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# 2022 INTERIM RESULTS PRESENTATION

25 August 2022

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

# Agenda



1

## **BUSINESS HIGHLIGHTS**

Lee Yuan Siong, Group Chief Executive and President

2

## **FINANCIAL RESULTS**

Garth Jones, Group Chief Financial Officer

3

## **AIA'S INTEGRATED HEALTH STRATEGY**

Lee Yuan Siong, Group Chief Executive and President



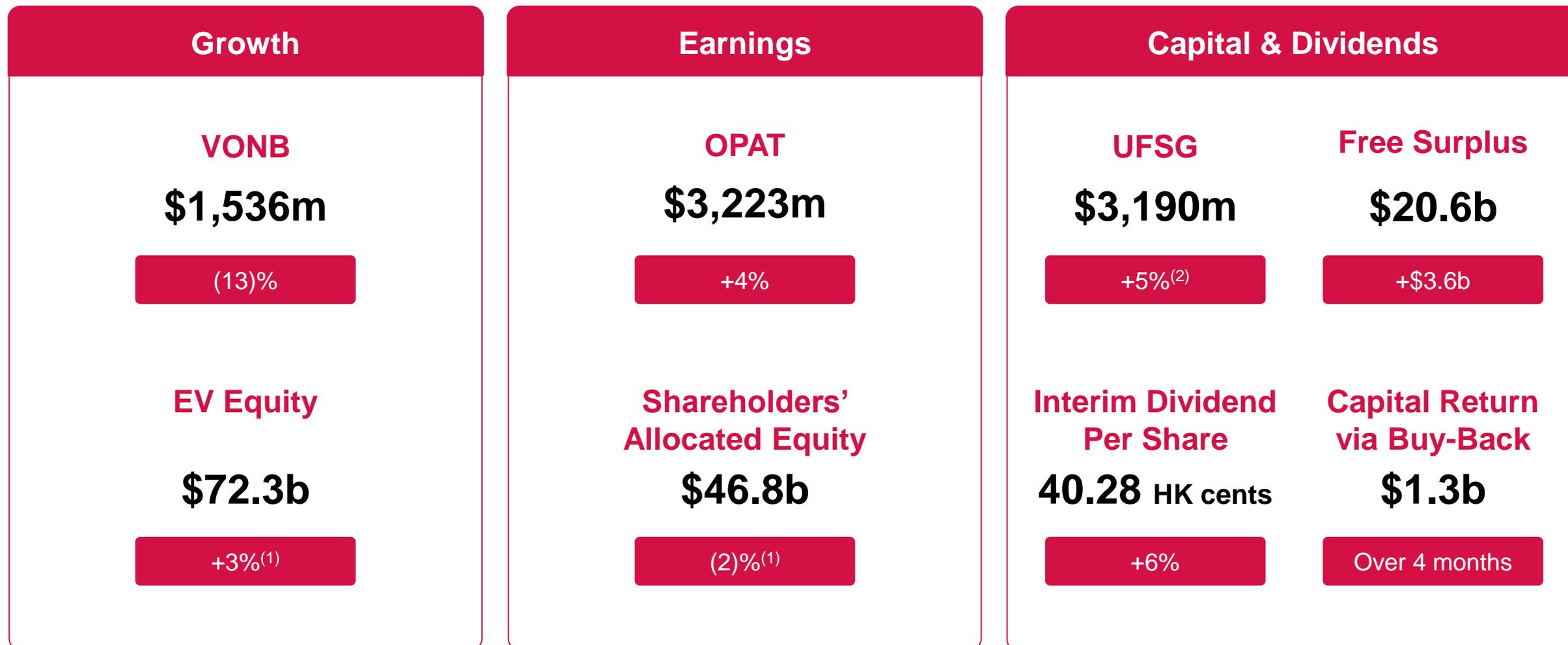
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# Business Highlights

