2018 ANNUAL RESULTS PRESENTATION
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Due to the change of the Company’s financial year-end date from 30 November to 31 December and for the purpose of enhancing the comparability of financial information, the financial information in this presentation covers a twelve-month period from 1 January 2018 to 31 December 2018 for the current period and a twelve-month period from 1 January 2017 to 31 December 2017 for the prior period, unless otherwise stated. Balance sheet items are presented as at 31 December 2018 for the current period and 31 December 2017 for the prior period. The financial information from 2010 to 2016 is presented on the 30 November financial year-end basis.
Value of New Business
$3,955m +22%

Operating Profit After Tax
$5,298m +13%

Total Dividend Per Share for 2018
HK$1.14 +14%

Special Dividend Per Share
9.50 HK cents

Ng Keng Hooi
Group Chief Executive

Note:
(1) Total dividend excluding special dividend
2018 Strong Delivery Across All Key Metrics

**Growth**

- **Value of New Business**
  - $3,955m
  - +22%

**Earnings**

- **Operating Profit After Tax**
  - $5,298m
  - +13%

**Capital & Dividends**

- **Underlying Free Surplus Gen**
  - $4,945m
  - +13% (1)

- **EV Equity**
  - $56.2b
  - +$3.8b

- **Operating ROE**
  - 14.5%
  - +40 bps

- **Dividend Per Share**
  - HK$1.14
  - +14%
  - Special Dividend
  - 9.50 HK cents

**Notes:**
(1) On a comparable basis before a reduction of $263m in 2018 relating to the subsidiarisation of AIA Korea
(2) Total dividend excluding special dividend
Delivering on our Key Priorities

**AIA China: Unique Proposition**
- AIA was founded in Shanghai in 1919
- Re-established presence in China in 1992
- Only wholly-owned, foreign life insurer covering five geographical areas:
  - Beijing
  - Shanghai
  - Shenzhen
  - Granted regulatory approval to prepare sales and service centres in:
    - Tianjin
    - Guangdong Province
    - Jiangsu Province
    - Shijiazhuang, Hebei

**VONB and OPAT growth in all market segments**

**Premier Agency**
- 72% Contribution to VONB
- +26% Agency VONB

>10,000
Registered MDRT members, +22% YOY

**Digital Enablement**
- >90% New business digital submission
- 57% New business auto-underwritten

**Health & Wellness**
- >1.2m Total wellness membership
- +80% Membership

**Next-Gen Partnerships**
- 28% Contribution to VONB
- +18% Bancassurance VONB

New partnerships activated in 2018

**China Operations**
CBIRC’s approval to set up sales and service centres in Tianjin and Shijiazhuang, Hebei

**Diversified Growth Portfolio**

**MyPage** single customer portal in all major markets

[IMO enhanced with iRecruit and iAcademy]

**Premier Agency**

VONB and OPAT growth in all market segments

**Additional Population**
>20m

**Diversified Growth Portfolio**

<table>
<thead>
<tr>
<th>Country</th>
<th>VONB Growth</th>
<th>Other Markets</th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>8%</td>
<td>12%</td>
<td>13%</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30%</td>
</tr>
</tbody>
</table>

**Health & Wellness**

- >1.2m Total wellness membership
- +80% Membership

**Diversified Growth Portfolio**

- VONB Growth
  - Malaysia: 8%
  - Thailand: 12%
  - Other Markets: 13%
  - Singapore: 18%
  - Hong Kong: 24%
  - China: 30%

**Diversified Growth Portfolio**

- VONB and OPAT growth in all market segments

**Digital Enablement**

- >90% New business digital submission
- 57% New business auto-underwritten

**China Operations**

- CBIRC’s approval to set up sales and service centres in Tianjin and Shijiazhuang, Hebei
- >20m Additional Population

**Diversified Growth Portfolio**

- VONB and OPAT growth in all market segments

**Health & Wellness**

- >1.2m Total wellness membership
- +80% Membership

- VONB from AIA Vitality integrated products

**Premier Agency**

- 72% Contribution to VONB
- +26% Agency VONB

>10,000
Registered MDRT members, +22% YOY

**Diversified Growth Portfolio**

- VONB and OPAT growth in all market segments
Consistent Execution Driving Growth, Earnings and Cash

VONB ($m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>667</td>
<td>932</td>
<td>1,188</td>
<td>1,490</td>
<td>1,845</td>
<td>2,198</td>
<td>2,750</td>
<td>3,206</td>
<td>3,955</td>
</tr>
</tbody>
</table>

OPAT ($m)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,900</td>
<td>2,244</td>
<td>2,441</td>
<td>2,839</td>
<td>3,248</td>
<td>3,556</td>
<td>3,981</td>
<td>4,635</td>
<td>5,298</td>
</tr>
</tbody>
</table>

EV Equity ($m)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>24,948</td>
<td>27,464</td>
<td>31,657</td>
<td>34,871</td>
<td>39,042</td>
<td>39,818</td>
<td>43,650</td>
<td>52,429</td>
<td>56,203</td>
</tr>
</tbody>
</table>

Total(1) and Special Dividend Per Share (HK cents)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
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<td>34,871</td>
<td>39,042</td>
<td>39,818</td>
<td>43,650</td>
<td>52,429</td>
<td>56,203</td>
</tr>
</tbody>
</table>

Note: (1) Total dividend excluding special dividend

Special Dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>33.00</td>
<td>37.00</td>
<td>42.55</td>
<td>50.00</td>
<td>69.72</td>
<td>85.65</td>
<td>100.00</td>
<td>123.50</td>
</tr>
</tbody>
</table>

Total Dividend(1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>33.00</td>
<td>37.00</td>
<td>42.55</td>
<td>50.00</td>
<td>69.72</td>
<td>85.65</td>
<td>100.00</td>
<td>123.50</td>
</tr>
</tbody>
</table>

9.50

114.00

123.50

9.50
## Excellent Financial Results

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VONB</strong></td>
<td>3,955</td>
<td>3,206</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>EV Operating Profit</strong></td>
<td>8,278</td>
<td>6,654</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Operating ROEV</strong></td>
<td>16.3%</td>
<td>15.5%</td>
<td>1.1 pps</td>
<td>0.8 pps</td>
</tr>
<tr>
<td><strong>EV Equity</strong></td>
<td>56,203</td>
<td>52,429</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Operating Profit After Tax</strong></td>
<td>5,298</td>
<td>4,635</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Operating ROE</strong></td>
<td>14.5%</td>
<td>14.0%</td>
<td>0.4 pps</td>
<td>0.5 pps</td>
</tr>
<tr>
<td><strong>Shareholders’ Allocated Equity</strong></td>
<td>36,795</td>
<td>36,413</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Underlying Free Surplus Generation</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>4,945</td>
<td>4,568</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>AIA Co. HKIO Solvency Ratio</strong></td>
<td>421%</td>
<td>446%</td>
<td>n/a</td>
<td>(25) pps</td>
</tr>
<tr>
<td><strong>Total Dividend</strong>&lt;sup&gt;(2)&lt;/sup&gt; Per Share (HK$)</td>
<td>1.14</td>
<td>1.00</td>
<td>n/a</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Special Dividend Per Share (HK cents)</strong></td>
<td>9.50</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Growth rates are calculated on a comparable basis before a reduction of $263m in 2018 relating to the subsidiarisation of AIA Korea.
(2) Total dividend excluding special dividend.
Growth

Earnings

Capital and Dividends
### Strong and Resilient Growth Portfolio

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2018 VONB ($m)</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>1,712</td>
<td>+24%</td>
<td>+24%</td>
</tr>
<tr>
<td>China</td>
<td>965</td>
<td>+30%</td>
<td>+33%</td>
</tr>
<tr>
<td>Thailand</td>
<td>447</td>
<td>+12%</td>
<td>+17%</td>
</tr>
<tr>
<td>Singapore</td>
<td>357</td>
<td>+18%</td>
<td>+20%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>247</td>
<td>+8%</td>
<td>+15%</td>
</tr>
<tr>
<td>Other Markets</td>
<td>435</td>
<td>+13%</td>
<td>+10%</td>
</tr>
<tr>
<td>Group Total</td>
<td>3,955</td>
<td>+22%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

Note: VONB by market segment are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and include pension business. Group VONB is after unallocated Group Office expenses and adjustment to reflect consolidated reserving and capital requirements; includes pension business and is shown before minorities.
Strong and Broad-based Profitability

