand, Japan showed strong growth (+27.4%) in VIF largely due to increasing bond yields.

In Japan, due to the use of a market-consistent approach and asset-liability management (ALM), changes in VIF are usually substantially offset by changes in ANW. As a result, overall EV, though sensitive to changing market yields, is far less sensitive than the individual VIF and ANW components with EV only increasing by 1.3%.

NEW BUSINESS MARGINS AND PROFITABILITY

VNB in Asia increased overall by 8.3%. Japan reported a sharp increase in VNB of 22.0%, primarily due to higher sales volumes and a rise in JPY interest rates, particularly for savings products. Hong Kong (+16.3%) has also seen a significant increase in VNB, primarily due to increased sales. Other markets, notably Taiwan (+15.8%), India (+6.4%), Malaysia (+3.2%), China (+3.1%), Singapore (+2.5%), Indonesia (+2.1%) and Thailand (+0.7%), have seen more moderate growth. Vietnam showed an exceptional growth of 334.8% largely based on the performance of one player.

The new business margin (NBM), i.e., VNB expressed as a percentage of annualized premium equivalent (APE), showed a general decline in 2024, with the exception of absolute increases of 4.1% in Indonesia, 1.2% in Taiwan and 0.1% in Thailand. Singapore (-8.7%), China (-2.7%) and Malaysia (-1.6%) showed the biggest decreases in absolute NBM, whereas India ended broadly flat (-0.1%).

EV METHODOLOGY AND METRICS

Price-to-embedded-value ratios continue to be well below 100%, with the exception of AIA and private sector Indian life insurers.

The return on embedded value (ROEV) measure is mainly reported by insurers in India. The ROEV generally reduced in 2024 from that in 2023 due to weaker investment performance in 2024 as opposed to 2023.

The EV methodologies used in the region remain varied and include traditional embedded value (TEV), European embedded value (EEV), market-consistent embedded value (MCEV)[1] and Indian embedded value (IEV). Insurers in China and Taiwan continue to report on a TEV basis, whereas insurers in Japan adopt MCEV or a market-consistent EEV (MC-EEV) approach or their own internal model approach (which we have termed as modified MCEV in this report), which is described by them as being broadly consistent with the Japan Economic Solvency Ratio (ESR) methodology which is market-consistent in nature. In India, all the companies[2] that currently report EV do so on an IEV/MCEV basis.

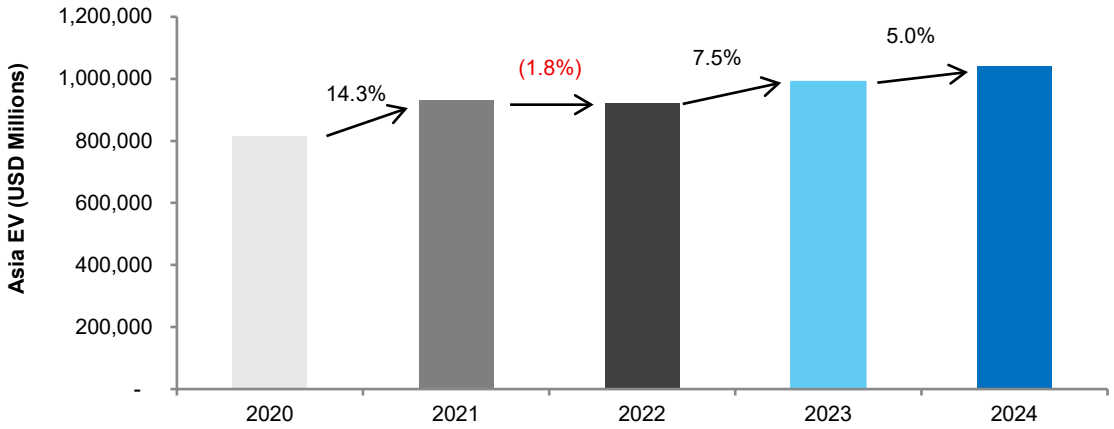
[1] The MCEV principles are a copyright of the Stichting CFO Forum Foundation 2008.

[2] Companies covered under this report only.

Introduction and background

Comparing only insurers that have reported 2020 to 2024 EV figures[3], Asian life insurance EV[4] increased by 5.0% in 2024, in contrast to the increase of 7.5%[5] recorded in 2023.

FIGURE 1: REPORTED COMPARABLE ASIA LIFE INSURANCE COVERED EV, 2020 TO 2024



Overall gross written premium (GWP)[6] increased by 7.0%, from USD 1,161.3 billion in 2023 to USD 1,243.0 billion in 2024.

Hong Kong recorded strong growth in GWP in percentage terms (+11.4%), driven by increased sales to visitors from Mainland China. China saw an increase in GWP in 2024 to the tune of 10.9% and an increase of USD 62 billion in absolute terms. This growth was driven by a strong demand for savings products amid depressed interest rates. Japan's GWP decreased by 1.9%, although there was considerable variation amongst companies. The year-on-year change in Japan's GWP was largely driven by fluctuations in the sales volume of single premium products. Taiwan's GWP increased by 11.3% due to an increase in demand for savings vehicles.

Malaysia's GWP increased by 10.2%, mainly driven by increased consumer spending due to economic recovery and regulatory reforms promoting digitalisation, which together boosted the demand for protection and savings products. India registered an increase in GWP of 6.7% aided by regulatory changes to surrender values.

EV results by their nature are typically impacted by recent changes in insurance regulations, which are set out in Appendix A.

[3] Companies that have not yet disclosed their 2024 EV results have also been excluded from previous years to provide an appropriate year-to-year comparison. To provide comparability, the EV figures for this chart have been calculated on a constant currency basis, using the FX rate as at each company's 2024 reporting date.

[4] Asian life insurance EV is defined as the EV of covered businesses attributed to Asia (i.e., excluding the net asset value portions of non-covered businesses such as general insurance portfolios). While every effort has been made to strictly use figures relating solely to this definition, some companies report their Asian EV figures as part of a larger reporting unit. Where we have deemed the EV to be driven mostly by the Asian region, the total EV has been reported.

[5] Reported 2023 number is different from Milliman's 2023 Asian embedded value report due to additional disclosures after the cut-off date of the previous report.

[6] To provide comparability, the GWP figures have been calculated on a constant currency basis, using the FX rate as at each company's 2024 reporting date.

FIGURE 2: LIFE INSURANCE GWP IN ASIA[7] [8]

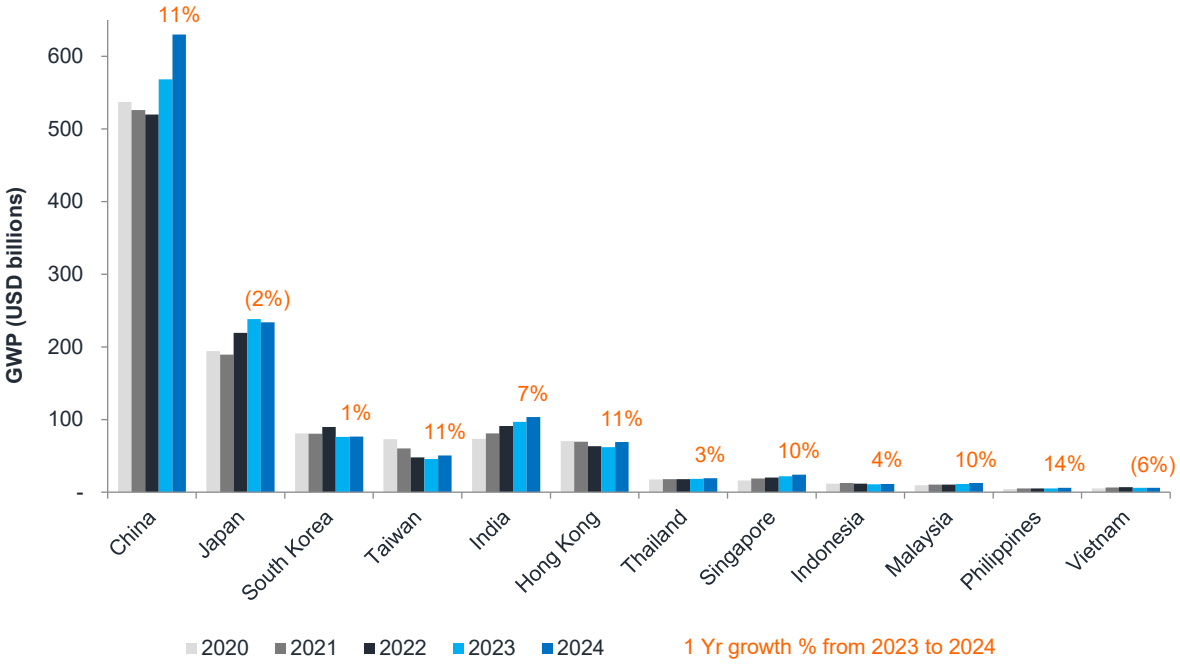
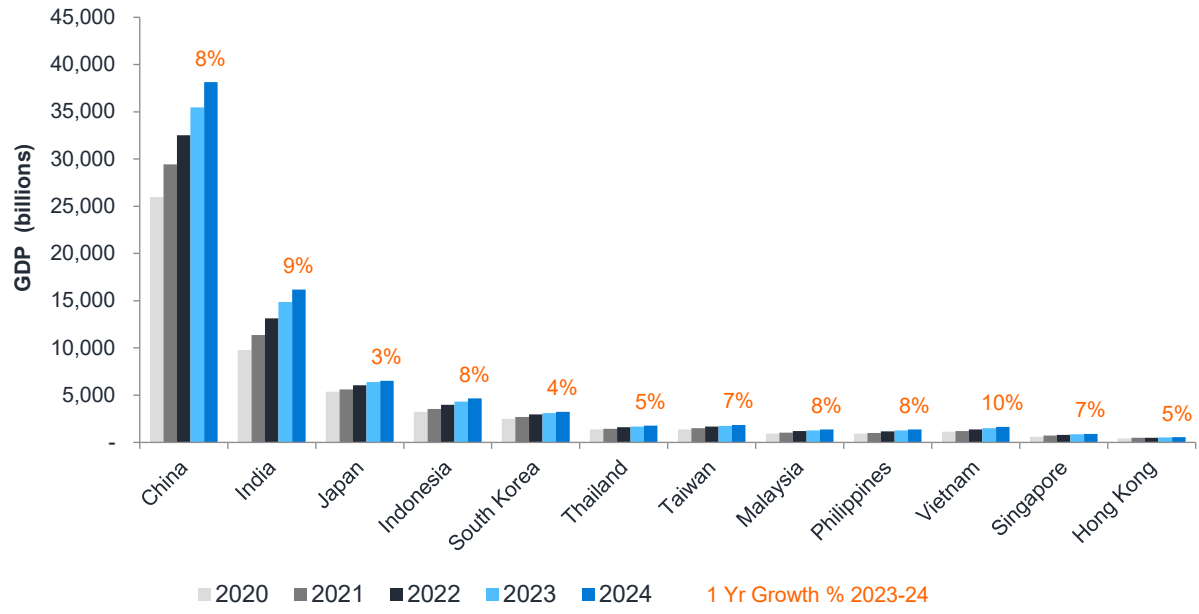


FIGURE 3: GDP (PURCHASING POWER PARITY)[9] OF IN-SCOPE ASIAN MARKETS, 2020 TO 2024



GDP (gross domestic product) increased in all the covered Asian markets. Vietnam reported the highest increase in GDP of 9.7%, mainly driven by strong exports and robust foreign direct investment (FDI). India recorded the second highest growth rate of 9.0%, supported by healthy FDI inflows, an expanding export sector and continued advancements in infrastructure and financial regulations. The Philippines followed suit with a GDP increase of 8.2%, largely driven by growth in wholesale and retail trade. China has similarly posted a growth of 7.5% steered by government stimulus measures and healthy net exports in the last quarter of the year.

[7] Sources: various life insurance associations and insurance regulators.

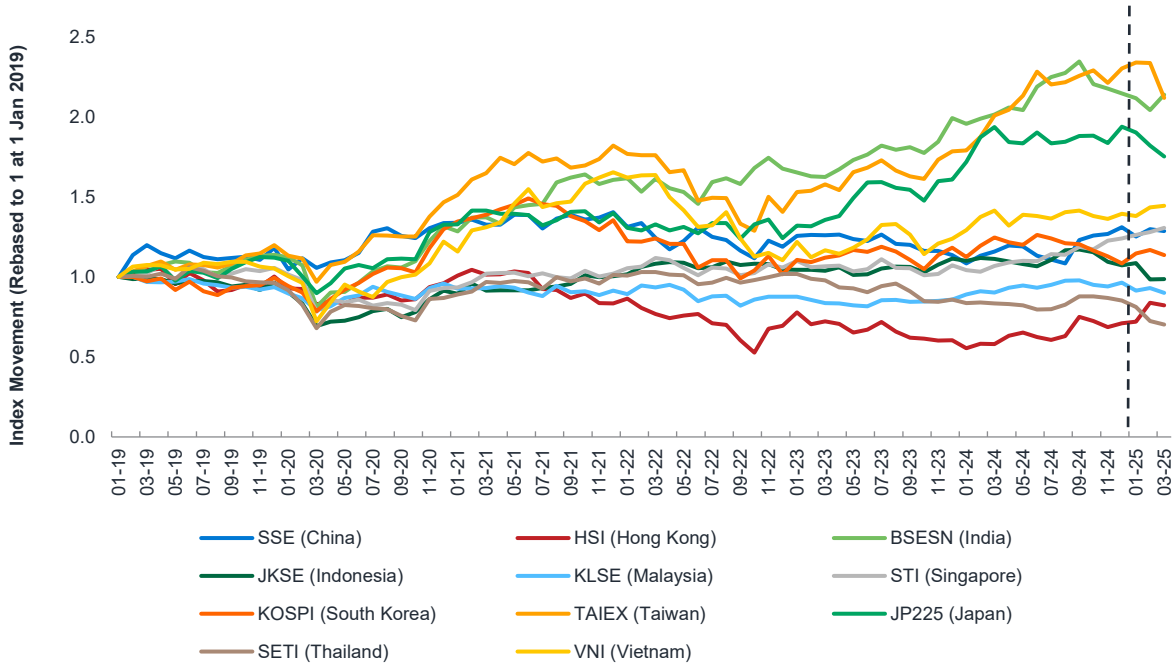
[8] 2021, 2022, 2023 and 2024 GWP for Philippines is based on unaudited quarterly statistics.

[9] International Monetary Fund. (April 2025). World Economic Outlook Database [Data sets]. Retrieved 7 July 2025 from https://www.imf.org/en/Publications/WEO/weo-database/2025/april.

Meanwhile, Malaysia and Indonesia reported GDP increases of 7.7% and 7.6%, respectively, attributed to expanding domestic demand, a rebound in exports, and supportive macroeconomic conditions. Singapore recorded a GDP increase of 6.9%, while Hong Kong and Thailand each recorded GDP growth of 5.0%. Taiwan has grown by 6.8%, propelled by an expansion in output of electronic products and higher revenues from financial products amidst a well-performing equity market. South Korea posted a GDP increase of 4.5%, primarily driven by strong export performance.

Japan reported the lowest increase in GDP at 2.5%. While relatively muted, its growth in GDP was driven by the recovery of personal consumption and an increase in inbound demand.

FIGURE 4: RECENT EQUITY MARKET PERFORMANCE: GROWTH OF MAJOR EQUITY INDICES[10] [11]
(FROM 1 JANUARY 2019 TO 31 MARCH 2025)

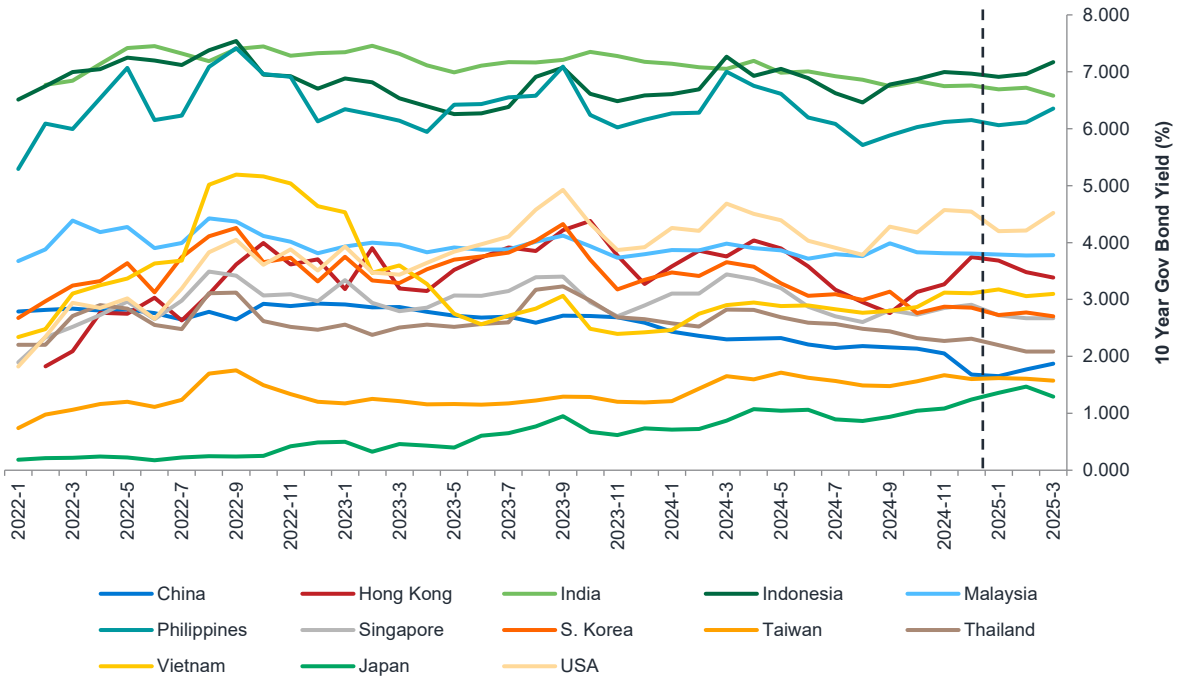


Many Asian equity markets ended 2024 on a positive note. Taiwan recorded the highest gains in 2024, driven by the semiconductor and technology sectors. China followed suit, posting noticeable gains due to various support measures, including interest rate cuts and funding schemes for stock buying. These measures also positively affected the Hong Kong equity market, which also saw a strong performance in 2024. Fears of tariffs and concerns over the country's political stability caused South Korea's equity market to post the sharpest decline amongst its Asian counterparts.

[10] The following stock indices have been used for each market: China: Shanghai Stock Exchange Composite Index, Hong Kong: Hang Seng Index, India: Bombay Stock Exchange Sensitive Index (BSE Sensex), Indonesia: Jakarta Composite, Japan: Nikkei 225, Malaysia: Kuala Lumpur Stock Exchange Composite Index, Singapore: Straits Times Index, South Korea: Korea Composite Stock Price Index, Thailand: Stock Exchange of Thailand Index, Taiwan: Taiwan Weighted Index, Vietnam: Ho Chi Minh Stock Index.

[11] Source: Investing.com.

FIGURE 5: 10-YEAR SOVEREIGN BOND YIELDS,[12] 2022 TO FY 2024[13]



The performance of Asian bond markets was mixed during 2024. Yields in China, India, Thailand and South Korea fell, with China recording the steepest decline. The fall in Chinese yields was reportedly due to central bank loosening of monetary policy, which led to a flow of funds into bank deposits and the debt market pushing yields downwards. On the other hand, yields in other markets broadly increased. Notably, Japanese yields increased due to a rise in global bond yields, the Bank of Japan's termination of its negative interest rate policy and expectations for Japan's economic recovery.

EV IN ASIA

EV continues to be widely used as a performance measurement tool and an external financial disclosure metric for insurers operating in Asia. EV is also commonly used as an internal financial performance metric and can be included as a component of managing long-term incentive plans. Broadly speaking, subsidiaries of MNCs, especially European insurers, utilise more advanced EEV and MCEV methodologies for their EV reporting compared with local and regional insurers that almost entirely use TEV. In Japan and India, however, there has been a convergence towards market-consistent methodologies, with most companies in India adopting the IEV approach, which is conceptually very similar to MCEV. As at 1 January 2023, South Korea implemented the new IFRS 17, with domestic South Korean insurance companies no longer reporting EV. AIA still computes EV for its South Korean operations, although this is not separately disclosed. Therefore, no Asian EV was reported for South Korea. Further explanation of the various methodologies can be found in Appendix B.

A summary of EV methodologies adopted by life insurers across Asia is shown in Figure 6.

[12] Source: Investing.com.

[13] FY 2024 refers to year ending 31 March 2025.

FIGURE 6: EV REPORTING STATISTICS BY DOMICILE OF INSURANCE GROUP

GROUP DOMICILE	TEV	EEV	MCEV/IEV	MC-EEV	MODIFIED MCEV	TOTAL
Asian MNC	3	-	-	-	-	3
European MNC	-	1	-	-	-	1
North American MNC	1	-	-	-	-	1
China	6	-	-	-	-	6
India	-	-	10	-	-	10
Japan	-	-	5	4	5	14
Malaysia	1	-	-	-	-	1
Taiwan	5	-	-	-	-	5
Thailand	2	-	-	-	-	2
Total	18	1	15	4	5	43

The only companies in Asia that report using IEV or MCEV bases are Indian and Japanese insurers. Several insurers in India, including the Life Insurance Corporation of India (LICI), ICICI Prudential Life, SBI Life and HDFC Life, first adopted IEV as part of their respective initial public offerings (IPOs) and have since continued to publish annual EV market disclosures based on the IEV methodology. All other insurers in India that have disclosed the EV methodology adopted publish their EVs either on an MCEV or an IEV basis.

In Japan, Dai-ichi Life Group, Meiji Yasuda Life and Sony Life continue to report on a modified MCEV basis. Modified MCEV is based on the insurer's own internal model approach, which is described by them as being broadly consistent with the Japan ESR methodology which is market-consistent in nature and which is to be implemented from March 2026. It should be noted that modified MCEV is not a formal EV standard and there are differences in methodology amongst the players that have been classified under the modified MCEV methodology.

UK-based MNC Prudential is transitioning from reporting on an EEV basis to a TEV basis starting from 2025. To this effect, its annual disclosures for the financial year ended December 2024 disclose results on both EEV as well as TEV bases, after which it will cease EEV reporting. For avoidance of doubt, we have shown Prudential's EEV numbers as the base numbers in this report and have included the TEV assumptions and value (as well as the EEV and its underlying assumptions) in Appendix D and Appendix G, respectively.

A majority of insurers in the rest of the Asian region still use a TEV methodology. The prevalence of several different EV reporting methodologies across Asia brings with it major challenges in comparing EV results across territories, and thus, obtaining a good understanding of the differences between the methodologies becomes critical.

Embedded value results

This section presents EV results under two different lenses:

1. Asia-wide
2. Company by company

A summary of changes in EV/VNB disclosures across the region since 1 June 2024 (the cut-off date for the previous year's report) is included in this section.

The values presented in this section relate to EV results for life insurance and other long-term insurance operations in Asia. Due to the manner in which certain companies segment their business, Asian operations are sometimes included in 'international' or 'emerging markets' business units, which may include non-Asian operations.

For these 'segmented' business units (i.e., those that include Asian and non-Asian operations), the total value has been included in this report, provided that a significant part of the value is generated in Asia.

RECENT UPDATES ON REPORTED DISCLOSURES

A summary of the changes in company-level disclosures in each market over the past year is provided below:

MARKET	
Taiwan	Shin Kong Life has not disclosed EV results this year
Japan	MS&AD Aioi Life and MS&AD Primary Life have not disclosed EV results this year
MNC	Manulife has ceased reporting EV associated with the in-force business
MNC	Prudential plc is transitioning from EEV basis to TEV basis from 2025

EV IN ASIA

This report examines the EV results published by MNCs and domestic life insurers operating in Asia.[14]

The scope of this report is limited to EV results directly related solely, or predominantly, to Asian operations. All figures in this section of the report are on a comparable basis, i.e., comparing the results only for those companies that have reported 2020, 2021, 2022, 2023 and 2024 EV results for Asia.

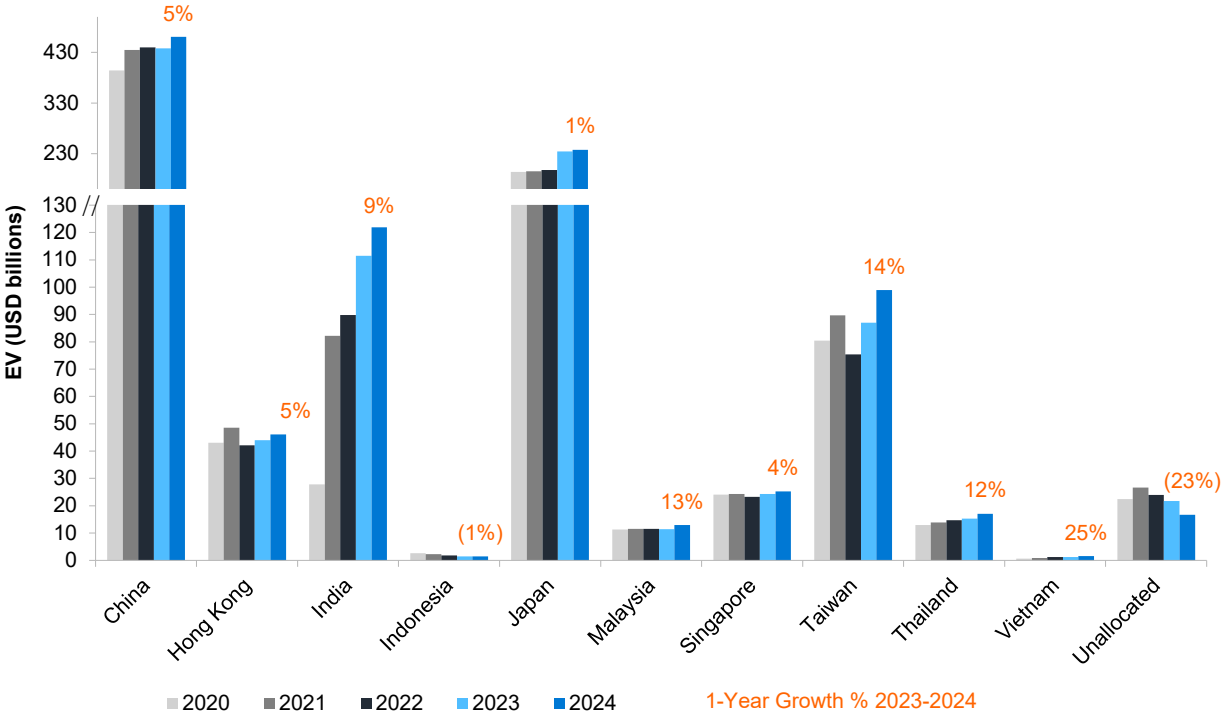
In 2024, total reported Asian EV grew by 5.0% on a comparable basis[15] to USD 1,039.7 billion, up from USD 990.4 billion in 2023. The companies reporting the largest Asian EV are China Life, Ping An Life and LICI, at USD 192.0 billion, USD 114.4 billion and USD 90.9 billion, respectively. Figure 7 sets out the total EV growth by market (to the extent that such a breakdown has been disclosed by the companies).

It should be noted that the results in all the figures under this section are based on converting results in local currency to USD using prevailing exchange rates at the same reporting date (financial year-end 2024) for all years, i.e., using a constant currency basis. In contrast, the results shown in Appendix C later in the report are based on exchange rates as at the respective valuation dates and hence may differ in value.

[14] For the avoidance of doubt, Asia does not include Australia or New Zealand.

[15] 'Comparable basis' refers to comparing the results only for those companies that have reported 2020, 2021, 2022, 2023 and 2024 EV results for Asia.

FIGURE 7: COMPARABLE ASIAN LIFE INSURANCE COVERED EV,[16] [17] 2020 TO 2024



In 2024, Vietnam experienced the highest percentage growth in EV of 25.0%, though based on the performance of a single player, Dai-ichi Life Vietnam. Taiwan recorded the second-largest increase in EV of 13.7%, owing to a strong performance by the life insurers. Malaysia also reported an increase in EV of 13.3%, supported by profitable new business and strong investment performances. Thailand reported an increase of 11.9% in EV, primarily driven by favourable economic variances. India recorded a 9.3% increase in EV, primarily driven by the unwind of the discount rate and contributions from new business.