**Lee Yuan Siong**

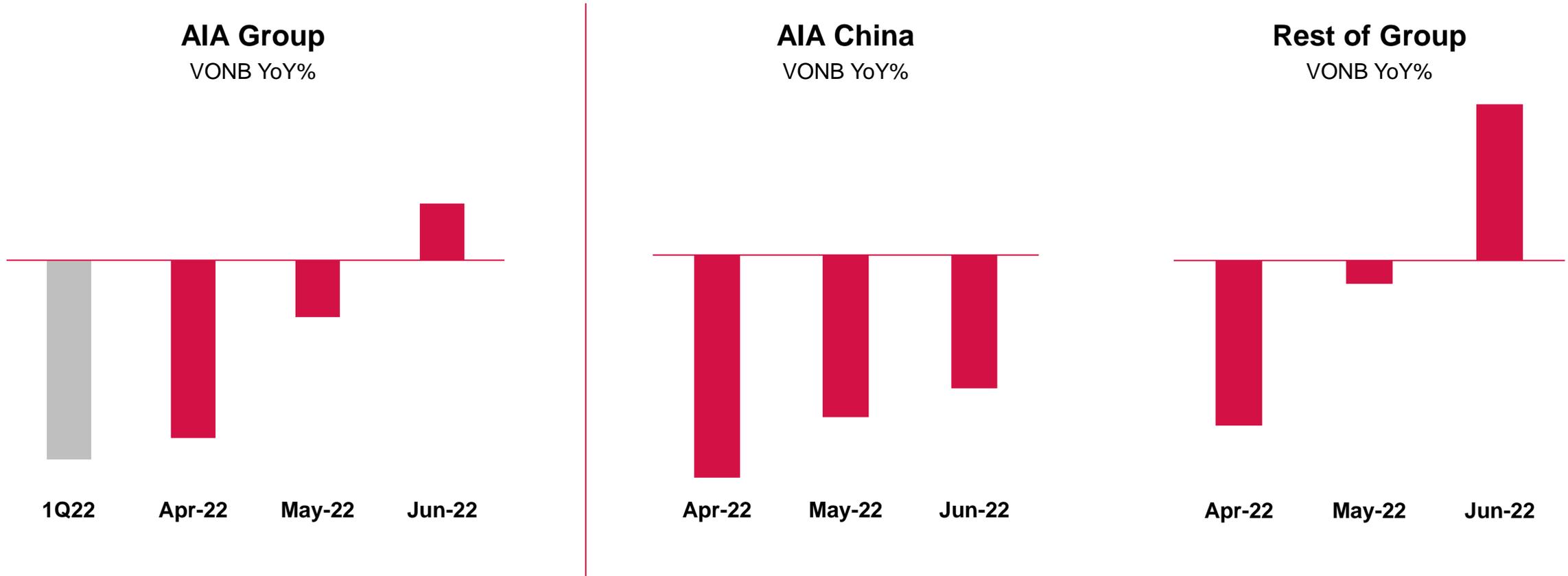
Group Chief Executive and President

# 1H2022 Resilient Financial Performance



Notes:  
 (1) Growth rates are shown before the payment of the final shareholder dividend for 2021 and additional return of capital through the share buy-back programme  
 (2) On a comparable basis before the effects from the early adoption of the Hong Kong Risk-based Capital (HKRBC) regime and the release of additional resilience margins

# Strong Momentum in 2Q; Group VONB up in June



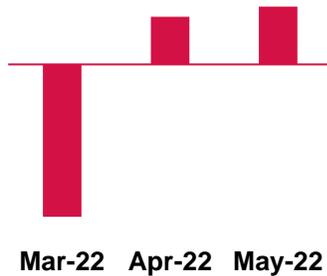
Note: VONB based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests

# AIA China: Recovery as Movement Restrictions Eased

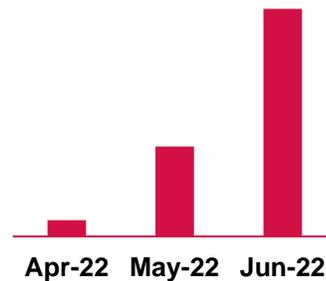


Short  
Movement  
Restrictions  
and Rapid  
Reopening

**Shenzhen**  
Agency VONB YoY%



**Guangzhou**  
Agency VONB YoY%



## Movement Restrictions

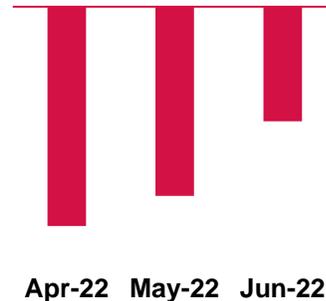
- Shenzhen: 7 days in mid-March
- Guangzhou: 8 major districts in April and 4 in May