**VONB ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB 2017</th>
<th>VONB 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3,251</td>
<td>3,955</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+22% increase

**ANP ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>ANP 2017</th>
<th>ANP 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5,676</td>
<td>6,510</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+15% increase

**VONB Margin Movement**

- 2017 VONB Margin: 56.0%
- 2018 VONB Margin: 60.0%
- Product Mix: +2.4 pps
- Geographical Mix: +0.3 pps
- Channel Mix: +0.2 pps
- Others Including Assumption Changes: +1.1 pps

**PVNBP Margin by Product**

- Overall: 9% to 10%
- Traditional Protection: 15% to 15%
- Participating: 8% to 9%
- Unit-linked: 8% to 8%
- Others: 7% to 8%

Note: VONB and ANP comparatives are shown on a constant exchange rate basis.
## EV Operating Profit up 23% – EV Equity of $56.2b

### 2018 EV Equity Movement ($m)

<table>
<thead>
<tr>
<th></th>
<th>Group EV Equity End of 2017</th>
<th>Expected Return on EV</th>
<th>VONB</th>
<th>Operating Variances</th>
<th>Finance Costs</th>
<th>Group EV Equity Before Non-operating Variances</th>
<th>Investment Return Variances</th>
<th>Exchange Rates and Other Items</th>
<th>Dividend Paid</th>
<th>Group EV Equity End of 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV Operating Profit</td>
<td>$8.3b</td>
<td>+23%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EV Equity of $56.2b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:
(1) On a constant exchange rate basis
Value Creation from Quality Operating Performances

Mortality and Morbidity
Claims Experience Variances ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>149</td>
</tr>
<tr>
<td>2012</td>
<td>152</td>
</tr>
<tr>
<td>2013</td>
<td>116</td>
</tr>
<tr>
<td>2014</td>
<td>124</td>
</tr>
<tr>
<td>2015</td>
<td>164</td>
</tr>
<tr>
<td>2016</td>
<td>200</td>
</tr>
<tr>
<td>2017</td>
<td>193</td>
</tr>
<tr>
<td>2018</td>
<td>233</td>
</tr>
</tbody>
</table>

Cumulative EV Operating Variances ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>144</td>
</tr>
<tr>
<td>2012</td>
<td>255</td>
</tr>
<tr>
<td>2013</td>
<td>379</td>
</tr>
<tr>
<td>2014</td>
<td>487</td>
</tr>
<tr>
<td>2015</td>
<td>735</td>
</tr>
<tr>
<td>2016</td>
<td>1,129</td>
</tr>
<tr>
<td>2017</td>
<td>1,425</td>
</tr>
<tr>
<td>2018</td>
<td>2,028</td>
</tr>
</tbody>
</table>

Note:
(1) 2017 figure covers a 13-month period from 1 December 2016 to 31 December 2017
AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography

<table>
<thead>
<tr>
<th>Month</th>
<th>10 Year Market Forward (10-year Govt Bond)</th>
<th>AIA Long-term Assumption (10-year Govt Bond)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-10</td>
<td>54,517</td>
<td>54,517</td>
</tr>
<tr>
<td>Nov-11</td>
<td>(731)</td>
<td>(731)</td>
</tr>
<tr>
<td>Nov-12</td>
<td>(249)</td>
<td>(249)</td>
</tr>
<tr>
<td>Nov-13</td>
<td>158</td>
<td>158</td>
</tr>
<tr>
<td>Nov-14</td>
<td>736</td>
<td>736</td>
</tr>
<tr>
<td>Dec-17</td>
<td>2018 EV</td>
<td>2018 EV</td>
</tr>
</tbody>
</table>

Sensitivity of EV

As at 31 Dec 2018

- 10% fall in equity prices: (1.3)%
- 50 basis points decrease in interest rates: (0.5)%
- 50 basis points increase in interest rates: 0.3%
- 10% rise in equity prices: 1.4%

Note:
(1) Weighted average interest rates by VIF of Hong Kong, Thailand, Singapore, China and Malaysia
Strong and Sustained Growth Momentum

VONB ($m)

5.9x

1H10  2H10  1H11  2H11  1H12  2H12  1H13  2H13  1H14  2H14  1H15  2H15  1H16  2H16  1H17  2H17  1H18  2H18

303  364  399  533  512  676  645  845  792  1,053  959  1,239  1,260  1,490  1,605  1,954  2,001  3,955

3,955
Growth

Earnings

Capital and Dividends
Operating Profit after Tax up 13%

- **OPAT ($m)**
  - 2017: 4,706 (up 13%)
  - 2018: 5,298

- **TWPI ($m)**
  - 2017: 26,700
  - 2018: 30,543 (up 14%)

- **Expense Ratio**
  - 2017: 7.6%
  - 2018: 7.1% (0.5 pps)

**Note:** Comparatives are shown on a constant exchange rate basis
# Diversified OPAT Growth Across the Region

<table>
<thead>
<tr>
<th>Market</th>
<th>OPAT ($m)</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>1,814</td>
<td>+11%</td>
<td>+11%</td>
</tr>
<tr>
<td>Thailand</td>
<td>995</td>
<td>+9%</td>
<td>+15%</td>
</tr>
<tr>
<td>China</td>
<td>870</td>
<td>+32%</td>
<td>+35%</td>
</tr>
<tr>
<td>Singapore</td>
<td>558</td>
<td>+7%</td>
<td>+9%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>320</td>
<td>+9%</td>
<td>+17%</td>
</tr>
<tr>
<td>Other Markets</td>
<td>826</td>
<td>+14%</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>Group Total</strong></td>
<td><strong>5,298</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Group OPAT includes OPAT from Group Corporate Centre

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### 2018 OPAT by Market Segment

- **Hong Kong** 34%
- **Thailand** 19%
- **China** 16%
- **Singapore** 10%
- **Malaysia** 6%
- **Other Markets** 15%

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*Note:* Group OPAT includes OPAT from Group Corporate Centre
IFRS Shareholders’ Allocated Equity of $36.8b

IFRS Shareholders’ Allocated Equity Movement ($m)

Notes:
(1) Short-term fluctuations in investment return related to equities and real estate, net of tax
(2) Shareholders’ allocated equity is shown before fair value reserve of $2.2b as at 31 December 2018
Strong ROEV and ROE Progression

**Profitable Growth Driving EV and ROEV**

- **EV Equity ($m)**
  - 2010: 24,948
  - 2011: 27,464
  - 2012: 31,657
  - 2013: 34,871
  - 2014: 39,042
  - 2015: 39,818
  - 2016: 43,650
  - 2017: 52,429
  - 2018: 56,203

- **Operating ROEV**
  - 2010: 11.5%
  - 2011: 12.5%
  - 2012: 12.8%
  - 2013: 12.7%
  - 2014: 13.4%
  - 2015: 13.6%
  - 2016: 15.4%
  - 2017: 15.5%
  - 2018: 16.3%

**Earnings Growth Delivering Increased ROE**

- **Shareholders’ Allocated Equity ($m)**
  - 2010: 17,614
  - 2011: 19,192
  - 2012: 21,987
  - 2013: 23,873
  - 2014: 26,391
  - 2015: 26,705
  - 2016: 29,632
  - 2017: 36,413
  - 2018: 36,795

- **Operating ROE**
  - 2010: 12.0%
  - 2011: 12.2%
  - 2012: 11.9%
  - 2013: 12.4%
  - 2014: 12.9%
  - 2015: 13.4%
  - 2016: 14.1%
  - 2017: 14.0%
  - 2018: 14.5%
Growth

Earnings

Capital and Dividends
### Free Surplus (1) of $14.8b ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Surplus End of 2017</td>
<td>$12,586</td>
</tr>
<tr>
<td>Release of Free Surplus Relating to AIA Korea Subsidiarisation</td>
<td>$1,886</td>
</tr>
<tr>
<td>Acquisition of Sovereign</td>
<td>$(497)</td>
</tr>
<tr>
<td>Free Surplus After Acquisition and Others</td>
<td>$13,975</td>
</tr>
<tr>
<td>Underlying Free Surplus Generated</td>
<td>$5,208</td>
</tr>
<tr>
<td>Change in Underlying Free Surplus Generated Relating to AIA Korea Subsidiarisation</td>
<td>$(263)</td>
</tr>
<tr>
<td>New Business Investment</td>
<td>$(1,540)</td>
</tr>
<tr>
<td>Unallocated Group Office Expenses</td>
<td>$(170)</td>
</tr>
<tr>
<td>Finance Cost and Others</td>
<td>$(75)</td>
</tr>
<tr>
<td>Free Surplus Before Investment Return Variances and Dividend</td>
<td>$(795)</td>
</tr>
<tr>
<td>Investment Return Variances and Other Non-operating Items</td>
<td>$(1,589)</td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>$1b</td>
</tr>
<tr>
<td>CBA Transaction (2)</td>
<td></td>
</tr>
<tr>
<td>Free Surplus End of 2018</td>
<td>$14,751</td>
</tr>
</tbody>
</table>