China experienced an increase in its EV of 5.1%, led by an increase in ANW due to an increase in net profit. On the other hand, both Indonesia (-1.5%) and Japan (+1.3%) were broadly flat.

[16] To provide comparability and eliminate FX effects, results for all years have been converted to USD using the prevailing FX rate as at the 2024 reporting date.

[17] 'Unallocated' indicates EV figures that are reported by insurers to relate to their Asian operations but have not been allocated to specific markets.

FIGURE 8: COMPARABLE ASIAN LIFE INSURANCE COVERED ANW, 2020 TO 2024

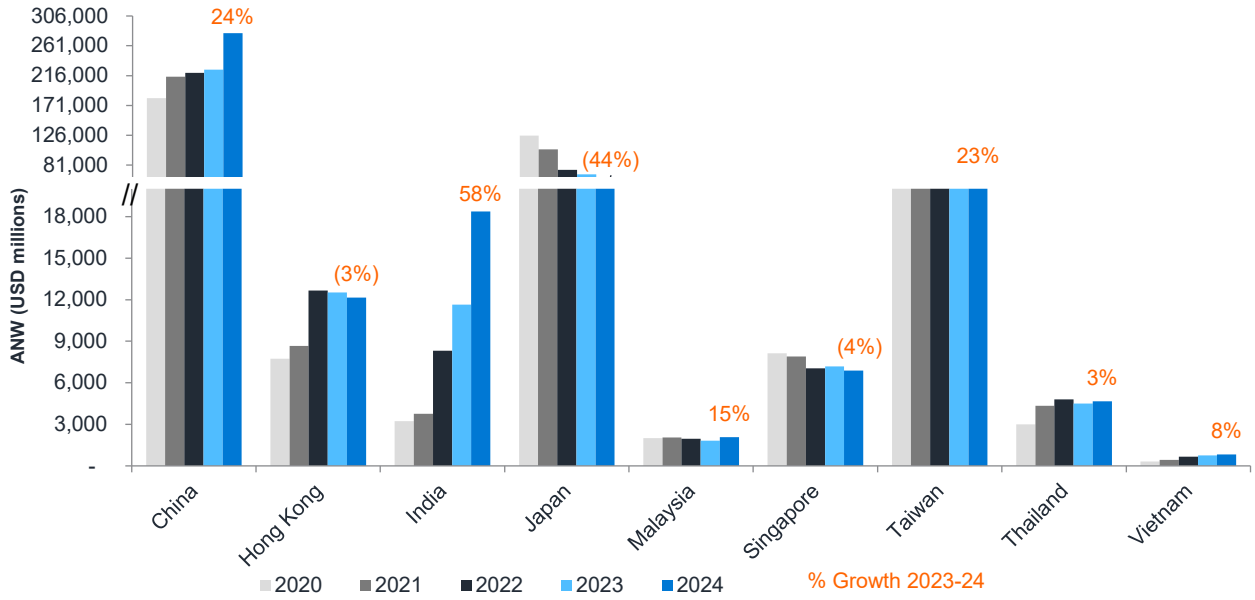
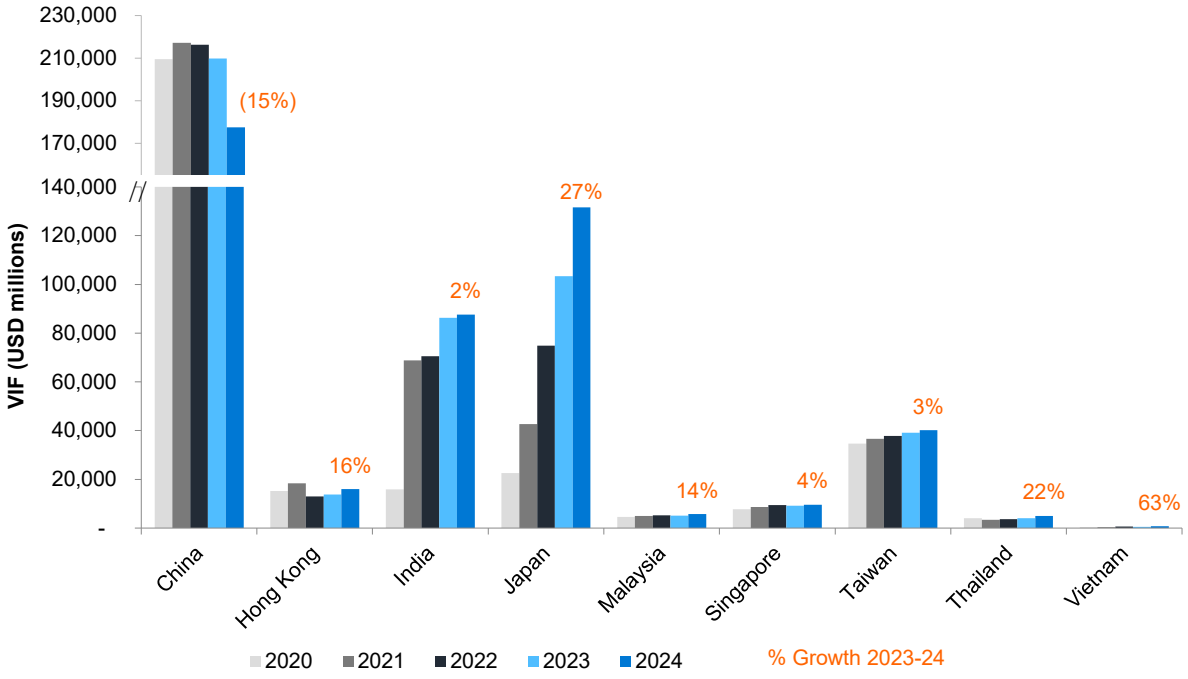


FIGURE 9: COMPARABLE ASIAN LIFE INSURANCE COVERED VIF, 2020 TO 2024



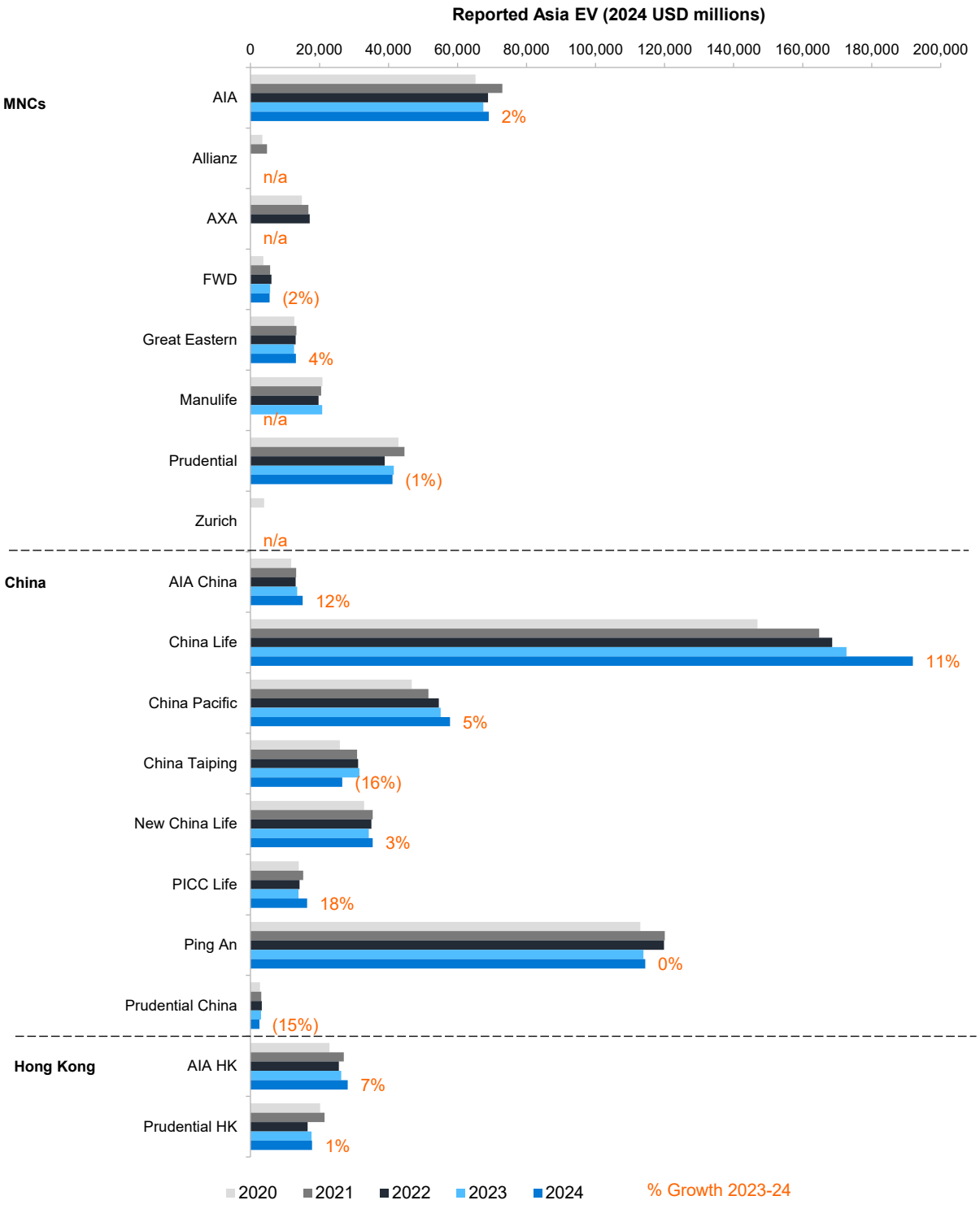
The reported ANW for the Asian life insurance sector increased in 2024 by 9.4%, with China, India, Malaysia and Taiwan reporting double-digit percentage increases in ANW. India recorded the biggest jump in ANW of 57.9% due to continued strong profitability. China posted an increase in ANW of 24.5%, while Japan reported a fall of 44.4% in ANW due to a decrease in the market value of domestic bonds as a result of the rising interest rate environment.

Japan recorded an increase of 27.4% in VIF in 2024 due to higher risk-free rates. However, this was largely offset by a decrease in ANW, resulting in an overall slight increase in EV of 1.3%. Thailand also recorded an increase in VIF of 21.9%, primarily driven by strong new business contributions during the year. Hong Kong recorded an increase of 16.3% in VIF, driven by higher new business volumes and improved profitability. Malaysia (+14.5%), Singapore (+3.6%) and India (+1.5%) also recorded an increase in VIF. China recorded a fall in VIF of 15.4%, primarily due to change in economic assumptions. Additionally, insurers faced challenges from volatile equity markets and prolonged low interest rates, further impacting profitability.

A certain amount of caution must be exercised when evaluating Japanese company EVs and their ANW/VIF components, especially when making comparisons across Asia, as Japanese companies typically report on a market-consistent basis. In addition, many companies manage large blocks of legacy savings business with relatively high crediting rate guarantees (in some cases, in excess of 5% p.a.). Consequently, under the low interest rate environment, the VIF of some companies might appear relatively small compared to the size of their in-force block. However, due to the rise in JPY interest rates in recent years, the VIF has increased, now accounting for a larger proportion of EVs in most companies. On a percentage basis, the VIF is very sensitive to changes in the interest rate environment. Nonetheless, due to the use of a market-consistent approach and active ALM, changes in VIF are usually substantially offset by changes in ANW. As a result, overall EV, though sensitive to changing market yields, is far less sensitive than the individual VIF and ANW components.

EV BY COMPANY

FIGURE 10: ASIAN LIFE INSURANCE COVERED BUSINESS EV BY COMPANY,[18] [19] [20]2020 TO 2024



[18] To provide comparability and eliminate FX effects, results for all years have been converted to USD using the prevailing FX rate as at the 2024 reporting date.

[19] Note that some companies have not yet disclosed their 2024 EV results as at the data cutoff date of this report. The 2024 results for these companies have consequently been left blank. The insurers that have not yet published their 2024 results as at the data cutoff date include Canara HSBC Life, Reliance Nippon Life, BRI Life and Shin Kong Life.

[20] Please note that Exide Life was removed from the analysis in the Milliman's "2022 Embedded Value results: Asia" report, as it was merged with HDFC Life. For HDFC Life, we have used the EV after its merger with Exide Life.

FIGURE 10: ASIAN LIFE INSURANCE COVERED BUSINESS EV BY COMPANY, 2020 TO 2024 (CONTINUED)

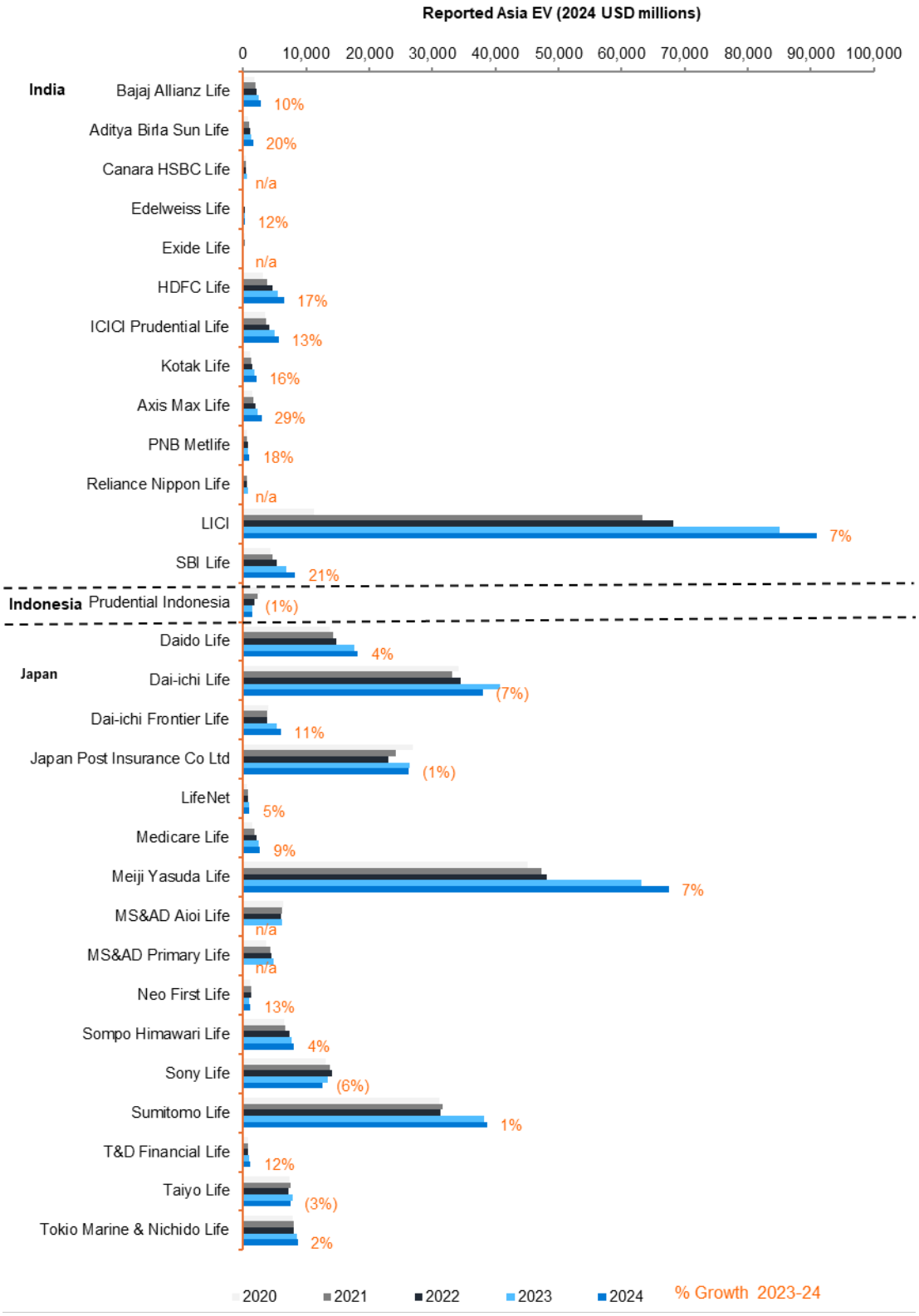


FIGURE 10: ASIAN LIFE INSURANCE COVERED BUSINESS EV BY COMPANY, 2020 TO 2024 (CONTINUED)

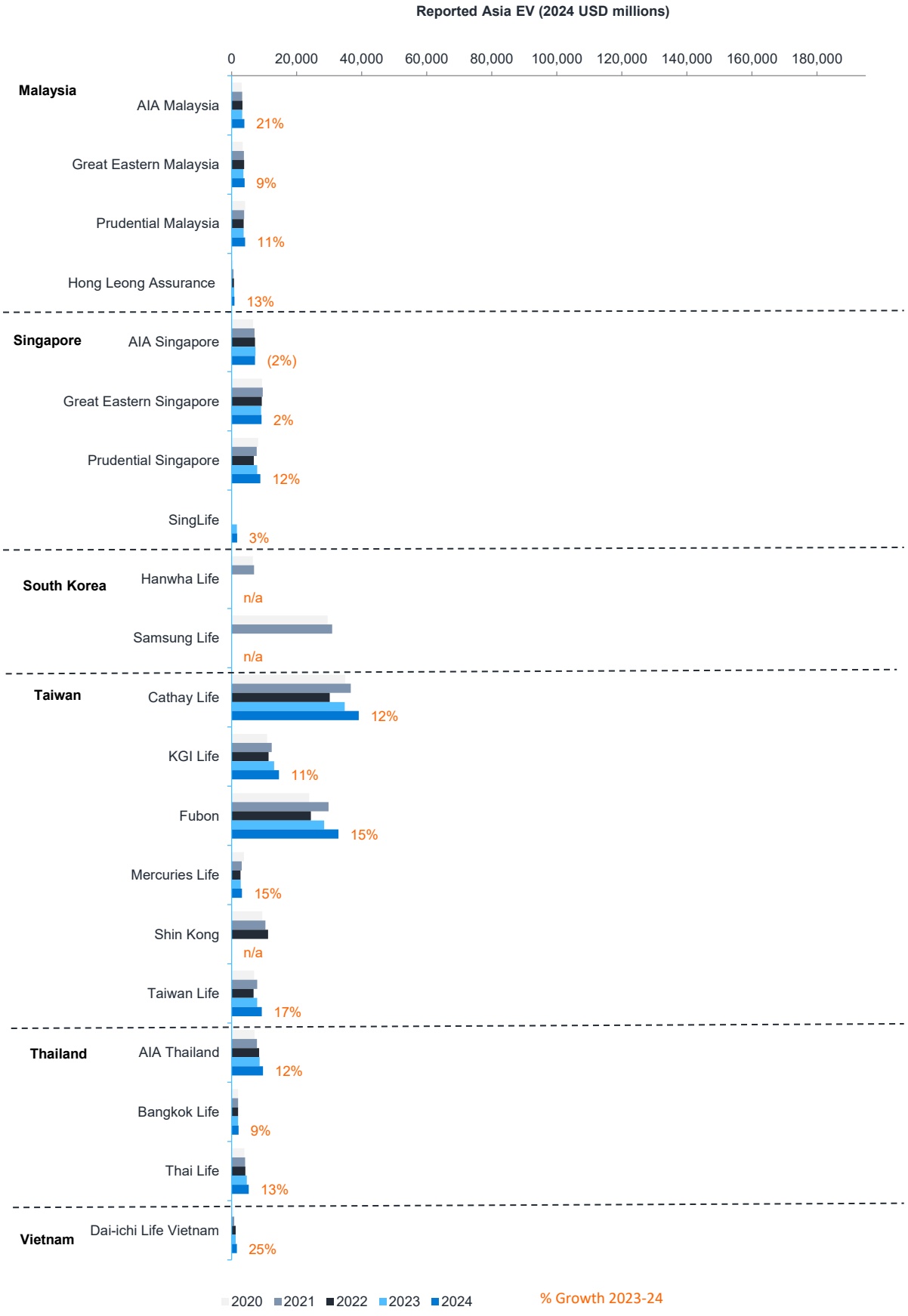
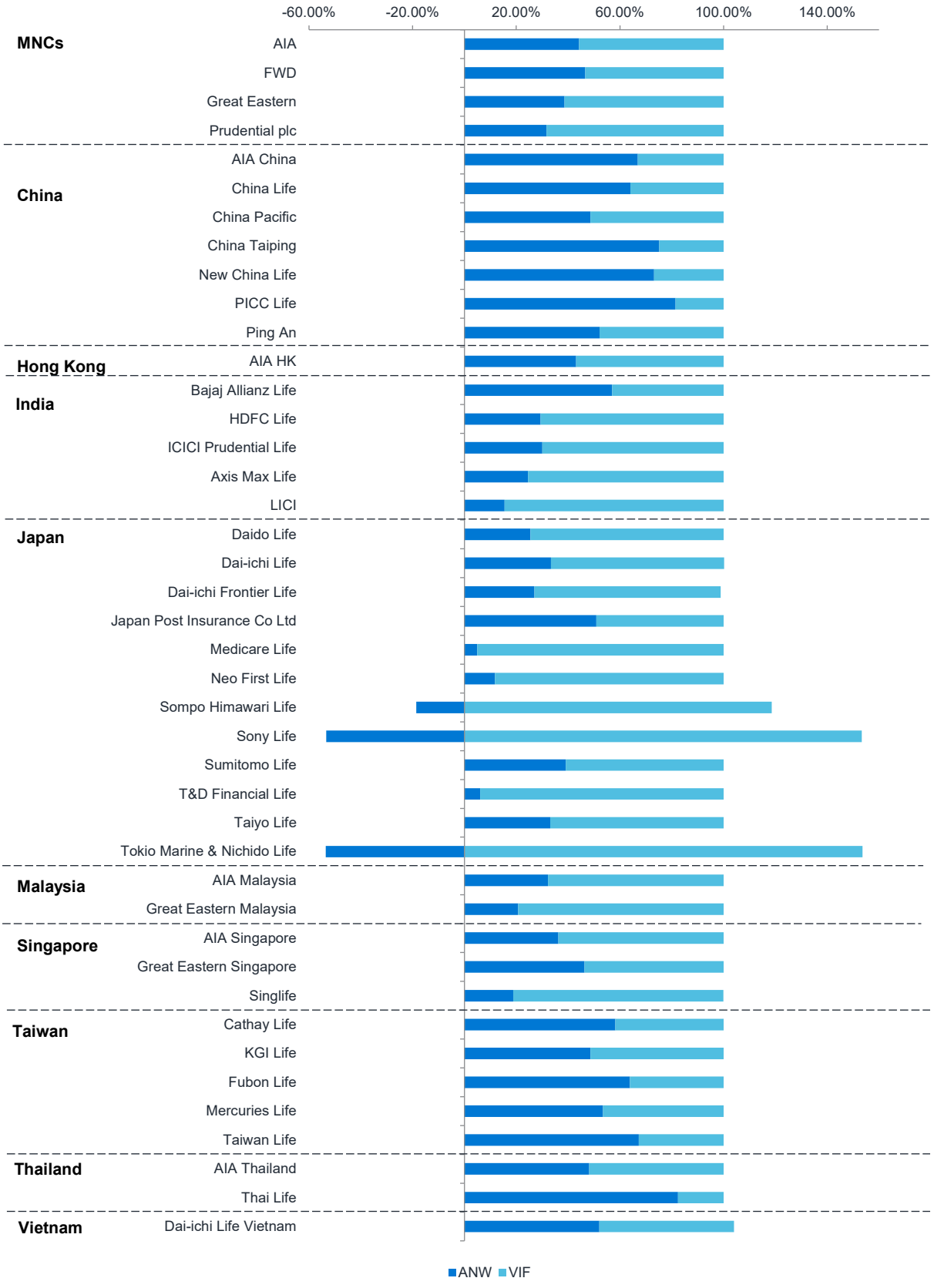


Figure 10 shows the growth in EV by individual company. Axis Max Life of India recorded the highest growth in EV of 29.2% due to the writing of profitable new business and a capital infusion. Several other Indian insurers also reported strong EV growth, including SBI Life (20.6%), Aditya Birla Sun Life (19.7%), HDFC Life (16.7%) and Kotak Life (15.5%). This growth was largely driven by the writing of profitable new business, along with positive operational and economic variances. Neo First Life, T&D Financial Life and Dai-ichi Frontier Life each recorded a double-digit growth in EV, with increases of 13.3%, 11.9% and 11.3%, respectively, primarily driven by higher interest rates and VNB. Prudential Indonesia and Prudential China recorded declines in EV of 1.5% and 14.5%, respectively. AIA Malaysia recorded a 20.6% growth in EV, driven by strong VNB growth from its bancassurance and corporate solutions channels, supported by improved agency productivity and a product mix focused on unit-linked life and health products. In China, PICC Life reported a growth in EV of 18.0% despite a lowering of investment return assumptions as the ANW increased by 37% while China Taiping recorded a fall of 15.7%, driven by the significant negative impact from economic assumption changes which shows that the portfolio's sensitivity to these assumptions is higher than peers. Insurers in Taiwan reported a growth in EV, with most of the companies reporting a double-digit percentage growth driven by strong investment returns. In Thailand, Thai Life recorded an increase in EV of 12.6%, primarily driven by positive EV operating profit and favourable economic variances from market interest rate movements. Bangkok Life recorded a growth of 9.4% due to the recognition of operating profit during the year and an increase in VIF. In Hong Kong, AIA recorded an increase in EV of 7.1%, primarily driven by strong VNB growth and favourable operating experience, although this was partially offset by non-operating variances, including a reduction for the present value of future fees following the mandatory implementation of the new eMPF[21] Platform.

[21] The eMPF Platform is a central and integrated electronic platform to standardise, streamline and automate MPF scheme administration work.It is built and operated by eMPF Platform Company Limited, a wholly owned subsidiary of the Mandatory Provident Fund Schemes Authority (MPFA).

FIGURE 11: SPLIT OF 2024 ASIAN LIFE INSURANCE EV BETWEEN VIF AND ANW BY COMPANY[22]



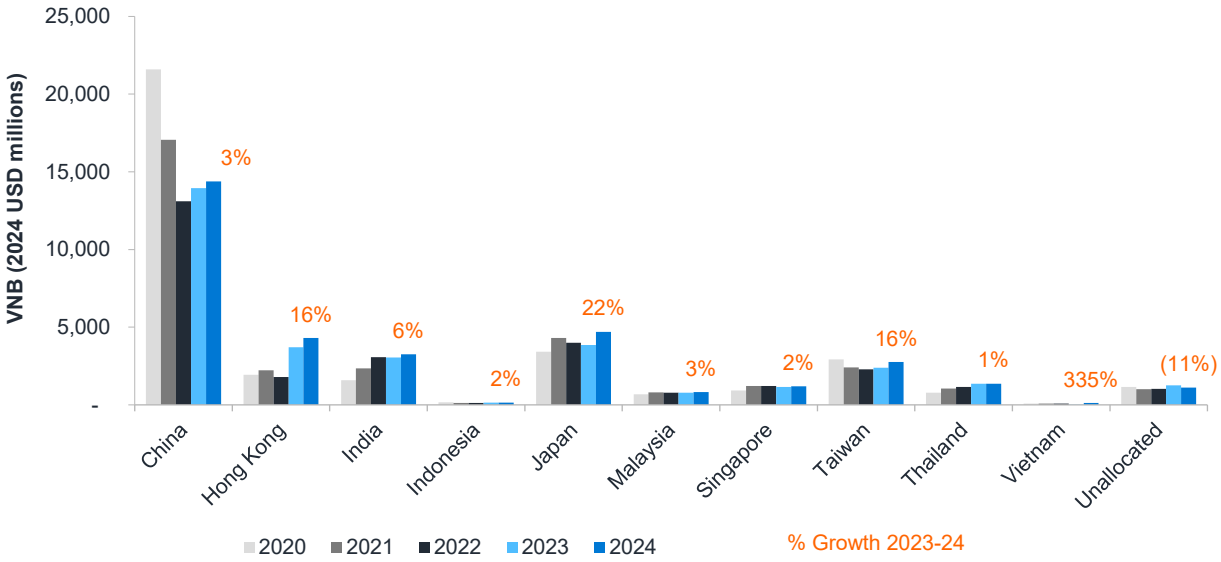
[22] The companies which do not disclose the split of EV between ANW and VIF have been excluded from this graph.