Prolonged  
Movement  
Restrictions  
and Gradual  
Reopening

**Suzhou**  
Agency VONB YoY%



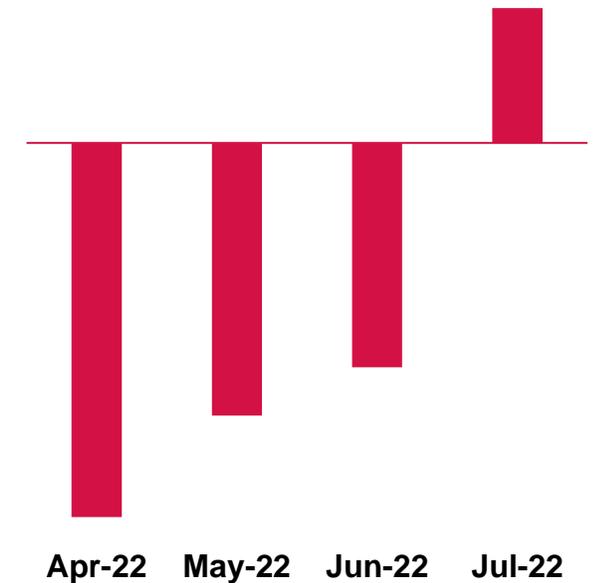
**Shanghai**  
Agency VONB YoY%



## Movement Restrictions

- Suzhou: March and April
- Shanghai: April to early June

**AIA China**  
VONB YoY%

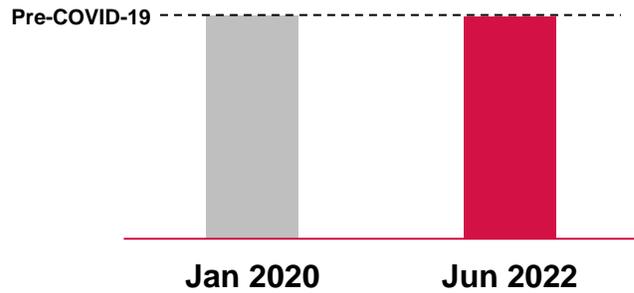


# AIA China: Focused on our Unique Growth Opportunity

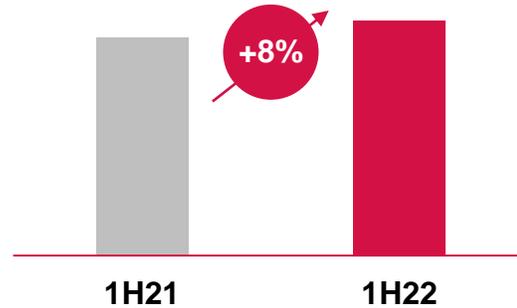


## Differentiated Premier Agency – Stable and Productive Agency Force

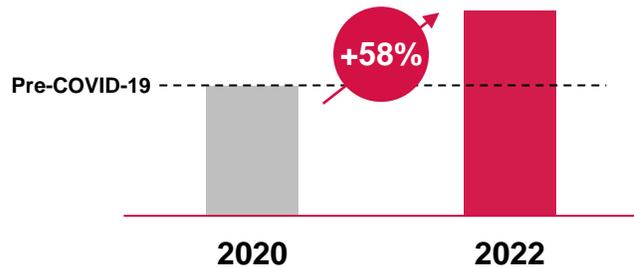
Total Agents



New Recruits



MDRT Members<sup>(1)</sup>



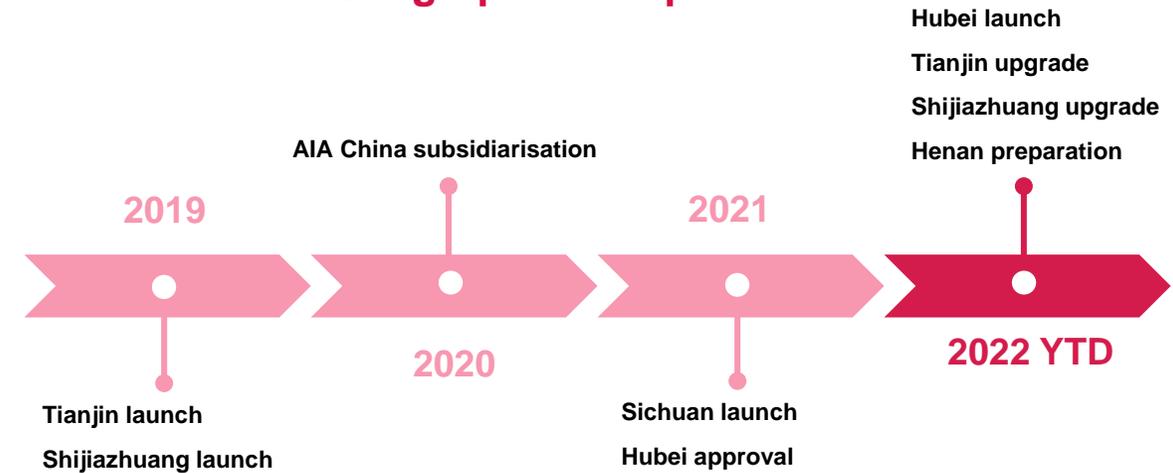
**#1 MDRT**

Company Globally

**>4,200**

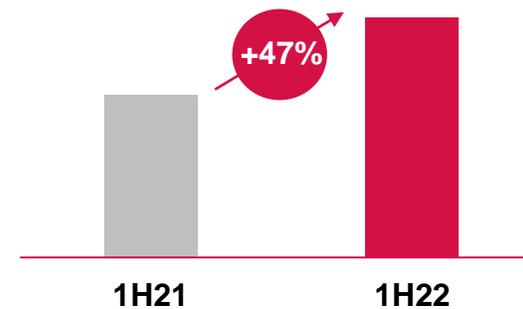
MDRT Members in 2022

## Geographical Expansion

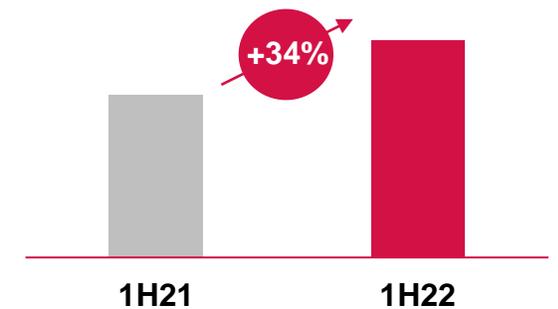


## Excellent Progress in New Operations<sup>(2)</sup>

Agency VONB



Active Agents



Notes:

(1) Reflects agents achieving qualification requirements over the prior year

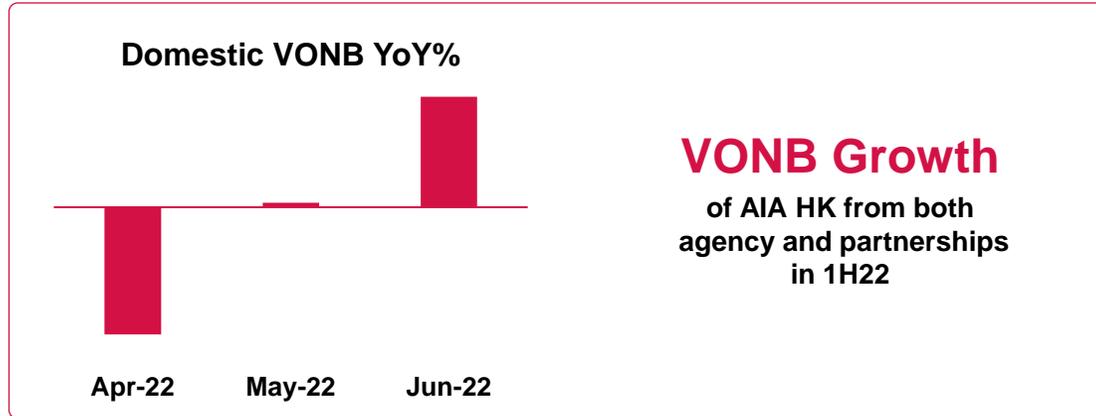
(2) Including Tianjin, Shijiazhuang, Sichuan Province and Hubei Province

# AIA Hong Kong: VONB Growth from Domestic & MCV Businesses



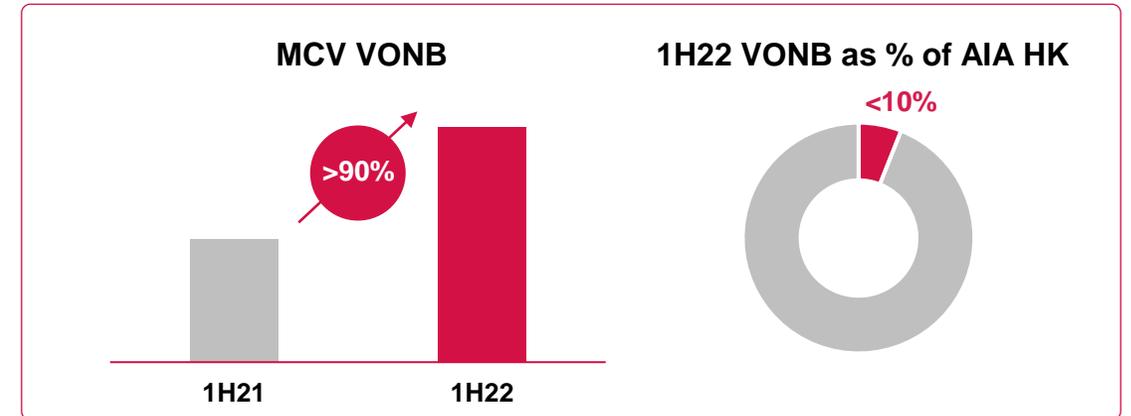
## Domestic Business

Regained Momentum as initial Omicron wave subsided



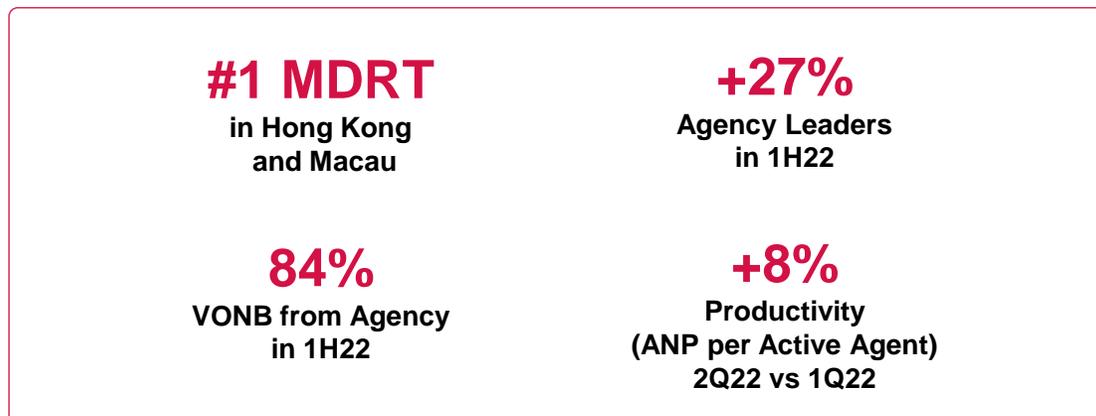
## Mainland Chinese Visitor (MCV) Business

