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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; China refers to operations in Mainland China; and Other Markets refers to operations in Australia (including New Zealand), Cambodia, Indonesia, Korea, the Philippines, Sri Lanka, Taiwan, Vietnam and India.
Agenda

01 KEY BUSINESS HIGHLIGHTS
Ng Keng Hooi, Group Chief Executive

02 FINANCIAL RESULTS
Garth Jones, Group Chief Financial Officer

03 STRATEGIC PRIORITIES
Ng Keng Hooi, Group Chief Executive

04 Q&A
Ng Keng Hooi, Group Chief Executive
Garth Jones, Group Chief Financial Officer
Bill Lisle, Regional Chief Executive
Jacky Chan, Regional Chief Executive
John Cai, Regional Chief Executive
Tan Hak Leh, Regional Chief Executive
Value of New Business
$2,275m +20%

Operating Profit After Tax
$2,898m +12%

Underlying Free Surplus Generation
$2,804m +15%

Interim Dividend Per Share
33.30 HK cents +14%

Ng Keng Hooi
Group Chief Executive
1H2019 Excellent Delivery Across All Key Metrics

**Growth**

- **Value of New Business**: $2,275m, +20%

**Earnings**

- **Operating Profit After Tax**: $2,898m, +12%

**Capital & Dividends**

- **Underlying Free Surplus Gen**: $2,804m, +15%

- **EV Equity** (1): $61.4b, +$5.2b

- **Operating ROE** (2): 14.6%, +70 bps

- **Interim Dividend Per Share**: 33.30 HK cents, +14%

**Notes:**

(1) Change for balance sheet item is shown against the position as at 31 December 2018
(2) On an annualised basis
Uniquely Diversified Growth Platform

Distribution Mix

- **Partnerships**: 28% of VONB
- **Agency**: 72% of VONB

Product Mix

- **Participating**: 45% of VONB, 42% Unit-linked
- **Traditional Protection**: 45% of VONB
- **Others**: 5%

Geographical Mix

- **Malaysia**: 6%
- **Singapore**: 7%
- **Thailand**: 9%
- **Other Markets**: 9%
- **China**: 29%
- **Hong Kong**: 40%

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.
Distribution and Product Strength

Unrivalled Distribution

<table>
<thead>
<tr>
<th>Agency VONB ($m)</th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,417</td>
<td>1,708</td>
</tr>
<tr>
<td>Growth</td>
<td>+21%</td>
<td></td>
</tr>
</tbody>
</table>

>12,000
Registered MDRT members
+22% YOY

2.0x
Active Agents
since IPO

2.9x
VONB per Active Agent
since IPO

Partnership VONB ($m)

<table>
<thead>
<tr>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>570</td>
<td>665</td>
</tr>
<tr>
<td>Growth</td>
<td>+17%</td>
</tr>
</tbody>
</table>

Material contribution to banca VONB growth

Non-traditional strategic partners

Product Innovation

- Breast cancer CI supporting customers across the entire medical journey
- Tax incentivised health and deferred annuity policies
- Innovative wealth solutions for affluent/HNW segments
- CI covering mental illness with multiple claims
- Health rider with digital “Health Wallet” proposition
- Enhancement with sleep-tracking benefit
- 83 integrated protection products across Group

One-stop Digital Tools

- Sales and Service
- Recruitment and Training
- Business Management

- New business digital submission
- New business auto-underwritten

~90%

AIA Vitality
Market Highlights

**Hong Kong**

- Very strong agency VONB growth
- Double-digit partnership VONB growth
- Double-digit VONB growth in domestic customer and MCV\(^{(1)}\) segments
- **AIA Vitality** integrated product VONB up 40%

**China**

- Strong double-digit active agent growth driven by quality recruitment
- Upgraded flagship All-in-One product
- New CI product with WeDoctor
- Medical network and claims manager for high net worth customers

**Thailand**

- FA\(^{(2)}\) represented 15% of total agents; contributed 30% of agency VONB
- Strong VONB growth in FA\(^{(2)}\) offset by termination of less productive agents
- Activated insurance specialists in over 800 Bangkok Bank branches

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Notes: Comparatives are shown on a constant exchange rate basis

\(\text{Notes: Comparatives are shown on a constant exchange rate basis} \)

\(\text{(1) MCV refers to Mainland Chinese visitors} \)

\(\text{(2) FA refers to financial advisers} \)

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VONB ($m)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hong Kong</strong></td>
<td>796</td>
<td>945</td>
</tr>
<tr>
<td><strong>+19%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>523</td>
<td>702</td>
</tr>
<tr>
<td><strong>+34%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>205</td>
<td>215</td>
</tr>
<tr>
<td><strong>+5%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[796\] \[945\] \[523\] \[702\] \[205\] \[215\]
### Market Highlights (cont.)

<table>
<thead>
<tr>
<th>Singapore</th>
<th>Malaysia</th>
<th>Other Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VONB ($m)</strong></td>
<td><strong>VONB ($m)</strong></td>
<td><strong>VONB ($m)</strong></td>
</tr>
<tr>
<td>173 (0%)</td>
<td>118 (+10%)</td>
<td>192 (+17%)</td>
</tr>
<tr>
<td>1H2018</td>
<td>1H2018</td>
<td>1H2018</td>
</tr>
<tr>
<td>173</td>
<td>130</td>
<td>224</td>
</tr>
<tr>
<td>1H2019</td>
<td>1H2019</td>
<td>1H2019</td>
</tr>
</tbody>
</table>

- Lower sales volumes of single premium business
- Solid VONB growth from Citibank
- First-in-market CI plan that covers mental illness and multiple claims
- Introduced early detection screening benefit to HealthShield products

- Double-digit agency VONB growth
- Half of new agents from new quality recruitment platform
- Solid banca VONB growth
- A-Plus health rider extended to Takaful and banca customers

- Excellent VONB growth in Vietnam
- Double-digit VONB growth in the Philippines and Australia
- Sovereign integration progressing well
- Overall VONB declined in Indonesia
- 100%-owned subsidiary in Myanmar