Figure 11 breaks down reported EV for 2024 into the VIF and ANW components by company in each market. In general, most of the markets show a higher proportion of EV coming from VIF. There has been a general increase in the proportion of EV coming from VIF for Japanese insurers given the decrease in ANW and increase in VIF driven by higher bond yields.

VNB IN ASIA

Total reported VNB for Asia stood at USD 34.8 billion in 2024, compared with USD 32.1[23] billion in 2023, representing an increase of 8.3%.[24] Figure 12 provides a market-by-market comparison of VNB growth based on converting results in local currency to USD using prevailing exchange rates at the same reporting date (financial year-end 2024) for all years, i.e., using a constant currency basis.

FIGURE 12: REPORTED VNB OF ASIAN OPERATIONS ON A COMPARABLE BASIS,[25] 2020 TO 2024



In 2024, the reported growth in VNB was positive across all markets in Asia.

Japan experienced an increase in VNB of 22.0% driven by higher sales volumes and a rise in JPY interest rates, particularly for savings products. Hong Kong experienced a sharp increase in VNB of 16.3%. This growth was driven by strong demand for life insurance products from both the domestic market and Mainland Chinese visitors. Taiwan's VNB has increased by 15.8%. India recorded an increase in VNB of 6.4% driven by higher sales volumes. China also witnessed a 3.1% increase in VNB, largely attributable to an increase in sales from the bancassurance channel. Indonesia's VNB grew by 2.1%, primarily driven by an increase in agency sales.

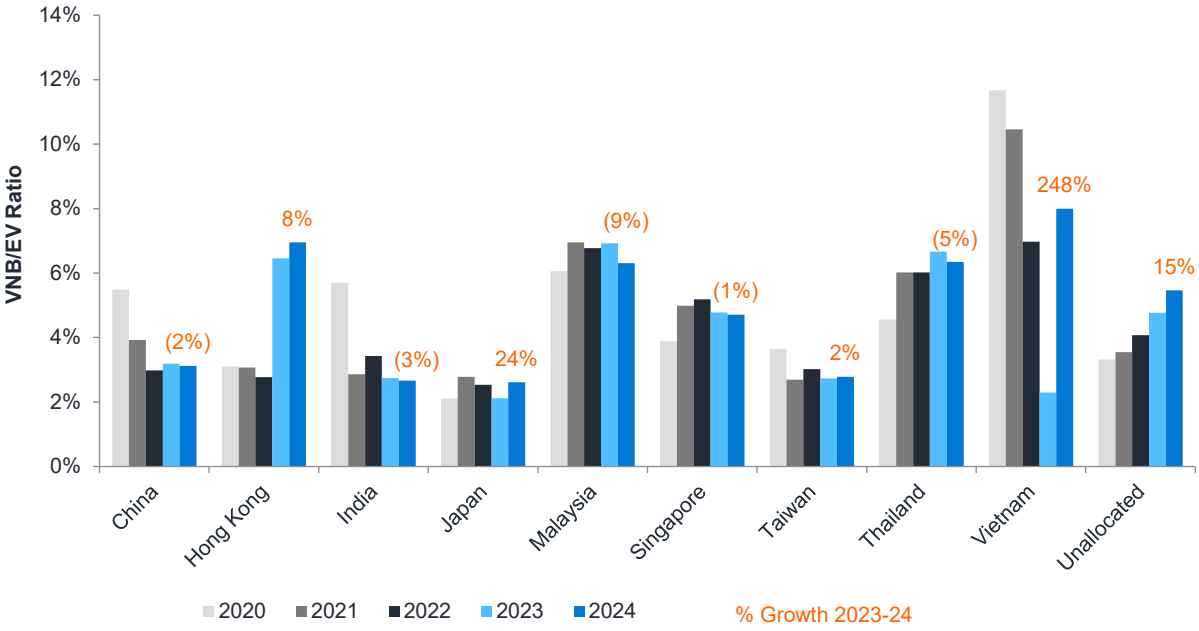
Vietnam reported the largest percentage increase in VNB, mainly attributed to a change in reporting methodology that discounted the future profits from new business at a lower rate of interest.

[23] Reported 2023 number is different from the Milliman 2023 Asian embedded value report due to additional disclosures after cutoff date of the previous report.

[24] This percentage has been calculated on a comparable basis, i.e., only those companies that have disclosed a full set of 2020, 2021, 2022, 2023 and 2024 numbers have been included here.

[25] As at the data cutoff date, some insurers have not yet disclosed their 2024 VNB figures. Hence, this chart and subsequent commentary only include insurers that have a complete set of 2020, 2021, 2022, 2023 and 2024 EV figures. The missing companies include Canara HSBC Life, Edelweiss Life, Reliance Nippon Life, BRI Life, Meiji Yasuda Life, MS&AD Aioi Life, MS&AD Primary Life, LifeNet Insurance and Shin Kong Life.

FIGURE 13: VNB/EV RATIO,[26] 2020 TO 2024



Most markets in Asia saw a decrease in the VNB/EV ratio in 2024 except Vietnam, Hong Kong, Japan and Taiwan. However, at an overall level the VNB/EV ratio has increased largely due to the major impact of Japan on the Asia-wide results. Malaysia witnessed a drop of 0.6% in absolute terms (from 6.9% to 6.3%) in the VNB/EV ratio, due to the proportionate increase in EV outpacing the rise in VNB. Japan and Hong Kong recorded the highest absolute increase in VNB/EV ratio of 0.5% (from 2.1% to 2.6% and 6.5% to 7.0% respectively); in Japan's case an increase in VNB driven by higher sales volumes and a rise in JPY interest rates and in Hong Kong's case due to a significant increase in its VNB, driven by increase in sales. Vietnam saw the sharpest increase in the VNB/EV ratio (5.7%, from 2.3% to 8.0%), mainly driven by an increase in VNB. Thailand reported a decrease in VNB/EV ratio of 0.4% (from 6.7% to 6.3%), due to a strong increase in EV. Taiwan witnessed an increase of 0.1% (from 2.7% to 2.8%) due to growth in VNB being higher than growth in EV.

[26] This ratio has been calculated on a constant currency basis, using the EV and VNB figures of insurers that have reported both EV and VNB during those periods. Companies that only report EV or VNB have been excluded from this analysis.

VNB BY COMPANY

Figure 14 presents each individual company's VNB from 2020 to 2024.

FIGURE 14: ASIAN VNB BY COMPANY, 2020 TO 2024

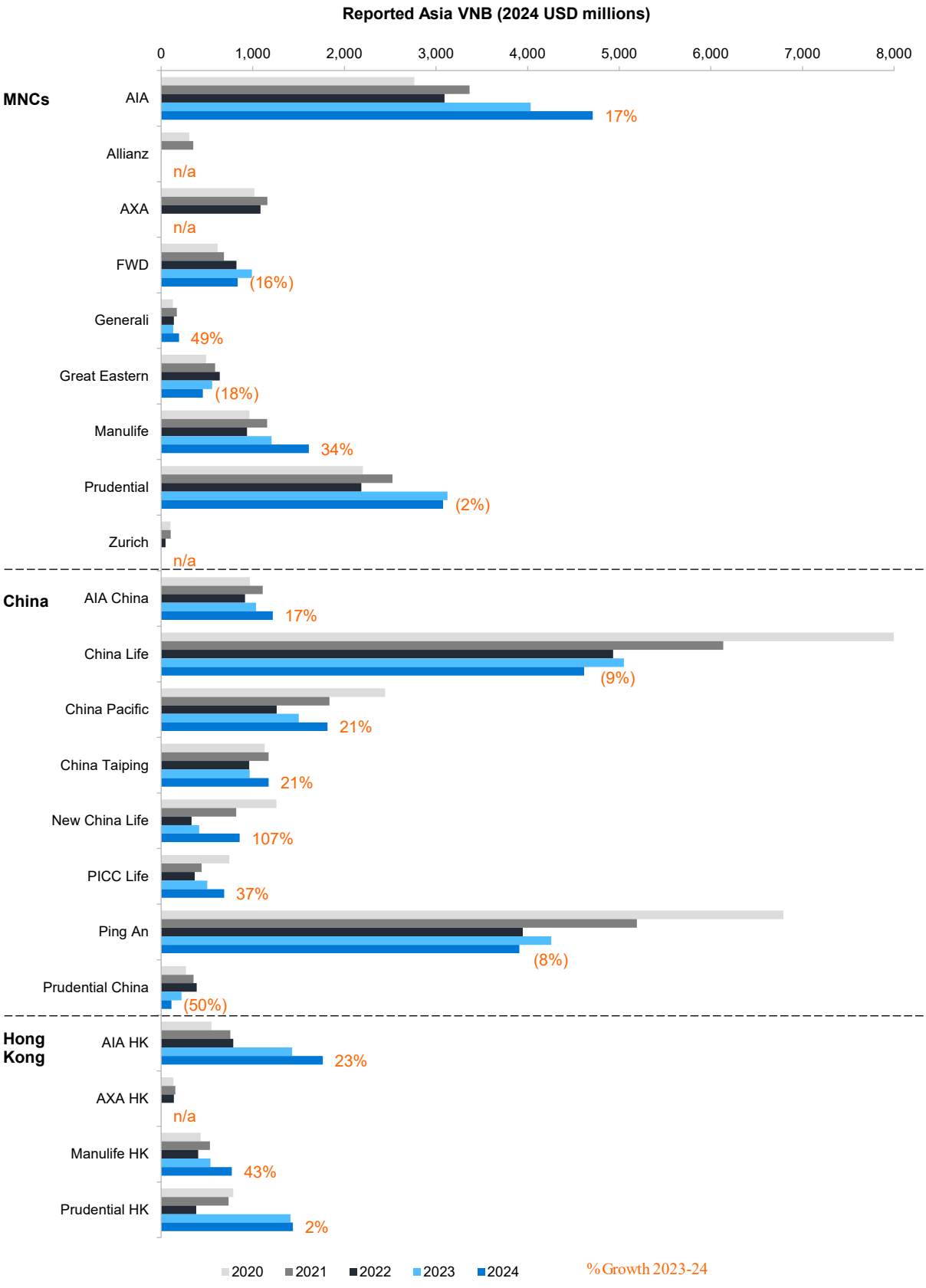


FIGURE 14: ASIAN VNB BY COMPANY, 2020 TO 2024 (CONTINUED)

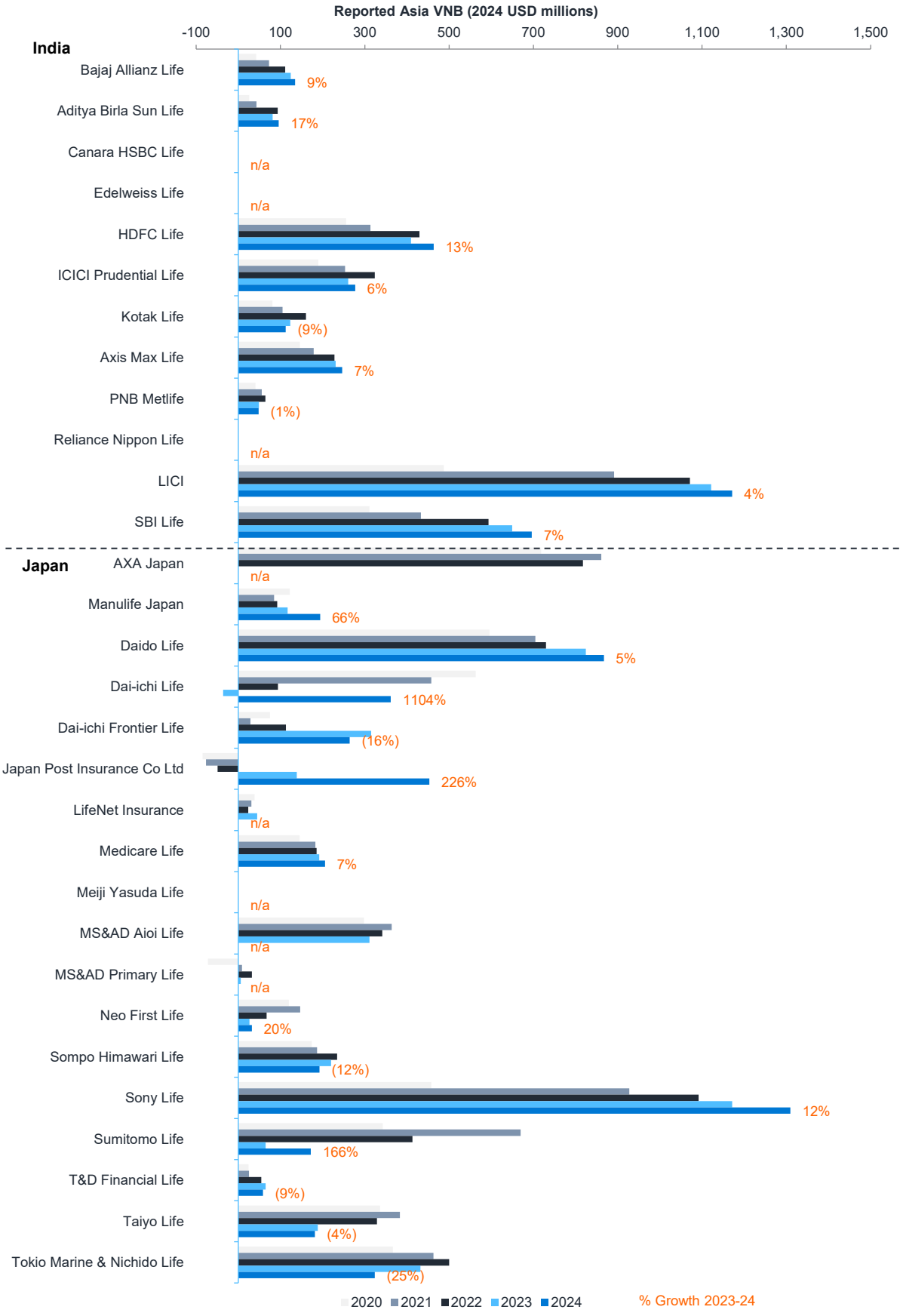
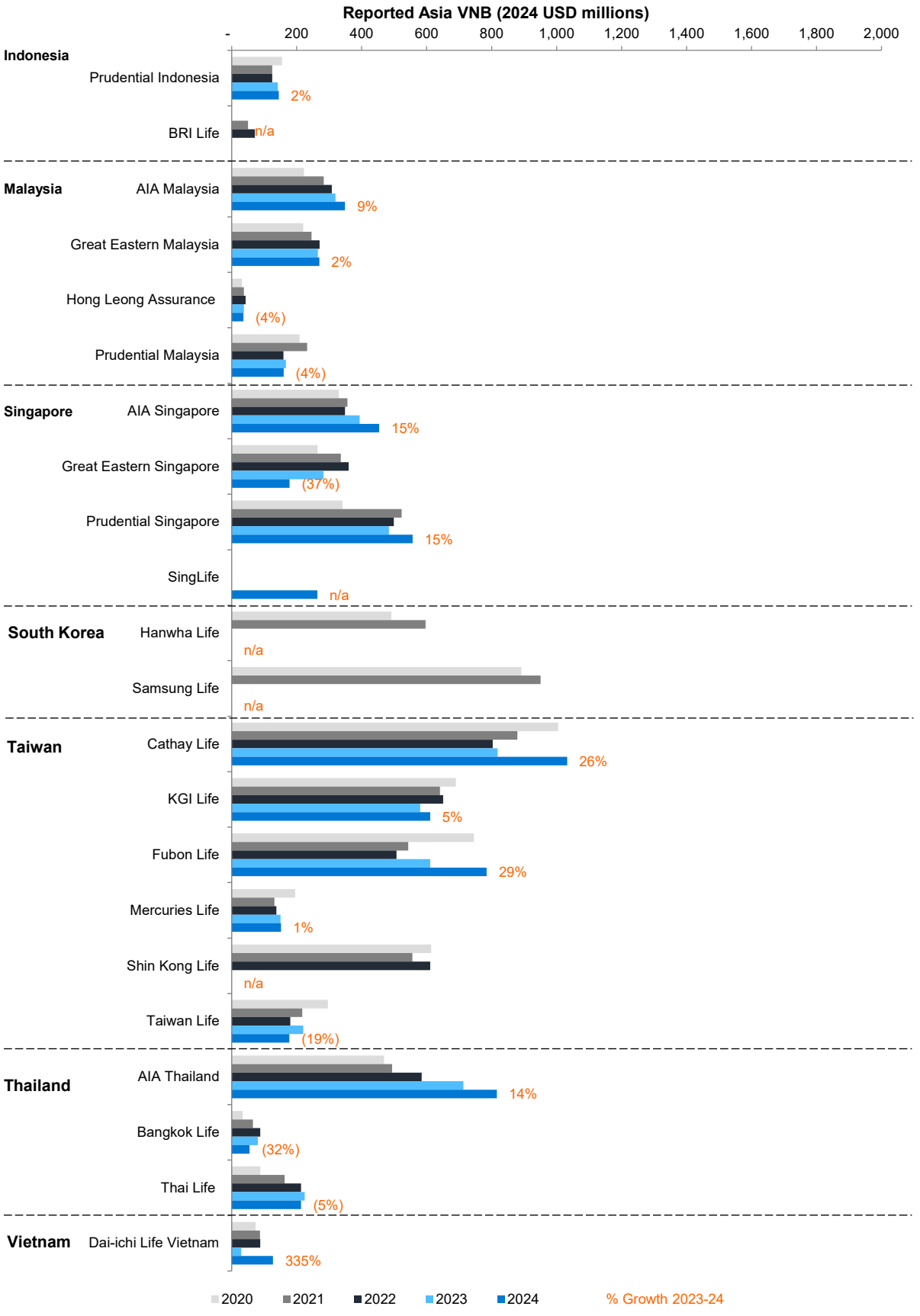


FIGURE 14: ASIAN VNB BY COMPANY, 2020 TO 2024 (CONTINUED)



Comparable Asia VNB increased by 8.3% in 2024, generally reflecting higher sales volumes across the region. Amongst the MNCs, Generali[27] showed an increase in VNB of 49.2% due to increases in volumes and margin expansion. Manulife's VNB increased by 33.7%, driven by increased sales. In China, Prudential reported a 50.0% decline in VNB due to reduced sales volumes in both bancassurance and agency channels, coupled with a reduction in investment return assumptions.

In India, VNB growth has been mixed across insurers, varying from -8.9% for Kotak Life to 17.4% for Aditya Birla Sun Life. However, overall VNB in India grew by 6.4% due to increased sales. In Japan, VNB results were mixed, with Japan Post Insurance recording an increase of 226.4% and Tokio Marine & Nichido Life experiencing a 25.2% decline. Dai-ichi Life reported a substantial increase in VNB, primarily because it moved from a negative VNB value last year to a positive value this year.

In Malaysia, AIA (+9.4%) reported an increase in VNB driven by both higher sales through the bancassurance and agency channels and high-quality product mix, while Prudential (-4.2%) and Hong Leong Assurance (-3.9%) recorded a decline in VNB for 2024. In Thailand, AIA Thailand reported a 14.4% increase in VNB in 2024, driven by stronger agency productivity and growth through its bancassurance partnership with Bangkok Bank. Thai Life's VNB declined by 5.0% compared to 2023, reflecting a slight drop in new business volumes and a shift in product mix towards lower-margin ordinary life products sold via the partnership channel, where margins were reduced due to lower interest rates in the second half of 2024. Bangkok Life reported a sharp 31.5% decrease in VNB, primarily due to adverse assumption changes related to rising medical claims and lower investment returns.

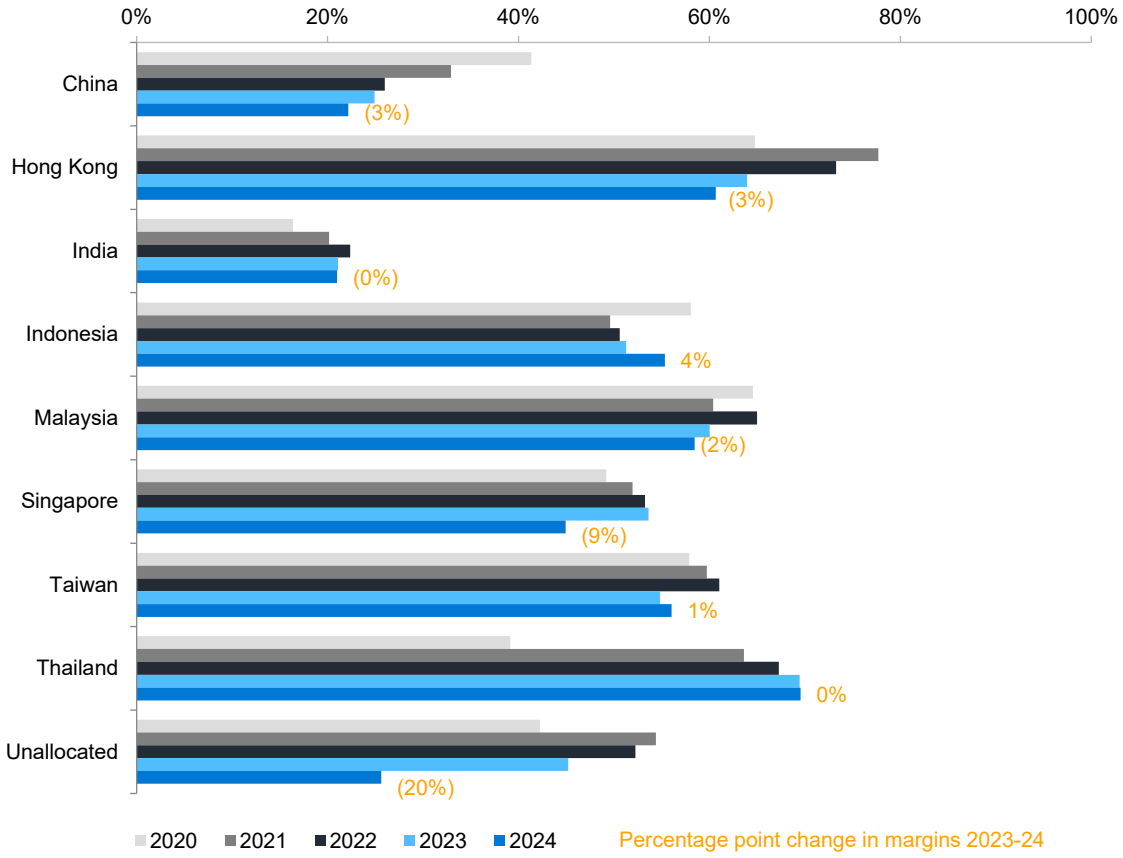
In Singapore, AIA recorded a 15.2% increase in VNB, propelled by double-digit growth in both agency and partnership channels and a shift towards long-term savings products. Prudential also reported a 15.1% increase in VNB, driven by a favourable product mix, while Great Eastern recorded a 37.0% decline in VNB.

In Taiwan, all insurers posted increases in their VNB, with the exception of Taiwan Life (-19.4%), due to assumption changes and lower sales volume. Cathay Life registered an increase in VNB to the tune of 26.1%, owing to higher sales volume and change in product mix.

[27] Generali has modified their VNB calculation methodology to exclude the impact of taxes, minority interests, and the contribution of look-through profits, in alignment with IFRS 17 calculations

NEW BUSINESS MARGINS[28] IN ASIA

FIGURE 15: IMPLIED NBM[29] BY MARKET, 2020 TO 2024



Except for Indonesia and Taiwan, NBM has decreased or flatlined across all markets in Asia. In Indonesia, NBM increased by 4.1%. In Taiwan, the NBM increased by 1.2% mainly due to a shift towards protection business. In Singapore, NBM declined by 8.7% due to a shift towards long-term saving products. In Hong Kong, NBM decreased by 3.3% due to a shift towards savings products. In China, NBM declined by 2.7%.

MARKET-WISE ANALYSIS

Appendix C shows comparisons of companies in each market.

In order to provide a clearer picture of each market's performance, all EV and VNB results set out in Appendix C have been converted to the respective local currency, using the prevailing exchange rate as at each insurer's reporting date for each year (2020, 2021, 2022, 2023 and 2024).[30] This contrasts with the previous sections' figures, where the EV and VNB results were converted to USD using the prevailing exchange rate at each insurer's reporting date for 2024. As a result of exchange rate differences, the 2024 growth rates for each MNC's subsidiary may not be consistent with the previous sections.

[28] NBM has been defined as the ratio of VNB and new business APE as commonly used in Asia, except for Japanese companies that report NBMs as the ratio of VNB to the PVNBP, as defined by the MCEV principles. Japan and Vietnam are excluded from this graph, since Japanese insurers and Dai-ichi Life Vietnam disclose PVNBP numbers instead of APE.

[29] This chart has been calculated by taking the sum of all disclosed VNB in each market, besides Japan, Vietnam and Singlife (Singapore), divided by the commensurate APE figure sold by the company in the market. As such, the reliability of this chart will increase depending on the actual number of companies (and their collective market share) disclosing information by geography. This means that for markets with very few disclosures, such as Indonesia, Malaysia, Singapore, Thailand and Taiwan, this analysis may not reflect profitability across the whole market.

[30] Please note that not all the financial years of insurers coincide with calendar years. In this report, we have defined 2024 results to be the financial year results that contain the majority of 2024 calendar year results. Results for Indian and Japanese insurers that have a March financial year-end date correspond to the financial results for the year ending 31 March 2025. Hence, when referring to Indian and Japanese insurers, 2024 refers to the year ending 31 March 2025.

EV methodology and assumptions

As illustrated in Figure 6, within Asia, there are two groups of companies publicly reporting EV: 1) those reporting TEV and 2) the remaining reporting EEV, IEV or MCEV. The latter tend to be Indian or Japanese insurers or subsidiaries or joint ventures of European and Japanese insurers. Some Japanese insurers have started (Dai-ichi and Sony Life in 2023 and Meiji Yasuda in 2020) to adopt their own internal model approach, which has been described by them as being broadly consistent with the Japan ESR methodology which is market-consistent in nature and is to be implemented from March 2026.

In determining EV, companies in Asia adopt varied approaches on the following key aspects:

- The selection and construction of the appropriate risk discount rate (RDR)
- The selection of appropriate investment rate assumptions
- The question of how to explicitly or implicitly allow for the cost of capital (CoC)
- Calculation of time value of options and guarantees (TVOG)

CONSTRUCTION OF RDR

The selection of RDR is one of the most important considerations for EV calculations. Broadly, there are three main methodologies behind discount rate derivation:

1. A single discount rate applied to all periods, calculated using a benchmark risk-free rate plus risk margin or adjusted using an assumed investment return.
2. A ‘top-down’ approach, whereby a discount rate or curve is constructed by adjusting the expected portfolio returns by considering the risks that the company is exposed to and in turn applying the constructed discount rate or curve to each cash flow.
3. A ‘bottom-up’ approach, whereby a risk-free rate plus risk margin curve is constructed for each cash flow or group of cash flows, with due consideration to the risk exposure of each cash flow. Where cash flows have an equivalent liquid and listed asset, the discount rate will be set to the implied yield of the asset. In IEV and MCEV, the risk margin typically only includes the illiquidity premium.

These three methods approximately correspond to the TEV, EEV and IEV/MCEV approaches, respectively, although the majority of companies reporting using EEV also now adopt a ‘bottom-up’ approach.

In addition to the above-mentioned methodology, there are three further major considerations with respect to the construction of the RDR:

1. The underlying basis for the RDR
2. The inclusion of any illiquidity premium
3. The interpolation and extrapolation method used to construct a discount curve (typically applicable only to EEV and IEV/MCEV companies)

The three considerations described above generally only apply to firms using EEV, IEV and MCEV reporting. For firms reporting on TEV, the generally accepted approach is to use an underlying risk-free rate (such as a long-dated government bond) with an additional risk margin. A popular subset of this approach includes the capital asset pricing model (CAPM). The main consideration for firms reporting TEV is the calculation of the risk margin, which is meant to encompass factors which are explicitly accounted for in EEV, IEV and MCEV—that is, the CoC and TVOG.

