



HEALTHIER, LONGER,
BETTER LIVES

2021 INTERIM RESULTS PRESENTATION

17 August 2021

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Throughout this document, in the context of our reportable market segments, Hong Kong refers to operations in Hong Kong Special Administrative Region and Macau Special Administrative Region, Singapore refers to operations in Singapore and Brunei, and Other Markets refers to operations in Australia, Cambodia, India, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China) and Vietnam.

Agenda

1

BUSINESS HIGHLIGHTS

Lee Yuan Siong, Group Chief Executive and President

2

FINANCIAL RESULTS

Garth Jones, Group Chief Financial Officer

3

STRATEGIC PRIORITIES & OUTLOOK

Lee Yuan Siong, Group Chief Executive and President

4

Q&A



**HEALTHIER, LONGER,
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Business Highlights

Lee Yuan Siong

Group Chief Executive and President



1H2021 Strong Performance



Growth

VONB

\$1,814m

+22%

EV Equity

\$70.1b

+7%⁽¹⁾

Earnings

OPAT

\$3,182m

+5%

Shareholders'
Allocated Equity

\$48.9b

+7%⁽¹⁾

Capital & Dividends

UFSG

\$3,374m

+6%

Interim Dividend
Per Share

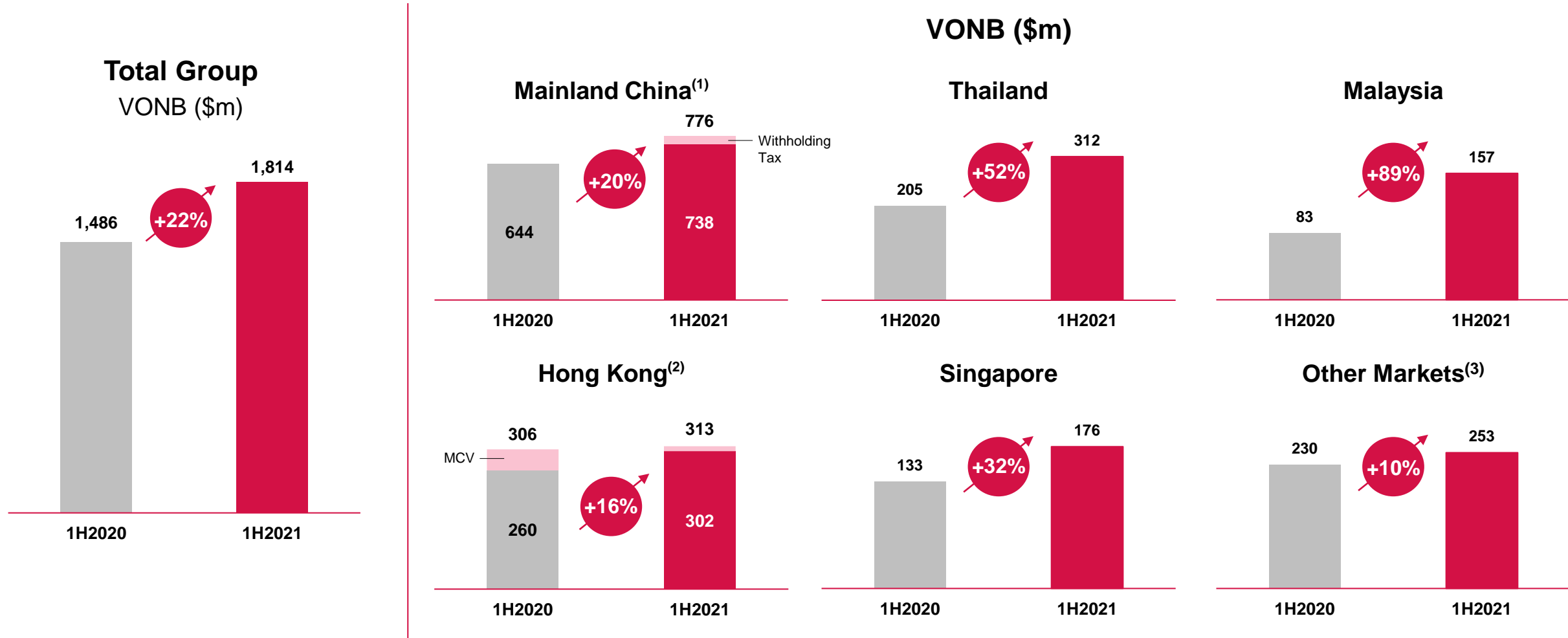
38.00 HK cents

+8.6%

Note:

(1) Growth rates are shown before dividend paid and compared to the position as at 31 December 2020

Broad-Based VONB Growth Across All Segments



Notes: Comparatives are shown on a constant exchange rate basis. VONB by geographical market is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests

(1) Growth rate before the impact of 5% withholding tax applied to VONB in AIA China since July 2020

(2) Growth rate excluding Mainland Chinese visitor (MCV) segment in Hong Kong for both periods

(3) Excluding one-off contribution to VONB in Australia in 1H2020, as previously disclosed

Unrivalled Premier Agency Powered by Digitalisation



End-to-end Digitally Enabled Model

100% Remote digital sales capabilities across all markets

95% Digital new business submissions across all markets

98% Digital training adoption across all markets

>1m leads
from integrated social media marketing⁽¹⁾

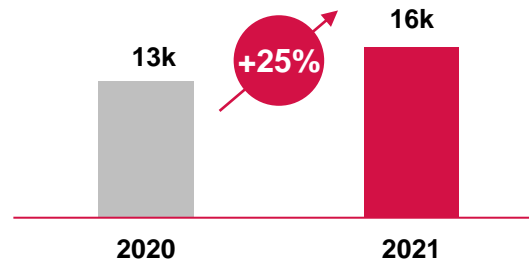
Delivering Higher Activity

+11%
Total Agency Leaders

+9%
Active Agents

+15%
VONB per Active Agent

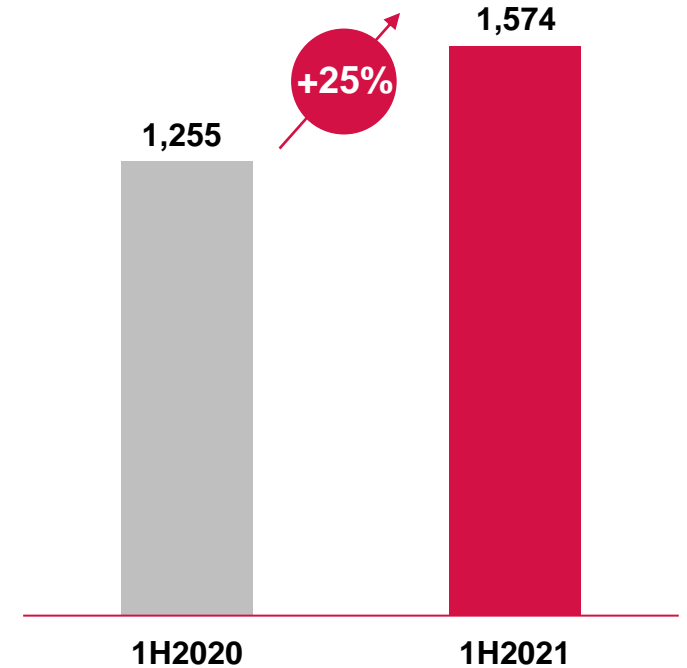
of MDRT Members



1 MDRT
for 7 consecutive years

Driving Growth and Resilience

Agency VONB (\$m)



Notes: For 1H2021; growth rates against 1H2020 unless otherwise stated; VONB comparative is shown on a constant exchange rate basis

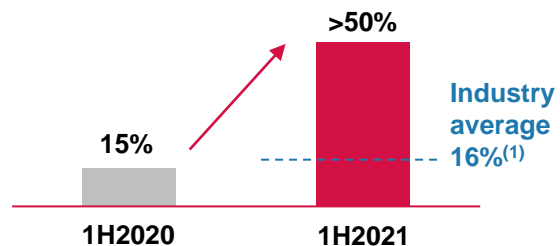
(1) Active across 6 markets

Technology, Digital and Analytics Transforming AIA

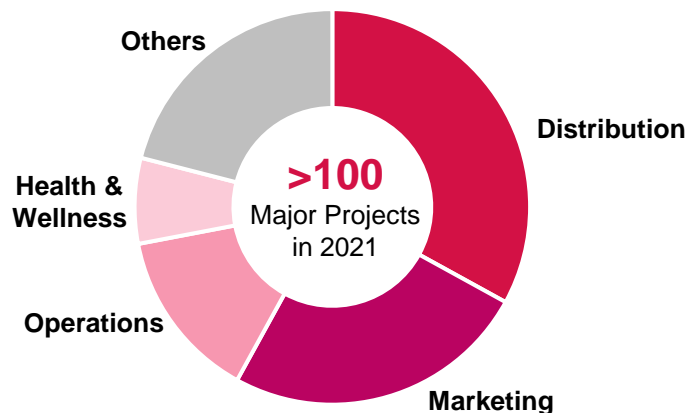


Technology & Analytics

Cloud Adoption

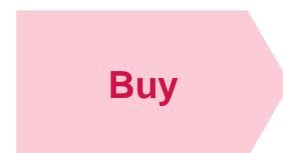


AI & Analytics Use Cases by Function



Enriching Customer Experience through Digital

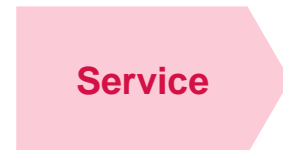
% of total across AIA Group in 1H2021



New policies with digital payment



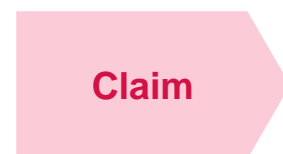
Policies issued electronically



Policyholder transactions submitted digitally



Customer enquiries resolved in first call



Digital submission



Paid digitally

>50%

All transactions processed automatically end-to-end with no human intervention

Note:

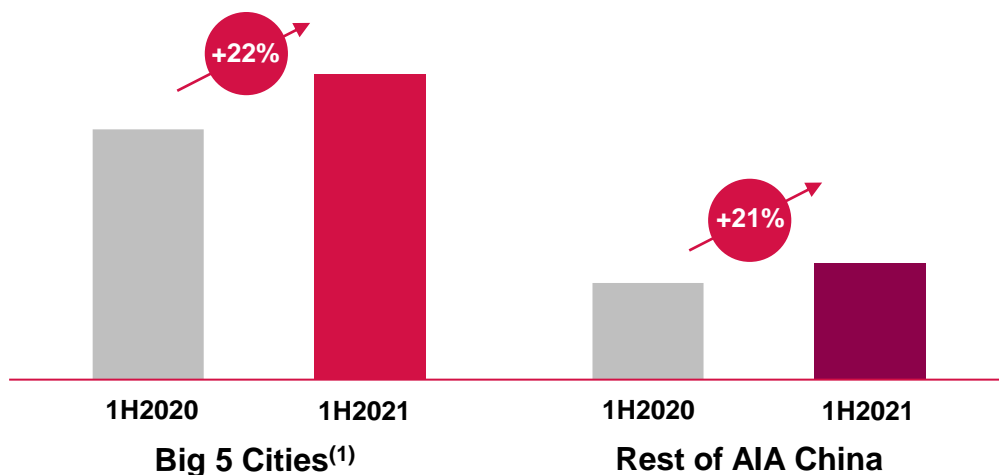
(1) Global Financial Services and Insurance, as at July 2021, source McKinsey

AIA China – Strong Growth, Accelerating Expansion



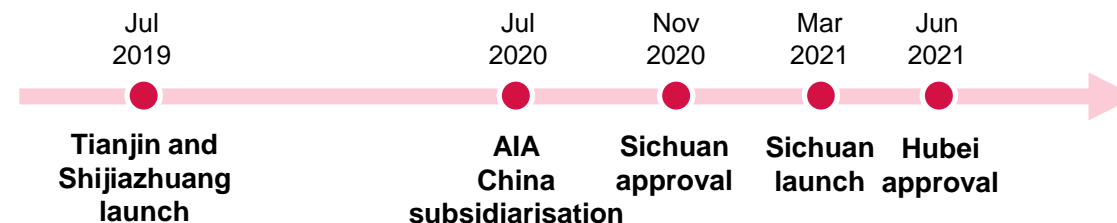
Broad-Based VONB Growth Supported by Higher Sales Activity

AIA China Agency VONB



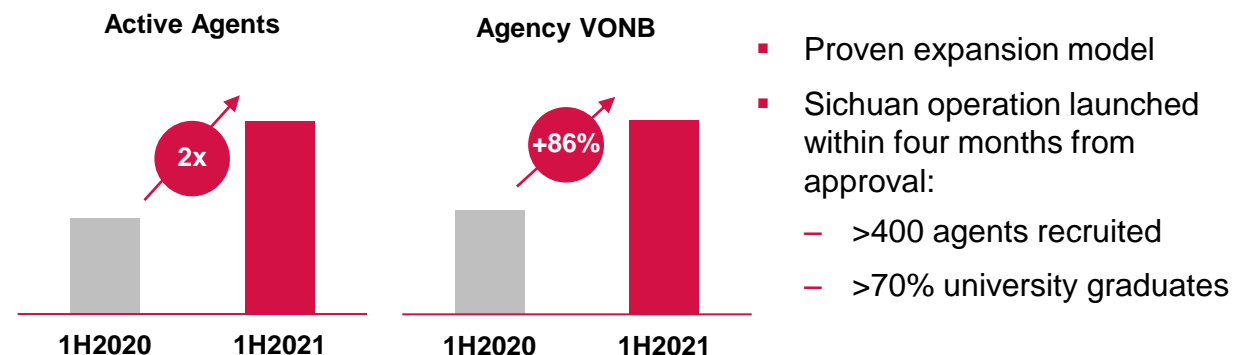
+8 pps Active Agent Ratio	+10% No. of Cases per Active Agent	+15% Income per Active Agent
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Accelerating AIA China Geographical Expansion



Excellent Progress in New Operations

Tianjin, Shijiazhuang and Sichuan Province



- Proven expansion model
- Sichuan operation launched within four months from approval:
 - >400 agents recruited
 - >70% university graduates

Notes: VONB growth rates before the impact of 5% withholding tax applied to VONB in AIA China since July 2020; growth rates 1H2021 against 1H2020

(1) Big 5 cities are Beijing, Shanghai, Shenzhen, Guangzhou and Suzhou

Creating Additional Growth Opportunities with Strategic Partners



Mainland China

24.99% Equity Stake in China Post Life



- Access to largest retail financial distribution network
 - ~40,000 financial distribution outlets nationwide
 - >600m bank retail customers across Mainland China
- Significant upside through AIA technical assistance

Hong Kong and Greater Bay Area

15-Year Exclusive Bancassurance Partnership with Bank of East Asia in Hong Kong and Mainland China



- Leading Hong Kong bank with >1.2m domestic customers
- Further strengthens AIA's position in the Greater Bay Area
- Top 3 foreign bank by branch network in Mainland China
- Distribution partnership launched in July 2021

Malaysia

Long-term Strategic Partnership with TNG Digital



- Malaysia's largest e-wallet company
- >16m registered users
- Accepted at >1m merchant touch points⁽¹⁾
- Digital life, health and P&C solutions opportunity

Vietnam

10-Year Exclusive Agreement with Tiki



- Vietnam's leading integrated e-commerce platform
- 20m registered users
- Co-develop digital lifestyle propositions across life and health
- Online-to-offline model for comprehensive protection needs

Note:

(1) Including "QR by DuitNow" platform in Malaysia

Financial Results

Garth Jones

Group Chief Financial Officer



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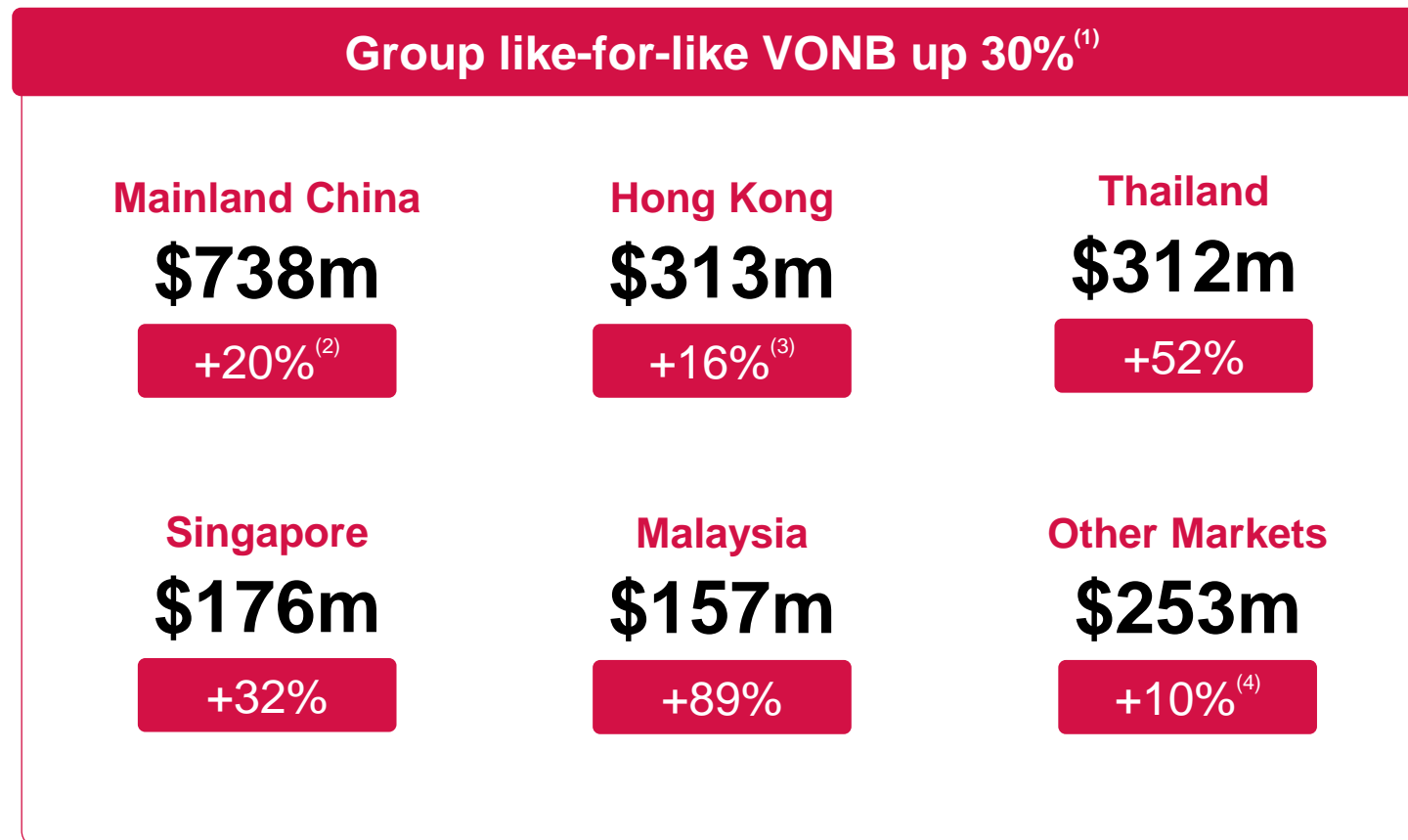
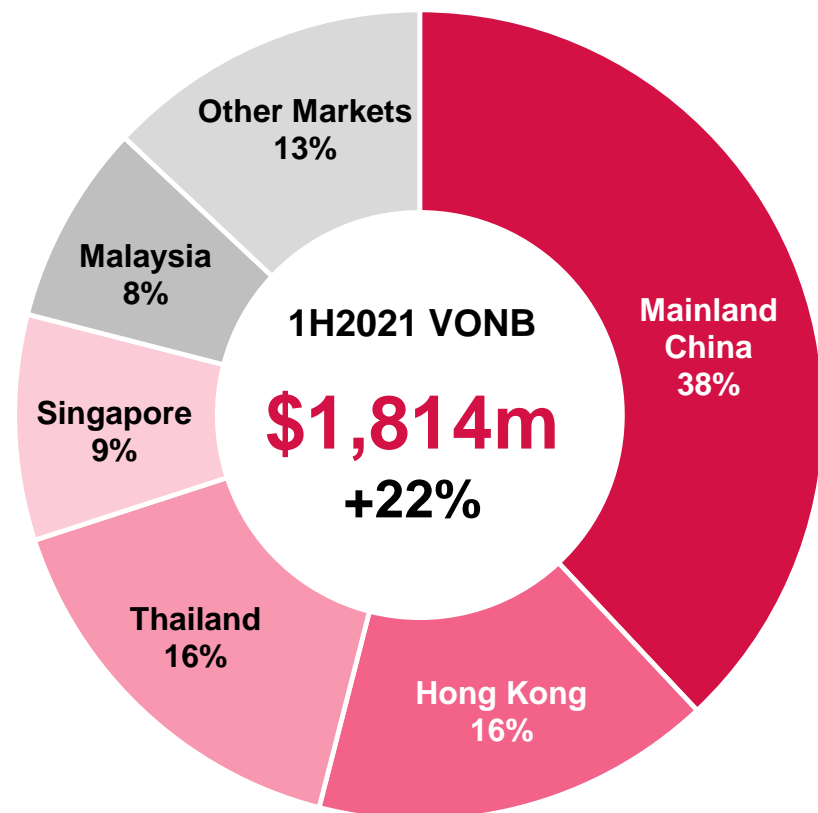
Growth

Earnings

Capital & Dividends



All Segments VONB Grew Double-Digit on Like-for-Like Basis



Notes: VONB by geographical market is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests

(1) Group VONB growth on a like-for-like basis adjusted for the impact of 5% withholding tax applied to VONB in AIA China since July 2020, excluding MCV segment in Hong Kong for both periods and one-off contribution to VONB in Australia in 1H2020, as previously disclosed

(2) Growth rate before the impact of 5% withholding tax applied to VONB in AIA China since July 2020

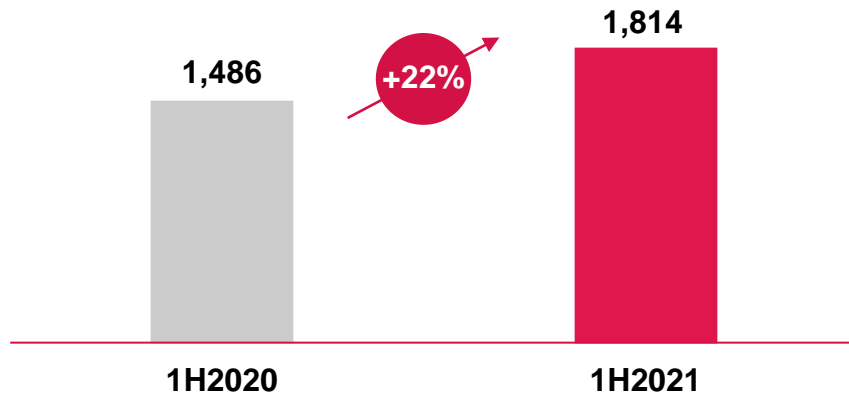
(3) Growth rate excluding MCV segment in Hong Kong for both periods

(4) Growth rate excluding one-off contribution to VONB in Australia in 1H2020, as previously disclosed

