



Wednesday's INVESTOR Q&A:

Question Topic: Company Operation and Expansion Plans

Date: 1 November 2023

1. What is the Business Direction for the Acquisition of Sony Life in Singapore?

Through its distribution and platform businesses, AGBA Group is a leader in the independent financial advisory business in Hong Kong. Going forward, growth will be driven by both the expansion and diversification of its distribution franchise, as well as the opening up of its platform, its financial supermarket, through partnerships with external distribution channels.

As we add specialized distribution teams and open our infrastructure, we will unlock additional value from our own and our partners' customers. This growth approach has been successful in creating substantial wealth management platforms across the globe.

The acquisition of Sony Life Financial Advisors Pte Ltd ("Sony Life") aligns with our growth strategy by broadening our distribution footprint internationally. Upon completion of the transaction, Sony Life's representatives and customers will have the opportunity to get on our unique platform, gaining access to a wide variety of financial products and services. At the same time, our existing customers will gain access to a new marketplace by being introduced to the team at Sony Life, as and when that is helpful.

In addition, Singapore and Hong Kong are the primary destinations for Mainland China customers. AGBA will be the only operator with distribution and platform capabilities in both these markets. This will position us to deliver unique product offerings and develop innovative solutions tailored to the needs of Mainland China customers, such as cross-border insurance products and investment advisory services.

2. How can AGBA leverage on Sony Life's customer base?

The acquisition of Sony Life provides the Group with several opportunities to expand product offerings and leverage existing licenses in Singapore.

We can leverage Sony Life's customer base to expand our footprint in the Singapore market, while also offering new and innovative products and services to Sony Life's customers. Sony Life's expertise in life insurance can be applied to our existing life insurance offerings, enabling us to further strengthen our position in this market.



As pointed out above, Singapore and Hong Kong are the primary destinations for Mainland China customers. AGBA will be uniquely positioned to provide innovative solutions to Mainland China customers.

The acquisition will also enhance AGBA's brand recognition in both the Hong Kong and Singapore markets, which will help the company build confidence with its customers and increase its market share.

3. What is AGBA Group's stance on corporate social responsibility and sustainability practices?

With unwavering commitment, AGBA is dedicated to making positive contributions to its community. Our volunteer team is formed by our corporate staff and community partners. Volunteers team up to participate AGBA LiveWell's charity program in a wide array of fields such as education, inclusion, environment and much more.

Together we promote our social responsibility, support environmental protection, and build an inclusive society. In 2020, we have contributed over 1,000 volunteering hours to the community. For more information, see: <https://www.agba.com/sustainability/>

4. Can you provide insights into the operational cost control?

Given the economic realities of 2023, AGBA has been quick to take proactive measures to control costs and enhance its financial performance. We have implemented material initiatives achieving a reduction of over 40% in our operational costs.

Our efforts included a substantial reduction in staff headcount, rigorous vendor evaluation and negotiation and delaying of non-core projects.

We will continue these efforts going forward. We will continue to explore opportunities for process optimization, leverage technology to drive efficiencies, and seek innovative solutions to reduce expenses.

Getting revenues back to pre-pandemic levels and a reduced cost base should help us to get to break-even by the fourth quarter of 2024.

Leveraging our technology and platform will get us to accelerated profits thereafter.

Driven by extensive investments (in excess of USD 200 million), AGBA has a highly scalable distribution platform in place. As we grow our top line, AGBA's operating expenses are not expected to grow in line with revenue growth. We



therefore expect a rapid improvement in operating margins, driving accelerating profits in the coming years.

5. Can you provide insights into the technology infrastructure and digital capabilities that support AGBA Group's operations?

The Group has made substantial investments over the years to create a layer of supporting functions that forms a primary component of its Platform Business. Our state-of-the-art technological infrastructure supports a wide range of financial and non-financial products and services that is not easily replicated due to both its size and complexity.

The primary aim of the technological infrastructure and digital capabilities we have developed is to make the lives of our consultants and customers easier. The convenience of access to our products and services anytime, anywhere; products and services that are easy to understand and provide the best value; and products that are personalized and provide the right solution for you.