INVESTMENT RETURN ASSUMPTIONS

Unlike insurers reporting under IEV/MCEV, companies reporting TEV and EEV results need to make assumptions about future investment returns earned on reserves and required capital. Within the MCEV framework, assets are assumed to earn returns that are, on average, equal to the risk-free reference rate (typically swaps plus adjustments). The major investment assumptions for MCEV are embedded in the stochastic asset model and the calibration of those models, including correlation assumptions.

Insurers reporting under TEV and EEV tend to specify investment returns at the asset-class level. However, some insurers choose to disclose (and potentially use) investment assumptions at a fund or company level instead.

In general, the investment return assumptions used by insurers tend to be within a tight band in most markets. Quite often, greater variation in equity return assumptions can be observed compared to the government bond yield assumptions.

There has been a mixture of responses within markets to the changing interest rate environment over 2024 in terms of changes to investment return assumptions. The main exception has been China, where insurers have generally reduced investment return assumptions.

The key for any investor is to compare the investment return assumptions against available government bond yields to assess whether the implied risk premiums are reasonable.

Appendix D summarises the RDR and investment return assumptions by market as well as illustrates the risk margin embedded within the RDR.

COST OF CAPITAL

Cost of capital (CoC) is typically calculated as a deduction from the PVFP to reflect the fact that assets backing the required capital are held within an insurance company and, therefore, cannot be distributed to shareholders immediately. Additional frictional costs may arise from investing in assets via an insurance company, such as additional taxation and investment expenses. CoC may also arise in respect of asymmetric non-hedgeable risks that may not have been reflected in the PVFP and reflects the potential additional cost and risk to shareholders. The split into frictional cost of capital (FCoC) and cost of residual non-hedgeable risk (CRNHR) is a requirement of the MCEV and IEV reporting principles.

Under TEV, CoC reflects the cost to shareholders of demanding to hold the required capital, which will earn the after-tax investment rate of return instead of the RDR. The CRNHR is generally implicit in the choice of the RDR assumption; hence, it is not disclosed separately. Asian insurers reporting TEV usually include the impact of the CoC as part of the EV report, although a few companies do not.

Companies reporting under MCEV principles typically allow for FCoC within the investment income on assets backing the required capital by:

- Projecting investment returns using the reference rate net of tax and investment management expenses
- Discounting using the reference rate gross of tax and investment management expenses

Companies may also adopt such an approach under the EEV principles, especially if they use a market-consistent basis. Alternatively, the CoC may be calculated based on the difference between the real-world investment return assumptions and the RDR, similar to the approach for TEV.

The majority of companies reporting MCEV calculate the CoC using the frictional cost approach, which is the approach required under MCEV principles. However, the definition of required capital differs amongst companies. As at financial year-end 2024, almost all companies disclosed their required capital with reference to domestic regulatory requirements, with MNCs such as Prudential plc also taking into consideration the results from their internal models.

An important assumption behind EV calculations is the level of solvency margin (SM) assumed to be held in the future. Given the nature of EV calculations, the primary impact of capital assumptions is the effect of the timing of cash flows. Capital is provided by shareholders to support the writing of new business and is eventually returned to shareholders as profit emerges.

Appendix E summarises the required SM assumed by insurers for their Asian operations. EV-reporting insurers generally use similar assumptions, opting to use the level of SM at which they believe regulatory intervention will occur. The exceptions to this are as follows:

- In Singapore, where AIA use 135% while FWD and Manulife use 114% and 120%, respectively
- In Malaysia, where AIA uses 170%, FWD uses 195% (Takaful)/200% (Conventional) and Manulife uses 160% (for VNB – it no longer reports EV)
- In Taiwan, where AIA uses 250% compared with the 200% used by all domestic insurers

Having mentioned the importance of the SM, it is interesting to note that a few companies notably do not disclose their required SM assumptions.

TIME VALUE OF OPTIONS AND GUARANTEES

The impact of financial options and guarantees can be split into two components. The first is the effect on the PVFP with respect to the intrinsic value[31] of such financial options and guarantees. The second is the TVOG, representing the difference between the total value of the options or guarantees and the intrinsic value. It is effectively the value of the 'optionality' bestowed on the policyholder for the duration of the insurance contract.

The reporting of TVOG is mandatory for insurers reporting on EEV, MCEV and IEV bases. The TVOG primarily corresponds to the asymmetry of the impact over a range of scenarios on the distributable earnings to shareholders. For example, for the case of participating contracts, profits are shared between shareholders and policyholders. Losses, however, are only shared up to a certain point, after which shareholders bear all the subsequent losses. This can be further exacerbated by the actions of policyholders (dynamic policyholder behaviour).

The features of products that generally give rise to an assessment of TVOG can include interest rate guarantees on traditional products, profit-sharing features such as bonuses or levels of credited rates and guaranteed benefits on linked products and guaranteed annuity options. Other features such as 'return of premiums' are also considered a form of a guarantee.

As noted, EEV-, MCEV- and IEV-reporting insurers are required to assess the TVOG using stochastic techniques. Closed-form solutions can also be used where they lead to sufficiently accurate results but may not be suitable in valuing certain guarantees. The stochastic models must be appropriately calibrated and internally consistent with the rest of the modelling methodologies and approaches. Management actions can be allowed for, including those relating to crediting rates, bonus rates, charges to asset shares and investment strategies. These management actions are reflected in the company performance if such actions are consistent with the insurer's normal governance and approval processes and are consistent with the operating environment of the company.

Dynamic policyholder behaviour is included in many companies' assessments of TVOG. In particular, a number of companies recognise the impact of dynamic policyholder behaviour under certain economic scenarios.

Appendix F shows the companies that disclosed the number of scenarios used, and it is noteworthy to mention that the majority applied 5,000 economic scenarios on a market-consistent basis.

[31] In the example of a financial call option, the intrinsic value is the positive difference between the current underlying asset price and the strike price.

Disclosures

Analysts have frequently commented that the drive towards greater consistency, through improved guidance and developments in EV reporting, has helped to improve their understanding of the inherent values and strengths within companies. The richness of disclosures has been particularly helpful, as they allow analysts to compare and contrast performances across insurers.

Similarly, EV reporting continues to provide rating agencies with valuable information on their credit assessments. For example, Standard & Poor's (S&P) states that ROEV is one of the factors considered in determining life insurers' ratings. Additional disclosures, and the component nature with which the analysis is presented, assist rating agencies in drilling down into the underlying key risk drivers, the areas of a company that are most important and/or where the ability to generate value is most at risk.

The most developed EV disclosure requirements are set out in the EEV and MCEV principles from the European Insurance CFO Forum, which cover methodology, assumptions, sensitivities and analyses. APS10 standard disclosures for IEV in India require similar levels of detail (but in the context of IPO only; for other non-IPO or voluntary circumstances, the level of disclosure is optional). However, the prevalence of TEV in Asia (outside India and Japan), with the associated lack of any disclosure standards or requirements, makes it more difficult to use EV results for comparison and evaluation purposes.

The quality of EV disclosures tends to be closely correlated with the nature of insurance operations. MNCs (whether they are Asian, European or North American) tend to provide more disclosure than insurers focusing on one or two core markets. For the single-market operations, typical disclosures include only group EV and VNB, and some companies do not disclose key assumptions, such as RDR and investment return.

The table in Figure 16 summarises the available disclosures of insurers operating in Asia.

Note: Figure 16 should not and cannot be taken as endorsement or verification of any kind on the part of Milliman that the disclosures of specific sections by specific companies meet, in part or in full, the requirements laid out by the EEV or MCEV principles.

FIGURE 16: SUMMARY OF DISCLOSURES IN 2024[32]

TYPE	COMPANY	EV PRINCIPLE	EVIDENCE OF INDEPENDENT REVIEW OF EV RESULTS	ANALYSIS OF EV MOVEMENT	RECONCILIATION OF ANW TO IFRS NET ASSETS	COST OF CAPITAL/ REQUIRED CAPITAL	RDR ASSUMPTIONS	INVESTMENT RETURN ASSUMPTIONS	EXPENSE INFLATION ASSUMPTIONS	NEW BUSINESS MARGIN INFORMATION	EV AND VNB SENSITIVITIES
MNC	AIA	TEV[33]	✓	✓	✓	✓	✓	✓	✓	✓	✓
	FWD	TEV	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Great Eastern	TEV	✓	✓			✓			✓	✓
	Manulife[34]	TEV	✓			✓	✓	✓		✓	✓
	Prudential plc	EEV	✓	✓	✓	✓	✓	✓	✓	✓	✓
CHINA[35]	China Life	TEV	✓	✓		✓	✓	✓		✓	✓
	China Pacific	TEV	✓	✓		✓	✓	✓	✓	✓	✓
	China Taiping	TEV	✓	✓		✓	✓	✓		✓	✓
	New China Life	TEV	✓	✓		✓	✓	✓	✓	✓	✓
	PICC Life	TEV	✓	✓		✓	✓	✓			✓

[32] Blue-shaded entries indicate that the 2024 EV results have not yet been disclosed and that the assessment has been based on 2023 disclosures instead.

[33] For TATA AIA Life, AIA used IEV methodology as EV principle.

[34] Effective 2024, Manulife has ceased EV reporting for in-force business. Hence, all the disclosures by Manulife are associated with its VNB results.

[35] Insurers in China, except Ping An, have disclosed VNB sensitivities only.

TYPE	COMPANY	EV PRINCIPLE	EVIDENCE OF INDEPENDENT REVIEW OF EV RESULTS	ANALYSIS OF EV MOVEMENT	RECONCILIATION OF ANW TO IFRS NET ASSETS	COST OF CAPITAL/ REQUIRED CAPITAL	RDR ASSUMPTIONS	INVESTMENT RETURN ASSUMPTIONS	EXPENSE INFLATION ASSUMPTIONS	NEW BUSINESS MARGIN INFORMATION	EV AND VNB SENSITIVITIES
CHINA (continued)	Ping An	TEV	✓	✓		✓	✓	✓	✓	✓	✓
INDIA	Bajaj Allianz Life	MCEV		✓			✓	✓		✓	
	Aditya Birla Sun Life	MCEV	✓	✓			✓	✓		✓	
	HDFC Life	IEV	✓	✓		✓	✓	✓		✓	✓
	ICICI Prudential Life	IEV	✓	✓		✓	✓	✓		✓	✓
	Kotak Life	IEV	✓				✓	✓		✓	
	Axis Max Life	MCEV	✓	✓			✓	✓		✓	✓
	PNB MetLife	IEV	✓			✓	✓	✓		✓	
	Reliance Nippon Life	Not Disclosed					✓	✓			
	LICI	IEV	✓	✓			✓	✓		✓	✓
	SBI Life	IEV	✓	✓			✓	✓		✓	✓
JAPAN	Daido Life	MCEV	✓	✓		✓	✓	✓	✓	✓	✓
	Dai-ichi Life	Modified MCEV		✓			✓		✓	✓	✓
	Dai-ichi Frontier Life	Modified MCEV					✓		✓	✓	
	Japan Post Insurance Co Ltd	MC-EEV	✓	✓		✓	✓	✓	✓	✓	✓
	LifeNet Insurance	MC-EEV	✓	✓		✓	✓	✓	✓	✓	✓
	Medicare Life	MC-EEV		✓		✓	✓	✓	✓	✓	✓
	Meiji Yasuda Life	Modified MCEV		✓		✓	✓		✓		✓
	MS&AD Aioi Life	MC-EEV	✓	✓		✓	✓	✓	✓	✓	✓
	MS&AD Primary Life	MC-EEV	✓	✓		✓	✓	✓	✓	✓	✓
	Neo First Life	Modified MCEV					✓		✓	✓	
	Sompo Himawari Life	MCEV	✓	✓		✓	✓	✓	✓	✓	✓
	Sony Life	Modified MCEV		✓		✓	✓	✓	✓	✓	
	Sumitomo Life	MC-EEV		✓		✓	✓	✓	✓	✓	✓
	T&D Financial Life	MCEV	✓	✓		✓	✓	✓	✓	✓	✓
	Taiyo Life	MCEV	✓	✓		✓	✓	✓	✓	✓	✓
	Tokio Marine & Nichido Life	MCEV	✓	✓		✓	✓	✓	✓	✓	✓
TAIWAN	Cathay Life	TEV	✓	✓		✓	✓	✓		✓	✓
	KGI Life	TEV	✓	✓		✓	✓	✓		✓	✓
	Fubon Life	TEV	✓	✓		✓	✓	✓		✓	✓
	Mercuries Life	TEV	✓	✓		✓	✓	✓			✓
	Shin Kong Life	TEV	✓	✓		✓	✓	✓	✓		✓
	Taiwan Life	TEV	✓	✓		✓	✓	✓		✓	✓
	Bangkok Life	TEV	✓				✓	✓			

TYPE	COMPANY	EV PRINCIPLE	EVIDENCE OF INDEPENDENT REVIEW OF EV RESULTS	ANALYSIS OF EV MOVEMENT	RECONCILIATION OF ANW TO IFRS NET ASSETS	COST OF CAPITAL/ REQUIRED CAPITAL	RDR ASSUMPTIONS	INVESTMENT RETURN ASSUMPTIONS	EXPENSE INFLATION ASSUMPTIONS	NEW BUSINESS MARGIN INFORMATION	EV AND VNB SENSITIVITIES
THAILAND	Thai Life[36]	TEV	✓	✓	✓	✓	✓	✓	✓	✓	✓
VIETNAM	Dai-ichi Life Vietnam	TEV					✓			✓	

*Dai-ichi Life Group, Meiji Yasuda Life and Sony Life have been classified as modified MCEV. Modified MCEV is based on the insurer's own internal model approach, which is described by them as being broadly consistent with the Japan ESR methodology which is market-consistent in nature and is to be implemented from March 2026. It should be noted that modified MCEV is not a formal embedded value standard and there are differences in methodology amongst the players that have been classified under the modified MCEV methodology.

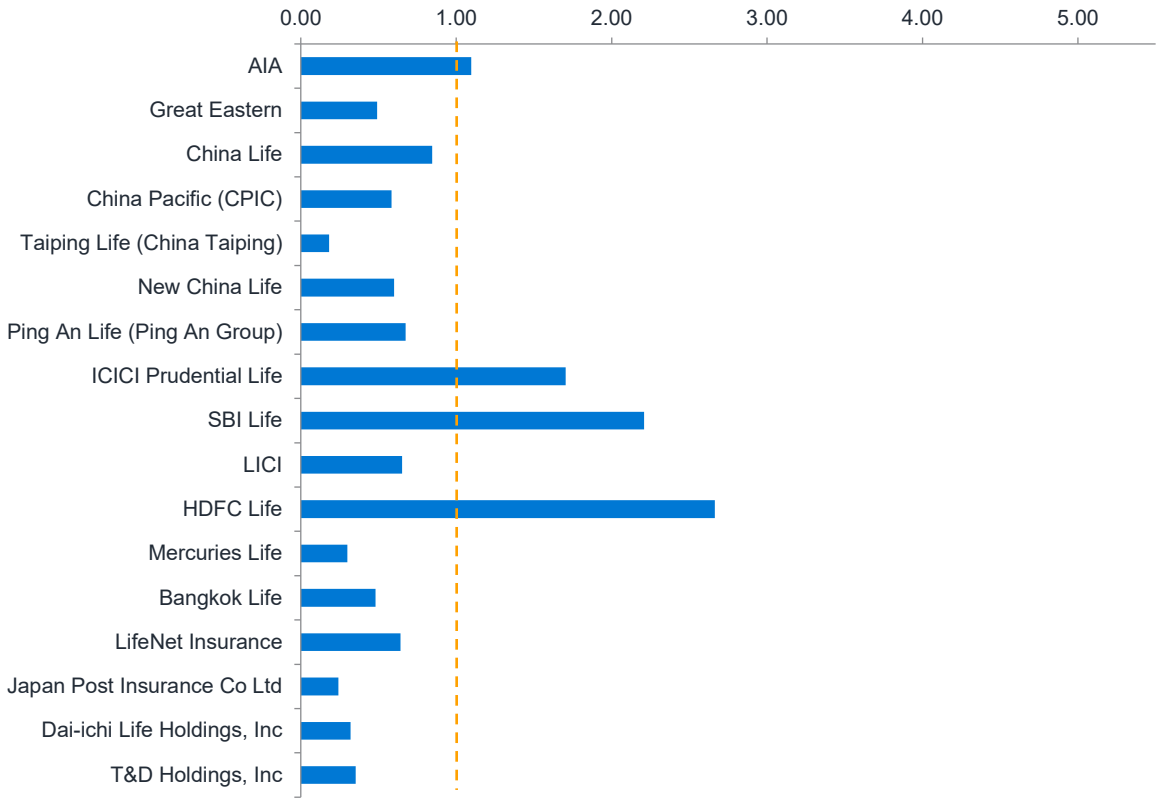
[36] Thai Life has disclosed reconciliation of ANW to TFRS net assets.

Other measures of value

MARKET CAPITALISATION

Figure 17 gives the price/EV (P/EV) ratios for listed insurers.

FIGURE 17: MARKET CAPITALISATION TO EV RATIOS AS AT 2024 REPORTING DATES



* For Chinese insurance groups, P/EV ratios are based on disclosed group EVs. We have also chosen to exclude listed companies which are not predominantly involved in life insurance business. Excluded companies include: PICC Life (PICC Group), Cathay Life (Cathay FHC), Fubon Life (Fubon FHC), Shin Kong Life (Shin Kong FHC), KGI Life (CDF holdings) and Taiwan Life (CTBC FHC).

For Japanese insurance groups, we have excluded Sony Life 100%, which is owned by Sony Financial Group, in the graph.

All P/EV ratios have been calculated either using 'share price/EV per share' or 'market capitalisation/EV' as at the reporting date of EV results.

The standard treatment for including non-covered business is to add the net assets (analogous to ANW in the EV world), thereby excluding the assets' equivalent of the VIF. As a result, there is a tendency for composites and groups with large banking or investment businesses to differ from the industry average based on the P/EV metric.

RETURN ON EMBEDDED VALUE

The ROEV represents the post-tax operating profit, expressed as a percentage of the opening EV. For clarity, this metric typically excludes any impact of changes in the economic environment. The key components of ROEV include the expected return earned on the opening EV, the value added by new business and variance in actual experience from expected experience. In markets like India, where this metric is widely reported, the metric is commonly used by analysts to compare a company's performance against its peers. Operating ROEV is calculated as the EV operating profit for the year expressed as a percentage of opening EV.

Figure 18 tabulates the ROEV disclosed by selected companies in Asia for 2023 and 2024.

FIGURE 18: ROEV FOR 2023 AND 2024

COMPANY TYPE	COMPANY	EV METHODOLOGY	ROEV (2023)	ROEV (2024)
MNC	AIA	TEV	12.9%	14.9%
	Prudential plc	EEV	10.0%	12.0%
China	Ping An	TEV	10.6%	11.0%
India	Bajaj Allianz Life	MCEV	14.5%	12.7%
	Aditya Birla Sun Life	MCEV	18.8%	19.2%
	HDFC Life	IEV	17.5%	16.7%
	ICICI Prudential Life	IEV	14.1%	13.1%
	Axis Max Life	MCEV	20.2%	19.1%
	SBI Life	IEV	21.8%	20.2%

IFRS 17

The preparation of accounts on an IFRS basis gives rise to a different interpretation and timing of profit and loss (P&L) compared with an EV basis. Reconciliation of these different measures helps to reveal different features of insurers' underlying performance.

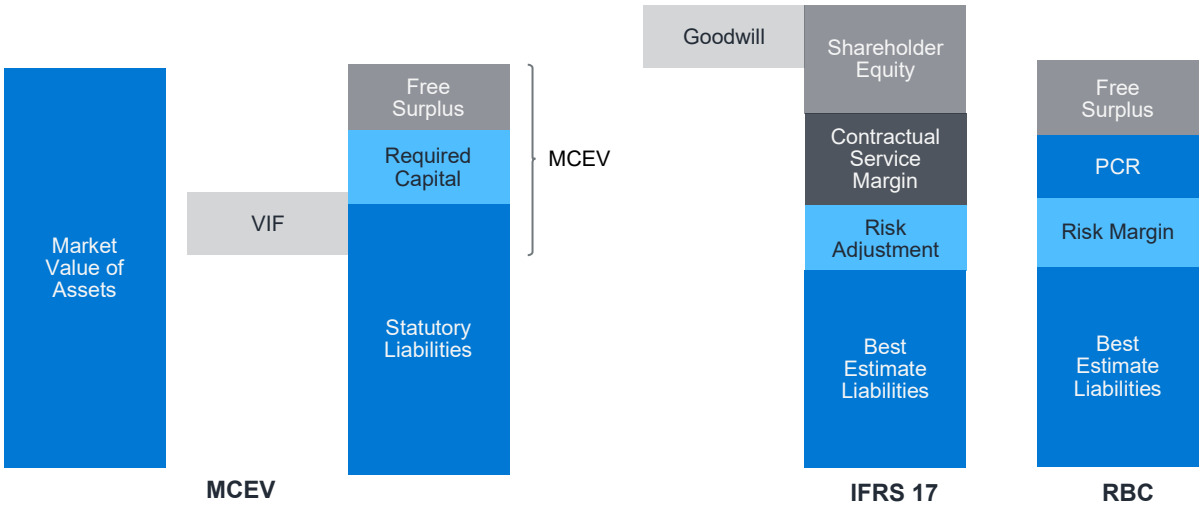
Globally, IFRS 17 became effective on 1 January 2023. For some Asian markets, such as China, Japan, South Korea, Hong Kong, Singapore and Malaysia, the standard also became effective from the same date, while the application in many other markets has been deferred. Thailand has implemented IFRS 17 effective 1 January 2025. The standard is directed at insurance contracts rather than insurance entities and aims for consistent accounting for all insurance contracts and increased transparency in financial information reported by insurance companies.

In summary, the IFRS 17 standard requires an assessment of the profitability of insurance contracts when they are first issued and, if positive, recognition of profit over the lifetime of the contracts in a manner that reflects the timing of the insurance services provided by the insurer. Specifically, the main features of the new accounting model for insurance contracts include:

- A market-consistent valuation of future expected cash flows, incorporating an explicit risk adjustment. Assumptions used in the projection need to be the current best estimate, and the discount rate should be set to ensure that the net finance results reflect changes in economic conditions. The discount rates can be derived using two different approaches, referred to as 'top-down' or 'bottom-up'.
- A contractual service margin (CSM), which represents the unearned profits of the insurance contract to be recognised in profit as service, is provided over the coverage period (any loss is recognised immediately). The CSM is calculated at the inception of the contract and then released over the coverage period of the contract in a systematic way that best reflects the transfer of services provided under the contract. The CSM cannot be negative, so losses from unprofitable contracts are immediately booked in the P&L statements.
- Companies are required to identify contracts that are onerous (loss-making) at inception and group them separately from non-onerous contracts. Companies are also required to group contracts written one year apart, although exemptions exist in some jurisdictions and due to mutualisation effects across insurance contracts.
- Compared to the previous IFRS 4 framework (called Phase 1, implemented in 2014), the presentation of results in the income statement and balance sheet has changed significantly. In particular, the key drivers of profit are shown in the P&L with the presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period.

A comparison of an IFRS 17 balance sheet with MCEV and risk-based capital (RBC) regimes is illustrated in Figure 19.

FIGURE 19: MCEV VS. IFRS 17 VS. RBC



Despite recent developments in financial reporting, including the implementation of RBC regimes across Asia and the introduction of IFRS 17, EV remains an important metric to showcase insurers' financial performance in terms of value creation and free cash flow generation and is ultimately key to showcasing the impact of business strategy to investors, analysts and customers.

However, over time, insurers are expected to be increasingly focused on IFRS 17 and RBC-related metrics, and as a result, it remains uncertain whether EV will continue to be seen as a useful metric.

Appendix A: Recent and upcoming regulatory changes

Figure 20 provides a summary of some of the major recent or upcoming regulatory changes in the region.

FIGURE 20: SUMMARY OF RECENT AND UPCOMING MAJOR REGULATIONS BY JURISDICTION

JURISDICTION	REGULATION	DESCRIPTION
China	**Risk-based asset classification**	The National Financial Regulatory Administration (NFRA) has issued interim measures relating to the risk classification of assets. These cover nearly all investment assets with limited exceptions. Stricter standards have been introduced for fixed-income assets with classification criteria being aligned to those used by commercial banks, including revised thresholds for overdue payments and impairment provisions. For equity and real estate assets the earlier five risk levels have been streamlined to three (normal, secondary and loss) with clearer and more measurable criteria for assessing risk. Furthermore, governance standards have been strengthened with a formal three-step classification process (initial assessment, review, approval) being introduced, with defined responsibilities for boards, management and functional departments. Risk classification must now be part of both internal and external audits, with accountability placed on auditing firms.
	Utilization of insurance funds	The NFRA has released guidelines titled 'Application of Internal Control over the Use of Insurance Funds (Nos. 4-6)'. These guidelines are aimed at unlisted equity, real estate and other non-standardised financial products. Detailed requirements are now provided for every stage of the investment lifecycle—project screening, due diligence, approvals, contract negotiation and signing, execution and post-investment management. The guidelines also strengthen the role of the investment decision-making committee.
Hong Kong	**Illustration rate capping for participating products**	The Insurance Authority (IA) has introduced a new regulatory requirement regarding benefit illustrations for participating products excluding Qualifying Deferred Annuity Policies and universal life policies, effective from 1 July 2025. The requirement sets a cap on the rate of return illustrated to customers (IRR), at **6.0%** for policies denominated in Hong Kong Dollars (HKD) and **6.5%** for policies denominated in other currencies. The cap is applicable at the point of sale, and re-illustrations meant for in-force policies are not subject to this requirement. The IA will review the caps based on factors like economic outlook and market practices, though no specific timeline for reviews is provided. This development would directly impact policyholders' reasonable expectations—one of the guiding principles behind the level of profit sharing in participating products.
	Management of participating funds under HKRBC	Pursuant to the Amendment Ordinance 2023 heralding the start of Hong Kong Risk-based Capital Regime (HKRBC), the IA introduced a guideline titled 'Establishment and Maintenance of Fund(s) in Respect of Participating Business (GL34)', which came into effect from July 2024. This guideline lays out broad principles related to - ▪ Segregation of the participating fund from other long-term business written (exempt if value of total gross liabilities under all par funds falls short of HKD 1 billion as at effective date), ▪ Minimum asset requirement at a participating fund level post segregation, ▪ Justifiable level of allocation of expenses and charges to the participating fund, ▪ Submission of an independent report to the Authority, that covers areas such as the identification of assets and liabilities, sufficiency of the opening balance of assets attributable to each par fund, and expense, charge and surplus allocation.
	Regulatory framework for indexed universal life products	On 13 March 2025, the IA and the Hong Kong Monetary Authority (HKMA) issued a joint circular related to: ▪ Clarification of the regulatory framework for indexed universal life (IUL) products. IUL products are classified as Class C (linked long term) business under the Insurance Ordinance Cap. 41. Most of the regulations applicable to Class C products will continue to apply to IUL products. Since IUL products have features of universal life insurance products, certain provisions of Guideline on Underwriting Long Term Insurance Business (Other Than Class C Business) (GL16) apply, even though this guideline does not generally apply to Class C products. ▪ Some relaxation where IUL products are sold to professional investors (which are defined under the Securities and Futures Ordinance Cap. 571 ['SFO']), such as exemption of carrying out a financial needs analysis and a risk profile questionnaire.

<table>
<tr><th>JURISDICTION</th><th>REGULATION</th><th>DESCRIPTION</th></tr>
<tr><td></td><td></td><td>The IA also issued an annexure to the circular setting out the specific requirements for IUL products, such as:
Fair treatment of customers;
Minimum death benefit requirement for Class C products does not apply to IUL products;
Provision of adequate and clear information;
How performance of underlying indices is determined;
Remuneration structure,
Post-sale controls</td></tr>
<tr><td></td><td>Re-domiciliation regime for non-Hong Kong incorporated companies</td><td>On 20 December 2024, the Hong Kong government gazetted the Companies (Amendment) (No.2) Bill 2024 which introduces Hong Kong's inward re-domiciliation regime. The proposed regime was introduced to the Legislative Council on 8 January 2025 and enacted on 23 May 2025. This enables non-Hong Kong incorporated companies to re-domicile to Hong Kong. Under the newly elected regime, the Insurance Ordinance has been amended to the effect that a re-domiciled authorised insurer which has fulfilled its obligations of deregistration from its original domicile will be treated as if it were incorporated in Hong Kong and regulated as such, upon obtaining non-objection from the IA.</td></tr>
<tr><td></td><td>Extension of Pilot Insurance-linked Securities Grant Scheme</td><td>The Hong Kong government is budgeting for a further three-year extension to its Pilot Insurance-linked Securities Grant Scheme, which was launched in May 2021, as the government aims to continue developing its still nascent catastrophe bond and insurance-linked securities market.</td></tr>
<tr><td>India</td><td>Exposure to derivatives in G-secs and common stock</td><td>The Insurance Regulatory and Development Authority of India (IRDAI) issued a circular in March 2025, which permitted insurers to invest in the forward market for Indian government securities for hedging purposes. While proceeds from investment-linked lines of business are not permitted to be utilised for this practice, the IRDAI allows such investment for other funds. It requires insurers to take only long positions in such forward contracts.