Notes:
Comparatives are shown on a constant exchange rate basis
(1) In April 2019, AIA was granted approval as a preferred applicant to operate in Myanmar through a 100% wholly-owned subsidiary
Consistent Execution Driving Growth, Earnings and Cash

**VONB ($m)**

- 1H10: 303
- 1H11: 399
- 1H12: 512
- 1H13: 645
- 1H14: 792
- 1H15: 959
- 1H16: 1,260
- 1H17: 1,605
- 1H18: 1,954
- 1H19: 2,275

**EV Equity ($b)**

- 1H10: 22.2
- 1H11: 27.6
- 1H12: 29.1
- 1H13: 33.3
- 1H14: 36.9
- 1H15: 40.5
- 1H16: 41.7
- 1H17: 48.6
- 1H18: 53.6
- 1H19: 61.4

**OPAT ($m)**

- 1H10: 969
- 1H11: 1,119
- 1H12: 1,220
- 1H13: 1,428
- 1H14: 1,615
- 1H15: 1,798
- 1H16: 1,956
- 1H17: 2,233
- 1H18: 2,653
- 1H19: 2,898

**Interim Dividend Per Share (HK cents)**

- 1H10: 11.00
- 1H11: 12.33
- 1H12: 13.93
- 1H13: 16.00
- 1H14: 18.72
- 1H15: 21.90
- 1H16: 25.62
- 1H17: 29.20
- 1H18: 33.30
- 1H19: 33.30
## Excellent Financial Results

<table>
<thead>
<tr>
<th></th>
<th>($m)</th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td></td>
<td>2,275</td>
<td>1,954</td>
<td>20%</td>
<td>16%</td>
</tr>
<tr>
<td>EV Operating Profit</td>
<td></td>
<td>4,523</td>
<td>4,152</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Operating ROEV(^{(1)})</td>
<td></td>
<td>17.3%</td>
<td>17.0%</td>
<td>0.3 pps</td>
<td>0.3 pps</td>
</tr>
<tr>
<td>EV Equity(^{(2)})</td>
<td></td>
<td>61,418</td>
<td>56,203</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>IFRS Earnings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit After Tax</td>
<td></td>
<td>2,898</td>
<td>2,653</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Operating ROE(^{(1)})</td>
<td></td>
<td>14.6%</td>
<td>14.2%</td>
<td>0.7 pps</td>
<td>0.4 pps</td>
</tr>
<tr>
<td>Shareholders’ Allocated Equity(^{(2)})</td>
<td></td>
<td>40,271</td>
<td>36,795</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Capital &amp; Dividends</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying Free Surplus Generation</td>
<td></td>
<td>2,804</td>
<td>2,497</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>AIA Co. HKIO Solvency Ratio(^{(2)})</td>
<td></td>
<td>415%</td>
<td>421%</td>
<td>n/a</td>
<td>(6) pps</td>
</tr>
<tr>
<td>Interim Dividend Per Share (HK cents)</td>
<td></td>
<td>33.30</td>
<td>29.20</td>
<td>n/a</td>
<td>14%</td>
</tr>
</tbody>
</table>

Notes:
(1) On an annualised basis
(2) Comparatives for balance sheet items are shown against the position as at 31 December 2018
Growth

Earnings

Capital and Dividends
Strong and Broad-based Profitability

VONB ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP</td>
<td>1,902</td>
<td>2,275</td>
</tr>
</tbody>
</table>

+20% increase

VONB Margin Movement

<table>
<thead>
<tr>
<th></th>
<th>1H2018 Margin</th>
<th>Product Mix</th>
<th>Geographical Mix</th>
<th>Channel Mix</th>
<th>Others Including Assumption Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>59.5%</td>
<td>+1.0 pps</td>
<td>+1.8 pps</td>
<td>(0.6) pps</td>
<td>+3.9 pps</td>
</tr>
<tr>
<td>Margin</td>
<td>65.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PVNBP Margin by Product

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Traditional Protection</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Participating</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Unit-linked</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Others</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Note:
VONB and ANP comparatives are shown on a constant exchange rate basis.

ANP ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,171</td>
<td>3,443</td>
<td></td>
</tr>
</tbody>
</table>

+9% increase

Note:
VONB and ANP comparatives are shown on a constant exchange rate basis.
EV Operating Profit up 11% – EV Equity of $61.4b

1H2019 EV Equity Movement ($m)

Group EV Equity End of 2018 | Expected Return on EV | VONB | Operating Variances | Finance Costs | Group EV Equity Before Non-operating Variances | Investment Return Variances | Exchange Rates and Other Items | Dividend Paid | Group EV Equity End of 1H2019
--- | --- | --- | --- | --- | --- | --- | --- | --- | ---
56,203 | 60,726 | 61,418 | 2,008 | 2,275 | 343 | (103) | 1,576 | 564 | (1,448) | 61,418

EV Operating Profit

$4.5b

+11% (1)

**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>1H11</th>
<th>1H12</th>
<th>1H13</th>
<th>1H14</th>
<th>1H15</th>
<th>1H16</th>
<th>1H17</th>
<th>1H18</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>97</td>
<td>83</td>
<td>79</td>
<td>69</td>
<td>87</td>
<td>110</td>
<td>120</td>
<td>141</td>
<td>158</td>
</tr>
</tbody>
</table>

Cumulative EV Operating Variances ($m)

<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(1)</th>
<th>2018</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>144</td>
<td>255</td>
<td>379</td>
<td>487</td>
<td>735</td>
<td>1,129</td>
<td>1,425</td>
<td>2,028</td>
<td>2,371</td>
</tr>
</tbody>
</table>

Note:
(1) 2017 figure covers a 13-month period from 1 December 2016 to 31 December 2017
Interest Rates and EV Sensitivity

AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography\(^{(1)}\)

<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>4.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nov-11</td>
<td>4.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Nov-12</td>
<td>3.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Nov-13</td>
<td>3.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Nov-14</td>
<td>2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Nov-15</td>
<td>2.0%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Nov-16</td>
<td>1.5%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Dec-17</td>
<td>1.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Dec-18</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Jun-19</td>
<td>0.0%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