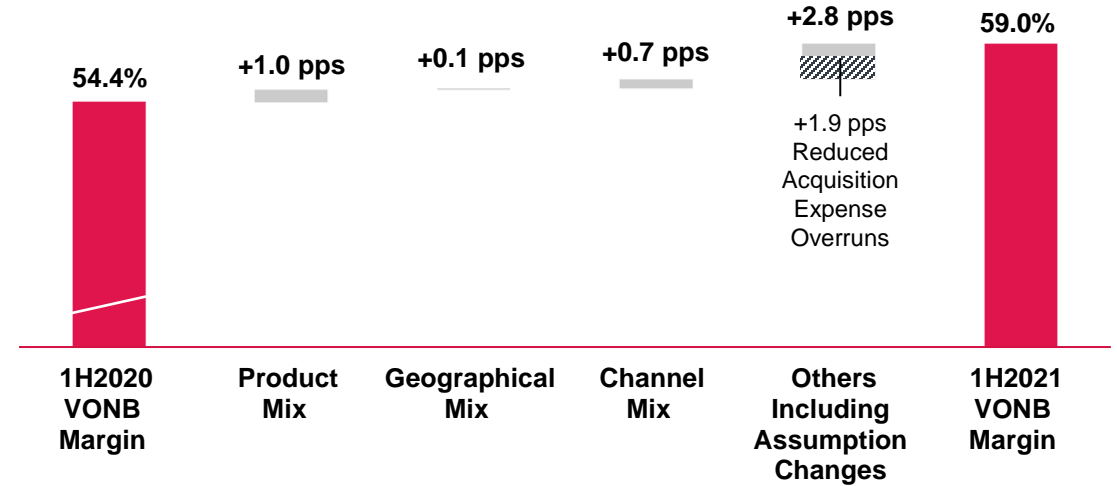
High-Quality New Business Growth Delivering Attractive Returns



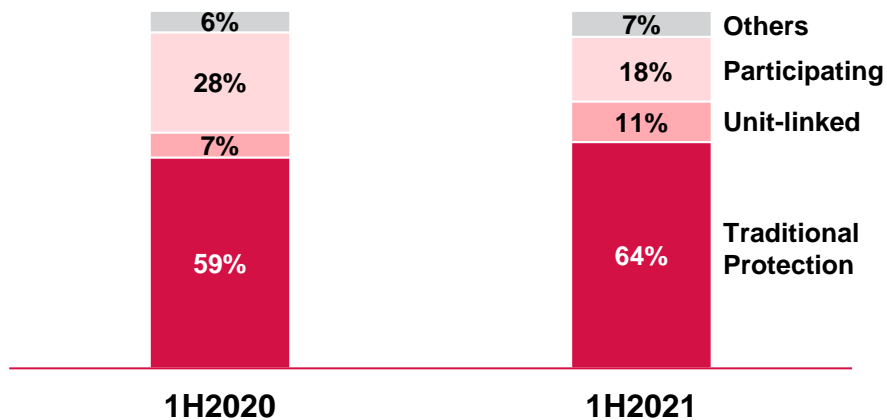
VONB (\$m)



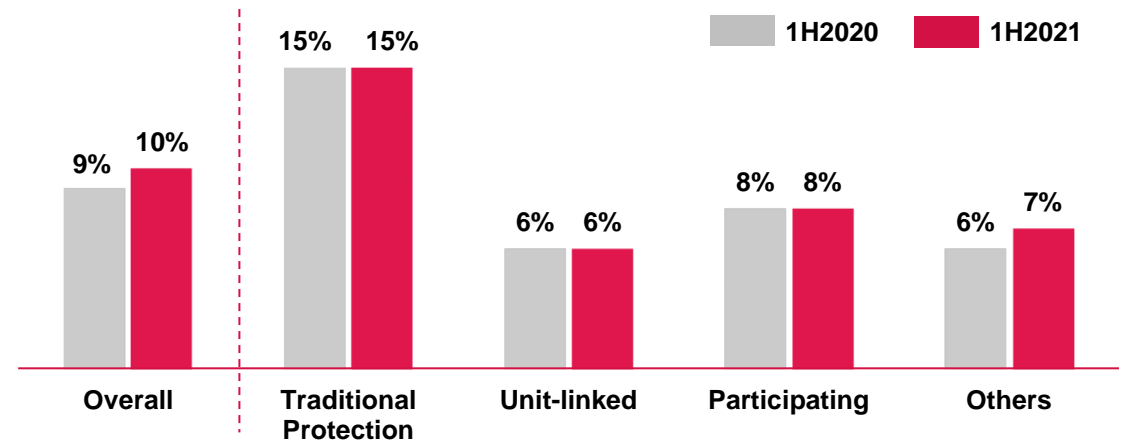
VONB Margin Movement



VONB by Product Mix



PVNB Margin by Product

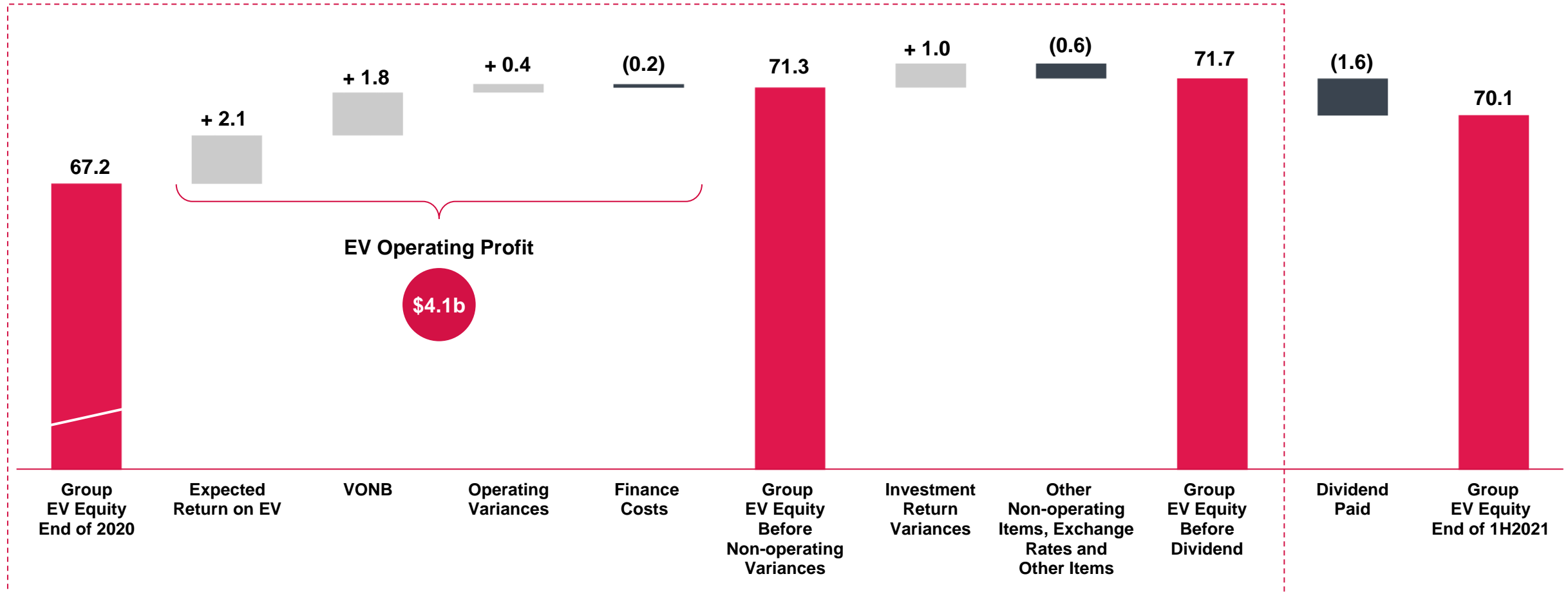


Note: VONB comparative is shown on a constant exchange rate basis

EV Equity of \$71.7b before Dividend



1H2021 EV Equity Movement (\$b)



EV Sensitivity to Interest Rates Remains Very Small



Sensitivity of EV⁽¹⁾

Equity Prices

10% Fall

(1.9)%

10% Rise

+1.9%

Interest Rates

50 bps Decrease

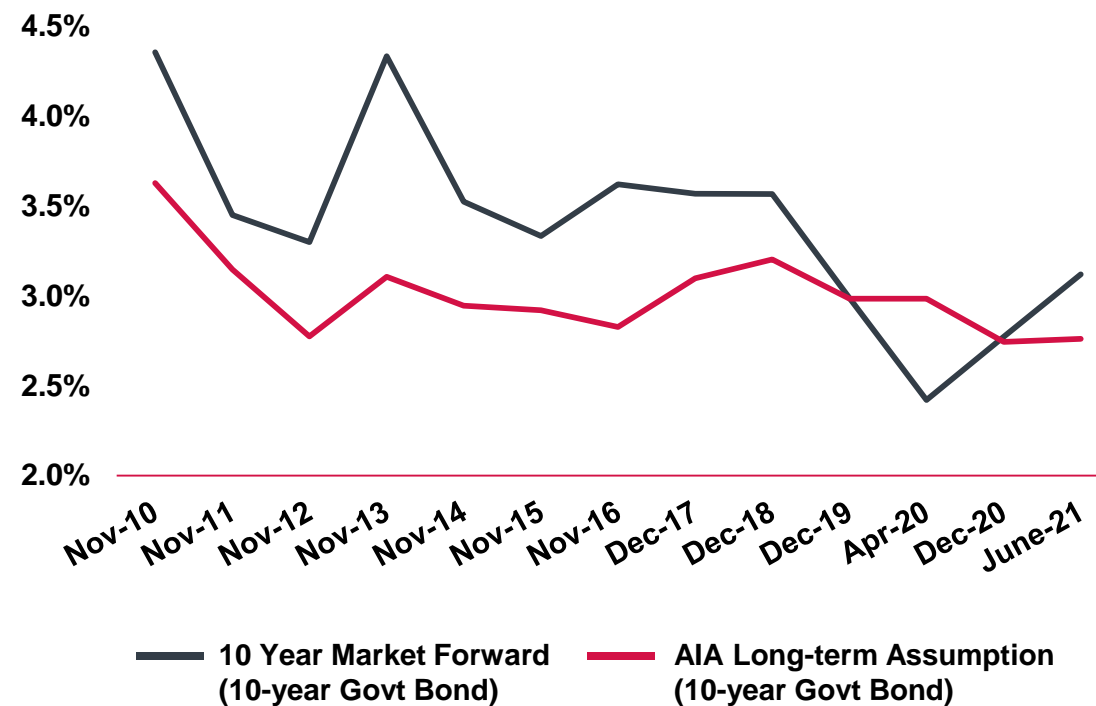
(0.8)%

50 bps Increase

+0.1%

AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography⁽²⁾



Notes:

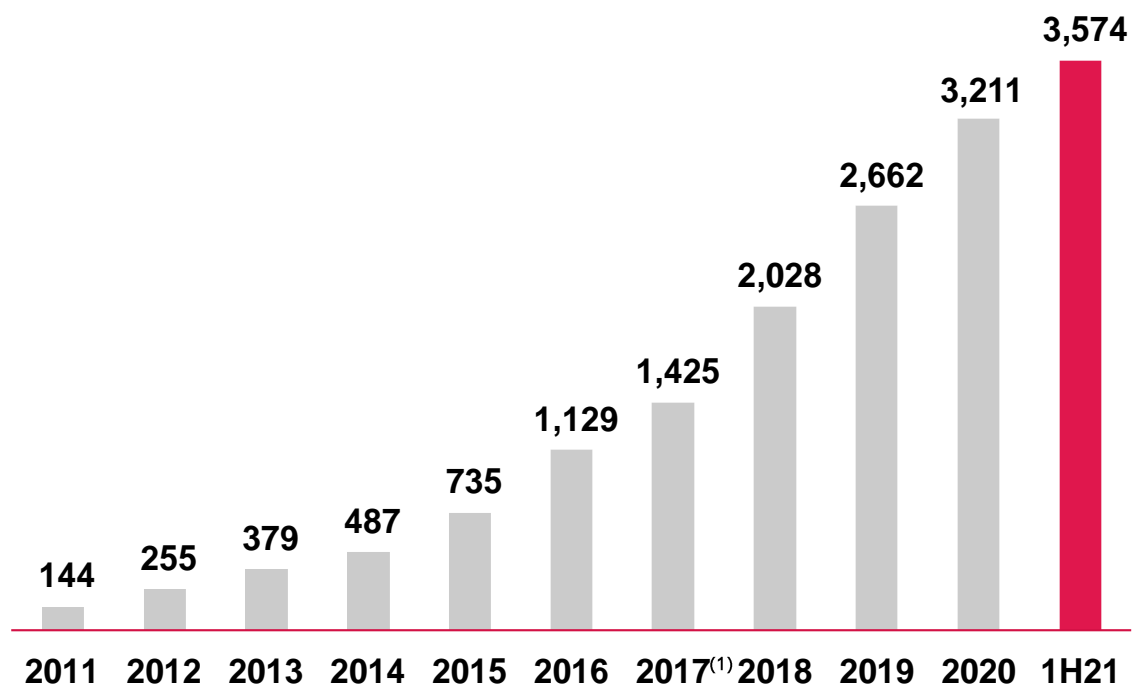
(1) Calculated based on EV as at 30 June 2021

(2) Weighted average interest rates by VIF of Mainland China, Hong Kong, Thailand, Singapore and Malaysia

Financial Discipline Driving Sustainable Shareholder Value



Cumulative EV Operating Variances (\$m)



Prudent EV Basis

	AIA Traditional EV ⁽²⁾	Market Consistent Valuation ⁽³⁾	European EV (EEV) ⁽³⁾
End of 1H2021 EV Equity	\$70.1b	>\$10b increase	>\$10b increase
1H2021 VONB	\$1.8b	>20% increase	>20% increase

Notes:

(1) 2017 figure covers a 13-month period from 1 December 2016 to 31 December 2017

(2) Includes: implicit allowance for time value of options and guarantees (TVOGs) within risk premium of >500 bps in risk discount rate (RDR), and explicit deduction for present value of unallocated Group Office expenses

(3) Includes: explicit allowance for TVOGs, risk free rates with liquidity premium, and explicit deduction for present value of unallocated Group Office expenses



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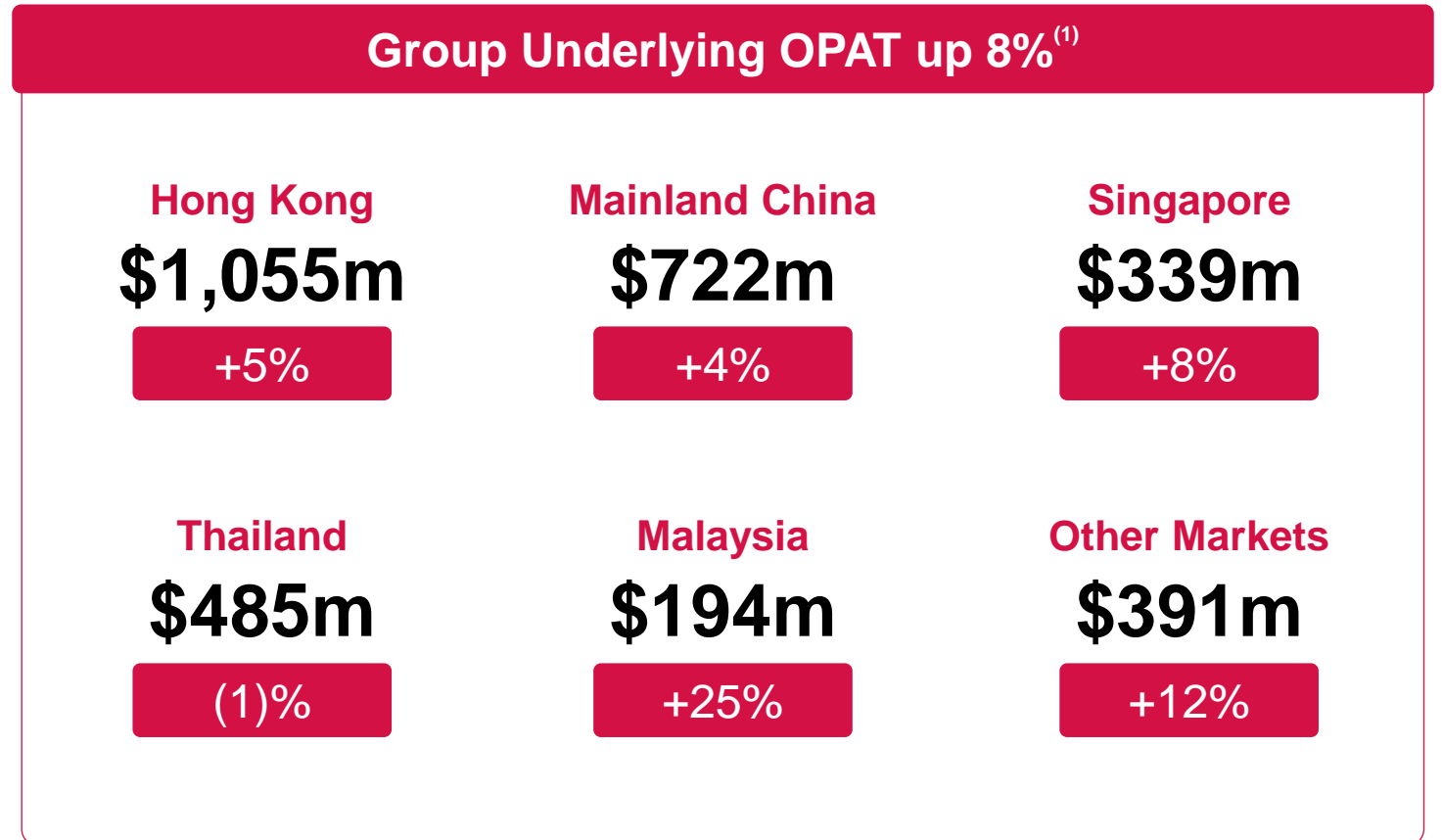
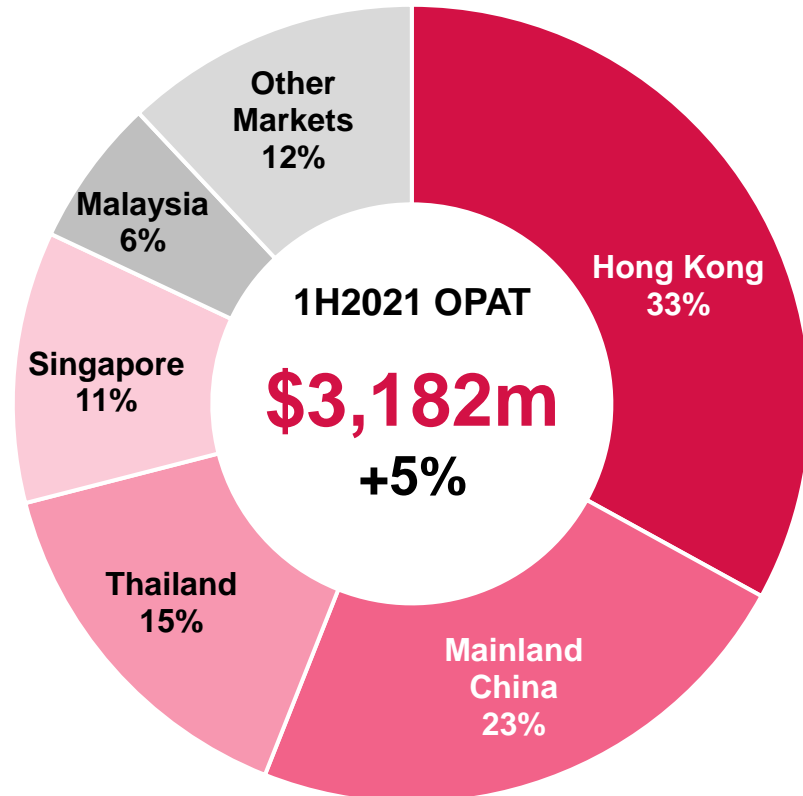
Growth

Earnings

Capital & Dividends



Growing In-Force Portfolio of High-Quality Business



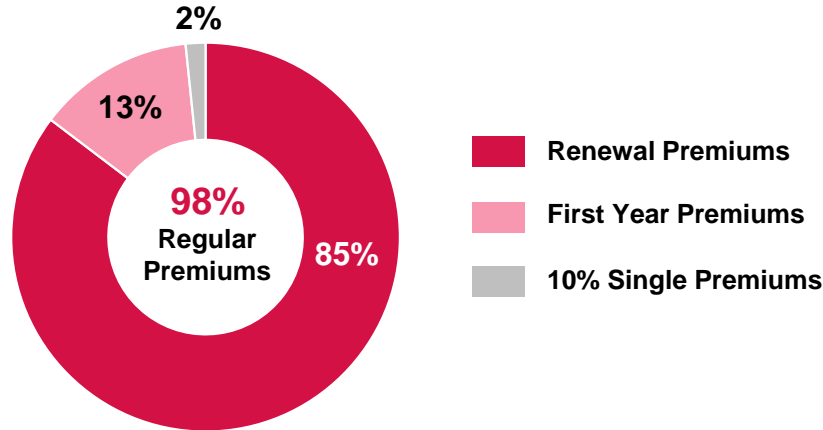
Notes: Group OPAT includes Group Corporate Centre

(1) Group OPAT adjusted for exceptional positive claims experience in 1H2020 and the effect of 5% withholding tax applied to AIA China since July 2020

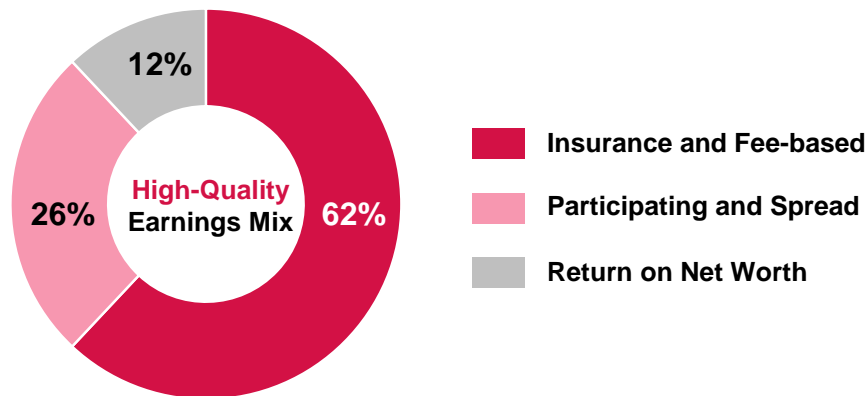
High-Quality Diversified Earnings Driving 11% CAGR in OPAT



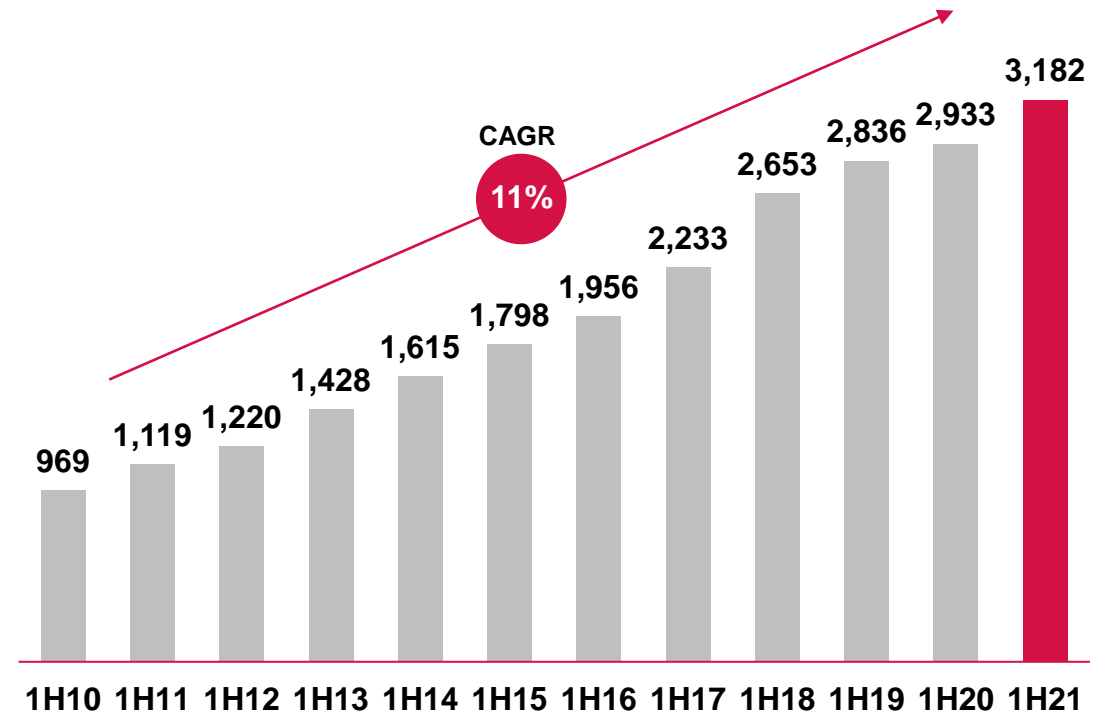
TWPI by Premium Type



Sources of IFRS Operating Profit⁽¹⁾



OPAT (\$m)