The IRDAI has also issued guidelines on the use of equity derivatives for hedging purposes. It has allowed insurers to take exposure only in futures and options of stocks and indices, thus barring investments in any non-standardised (OTC) derivatives. Additionally, it has prescribed limits on total value of derivative positions held, the methodology for evaluating the ‘effectiveness’ of the hedge vis-à-vis the cash position and the conditions for unwinding the hedge position.

All transactions in bond forwards and equity derivatives, their values, as well as the resultant profit/loss booked, are to be reported to the regulator on a quarterly basis.</td></tr>
<tr><td></td><td>Foreign investment limits</td><td>The Ministry of Finance has put forth a proposal to increase the limit of FDI allowed in Indian insurance companies, from the existing 74% to 100%.</td></tr>
<tr><td></td><td>IFRS proforma financial statements</td><td>Following the notification of Ind-AS 117 (the Indian equivalent of IFRS 17) by the Ministry of Corporate Affairs as of 1 April 2024, the IRDAI has requested insurers to prepare IFRS proforma financial statements for the years ending 31 March 2024 and 31 March 2025 according to the following timetable, with insurers being placed in different phases.

<table><tr><th>Phases</th><th>Deadline for proforma financial statements for year ending 31 March 2024</th><th>Deadline for proforma financial statements for year ending 31 March 2025</th></tr><tr><td>Phase 1</td><td>30 June 2025</td><td>31 December 2025</td></tr><tr><td>Phase 2</td><td>30 September 2025</td><td>28 February 2026</td></tr><tr><td>Phase 3</td><td>31 December 2025</td><td>30 June 2026</td></tr></table>
The proforma financial statements are to be submitted to IRDAI following a limited review or audit by an independent actuary and an independent chartered accountant. This is designed to facilitate the adoption of IFRS by insurance companies in India.</td></tr>
</table>

JURISDICTION	REGULATION	DESCRIPTION
Indonesia	**Format of reporting requirements**	The Financial Services Authority (OJK) issued a regulation, pertaining to periodic reporting requirements for insurers and reinsurers, accompanied by a circular letter detailing the format and structure of said reports. Both the regulation and the circular letter became effective from January 2025. These regulations aim to enhance transparency, efficiency and accountability, as well as strengthen industry oversight by standardising reporting formats, ensuring consistency and facilitating easier analysis. Additionally, the circular letter specifies the following – ▪ Guidelines for determining actuarial assumptions for IFRS17 reporting, covering aspects such as definitions of discount rates, risk adjustments, fulfilment cash flows, levels of aggregation, attributable costs and coverage units. ▪ Revisions to key aspects for the calculation of technical reserves and minimum risk-based capital requirements. – For technical reserves, best-estimate discount rate assumptions used in calculating the premium reserves, should be based on the yield on government-issued securities at the reporting period. – Meanwhile, for minimum RBC requirements backing liquidity risk, all admissible assets, including tradable securities measured at market value (such as bonds, Syariah-compliant debt securities or medium-term notes), are now classified based on their remaining tenor.
Japan	**Economic value-based solvency regulations**	Life insurance companies in Japan are preparing for the plans by the Financial Services Agency (FSA) of Japan to shift from the current SM regulations to an economic-value-based SM regime from the end of FY2025.
Malaysia	**Product transparency-related disclosures**	Bank Negara Malaysia (BNM) has set out updated requirements aimed at enhancing the transparency and disclosure for insurance and Takaful products offered by financial service providers (FSPs). The aim of these requirements is to ensure policy owners and consumers receive clear, accurate, and timely information to make informed decisions, prevent mis-selling, and ensure product suitability. It outlines FSPs' responsibilities for consistent and accessible product information, with a focus on the role of senior management and the board in overseeing these practices. The updated requirements shall come into effect on a staggered basis—majority of the requirements have been in effect since December 2024, with a few requirements pertaining to digital disclosures which will take effect no later than 1 July 2026.
	Climate risk management	BNM has issued an updated policy document entitled 'Climate Risk Management and Scenario Analysis', pursuant to the document it released in 2024 relating to a climate risk stress-testing exercise. This policy document sets out principles for financial institutions to integrate climate-related risks into their internal control framework. It also directs insurers and takaful operators to employ scenario analysis techniques to test the resilience of companies' business strategies to climate change based-risks. The update incorporates additional requirements around disclosures, to be in line with baseline sustainability disclosure standards notified by the Securities Commission of Malaysia.
	RBC framework	BNM set out updated requirements for maintenance of capital adequacy, known as RBC2, in an exposure draft dated 28 June 2024. The main proposed changes relate to: ▪ A reduction in the minimum supervisory solvency intervention to 100% of the Total Capital Required (TCR), compared to the existing level of 130%; ▪ The introduction of several new capital risk charges (such as capital charges on medical payment risk, catastrophe risk, concentration risk and non-default spread risk); ▪ Revisions to existing capital risk charges; ▪ The introduction of diversification benefits between different capital charges and between different risk types Insurers were required to conduct a Quantitative Impact Study ("QIS2") to assess the impact of the new proposed framework on solvency position, which was submitted to the regulator by 31 December 2024. BNM intends to implement the new RBC2 framework from 1 January 2027, with potential parallel reporting commencing as early as the reporting period beginning 1 January 2026.
	Digital Insurers and Takaful Operators (DITOs)	BNM has released a policy document setting out the final licensing and regulatory framework for DITOs, pursuant to an exposure draft which was released in 2022. The document specifies a period ranging between three to seven years, as the foundational phase, during which DITOs are required to demonstrate viability and operational soundness, under the monitoring of BNM. The document also prescribes the level of minimum paid-up capital to be maintained, regulatory compliance requirements and a detailed exit plan from the foundational phase. The framework has been in effect from 2 January 2025

JURISDICTION	REGULATION	DESCRIPTION
	Interim measures on medical and health insurance/Takaful (MHIT) products	In December 2024, BNM issued interim measures on MHIT business to assist policyholders who may be experiencing premium revisions of their MHIT products. The interim measures are aimed at providing temporary support and alleviating the immediate financial impact to policyholders, in light of the persistent high medical inflation environment which has necessitated the repricing of MHIT plans. The interim measures are as follows: ▪ For any repricing performed up to the end of 2026, insurance companies and Takaful operators (ITOs) must spread out any increase in premiums over a minimum period of three years, such that at least 80% of policyholders are expected to experience yearly premium adjustments due to medical claims inflation of less than 10%. ▪ For policyholders aged 60 and above who are covered under the minimum plan within the MHIT product that they purchased, ITOs shall temporarily pause premium adjustments due to medical claims inflation for one year from their policy anniversary. ▪ Policyholders who have surrendered or whose MHIT policies have lapsed in 2024 due to the repricing can reach out to their ITOs to request a reinstatement of their policies based on the adjusted premium under this measure without additional underwriting requirements. ▪ All ITOs must provide appropriate alternative MHIT products at the same or for lower premiums for policyholders who do not wish to continue their existing MHIT plans that have been repriced. ITOs that do not currently offer appropriate alternative products must make these products available to policyholders by the end of 2025. Switching to the alternative MHIT products shall not require any additional underwriting or involve any switching cost.
Singapore	**Recovery and resolution planning**	The Monetary Authority of Singapore (MAS) issued guidelines to be read in conjunction with Notice 134 on recovery and resolution planning (RRP) for insurers, which will primarily apply to Domestic Systemically Important Insurers (DSIIs). The guideline has provided guidance on recovery planning, which includes a framework of recovery triggers, recovery options and communications plans, while for resolution planning, notified insurers are expected to inform MAS of a material change to its business or structure immediately. Additionally, the notice also directs insurers to maintain management information systems which are capable of producing information necessary for recovery and resolution planning, resolvability assessment and the conduct of resolution. Furthermore, insurers shall place adequate measures to maintain the functioning of outsourcing and third-party contracts which support critical operations, during the recovery and resolution process. These guidelines have been in effect from January 2025.
	Investment activities of insurance subsidiaries	MAS has issued an amendment to the notice pertaining to investment activities of insurance subsidiaries. This amendment in effect requires the investment policies of a financial holding company's group entity to establish asset allocation limits by asset type and credit rating and develop a counterparty risk appetite statement where deemed necessary. The original notice outlines the guidelines and principles for overseeing investment activities within a designated financial holding company (DFHC) that owns a stake in a licensed insurer subsidiary.
	RBC framework	In October 2024, MAS released a consultation paper proposing refinements to the risk-based capital framework (RBC2). The proposals included removing the flat 50% risk charge on the entire market value of structured products and requiring insurers to adopt a 'look-through' approach to assess underlying risks more accurately. Additionally, certain structured products, such as re-securitised and unrated assets, are to be classified as non-standard instruments, which would require a 100% risk charge. Furthermore, the MAS have also suggested adopting the following loadings on market-related risk requirements (excluding interest rate mismatch and foreign currency mismatch risk requirements) for different types of securitised assets (e.g. a 50% loading for rated debt-based assets, 300% for investment grade assets and 500% for non-investment grade assets). The MAS also released a consultation paper seeking to introduce a counter-cyclical adjustment to the equity investment risk component under RBC2. Based on historical returns of specific equity indices, the paper defines the equity stress factors to be applied under a regular investment environment versus a 'stressed' equity market. The MAS is also reviewing how the RBC2 framework can be refined to facilitate long-term infrastructure investments. This includes proposals on the definition of infrastructure investments, the qualifying criteria and the proposed capital treatment of such investments.

JURISDICTION	REGULATION	DESCRIPTION
South Korea	**Capital adequacy threshold**	The Financial Supervisory Service (FSS) announced in March 2025 that the capital adequacy benchmark shall be lowered from the prevailing 150% by approximately 15 percentage points. Additionally, a new core capital ratio requirement will also be introduced, which would require insurers to maintain a minimum level of core capital (inclusive of paid-in capital and retained earnings). These changes are expected to bring higher transparency for users of financial statements about the insurer's capital position.
Taiwan	**Taiwan Insurance Capital Standard (TW-ICS) and IFRS 17**	Taiwan Insurance Capital Standard (TW-ICS) and IFRS 17 will both come into effect on 1 January 2026. The Financial Supervisory Commission (FSC) has been supporting the insurance sector to ensure a smooth transition to the new solvency framework over a 15-year transition period by reducing the capital charges on several asset categories and including adjustments and transitional measures for several risk categories. The Insurance Bureau (IB) has announced in four rounds various localisation adjustments and transitional measures for TW-ICS up to the end of 2024. The measures include several reductions in risk factors (e.g. equity risk factor for local equity, mortality/longevity risk, morbidity risk, and lapse risk), gradual recognition of several risk categories (e.g. interest rate risk, non-default spread risk and all the newly introduced risks relative to the existing RBC regime such as lapse and expense), additional illiquidity premium for high guaranteed rate policies, allowing part of callable bonds to be included in eligible assets under illiquidity premium calculation, and also a net asset transitional measure for specific blocks of businesses.
Thailand	**Foreign shareholding and board requirements**	The Thailand Ministry of Finance released a notification pertaining to easing of rules around foreign shareholding limits in Thailand-based life insurance companies. Insurers are permitted to apply for a relaxation in the current 49% foreign stake threshold or the limit on the number of foreign directors, if they satisfy all the following criteria: (i) It is deemed that current activities of the insurer are detrimental to the insured or to the public interest, and at the same time, the Office of Insurance Commission (OIC) prompts the insurer to improve its capital adequacy ratio (CAR). (ii) The existing shareholders are unable to provide additional capital (iii) The insurer cannot secure Thai investors to inject funds to ensure stable and sustainable operations over the long term. Eligible foreign shareholders must invest an amount that increases the company's capital by at least THB 2 billion and results in a CAR greater than or equal to 250%.
	Health insurance guidelines on copayment	The OIC has finalised a regulation with the aim to address rising medical fees in Thailand which have led to higher health insurance claims and overutilisation of benefits. Following regulations are applicable on new health insurance business issued from 1 January 2025 onwards: 1. Implementation of a copayment of 30% in renewal years: – Under the criteria of three or more claims per year on simple diseases and loss ratio > 200%. – Under the criteria of three or more claims per year on any diseases but major surgery and critical illness and loss ratio > 400%. – If both conditions meet, the copayment will become 50%. 2. Revision of Guidelines for Simple Diseases in Children (age 3–5) and (age 6 onwards). 3. Medical fees should not exceed the 90th percentile of standard medical fees.
	Revision of criteria for capital reduction	The OIC has issued a notification announcing new criteria for the approval of capital reductions for life insurance companies, aiming to reduce the time required, and streamline the procedures for getting OIC approval, for capital reductions. General approval will be granted by the OIC upon submission of an application to the registrar if the capital reduction is for: ▪ Removing registered shares that cannot be sold or that have not yet been issued for sale; or ▪ Reducing the share value or the number of shares to mitigate the accumulated loss The reduction must not affect the share ratio of the shareholders in the financial statement and must comply with relevant laws, regulations and accounting standards. After granting written approval, the registrar will notify the OIC to arrange for registration by the company.

Appendix B: Comparison of EV methodologies

Figure 21 summarises the main differences between TEV, EEV and MCEV for each component of EV.

FIGURE 21: COMPARISON OF TEV, EEV AND MCEV

ITEM	TEV	EEV	MCEV
PVFP	Projection of future profits using real-world investment return assumptions, discounted using subjective RDR.	Projection of future profits using real-world investment return assumptions, discounted using a curve based on risk-free rates, adjusted using a risk margin, which reflects any risks not allowed for elsewhere in the valuation. Some EEV reporting firms also opt to use a market-consistent approach, which entails using risk-free rates in the certainty equivalent approach.	Projection of future profits using market-consistent risk-neutral investment return assumptions, discounted using a curve based on risk-free rates. Discount rates can be adjusted to include an illiquidity premium.
TVOG	Not explicitly allowed for, although companies may argue that the cost is implicitly included through the use of a risk-adjusted discount rate.	Mandatory calculation using stochastic models for material guarantees. While both risk-neutral and real-world models are theoretically allowed, most insurers will use risk-neutral models for ease of calculation.	Consistent with PVFP methodology, a market-consistent risk-neutral calculation using stochastic models.
CoC	There is no standardisation of this, but CoC is included by virtually every insurer. Typical practice is to explicitly model the cost in the cash flow projections and present it as an adjustment to the EV figure.	Mandatory, calculated as the difference between required capital held at the valuation date and the present value of the projected releases of the required capital, allowing for future investment return on that capital. Disclosed as part of required capital.	Mandatory split into FCoC and CRNHR.
Discount rate	Subjective assumption, typically calculated as a risk-free rate plus a margin, or the portfolio investment return plus a margin. A single discount rate is typical; using a curve is rare.	Two possible approaches: 'Top-down', with one discount curve used for all cash flows based on risks faced by the entire organisation. 'Bottom-up' where each cash flow is discounted using a risk-free rate plus the risk margin, based on the exposed risks.	A bottom-up approach is mandatory, and the curve is typically on swap rates, with adjustments for illiquidity and the risk margin.
Expenses	No standardisation, but typically based on current or recent and expected ongoing experience. Where expense overruns exist, insurers will typically provide both pre- and post-overrun EV/VNB figures.	Future expenses such as renewal and maintenance expenses must reflect expected ongoing operating expenses, including investment in systems to support the business, and allowing for future inflation. Overheads and holding company expenses must be allocated in a manner consistent with current and historical practice. Expense overruns must be allowed for.	Similar to EEV principles, with additional guidance. Favourable changes in unit costs such as productivity gains should not normally be included, if they have not been achieved by the end of the reporting period. However, for start-up operations, allowing for improvements in unit costs in a defined period may be allowed, so long as there is sufficient evidence to justify it. Exceptional development and one-off costs that have an impact on shareholder value must be disclosed separately, with a description of their nature. Company pension scheme deficits must be allocated to the covered business expense assumptions in an appropriate manner.
Investment returns	Typical practice is to use a risk-free rate plus risk-premium approach for main asset classes, where the risk-premium assumptions differ by asset class.	Some insurers opt to use a risk-neutral approach, while others use a risk-free rate plus a risk-premium approach.	A risk-neutral approach is typically used, where assets are assumed to earn returns based on a risk-free curve. Where swap rates are not available or liquid enough, government bond rates are used as a proxy for the risk-free rate.

TEV VS. EEV VS. MCEV

The primary advantage that EEV and MCEV approaches have over TEV is the greater standardisation (and less subjectivity) of assumptions, methodologies and disclosures, leading to better comparability from an investor's viewpoint. For example, MCEV assumes that assets earn the risk-free rate of return. This approach avoids the use of actual risk-weighted yields or management's view of future market directions in EV calculations, as is the case with TEV (and some EEV) reporting.

Insurers reporting on EEV or MCEV bases will typically experience greater volatility in EV results, especially if a market-consistent basis is used. This can complicate reporting and investor disclosures and is one of the reasons often cited by industry insiders as to why most Asian companies have not yet moved from TEV to EEV or MCEV. Another key reason put forward is the increased capabilities required to fully implement EEV or MCEV reporting. For example, the implementation of proper TVOG calculations requires the use of stochastic models to value embedded policy options and guarantees. This inevitably means using specialised economic scenario generator (ESG) software. This will add to financial reporting lead times. In addition, it is difficult to calibrate the ESG for Asian capital markets, which are in general not as deep or liquid as those in the US or Europe. Given this, it is understandable that Asian insurers are not prioritising moving from TEV, which is itself already a useful metric for managing their businesses, so long as it is calculated robustly and consistently. However, in a region where long-term guarantees are so prevalent and yield curves can often be close to the level of guarantees offered, not explicitly allowing for TVOG is an obvious and significant flaw in companies' TEV financial reporting. Since IEV does not have a material difference from MCEV, we can state that conceptually IEV is similar to MCEV.

Appendix C: Market analysis

CHINA

FIGURE 22: REPORTED EV OF CHINESE INSURANCE OPERATIONS, 2020-2024

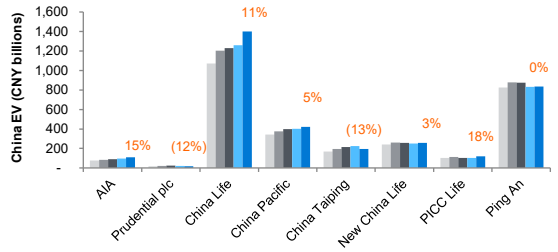


FIGURE 23: REPORTED ANW OF CHINESE INSURANCE OPERATIONS, 2020-2024

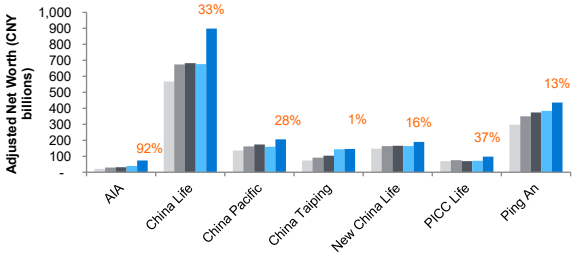


FIGURE 24: REPORTED VIF OF CHINESE INSURANCE OPERATIONS, 2020-2024

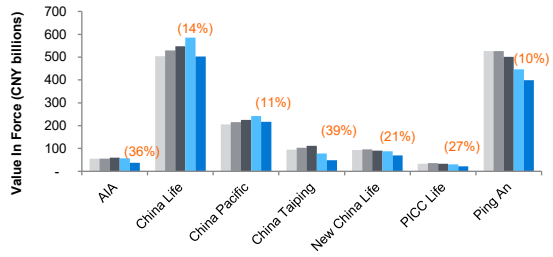


FIGURE 25: REPORTED VIF/ANW SPLIT OF CHINESE INSURANCE OPERATIONS, 2024

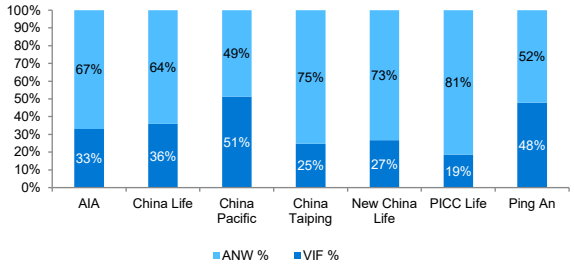


FIGURE 26: REPORTED VNB OF CHINESE INSURANCE OPERATIONS, 2020-2024

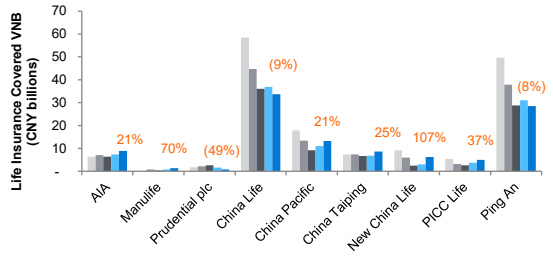


FIGURE 27: REPORTED APE[37] [38] OF CHINESE INSURANCE OPERATIONS, 2020-2024

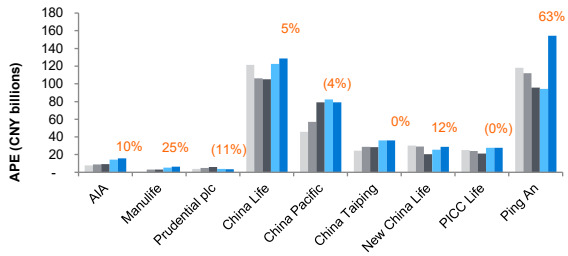
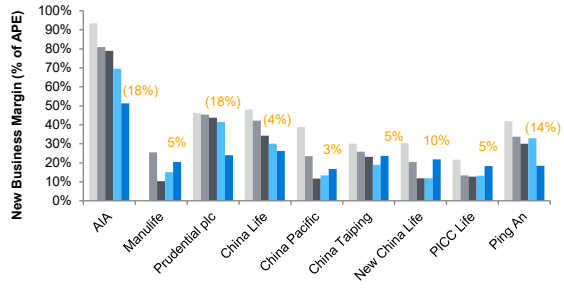


FIGURE 28: REPORTED NBM[39] OF CHINESE INSURANCE OPERATIONS, 2020-2024



[37] APE figures, where they are not disclosed explicitly by the company, are calculated by Milliman based on disclosed regular premium and single-premium new business figures and may not represent actual APE of the respective companies. Additionally for Ping An, APE has been calculated using disclosed VNB and NBMs on an APE basis.

[38] APE figures include short-term insurance premiums as life insurers write both short-term and long-term business for both life and health insurance.

[39] Note that the margins are calculated as the disclosed VNB divided by the calculated APE in Figure 28 and may not represent actual margin of the respective companies.

HONG KONG

FIGURE 29: REPORTED EV OF HONG KONG INSURANCE OPERATIONS, 2020-2024[40]

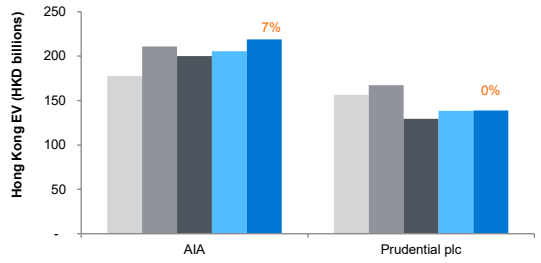


FIGURE 30: REPORTED ANW OF HONG KONG INSURANCE OPERATIONS, 2020-2024

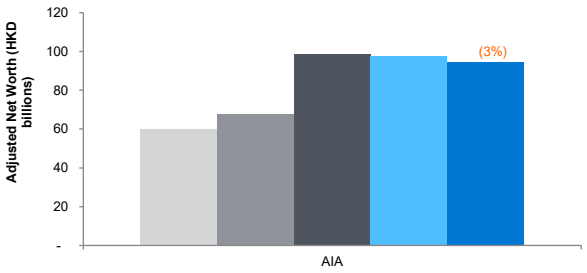


FIGURE 31: REPORTED VIF OF HONG KONG INSURANCE OPERATIONS, 2020-2024

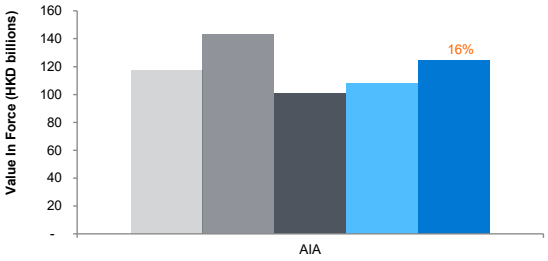


FIGURE 32: REPORTED VIF/ANW SPLIT OF HONG KONG INSURANCE OPERATIONS, 2024

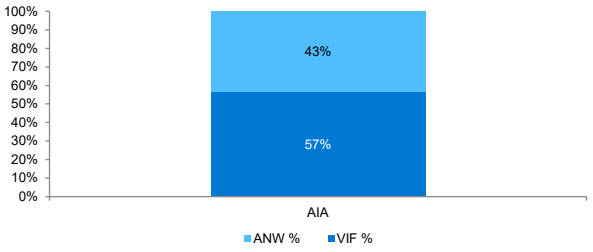


FIGURE 33: REPORTED VNB OF HONG KONG INSURANCE OPERATIONS, 2020-2024

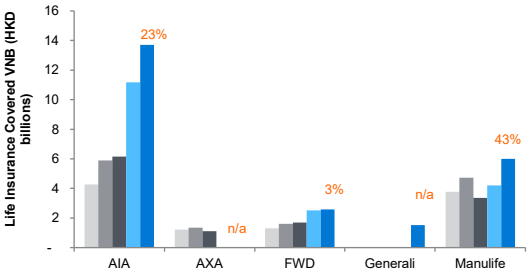


FIGURE 34: APE OF HONG KONG INSURANCE OPERATIONS, 2020-2024

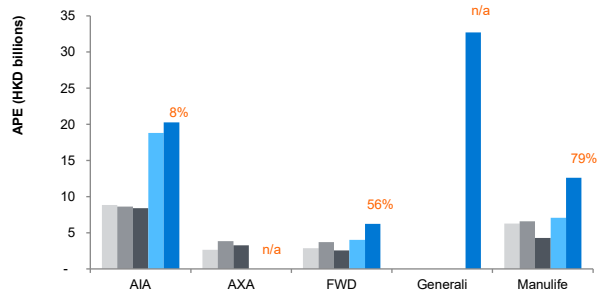
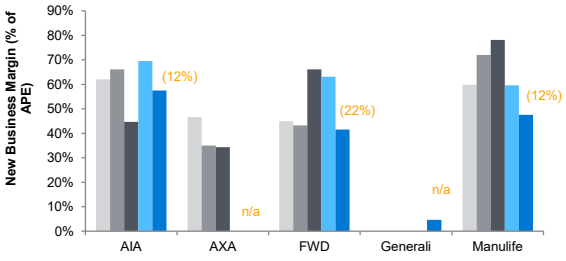


FIGURE 35: REPORTED NBM (% OF APE) OF HONG KONG INSURANCE OPERATIONS, 2020-2024



[40] The FX rates used for conversion to local currency (for all charts) are listed in Appendix H.