Excellent VONB Growth via Macau branch



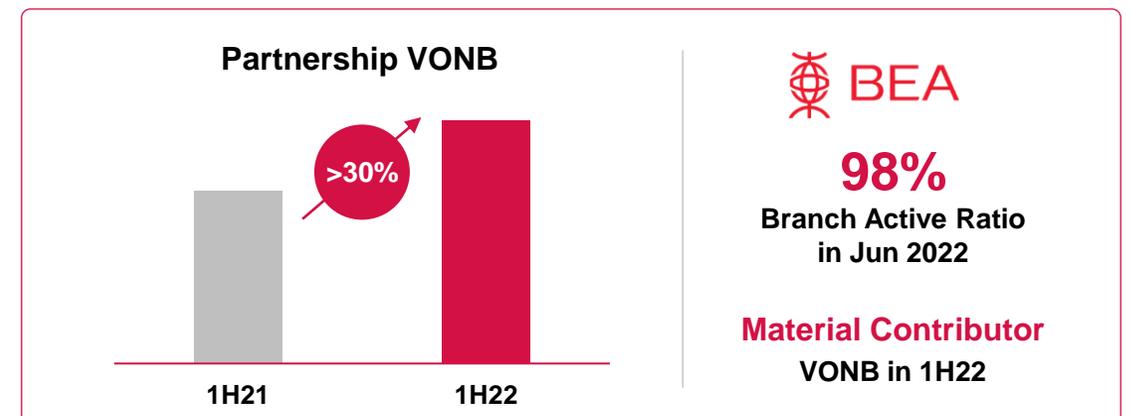
## Premier Agency

Market Leader in Agency Distribution



## Partnership Distribution

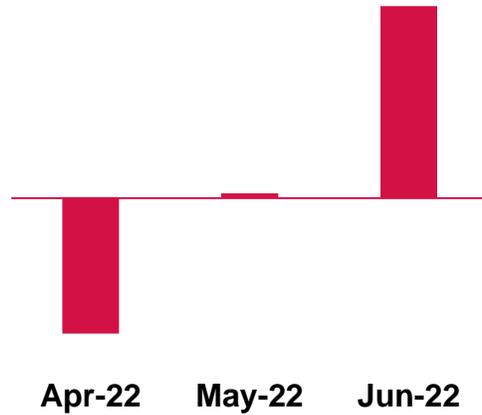
Excellent Performance driven by Bancassurance



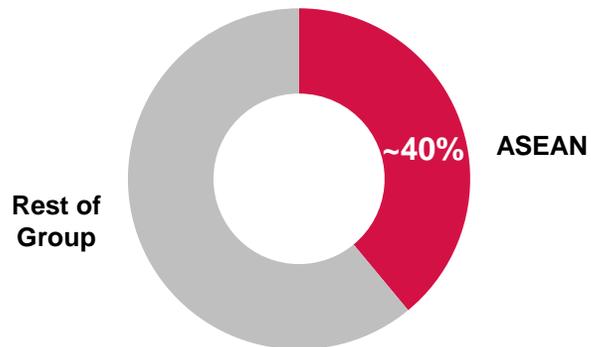
# ASEAN: Strong Momentum as Disruptions Eased



**ASEAN**  
VONB YoY%



% of 1H22 VONB



## Premier Agency

Core Competitive Advantages

**#1 MDRT**  
across ASEAN

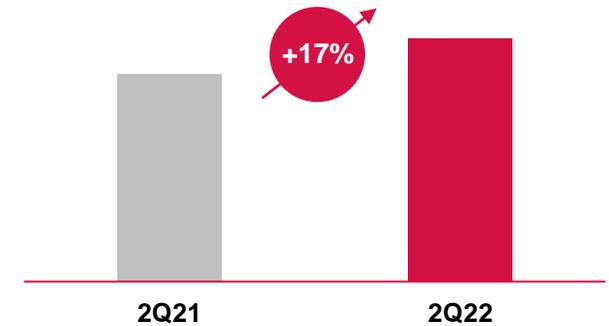
<b>+15%</b> MDRT members	<b>+6%</b> Agency leaders	<b>+9%</b> New recruits (2Q22 vs 1Q22)
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Enabled by Technology, Digital and Analytics

<b>100%</b> Online training completion	<b>96%</b> Policies issued digitally
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## Partnership Distribution

Top 5 Domestic Bank Partners<sup>(1)</sup>  
VONB



Digital Platform in Malaysia

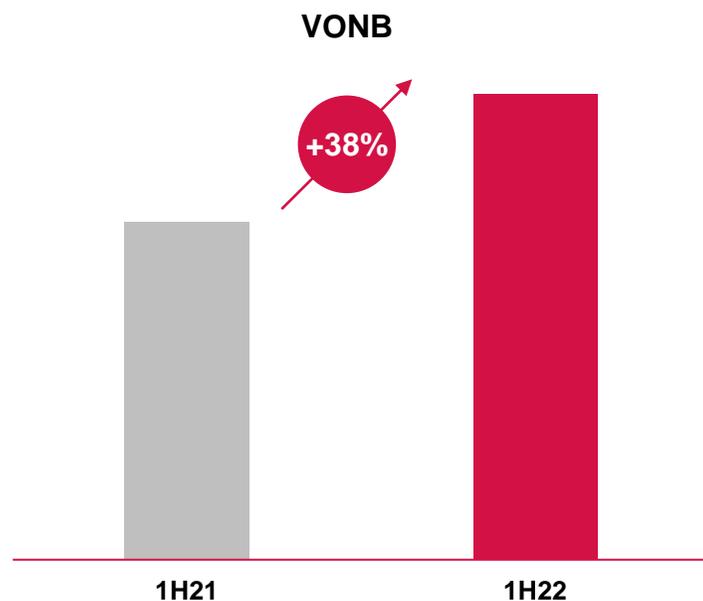
**TNG Digital** **>500,000**  
Customers added since launch,  
>70% were not existing customers