**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. On 2 July 2018, AIA completed the acquisition of Sovereign Assurance Company Limited in New Zealand while the acquisition of Comminsure Life in Australia remains in progress, subject to securing all necessary regulatory and governmental approvals.
Disciplined Financial Management

Growth

VONB ($m)

2010 2017 2018

667 3,206 3,955

5.9x

Earnings

OPAT ($m)

2010 2017 2018

1,900 4,635 5,298

2.8x

Capital & Dividends

Underlying Free Surplus Generation ($m)

2010 2017 2018

2113 4,568 4,945

2.3x
Total Dividend Increase of 14%

Total Dividend\(^{(1)}\) and Special Dividend Per Share (HK cents)

Note:
(1) Total dividend excluding special dividend
Financial Discipline and Consistent Execution

**Growth**
- Excellent growth in profitable new business
- Strong and resilient pan-regional growth portfolio
- VONB growth delivered increased ROEV at scale

**Earnings**
- Strong growth in IFRS operating profit
- Diversified and balanced sources of earnings
- Increased ROE over time

**Capital & Dividends**
- Resilient capital position
- Self-financed new business growth
- Prudent, sustainable and progressive dividend
Singapore: Disciplined Focus on Quality Business

Premier Agency
- Very strong VONB growth
- Active agents up 16%
- Double-digit growth in productivity
- Continued our market leadership

Profitable Partnerships
- Excellent VONB growth from Citibank
- Market leader in group insurance

Products and Customers
- Launched exclusive partnership with *medix* to provide personal medical case management
- *AIA Vitality* members up more than 40%

Note: Comparatives are shown on a constant exchange rate basis
Hong Kong: Excellent Results Across Channels

Premier Agency

- Excellent VONB growth
- Comprehensive recruitment and training platform
- Double-digit active agents growth

Profitable Partnerships

- Very strong VONB growth from Citibank
- Solid growth from retail IFA with steady sales in both 1H and 2H

Products and Customers

- VONB growth from domestic and MCV\(^{(1)}\) customers
- **AIA Vitality** integrated product sales doubled
- VONB from existing customers up 28%

### VONB ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB ($)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,384</td>
<td>1,712 +24%</td>
</tr>
</tbody>
</table>

### ANP ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>ANP ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,493</td>
</tr>
<tr>
<td>2018</td>
<td>2,697</td>
</tr>
</tbody>
</table>

### VONB Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>53.7%</td>
</tr>
<tr>
<td>2018</td>
<td>62.0%</td>
</tr>
</tbody>
</table>

Note:

(1) Mainland Chinese visitors
Partnership Delivery: Citibank in Hong Kong

**Key Success Factors**

- **Partnership Engagement**
  - Strong collaboration with engagement and communication at each level

- **Market-leading Advisory Model**
  - Insurance integrated into bank’s wealth management platform and segmented product advice

- **Enhanced Training/Culture of Learning**
  - Build capable team through field work, coaching, structured and targeted training

- **Customer Experience**
  - Application programming interface connectivity into iPoS to deliver seamless end-to-end customer journey

**VONB Performance**

- **4.5x**
  - VONB (2018 vs 2015)

**Activity**

- **1.8x**
  - Cases per relationship manager (2018 vs 2015)

**Productivity**

- **2.8x**
  - Insurance specialist productivity in terms of ANP (2018 vs 2015)

**Digital Enablement**

- **100%**
  - Individual new business digital submission (2018)
Thailand: Protecting Customers for 80 Years

**Premier Agency**
- Proven Financial Adviser (FA) programme
- FA 40% more productive than standard recruits
- MDRT qualifiers up 36%; #1 MDRT in Thailand

**Profitable Partnerships**
- Successful launch of Bangkok Bank partnership
  - Rolled out to over 800 branches
  - Expanded product range

**Products and Customers**
- Market leader in protection and unit-linked products
- AIA Vitality members up more than 60%
- Rolled out customer-centric digital tools

Note: Comparatives are shown on a constant exchange rate basis
Thailand: FA Transforming our Agency Distribution

### Quality Recruitment

**Mindset**
“Full time professional career”

**Interview / Screening**
- Personality
- Communication skills

**Criteria / Attributes**
- Younger generation
- Degree / Work experience
- Higher previous income
- Investment Consultant licence

### Training & Development

20+ days First Year Training

**Product Knowledge:**
- High Net Worth
- Unit-Linked
- AIA Vitality
- Critical Illness
- Protection

**Digital tools**
- 96% digital submission

**1-1 coaching**

**Sales skills**

### Proven Strong Results

- **Standard Agent**
  - No. of Agents: 14%
  - VONB: 25%

- **Financial Adviser**

### Activity Ratio

- **AIA FA**
  - >2x of standard new agents

### VONB per New Recruit

- 4x higher than standard agent recruit

### New Leaders

- >50% of total new leader promotions

### MDRT

- 30% of total MDRT
Other Markets: Delivering Solid Growth

- Strong VONB growth in retail and group insurance
- AIA Vitality expanded to group insurance customers
- Successful launch of partnership with ASB post acquisition of Sovereign
- Growth in active agents and agency VONB
- Market volatility impacted sales in 2H
- Overall VONB declined due to partnerships
- Very strong VONB growth with increased margins
- Regulatory approval for integrated wellness product
- Launched AIA Vitality partnership with SK Telecom

Note: Comparatives are shown on a constant exchange rate basis

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB (m)</td>
<td>385</td>
<td>435</td>
</tr>
<tr>
<td>ANP ($m)</td>
<td>950</td>
<td>1,206</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>39.9%</td>
<td>35.8%</td>
</tr>
</tbody>
</table>

AUS & NZ

INDONESIA

KOREA

34
Other Markets: Delivering Solid Growth

- Strong VONB with excellent growth from BPI
- Double-digit growth in active agents
- Vitality integrated product VONB trebled
- Double-digit VONB growth
- Excellent VONB growth in bancassurance
- Agency remained the largest VONB contributor
- Excellent VONB growth across channels
- Market leader in pure protection business
- Bancassurance accounted for two-thirds of ANP

Notes:
Comparatives are shown on a constant exchange rate basis
(1) The results of our joint venture in India are accounted for using the equity method. Other Markets’ VONB, ANP and VONB margin exclude any contribution from India.
Malaysia: Focus on Execution

Premier Agency
- Selective recruitment, quality agency development
- Solid VONB growth from Takaful business
- Launched AIA Life Planner

Profitable Partnerships
- Double-digit VONB growth from Public Bank
- Market leader in group insurance

Products and Customers
- First-to-market innovative unit-linked products
- Unique digital Health Wallet proposition
- **AIA Vitality** members up 47%

Note:
Comparatives are shown on a constant exchange rate basis
China: Sustained Quality Outperformance

Premier Agency

- Highly differentiated Premier Agency strategy
- Double-digit growth in active agents
- New agent productivity up 17%
- 100% new business submitted digitally

Profitable Partnerships

- Launched strategic partnership with WeDoctor

Products and Customers

- Positioned as the protection provider of choice
- Wellness programme members doubled
- Launched AIA Xiao You, AI-enabled service-bot

Note: Comparatives are shown on a constant exchange rate basis
AIA Beijing Branch: Premier Agency in Action

Quality Recruitment & Training
- Stringent selection; intensive interviews
- Entrepreneurial culture
- Extensive training with joint field work
- Sales building coaching and evaluation

Educational Qualification of Agency Force
- Bachelor’s Degree: 58%
- PhD / Master’s: 13%
- Diploma and Others: 29%
- >70% with Bachelor’s Degree or above

Digital Enablement
- **iRecruit**: quality recruitment and talent pool management
- **Master Planner**: comprehensive agency activity management
- **Instant Buy**: sales portal for easy and efficient end-to-end buying experience
- **i-Service**: agent portal for one-stop, real-time, paperless service
- **e-Service**: customer self-service portal for after-sales service and e-Claims