INDIA

FIGURE 36: REPORTED EV OF INDIAN INSURANCE OPERATIONS, 2020-2024[41] [42]

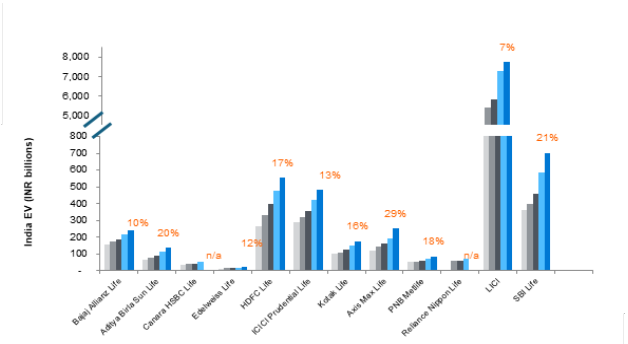


FIGURE 37: REPORTED ANW OF INDIAN INSURANCE OPERATIONS, 2020-2024[43]

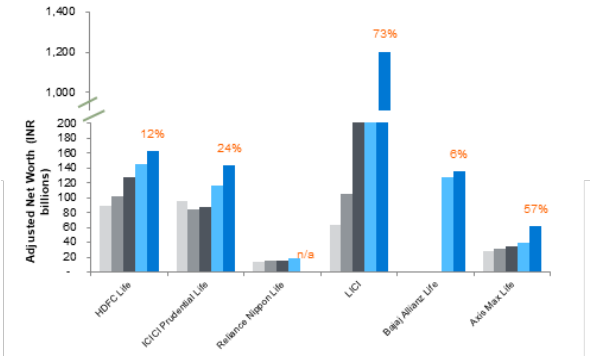


FIGURE 38: REPORTED VIF OF INDIAN INSURANCE OPERATIONS, 2020-2024

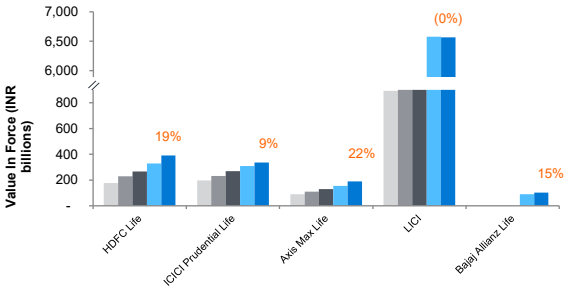


FIGURE 39: REPORTED VIF/ANW SPLIT OF INDIAN INSURANCE OPERATIONS, 2024

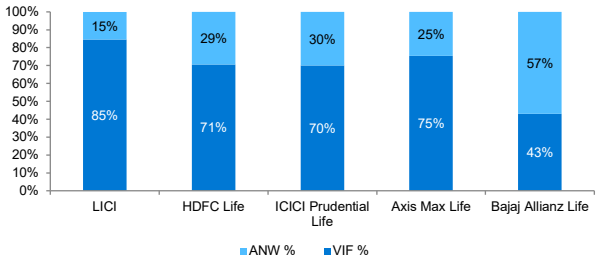


FIGURE 40: REPORTED VNB[44] OF INDIAN INSURANCE OPERATIONS, 2020-2024

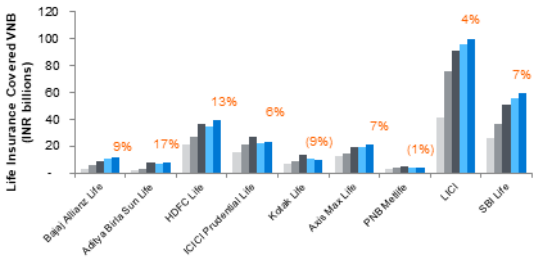
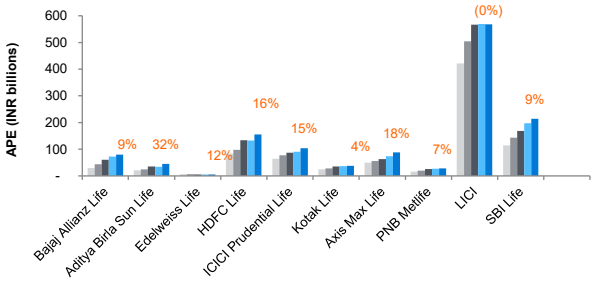


FIGURE 41: REPORTED APE[45] OF INDIAN INSURANCE OPERATIONS, 2020-2024



[41] For the purposes of this report, 2024 for India insurers represents the financial year ending 31 March 2025.

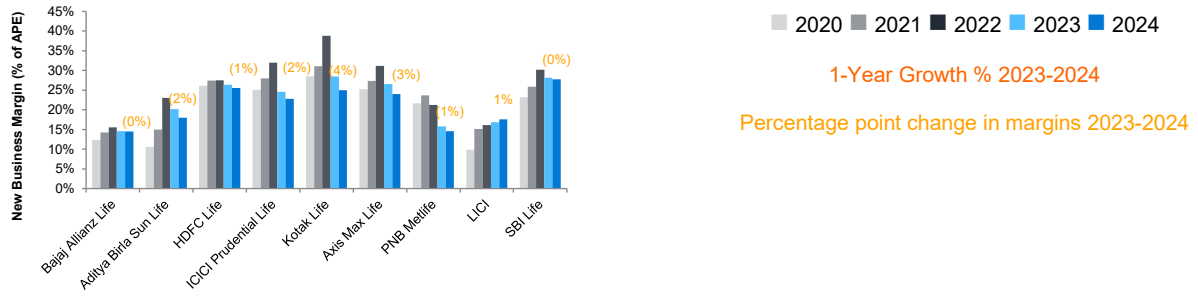
[42] Canara HSBC Life and Reliance Nippon Life have not disclosed their 2024 results before the cutoff date for this report, i.e., 15 June 2025.

[43] In Figures 37, 38 and 39, Aditya Birla Sun Life, SBI Life, Edelweiss Life, Canara HSBC Life insurance, PNB Metlife, Reliance Nippon Life and Kotak Life have been excluded, as their split of EV for 2024 has not been disclosed.

[44] For comparability, the VNB and NBM figures are after the impact of expense overruns.

[45] For Aditya Birla Sun Life and Kotak Life, APE has been calculated using disclosed VNB and NBMs on an APE basis.

FIGURE 42: REPORTED NBM OF INDIAN INSURANCE OPERATIONS, 2020-2024



INDONESIA

FIGURE 43: REPORTED EV OF INDONESIAN INSURANCE OPERATIONS, 2020-2024

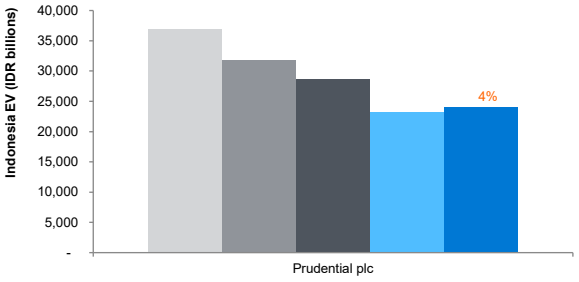


FIGURE 44: REPORTED VNB[46] OF INDONESIAN INSURANCE OPERATIONS, 2020-2024[47]

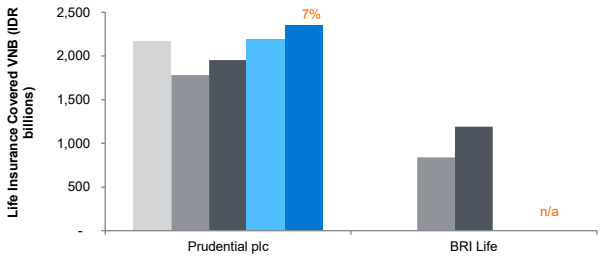


FIGURE 45: REPORTED APE[48] OF INDONESIAN INSURANCE OPERATIONS, 2020-2024

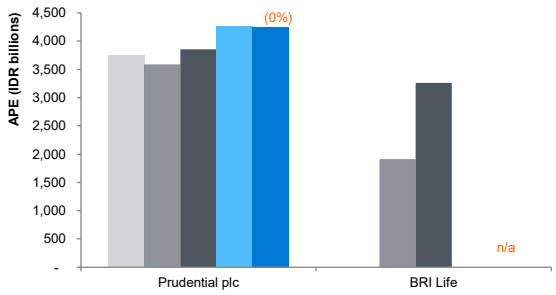
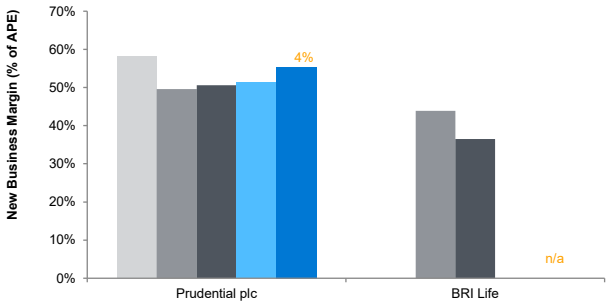


FIGURE 46: REPORTED NBM OF INDONESIAN INSURANCE OPERATIONS, 2020-2024



2020 2021 2022 2023 2024

1-Year Growth % 2023-2024

Percentage point change in margins 2023-2024

[46] VNB and APE throughout this section have been converted to local currency using the prevailing exchange rates applicable at each reporting date (2020, 2021, 2022, 2023 and 2024). These figures are different to the disclosed VNB/APE in local currency terms due to exchange rate differences, as VNB/APE presented in EV disclosures have been converted based on average exchange rates rather than the prevailing exchange rate applicable at the reporting date.

[47] The FX rates used for conversion to local currency (for all charts) are listed in Appendix H.

[48] Ibid.

JAPAN

FIGURE 47: REPORTED EV OF JAPANESE INSURANCE OPERATIONS, 2020-2024[49]

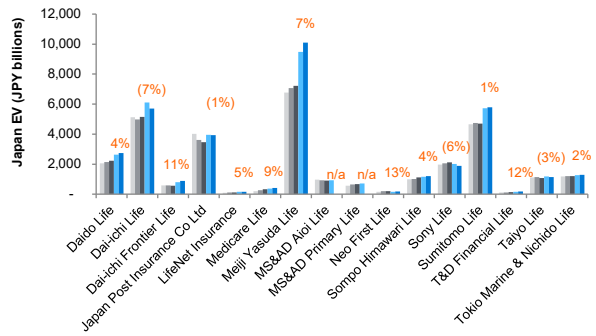


FIGURE 48: REPORTED ANW[50] OF JAPANESE INSURANCE OPERATIONS, 2020-2024

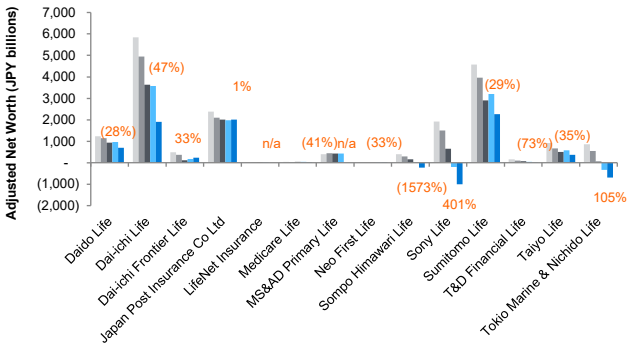


FIGURE 49: REPORTED VIF[51] OF JAPANESE INSURANCE OPERATIONS, 2020-2024

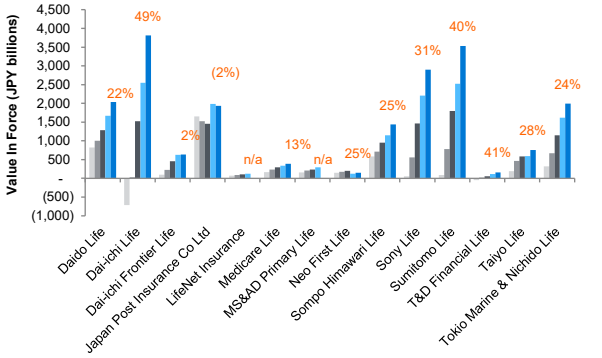


FIGURE 50: REPORTED VIF/ANW SPLIT OF JAPANESE INSURANCE OPERATIONS, 2024

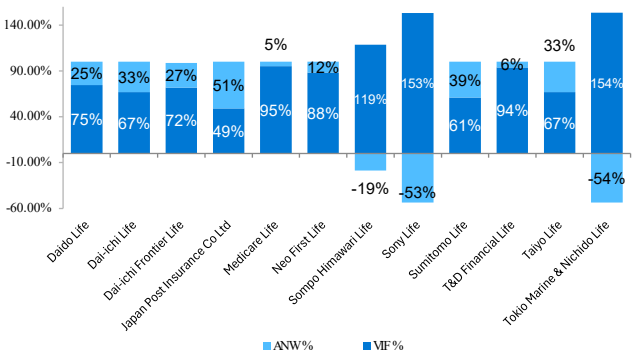


FIGURE 51: REPORTED VNB OF JAPANESE INSURANCE OPERATIONS, 2020-2024

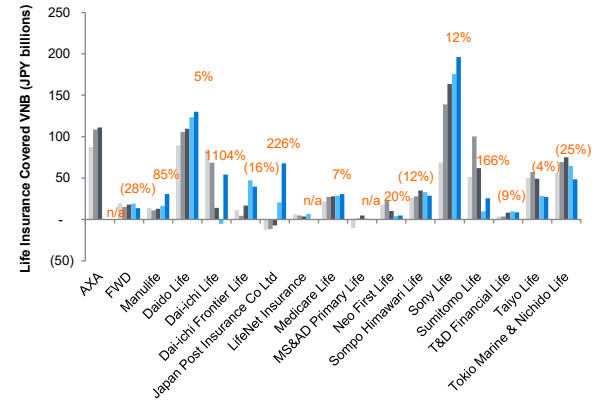
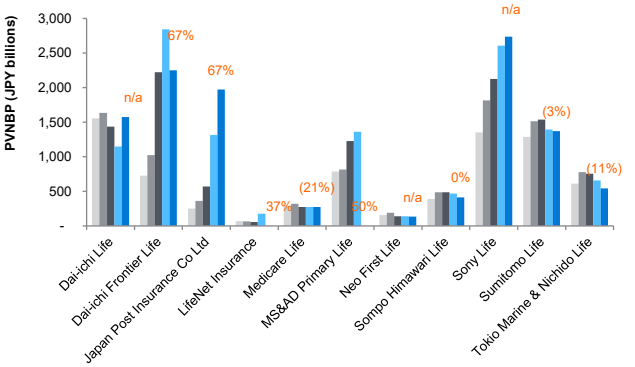


FIGURE 52: REPORTED PVNBP[52] OF JAPANESE INSURANCE OPERATIONS, 2020-2024



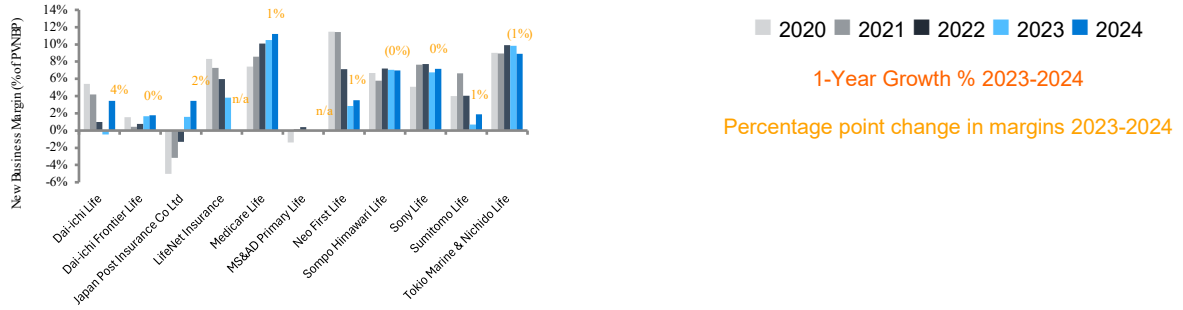
[49] Meiji Yasuda Life has replaced EEV with a new indicator Group Surplus, hence the number in the chart is group surplus for the company.

[50] In 2024, Japan Post Insurance Co Ltd have included unrealised gains on assets backing liabilities in VIF, instead of ANW.

[51] Ibid.

[52] AXA and Manulife have been excluded from this graph, as they do not disclose PVNBP numbers.

FIGURE 53: REPORTED NBM OF JAPANESE INSURANCE OPERATIONS, 2020-2024



MALAYSIA

FIGURE 54: REPORTED EV OF MALAYSIAN INSURANCE OPERATIONS, 2020-2024[53,54,55]

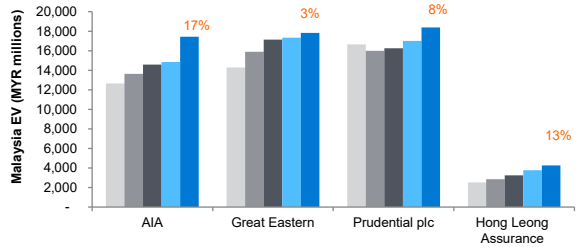


FIGURE 55: REPORTED ANW OF MALAYSIAN INSURANCE OPERATIONS, 2020-2024

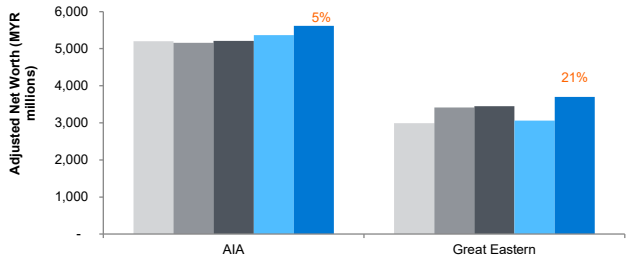


FIGURE 56: REPORTED VIF OF MALAYSIAN INSURANCE OPERATIONS, 2020-2024

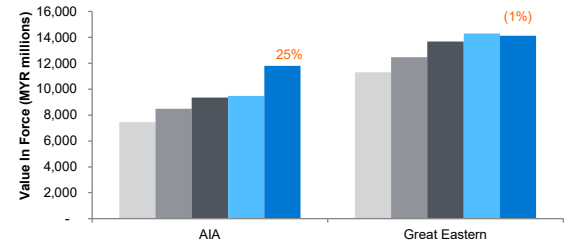


FIGURE 57: REPORTED VIF/ANW SPLIT OF MALAYSIAN INSURANCE OPERATIONS, 2024

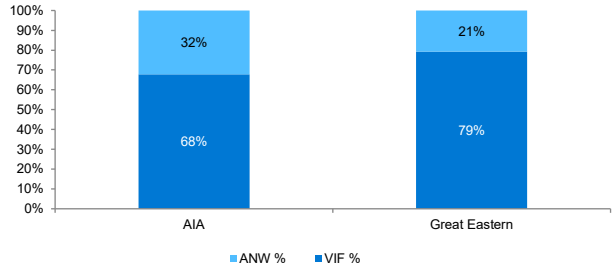


FIGURE 58: REPORTED VNB[56] OF MALAYSIAN INSURANCE OPERATIONS, 2020-2024[57]

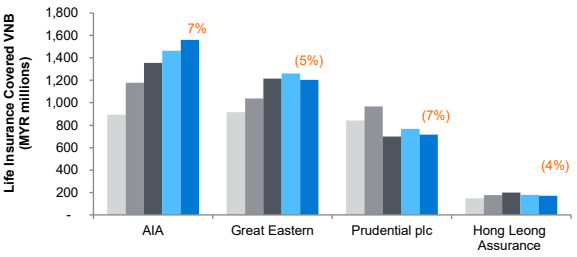


FIGURE 59: REPORTED APE[58] OF MALAYSIAN INSURANCE OPERATIONS, 2020-2024

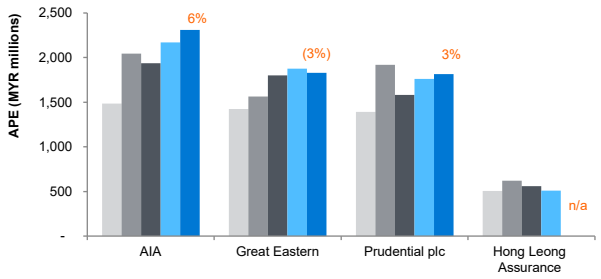
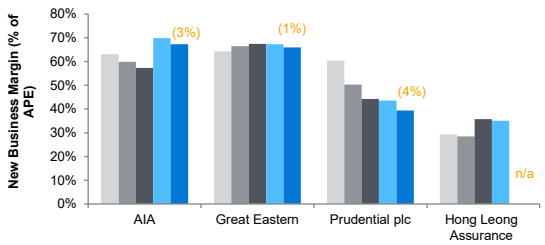


FIGURE 60: REPORTED NBM OF MALAYSIAN INSURANCE OPERATIONS, 2020-2024



[53] Great Eastern Malaysia's EV (ANW plus VIF) figure includes Great Eastern Takaful Berhad (GETB).

[54] The FX rates used for conversion to local currency (for all charts) are listed in Appendix H.

[55] FY2024 for Hong Leong Assurance (HLA) Malaysia represents the financial year ending 30 June 2024.

[56] AIA's VNB and APE figures exclude pension business. HLA has not disclosed APE.

[57] Great Eastern Malaysia's VNB figure includes GETB.

[58] The values have been determined based on APE reported in EV disclosure converted to local currency using the prevailing exchange rate applicable at each reporting date (2020, 2021, 2022, 2023 and 2024). These figures are different from the disclosed APE for AIA, Great Eastern Malaysia and Prudential Malaysia in local currency terms due to exchange rate differences, as APE presented in EV disclosures have been converted based on average exchange rates rather than the prevailing exchange rate applicable at the reporting date.

SINGAPORE

FIGURE 61: REPORTED EV OF SINGAPOREAN INSURANCE OPERATIONS, 2020-2024[59]

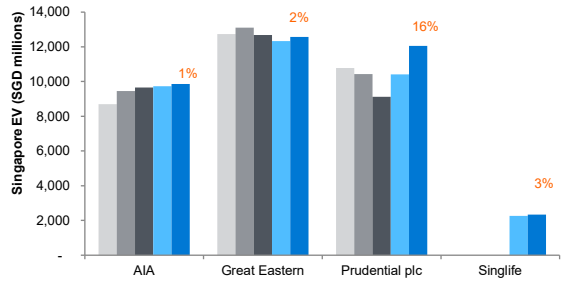


FIGURE 62: REPORTED ANW OF SINGAPOREAN INSURANCE OPERATIONS, 2020-2024[60]

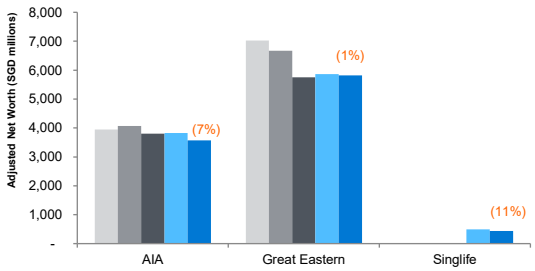


FIGURE 63: REPORTED VIF OF SINGAPOREAN INSURANCE OPERATIONS, 2020-2024

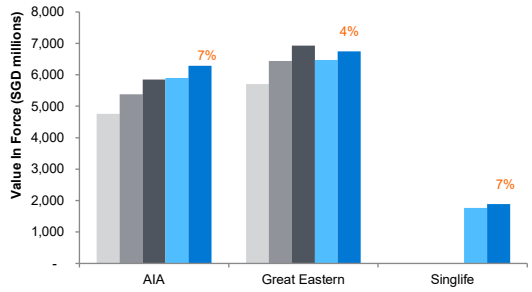


FIGURE 64: REPORTED VIF/ANW SPLIT OF SINGAPOREAN INSURANCE OPERATIONS, 2024

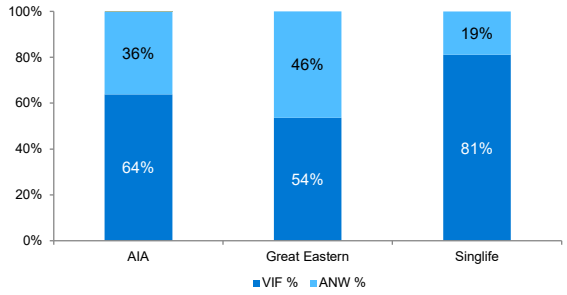


FIGURE 65: REPORTED VNB OF SINGAPOREAN INSURANCE OPERATIONS, 2020-2024

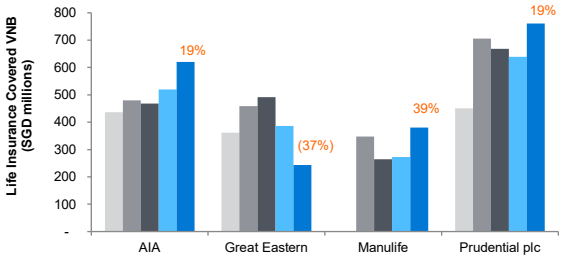


FIGURE 66: REPORTED APE[61] OF SINGAPOREAN INSURANCE OPERATIONS, 2020-2024

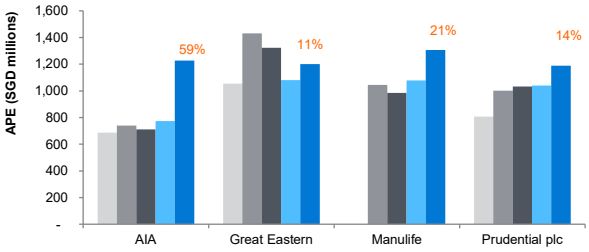
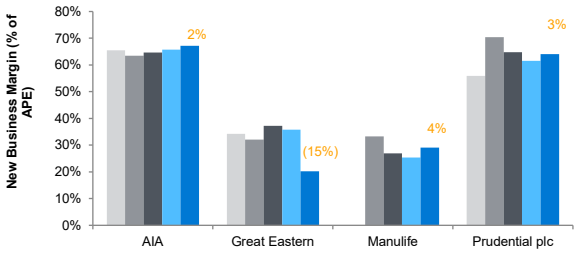


FIGURE 67: REPORTED NBM OF SINGAPOREAN INSURANCE OPERATIONS, 2020-2024



[59] Great Eastern Singapore's EV includes its businesses in Brunei, Hong Kong and Indonesia.

[60] Great Eastern Singapore's ANW includes its businesses in Brunei, Hong Kong and Indonesia.

[61] The values shown in Figure 66 have been determined based on APE reported in EV disclosure converted to local currency using the prevailing exchange rate applicable at each reporting date (2020, 2021, 2022, 2023 and 2024). These figures are different from the disclosed APE for Prudential and AIA Singapore in local currency terms due to exchange rate differences, as APE presented in EV disclosures have been converted based on average exchange rates rather than the prevailing exchange rate applicable at the reporting date.