Notes: ASEAN includes Thailand, Singapore, Malaysia, Brunei, Cambodia, Indonesia, Myanmar, the Philippines and Vietnam  
(1) Bangkok Bank in Thailand, BCA in Indonesia, BPI in the Philippines, Public Bank in Malaysia and VPBank in Vietnam

# India: Excellent Performance by Tata AIA Life



## High-Quality Growth



**#1**  
Retail Protection Player<sup>(1)</sup>

**#1**  
13-month Persistency

## Differentiated Multi-Channel Distribution

Leading  
Premier  
Agency

**>35%**  
Agency  
VONB growth

**>1.5x** New recruits  
**+87%** MDRT members

Digitally-  
Enabled  
Bancassurance

**>35%**  
Key partners  
VONB growth

**↑** Productivity  
**↑** Branch activation

Growing  
Broker and  
Digital Partners

**>160%**  
Broker  
VONB growth

Digital Platform Partners

policybazaar.com

practo

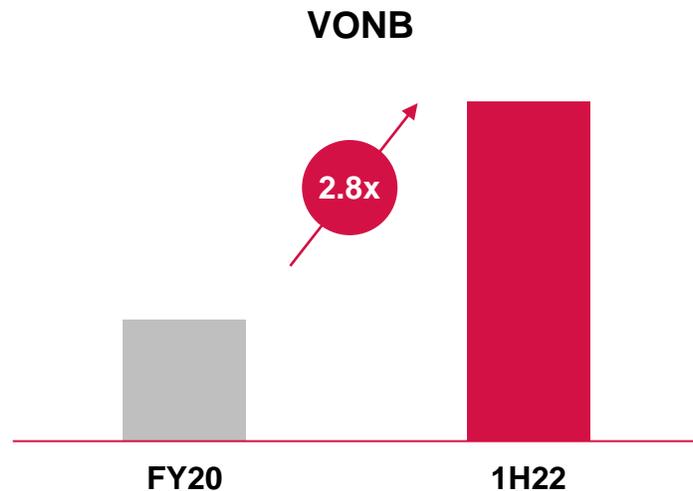
Note:

(1) Sources: regulatory and industry disclosures. Based on retail sum assured as at end of 2021

# China Post Life: Capturing Additional Growth in Mainland China



## Significant Value Uplift since AIA's Investment Announcement



**+32%**

**Increase in Embedded Value<sup>(1)</sup>**  
(1H22 vs FY20)

## AIA Group Supporting Delivery on CPL's Growth Potential

- AIA Group Office dedicated team provides support to CPL
- Supporting CPL's strategic priorities across product development, distribution, technology, investment, risk and capital management

**Growing and  
Enhancing New  
Business Quality**

↑ **New business volumes**

↑ **Product margin**

↑ **New business capital efficiency**

**Improving Financial  
Position and  
Capital Efficiency**

↑ **Risk and capital management**

**182%** **Comprehensive Solvency Ratio<sup>(2)</sup>**

Notes:

(1) Adjusted to exclude the impact of AIA's investment

(2) As at 30 June 2022, on C-ROSS II basis

# Leading, Differentiated and Diversified Asia Platform

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- Resilient business performance with return to VONB growth for the Group in June
- Unique Mainland China opportunity to access 5X larger market
  - Scalable differentiated Premier Agency strategy
  - Accelerating geographical expansion with strong performance
- VONB growth from domestic and MCV businesses in AIA Hong Kong
- Strong momentum in ASEAN businesses as Omicron disruptions subsided
- Excellent performance in India through high-quality and differentiated platform