Sustained Outperformance
- **Active Agent Productivity by Years of Service**
  - 1 Year: 2.0x
  - 1-3 Years: 4.2x
  - 3+ Years: 5.4x

**Wellness programme**
**WeChat claims process and payment**
**Strategic partnership with WeDoctor**

**MDRT Members** (2018 vs 2014)
- 4.2x

**Agency VONB**
- 2014: 1
- 2016: 2
- 2018: 5

**Educational Qualification of Agency Force**
- Bachelor’s Degree: 58%
- PhD / Master’s: 13%
- Diploma and Others: 29%
- >70% with Bachelor’s Degree or above
AIA China: Proven Model for Expansion

Premier Agency Strategy Execution

- Scalable infrastructure
- Digital backbone
- Strong leadership
- High-performance culture
- Quality recruitment, training and development

CBIRC’s approval to set up sales and service centres in Tianjin and Shijiazhuang, Hebei

>20m Additional Population

Active Agents (FY18 vs FY14)
- 3.1x

MDRT Members (FY18 vs FY14)
- 5.2x

Agency VONB since IPO

Scalable infrastructure
Digital backbone
Strong leadership
High-performance culture
Quality recruitment, training and development

AIA China (FY18 vs FY14)

Beijing, Shanghai, Shenzhen, Guangzhou, Foshan, Suzhou
All Other Cities

2010 2014 2018
(FY18 vs FY10)
14x 25x 13x

>20m Additional Population

CBIRC’s approval to set up sales and service centres in Tianjin and Shijiazhuang, Hebei

2010 2014 2018
Beijing, Shanghai, Shenzhen, Guangzhou, Foshan, Suzhou
All Other Cities

25x 13x

FY18 vs FY10
AIA’s Competitive Advantages and Strategic Priorities

Structural Drivers of Growth

- Rapid urbanisation and significant wealth creation
- Increasing prevalence of lifestyle-related diseases
- Low insurance penetration and limited social welfare provision
- Ageing population and growing need for retirement savings
- Understanding consumer preferences and expectations

Strategic Priorities

<table>
<thead>
<tr>
<th>Premier Agency</th>
<th>Next-Generation Partnerships</th>
<th>Health &amp; Wellness</th>
<th>Customer Centricity</th>
<th>Product Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Promote next-generation agency recruitment and training support</td>
<td>▪ Deepen engagement with strategic partners</td>
<td>▪ Extend regional leadership in health and wellness</td>
<td>▪ Leverage data analytics for greater customer insights</td>
<td>▪ Maintain protection-oriented portfolio</td>
</tr>
<tr>
<td>▪ Enable with technology and support specialisation</td>
<td>▪ Strengthen and differentiate partner value proposition</td>
<td>▪ Engage customers in healthy living</td>
<td>▪ Transform customer experience</td>
<td>▪ Expand integrated savings and protection solutions</td>
</tr>
<tr>
<td>▪ Deliver professional advice on broader customer needs</td>
<td>▪ Expand distribution reach through non-traditional partners</td>
<td>▪ Evolve from conventional payer to active partner</td>
<td>▪ Increase customer engagement</td>
<td>▪ Meet rapidly growing long-term savings needs</td>
</tr>
</tbody>
</table>

People Development

Digital Enablement

Financial Discipline
Asia’s Middle Class Growth Opportunity

Rapid Expansion of Middle Class

Middle Class Population (billions)

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
<th>2025E</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific (ex-Japan)</td>
<td>1.5</td>
<td>+1.2</td>
<td>2.7</td>
</tr>
<tr>
<td>Rest of World</td>
<td>1.7</td>
<td>+0.2</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Uncovered Healthcare Costs

Breakdown of Total Healthcare Expenditure (2017)

<table>
<thead>
<tr>
<th>Region</th>
<th>Out-of-Pocket</th>
<th>Private</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific (ex-Japan)</td>
<td>28%</td>
<td>14%</td>
<td>58%</td>
</tr>
<tr>
<td>G7</td>
<td>11%</td>
<td>26%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Asia is Under-Protected

Asia-Pacific (ex-Japan) Mortality Protection Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Sum Assured</th>
<th>Total Savings</th>
<th>Protection Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020E</td>
<td>US$73 trillion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>US$34 trillion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unbalanced Asset Allocation


<table>
<thead>
<tr>
<th>Region</th>
<th>Insurance</th>
<th>Investments</th>
<th>Cash &amp; Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific (ex-Japan)</td>
<td>23%</td>
<td>32%</td>
<td>45%</td>
</tr>
<tr>
<td>G7</td>
<td>40%</td>
<td>34%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Sources: BMI, EIU, McKinsey, Swiss Re, WHO; most recently available sources
Consumers Lack Insurance and Access to Advice

Strong Protection Need
What is really important to you in life?(1)

- Comfortable retirement: 52%
- Protecting family: 47%
- Children education: 41%
- Afford healthcare: 38%
- Enjoy the moment: 17%
- Travel: 11%
- Real estate: 9%

Health Spend Rising Fast
Rebased growth for Asia-Pacific (ex-Japan)

Insufficient Insurance Coverage
Are you sufficiently protected from the financial impact of getting sick or dying?(1)

- Yes: 22%
- No / Not Sure: 78%

Low Levels of Life Insurance Cover
Life insurance density (US$ per capita)

- Japan: 2,411
- North America: 1,647
- Europe: 965
- Asia-Pacific (ex-Japan): 178

Professional Advice Gap
Where do you obtain information on investments and retirement planning?

- Financial Adviser: 19%
- TV & Radio: 26%
- Internet: 40%
- Family & Friends: 60%

Could benefit from professional advice?(1)
98%

Most important qualities for an adviser?(1)

- Trust
- Expertise
- Service

Average Improvement in Customer Outcomes

- Financial understanding: +50%
- Achieving financial goals
- Retirement readiness
- Satisfaction with provider

Note: (1) AIA consumer survey 2019 across five markets (Hong Kong, Thailand, Singapore, Malaysia and China)
Premier Agency: Disciplined Execution of the Fundamentals

End-to-end Agent-Customer Value Chain

100% iRecruit adoption ratio in AIA China

AIA Premier Academy(1) in all major markets

AIA Business Planner in all major markets

>4x Higher repurchase with frequent agent contact

>90% Digital adoption ratio

AIA MyPage in all major markets

Active Agents

Productivity
VONB per Active Agent

Registered MDRT Members

Agency VONB ($m)

Note:
(1) Premier Academy (AIA Hong Kong) or equivalent programmes
Next-Gen Partnerships: Leveraging Our Growing Network

### Strategic / Exclusive Partners

- **100+ Bank Partners**
- **20,000+ Branches**
- **100m+ Bank Customers**

### Success Factors

- Shared vision, joint business strategy, clear execution plan and strong governance
- Focus on delivering outstanding customer experience
- Unique AIA propositions including **AIA Vitality**
- Business model enabled by data and technology

#### Partnership VONB ($m)

- 2011: 171
- 2012: 2011
- 2013: 2012
- 2014: 2013
- 2015: 2014
- 2016: 2015
- 2017: 1,084
- 2018: 1,172

- **6.9x**

#### Note:

(1) Subject to securing all necessary regulatory and governmental approvals
Being a Lifelong Partner to Our Customers

New brand promise launched in 2018
Reinforces AIA’s commitment to customers’ health and well-being
Strategic shift from “payer” to “partner”

Notes:
(1) A workout is typically defined as a block of sustained activity registered by the AIA Vitality-linked device as a “workout”. The definition of a “workout” is specified by the device manufacturer and varies across manufacturers
(2) Based on the health assessments provided by AIA Vitality members in six markets, the proportion of members who have moved from an unhealthy to a healthy category in the respective health metrics
(3) In Hong Kong and Singapore

Engagement and Prevention

- Regional exclusive strategic partnership, already active in Hong Kong and Singapore
- 65% cases with treatment plan refinements
- 90% customer and agent satisfaction
- Long-term strategic partnership in China
- Positive outcomes for customers and transforming experience with AIA

Diagnosis and Treatment

- Dedicated mental health rehab programme
- Part of the well-established rehabilitation programme by AIA Australia
- Embedded team of health professionals

Recovery and Rehabilitation

- 3m Health Checks
- 2m BMI Readings
- 18m Workouts

Return to Work Rate

<table>
<thead>
<tr>
<th></th>
<th>Industry Average</th>
<th>AIA Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>59%</td>
<td>83%</td>
<td></td>
</tr>
</tbody>
</table>