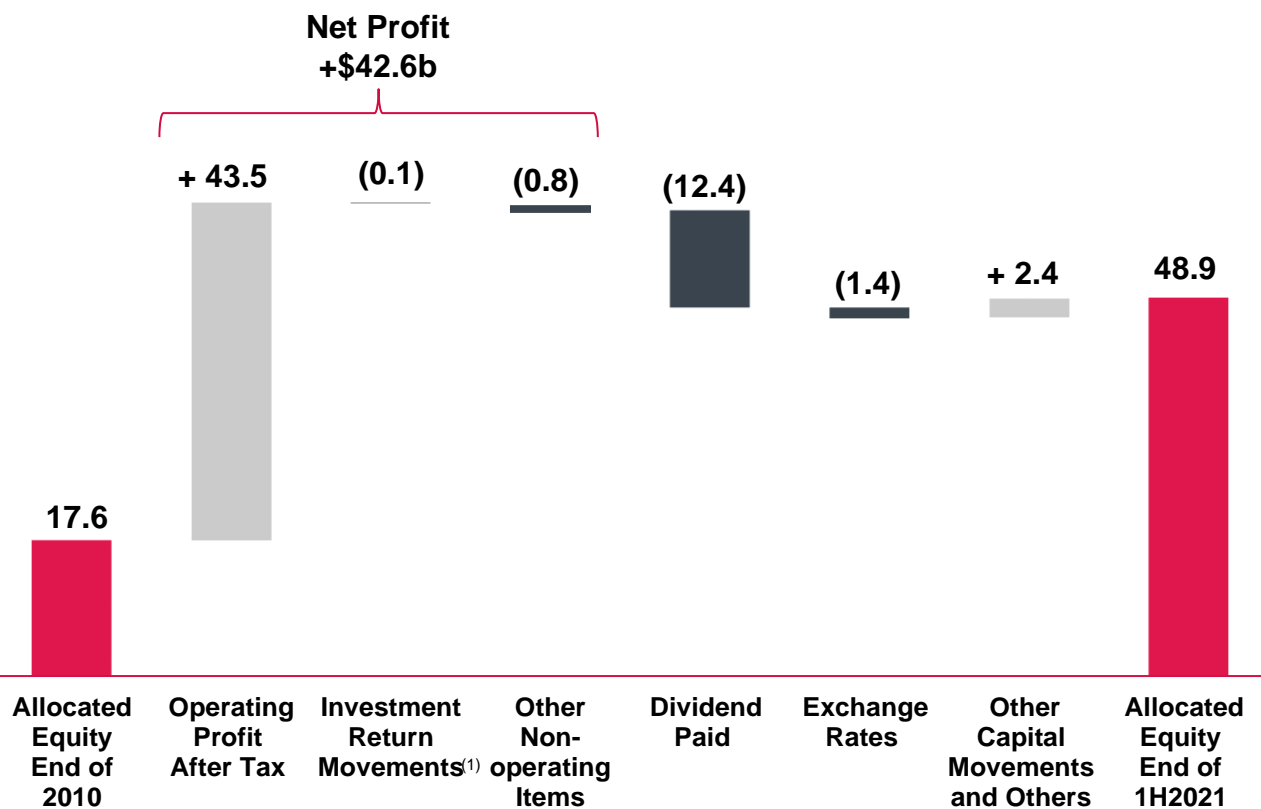
Notes: For 1H2021

(1) Operating profit before tax and before Group Corporate Centre expenses

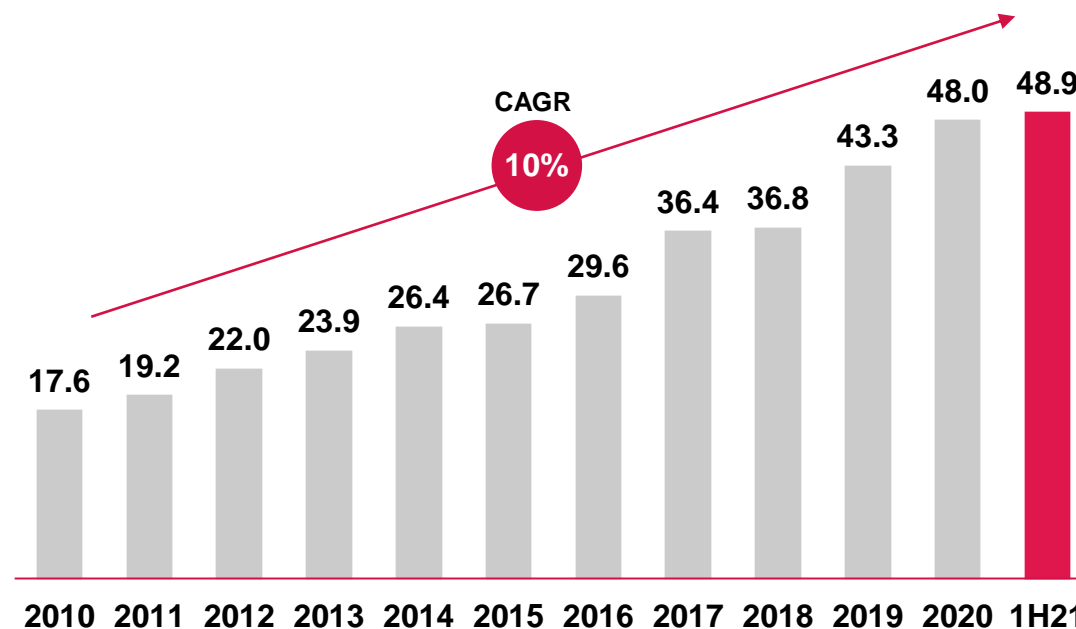
Shareholders' Allocated Equity Increased to \$48.9b



Shareholders' Allocated Equity Movement Since IPO (\$b)



Shareholders' Allocated Equity (\$b)



Notes: Due to rounding, numbers presented in the chart may not add up precisely
 (1) Short-term fluctuations in investment return related to equities and real estate, net of tax



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Growth

Earnings

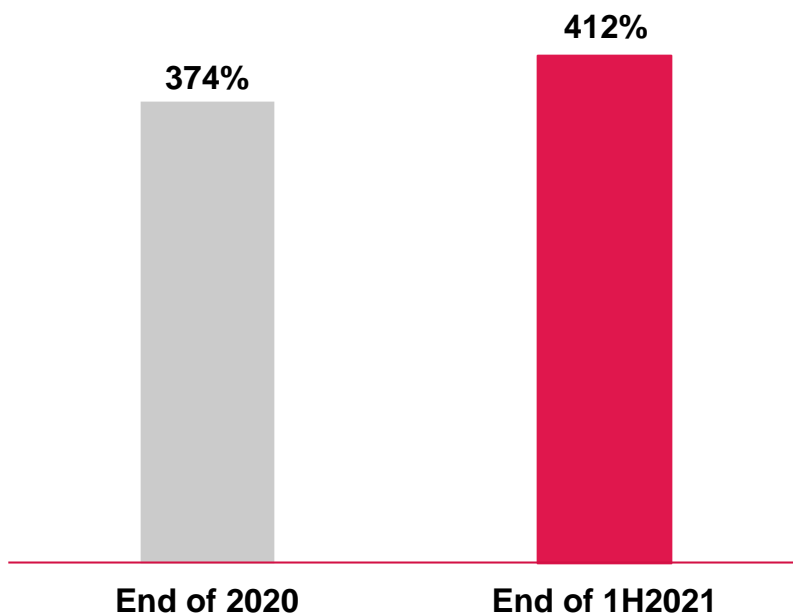
Capital & Dividends



Very Strong Regulatory Capital Position



Group LCSM Cover Ratio



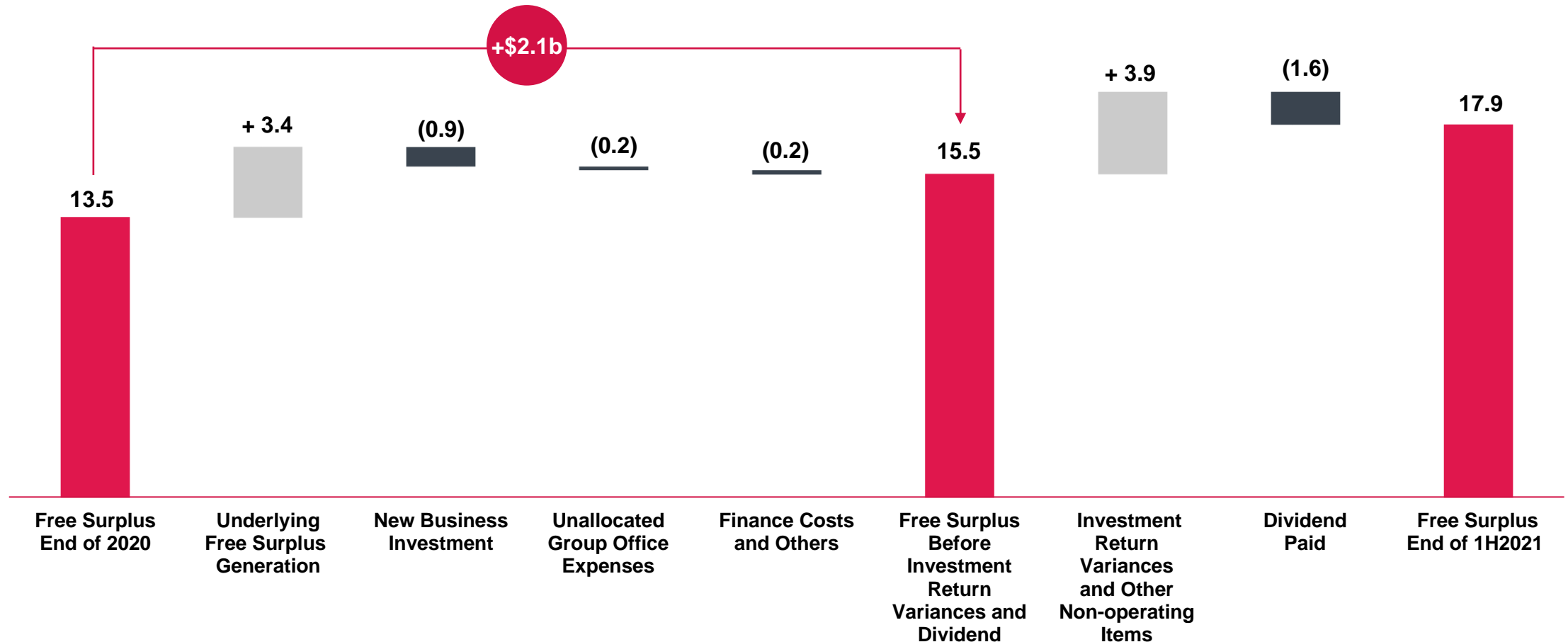
Hong Kong Risk-Based Capital

- Current Hong Kong regulatory basis will be replaced by a Risk-based Capital framework (HKRBC)
- Expect HKRBC rules to be finalised in 2021
- Effective from 2024; HKIA developing plans for early adoption
- AIA's regulatory capital position expected to remain very strong on this basis
- Intend to provide an update at 2021 Annual Results on capital position under HKRBC and our capital management plans

Free Surplus Increased to \$17.9b



Free Surplus⁽¹⁾ Movement (\$b)



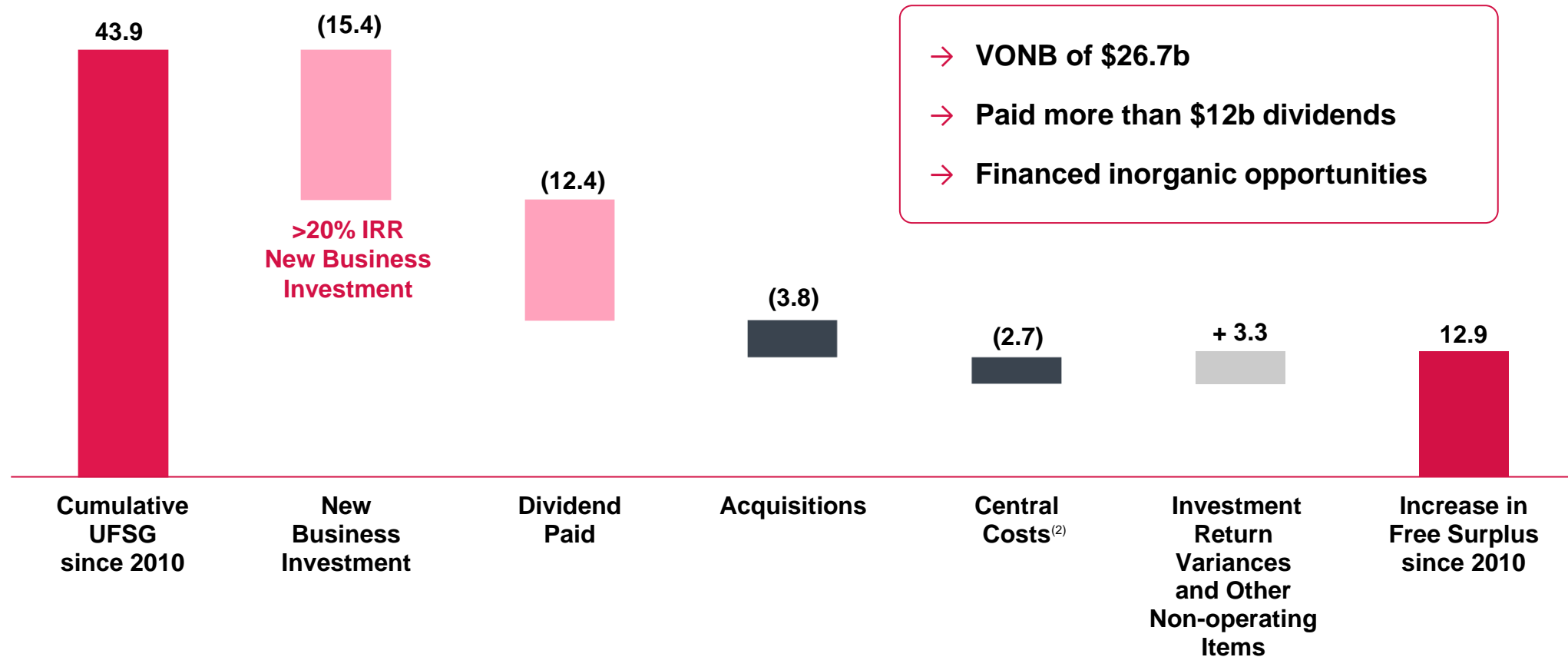
Notes: Due to rounding, numbers presented in the chart may not add up precisely

(1) Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital

Financial Discipline Driving Significant Free Surplus Generation



Use of Free Surplus⁽¹⁾ Since IPO (\$b)



Notes:

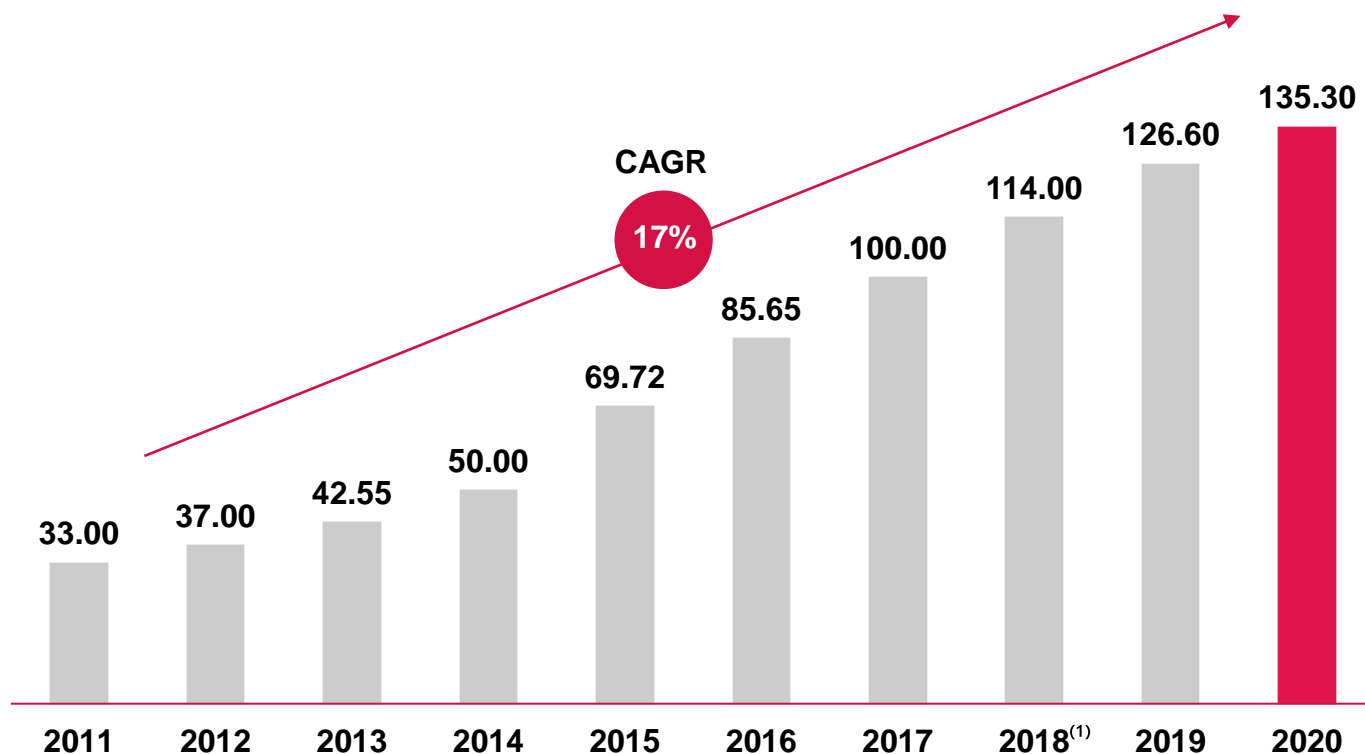
(1) Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital

(2) Unallocated Group Office expenses, finance costs and other capital movements

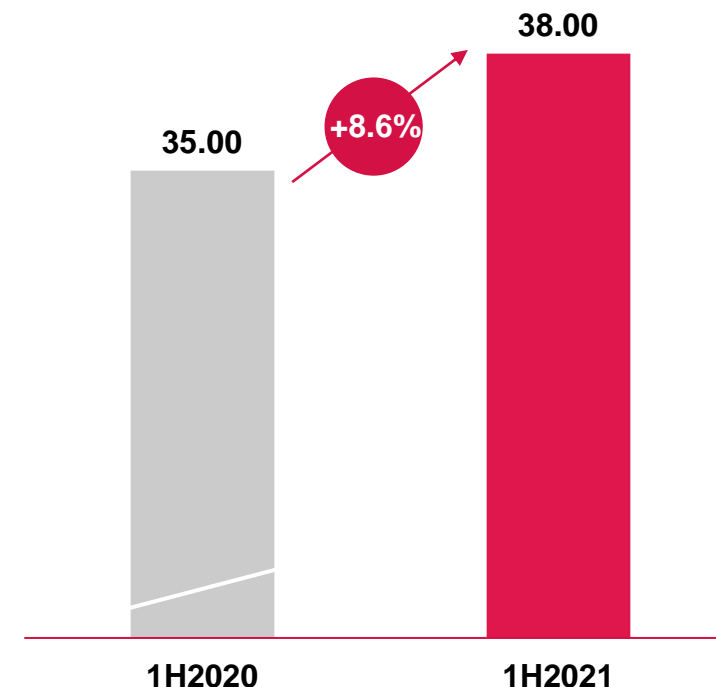
Progressive Interim Dividend Increase of 8.6%



Total Dividend Per Share (HK cents)



Interim Dividend Per Share (HK cents)



Note:
(1) Total dividend excluding special dividend

1H2021 Strong Financial Performance



- **Strong results with all of our key financial metrics up**
- **Very strong VONB growth with all reportable segments up double-digit⁽¹⁾**
- **Record highs for EV Equity and shareholders' allocated equity**
- **Significant increase in free surplus and Group LCSM cover ratio**
- **Further growth in shareholder dividends**

Note:

(1) Group VONB growth on a like-for-like basis adjusted for the impact of 5% withholding tax applied to VONB in AIA China since July 2020, excluding MCV segment in Hong Kong for both periods and one-off contribution to VONB in Australia in 1H2020, as previously disclosed



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Strategic Priorities & Outlook

Lee Yuan Siong

Group Chief Executive and President

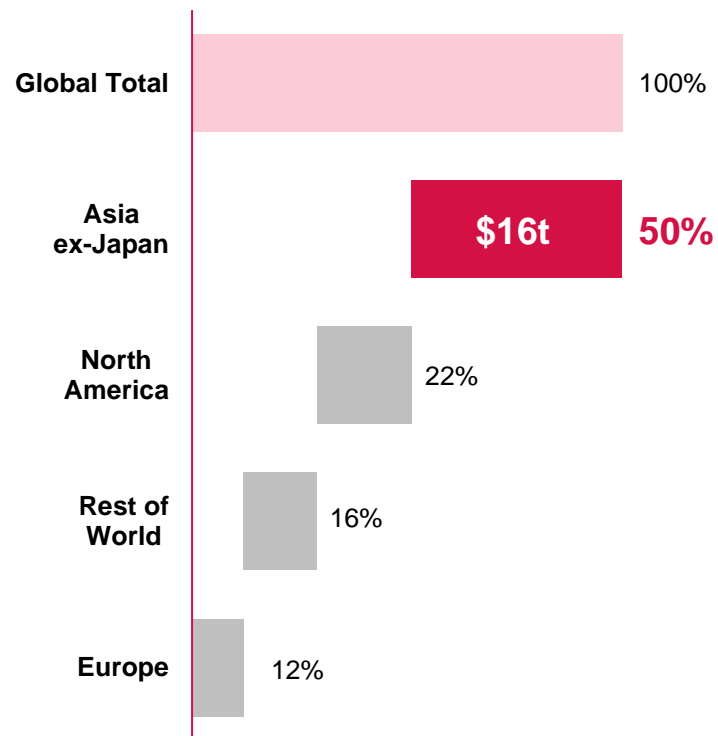


AIA: Capturing Asia's Unprecedented Growth Opportunities



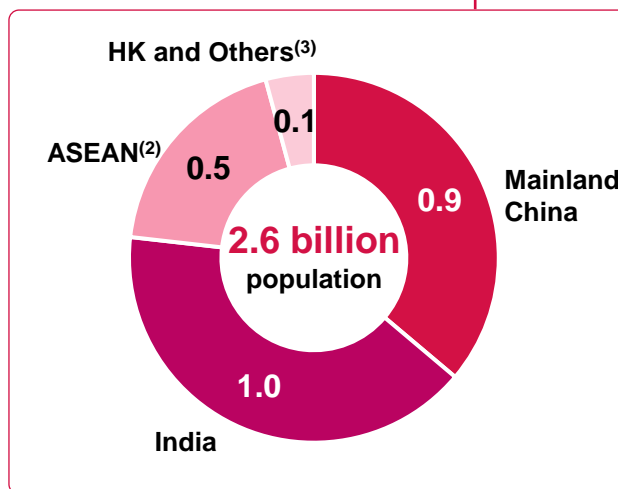
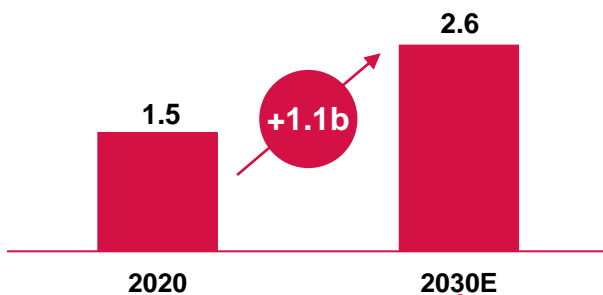
Asia's Unprecedented Wealth Creation