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

Sensitivity of EV
As at 30 Jun 2019

- 10% fall in equity prices: (1.4)%
- 50 basis points decrease in interest rates: (0.7)%
- 50 basis points increase in interest rates: 0.2%
- 10% rise in equity prices: 1.4%

1H2019 EV:
- (859) 59,746
- (424) 92
- 859
Growth

Earnings

Capital and Dividends
Operating Profit After Tax up 12%
Diversified OPAT Growth Across the Region

1H2019 OPAT

<table>
<thead>
<tr>
<th>Market</th>
<th>OPAT 2019 (m)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>$997m</td>
<td>+8%</td>
</tr>
<tr>
<td>China</td>
<td>$537m</td>
<td>+32%</td>
</tr>
<tr>
<td>Thailand</td>
<td>$528m</td>
<td>+8%</td>
</tr>
<tr>
<td>Singapore</td>
<td>$281m</td>
<td>+5%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>$167m</td>
<td>+10%</td>
</tr>
<tr>
<td>Other Markets</td>
<td>$414m</td>
<td>+11%</td>
</tr>
</tbody>
</table>

1H2019 OPAT by Market Segment

- Hong Kong: 34%
- China: 18%
- Thailand: 18%
- Singapore: 10%
- Malaysia: 6%
- Other Markets: 14%
IFRS Shareholders’ Allocated Equity of $40.3b

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 $9.6b as at 30 June 2019
Strong ROEV and ROE Progression

Profitable Growth Driving EV and ROEV

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>1H11</th>
<th>1H12</th>
<th>1H13</th>
<th>1H14</th>
<th>1H15</th>
<th>1H16</th>
<th>1H17</th>
<th>1H18</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV Equity ($b)</td>
<td>22.2</td>
<td>27.6</td>
<td>29.1</td>
<td>33.3</td>
<td>36.9</td>
<td>40.5</td>
<td>41.7</td>
<td>48.6</td>
<td>53.6</td>
<td>61.4</td>
</tr>
<tr>
<td>Operating ROEV(1)</td>
<td>11.9%</td>
<td>12.6%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.9%</td>
<td>13.1%</td>
<td>15.7%</td>
<td>16.3%</td>
<td>17.0%</td>
<td>17.3%</td>
</tr>
</tbody>
</table>

Earnings Growth Delivering Increased ROE

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>1H11</th>
<th>1H12</th>
<th>1H13</th>
<th>1H14</th>
<th>1H15</th>
<th>1H16</th>
<th>1H17</th>
<th>1H18</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ Allocated Equity ($b)</td>
<td>19.3</td>
<td>20.0</td>
<td>23.4</td>
<td>25.0</td>
<td>27.6</td>
<td>28.2</td>
<td>32.7</td>
<td>36.3</td>
<td>40.3</td>
<td></td>
</tr>
<tr>
<td>Operating ROE(1)</td>
<td>11.8%</td>
<td>12.1%</td>
<td>12.2%</td>
<td>12.9%</td>
<td>13.0%</td>
<td>13.8%</td>
<td>13.9%</td>
<td>14.2%</td>
<td>14.6%</td>
<td></td>
</tr>
</tbody>
</table>

Note:
(1) On an annualised basis
Growth

Earnings

Capital and Dividends
## Self-financed Growth at Attractive Returns

### Free Surplus\(^{(1)}\) of $16.1b ($m)

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Surplus End of 2018</td>
<td>14,751</td>
</tr>
<tr>
<td>Underlying Free Surplus Generation</td>
<td>2,804</td>
</tr>
<tr>
<td>New Business Investment</td>
<td>(750)</td>
</tr>
<tr>
<td>Unallocated Group Office Expenses</td>
<td>(115)</td>
</tr>
<tr>
<td>Finance Cost and Others</td>
<td>(13)</td>
</tr>
<tr>
<td>Free Surplus before Investment Return Variances and Dividend</td>
<td>16,677</td>
</tr>
<tr>
<td>Investment Return Variances and Other Non-operating Items</td>
<td>848</td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>(1,448)</td>
</tr>
<tr>
<td>Free Surplus End of 1H2019</td>
<td>16,077</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. The acquisition of CommInsure Life in Australia is pending the completion of all necessary regulatory and governmental approvals. AIA and CBA have been exploring alternative arrangements that aim to replicate the expected strategic outcomes of the originally planned acquisition. The Group expects to provide further details of these alternative arrangements in the second half of 2019.
Changing Capital Framework

Group-wide Supervision (GWS)

- HKIA as Group-wide Supervisor with minimum and prescribed capital requirement for entire Group
- “Three Pillar” formal framework
- Pillar 1 public disclosure using summation basis\(^{(1)}\)
- Expected effective mid-2020
- First pro-forma report position as at 30 Jun 2020

Hong Kong Risk-Based Capital (HK RBC)

- HKIA will replace current HKIO basis with HK RBC
- Required capital calibrated to 99.5% confidence level
- Full C-ROSS equivalence scheduled for March 2022
- Expected effective from 2022 (same as IFRS 17)
- First pro-forma report position as at 31 Dec 2021

Note:
\(^{(1)}\) The Hong Kong Insurance Authority (HKIA) has yet to make any final decisions regarding the GWS framework and it continues to consider and consult on the proposed legislation and related guidelines.