38% Blood Pressure
21% BMI
56% Cholesterol

% of AIA Vitality members moved from an unhealthy to a healthy category

Notes:
(1) A workout is typically defined as a block of sustained activity registered by the AIA Vitality-linked device as a “workout”. The definition of a “workout” is specified by the device manufacturer and varies across manufacturers
(2) Based on the health assessments provided by AIA Vitality members in six markets, the proportion of members who have moved from an unhealthy to a healthy category in the respective health metrics
(3) In Hong Kong and Singapore
▪ Unprecedented long-term growth opportunities

▪ Significant and sustainable competitive advantages

▪ Clear and aligned growth strategy

▪ Experienced and proven management team

▪ Disciplined and consistent execution
Q&A Session
Definitions and Notes

- Due to the change of the Company’s financial year-end date from 30 November to 31 December and for the purpose of enhancing the comparability of financial information, the financial information in this presentation covers a twelve-month period from 1 January 2018 to 31 December 2018 for the current period and a twelve-month period from 1 January 2017 to 31 December 2017 for the prior period, unless otherwise stated. Balance sheet items are presented as at 31 December 2018 for the current period and 31 December 2017 for the prior period. The financial information from 2010 to 2016 is presented on the 30 November financial year-end basis.
- Change on constant exchange rates (CER) is calculated for all figures for the current year and for the prior year, using constant average exchange rates, other than for balance sheet items as at the end of the current year and as at the end of the prior year, which is translated using the constant exchange rates.
- 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 in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.
- Annualised new premiums (ANP) excludes pension business.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company.
- 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.
- Hong Kong refers to operations in Hong Kong and Macau; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia (including New Zealand), Cambodia, Indonesia, Korea, the Philippines, Sri Lanka and India. The results of our joint venture in India are accounted for using the equity method. For clarity, TWPI, ANP and VONB exclude any contribution from India.
- Operating profit after tax (OPAT), net profit, IFRS shareholders’ allocated equity and IFRS shareholders’ equity are shown post non-controlling interests.
- 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 stands for margin on a present value of new business premium basis.
- Operating ROE stands for operating return on shareholders’ allocated equity and is calculated 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.
- Operating ROEV stands for operating return on EV and is calculated as EV operating profit, expressed as a percentage of the opening embedded value.
- Shareholders’ allocated equity is total equity attributable to shareholders of the Company less fair value reserve.
- Total dividend of HK$1.14 per share for the twelve months ended 31 December 2018 does not include the special dividend for the additional month in the accounting period due to the change of the Company’s financial year-end date from 30 November to 31 December.
- TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.
- VONB is after unallocated Group Office expenses and adjustment to reflect consolidated reserving and capital requirements; includes pension business and is shown before minorities.
- VONB margin = VONB / ANP. VONB for the margin calculations exclude pension business to be consistent with the definition of ANP.
- 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 exclude pension business.
- VONB and VONB margin by geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses.
- Sovereign refers to AIA Sovereign Limited (formerly ASB Group (Life) Limited) and its subsidiaries, including Sovereign Assurance Company Limited, a licensed insurer in New Zealand.
Delivering Through Market Cycles

- Anaemic GFC recovery
- Deepening Eurozone sovereign debt crisis
- China becomes 2nd largest economy
- Rising interest rates
- Equity market volatility
- US sovereign downgrade
- Continued Eurozone sovereign debt crisis
- China slowdown fears
- Interest rate & equity market volatility
- Thai RBC and floods
- Expansionary policy; US QE3
- European double-dip recession
- Strong equity markets
- Falling interest rates
- Strengthening US recovery
- Taper tantrum affecting Asian currency
- China slowdown fears
- Rising interest rates
- Lower for longer interest rates
- Oil price depreciation
- Asian currency headwinds
- Thai Government changes
- US interest rate increase
- Oil price collapse
- China slowdown fears
- Asian currency depreciation
- China slowdown fears
- Brexit
- Lower for longer interest rates
- US election
- Positive China sentiment
- US dollar depreciation
- US rising interest rate expectations
- Trade tensions
- China slowdown fears and RMB depreciation
- Rising interest rate expectations

VONB ($m)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>667</td>
<td>932</td>
<td>1,188</td>
<td>1,490</td>
<td>1,845</td>
<td>2,198</td>
<td>2,750</td>
<td>3,206</td>
<td>3,955</td>
</tr>
</tbody>
</table>

5.9x
### Geographical Market Performance

<table>
<thead>
<tr>
<th>Market</th>
<th>2018 (m)</th>
<th>2017 (m)</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hong Kong ($m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>1,712</td>
<td>1,384</td>
<td>+24%</td>
<td>+24%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>62.0%</td>
<td>53.7%</td>
<td>+8.3pps</td>
<td>+8.3pps</td>
</tr>
<tr>
<td>ANP</td>
<td>2,697</td>
<td>2,493</td>
<td>+8%</td>
<td>+8%</td>
</tr>
<tr>
<td>TWPI</td>
<td>11,444</td>
<td>9,535</td>
<td>+20%</td>
<td>+20%</td>
</tr>
<tr>
<td>OPAT</td>
<td>1,814</td>
<td>1,627</td>
<td>+11%</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>Singapore ($m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>357</td>
<td>297</td>
<td>+18%</td>
<td>+20%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>65.4%</td>
<td>69.7%</td>
<td>(4.3)pps</td>
<td>(4.3)pps</td>
</tr>
<tr>
<td>ANP</td>
<td>547</td>
<td>426</td>
<td>+26%</td>
<td>+28%</td>
</tr>
<tr>
<td>TWPI</td>
<td>2,738</td>
<td>2,435</td>
<td>+10%</td>
<td>+12%</td>
</tr>
<tr>
<td>OPAT</td>
<td>558</td>
<td>513</td>
<td>+7%</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>China ($m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>965</td>
<td>725</td>
<td>+30%</td>
<td>+33%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>90.5%</td>
<td>83.1%</td>
<td>+7.1pps</td>
<td>+7.4pps</td>
</tr>
<tr>
<td>ANP</td>
<td>1,067</td>
<td>873</td>
<td>+19%</td>
<td>+22%</td>
</tr>
<tr>
<td>TWPI</td>
<td>4,006</td>
<td>3,118</td>
<td>+26%</td>
<td>+28%</td>
</tr>
<tr>
<td>OPAT</td>
<td>870</td>
<td>643</td>
<td>+32%</td>
<td>+35%</td>
</tr>
<tr>
<td><strong>Malaysia ($m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>247</td>
<td>215</td>
<td>+8%</td>
<td>+15%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>63.8%</td>
<td>62.5%</td>
<td>+1.4pps</td>
<td>+1.3pps</td>
</tr>
<tr>
<td>ANP</td>
<td>382</td>
<td>340</td>
<td>+5%</td>
<td>+12%</td>
</tr>
<tr>
<td>TWPI</td>
<td>2,083</td>
<td>1,848</td>
<td>+6%</td>
<td>+13%</td>
</tr>
<tr>
<td>OPAT</td>
<td>320</td>
<td>274</td>
<td>+9%</td>
<td>+17%</td>
</tr>
<tr>
<td><strong>Thailand ($m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>447</td>
<td>381</td>
<td>+12%</td>
<td>+17%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>73.1%</td>
<td>73.4%</td>
<td>(0.4)pps</td>
<td>(0.3)pps</td>
</tr>
<tr>
<td>ANP</td>
<td>611</td>
<td>519</td>
<td>+13%</td>
<td>+18%</td>
</tr>
<tr>
<td>TWPI</td>
<td>3,895</td>
<td>3,559</td>
<td>+5%</td>
<td>+9%</td>
</tr>
<tr>
<td>OPAT</td>
<td>995</td>
<td>868</td>
<td>+9%</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Other Markets ($m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>435</td>
<td>395</td>
<td>+13%</td>
<td>+10%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>35.8%</td>
<td>39.9%</td>
<td>(4.1)pps</td>
<td>(4.1)pps</td>
</tr>
<tr>
<td>ANP</td>
<td>1,206</td>
<td>973</td>
<td>+27%</td>
<td>+24%</td>
</tr>
<tr>
<td>TWPI</td>
<td>6,377</td>
<td>5,898</td>
<td>+10%</td>
<td>+8%</td>
</tr>
<tr>
<td>OPAT</td>
<td>826</td>
<td>742</td>
<td>+14%</td>
<td>+11%</td>
</tr>
</tbody>
</table>
Unique and Advantaged Growth Platform