Projected Cumulative Contribution to Global GDP Growth, 2020-2030E



Fast-Growing Middle Class

Middle Class and Affluent Population⁽¹⁾ across AIA Footprint (billion people)



AIA's Competitive Advantages

Unmatched Scale and Presence in Asia with 100% Ownership Structures

Unrivalled Distribution

High-quality Premier Agency and industry-leading strategic partnerships

Leading Customer Experience

Simplicity, timeliness and reliability

Compelling Propositions

Powered by Health and Wellness Ecosystem and AIA Regional Funds Platform

Technology, Digital and Analytics

Driving growth and efficiency

Organisation of the Future

Simpler, faster, more connected

Financial Discipline

Sustainable long-term shareholder value

Notes: Due to rounding, numbers presented in the pie chart may not add up precisely; Sources: IHS, McKinsey

(1) \$22,000 net income or higher, on purchasing power parity basis (PPP)

(2) Thailand, Singapore, Malaysia, Vietnam, Indonesia, the Philippines, Cambodia, Myanmar and Brunei

(3) Hong Kong SAR, Macau SAR, Australia, New Zealand, South Korea, Taiwan (China) and Sri Lanka

Shifts in Consumer Preferences Accelerated by COVID-19



Structural Drivers of Long-Term Growth



Significant need for private protection



Rapidly shifting consumer mindset



Pervasiveness of new technologies



Embracing purpose, sustainability and resilience

COVID-19 Impacts

71% say that insurance has become more important to meet long-term savings and protection needs

73% plan to put aside more savings for peace of mind

Strong Growth in digital health applications with intent to continue usage⁽¹⁾

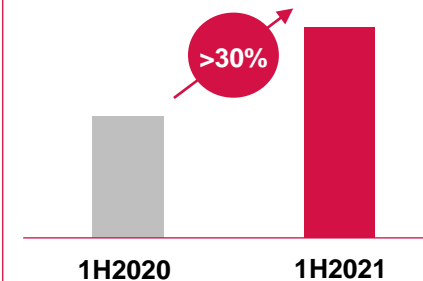
38x Telemedicine usage from pre-COVID levels

>20% Increase in AIA Vitality new members

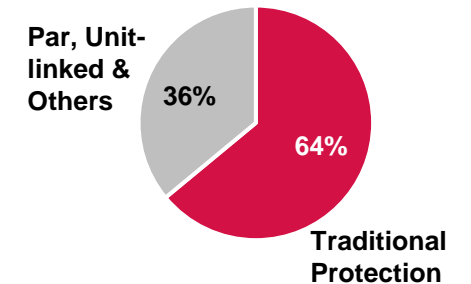
>15% Increase in AIA Vitality mental health assessments

Greater Shift to Protection and Digital

Protection VONB⁽²⁾



Product Mix by VONB



>2x Increase in Unit-linked VONB

>70% Increase in AIA Vitality integrated product VONB

\$500m Agency ANP using remote capabilities

Notes: For 1H2021; growth rates against 1H2020

Sources: AIA Household Savings Research, McKinsey, Gartner, OECD, BCG, SwissRe, IMF, Gartner CIO survey, Practo

(1) Including online fitness and telemedicine, compared to other digital and out-of-home activities including video conferencing, remote learning, online games, restaurant and grocery delivery, self-checkout and in-store pickup

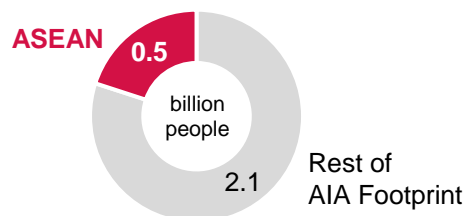
(2) Growth rate adjusted for the impact of 5% withholding tax applied to VONB in AIA China since July 2020 and one-off contribution to VONB in Australia in 1H2020, as previously disclosed

Building on our Strengths in ASEAN



Enormous Potential

>500 million Middle Class and Affluent Population by 2030E



\$2.9t
2020 GDP

2x
GDP per Capita
by 2030

~2.7%
Insurance
Penetration

>\$35b
ANP Opportunity from
Mortality Protection Gap

>\$225b
Annual Health
Protection Gap

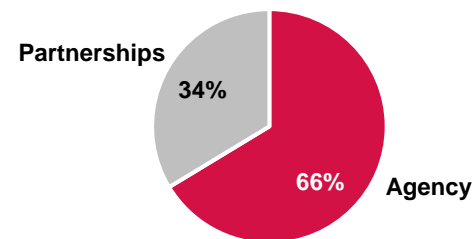
Advantaged Platform and Disciplined Execution

Regional Leader

#1 ranking
across 6 markets
combined⁽¹⁾

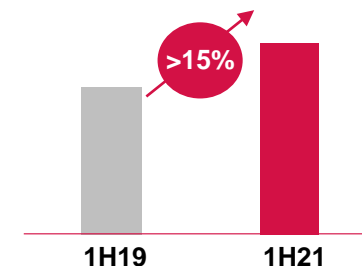
Multi-Channel Distribution

1H21 Channel Mix by ANP



Proven Execution

VONB



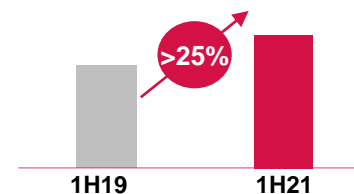
Scaling Premier Agency

>20%
Increase in new recruits

Leading Bank Partners

>48m customers across
5 key domestic bank partners⁽²⁾

Top 5 bank partners VONB



Digital Platform Partnerships

>140m active users
across key strategic partners



Notes: All figures are for Thailand, Singapore, Malaysia, Indonesia, the Philippines and Vietnam; Growth rates against 1H2020 unless otherwise stated

(1) In aggregate across the six markets by ANP in 2020, based on regulatory data

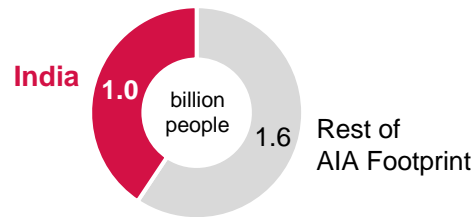
(2) Bangkok Bank in Thailand, BCA in Indonesia, BPI in the Philippines, Public Bank in Malaysia and VPBank in Vietnam

Accessing India's Potential through Tata AIA Life



Huge Middle Class Opportunity

1 billion Middle Class and Affluent Population by 2030E



\$2.6t
2020 GDP

2.8x
GDP per Capita by 2030

~3.2%
Insurance Penetration

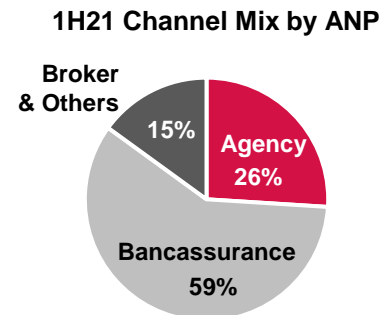
>\$75b
ANP Opportunity from Mortality Protection Gap

>\$350b
Annual Health Protection Gap

Tata AIA Life: Differentiated Multi-Channel Distribution

Multi-Channel and Protection Focused

#1
Retail Protection Player⁽¹⁾



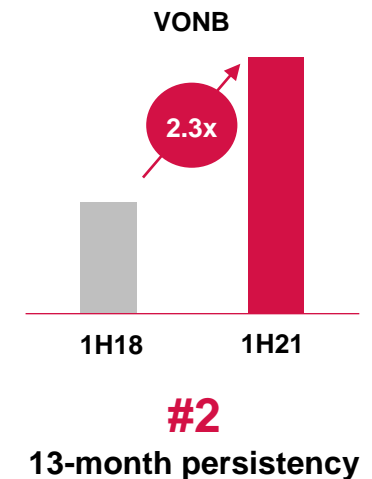
Unrivalled Distribution Strength

#1
Agent Productivity

>100m
existing bank customers through **5 leading bank partners**

Strong Digital Partner
practo

Proven Execution



End-to-end Digitalisation

99%
iRecruit adoption for new agent recruits

~100%
Agency remote sales in 1H21

Leading Customer Experience

86%
Digital payments

88%
Customer self service

66
Onboarding NPS

AIA's Unparalleled Position in Hong Kong and GBA



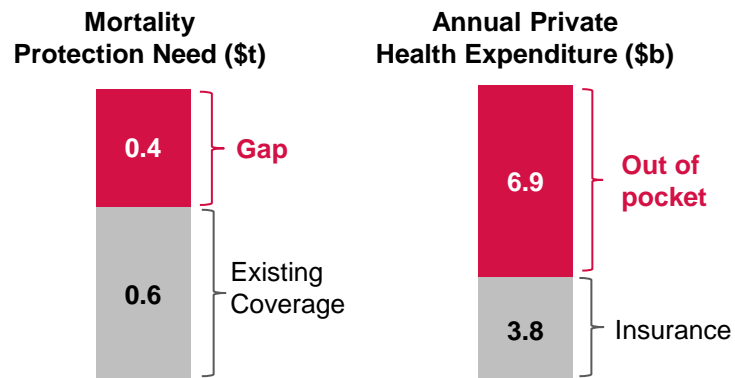
Meeting Growing Needs in Hong Kong

\$10b
Domestic Market ANP⁽¹⁾

14% CAGR
Domestic Market ANP
2014-2019

>1/3 of ANP
MCV contribution to
AIA Macau in 1H2021

Large Protection Gap



AIA's Leading Premier Agency

29% Agents are MDRT

#1 Agency
by ANP⁽¹⁾

>40% MDRT member growth

#1 MDRT
company in the world

Unrivalled Platform in the Greater Bay Area

**Large and Growing
Affluent Population**

67m
Middle class and affluent
population by 2030

\$1.7t
GDP
in 2020

**Significant
Potential for Life &
Health Insurance**

\$23k
GDP per Capita
in 2020

3.7%
Insurance
Penetration

AIA's Competitive Advantages

100% ownership

#1
Agency force in
Hong Kong and Macau

Exclusive Partnership with BEA
through over 80 bank outlets

#3
Agency force in
Guangdong GBA cities

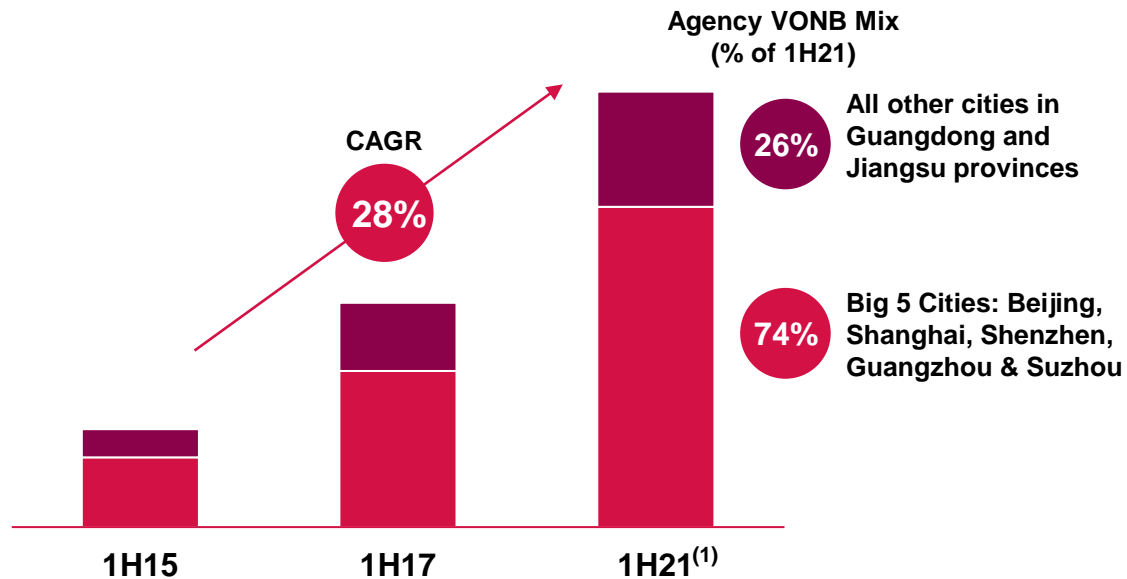
Note:
(1) Sources: HKIA, 2019 Onshore Total Market ANP

AIA China: Significant Potential from Original Footprint



Excellent Track Record

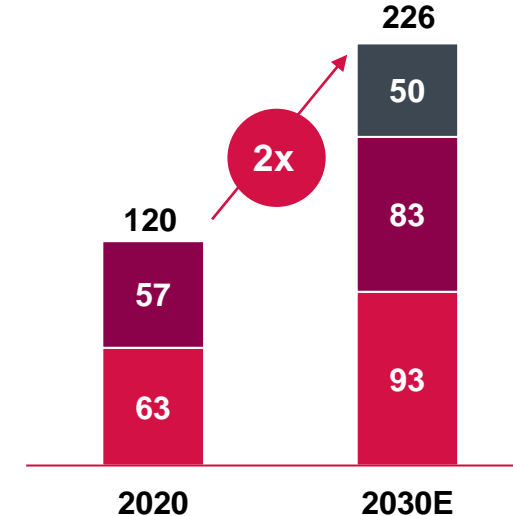
AIA China Agency VONB



- Sustained strong growth in Big 5 cities
- All other cities material contributors to growth
- Proven ability to replicate Premier Agency in new cities

Huge Headroom for Growth

Middle Class and Affluent Population (million people)



AIA China

Market Share⁽²⁾ Target Segment Penetration⁽³⁾



Cities in Guangdong & Jiangsu with no AIA presence

All other cities in Guangdong & Jiangsu with AIA presence

Big 5 Cities: Beijing, Shanghai, Shenzhen, Guangzhou & Suzhou

- Build on strong market position in Big 5 cities
- Increase penetration in all other cities with AIA presence
- Expansion into remaining cities

Notes: VONB growth rates before the impact of 5% withholding tax applied to VONB in AIA China since July 2020

(1) Excluding Tianjin, Shijiazhuang and Sichuan

(2) By gross written premium

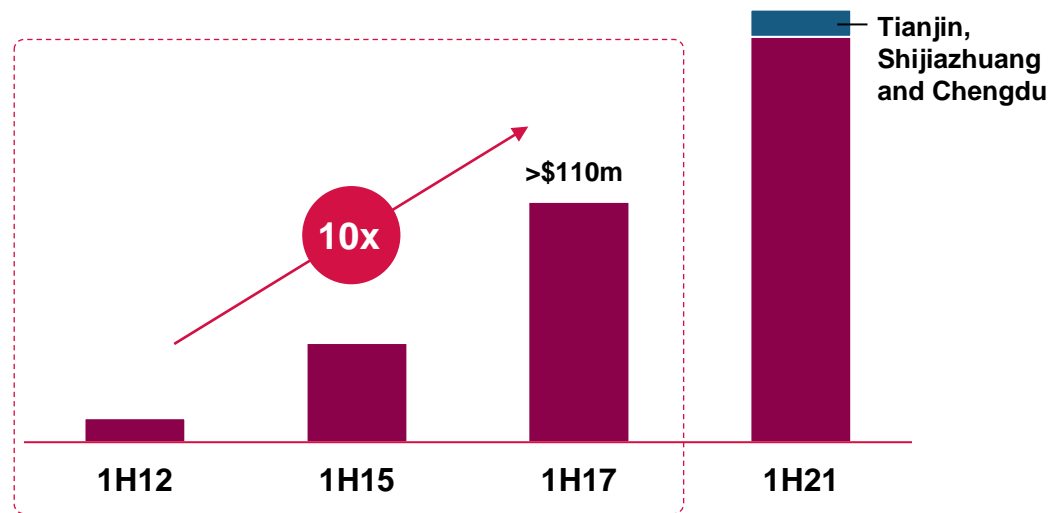
(3) AIA China Individual Life Customers as % of Target Segment population as at June 2020

AIA China: Proven Model for Geographical Expansion



Rapid Growth from New Cities

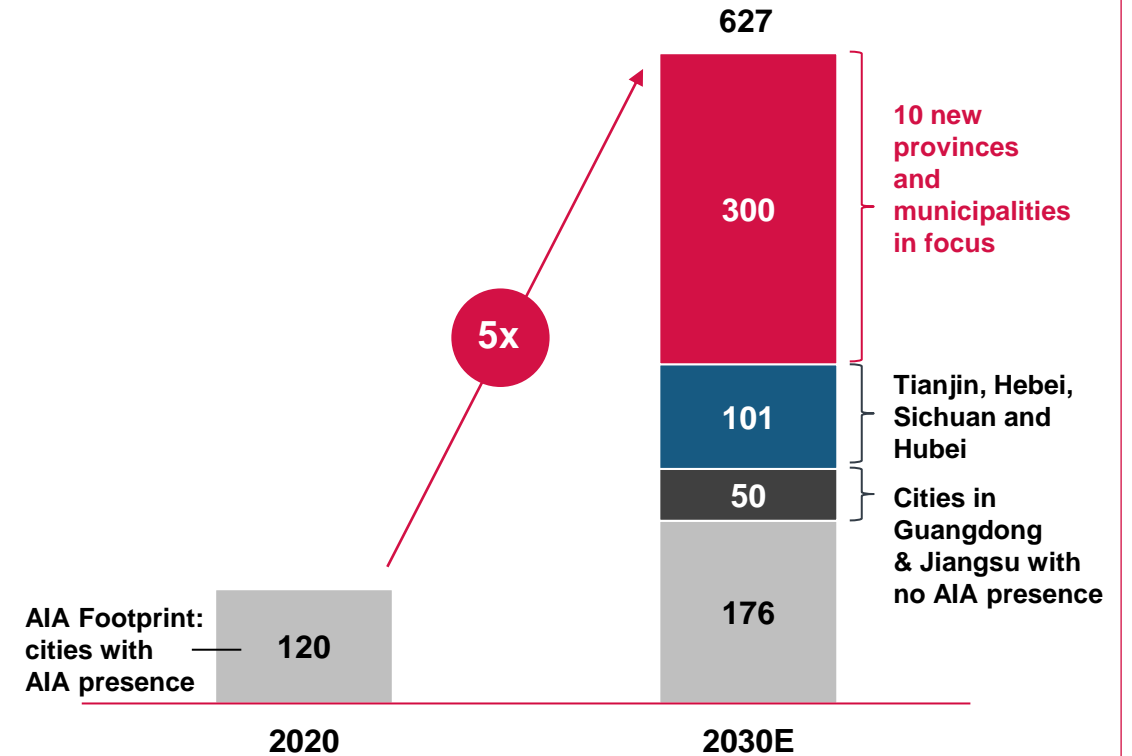
AIA China: All Other Cities outside Big 5⁽¹⁾
Agency VONB



- **Successfully replicated Premier Agency strategy in all other cities**
 - >4x in Active Agents⁽²⁾
 - >2x in VONB per Active Agent⁽²⁾

Significant Additional Opportunity from Expansion

Middle Class and Affluent Population
(million people)



Notes: VONB growth rates before the impact of 5% withholding tax applied to VONB in AIA China since July 2020

(1) Big 5 cities include Beijing, Shanghai, Shenzhen, Guangzhou and Suzhou

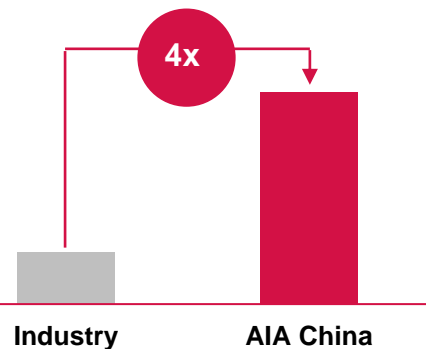
(2) 2012 to 2017

AIA China: Built to Capture Our Unique Opportunity

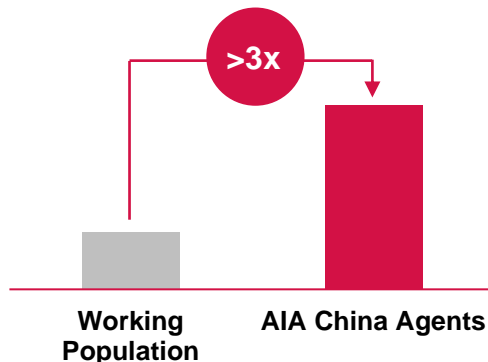


Differentiated Agency Strategy

VONB per Agent⁽¹⁾

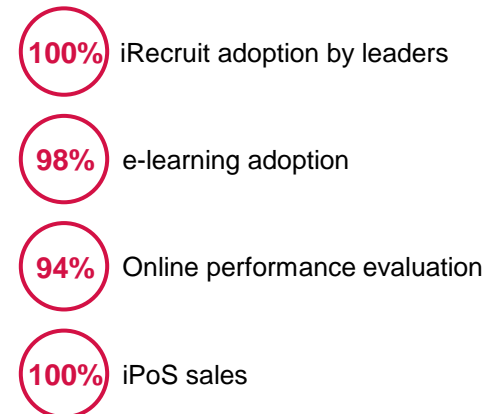


AIA Agents Average Earnings⁽²⁾

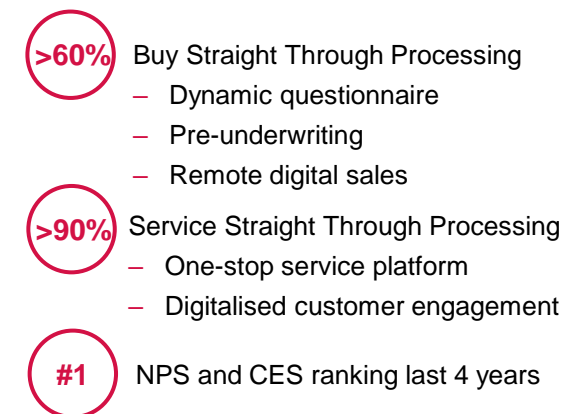


Scalable Operations

Fully Digitalised Premier Agency

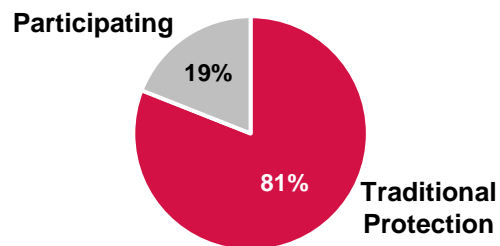


Customer Digital Journey



High-Quality Growth Portfolio

Product Mix by VONB



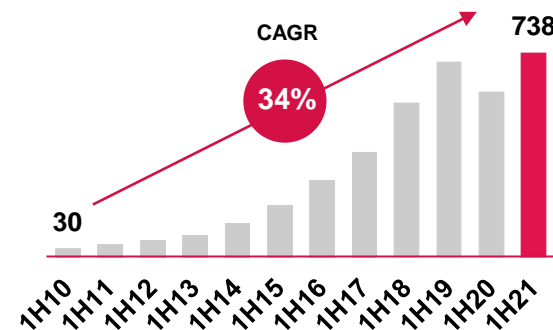
Innovative Integrated Propositions

You Ru Yi 友如意 - Critical Illness Protection with Tailored Coverage

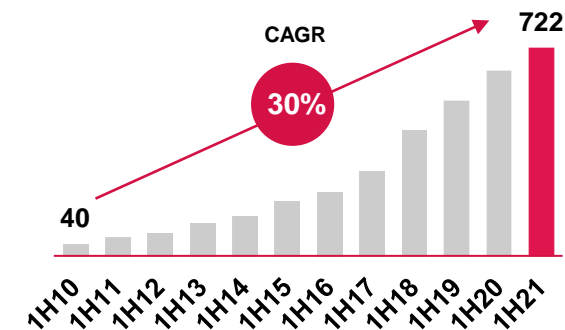
- AIA China Wellness, providing benefit increases through healthy living
- Personal case management

Sustained Delivery

VONB (\$m)



OPAT (\$m)