"We strive to provide an efficient, modernised regulatory regime to promote the global competitiveness and sustainability of the Hong Kong insurance industry…" Dr. Moses Cheng, Chairman of HKIA
Disciplined Financial Management

Growth

<table>
<thead>
<tr>
<th>VONB ($m)</th>
<th>1H2017</th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,605</td>
<td>1,954</td>
<td>2,275</td>
</tr>
</tbody>
</table>

Earnings

<table>
<thead>
<tr>
<th>OPAT ($m)</th>
<th>1H2017</th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,233</td>
<td>2,653</td>
<td>2,898</td>
</tr>
</tbody>
</table>

Capital & Dividends

<table>
<thead>
<tr>
<th>Underlying Free Surplus Generation ($m)</th>
<th>1H2017</th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,290</td>
<td>2,497</td>
<td>2,804</td>
</tr>
</tbody>
</table>
Interim Dividend Increase of 14%

Interim Dividend Per Share (HK cents)

1H2011 1H2012 1H2013 1H2014 1H2015 1H2016 1H2017 1H2018 1H2019

3.0x
Financial Discipline and Consistent Execution

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

Growth

- Strong growth in IFRS operating profit
- Balanced sources of earnings
- Increased ROE over time

Earnings

- Strong solvency position
- Self-financed new business growth
- Prudent, sustainable and progressive dividend

Capital & Dividends
Asia’s Middle Class Growth Opportunity

Superior Economic Growth

Rapid Expansion of Middle Class

Asia is Under-Protected

Uncovered Healthcare Costs

Sources: IMF, BMI, EIU, McKinsey, Swiss Re, WHO
Emerging Opportunities for our Next Century

**China Expansion**

**Acceleration in China’s Opening**

- AIA China already 100% owned
- Preparation for additional geographical access from 2020
- Sales and service centres in Tianjin and Shijiazhuang, Hebei opened in July 2019

Highly Differentiated
Premier Agency Strategy

- ~43,000 Premier Agents
- 5 times VONB per Agent (AIA China vs Industry)
- 39% VONB CAGR since IPO

**Emerging ASEAN**

**Indonesia, Philippines, Vietnam**

- $1.6t GDP (2018)

**Structural Demand Drivers**

- >460m Population
- 10% GDP CAGR (2000-2018)
- >60% Working-age Proportion
- <2% Insurance Penetration

**Distribution Strength**

1H2019 VONB

- 50% Agency
- Partnerships 50%

- ~30,000 Agents
- 4 times VONB per Agent since IPO

- JV in Philippines
- BCA in Indonesia
- VPBank in Vietnam

Sources: IMF, Swiss Re, United Nations
Notes: Figures shown for Indonesia, Philippines, Vietnam are combined
(1) For the period FY2018; industry statistics based on latest company reports

**India Potential**

**Strategic Multi-distribution Model**

- $2.7t GDP (2018)

**1.3b population (2nd largest globally)**
- Expected to reach 1.5b by 2025

**Largest youth population in the world**
- >50% population under 25 years old

**Rapid urbanisation**
- With 700m people expected to move to urban cities by 2040

**Premier Agency Acceleration**

**Strengthening Partnerships**

**Customer Segmentation**

**Digitalisation**

Leading Player in Pure Retail Protection
Purpose-led brand promise **improving customer health and well-being**

- AIA-Spurs partnership extended to **2027**
- **David Beckham** events and media campaigns in AIA markets

**Healthier, Longer, Better Lives**
Customer-centric Journey: from “Payer” to “Partner”

Differentiated Health & Well-being Strategic Framework

AIA Vitality

- 12 Markets
- >1.5m Total wellness membership +60% YOY

Regional exclusive strategic partnership providing personal medical case management

- 15m times members achieved weekly target
- >10,000 new fitness devices registered each week
- 5.4m health assessments taken
- >2.7m BMI readings captured

Service Initiation

- 93% Customer satisfaction

Review & Recommendation

- 23% Cases reviewed led to diagnosis change

Ongoing Support

- 76% Cases avoided extra consultations

- 58% Cases optimised treatment plan

- 22% Cases spared patients unnecessary treatments

• Value-adding service in diagnosis and treatment journeys
• Telemedicine for medical consultations

• Value-based Digital Managed Platform

• Conduct biometric testing
• Provide follow-up digital consultations

• Cancer Genomics Partnerships

• Support customer post-diagnosis access to tailored cancer care and treatment

• RESTORE™

• Dedicated rehab programmes for mental health and cancer patients
- Unprecedented long-term growth opportunities
- Significant and sustainable competitive advantages
- Clear and aligned growth strategy
- Experienced and proven management team
- Disciplined and consistent execution
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; China refers to operations in Mainland China; and Other Markets refers to operations in Australia (including New Zealand), Cambodia, Indonesia, Korea, the Philippines, Sri Lanka, Taiwan, Vietnam 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.

- The financial information in this presentation covers a six-month period from 1 January 2019 to 30 June 2019 for the current period and a six-month period from 1 January 2018 to 30 June 2018 for the prior period, unless otherwise stated. Balance sheet items are presented as at 30 June 2019 for the current period and 31 December 2018 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 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 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, Mainland China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei and Cambodia, a 97 per cent subsidiary in Sri Lanka and a 49 per cent joint venture in India. In April 2019, AIA was granted approval as a preferred applicant to operate in Myanmar through a 100 per cent wholly-owned subsidiary.

- 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.

- Expense ratio is calculated as operating expenses divided by TWPI.

- 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.

- Financial investment disclosure is enhanced to align with internal credit risk assessment. As a result of the enhancement, the presentation of government bonds has been refined.

- Free surplus is the excess of the market value of AIA’s assets over the sum of the statutory liabilities and required capital.

- 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 refers to 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.

- 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 is calculated as VONB divided by 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.

- Sovereign refers to AIA Sovereign Limited (formerly ASB Group (Life) Limited) and its subsidiaries, including Sovereign Assurance Company Limited (subsequently renamed as AIA New Zealand Limited on 2 August 2019), 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

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>303</td>
<td>399</td>
<td>512</td>
<td>645</td>
<td>792</td>
<td>959</td>
<td>1,260</td>
<td>1,605</td>
<td>1,954</td>
<td>2,275</td>
</tr>
</tbody>
</table>

- US sovereign downgrade
- Continued Eurozone sovereign debt crisis
- China slowdown fears
- Interest rate & equity market volatility
- Thai RBC and floods

- 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
- US dollar depreciation
- Lower for longer interest rates
- US election

- Positive China sentiment
- US dollar depreciation
- Lower for longer interest rates
- US election

- Trade tensions
- China slowdown fears and RMB depreciation
- Rising interest rate expectations
- Lower interest rates

- Trade tensions
- Hong Kong protests
- Synchronised global economic slowdown fears
- Currency volatility
- Lower interest rates