**Distribution Mix**

<table>
<thead>
<tr>
<th>% of VONB</th>
<th>2010</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>Partnerships</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

**Product Mix**

<table>
<thead>
<tr>
<th>% of VONB</th>
<th>2010</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Protection</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Participating</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Unit-linked</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

**Geographical Mix**

<table>
<thead>
<tr>
<th>% of VONB</th>
<th>2010</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Other Markets</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
Distribution mix is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and excluding pension business.
Product and geographical mix are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses.
Balanced Product Mix and Diversified Earnings

Sources of IFRS Operating Profit\(^{(1)}\)

- Insurance and Fee-based: 64%
- Participating and Spread: 22%
- Return on Net Worth: 14%

OPAT by Market Segment

- Hong Kong: 34%
- Thailand: 19%
- China: 16%
- Singapore: 10%
- Malaysia: 6%
- Other Markets: 15%
- Other Markets: 15%

Notes:
For 2018
(1) Operating profit before tax and before Group Corporate Centre expenses
AIA China: Unique Proposition

- AIA was founded in Shanghai in 1919
- Re-established presence in China in 1992
- Only wholly-owned, foreign life insurer covering five geographical areas:
  - Beijing
  - Shanghai
  - Shenzhen
  - Guangdong Province
  - Jiangsu Province
- Granted regulatory approval to prepare sales and service centres in:
  - Tianjin
  - Shijiazhuang, Hebei

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2017</th>
<th>2017</th>
<th>2017</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GDP (US$b)</td>
<td>Population (m)</td>
<td>GDP per capita (US$)</td>
<td>Total Life Premium (US$b)</td>
<td>Life Insurance Penetration</td>
</tr>
<tr>
<td>Beijing</td>
<td>413.0</td>
<td>21.7</td>
<td>19,023</td>
<td>23.1</td>
<td>5.6%</td>
</tr>
<tr>
<td>Shanghai</td>
<td>444.4</td>
<td>24.2</td>
<td>18,381</td>
<td>17.1</td>
<td>3.8%</td>
</tr>
<tr>
<td>Shenzhen</td>
<td>330.9</td>
<td>12.5</td>
<td>26,416</td>
<td>11.0</td>
<td>3.3%</td>
</tr>
<tr>
<td>Guangdong ex-Shenzhen</td>
<td>994.7</td>
<td>99.2</td>
<td>10,031</td>
<td>36.2</td>
<td>3.6%</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>1,267.0</td>
<td>80.3</td>
<td>15,780</td>
<td>38.9</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>Aggregate</strong></td>
<td><strong>3,450.1</strong></td>
<td><strong>237.9</strong></td>
<td><strong>14,504</strong></td>
<td><strong>126.3</strong></td>
<td><strong>3.7%</strong></td>
</tr>
<tr>
<td>Tianjin</td>
<td>274.3</td>
<td>15.6</td>
<td>17,615</td>
<td>6.2</td>
<td>2.3%</td>
</tr>
<tr>
<td>Hebei</td>
<td>530.4</td>
<td>75.2</td>
<td>7,054</td>
<td>18.1</td>
<td>3.4%</td>
</tr>
<tr>
<td>of which Shijiazhuang</td>
<td>95.3</td>
<td>10.9</td>
<td>8,759</td>
<td>4.3</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Sources: National Bureau of Statistics of China, CBIRC
AIA China: Differentiated Strategy and Execution

Premier Agency Strategy

VONB per Agent\(^{(1)}\)
AIA China vs. Industry

- 1H2017: 3.8x
- 1H2018: 4.7x

High-quality Growth Portfolio

2018 Product Mix
\% of VONB

- Traditional Protection: 87%
- Par & Others: 13%

Digital Enablement

- 100% Digital adoption ratio
- <5 seconds Online underwriting time
- ~30 minutes Case closing time (reduced from 5 days)

Sustained Outperformance

VONB ($m)

- 2010: 68
- 2011: 102
- 2012: 124
- 2013: 166
- 2014: 258
- 2015: 366
- 2016: 536
- 2017: 725
- 2018: 965

OPAT ($m)

- 2010: 86
- 2011: 134
- 2012: 164
- 2013: 223
- 2014: 296
- 2015: 384
- 2016: 469
- 2017: 643
- 2018: 870

Notes:
(1) Industry statistics based on latest company reports
(2) Ipsos China (2018)

- #1 NPS: 2\textsuperscript{nd} consecutive year among major players in China\(^{(2)}\)
- 46% Expense ratio reduction since IPO

- 100% Digital adoption ratio
- <5 seconds Online underwriting time
- ~30 minutes Case closing time (reduced from 5 days)
Notes:
(1) On 2 July 2018, AIA completed the acquisition of Sovereign Assurance Company Limited in New Zealand while the acquisition of ComInsure Life in Australia remains in progress, subject to securing all necessary regulatory and governmental approvals
(2) Total dividend excluding special dividend
Resilient Working Capital Position

Working Capital Movement ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital End of 2017</td>
<td>9,714</td>
</tr>
<tr>
<td>Payment for Sovereign Acquisition</td>
<td>(918)</td>
</tr>
<tr>
<td>Working Capital After Acquisition</td>
<td>8,796</td>
</tr>
<tr>
<td>Net funds remitted</td>
<td>2,753</td>
</tr>
<tr>
<td>Increase in borrowings</td>
<td>1,001</td>
</tr>
<tr>
<td>(11) Purchase of shares held by employee share-based trusts</td>
<td></td>
</tr>
<tr>
<td>(1,589) Change in fair value reserve and others</td>
<td>(654)</td>
</tr>
<tr>
<td>Working Capital End of 2018</td>
<td>10,296</td>
</tr>
</tbody>
</table>

**Resilient Position**

- Working capital of $10.3b
- Net funds remitted of $2.8b
- China remitted $542m; up from $207m in 2017
- Included a special remittance from New Zealand; partly offset by lower remittance from Thailand
- Leverage ratio of 11.2%
2018 ANW Movement

ANW Movement ($m)

ANW End of 2017: 20,974

Acquisition of Sovereign: (431)

ANW After Acquisition: 20,543

Expected Return: 4,550

Contribution to ANW from VONB: (660)

Operating Variances: 384

Finance Costs: (173)

ANW Before Non-operating Variances: 24,644

Investment Return Variances: (1,431)

Other Non-operating Variances: 3,452

Exchange Rates and Other Items: (439)

Dividend Paid: (1,589)

ANW End of 2018: 24,637
### 2018 VIF Movement

#### VIF Movement ($m)

<table>
<thead>
<tr>
<th>VIF End of 2017</th>
<th>Acquisition of Sovereign</th>
<th>VIF After Acquisition</th>
<th>Expected Return</th>
<th>Contribution to VIF from VONB</th>
<th>Operating Variances</th>
<th>VIF Before Non-operating Variances</th>
<th>Investment Return Variances</th>
<th>Other Non-operating Variances</th>
<th>Exchange Rates and Other Items</th>
<th>VIF End of 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>29,805</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>29,880</td>
</tr>
<tr>
<td>30,125</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(34,302)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29,880</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Notes:
- VIF: Value of Insurance Fund
- VONB: Value of Non-Operational Business
- Exchange Rates: Fluctuations in exchange rates affecting the VIF
- Other Items: Miscellaneous adjustments affecting the VIF.
Reconciliation of IFRS Shareholders’ Equity to ANW ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ Equity End of 2018</td>
<td>39,006</td>
</tr>
<tr>
<td>Difference Between IFRS and Local Statutory Policy Liabilities</td>
<td>(9,039)</td>
</tr>
<tr>
<td>Mark-to-market Adjustment for Property and Mortgage Loan Investments</td>
<td>523</td>
</tr>
<tr>
<td>Deferred Tax Impacts</td>
<td>2,075</td>
</tr>
<tr>
<td>Elimination of Intangible Assets</td>
<td>(1,970)</td>
</tr>
<tr>
<td>Non-controlling Interests Impacts</td>
<td>63</td>
</tr>
<tr>
<td>ANW (Business Unit) End of 2018</td>
<td>30,658</td>
</tr>
<tr>
<td>Adjustment to Reflect Consolidated Reserving Requirements, Net of Tax</td>
<td>(6,021)</td>
</tr>
<tr>
<td>ANW (Consolidated) End of 2018</td>
<td>24,637</td>
</tr>
</tbody>
</table>
Value Creation from Quality Operating Performances

<table>
<thead>
<tr>
<th>Year</th>
<th>Stable Persistency Rate</th>
<th>Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>8.7%</td>
<td>95.5%</td>
</tr>
<tr>
<td>2012</td>
<td>8.7%</td>
<td>90%</td>
</tr>
<tr>
<td>2013</td>
<td>8.5%</td>
<td>91%</td>
</tr>
<tr>
<td>2014</td>
<td>8.4%</td>
<td>92%</td>
</tr>
<tr>
<td>2015</td>
<td>8.2%</td>
<td>93%</td>
</tr>
<tr>
<td>2016</td>
<td>7.9%</td>
<td>94%</td>
</tr>
<tr>
<td>2017</td>
<td>7.6%</td>
<td>95%</td>
</tr>
<tr>
<td>2018</td>
<td>7.1%</td>
<td>96%</td>
</tr>
</tbody>
</table>
Solvency Ratio of 421% for AIA Co.