Notes: For 1H2021 unless otherwise stated; VONB growth rates before the impact of 5% withholding tax applied to VONB in AIA China since July 2020

(1) For 2020; industry statistics based on latest company reports

(2) Average Income for AIA Agents vs Working Population; Source: National Bureau of Statistics

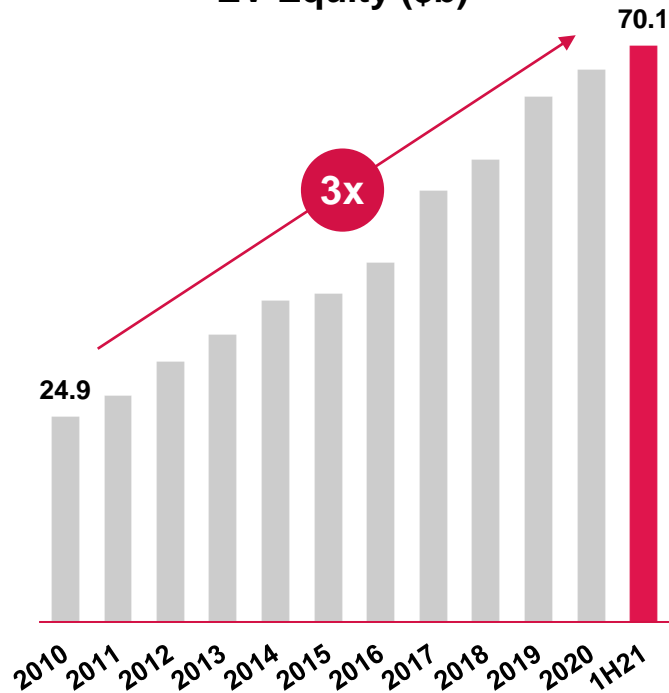
Financial Discipline Delivering Sustainable Shareholder Value



Growth

Cumulative VONB
\$26.7b since IPO

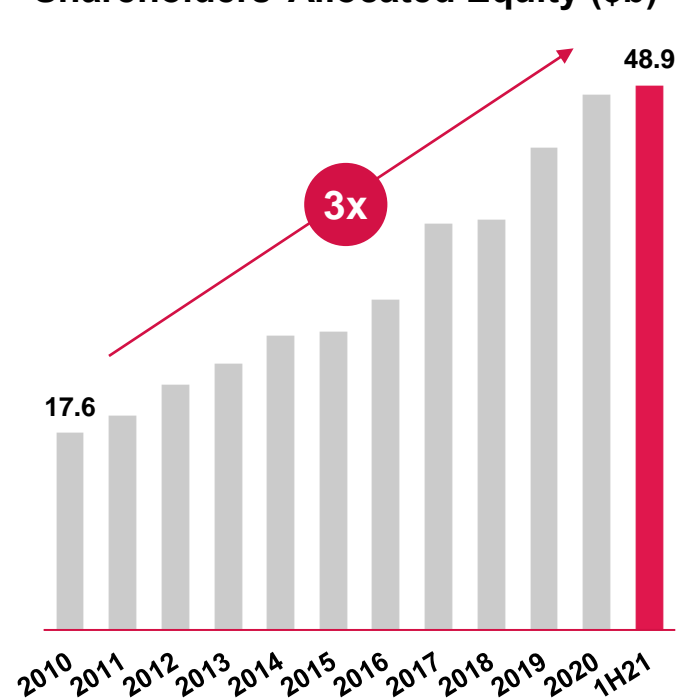
EV Equity (\$b)



Earnings

Cumulative OPAT
\$43.5b since IPO

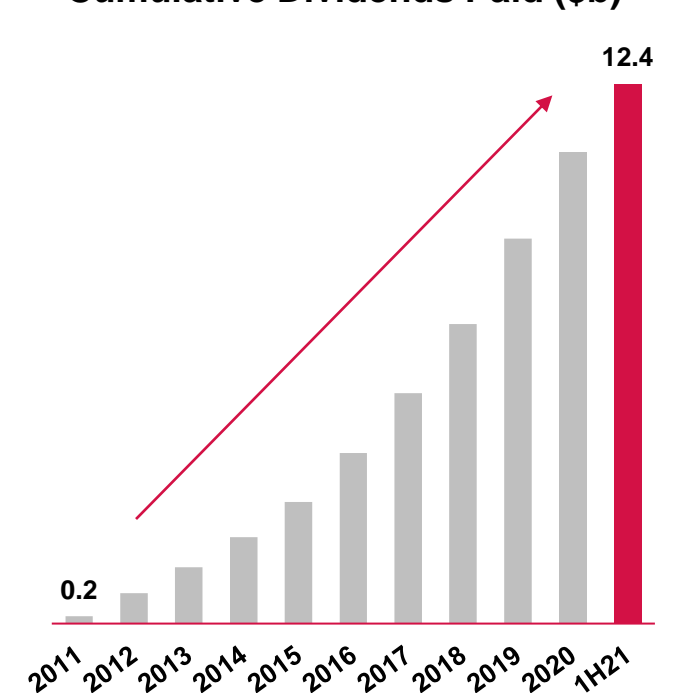
Shareholders' Allocated Equity (\$b)



Capital & Cash

Cumulative UFGS
\$43.9b since IPO

Cumulative Dividends Paid (\$b)



Our Purpose: Helping People Live Healthier, Longer, Better Lives



Strategic Priorities

Leading Customer Experience

Seamless omnichannel customer experience with best-in-class engagement

Unrivalled Distribution

Scale capacity and productivity through digitalisation and advice-centric models

Compelling Propositions

Be the leading provider of personalised advice and innovative solutions

Step Change in Technology, Digital and Analytics

World-class technology

Customised and digitally-enabled journeys

Data and analytics powering everything we do

Organisation of the Future

Simpler, faster, more connected

Financial Discipline

Sustainable long-term shareholder value driven by clear KPIs

Structural Growth Drivers in Asia



Unprecedented wealth creation



Significant need for private protection



Rapidly shifting consumer mindset



Pervasiveness of new technologies



Embracing purpose, sustainability and resilience



HEALTHIER, LONGER,
BETTER LIVES

Q&A



To celebrate branch opening in Sichuan province, AIA China signed a contract with Chengdu Research Base of Giant Panda Breeding to adopt twin giant pandas *Youshuang* 友雙 (male) and *Youxi* 友喜 (female).

Definitions and Notes



- In the context of our reportable market segments, Hong Kong refers to operations in Hong Kong Special Administrative Region and Macau Special Administrative Region; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia, Cambodia, India, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China) and Vietnam.
- The financial information from 2017 onwards is presented on the 31 December financial year-end basis, and the financial information from 2016 and before is presented on the 30 November financial year-end basis.
- The results of Tata AIA Life are accounted for the six-month period ended 31 March 2021 and the six-month period ended 31 March 2020 in AIA's consolidated results for the first half of 2021 and the first half of 2020 respectively. VONB and ANP for Other Markets included the results from our 49% shareholding in Tata AIA Life. The IFRS results of Tata AIA Life are accounted for using the equity method. For clarity, TWPI does not include any contribution from Tata AIA Life.
- The financial information from 2019 onwards is presented after the change in AIA's IFRS accounting treatment for the recognition and measurement of insurance contract liabilities of Hong Kong participating business. The financial information from 2018 and before is presented before the above-mentioned changes.
- All figures are presented in actual reporting currency (US dollar) unless otherwise stated. Change on constant exchange rates (CER) is calculated for all figures for the current period and for the prior period, using constant average exchange rates, other than for balance sheet items as at the end of the current period and as at the end of the prior year, which is translated using the CER.
- Actual investment return is the interest income from fixed income investments and actual investment returns of equities and real estate, as a percentage of average fixed income investments, equities and real estate over the period. This excludes unit-linked contracts and consolidated investment funds.
- AIA has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong Special Administrative Region, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau Special Administrative Region and a 49% joint venture in India.
- ANP represents 100% of annualised first year premiums and 10% of single premiums, before reinsurance ceded.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company, after allowing for taxes.
- Fixed income yield is the interest income from fixed income investments, as a percentage of average fixed income investments measured at amortised cost over the period. This excludes unit-linked contracts and consolidated investment funds.
- Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital.
- Holding company financial resources represent the debt and equity securities, deposits, cash and cash equivalents and dividends paid but not settled by subsidiaries, net of obligations under repurchase agreements, at the Group's listed holding company, AIA Group Limited.
- In 2021, the Hong Kong Insurance Authority implemented the new group-wide supervision (GWS) framework. On 14 May 2021, AIA Group Limited became a designated insurance holding company and is now subject to the GWS framework in Hong Kong including the Insurance (Group Capital) Rules. The Group LCSM cover ratio is the ratio of group available capital to group minimum capital requirement based on the Local Capital Summation Method (LCSM). The comparative figure as at 31 December 2020, as previously disclosed in our Annual Report 2020, was based on our understanding of the likely application of the GWS framework to the Group at the time, the key difference being the exclusion of \$5,810m of senior notes not then approved as contributing to Group available capital.

Definitions and Notes (Cont.)



- IFRS operating profit includes the expected long-term investment return for equities and real estate.
- Investment return and composition of investments exclude unit-linked contracts and consolidated investment funds.
- Investment return is defined as investment income with the addition of realised and unrealised gains and losses as a percentage of average investments excluding property held for own use.
- Investments include financial investments, investment property, property held for own use, and cash and cash equivalents. Investment property and property held for own use are at fair value.
- PVNBP margin refers to margin on a present value of new business premium basis.
- Operating ROE stands for operating return on shareholders' allocated equity and is as operating profit after tax attributable to shareholders of the Company, expressed as a percentage of the simple average of opening and closing shareholders' allocated equity, on an annualised basis.
- Operating ROEV stands for operating return on EV and is calculated as EV operating profit, expressed as a percentage of the opening embedded value, on an annualised basis.
- Shareholders' allocated equity is total equity attributable to shareholders of the Company less fair value reserve.
- Tata AIA Life refers to Tata AIA Life Insurance Company Limited.
- TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.
- Underlying free surplus generation (UFSG) represents free surplus generated from the in-force business, adjusted for certain non-recurring items, and before free surplus used to fund new business, unallocated Group Office expenses, finance costs, investment return variances and other non-operating items. The underlying free surplus generation is also calculated after reflecting consolidated reserving and capital requirements.
- VONB for the Group is after unallocated Group Office expenses and the adjustment to reflect consolidated reserving and capital requirements. The total reported VONB for the Group excludes VONB attributable to non-controlling interests.
- VONB and VONB margin by distribution channel are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests and exclude pension business.
- VONB and VONB margin by product mix and geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests.
- VONB includes pension business. ANP and VONB margin exclude pension business and are before the deduction of non-controlling interests.
- VONB margin is calculated as VONB divided by ANP. VONB for the margin calculations excludes pension business and is before the deduction of non-controlling interests to be consistent with the definition of ANP.



HEALTHIER, LONGER,
BETTER LIVES

APPENDIX

Embedding ESG in Our Business



AIA's Ambition

To be a global industry leader in ESG, shaping a more sustainable future for the communities we serve and creating long-term value for all our stakeholders

ESG Strategy

Health and Wellness

- Engage and inspire healthy living
- Provide greater access to quality care
- Champion financial inclusion and reduce the burden of medical expenses
- Deliver better health outcomes⁽¹⁾

Green Operations

- Increase digitalisation and automation
- Encourage good ESG practice among vendors
- Adhere to green building standards
- Reduce our carbon footprint

Sustainable Investment

- Deepen engagement with investee companies
- Augment knowledge and capacity on ESG
- Enhance portfolio exclusions/inclusions
- Carbon footprint our portfolio

People and Culture

- Foster a learning culture that supports employee development
- Promote workplace diversity, innovation and inclusion
- Embed a culture of ethical decision-making and risk management
- Ensure fair and equitable processes

Effective Governance

- Maintain a corporate governance programme consistent with international best practice
- Effectively manage ESG risks and opportunities
- Lead the promotion of ESG best practice
- Establish AIA as a global leader on key ESG indices and ratings

Note:

(1) Number of people recording an improvement in health outcomes across the AIA Health and Wellness ecosystem

China Post Life – A Unique Growth Opportunity

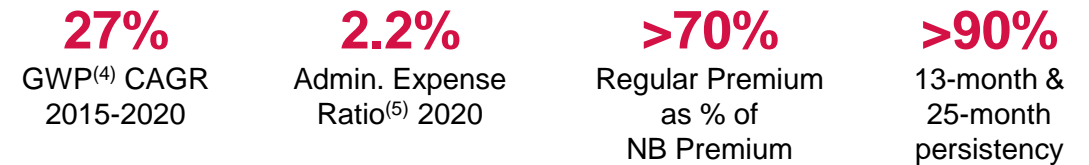


Further increases exposure to the large and rapidly-growing Chinese life insurance market
Captures opportunities across complementary distribution channels and customer segments

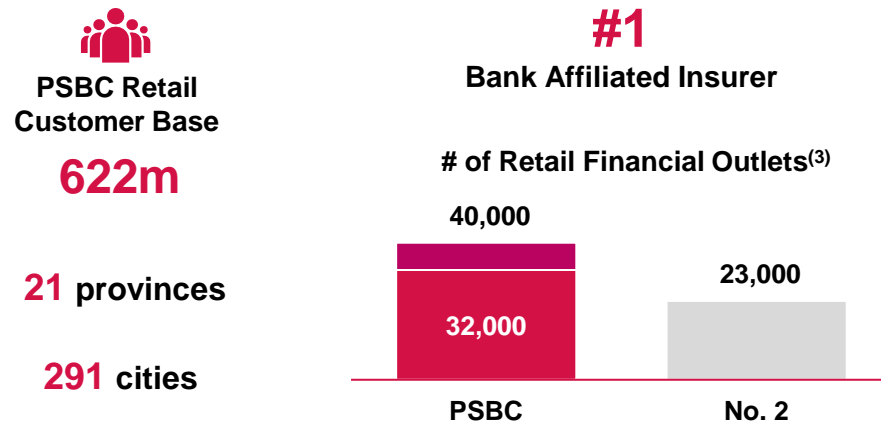
Financially Compelling Investment

- 24.99% equity stake in China Post Life (CPL)
- RMB12,033m (\$1,860m⁽¹⁾) at 1.34x 2020 CPL book value⁽²⁾ on a pre-money basis
- Fully financed on an all-cash basis by internal resources
- AIA China to operate independently from CPL
- Governance model agreed to drive upside through Technical Assistance provided by AIA Group Office to CPL

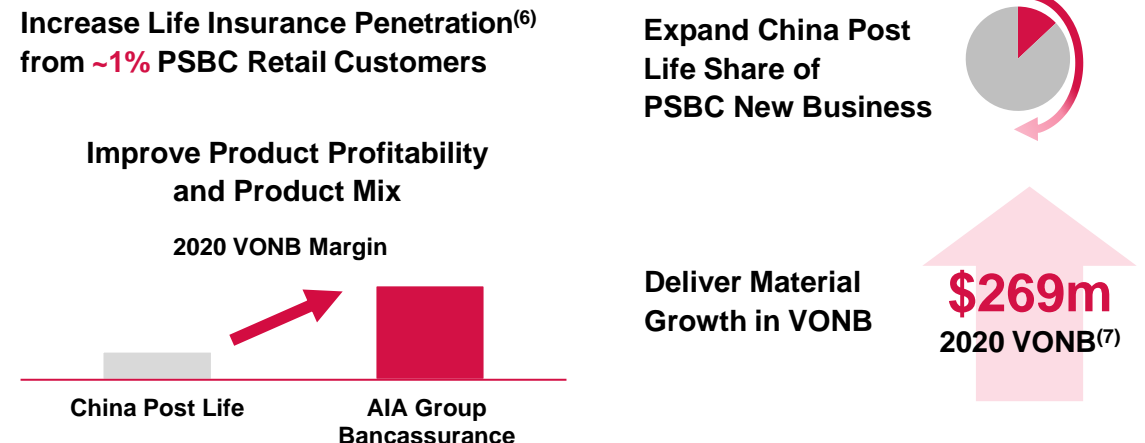
Strong Operational Capabilities



Largest Retail Financial Distribution Network



Significant Upside Potential



Notes: All figures are as at end of 2020 unless otherwise stated; Sources: China Post Life, PSBC, China Post and company annual reports

(1) The translation of Renminbi into United States Dollars is made for illustration purposes only at the rate of RMB6.47 to US\$1 (2) 1.24x China Post Life pro-forma book value on a post-money basis; 2020 book value on PRC GAAP basis, which refers to the generally accepted accounting principles in the People's Republic of China (3) Retail financial outlets refers to bank branches and other outlets of PSBC that distribute life insurance. Retail financial outlets for peers refer to bank branches. Numbers shown are rounded to the nearest '000. ~32,000 retail financial outlets that distribute China Post Life insurance products (4) Gross written premium refers to life insurance premium income on PRC GAAP basis (excluding reinsurance premium income) (5) Refers to administrative expenses divided by gross written premium (6) Penetration has been determined as number of China Post Life in-force policies divided by total PSBC retail customers (7) VONB is stated on China Post Life embedded value basis, translated into United States Dollars based on average spot rates over the period

Geographical Market Performance



Mainland China (\$m)	1H2021	1H2020	CER	AER
VONB	738	594	+15%	+24%
VONB Margin	82.1%	81.8%	+0.3 pps	+0.3 pps
ANP	899	726	+14%	+24%
TWPI	3,961	3,001	+22%	+32%
OPAT	722	640	+4%	+13%

Singapore (\$m)	1H2021	1H2020	CER	AER
VONB	176	127	+32%	+39%
VONB Margin	63.2%	59.3%	+3.9 pps	+3.9 pps
ANP	279	214	+25%	+30%
TWPI	1,730	1,502	+10%	+15%
OPAT	339	303	+8%	+12%

Hong Kong (\$m)	1H2021	1H2020	CER	AER
VONB	313	306	+2%	+2%
VONB Margin	57.5%	51.0%	+6.5 pps	+6.5 pps
ANP	505	565	(11)%	(11)%
TWPI	5,773	6,136	(6)%	(6)%
OPAT	1,055	1,005	+5%	+5%

Malaysia (\$m)	1H2021	1H2020	CER	AER
VONB	157	81	+89%	+94%
VONB Margin	61.7%	50.5%	+11.3 pps	+11.2 pps
ANP	253	159	+54%	+59%
TWPI	1,200	1,049	+10%	+14%
OPAT	194	148	+25%	+31%

Thailand (\$m)	1H2021	1H2020	CER	AER
VONB	312	199	+52%	+57%
VONB Margin	93.5%	63.9%	+29.6 pps	+29.6 pps
ANP	333	312	+4%	+7%
TWPI	2,089	1,981	+3%	+5%
OPAT	485	478	(1)%	+1%

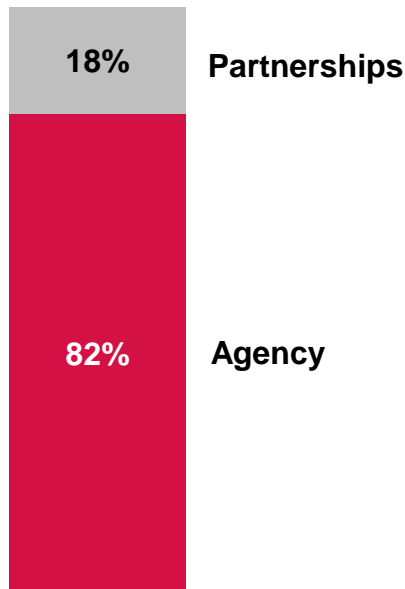
Other Markets (\$m)	1H2021	1H2020	CER	AER
VONB	253	240	(1)%	+5%
VONB Margin	32.1%	39.7%	(8.0) pps	(7.6) pps
ANP	791	603	+24%	+31%
TWPI	3,758	3,257	+6%	+15%
OPAT	391	333	+12%	+17%

Uniquely Diversified Platform



Distribution Mix

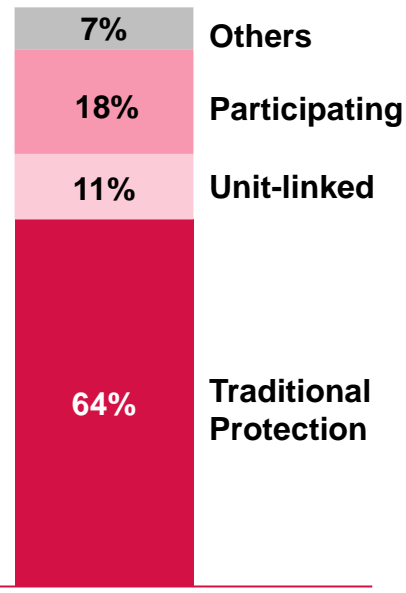
% of VONB



1H2021

Product Mix

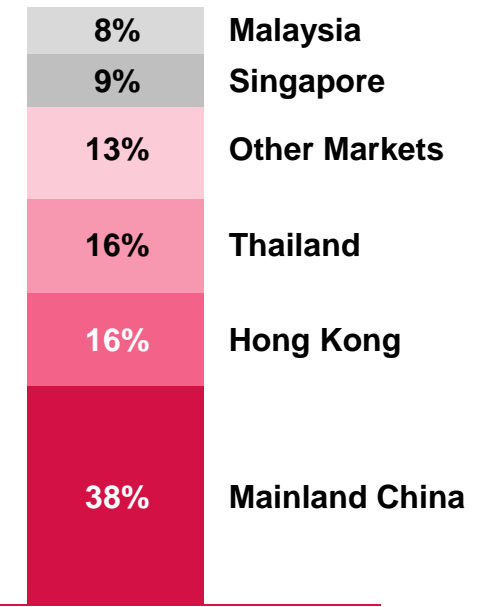
% of VONB



1H2021

Geographical Mix

% of VONB



1H2021

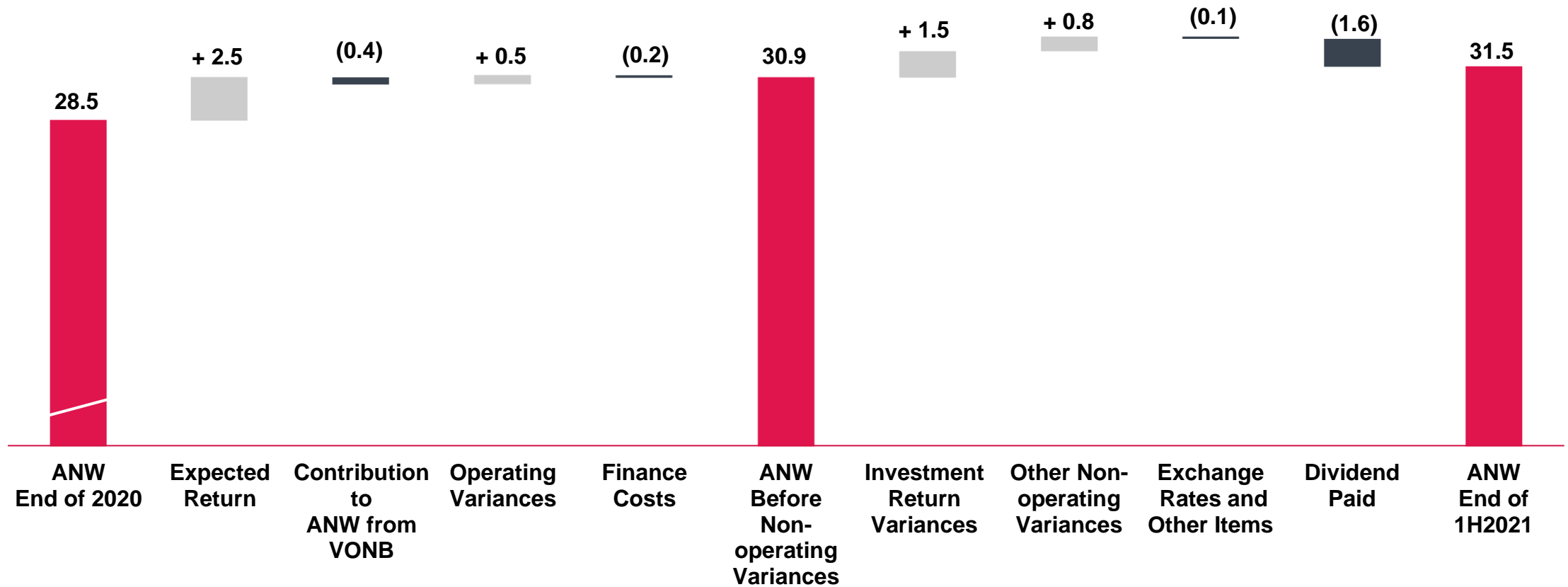
Notes:

Distribution mix is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests and exclude pension business
 Product and geographical mix are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests

1H2021 ANW Movement



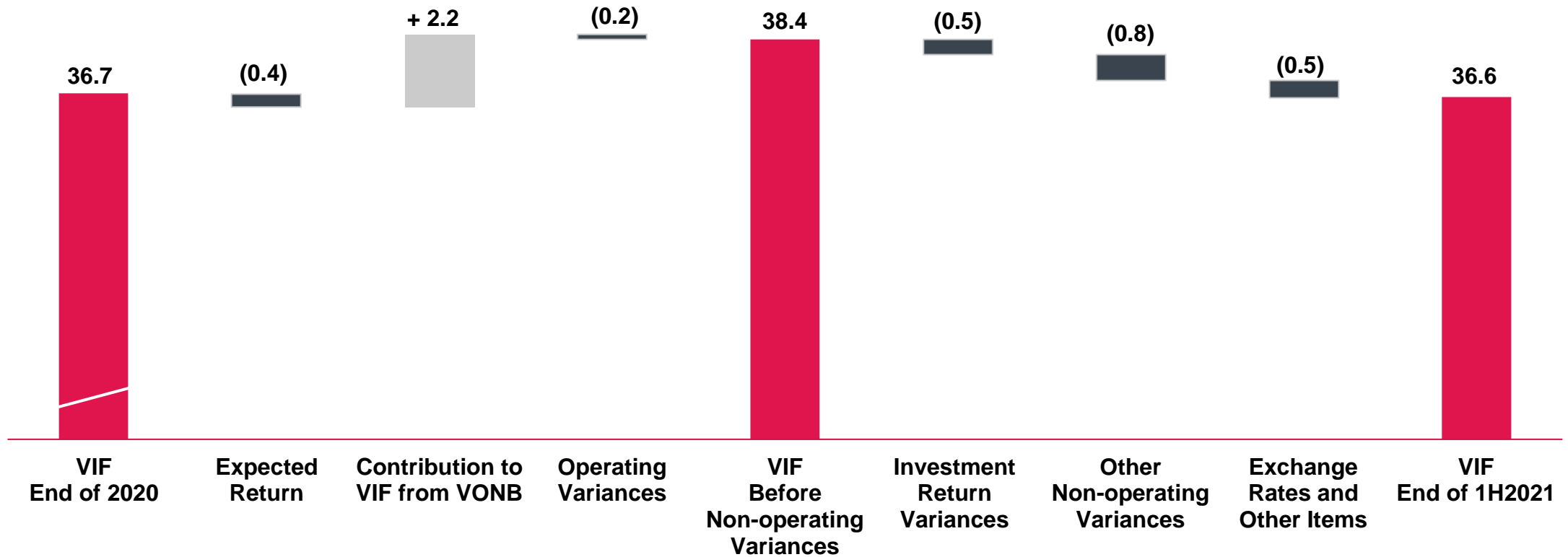
ANW Movement (\$b)



1H2021 VIF Movement



VIF Movement (\$b)

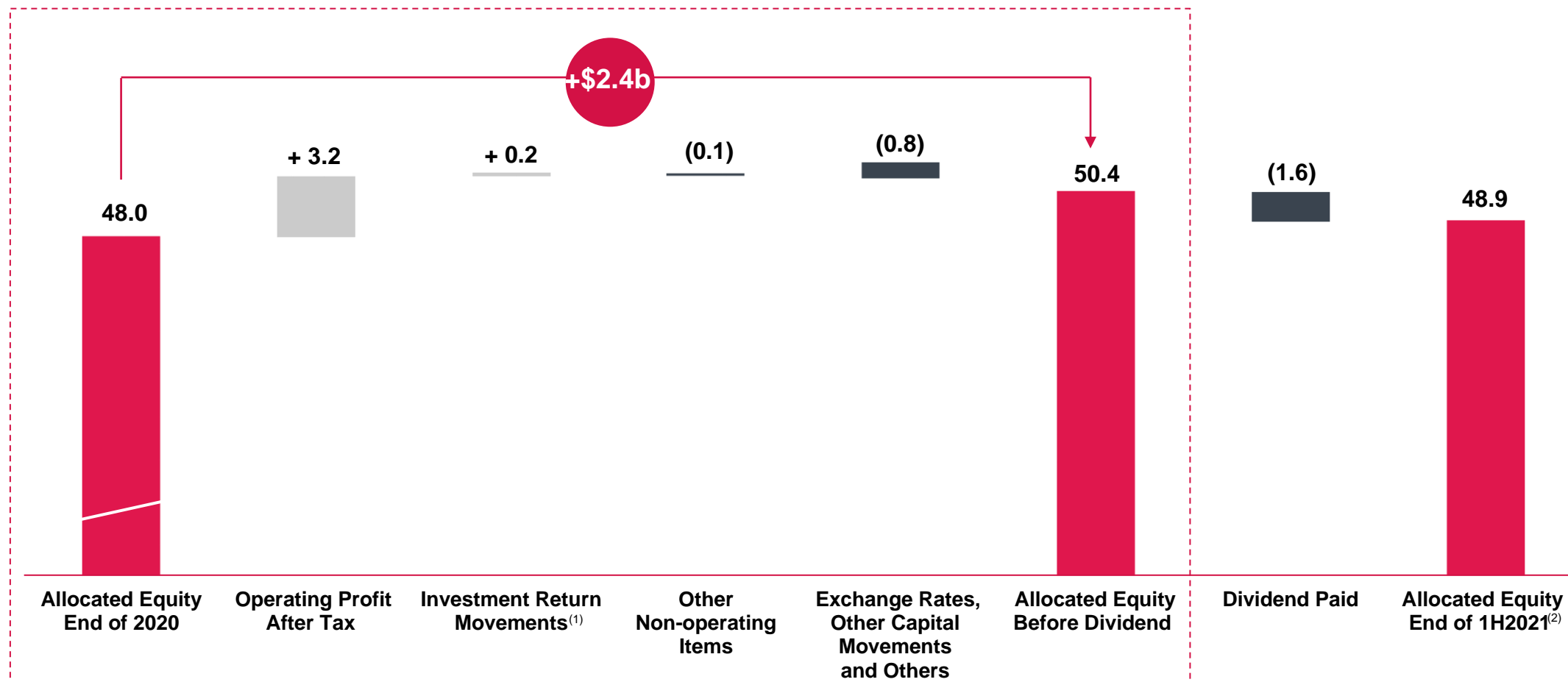


Note: Due to rounding, numbers presented in the chart may not add up precisely

1H2021 Shareholders' Allocated Equity Movement



IFRS Shareholders' Allocated Equity Movement (\$b)



Notes: Due to rounding, numbers presented in the chart may not add up precisely

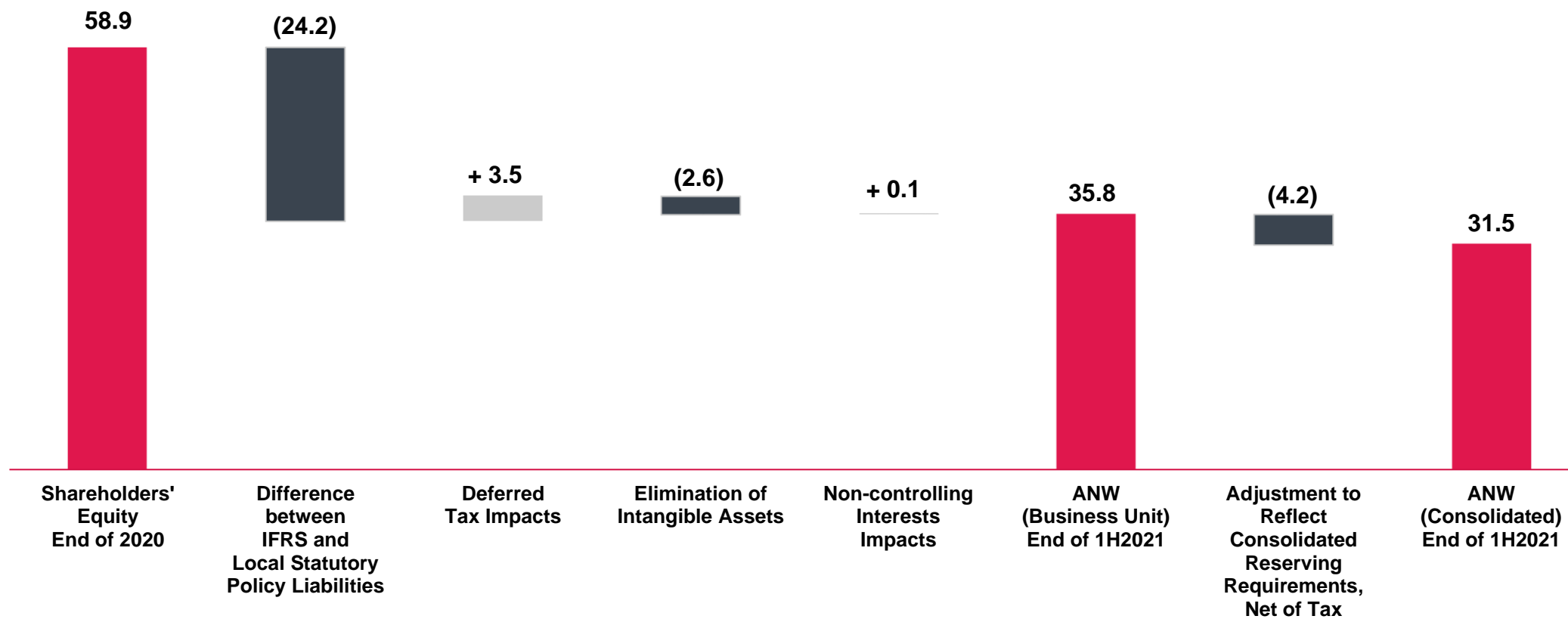
(1) Short-term fluctuations in investment return related to equities and real estate, net of tax

(2) Shareholders' allocated equity is shown before the addition of fair value reserve of \$10.1b as at 30 June 2021

1H2021 IFRS Shareholders' Equity and ANW



Reconciliation of IFRS Shareholders' Equity to ANW (\$b)

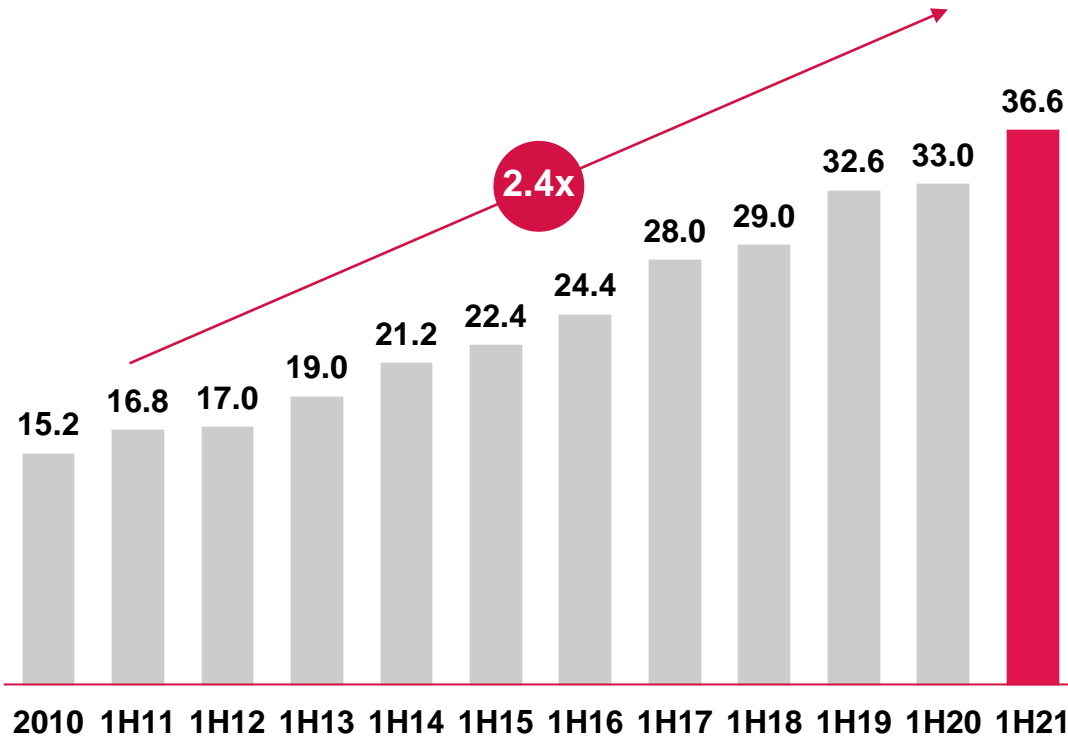


Note: Due to rounding, numbers presented in the chart may not add up precisely

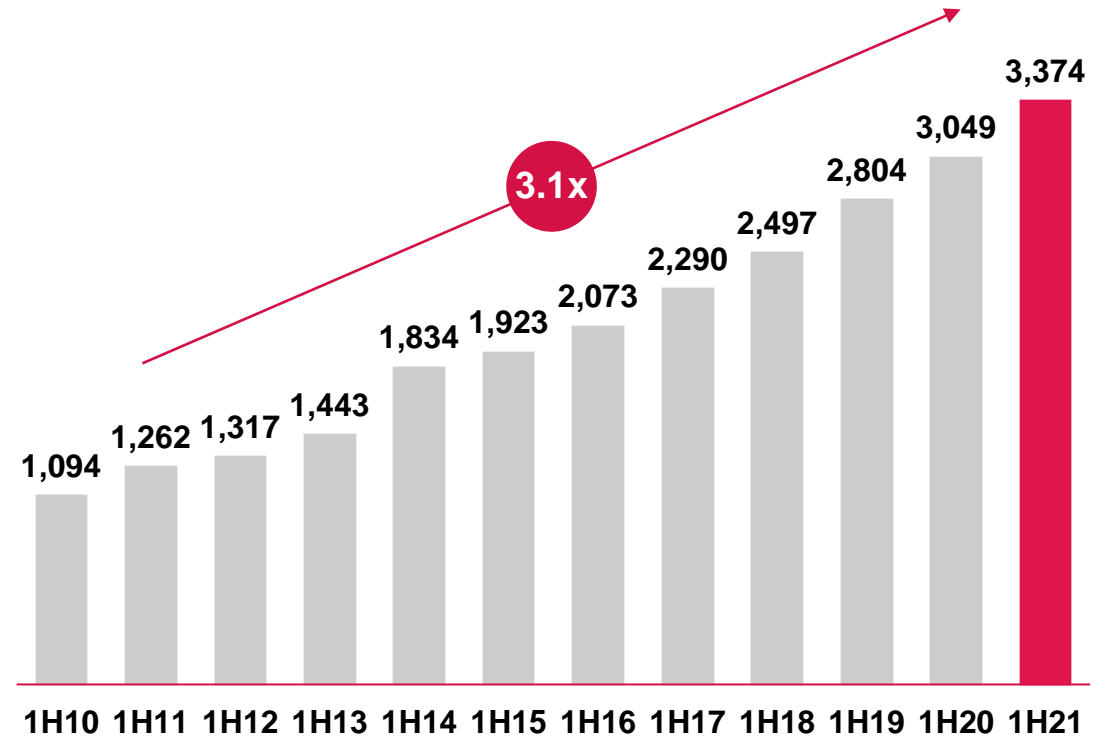
Growth from Quality In-Force into UFSG



Value of In-Force Business (\$b)



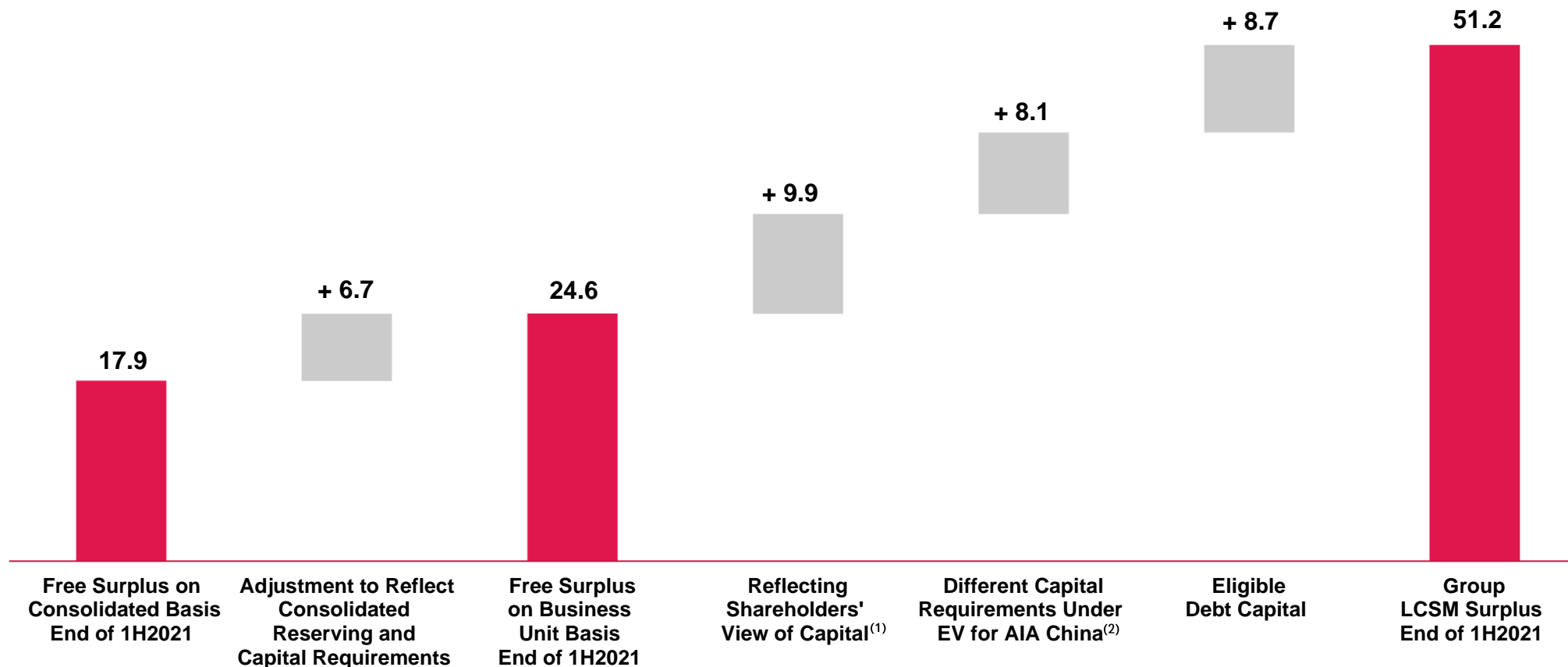
Underlying Free Surplus Generation (\$m)



Free Surplus vs Group LCSM Surplus



Reconciliation of Free Surplus to Group LCSM Surplus (\$b)



Notes: Due to rounding, numbers presented in the chart may not add up precisely

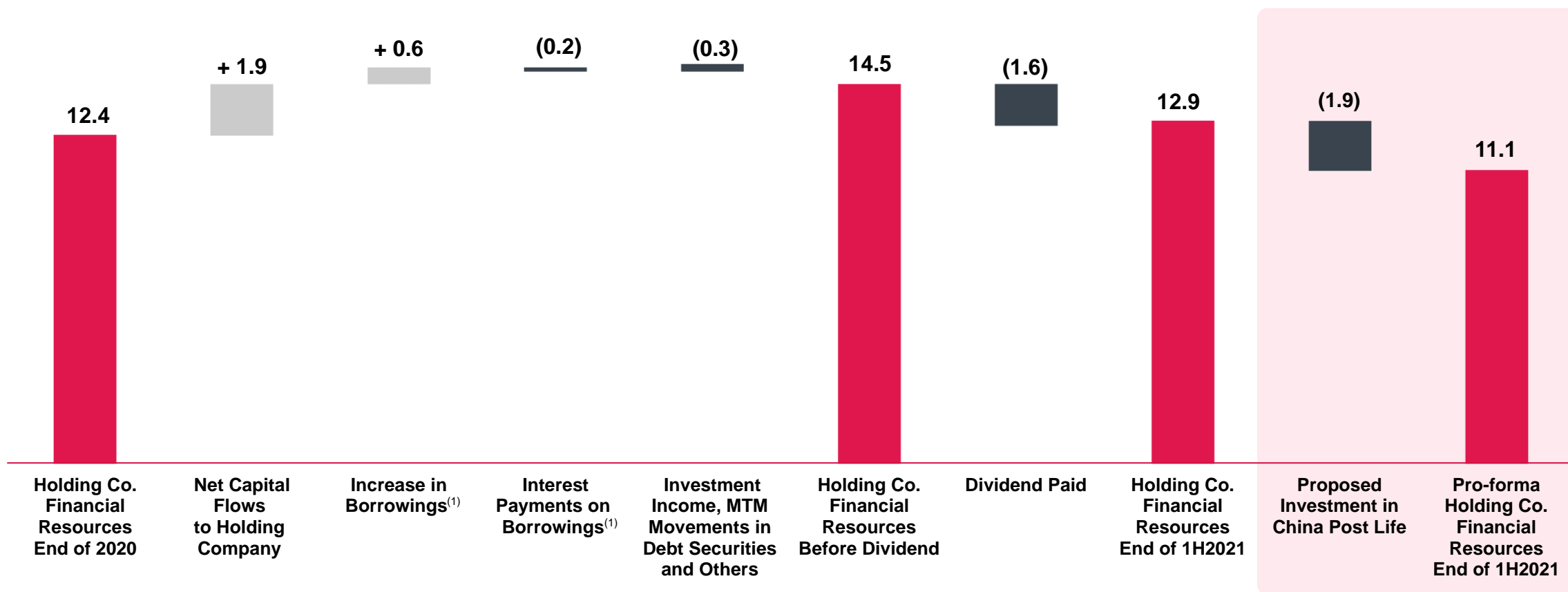
(1) Reflects change from EV required capital to Group minimum capital requirement and the inclusion of Par fund surplus

(2) Adjustment from CAA EV basis to C-ROSS solvency basis in line with local requirements

Holding Company Financial Resources



Holding Company Financial Resources Movement (\$b)



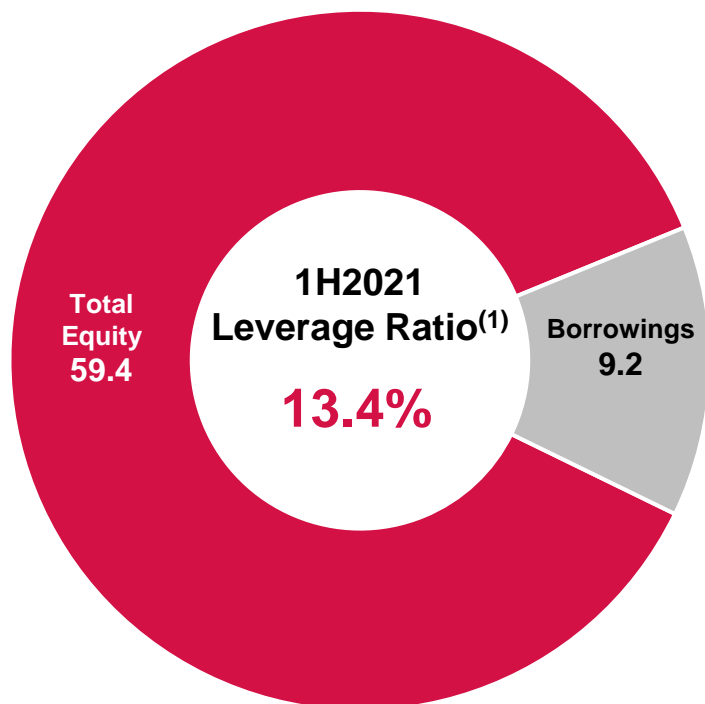
Notes: Due to rounding, numbers presented in the chart may not add up precisely