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# Financial Results

**Garth Jones**

Group Chief Financial Officer



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**Growth**

Earnings

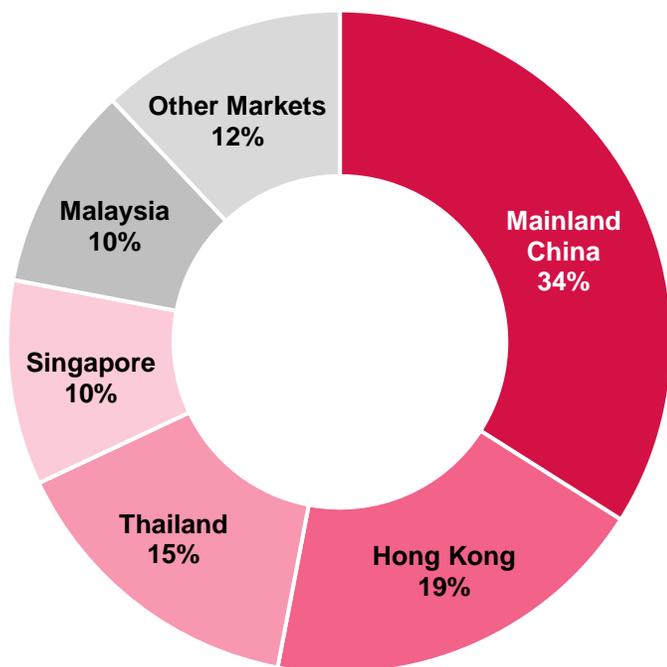
Capital & Dividends

# High-Quality Diversified Business



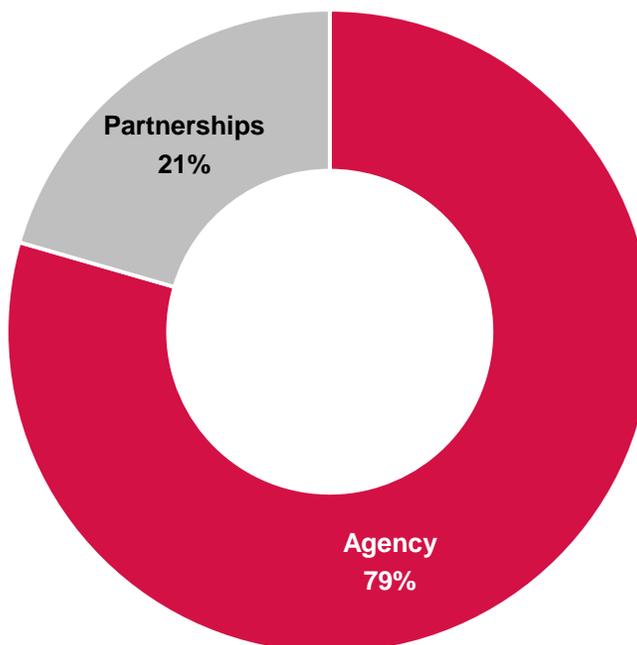
## Geographical Mix

% of 1H22 VONB



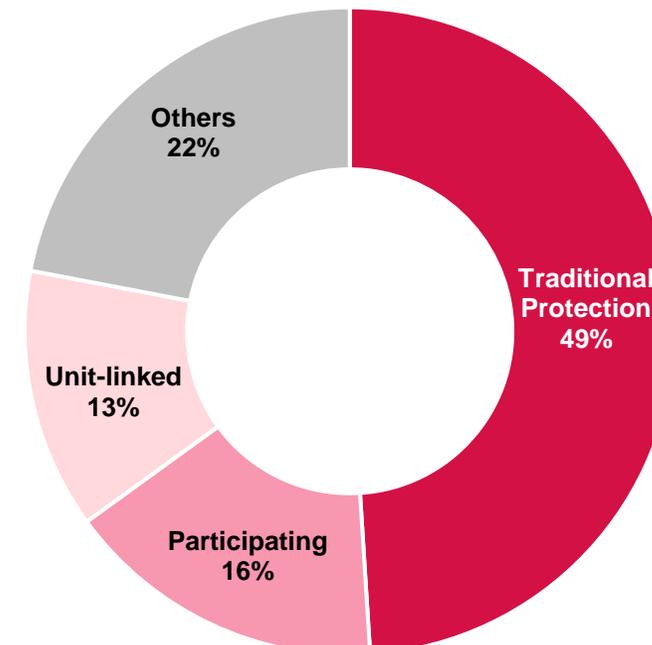
## Distribution Mix

% of 1H22 VONB



## Product Mix

% of 1H22 VONB

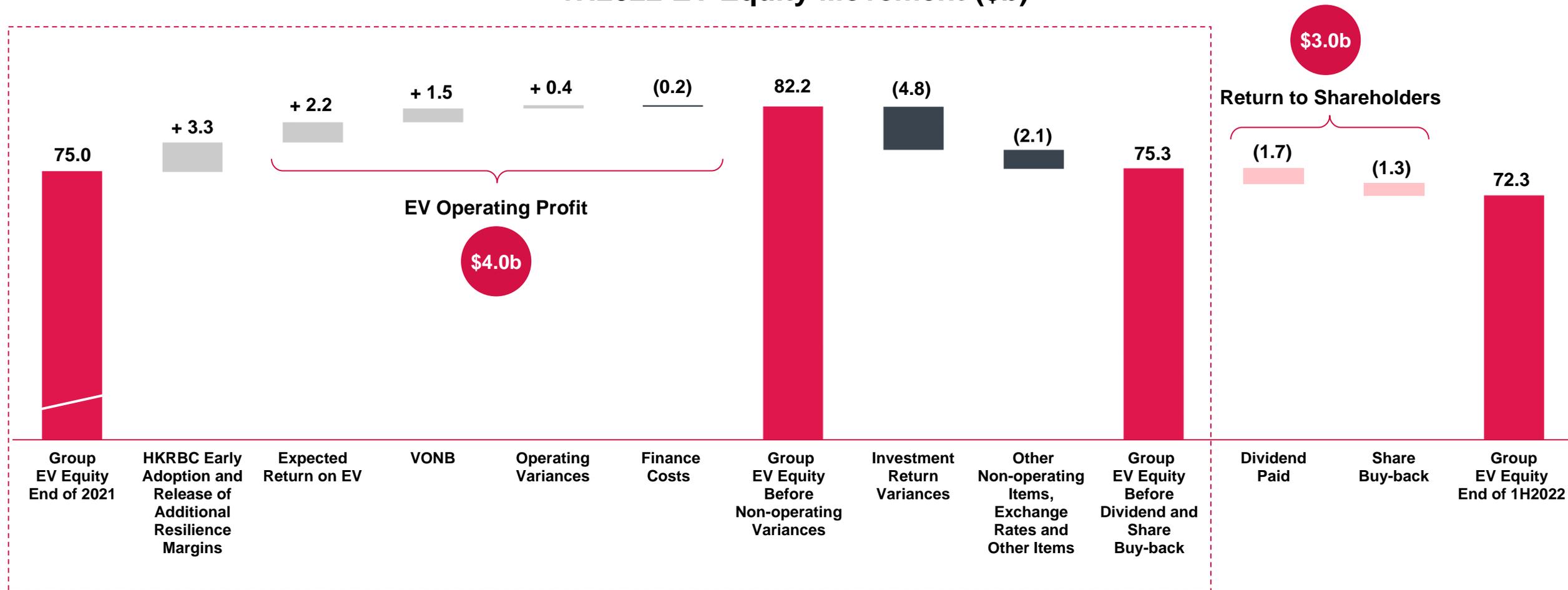


Note: Based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests. Distribution mix excludes pension business