7.5x

VONB ($m)
# 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

- Promote next-generation agency recruitment and training support
- Enable with technology and support specialisation
- Deliver professional advice on broader customer needs

## Digital Enablement

- Deepen engagement with strategic partners
- Strengthen and differentiate partner value proposition
- Expand distribution reach through non-traditional partners

## Financial Discipline

- Extend regional leadership in health and wellness
- Engage customers in healthy living
- Evolve from conventional payer to active partner

- Leverage data analytics for greater customer insights
- Transform customer experience
- Increase customer engagement

- Maintain protection-oriented portfolio
- Expand integrated savings and protection solutions
- Meet rapidly growing long-term savings needs
Strong and Resilient Growth Portfolio

1H2019 VONB by Market Segment

- **Hong Kong**: $945m (+19%)
- **China**: $702m (+34%)
- **Thailand**: $215m (+5%)
- **Singapore**: $173m (0%)
- **Malaysia**: $130m (+10%)
- **Other Markets**: $224m (+17%)

- **Hong Kong**: 40%
- **China**: 29%
- **Thailand**: 9%
- **Singapore**: 7%
- **Malaysia**: 6%
- **Other Markets**: 9%
Balanced Product Mix and Diversified Earnings

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

- Insurance and Fee-based: 61%
- Participating and Spread: 24%
- Return on Net Worth: 15%

OPAT by Market Segment

- Hong Kong: 34%
- China: 18%
- Thailand: 18%
- Singapore: 10%
- Malaysia: 6%
- Other Markets: 14%
- Other Markets: 14%

Notes:
For 1H2019
\(^{(1)}\) Operating profit before tax and before Group Corporate Centre expenses
### Geographical Market Performance

#### Hong Kong ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>945</td>
<td>796</td>
<td>+19%</td>
<td>+19%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>68.0%</td>
<td>62.2%</td>
<td>+5.8pps</td>
<td>+5.8pps</td>
</tr>
<tr>
<td>ANP</td>
<td>1,367</td>
<td>1,252</td>
<td>+9%</td>
<td>+9%</td>
</tr>
<tr>
<td>TWPI</td>
<td>6,104</td>
<td>5,075</td>
<td>+20%</td>
<td>+20%</td>
</tr>
<tr>
<td>OPAT</td>
<td>997</td>
<td>922</td>
<td>-8%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

#### Singapore ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>173</td>
<td>178</td>
<td>0%</td>
<td>(3)%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>64.8%</td>
<td>61.4%</td>
<td>+3.4pps</td>
<td>+3.4pps</td>
</tr>
<tr>
<td>ANP</td>
<td>267</td>
<td>290</td>
<td>(6)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>TWPI</td>
<td>1,456</td>
<td>1,392</td>
<td>+7%</td>
<td>+5%</td>
</tr>
<tr>
<td>OPAT</td>
<td>281</td>
<td>273</td>
<td>+5%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

#### China ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>702</td>
<td>556</td>
<td>+34%</td>
<td>+26%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>93.2%</td>
<td>91.0%</td>
<td>+2.1pps</td>
<td>+2.2pps</td>
</tr>
<tr>
<td>ANP</td>
<td>753</td>
<td>611</td>
<td>+31%</td>
<td>+23%</td>
</tr>
<tr>
<td>TWPI</td>
<td>2,561</td>
<td>2,076</td>
<td>+31%</td>
<td>+23%</td>
</tr>
<tr>
<td>OPAT</td>
<td>537</td>
<td>436</td>
<td>+32%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

#### Malaysia ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>130</td>
<td>124</td>
<td>+10%</td>
<td>+5%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>65.4%</td>
<td>60.3%</td>
<td>+5.1pps</td>
<td>+5.1pps</td>
</tr>
<tr>
<td>ANP</td>
<td>198</td>
<td>204</td>
<td>+2%</td>
<td>(3)%</td>
</tr>
<tr>
<td>TWPI</td>
<td>1,063</td>
<td>1,047</td>
<td>+6%</td>
<td>+2%</td>
</tr>
<tr>
<td>OPAT</td>
<td>167</td>
<td>158</td>
<td>+10%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

#### Thailand ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>215</td>
<td>204</td>
<td>+5%</td>
<td>+5%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>66.8%</td>
<td>71.0%</td>
<td>(4.3)pps</td>
<td>(4.2)pps</td>
</tr>
<tr>
<td>ANP</td>
<td>321</td>
<td>287</td>
<td>+11%</td>
<td>+12%</td>
</tr>
<tr>
<td>TWPI</td>
<td>1,929</td>
<td>1,803</td>
<td>-6%</td>
<td>+7%</td>
</tr>
<tr>
<td>OPAT</td>
<td>528</td>
<td>496</td>
<td>+8%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

#### Other Markets ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>224</td>
<td>201</td>
<td>+17%</td>
<td>+11%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>41.8%</td>
<td>32.8%</td>
<td>+9.0pps</td>
<td>+9.0pps</td>
</tr>
<tr>
<td>ANP</td>
<td>537</td>
<td>608</td>
<td>(7)%</td>
<td>(12)%</td>
</tr>
<tr>
<td>TWPI</td>
<td>3,292</td>
<td>3,036</td>
<td>+15%</td>
<td>+8%</td>
</tr>
<tr>
<td>OPAT</td>
<td>414</td>
<td>393</td>
<td>+11%</td>
<td>+5%</td>
</tr>
</tbody>
</table>
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 seven geographical areas:
  - Beijing
  - Shanghai
  - Shenzhen
  - Tianjin
  - Guangdong Province
  - Jiangsu Province
  - Shijiazhuang, Hebei Province