Our state-of-the-art technological solutions to support our financial consultants and customers include:

- Product library: all our latest products and services available for download in a single location.
- Comparison: Automated product mapping and matching tool basing on individual customer's demographics and needs – covering all wealth and insurance products from all product manufacturers.
- Applications: streamlined digital submission through a variety of digital application tools.
- Sales support: a bespoke sales-oriented portal offering a hassle-free experience to our financial advisors.
- Education: digital offering of the latest market news and insightful product knowledge to equip our financial advisors for their daily business needs.
- Training: most comprehensive online training platform offering 24 hour available in-depth library of training modules.
- Performance: a variety of performance tools and reports to help financial advisors to manage the performance of their client portfolios.
- Client portal: central gateway for customers to check their portfolio and statements.

In addition to the initiatives developed to improve the lives of our consultants and customers, we also have a clear roadmap for the Group's overall digital



transformation. We are reviewing all existing operational workflows to adopt new approaches in digitizing our operations to save costs, improve customer experience, identify cross-selling opportunities, and enhance our internal controls.

As part of our digital transformation journey, we will create one single consolidated data source within the Group with clean and integrated customer data. Creating a 360-degree-customer view will build a solid foundation for identifying customer needs, cross-selling and monetization in the long-run. Going forward, we will further develop lead management tools to help us more effectively allocate our resources, thereby further increase our customer acquisition and conversion rates.

6. How does AGBA Group ensure regulatory compliance and risk management in its operations?

AGBA is regulated and supervised by a number of distinguished regulators, including the Insurance Authority of Hong Kong and the Securities and Futures Commission of Hong Kong.

At AGBA, we have a large compliance team that plays a crucial role in ensuring that the company operates in accordance with applicable laws, regulations, industry standards, and internal policies. Their primary function is to promote ethical conduct, maintain regulatory compliance, and manage risks associated with legal and regulatory requirements.

Key functions of the AGBA compliance team include:

- **Interacting with Regulators:** our compliance team serves as the primary point of contact between the organization and regulatory authorities. We regularly communicate and respond to inquiries and requests from our regulators. We also prepare and submit regular filings and reports as required by our governing bodies.
- **Monitoring Internal Controls:** our compliance team is responsible for establishing and monitoring our internal controls. We assess the effectiveness of our existing controls, identify gaps or weaknesses, and implement remedial measures to mitigate risks. We conduct regular audits, reviews, and tests to monitor compliance and identify areas for improvement.
- **Providing Updates on Regulatory Requirements:** our compliance team provides internal updates on the latest regulatory developments, industry trends, and changes in laws affecting our organization. We create training and awareness programs to ensure AGBA staff are aware of their compliance obligations.
- **Establishing Policies and Procedures:** our compliance team develops and maintains comprehensive policies and procedures guiding



employees in adhering to relevant legal and regulatory requirements. Policies cover areas such as anti-money laundering, data privacy, conflict of interest, bribery and corruption, and other relevant compliance areas.

- Providing General Second Line Control: our compliance teams acts as the second line of defense in our organization's risk management structure. We oversee and validate the effectiveness of the first line of defense's controls and provide independent assessments. We also collaborate with internal audit (third line) to ensure a comprehensive control framework.

Overall, at AGBA, the compliance team's function is to ensure that the organization operates with integrity, meets legal and regulatory obligations, and minimizes the risk of non-compliance.

Over the years, various stakeholders, including senior management, legal counsel, risk management, and internal audit, have worked together closely to establish a robust compliance framework and foster a culture of compliance within the organization.

About AGBA Group:

Established in 1993, AGBA Group Holding Limited (NASDAQ: "AGBA") is a leading one-stop financial supermarket based in Hong Kong offering the broadest set of financial services and healthcare products in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) through a tech-led ecosystem, enabling clients to unlock the choices that best suit their needs. Trusted by over 400,000 individual and corporate customers, the Group is organized into four market-leading businesses: Platform Business, Distribution Business, Healthcare Business, and Fintech Business.

For more information about AGBA Investor Relations, please visit www.agba.com/ir

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