TAIWAN

FIGURE 68: REPORTED EV[62] OF TAIWANESE INSURANCE OPERATIONS, 2020-2024[63]

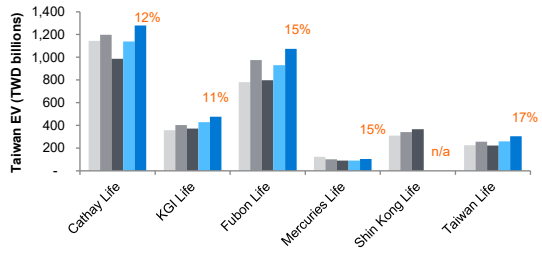


FIGURE 69: REPORTED ANW OF TAIWANESE INSURANCE OPERATIONS, 2020-2024

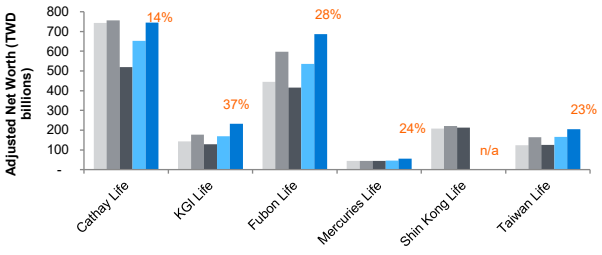


FIGURE 70: REPORTED VIF OF TAIWANESE INSURANCE OPERATIONS, 2020-2024

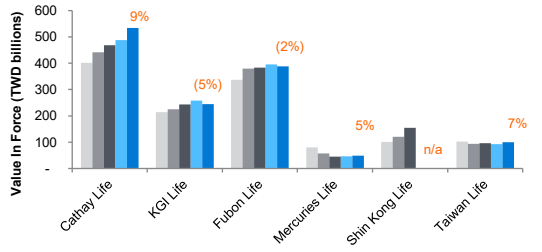


FIGURE 71: REPORTED VIF/ANW SPLIT OF TAIWANESE INSURANCE OPERATIONS, 2024

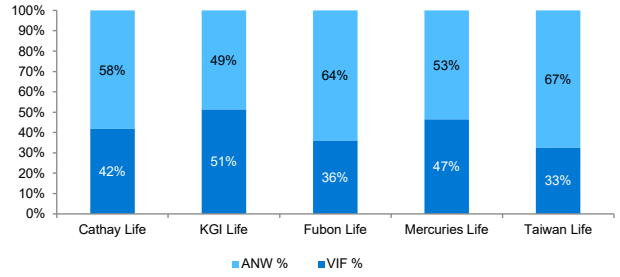


FIGURE 72: REPORTED VNB OF TAIWANESE INSURANCE OPERATIONS, 2020-2024[64]

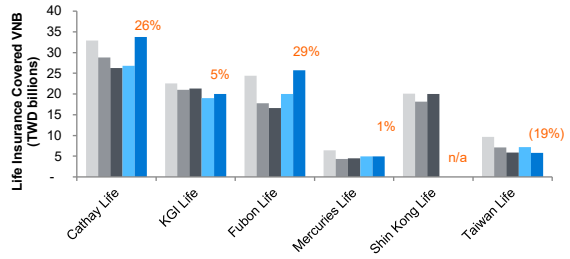


FIGURE 73: REPORTED APE[65] OF TAIWANESE INSURANCE OPERATIONS, 2020-2024

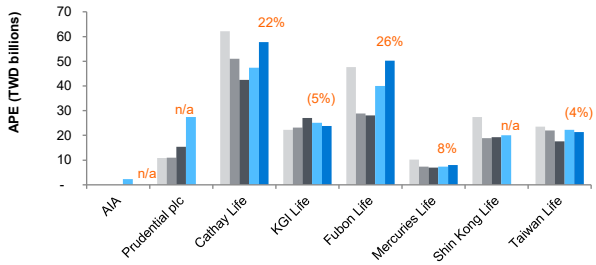
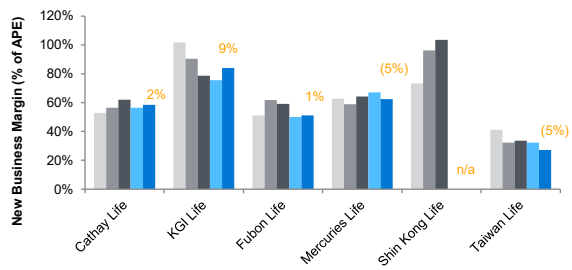


FIGURE 74: REPORTED NBM[66] OF TAIWANESE INSURANCE OPERATIONS, 2020-2024



[62] EV, VNB and APE throughout this section have been converted to local currency using the prevailing exchange rates applicable at each reporting date (2020, 2021, 2022, 2023 and 2024).

[63] The FX rates used for conversion to local currency (for all charts) are listed in Appendix H.

[64] Prudential plc has not disclosed VNB results for Taiwan for 2020, 2021, 2022, 2023 and 2024.

[65] For Cathay Life, KGI Life, Fubon Life, Shin Kong Life, Mercuries Life, and Taiwan Life, the figures disclosed are based on first-year premium equivalent (FYPE) instead of APE. FYPE = 10% single & flexible premium + 20% x 2-year premium payment term + … + 50% five-year premium payment term + 100% six-year or more premium payment term.

[66] For Cathay Life, Fubon Life, KGI Life, Mercuries Life and Taiwan Life, the NBM is calculated as VNB/FYPE.

THAILAND

FIGURE 75: REPORTED EV[67] OF THAILAND INSURANCE OPERATIONS, 2020-2024[68]

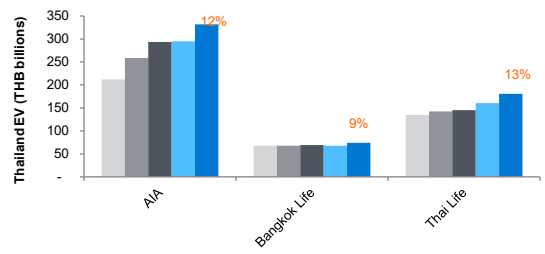


FIGURE 76: REPORTED ANW OF THAILAND INSURANCE OPERATIONS, 2020-2024

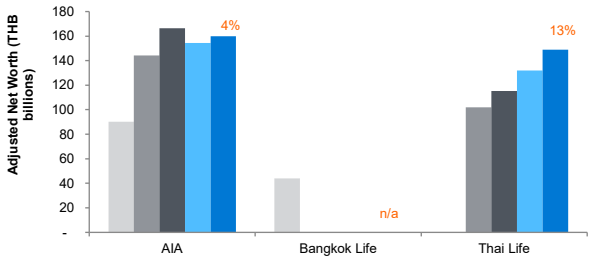


FIGURE 77: REPORTED VIF OF THAILAND INSURANCE OPERATIONS, 2020-2024

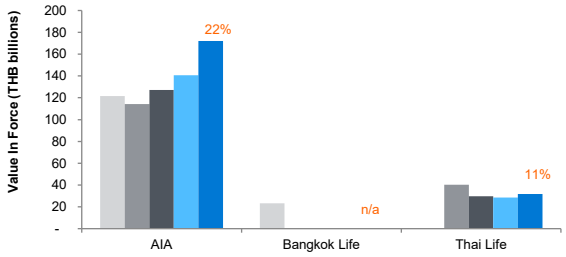


FIGURE 78: REPORTED VIF/ANW SPLIT OF THAILAND INSURANCE OPERATIONS, 2024

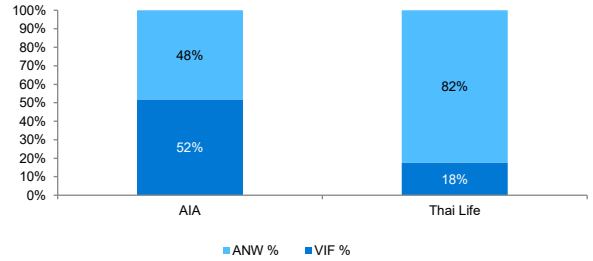


FIGURE 79: REPORTED VNB OF THAILAND INSURANCE OPERATIONS, 2020-2024

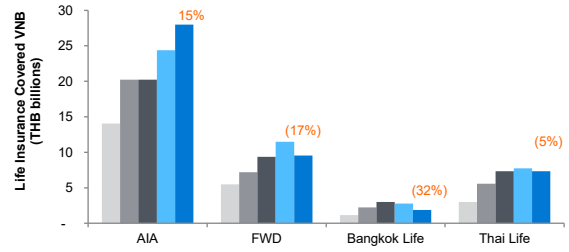


FIGURE 80: REPORTED APE OF THAILAND INSURANCE OPERATIONS, 2020-2024

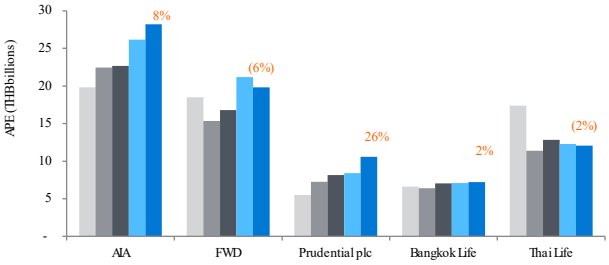
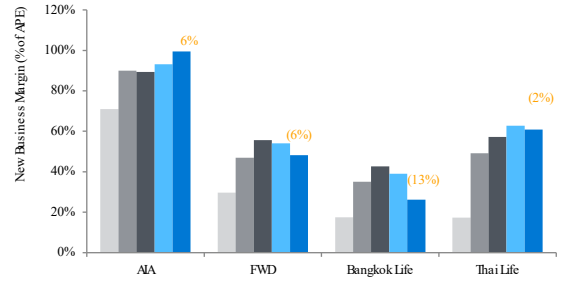


FIGURE 81: REPORTED NBM OF THAILAND INSURANCE OPERATIONS, 2020-2024



[67] EV, VNB and APE throughout this section have been converted to local currency using the prevailing exchange rates applicable at each reporting date (2020, 2021, 2022,2023 and 2024).

[68] The FX rates used for conversion to local currency (for all charts) are listed in Appendix H.

VIETNAM

FIGURE 82: REPORTED EV OF VIETNAM INSURANCE OPERATIONS, 2020-2024

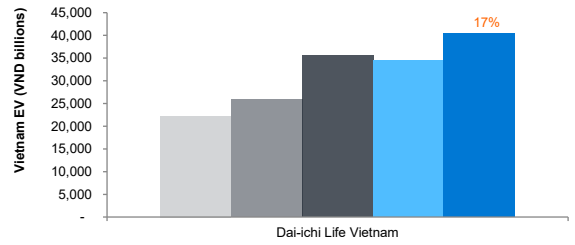


FIGURE 83: REPORTED ANW OF VIETNAM INSURANCE OPERATIONS, 2020-2024

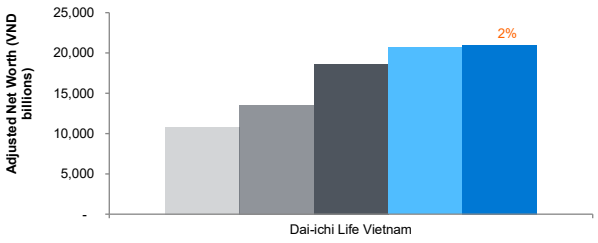


FIGURE 84: REPORTED VIF OF VIETNAM INSURANCE OPERATIONS, 2020-2024

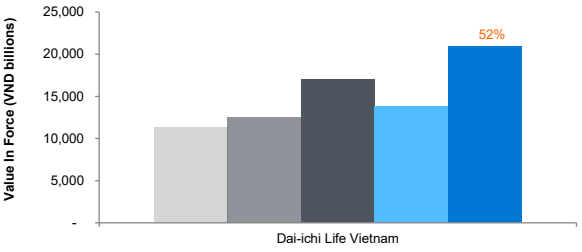


FIGURE 85: REPORTED VIF/ANW SPLIT OF VIETNAM INSURANCE OPERATIONS, 2024

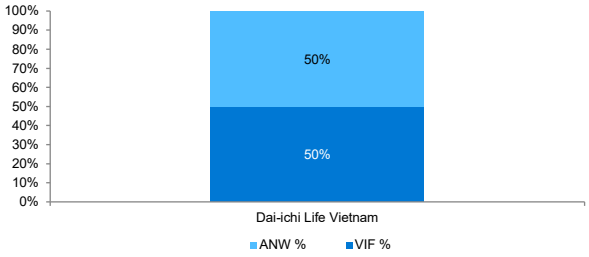


FIGURE 86: REPORTED VNB OF VIETNAM INSURANCE OPERATIONS, 2020-2024

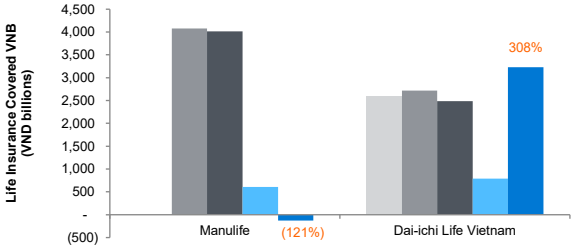


FIGURE 87: REPORTED APE[69] OF VIETNAM INSURANCE OPERATIONS, 2020-2024

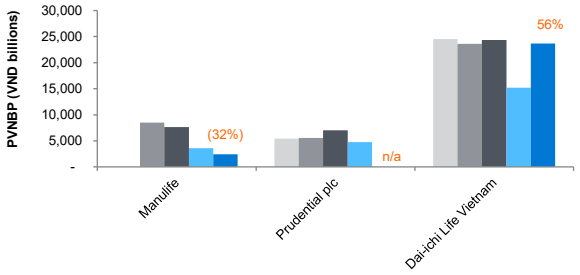
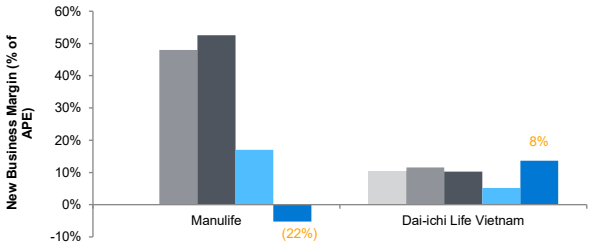


FIGURE 88: REPORTED NBM[70] OF VIETNAM INSURANCE OPERATIONS, 2020-2024



[69] Dai-ichi Life Vietnam discloses PVNBP rather than APE. APE has been calculated using disclosed VNB and NBM.

[70] Dai-ichi Life Vietnam discloses NBM on a PVNBP basis instead of an APE basis.

Appendix D: RDR and investment return assumptions

FIGURE 89: RDR AND INVESTMENT RETURN ASSUMPTIONS OF MNCS[71]

COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
AIA	TEV	China: 8.36% Hong Kong: 7.95% Indonesia: 12.08% South Korea: 8.55% Malaysia: 8.20% Philippines (Philam Life): 11.10% Singapore: 7.34% Sri Lanka: 14.70% Taiwan: 7.62% Thailand: 7.42% Vietnam: 9.86%	China: Equities 8.00%, 10Y Gov't Bonds 2.70% Hong Kong: Equities 8.00%, 10Y Gov't Bonds 3.50% Indonesia: Equities 11.00%, 10Y Gov't Bonds 7.50% South Korea: Equities 7.30%, 10Y Gov't Bonds 3.00% Malaysia: Equities 8.60%, 10Y Gov't Bonds 4.30% Philippines (Philam Life): Equities 9.80%, 10Y Gov't Bonds 6.00% Singapore: Equities 7.60%, 10Y Gov't Bonds 3.10% Sri Lanka: Equities 12.00%, 10Y Gov't Bonds 10.00% Taiwan: Equities 6.10%, 10Y Gov't Bonds 1.50% Thailand: Equities 7.80%, 10Y Gov't Bonds 3.40% Vietnam: Equities 9.60%, 10Y Gov't Bonds 4.00%
AXA	EEV	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.
FWD	TEV	Hong Kong: 8.20% Japan: 6.75% Indonesia: 13.00% Malaysia: 8.65% Philippines: 12.55% Singapore: 7.35% Thailand: 8.25% Vietnam: 10.65%	Hong Kong: Equities 8.00%, 10Y Gov't Bonds 3.50% (USD), 3.25% (HKD) Japan: 10Y Gov't Bonds 1.25% Indonesia: Equities 10.50%, 10Y Gov't Bonds 6.50% Malaysia: Equities 8.35%, 10Y Gov't Bonds 3.75% Philippines: Equities 10.55%, 10Y Gov't Bonds 5.75% Singapore: Equities 7.50%, 10Y Gov't Bonds 2.70% Thailand: Equities 8.00%, 10Y Gov't Bonds 3.20% Vietnam: Equities 9.30%, 10Y Gov't Bonds 4.00%
GENERALI	MCEV	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.
GREAT EASTERN	TEV	Singapore: 6.75% Malaysia: 8.25% Indonesia: 12.50%	Not disclosed
MANULIFE	TEV	Not Disclosed	Not disclosed
PRUDENTIAL PLC	EEV	China: 6.20% (NB), 6.20% (IF) Hong Kong: 5.50% (NB), 6.20% (IF) Indonesia: 9.50% (NB), 10.50% (IF)	China: Equities 5.70%, Gov't Bonds 1.70% Hong Kong: Equities 8.20%, Gov't Bonds 4.70%

[71] Entries shaded in blue indicate that the 2024 RDR and investment assumptions have not yet been disclosed and that the assessment has been based on 2023 disclosures instead.

COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
		Malaysia: 5.70% (NB), 6.20% (IF) Philippines: 12.30% (NB), 12.30% (IF) Singapore: 4.90% (NB), 4.90% (IF) Taiwan: 6.70% (NB), 6.70% (IF) Thailand: 9.60% (NB), 9.60% (IF) Vietnam: 4.00% (NB), 4.30% (IF)	Indonesia: Equities 11.40%, Gov't Bonds 7.20% Malaysia: Equities 7.40%, Gov't Bonds 3.90% Philippines: Equities 10.50%, Gov't Bonds 6.20% Singapore: Equities 6.40%, Gov't Bonds 2.90% Taiwan: Equities 8.20%, Gov't Bonds 4.70% Thailand: Equities 6.60%, Gov't Bonds 2.30% Vietnam: Equities 7.00%, Gov't Bonds 2.80%
PRUDENTIAL PLC[72]	TEV	China: 8.90% (IF) Hong Kong: 7.70% (IF) Indonesia: 12.60% (IF) Malaysia: 7.90% (IF) Philippines: 12.10% (IF) Singapore: 6.70% (IF) Taiwan: 6.70% (IF) Thailand: 8.90% (IF) Vietnam: 11.10% (IF)	China: Equities 6.90%, Gov't Bonds 2.90% Hong Kong: Equities 6.70%, Gov't Bonds 3.20% Indonesia: Equities 10.60%, Gov't Bonds 6.30% Malaysia: Equities 7.40%, Gov't Bonds 3.90% Philippines: Equities 10.10%, Gov't Bonds 5.80% Singapore: Equities 6.20%, Gov't Bonds 2.70% Taiwan: Equities 6.70%, Gov't Bonds 3.20% Thailand: Equities 8.90%, Gov't Bonds 4.60% Vietnam: Equities 10.10%, Gov't Bonds 5.80%
ZURICH	MCEV	Risk-free interest rate curves, allowing for volatility adjustment.	Risk-free interest rate curves, allowing for volatility adjustment.

There is a clear divide between the MNCs and domestic insurers when it comes to disclosing long-term investment return assumptions. MNCs typically disclose investment return assumptions on an asset-class basis. In contrast, domestic insurers disclose investment returns mostly on a portfolio basis, without much information on the assumed asset mix (although this can often be inferred from their regulatory returns).

FIGURE 90: RDR AND INVESTMENT ASSUMPTIONS OF INSURERS BY MARKET[73] [74]

MARKET	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
CHINA	**Chinese 10-year government bond yield at 31 December 2024: 1.680%**			
	AIA	TEV	8.36%	China: Equities 8.00%, 10Y Gov't Bonds 2.70%
	China Life	TEV	8% (Traditional Business), 7.2% (Semi-priced Business)	4.00%
	China Pacific	TEV	8.50%	Long term business: 4.00% Short term business: based on the recent one-year bank deposit benchmark interest rate as published by the People's Bank of China before the valuation date
	China Taiping	TEV	8.50%	Assumed to be 4.00%
	New China Life	TEV	8.50%	Non-unit-linked insurance funds: 4.00% Unit-linked: 6.00%
	PICC Life	TEV	8.50%	4.00%
	Ping An	TEV	8.5% - Traditional insurance 7.5% - Par and Universal life	Non-investment-linked: 4.00% Investment-linked: slightly higher than non-investment-linked
	Prudential plc	EEV	6.20% (NB), 6.20% (IF)	Equities 5.70%, Gov't Bonds 1.70%
	Prudential plc	TEV	China: 8.90% (IF)	China: Equities 6.90%, Gov't Bonds 2.90%
HONG KONG	**Hong Kong 10-year government bond yield at 31 December 2024: 3.806%**			

[72] The equity returns for Prudential have been computed based on the disclosed long-term 10-Y yields and the geometric equity risk premium

[73] Entries shaded in blue indicate that the 2024 RDR and investment assumptions have not yet been disclosed and that the assessment has been based on 2023 disclosures instead.

[74] Source for the 10-year government bond yields for all markets is Investing.com, and yields may differ from those shown in EV disclosures of specific companies.

MARKET	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
	AIA	TEV	7.95%	Equities 8.00%, 10Y Gov't Bonds 3.50%
	FWD	TEV	8.20%	Hong Kong: Equities 8.00%, 10Y Gov't Bonds 3.5% (USD), 3.25% (HKD)
	Manulife	TEV	Not disclosed	Not disclosed
	Prudential plc	EEV	5.50% (NB), 6.20% (IF)	Equities 8.20%, Gov't Bonds 4.70%
	Prudential plc	TEV	Hong Kong: 7.70% (IF)	Hong Kong: Equities 6.70%, Gov't Bonds 3.20%
INDIA	**Indian 10-year government bond yield at 31 March 2025 : 6.580%**			
	Bajaj Allianz Life	MCEV	Risk-free yield curve	Risk-free yield curve
	Aditya Birla Sun Life	MCEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)
	HDFC Life	IEV	Risk-free yield curve	Risk-free yield curve
	ICICI Prudential Life	IEV	Risk-free yield curve	Risk-free yield curve
	Kotak Life	IEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)
	Max Life	MCEV	Risk-free yield curve	Risk-free yield curve
	PNB MetLife	IEV	Risk-free yield curve	Risk-free yield curve
	Reliance Nippon Life	TEV	Not disclosed	Not disclosed
	LICI	IEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)
	SBI Life	IEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)	Not disclosed (although expected to be risk-free yield curve given the valuation methodology)
INDONESIA	**Indonesian 10-year government bond yield at 31 December 2024: 7.022%**			
	AIA	TEV	12.08%	Indonesia: Equities 11.00%, 10Y Gov't Bonds 7.50%
	FWD	TEV	13.00%	Indonesia: Equities 10.50%, 10Y Gov't Bonds 6.5%
	Great Eastern	TEV	12.50%	Not disclosed
	Prudential plc	EEV	9.50% (NB), 10.50% (IF)	Equities 11.40%, Gov't Bonds 7.20%
	Prudential plc	TEV	12.60% (IF)	Indonesia: Equities 10.60%, Gov't Bonds 6.30%
JAPAN	**Japanese 10-year government bond yield at 31 March 2025: 1.469%**			
	AXA	MCEEV	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.
	FWD	TEV	6.75%	Long-Term 10-Year Government Bond: 1.25%
	Manulife	TEV	Not disclosed	Not disclosed
	Daido Life	MCEV	Risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs).	Risk-free interest rate curves.
	Dai-ichi Life	Modified MCEV	Total of risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs) and spread.	Not disclosed.
	Dai-ichi Frontier Life	Modified MCEV	Total of risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs) and spread.	Not disclosed.
	Japan Post Insurance Co Ltd	MC-EEV	Risk-free rate (based on JGB and UFRs).	Risk-free interest rate curves.

MARKET	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
	LifeNet Insurance	MC-EEV	Risk-free rate (based on JGB and UFRs).	Risk-free interest rate curves.
	Medicare Life	MC-EEV	Risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs)	Risk-free interest rate curves.
	Meiji Yasuda Life	Modified MCEV	Total of risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs) and expected return on investment (based on the ICS under consideration by IAIS).	Not disclosed.
	MS&AD Aioi Life	MC-EEV	Risk-free rate: based on JGB extrapolated by assuming that forward rates in the 41st year and beyond were equal to those in the 40th year.	Risk-free interest rate curves.
	MS&AD Primary Life	MC-EEV	JPY swap rates extrapolated by assuming that forward rates in the 41st year and beyond were equal to those in the 40th year. Fixed insurance product (JPY, USD and AUD): Total of swap rates (JPY, USD and AUD) and spread that exceeds risk-free rate considering the assets held.	Risk-free interest rate curves. Fixed insurance product (JPY, USD and AUD): Total of Risk-free interest rate curves and spread that exceeds risk-free rate considering the asset held.
	Neo First Life	Modified MCEV	Total of Risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs) and spread.	Not disclosed.
	Sompo Himawari Life	MCEV	Risk-free rate (Based on JGB and UFRs)	Risk-free interest rate curves.
	Sony Life	Modified MCEV	Risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs).	Risk-free interest rate curves.
	Sumitomo Life	MC-EEV	Risk-free rate (based on Japanese, U.S. and Australian Government Bond and UFRs)	Risk-free interest rate curves.
	T&D Financial Life	MCEV	Risk-free rate (Based on Japanese, U.S. and Australian Government Bond and UFRs).	Risk-free interest rate curves.
	Taiyo Life	MCEV	Risk-free rate (Based on Japanese, U.S. and Australian Government Bond and UFRs).	Risk-free interest rate curves.
	Tokio Marine & Nichido Life	MCEV	Risk-free rate (JPY): Based on JGB and 41st year and thereafter are set to the 40-year spot rate adjusted based on historical interest rate movements.	Risk-free interest rate curves.
MALAYSIA	**Malaysian 10-year government bond yield at 31 December 2024: 3.820%**			
	AIA	TEV	8.20%	Malaysia: Equities 8.60%, 10Y Gov't Bonds 4.30%
	FWD	TEV	8.65%	Malaysia: Equities 8.35%, 10Y Gov't Bonds 3.75%
	Great Eastern	TEV	8.25%	Not disclosed
	Hong Leong Assurance	TEV	Not disclosed	Not disclosed
	Prudential plc	TEV	Malaysia: 7.90% (IF)	Malaysia: Equities 7.40%, Gov't Bonds 3.90%
	Prudential plc	EEV	5.70% (NB), 6.20% (IF)	Equities 7.40%, Gov't Bonds 3.90%