Resilient Solvency Position

- Strong growth in retained earnings
- Reflected acquisition of Sovereign, subsidiarisation of AIA Korea and dividends to AIA Group Limited
- Negative mark-to-market movements on assets and reserves
- S&P rating of AA-, Moody’s rating of Aa2 and Fitch rating of AA for AIA Co.
Robust Capital Structure

AIA Capital Structure

2018 Leverage Ratio(1) 11.2%

| Borrowings $4,954m | Total Equity $39,406m |

Solvency Ratio on the HKIO Basis for AIA Co.

<table>
<thead>
<tr>
<th>Year</th>
<th>Solvency Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>337%</td>
</tr>
<tr>
<td>2011</td>
<td>311%</td>
</tr>
<tr>
<td>2012</td>
<td>353%</td>
</tr>
<tr>
<td>2013</td>
<td>433%</td>
</tr>
<tr>
<td>2014</td>
<td>427%</td>
</tr>
<tr>
<td>2015</td>
<td>428%</td>
</tr>
<tr>
<td>2016</td>
<td>404%</td>
</tr>
<tr>
<td>2017</td>
<td>446%</td>
</tr>
<tr>
<td>2018</td>
<td>421%</td>
</tr>
</tbody>
</table>

Solvency Ratio on the HKIO Basis for AIA International

<table>
<thead>
<tr>
<th>Year</th>
<th>Solvency Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>321%</td>
</tr>
<tr>
<td>2011</td>
<td>297%</td>
</tr>
<tr>
<td>2012</td>
<td>220%</td>
</tr>
<tr>
<td>2013</td>
<td>334%</td>
</tr>
<tr>
<td>2014</td>
<td>385%</td>
</tr>
<tr>
<td>2015</td>
<td>356%</td>
</tr>
<tr>
<td>2016</td>
<td>301%</td>
</tr>
<tr>
<td>2017</td>
<td>314%</td>
</tr>
<tr>
<td>2018</td>
<td>365%</td>
</tr>
</tbody>
</table>

Note:
(1) Leverage ratio defined as Borrowings / (Borrowings + Total Equity)
Reconciliation of OPAT to Net Profit

Total Investments by Type

- Total Invested Assets $171.3b
- Equities 11%
- Real Estate 5%
- Others (2) 1%
- Fixed Income 83%

Enhanced Investment Disclosures

- Majority of equity investments are held in Par funds
- Previously Par investments included only Par funds with segregated statutory fund
- Enhanced disclosure of Par now includes Other Par with segregated assets and explicit statutory reserves
- Net profit includes full mark-to-market movements of equities in Other Par
- However, net profit has no offset from corresponding liabilities for Other Par
- **OPAT better reflects underlying performance from our business**

Reconciliation of OPAT to Net Profit

<table>
<thead>
<tr>
<th>($m)</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPAT</td>
<td>4,635</td>
<td>5,298</td>
</tr>
<tr>
<td>Short-term fluctuations (3) in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Par Equities</td>
<td>1,213</td>
<td>(1,800)</td>
</tr>
<tr>
<td>Others</td>
<td>827</td>
<td>(263)</td>
</tr>
<tr>
<td>Total</td>
<td>2,040</td>
<td>(2,063)</td>
</tr>
<tr>
<td>Other items (4)</td>
<td>(179)</td>
<td>(638)</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>6,496</td>
<td>2,597</td>
</tr>
</tbody>
</table>

Notes:
As of 31 December 2018

(1) Including Participating funds and Other participating business with distinct portfolios
(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

<table>
<thead>
<tr>
<th></th>
<th>Par(^{(1)}) Funds</th>
<th>Other Policyholder and Shareholder</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Income</strong></td>
<td>46,483</td>
<td>96,284</td>
<td>142,767</td>
</tr>
<tr>
<td><strong>Equities</strong></td>
<td>13,892</td>
<td>5,789</td>
<td>19,681</td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td>888</td>
<td>5,794</td>
<td>6,682</td>
</tr>
<tr>
<td><strong>Others(^{(2)})</strong></td>
<td>543</td>
<td>1,664</td>
<td>2,207</td>
</tr>
<tr>
<td><strong>Total Invested Assets</strong></td>
<td>61,806</td>
<td>109,531</td>
<td>171,337</td>
</tr>
</tbody>
</table>

**Total Invested Assets $171.3b**

### Notes:
- As of 31 December 2018
- \(^{(1)}\) Including Participating funds and Other participating business with distinct portfolios
- \(^{(2)}\) Cash and cash equivalents and derivatives
## Prudent Investment Portfolio Summary

### IFRS Operating Profit Investment Return ($m)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Return for</td>
<td>7,304</td>
<td>8,076</td>
</tr>
<tr>
<td>Equities and Real</td>
<td>5,589</td>
<td>6,125</td>
</tr>
<tr>
<td>Estate</td>
<td>1,715</td>
<td>1,951</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income Yield(1)</td>
<td>4.8%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Actual Investment Return</td>
<td>7.2%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

**Notes:**
- IFRS operating profit investment return comparatives are shown on a constant exchange rate basis.
- Total bond portfolio as of 31 December 2018.
- (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.

### Total Bond Portfolio of $135b

- **Corporate Bonds**: 52%
- **Government & Government Agency Bonds**: 47%
- **Structured Securities**: 1%

**Average Rating A**

---

69
Prudent and High-quality Fixed Income Portfolio

**Total Fixed Income by Type**

- Government & Government Agency Bonds: 44%
- Corporate Bonds: 50%
- Structured Securities: 1%
- Loans and deposits: 5%

**Total Fixed Income by Maturity**

- >10 Years & No Fixed Maturity: 63%
- 5 - 10 Years: 21%
- 1 - 5 Years: 13%
- ≤1 Year: 3%

Note:
As of 31 December 2018
Prudent and High-quality Fixed Income Portfolio

Total Bonds by Accounting Classification

- Other Policyholder & Shareholder (AFS) 67%
- Participating funds and Other participating business with distinct portfolios (AFS) 16%
- Other Policyholder & Shareholder (FVTPL) 0%
- Participating funds and Other participating business with distinct portfolios (FVTPL) 17%

Total $135.5b

Total Bonds by Rating\(^{(1)}\)

- AAA 5%
- AA 16%
- A 48%
- BBB 29%
- BB & Below\(^{(2)}\) 2%

Average Rating A

Notes:
(1) For government bonds and government agency bonds, ratings for local currency and foreign currency securities for the same issuer are included separately.
(2) Including not rated bonds

As of 31 December 2018
Government Bond Portfolio

Government and Agency Bonds by Rating\(^{(1)}\)

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>11%</td>
</tr>
<tr>
<td>AA</td>
<td>25%</td>
</tr>
<tr>
<td>A</td>
<td>53%</td>
</tr>
<tr>
<td>BBB</td>
<td>10%</td>
</tr>
<tr>
<td>BB &amp; Below(^{(2)})</td>
<td>1%</td>
</tr>
</tbody>
</table>

| Total $63.5b |

Average Rating A+

Government and Agency Bonds by Geography

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>26%</td>
</tr>
<tr>
<td>Thailand</td>
<td>22%</td>
</tr>
<tr>
<td>Korea</td>
<td>16%</td>
</tr>
<tr>
<td>Singapore</td>
<td>10%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>6%</td>
</tr>
<tr>
<td>Philippines</td>
<td>4%</td>
</tr>
<tr>
<td>Others</td>
<td>16%</td>
</tr>
</tbody>
</table>