<table>
<thead>
<tr>
<th>2018</th>
<th>GDP  ($b)</th>
<th>Population (m)</th>
<th>GDP per capita ($)</th>
<th>Total Life Premium ($b)</th>
<th>Life Insurance Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>458.7</td>
<td>21.5</td>
<td>21,295</td>
<td>20.7</td>
<td>4.5%</td>
</tr>
<tr>
<td>Shanghai</td>
<td>494.4</td>
<td>24.2</td>
<td>20,396</td>
<td>13.9</td>
<td>2.8%</td>
</tr>
<tr>
<td>Shenzhen</td>
<td>366.4</td>
<td>13.0</td>
<td>28,130</td>
<td>12.8</td>
<td>3.5%</td>
</tr>
<tr>
<td>Guangdong ex-Shenzhen</td>
<td>1,105.2</td>
<td>100.4</td>
<td>11,005</td>
<td>38.5</td>
<td>3.5%</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>1,400.8</td>
<td>80.5</td>
<td>17,400</td>
<td>37.2</td>
<td>2.7%</td>
</tr>
<tr>
<td>Tianjin</td>
<td>284.6</td>
<td>15.6</td>
<td>18,241</td>
<td>6.3</td>
<td>2.2%</td>
</tr>
<tr>
<td>Hebei</td>
<td>544.8</td>
<td>75.6</td>
<td>7,210</td>
<td>19.1</td>
<td>3.5%</td>
</tr>
<tr>
<td>of which Shijiazhuang</td>
<td>92.0</td>
<td>11.0</td>
<td>8,403</td>
<td>4.2</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Aggregate</strong></td>
<td><strong>4,655.0</strong></td>
<td><strong>330.9</strong></td>
<td><strong>14,067</strong></td>
<td><strong>148.5</strong></td>
<td><strong>3.2%</strong></td>
</tr>
</tbody>
</table>

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

**Premier Agency Strategy**

- **VONB per Agent**
  - AIA China vs. Industry
  - 2017: 3.8x
  - 2018: 4.7x

**Digital Enablement**

- **Digital Adoption**: 100%
- **Online underwriting time**: <5 seconds
- **Case closing time**: ~30 minutes

**Sustained Outperformance**

- **VONB ($m)**
  - 2017: 30
  - 2018: 44
  - 2019: 60
  - 2020: 76
  - 2021: 120
  - 2022: 187
  - 2023: 278
  - 2024: 377
  - 2025: 556
  - 2026: 702

**High-quality Growth Portfolio**

- **1H2019 Product Mix**
  - % of VONB
  - Traditional Protection: 84%
  - Par & Others: 16%

**Wellness Programme**

- **Repurchase Ratio**
  - Members
  - Non-members

- **Lapse Ratio**
  - Members
  - Non-members

**Note:**
(1) Industry statistics based on latest company reports
Uses of Underlying Free Surplus Generation

Maintain Strong Balance Sheet through Capital Market Stress

Free Surplus ($m)

Reinvest Capital in Profitable New Business Growth

New Business Investment ($m)

Pay Prudent, Sustainable and Progressive Dividend

Interim Dividend Declared ($m)

Note:

(1) The acquisition of CommInsure Life in Australia is pending the completion of all necessary regulatory and governmental approvals. AIA and CBA have been exploring alternative arrangements that aim to replicate the expected strategic outcomes of the originally planned acquisition. The Group expects to provide further details of these alternative arrangements in the second half of 2019.
Resilient Working Capital Position

Resilient Position

- Working capital of $12.0b
- Net funds remitted of $1.9b
- China remitted $572m; up from $440m in 1H2018
- Leverage ratio of 10.4%
Capital Fungibility

Net Funds Remitted to Group ($m)

<table>
<thead>
<tr>
<th>1H11</th>
<th>1H12</th>
<th>1H13</th>
<th>1H14</th>
<th>1H15</th>
<th>1H16</th>
<th>1H17</th>
<th>1H18</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>964</td>
<td>844</td>
<td>972</td>
<td>782</td>
<td>1,018</td>
<td>993</td>
<td>1,169</td>
<td>1,188</td>
<td>1,853</td>
</tr>
</tbody>
</table>

Group Working Capital ($m)

<table>
<thead>
<tr>
<th>1H11</th>
<th>1H12</th>
<th>1H13</th>
<th>1H14</th>
<th>1H15</th>
<th>1H16</th>
<th>1H17</th>
<th>1H18</th>
<th>1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,088</td>
<td>4,290</td>
<td>5,383</td>
<td>5,908</td>
<td>7,077</td>
<td>8,268</td>
<td>9,138</td>
<td>10,647</td>
<td>12,031</td>
</tr>
</tbody>
</table>
## 1H2019 ANW Movement

### ANW Movement ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANW End of 2018</td>
<td>24,637,000</td>
</tr>
<tr>
<td>Expected Return</td>
<td>2,506,000</td>
</tr>
<tr>
<td>Contribution to ANW from VONB</td>
<td>(339,000)</td>
</tr>
<tr>
<td>Operating Variances</td>
<td>238,000</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(103,000)</td>
</tr>
<tr>
<td>ANW Before Non-operating Variances</td>
<td>1,484,000</td>
</tr>
<tr>
<td>Investment Return Variances</td>
<td>83,000</td>
</tr>
<tr>
<td>Other Non-operating Variances</td>
<td>80,000</td>
</tr>
<tr>
<td>Exchange Rates and Other Items</td>
<td>(1,448,000)</td>
</tr>
<tr>
<td>Dividend Paid</td>
<td></td>
</tr>
<tr>
<td>ANW End of 1H2019</td>
<td>27,138,000</td>
</tr>
</tbody>
</table>
1H2019 VIF Movement

VIF Movement ($m)

<table>
<thead>
<tr>
<th></th>
<th>VIF End of 2018</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 1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29,880</td>
<td></td>
<td>(498)</td>
<td>2,614</td>
<td>105</td>
<td>92</td>
<td>(63)</td>
<td>478</td>
<td>32,608</td>
</tr>
</tbody>
</table>

VIF Movement ($m)
Reconciliation of IFRS Shareholders’ Equity to ANW ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Shareholders’ Equity End of 1H2019</th>
<th>Difference Between IFRS and Local Statutory Policy Liabilities</th>
<th>Mark-to-market Adjustment for Property and Mortgage Loan Investments</th>
<th>Deferred Tax Impacts</th>
<th>Elimination of Intangible Assets</th>
<th>Non-controlling Interests Impacts</th>
<th>ANW (Business Unit) End of 1H2019</th>
<th>Adjustment to Reflect Consolidated Reserving Requirements, Net of Tax</th>
<th>ANW (Consolidated) End of 1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>49,878</td>
<td>(16,498)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34,078</td>
<td>(6,940)</td>
<td>27,138</td>
</tr>
<tr>
<td></td>
<td>(13)</td>
<td></td>
<td>2,595</td>
<td>(1,953)</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1H2019 IFRS Shareholders’ Equity and ANW
Solvency Ratio of 415% for AIA Co.