(1) Borrowings principally include medium-term notes and securities, other intercompany loans, and amounts outstanding, if any, from the holding company's \$2,290m unsecured committed credit facilities

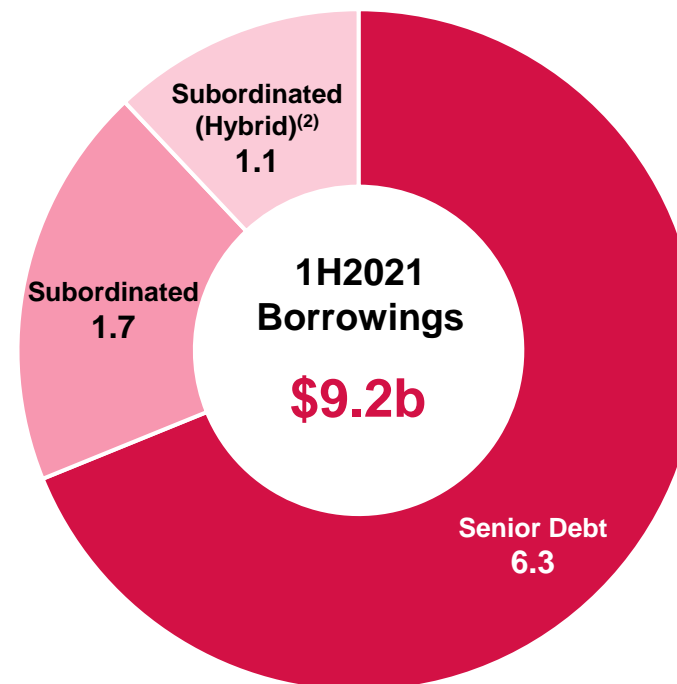
Discipline Around Financial Leverage



Group Total Leverage (\$b)



Composition of Borrowings (\$b)



Notes: Due to rounding, numbers presented in the chart may not add up precisely

(1) Leverage ratio defined as Borrowings / (Borrowings + Total Equity)

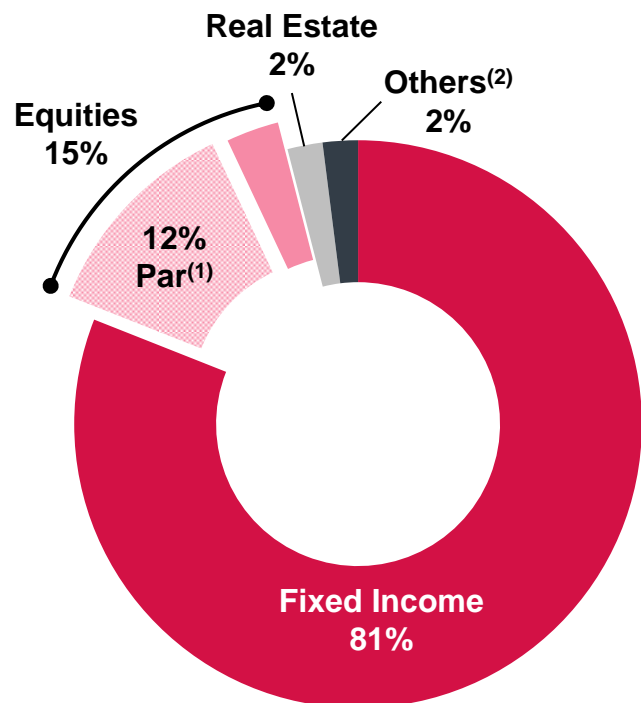
(2) Hybrid capital instruments meet requirements from one or more rating agencies for ratings capital credit and/or equity content for purposes of calculating financial leverage

Reconciliation of OPAT to Net Profit



Total Investments by Type

Total Invested Assets \$248.4b



Reconciliation of OPAT to Net Profit

(\$m)

OPAT

Short-term fluctuations⁽³⁾ in

Par Equities

Others

Total

Other items⁽⁴⁾

Net Profit

	1H2020	1H2021
OPAT	2,933	3,182
Short-term fluctuations ⁽³⁾ in		
Par Equities	(283)	113
Others	(1,007)	86
Total	(1,290)	199
Other items ⁽⁴⁾	554	(136)
Net Profit	2,197	3,245

Notes: Total invested assets as of 30 June 2021

(1) Including participating funds and Hong Kong participating business

(2) Cash and cash equivalents and derivatives

(3) Short-term fluctuations in investment return related to equities and real estate

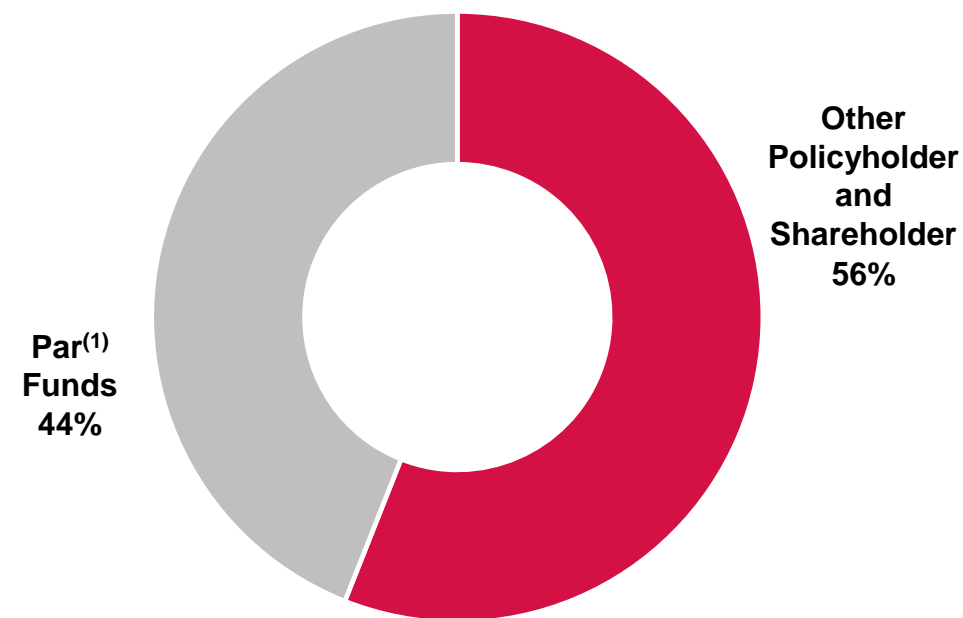
(4) Other non-operating investment return and other items

Total Invested Assets



(\$m)	Par ⁽¹⁾ Funds	Other Policyholder and Shareholder	Total
Fixed Income	77,810	121,429	199,239
Equities	28,520	6,972	35,492
Real Estate	1,069	5,539	6,608
Others ⁽²⁾	1,281	5,766	7,047
Total Invested Assets	108,680	139,706	248,386

Total Invested Assets \$248.4b



Notes: As of 30 June 2021

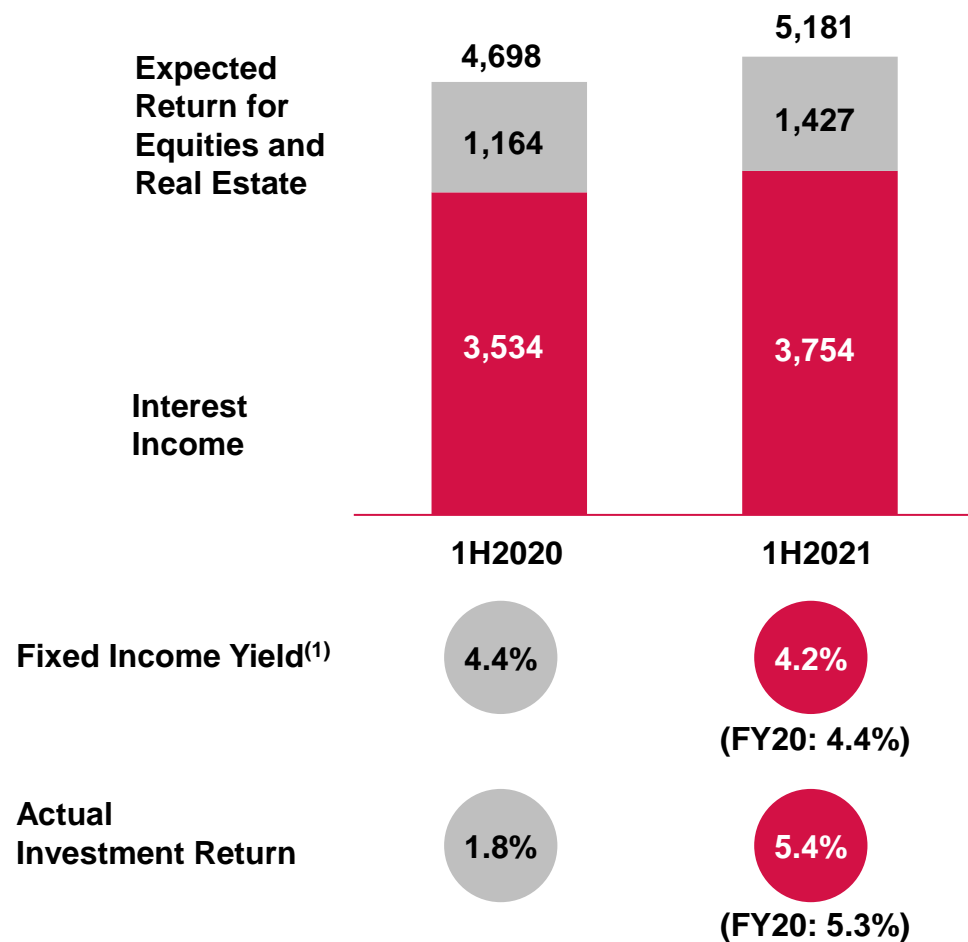
(1) Including participating funds and Hong Kong participating business

(2) Cash and cash equivalents and derivatives

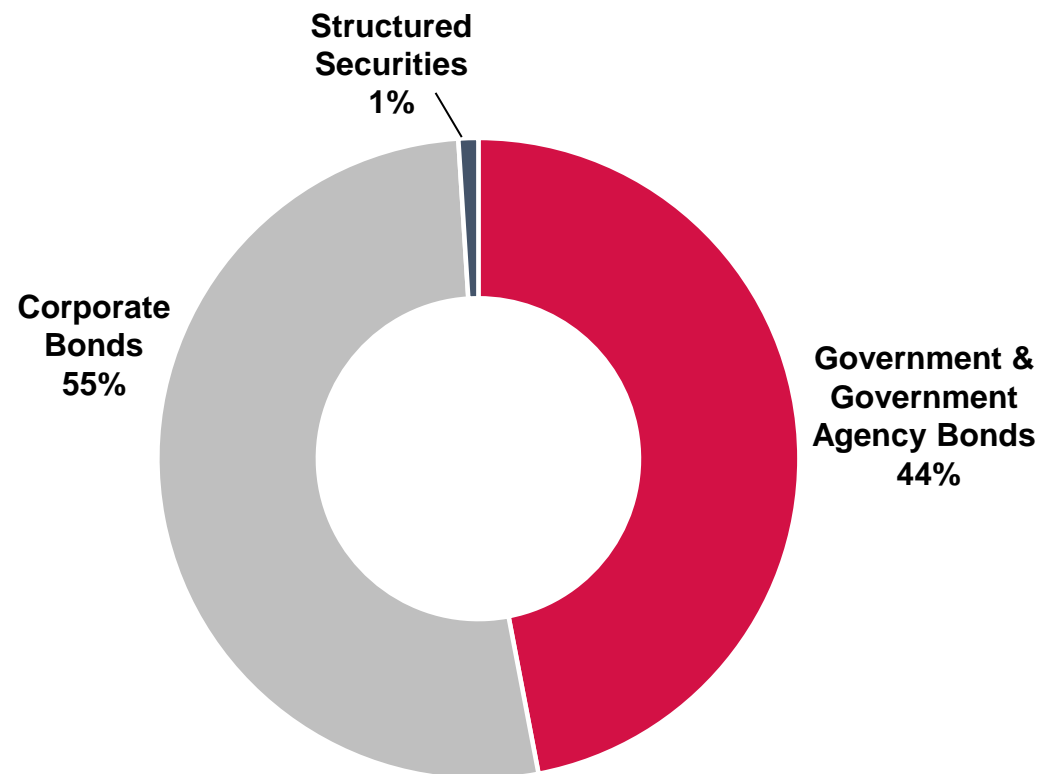
Prudent Investment Portfolio Summary



IFRS Operating Profit Investment Return (\$m)



Total Bond Portfolio of \$190.3b

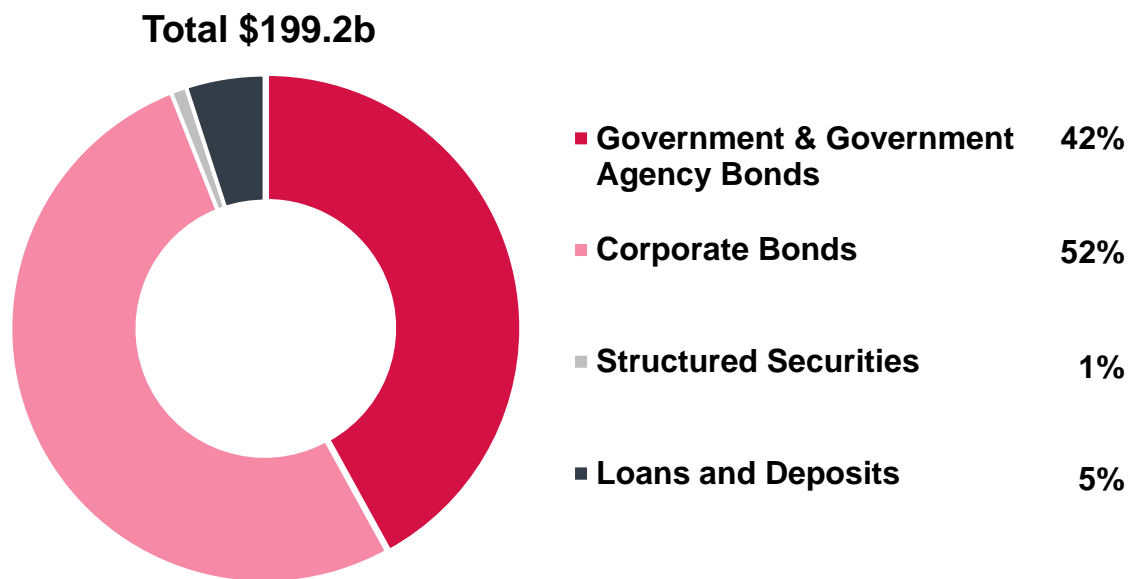


Notes: IFRS operating profit investment return comparatives are shown on a constant exchange rate basis; Fixed income yield and actual investment return are on an annualised basis; Total bond portfolio as of 30 June 2021
 (1) Interest income from fixed income investments, as a percentage of average fixed income investments measured at amortised cost over the period. This excludes unit-linked contracts and consolidated investment funds

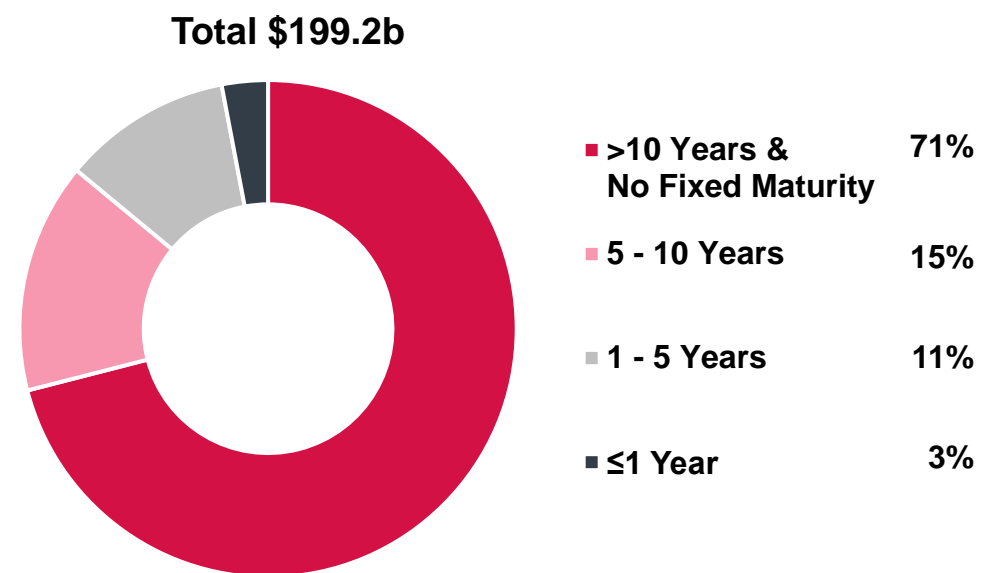
Prudent and High-Quality Fixed Income Portfolio



Total Fixed Income by Type



Total Fixed Income by Maturity



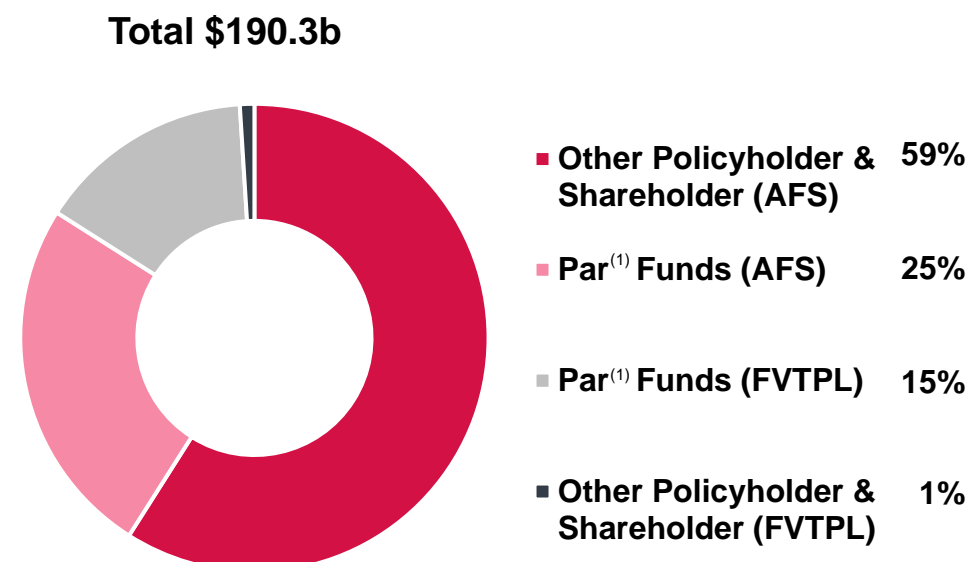
Note: As of 30 June 2021

Prudent and High-Quality Fixed Income Portfolio



(\$m)	Par ⁽¹⁾ Funds	Other Policyholder and Shareholder	Total
Available For Sale (AFS)	46,954	112,344	159,298
Fair Value Through Profit or Loss (FVTPL)	28,206	2,746	30,952
Total Bonds	75,160	115,090	190,250

Total Bonds by Accounting Classification



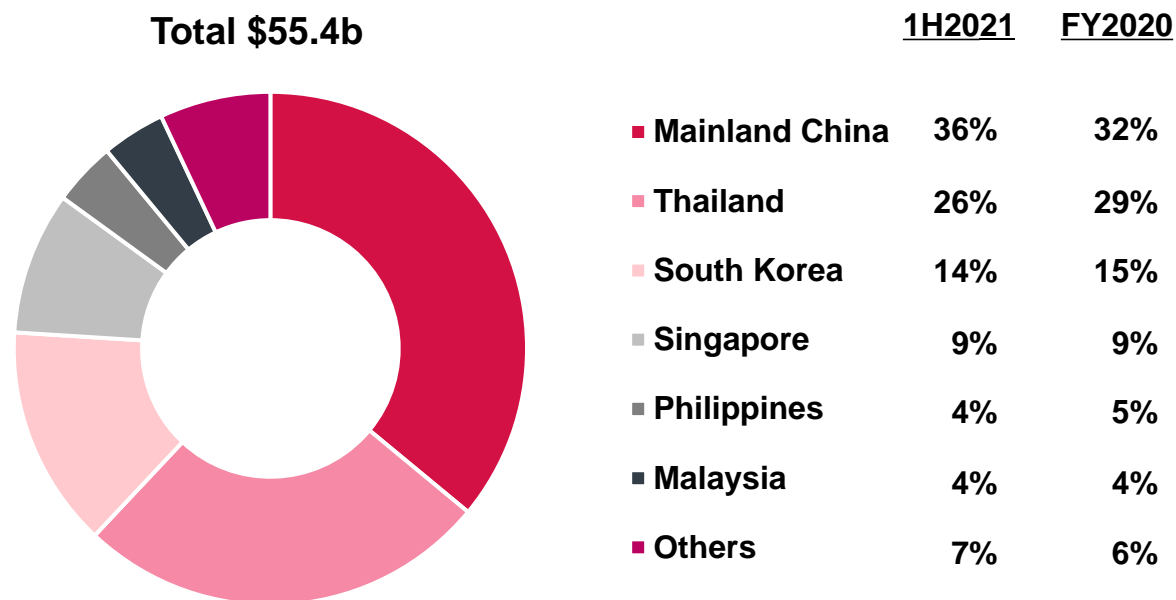
Notes: As of 30 June 2021

(1) Including participating funds and Hong Kong participating business

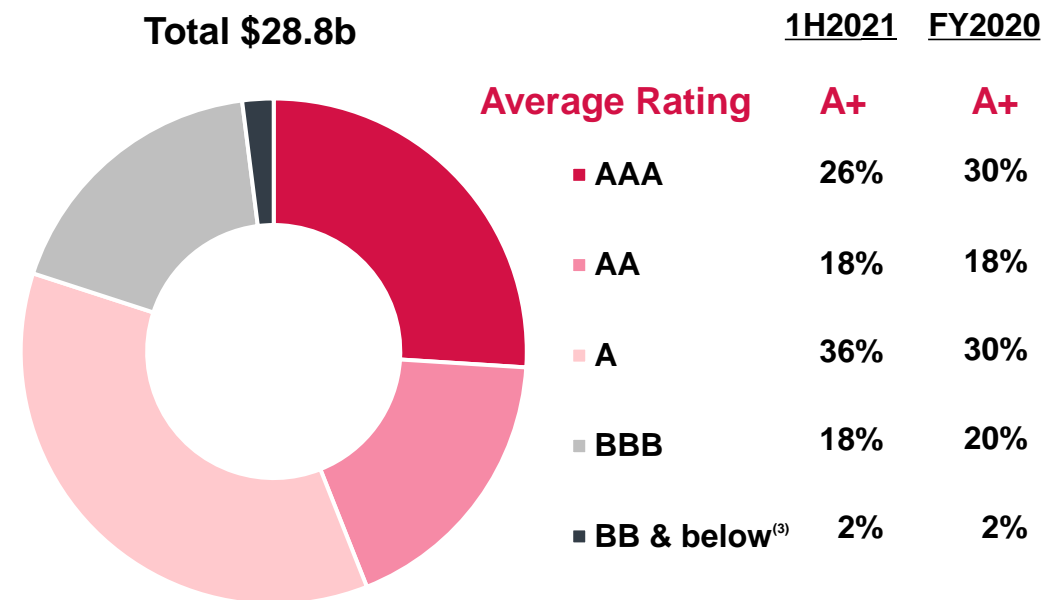
Government Bond Portfolio



Government Bonds⁽¹⁾ by Geography



Other Government⁽²⁾ and Agency Bonds by Rating



Notes: As of 30 June 2021 unless otherwise stated

(1) Government bonds include bonds issued in local or foreign currencies by the government of the country where respective business unit operates