Total $63.5b

Notes:
As of 31 December 2018
(1) For government bonds and government agency bonds, ratings for local currency and foreign currency securities for the same issuer are included separately
(2) Including not rated bonds
## Corporate Bond Portfolio

### Corporate Bonds by Rating

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>589</td>
</tr>
<tr>
<td>AA</td>
<td>5,294</td>
</tr>
<tr>
<td>A</td>
<td>30,996</td>
</tr>
<tr>
<td>BBB</td>
<td>31,614</td>
</tr>
<tr>
<td>BB and below(^{(1)})</td>
<td>2,533</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71,026</strong></td>
</tr>
</tbody>
</table>

Notes:
- As of 31 December 2018
- (1) Including not rated bonds

### Average Rating A-

- AAA: 1%
- AA: 7%
- A: 44%
- BBB: 44%
- BB and below\(^{(1)}\): 4%

Total $71.0b
Structured Security Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>10</td>
</tr>
<tr>
<td>AA</td>
<td>140</td>
</tr>
<tr>
<td>A</td>
<td>351</td>
</tr>
<tr>
<td>BBB</td>
<td>453</td>
</tr>
<tr>
<td>BB and below(1)</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>992</strong></td>
</tr>
</tbody>
</table>

Structured Securities by Rating

![Pie chart showing distribution of securities by rating]

- **Total $1.0b**
- **Average Rating A-**
  - AAA: 1%
  - AA: 14%
  - A: 35%
  - BBB: 46%
  - BB and below(1): 4%

Notes:
- As of 31 December 2018
- (1) Including not rated bonds
AIA China – Prudent Investment Portfolio

AIA China Invested Asset Mix

- Fixed Income 93%
- Equities 6%
- Cash & Cash Equivalents 1%

Prudent ALM Approach

- Asset allocation driven by liability cash flow matching in local currency
- Over 80% of earnings from insurance and fees
- Over 90% of invested assets in fixed income
- 88% of bond portfolio in government and government agency bonds
- Bond portfolio average international rating A+
- Asset portfolio well diversified with insignificant alternative assets

Note:
As of 31 December 2018
Impairment Experience During Global Financial Crisis

AIA Impairments on Invested Assets ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Co. A</th>
<th>Co. B</th>
<th>Co. C</th>
<th>Co. D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>142</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>67</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

2008 Impairment Charges as % of Invested Assets

<table>
<thead>
<tr>
<th>Company</th>
<th>2008 Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co. A</td>
<td>5.6%</td>
</tr>
<tr>
<td>Co. B</td>
<td>1.8%</td>
</tr>
<tr>
<td>Co. C</td>
<td>1.5%</td>
</tr>
<tr>
<td>Co. D</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>0.3%</td>
</tr>
</tbody>
</table>
## Risk Discount Rate and Risk Premium

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 30 November 2010</td>
<td></td>
<td></td>
<td>As at 31 December 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia(^{(1)})</td>
<td>8.75</td>
<td>5.65</td>
<td>3.10</td>
<td>7.35</td>
<td>3.00</td>
<td>4.35</td>
</tr>
<tr>
<td>China</td>
<td>10.00</td>
<td>3.74</td>
<td>6.26</td>
<td>9.75</td>
<td>3.70</td>
<td>6.05</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>8.00</td>
<td>3.53</td>
<td>4.47</td>
<td>7.50</td>
<td>3.00</td>
<td>4.50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15.00</td>
<td>7.90</td>
<td>7.10</td>
<td>13.00</td>
<td>7.50</td>
<td>5.50</td>
</tr>
<tr>
<td>Korea</td>
<td>10.50</td>
<td>4.82</td>
<td>5.68</td>
<td>8.60</td>
<td>2.70</td>
<td>5.90</td>
</tr>
<tr>
<td>Malaysia</td>
<td>9.00</td>
<td>4.45</td>
<td>4.55</td>
<td>8.75</td>
<td>4.20</td>
<td>4.55</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9.00</td>
<td>6.13</td>
<td>2.87</td>
<td>7.75</td>
<td>3.50</td>
<td>4.25</td>
</tr>
<tr>
<td>Philippines</td>
<td>13.00</td>
<td>6.00</td>
<td>7.00</td>
<td>11.80</td>
<td>5.30</td>
<td>6.50</td>
</tr>
<tr>
<td>Singapore</td>
<td>7.75</td>
<td>2.93</td>
<td>4.82</td>
<td>7.10</td>
<td>2.70</td>
<td>4.40</td>
</tr>
<tr>
<td>Sri Lanka(^{(2)})</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15.70</td>
<td>10.00</td>
<td>5.70</td>
</tr>
<tr>
<td>Taiwan</td>
<td>8.00</td>
<td>1.73</td>
<td>6.27</td>
<td>7.85</td>
<td>1.60</td>
<td>6.25</td>
</tr>
<tr>
<td>Thailand</td>
<td>9.50</td>
<td>3.87</td>
<td>5.63</td>
<td>8.60</td>
<td>3.20</td>
<td>5.40</td>
</tr>
<tr>
<td>Vietnam</td>
<td>16.00</td>
<td>10.20</td>
<td>5.80</td>
<td>11.80</td>
<td>6.00</td>
<td>5.80</td>
</tr>
<tr>
<td>Weighted Average(^{(3)})</td>
<td>8.95</td>
<td>3.85</td>
<td>5.10</td>
<td>8.40</td>
<td>3.35</td>
<td>5.05</td>
</tr>
</tbody>
</table>

**Notes:**

\(^{(1)}\) Excluding New Zealand

\(^{(2)}\) Sri Lanka is included since the acquisition completion date of 5 December 2012

\(^{(3)}\) Weighted average by VIF contribution
Sensitivity Analysis – Shareholders’ Allocated Equity

**Interest Rates ($m)**

- **50 basis points decrease in interest rates**: $36,795
- **50 basis points increase in interest rates**: $(1,369)

**Equities ($m)**

- **10% fall in equity prices**: $(3.7)$%
- **10% rise in equity prices**: 3.7%

2018 Shareholders' Allocated Equity:

- $274
- $(258)

(1,369)
Sensitivity Analysis – EV

Sensitivity of EV as at 31 December 2018

- Equity prices +10%: 1.4%
- Equity prices -10%: (1.3)
- Interest rates +50 bps: (0.3)
- Interest rates -50 bps: (0.5%
- Presentation currency 5% appreciation: (3.1)
- Presentation currency 5% depreciation: 3.1%
- Lapse/discontinuance rates +10%: (1.6)
- Lapse/discontinuance rates -10%: 1.8%
- Mortality/morbidity rates +10%: (7.0)
- Mortality/morbidity rates -10%: 6.9%
- Maintenance expenses -10%: 1.1%
- Expense inflation set to 0%: 1.2%
Sensitivity Analysis – VONB

Sensitivity of VONB for the twelve months ended 31 December 2018

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rates  +50 bps</td>
<td></td>
<td>3.6%</td>
</tr>
<tr>
<td>Interest rates  -50 bps</td>
<td>(4.7)%</td>
<td></td>
</tr>
<tr>
<td>Presentation currency  5% appreciation</td>
<td>(3.0)%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Presentation currency  5% depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lapse/discontinuance +10%</td>
<td>(4.9)%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Lapse/discontinuance -10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortality/morbidity rates  +10%</td>
<td>(9.1)%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Mortality/morbidity rates  -10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance expenses  -10%</td>
<td></td>
<td>2.4%</td>
</tr>
<tr>
<td>Expense inflation set to 0%</td>
<td></td>
<td>1.5%</td>
</tr>
</tbody>
</table>
Currency Sensitivity

<table>
<thead>
<tr>
<th></th>
<th>EV ($m)</th>
<th>VONB ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% rise in local market currencies vs US dollar</td>
<td>5% fall in local market currencies vs US dollar</td>
<td>5% rise in local market currencies vs US dollar</td>
</tr>
<tr>
<td>(3.1)%</td>
<td>3.1%</td>
<td>(3.0)%</td>
</tr>
<tr>
<td>54,517</td>
<td>1,711</td>
<td>3,955</td>
</tr>
<tr>
<td>(1,711)</td>
<td></td>
<td>(120)</td>
</tr>
</tbody>
</table>

Note: The currency sensitivities shown assume a constant Hong Kong dollar to US dollar exchange rate.