**Resilient Solvency Position**

- AIA Co. is the Group’s principal operating company
- Strong growth in earnings
- Offset by dividends upstream to AIA Group Limited
- S&P rating of AA-, Moody’s rating of Aa2 and Fitch rating of AA for AIA Co.
- S&P outlook changed to positive for AIA Group Limited
Robust Capital Structure

AIA Capital Structure

1H2019 Leverage Ratio\(^{(1)}\) 10.4%

Solvency Ratio on the HKIO Basis for AIA Co.

- 2010: 337%
- 2011: 311%
- 2012: 353%
- 2013: 433%
- 2014: 427%
- 2015: 428%
- 2016: 404%
- 2017: 446%
- 2018: 421%
- 1H2019: 415%

Solvency Ratio on the HKIO Basis for AIA International

- 2010: 321%
- 2011: 297%
- 2012: 220%
- 2013: 334%
- 2014: 385%
- 2015: 356%
- 2016: 301%
- 2017: 314%
- 2018: 365%
- 1H2019: 399%

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

**Total Investments by Type**

- **Total Invested Assets $192.1b**
  - Equities 12%
  - Real Estate 4%
  - Others (2)
  - Fixed Income 83%

**Reconciliation of OPAT to Net Profit**

<table>
<thead>
<tr>
<th>($m)</th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPAT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term fluctuations(3) in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Par Equities</td>
<td>(680)</td>
<td>780</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>393</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(675)</td>
<td>1,173</td>
</tr>
<tr>
<td>Other items(4)</td>
<td>(316)</td>
<td>(207)</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>1,662</td>
<td>3,864</td>
</tr>
</tbody>
</table>

**Notes:**
- Total invested assets as of 30 June 2019
- Including Participating funds and Other participating business with distinct portfolios
- Cash and cash equivalents and derivatives
- Short-term fluctuations in investment return related to equities and real estate
- Other non-operating investment return and other items
## Total Invested Assets

<table>
<thead>
<tr>
<th>($m)</th>
<th>Par(^{(1)}) Funds</th>
<th>Other Policyholder and Shareholder</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>53,061</td>
<td>105,530</td>
<td>158,591</td>
</tr>
<tr>
<td>Equities</td>
<td>17,316</td>
<td>6,632</td>
<td>23,948</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,035</td>
<td>5,779</td>
<td>6,814</td>
</tr>
<tr>
<td>Others(^{(2)})</td>
<td>718</td>
<td>1,982</td>
<td>2,700</td>
</tr>
<tr>
<td><strong>Total Invested Assets</strong></td>
<td><strong>72,130</strong></td>
<td><strong>119,923</strong></td>
<td><strong>192,053</strong></td>
</tr>
</tbody>
</table>

**Total Invested Assets $192.1b**

**Notes:**
- As of 30 June 2019
- \(^{(1)}\) 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>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>2,942</td>
<td>3,223</td>
</tr>
<tr>
<td>Fixed Income Yield&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>4.6%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Actual Investment Return</td>
<td>3.6%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

Expected Return for Equities and Real Estate

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>960</td>
<td>1,102</td>
</tr>
</tbody>
</table>

Total Bond Portfolio of $151.1b

- Corporate Bonds: 53%
- Government & Government Agency Bonds: 46%
- Structured Securities: 1%

**Notes:**

1. IFRS operating profit investment return comparatives are shown on a constant exchange rate basis.
2. Fixed income yield and actual investment return are on an annualised basis.
4. 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.

<sup>(1)</sup>
Prudent and High-quality Fixed Income Portfolio

Total $158.6b

**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: 66%
- 5 - 10 Years: 20%
- 1 - 5 Years: 12%
- ≤1 Year: 2%

Note:
As of 30 June 2019
Prudent and High-quality Fixed Income Portfolio

Total Bonds by Accounting Classification

- Other policyholder & shareholder (AFS) 66%
- Par\(^{(1)}\) Funds (AFS) 18%
- Other policyholder & shareholder (FVTPL) 1%
- Par\(^{(1)}\) Funds (FVTPL) 15%

Notes:
As of 30 June 2019
(1) Including Participating funds and Other participating business with distinct portfolios

<table>
<thead>
<tr>
<th>($m)</th>
<th>Par(^{(1)}) Funds</th>
<th>Other Policyholder and Shareholder</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available For Sale (AFS)</td>
<td>27,236</td>
<td>99,403</td>
<td>126,639</td>
</tr>
<tr>
<td>Fair Value Through Profit or Loss (FVTPL)</td>
<td>23,653</td>
<td>798</td>
<td>24,451</td>
</tr>
<tr>
<td>Total Bonds</td>
<td>50,889</td>
<td>100,201</td>
<td>151,090</td>
</tr>
</tbody>
</table>
Government Bond Portfolio

Notes:
As of 30 June 2019
(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

Government Bonds\(^{(1)}\)
by Geography

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>32%</td>
</tr>
<tr>
<td>China</td>
<td>29%</td>
</tr>
<tr>
<td>Korea</td>
<td>15%</td>
</tr>
<tr>
<td>Singapore</td>
<td>9%</td>
</tr>
<tr>
<td>Philippines</td>
<td>5%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4%</td>
</tr>
<tr>
<td>Others</td>
<td>6%</td>
</tr>
</tbody>
</table>

Total $46.5b

Other Government\(^{(2)}\) and Agency Bonds by Rating

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>31%</td>
</tr>
<tr>
<td>AA</td>
<td>21%</td>
</tr>
<tr>
<td>A</td>
<td>28%</td>
</tr>
<tr>
<td>BBB</td>
<td>19%</td>
</tr>
<tr>
<td>BB &amp; below(^{(3)})</td>
<td>1%</td>
</tr>
</tbody>
</table>

Total $22.8b

Average Rating AA-
## Corporate Bond Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>674</td>
</tr>
<tr>
<td>AA</td>
<td>4,432</td>
</tr>
<tr>
<td>A</td>
<td>36,282</td>
</tr>
<tr>
<td>BBB</td>
<td>37,033</td>
</tr>
<tr>
<td>BB and below$^{(1)}$</td>
<td>2,265</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80,686</strong></td>
</tr>
</tbody>
</table>

### Corporate Bonds by Rating

![Pie chart showing the distribution of corporate bonds by rating.]