(2) Other government bonds comprise other bonds issued by government

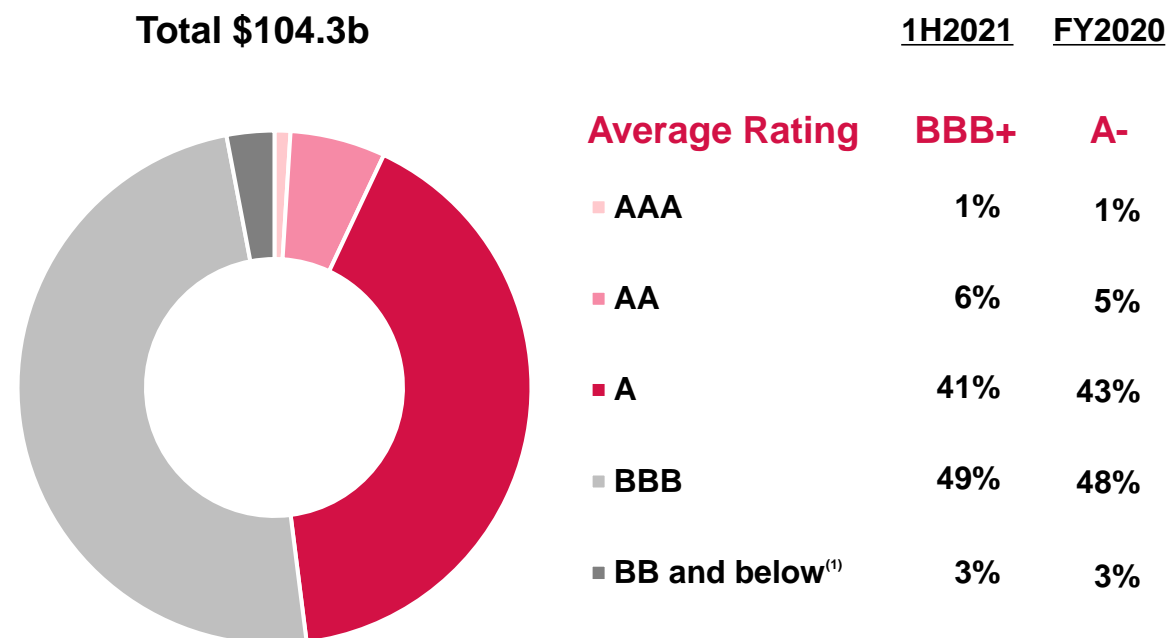
(3) Including not rated bonds

Corporate Bond Portfolio



Rating	Total (\$m)
AAA	989
AA	6,303
A	43,042
BBB	50,681
BB and below ⁽¹⁾	3,331
Total	104,346

Corporate Bonds by Rating



Notes: As of 30 June 2021 unless otherwise stated

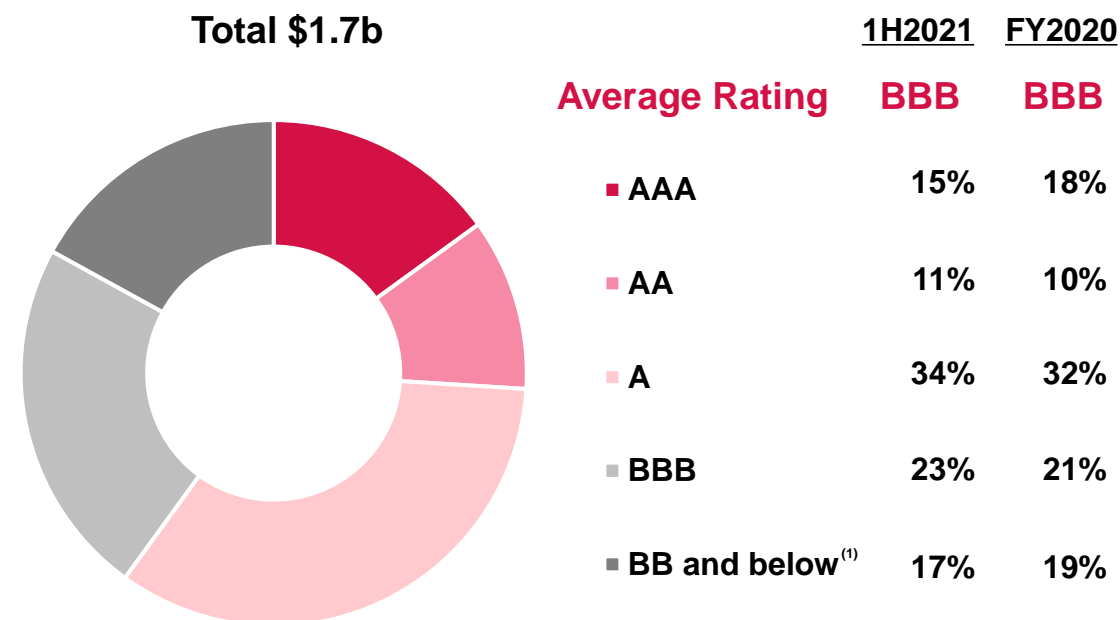
(1) Including not rated bonds

Structured Security Portfolio



Rating	Total (\$m)
AAA	251
AA	199
A	581
BBB	393
BB and below ⁽¹⁾	286
Total	1,710

Structured Securities by Rating



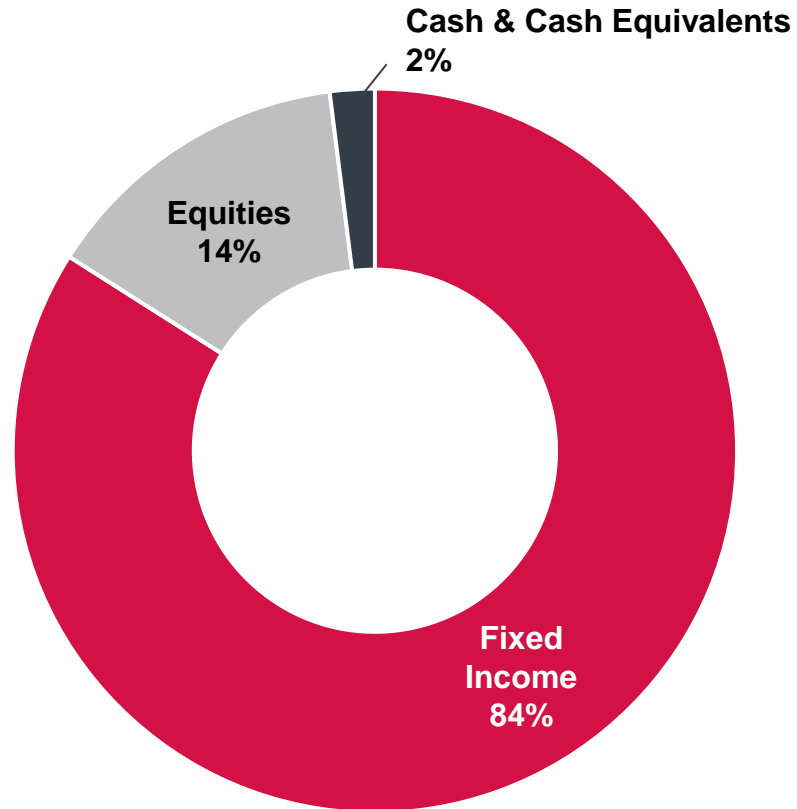
Notes: As of 30 June 2021 unless otherwise stated

(1) Including not rated bonds

AIA China: Prudent Investment Portfolio



AIA China Invested Asset Mix



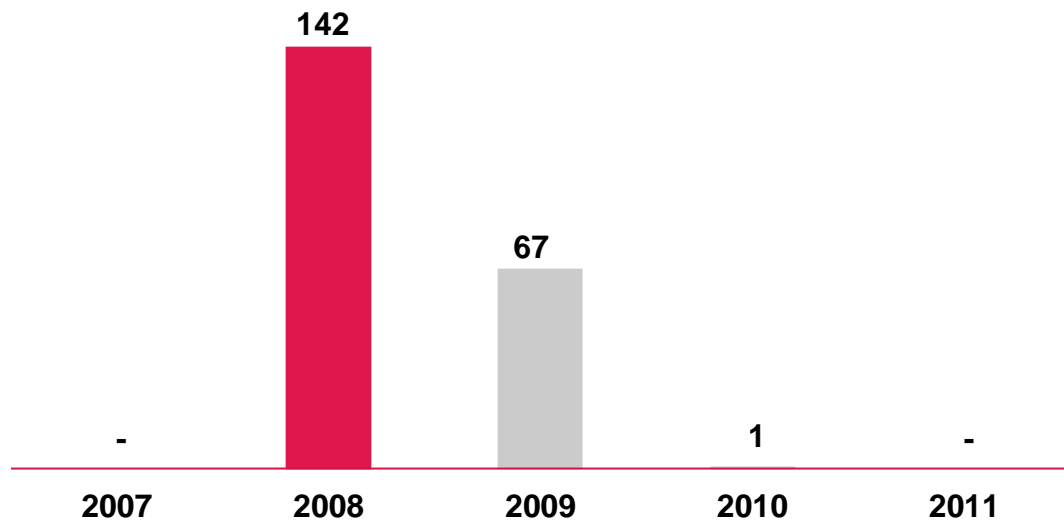
Prudent ALM Approach

- Asset allocation driven by liability cash flow matching in local currency
- ~80% of earnings from insurance and fees
- 84% of invested assets in fixed income
- 94% of bond portfolio in government and government agency bonds
- Bond portfolio average international rating A
- Asset portfolio well diversified with insignificant alternative assets

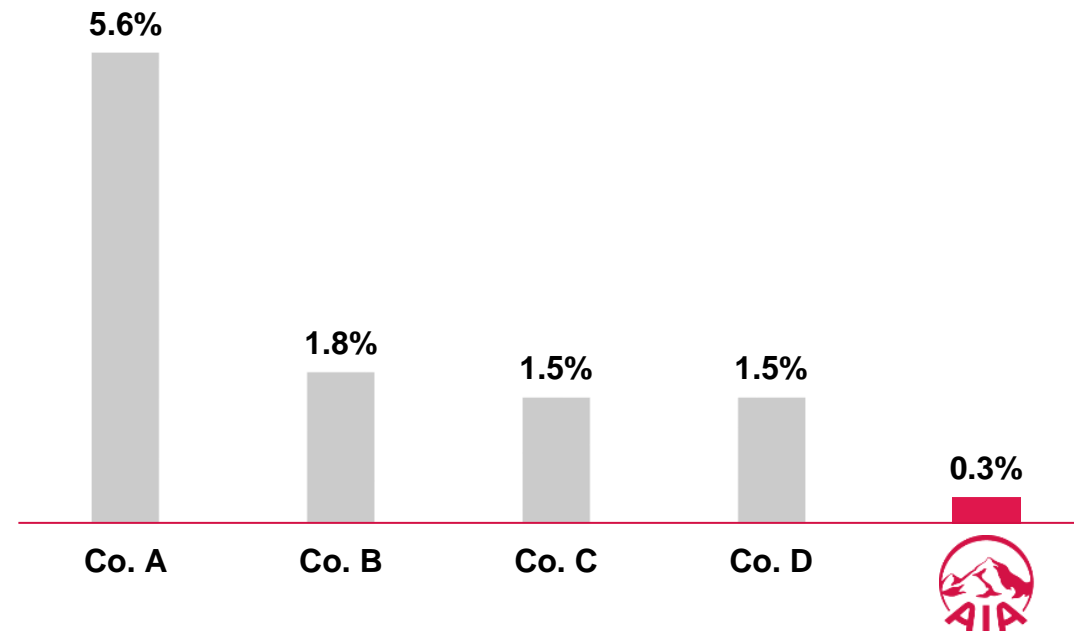
Impairment Experience During Global Financial Crisis



AIA Impairments on Invested Assets (\$m)



2008 Impairment Charges as % of Invested Assets



Risk Discount Rate and Risk Premium



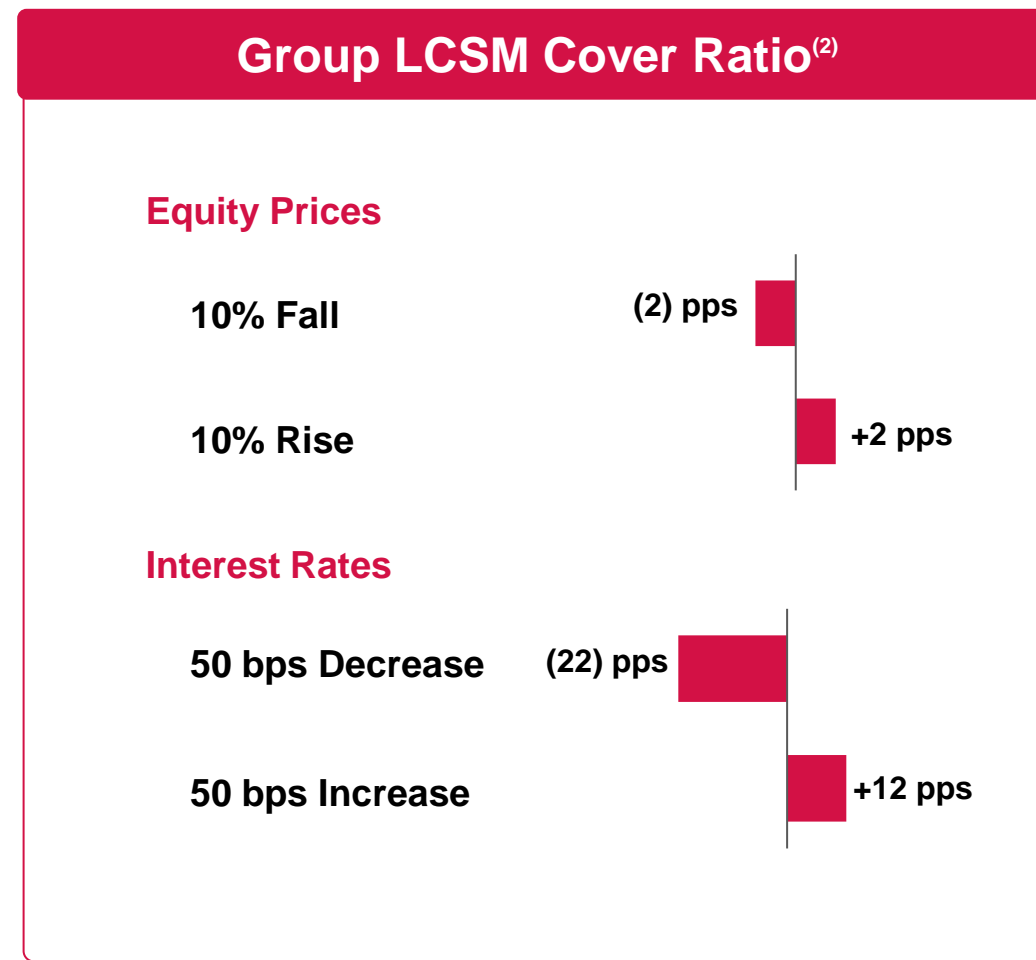
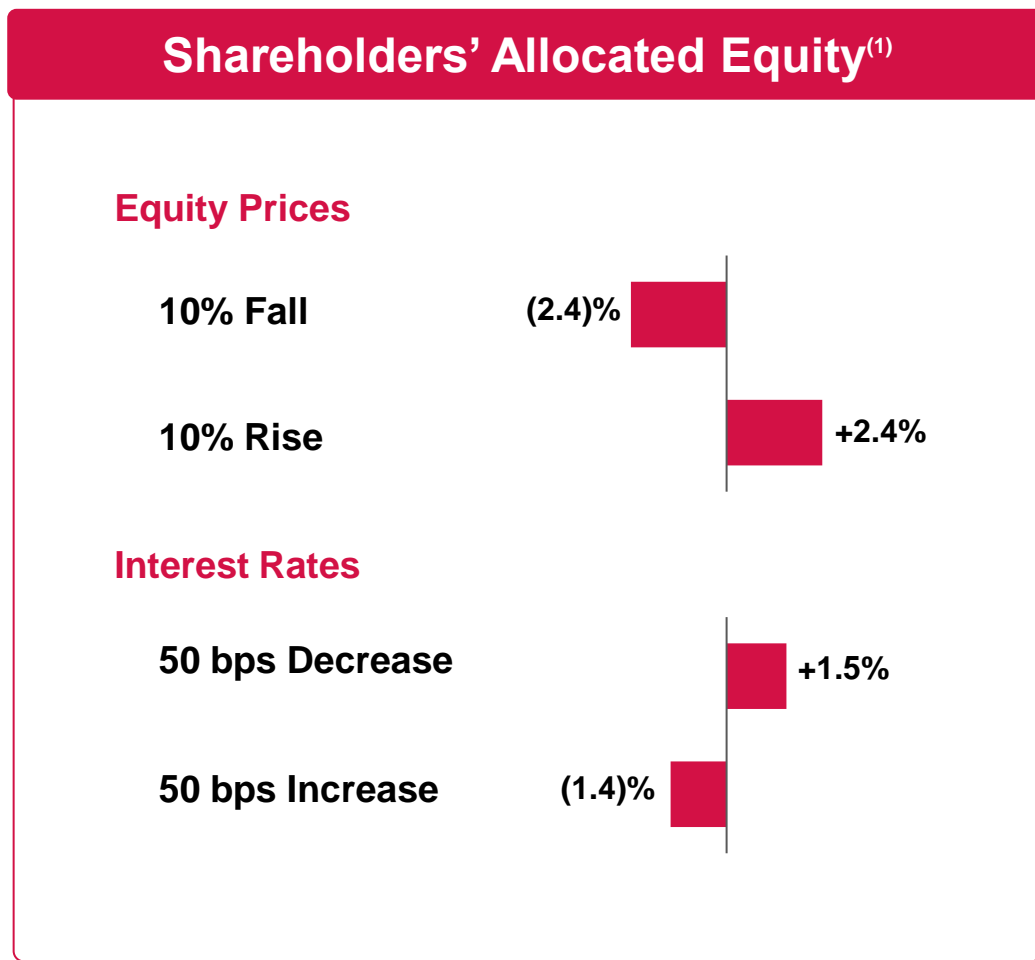
%	As at 30 November 2010			As at 30 June 2021		
	Risk Discount Rates	Long-term 10-year Govt Bonds	Risk Premium	Risk Discount Rates	Long-term 10-year Govt Bonds	Risk Premium
Australia	8.75	5.65	3.10	6.43	2.30	4.13
Mainland China	10.00	3.74	6.26	9.73	3.70	6.03
Hong Kong	8.00	3.53	4.47	7.00	2.20	4.80
Indonesia	15.00	7.90	7.10	12.99	7.50	5.49
South Korea	10.50	4.82	5.68	8.10	2.20	5.90
Malaysia	9.00	4.45	4.55	8.55	4.00	4.55
New Zealand	9.00	6.13	2.87	6.53	2.30	4.23
Philippines	13.00	6.00	7.00	11.80	5.30	6.50
Singapore	7.75	2.93	4.82	6.60	2.20	4.40
Sri Lanka ⁽¹⁾	-	-	-	15.70	10.00	5.70
Taiwan (China)	8.00	1.73	6.27	7.25	1.00	6.25
Thailand	9.50	3.87	5.63	7.75	2.70	5.05
Vietnam	16.00	10.20	5.80	9.71	4.00	5.71
Weighted Average⁽²⁾	8.95	3.85	5.10	8.00	2.86	5.14

Notes: For Tata AIA Life, the Group uses the Indian EV methodology as defined in Actuarial Practice Standard 10 issued by the Institute of Actuaries of India for determining its EV and VONB. This methodology uses investment returns and risk discount rates that reflect the market-derived government bond yield curve. The above disclosure information is therefore not provided for Tata AIA Life

(1) Sri Lanka is included since the acquisition completion date of 5 Dec 2012

(2) Weighted average by VIF contribution

Sensitivity Analysis – Allocated Equity and LCSM Cover Ratio

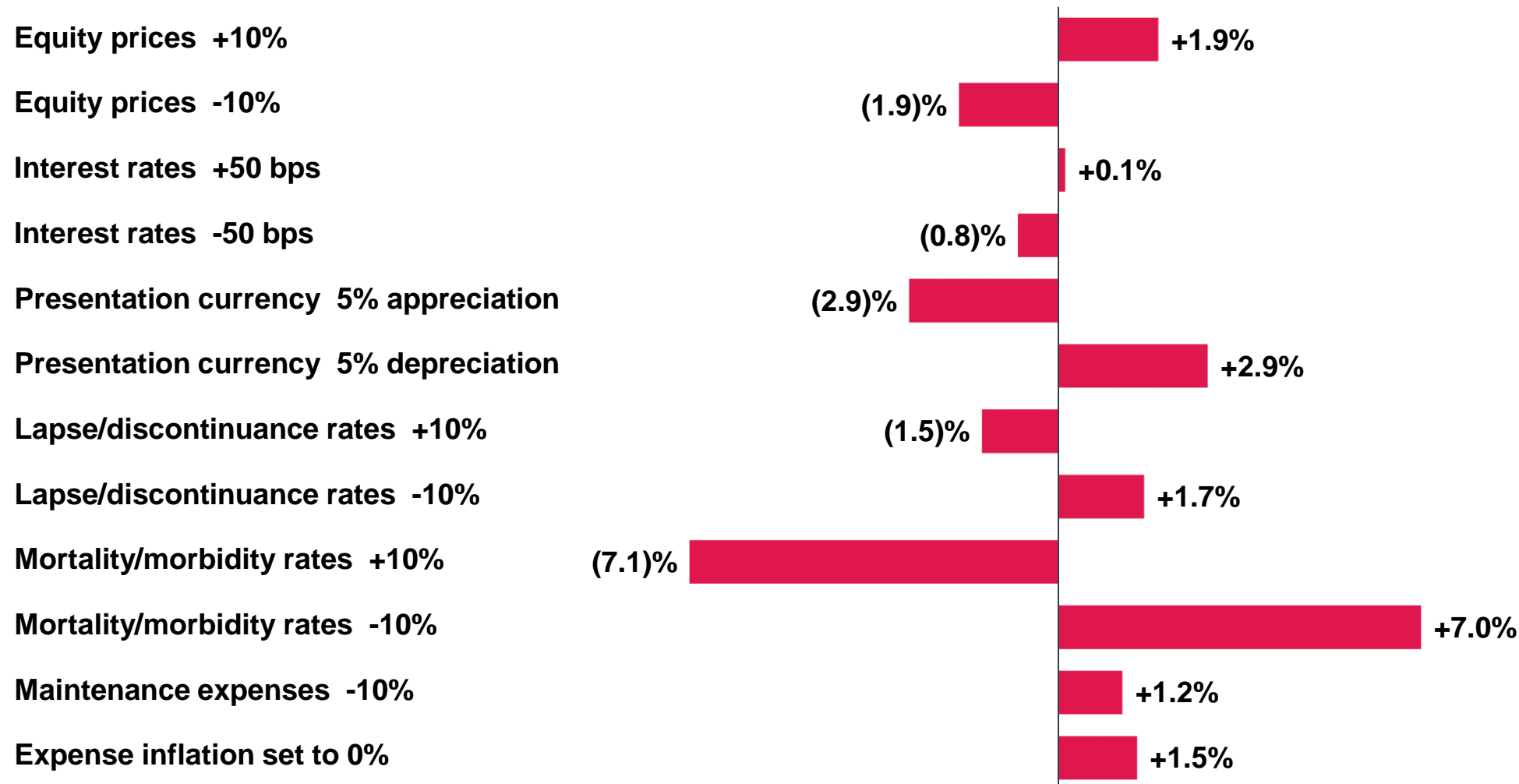


Notes:
 (1) Calculated based on Shareholders' Allocated Equity as at 30 June 2021
 (2) Calculated based on Group LCSM Cover Ratio as at 30 June 2021

Sensitivity Analysis – EV



Sensitivity of EV as at 30 June 2021



Sensitivity Analysis – VONB



Sensitivity of VONB for the six months ended 30 June 2021