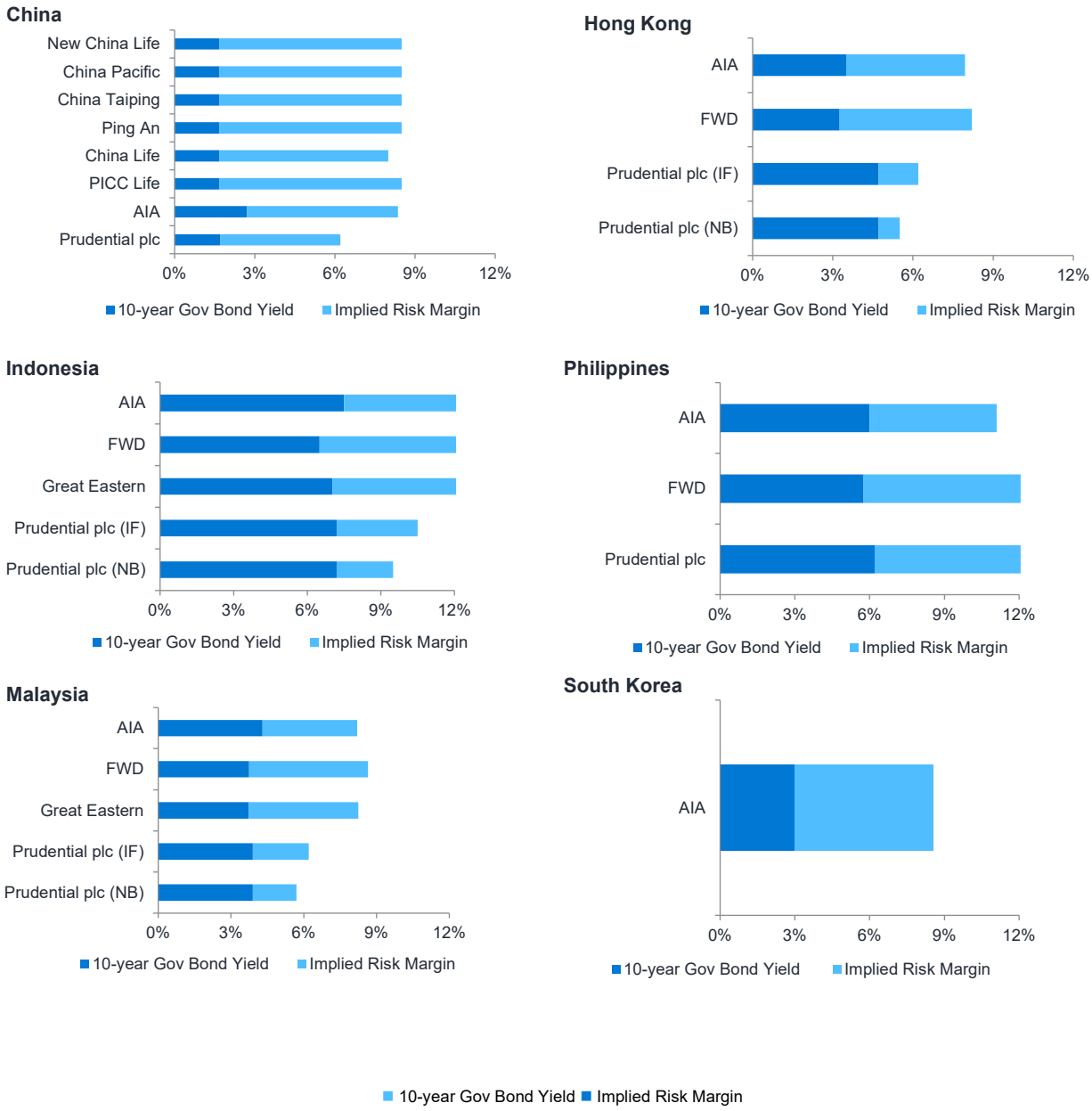
MARKET	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
PHILIPPINES	**Philippines 10-year government bond yield at 31 December 2024: 6.175%**			
	AIA	TEV	11.10%	Philippines (Philam Life): Equities 9.80%, 10Y Gov't Bonds 6.00%
	FWD	TEV	12.55%	Equities 10.55%, 10Y Gov't Bonds 5.75%
	Prudential plc	TEV	Philippines: 12.10% (IF)	Philippines: Equities 4.30%, Gov't Bonds 5.80%
	Prudential plc	EEV	12.30% (NB), 12.30% (IF)	Equities 10.50%, Gov't Bonds 6.20%
SINGAPORE	**Singaporean 10-year government bond yield at 31 December 2024: 2.861%**			
	AIA	TEV	7.34%	Equities 7.60%, 10Y Gov't Bonds 3.10%
	FWD	TEV	7.35%	Equities 7.50%, 10Y Gov't Bonds 2.70%
	Great Eastern	TEV	6.75%	Not disclosed
	Prudential plc	EEV	4.90% (NB), 4.90% (IF)	Equities 6.40%, Gov't Bonds 2.90%
	Prudential plc	TEV	Singapore: 6.70% (IF)	Singapore: Equities 6.20%, Gov't Bonds 2.70%
	Singlife	EEV	6.30%	Long-term investment return rate: 4.20%-6.26%
SOUTH KOREA	**South Korean 10-year government bond yield at 31 December 2024: 2.871%**			
	AIA	TEV	8.55%	Equities 7.30%, 10Y Gov't Bonds 3.00%
	Hanwha Life	TEV	8.00%	3.59%
	Samsung Life	TEV	7.50%	3.09%
TAIWAN	**Taiwan 10-year government bond yield at 31 December 2024: 1.670%**			
	AIA	TEV	7.62%	Taiwan: Equities 6.10%, 10Y Gov't Bonds 1.50%
	Cathay Life	TEV	9.50%	VNB TWD Products: 2.63% ~ 4.59% (2044+) USD Products : 5.22% ~ 5.29% (2044+) VIF TWD Products: 3.95% ~ 4.76% (2044+) USD Products : 4.72% ~ 5.36% (2044+) (Equivalent investment yield: 4.26%)
	KGI Life	TEV	9.50%	TWD Policies: Year 1 ~ Year 19: 3.21% ~ 4.73% Year 20+: 4.73% non-TWD Policies: Year 1 ~ Year 19: 4.57% ~ 5.49% Year 20+: 5.49%
	Fubon Life	TEV	VNB: 9.0% VIF: 9.0%	VNB NTD Traditional Policies: Year 2024 ~ Year 2031: 3.36% ~ 4.84%(2032+) USD Policies : Year 2024: 5.30%(2025+) VIF NTD Traditional Policies : Year 2025 to Year 2042 at 3.75%~4.88%(2043+) USD Policies : Year 2025 to Year 2033 at 4.06%~5.32%(2034+)

MARKET	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
	Mercuries Life	TEV	9.50%	VNB TWD Products: 3.20% ~ 5.00% (2034+) USD Products :5.70% ~ 6.00% (2028+) VIF TWD Products: 3.10% ~ 4.90% (2053+) USD Products : 3.10% ~ 6.00% (2052+)
	Prudential plc	EEV	Taiwan: 6.70% (NB), 6.70% (IF)	Taiwan: Gov't Bonds 4.70%, Equities 8.20%
	Prudential plc	TEV	Taiwan: 6.70% (IF)	Taiwan: Equities 6.70%, Gov't Bonds 3.20%
	Shin Kong Life	TEV	9.50%	VNB TWD Products: 2.93% ~ 4.99% USD Products: 3.89% ~ 5.45% VIF TWD Products: 3.35% ~ 4.96% USD Products: 4.66% ~ 5.33%
	Taiwan Life	TEV	9.50%	TWD Policies: Year 2025 to Year 2044 at 3.69% ~ 4.45% (2044+) USD Policies: Year 2025 to Year 2044 at 4.30% ~ 5.30% (2044+)
THAILAND	**Thailand 10-year government bond yield at 31 December 2024: 2.270%**			
	AIA	TEV	7.42%	Equities 7.80%, 10Y Gov't Bonds 3.40%
	Bangkok Life	TEV	8.40%	3.65%
	FWD	TEV	8.25%	Equities 8.00%, 10Y Gov't Bonds 3.20%
	Prudential plc	EEV	9.60% (NB), 9.60% (IF)	Equities 6.60%, Gov't Bonds 2.30%
	Prudential plc	TEV	Thailand: 8.90% (IF)	Thailand: Equities 8.90%, Gov't Bonds 4.60%
	Thai Life	TEV	8.20%	Equities 8.20%, 10 Y Govt Bonds 3.20%
VIETNAM	**Vietnamese 10-year government bond yield at 31 December 2024: 3.118%**			
	AIA	TEV	9.86%	Vietnam: Equities 9.60%, 10Y Gov't Bonds 4.00%
	Dai-ichi Life Vietnam	TEV	Not disclosed	Not disclosed
	FWD	TEV	10.65%	Vietnam: Equities 9.30%, 10Y Gov't Bonds 4.00%
	Prudential plc	EEV	Vietnam: 4.00% (NB), 4.30% (IF)	Vietnam: Equities 7.00%, Gov't Bonds 2.80%
	Prudential plc	TEV	Vietnam: 11.10% (IF)	Vietnam: Equities 4.30%, Gov't Bonds 5.80%

* Dai-ichi Life Group, Meiji Yasuda Life and Sony Life have been classified as modified MCEV. Modified MCEV is based on the insurer's own internal model approach, which is described by them as being broadly consistent with the Japan ESR methodology which is market-consistent in nature and is to be implemented from March 2026. It should be noted that modified MCEV is not a formal embedded value standard and there are differences in methodology amongst the players that have been classified under the modified MCEV methodology.

The charts in Figure 91 compare long-term 10-year government bond yields and RDRs assumed by different companies for each market. The implied risk margin is also illustrated for each company.

FIGURE 91: ILLUSTRATIVE SPLIT OF ASSUMED RDR INTO 10-YEAR GOVERNMENT BOND YIELDS AND IMPLIED RISK MARGINS[75] [76] [77] BY COMPANY[78] FOR EACH MARKET



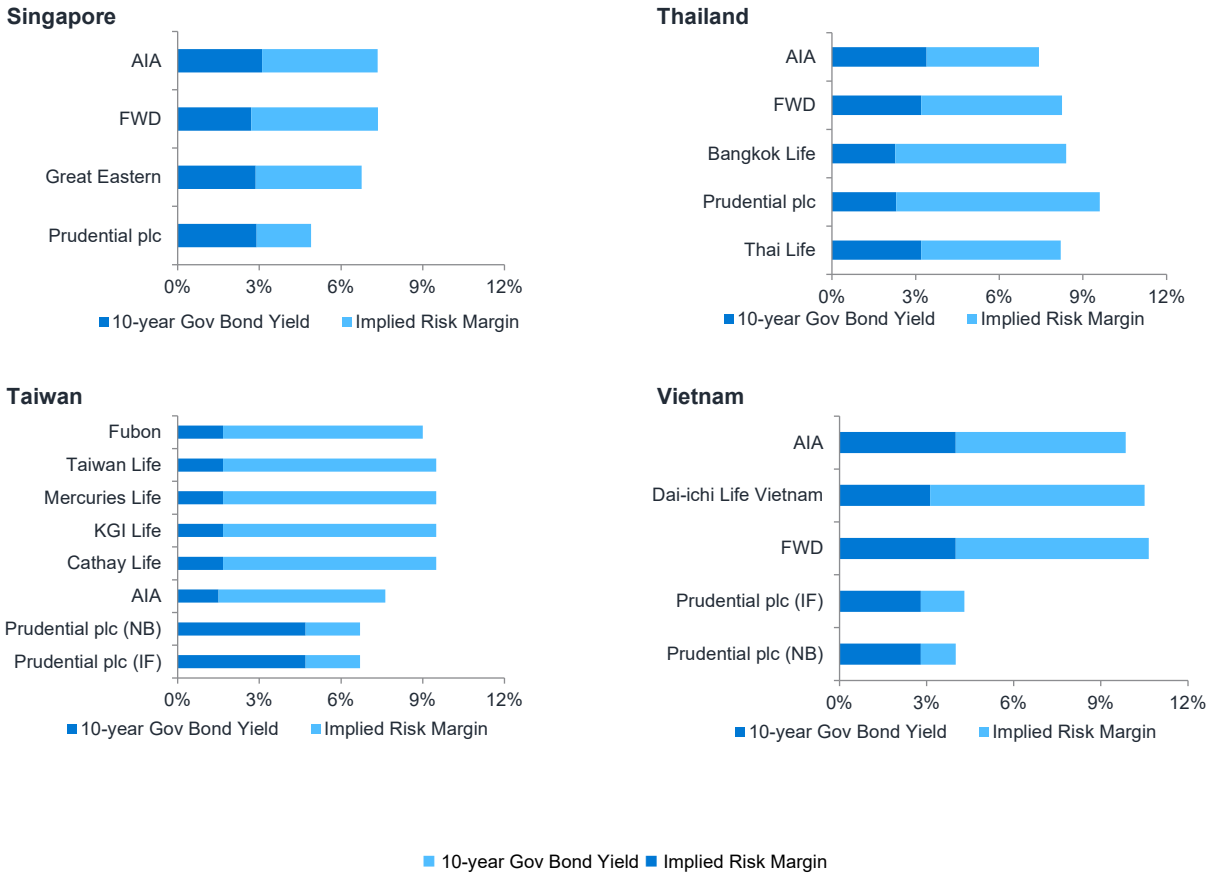
[75] In this case, the risk margin has been defined as the difference between the assumed RDR and the yield on an assumed 10-year government bond as at each insurer's 2024 reporting date.

[76] The 10-year government bond yields have been extracted from investing.com for those companies that have not published the assumed 10-year government yield.

[77] Prudential plc split is based on EEV assumptions.

[78] Note that only TEV- and EEV-reporting companies using RDRs have been included in this analysis. Companies reporting on MCEV, IEV, MC-EEV or modified MCEV (i.e., using a discount curve similar to MCEV) bases have not been included. Companies that have not published their EV results in time for this report have also been excluded.

FIGURE 91: ILLUSTRATIVE SPLIT OF ASSUMED RDR INTO 10-YEAR GOVERNMENT BOND YIELDS AND IMPLIED RISK MARGINS BY COMPANY FOR EACH MARKET (CONTINUED)



Appendix E: Solvency margin requirements

FIGURE 92: SUMMARY OF SM REQUIREMENTS BY COMPANY[79]

CATEGORY	COMPANY	EV METHODOLOGY	REQUIRED CAPITAL
MNC	AIA	TEV	China: 100% of required capital as specified under the CAA EV assessment guidance Hong Kong: 100% RBC Indonesia: 120% RBC Malaysia: 170% RBC Philippines: 125% RBC Singapore: Higher of 135% of capital adequacy requirement and 80% of Tier 1 capital requirement under RBC South Korea: 150% RBC Sri Lanka: 120% RBC Taiwan: 250% RBC Thailand: 140% RBC Vietnam: 100% minimum SM
MNC	FWD	TEV	Hong Kong: 100% of regulatory risk-based capital requirement Japan: 600% of regulatory risk-based capital requirement for FWD Life Japan Thailand: 140% of regulatory risk-based capital requirement (RBC 2) Indonesia: 120% of regulatory risk-based capital requirement Malaysia: 195% of regulatory risk-based capital requirement for Takaful, and 200% for conventional line of business Philippines: 125% of regulatory risk-based capital requirement Singapore: 2022 VNB - 135% of regulatory risk-based capital requirement (RBC 2), 2022 EV and 2023 VNB - 125% of regulatory risk-based capital requirement (RBC 2), All other results - 114% of regulatory risk-based capital requirement (RBC 2) Vietnam: 100% of required minimum SM
MNC	Great Eastern	TEV	Requirements are based on the RBC framework as set out in local regulations for Singapore, Malaysia and Indonesia.
MNC	Manulife[80]	TEV	China: 100% of required capital as specified under the CAA EV assessment guidance Indonesia: 120% RBC Malaysia: 160% CAR Philippines: 125% RBC Singapore: 120% CAR Vietnam: 100% minimum SM
MNC	Prudential plc	EEV	Amount at least equal to local statutory notification requirements.
China	China Life	TEV	Calculated as specified under the actuarial practice standard: Assessment standard for embedded value of life insurance
China	China Pacific	TEV	Calculated as specified under the actuarial practice standard: Assessment standard for embedded value of life insurance
China	China Taiping	TEV	Calculated as specified under the actuarial practice standard: Assessment standard for embedded value of life insurance
China	New China Life	TEV	Calculated as specified under the actuarial practice standard: Assessment standard for embedded value of life insurance
China	PICC Life	TEV	Calculated as specified under the actuarial practice standard: Assessment standard for embedded value of life insurance
China	Ping An	TEV	Calculated as specified under the actuarial practice standard: Assessment standard for embedded value of life insurance
India	Bajaj Allianz Life	MCEV	Not disclosed
India	Aditya Birla Sun Life	MCEV	Not disclosed
India	HDFC Life	IEV	Not disclosed
India	ICICI Prudential Life	IEV	150% of RSM less the funds for future appropriation and the book value of subordinated debt to the extent allowed by regulations

[79] Blue-shaded entries indicate that the 2024 required solvency capital information has not yet been disclosed and that the assessment has been based on 2023 disclosures instead.

[80] Effective 2024, Manulife has ceased EV reporting for in-force business. Hence, all the disclosures by Manulife are associated with its VNB results.

CATEGORY	COMPANY	EV METHODOLOGY	REQUIRED CAPITAL
India	Kotak Life	IEV	Not disclosed
India	Axis Max Life	MCEV	180% of RSM.
India	PNB MetLife	IEV	170% of RSM
India	Reliance Nippon Life	Not Disclosed	Regulatory requirement of 150%
India	LICI	IEV	160% of RSM less the FFA in respect of ULIP business and less the provisions for solvency margin requirements within the policy liabilities/insurance reserves/current liabilities.
India	SBI Life	IEV	180% of RSM
Japan	Daido Life	MCEV	Higher of Japanese regulatory minimum capital requirement (200% SM Ratio) and 133% of economic capital
Japan	Dai-ichi Life	Modified MCEV	Not disclosed.
Japan	Dai-ichi Frontier Life	Modified MCEV	Not disclosed
Japan	Japan Post Insurance Co Ltd	MC-EEV	Capital required to maintain 600% SM Ratio
Japan	LifeNet Insurance	MC-EEV	Not disclosed
Japan	Medicare Life	MC-EEV	Not disclosed
Japan	Meiji Yasuda Life	Modified MCEV	Not disclosed .
Japan	MS&AD Aioi Life	MC-EEV	Capital required to maintain 600% Target Solvency Margin ratio.
Japan	MS&AD Primary Life	MC-EEV	Capital required to maintain 600% Target Solvency Margin ratio.
Japan	Neo First Life	Modified MCEV	Not disclosed
Japan	Sompo Himawari Life	MCEV	Capital required to maintain 600% statutory Solvency Margin ratio
Japan	Sony Life	Modified MCEV	Higher of Japanese regulatory minimum capital requirement (200% SM Ratio) or internal target
Japan	Sumitomo Life	MC-EEV	Not disclosed
Japan	T&D Financial Life	MCEV	Higher of Japanese regulatory minimum capital requirement (200% SM Ratio) and 133% of economic capital
Japan	Taiyo Life	MCEV	Higher of Japanese regulatory minimum capital requirement (200% SM Ratio) and 133% of economic capital
Japan	Tokio Marine & Nichido Life	MCEV	Higher of statutory minimum requirement level and internal target
Taiwan	Cathay Life	TEV	200% RBC
Taiwan	KGI Life	TEV	200% RBC
Taiwan	Fubon Life	TEV	200% RBC
Taiwan	Mercuries Life	TEV	200% RBC
Taiwan	Shin Kong Life	TEV	200% RBC
Taiwan	Taiwan Life	TEV	200% RBC
Thailand	Bangkok Life	TEV	Not disclosed
Thailand	Thai Life	TEV	140% CAR
Vietnam	Dai-ichi Life Vietnam	TEV	Not disclosed

*Dai-ichi Life Group, Meiji Yasuda Life and Sony Life have been classified as modified MCEV. Modified MCEV is based on the insurer's own internal model approach, which is described by them as being broadly consistent with the Japan ESR methodology which is market-consistent in nature and is to be implemented from March 2026. It should be noted that modified MCEV is not a formal embedded value standard and there are differences in methodology amongst the players that have been classified under the modified MCEV methodology.

Appendix F: TVOG approaches

FIGURE 93: SUMMARY OF TVOG APPROACHES[81]

COMPANY TYPE	COMPANY	OPTIONS AND GUARANTEES	SCENARIOS	USE OF DYNAMIC POLICYHOLDER BEHAVIOUR	CALCULATED TVOG (ASIA VALUE)
MNC	Prudential plc	Stochastic	Not disclosed	Yes	Yes (USD 353 million)
India	Aditya Birla Sun Life	Not disclosed	Not disclosed	Not disclosed	Not disclosed
India	ICICI Prudential Life	Stochastic	Not disclosed	Not disclosed	Yes (INR 40 million for 2024)
India	HDFC Life	Stochastic	Not disclosed	Not disclosed	Yes (INR 1230 million for 2024)
India	SBI Life	Not disclosed	Not disclosed	Not disclosed	Not disclosed
India	Kotak Life	Not disclosed	Not disclosed	Not disclosed	Not disclosed
India	Axis Max Life	Stochastic	5,000	Yes	Not disclosed
Japan	Daido Life	Stochastic	5,000	Yes	Yes (JPY 46.9 billion)
Japan	Dai-ichi Life	Stochastic	Not disclosed	Not disclosed	Not disclosed
Japan	Dai-ichi Frontier Life	Stochastic	Not disclosed	Not disclosed	Not disclosed
Japan	Japan Post Insurance Co Ltd	Stochastic	5,000	Yes	Yes (JPY 209.4 billion)
Japan	Neo First Life	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Japan	Lifenet Insurance	Stochastic	Not disclosed	Not disclosed	Not disclosed
Japan	Medicare Life	Stochastic	5,000	Not disclosed	Yes (JPY 0.0 billion)
Japan	Meiji Yasuda Life	Stochastic	Not disclosed	Yes	Not disclosed
Japan	MS&AD Aioi Life	Stochastic	5,000	Yes	Yes (JPY 61.8 billion for 2023)
Japan	MS&AD Primary Life	Stochastic	5,000	Yes	Yes (JPY 10.7 billion for 2023)
Japan	Sompo Himawari Life	Stochastic	1,000	Yes	Yes (JPY 7.4 billion)
Japan	Sony Life	Stochastic	1,000	Yes	Yes (JPY 206.5 billion)
Japan	Sumitomo Life	Stochastic	5,000	Not disclosed	Yes (JPY 36.4 billion)
Japan	Tokio Marine & Nichido Life	Stochastic	1,000	Yes	Yes (JPY 125.7 billion)
Japan	T&D Financial Life	Stochastic	5,000	Yes	Yes (JPY 4.7 billion)
Japan	Taiyo Life	Stochastic	5,000	Yes	Yes (JPY 43.5 billion)

[81] Blue-shaded entries indicate that the 2024 required TVOG approaches information has not yet been disclosed and that the assessment has been based on 2023 disclosures instead.

Appendix G: Total Asian EV by company by territory

FIGURE 94: TOTAL ASIAN EV BY COMPANY (USD MILLIONS[82] [83])

TYPE	COMPANY	EV PRINCIPLE	CHINA	HONG KONG	INDIA	JAPAN	SOUTH KOREA	MALAYSIA	SINGAPORE	TAIWAN	THAILAND	INDONESIA	PHILIPPINES	VIETNAM	UNALLOCATED	TOTAL
MNC	AIA	TEV	15,169	28,178	-	-	-	3,898	7,213	-	9,662	-	-	-	4,915	69,035
	FWD	TEV	-	-	-	-	-	-	-	-	-	-	-	-	5,569	5,569
	Great Eastern	TEV	-	-	-	-	-	3,990	9,200	-	-	-	-	-	-	13,189
	Manulife	TEV	-	-	-	-	-	-	-	-	-	-	-	-	20,822	20,822
	Prudential plc	EEV	2,596	17,882	-	-	-	4,112	8,823	-	-	1,487	-	-	6,234	41,134
	Prudential plc	TEV	2,860	13,876	-	-	-	3,254	6,264	-	-	1,256	-	-	5,751	33,261
CHINA	China Life	TEV	191,953	-	-	-	-	-	-	-	-	-	-	-	-	191,953
	China Pacific	TEV	57,790	-	-	-	-	-	-	-	-	-	-	-	-	57,790
	China Taiping	TEV	26,615	-	-	-	-	-	-	-	-	-	-	-	-	26,615
	New China Life	TEV	35,407	-	-	-	-	-	-	-	-	-	-	-	-	35,407
	PICC Life	TEV	16,403	-	-	-	-	-	-	-	-	-	-	-	-	16,403
	Ping An	TEV	114,405	-	-	-	-	-	-	-	-	-	-	-	-	114,405
INDIA	Bajaj Allianz Life	MCEV	-	-	2,786	-	-	-	-	-	-	-	-	-	-	2,786
	Aditya Birla Sun Life	MCEV	-	-	1,616	-	-	-	-	-	-	-	-	-	-	1,616
	Canara HSBC Life	MCEV	-	-	603	-	-	-	-	-	-	-	-	-	-	603
	Edelweiss Life	MCEV	-	-	256	-	-	-	-	-	-	-	-	-	-	256
	HDFC Life	IEV	-	-	6,485	-	-	-	-	-	-	-	-	-	-	6,485
	ICICI Prudential Life	IEV	-	-	5,611	-	-	-	-	-	-	-	-	-	-	5,611
	Kotak Life	IEV	-	-	2,061	-	-	-	-	-	-	-	-	-	-	2,061
	Axis Max Life	MCEV	-	-	2,948	-	-	-	-	-	-	-	-	-	-	2,948
	PNB Metlife	IEV	-	-	1,003	-	-	-	-	-	-	-	-	-	-	1,003
	Reliance Nippon Life	Not Disclosed	-	-	826	-	-	-	-	-	-	-	-	-	-	826
	LICI	IEV	-	-	90,907	-	-	-	-	-	-	-	-	-	-	90,907
	SBI Life	IEV	-	-	8,220	-	-	-	-	-	-	-	-	-	-	8,220
JAPAN	Daido Life	MCEV	-	-	-	18,224	-	-	-	-	-	-	-	-	-	18,224
	Dai-ichi Life	Modified MCEV	-	-	-	38,023	-	-	-	-	-	-	-	-	-	38,023
	Dai-ichi Frontier Life	Modified MCEV	-	-	-	5,937	-	-	-	-	-	-	-	-	-	5,937
	Japan Post Insurance Co Ltd	MC-EEV	-	-	-	26,288	-	-	-	-	-	-	-	-	-	26,288
	LifeNet Insurance	MC-EEV	-	-	-	1,032	-	-	-	-	-	-	-	-	-	1,032
	Medicare Life	MC-EEV	-	-	-	2,696	-	-	-	-	-	-	-	-	-	2,696
	Meiji Yasuda Life	Modified MCEV	-	-	-	67,441	-	-	-	-	-	-	-	-	-	67,441
	MS&AD Aioi Life	MC-EEV	-	-	-	6,072	-	-	-	-	-	-	-	-	-	6,072
	MS&AD Primary Life	MC-EEV	-	-	-	4,754	-	-	-	-	-	-	-	-	-	4,754
	Neo First Life	Modified MCEV	-	-	-	1,134	-	-	-	-	-	-	-	-	-	1,134
	Sompo Himawari Life	MCEV	-	-	-	8,084	-	-	-	-	-	-	-	-	-	8,084
JAPAN (continued)	Sony Life	Modified MCEV	-	-	-	12,617	-	-	-	-	-	-	-	-	-	12,617

[82] EV results have been converted at the prevailing USD exchange rate as at the reporting date.

[83] Blue-shaded entries indicate that the 2024 EV results have not yet been disclosed as at the data cutoff date of this report.

	Sumitomo Life	MC-EEV	-	-	-	38,643	-	-	1,707	-	-	-	-	-	-	40,351
	T&D Financial Life	MCEV	-	-	-	1,145	-	-	-	-	-	-	-	-	-	1,145
	Taiyo Life	MCEV	-	-	-	7,559	-	-	-	-	-	-	-	-	-	7,559
	Tokio Marine & Nichido Life	MCEV	-	-	-	8,661	-	-	-	-	-	-	-	-	-	8,661
MALAYSIA	Hong Leong Assurance	TEV	-	-	-	-	-	905	-	-	-	-	-	-	-	905
TAIWAN	Cathay Life	TEV	-	-	-	-	-	-	-	39,061	-	-	-	-	-	39,061
	KGI Life	TEV	-	-	-	-	-	-	-	14,534	-	-	-	-	-	14,534
	Fubon Life	TEV	-	-	-	-	-	-	-	32,819	-	-	-	-	-	32,819
	Mercuries Life	TEV	-	-	-	-	-	-	-	3,206	-	-	-	-	-	3,206
	Taiwan Life	TEV	-	-	-	-	-	-	-	9,272	-	-	-	-	-	9,272
THAILAND	Bangkok Life	TEV	-	-	-	-	-	-	-	-	2,162	-	-	-	-	2,162
	Thai Life	TEV	-	-	-	-	-	-	-	-	5,265	-	-	-	-	5,265
VIETNAM	Dai-ichi Life Vietnam	TEV	-	-	-	-	-	-	-	-	-	-	-	1,588	-	1,588

*Dai-ichi Life Group, Meiji Yasuda Life and Sony Life have been classified as modified MCEV. Modified MCEV is based on the insurer's own internal model approach, which is described by them as being broadly consistent with the Japan ESR methodology which is market-consistent in nature and is to be implemented from March 2026. It should be noted that modified MCEV is not a formal embedded value standard and there are differences in methodology amongst the players that have been classified under the modified MCEV methodology.

Appendix H: Exchange rates

FIGURE 95: EXCHANGE RATES USED IN THE REPORT

Exchange rate (USD per currency) as at valuation dates:

Currency	31-Mar-25	31-Dec-24	31-Mar-24	31-Dec-23	31-Mar-23	31-Dec-22	31-Mar-22
CAD	0.6955	0.6943	0.7384	0.7551	0.7393	0.7386	0.8011
CHF	1.1306	1.1027	1.1087	1.1886	1.0952	1.0818	1.0856
CNY	0.1377	0.1370	0.1385	0.1409	0.1456	0.1447	0.1577
EUR	1.0795	1.0351	1.0811	1.1039	1.0872	1.0732	1.1096
GBP	1.2893	1.2521	1.2625	1.2732	1.2368	1.2102	1.3152
HKD	0.1285	0.1287	0.1278	0.1281	0.1274	0.1280	0.1277
INR	0.0117	0.0117	0.0120	0.0120	0.0122	0.0121	0.0132
IDR	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
JPY	0.0067	0.0064	0.0066	0.0071	0.0075	0.0076	0.0082
KRW	0.0007	0.0007	0.0007	0.0008	0.0008	0.0008	0.0008
MYR	0.2255	0.2237	0.2117	0.2179	0.2261	0.2271	0.2378
SGD	0.7436	0.7318	0.7412	0.7578	0.7521	0.7462	0.7386
THB	0.0294	0.0291	0.0275	0.0292	0.0293	0.0289	0.0301
TWD	0.0301	0.0305	0.0313	0.0326	0.0328	0.0326	0.0349
VND*	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
USD	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

* The exchange rate of VND per USD as at 31 March 2025 was 0.0000391562.

Source: https://www.xe.com.

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