- **Total $80.7b**
  - **AAA**: 1%
  - **AA**: 5%
  - **A**: 45%
  - **BBB**: 46%
  - **BB and below$^{(1)}$**: 3%

**Notes:**
- As of 30 June 2019
- $^{(1)}$ Including not rated bonds
## Structured Security Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>13</td>
</tr>
<tr>
<td>AA</td>
<td>150</td>
</tr>
<tr>
<td>A</td>
<td>438</td>
</tr>
<tr>
<td>BBB</td>
<td>453</td>
</tr>
<tr>
<td>BB and below¹</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,099</strong></td>
</tr>
</tbody>
</table>

### Structured Securities by Rating

- **Total $1.1b**
- **Average Rating A⁻**
  - AAA: 1%
  - AA: 14%
  - A: 40%
  - BBB: 41%
  - BB and below¹: 4%

### Notes:
- As of 30 June 2019
- ¹ Including not rated bonds
AIA China – Prudent Investment Portfolio

AIA China Invested Asset Mix

- Fixed Income 90%
- Equities 9%
- 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
- 90% of invested assets in fixed income
- 90% 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 30 June 2019
# Impairment Experience During Global Financial Crisis

## AIA Impairments on Invested Assets ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>AIA Impairments ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>142</td>
</tr>
<tr>
<td>2009</td>
<td>67</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
</tr>
</tbody>
</table>

## 2008 Impairment Charges as % of Invested Assets

<table>
<thead>
<tr>
<th>Company</th>
<th>Impairment Charge (% of Invested Assets)</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 of Risk Discount Rates and Risk Premiums

<table>
<thead>
<tr>
<th>%</th>
<th>As at 30 November 2010</th>
<th>As at 30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia(1)</td>
<td>8.75</td>
<td>5.65</td>
</tr>
<tr>
<td>China</td>
<td>10.00</td>
<td>3.74</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>8.00</td>
<td>3.53</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15.00</td>
<td>7.90</td>
</tr>
<tr>
<td>Korea</td>
<td>10.50</td>
<td>4.82</td>
</tr>
<tr>
<td>Malaysia</td>
<td>9.00</td>
<td>4.45</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9.00</td>
<td>6.13</td>
</tr>
<tr>
<td>Philippines</td>
<td>13.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Singapore</td>
<td>7.75</td>
<td>2.93</td>
</tr>
<tr>
<td>Sri Lanka(2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Taiwan</td>
<td>8.00</td>
<td>1.73</td>
</tr>
<tr>
<td>Thailand</td>
<td>9.50</td>
<td>3.87</td>
</tr>
<tr>
<td>Vietnam</td>
<td>16.00</td>
<td>10.20</td>
</tr>
<tr>
<td>Weighted Average(3)</td>
<td>8.95</td>
<td>3.85</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)**

- **0.7%**
  - 50 basis points decrease in interest rates
  - 40,271

- **(0.7)%**
  - 50 basis points increase in interest rates

**Equities ($m)**

- **(4.2)%**
  - 10% fall in equity prices
  - 40,271

- **4.2%**
  - 10% rise in equity prices
  - 1,697

**1H2019 Shareholders’ Allocated Equity**

- **285**
- **(266)**
- **(1,697)**
Sensitivity Analysis – EV

Sensitivity of EV as at 30 June 2019

<table>
<thead>
<tr>
<th>Factor</th>
<th>Sensitivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity prices +10%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Equity prices -10%</td>
<td>(1.4)%</td>
</tr>
<tr>
<td>Interest rates +50 bps</td>
<td>0.2%</td>
</tr>
<tr>
<td>Interest rates -50 bps</td>
<td>(0.7)%</td>
</tr>
<tr>
<td>Presentation currency 5% appreciation</td>
<td>(3.1)%</td>
</tr>
<tr>
<td>Presentation currency 5% depreciation</td>
<td>3.1%</td>
</tr>
<tr>
<td>Lapse/discontinuance rates +10%</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Lapse/discontinuance rates -10%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Mortality/morbidity rates +10%</td>
<td>(6.6)%</td>
</tr>
<tr>
<td>Mortality/morbidity rates -10%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Maintenance expenses -10%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Expense inflation set to 0%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
Sensitivity Analysis – VONB

Sensitivity of VONB for the six months ended 30 June 2019

- Interest rates +50 bps: 3.5%
- Interest rates -50 bps: (4.7)%
- Presentation currency 5% appreciation: (3.0)%
- Presentation currency 5% depreciation: 3.0%
- Lapse/discontinuance +10%: (4.7)%
- Lapse/discontinuance -10%: 5.1%
- Mortality/morbidity rates +10%: (8.0)%
- Mortality/morbidity rates -10%: 7.7%
- Maintenance expenses -10%: 2.2%
- Expense inflation set to 0%: 1.3%
Currency Sensitivity

<table>
<thead>
<tr>
<th></th>
<th>EV ($m)</th>
<th>VONB ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% fall in</td>
<td>$(3.1%)</td>
<td>$(3.0%)</td>
</tr>
<tr>
<td>local market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>currencies</td>
<td>EV = 59,746</td>
<td>VONB = 2,275</td>
</tr>
<tr>
<td>vs US dollar</td>
<td>VONB = 1,860</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,860)</td>
<td>(68)</td>
</tr>
<tr>
<td>5% rise in</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>local market</td>
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Note:
The currency sensitivities shown assume a constant Hong Kong dollar to US dollar exchange rate.