# EV Equity of \$75.3b before \$3.0b Return to Shareholders



## 1H2022 EV Equity Movement (\$b)

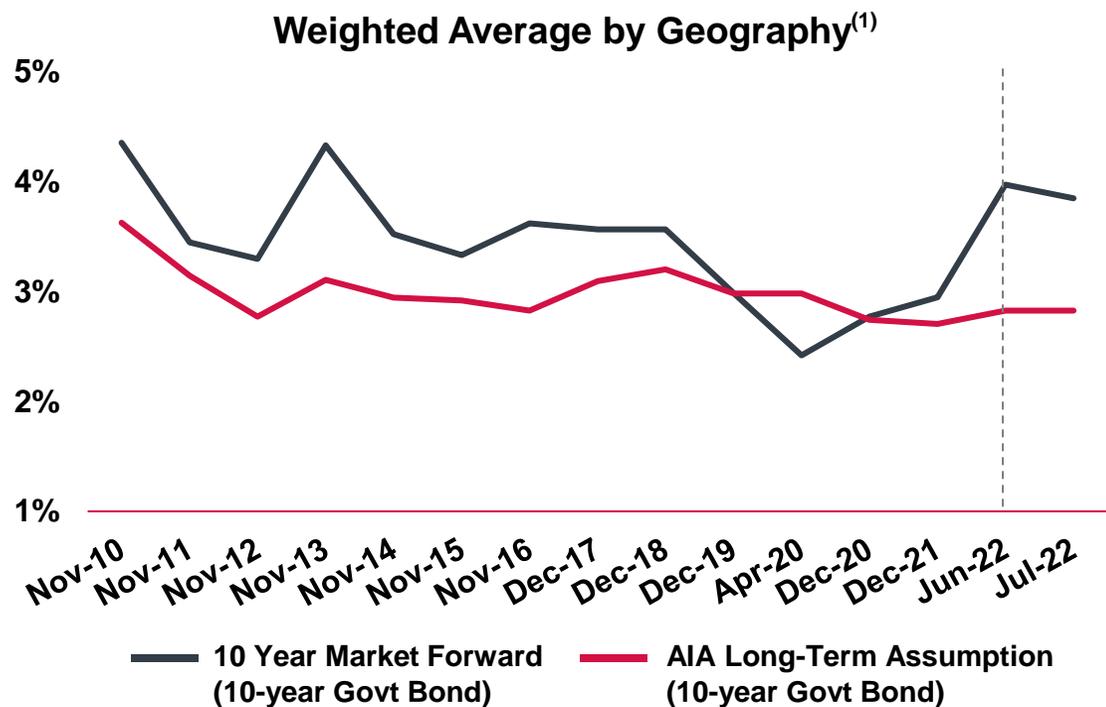


Note: Due to rounding, numbers presented in the chart may not add up precisely

# EV Sensitivity to Interest Rates Remains Small



## AIA Long-Term Assumptions vs Market Rates

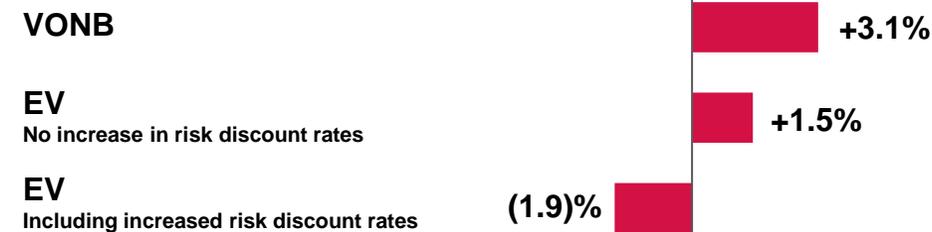


**Immaterial impact to EV from adjusting long-term investment return assumptions with consistent moves in risk discount rates to spot rates as at 30 June 2022**

## EV and VONB Sensitivities to Interest Rates

Includes Mark-To-Market Asset Impacts and Long-Term Assumption Changes

### 50 bps Increase:



### 50 bps Decrease:

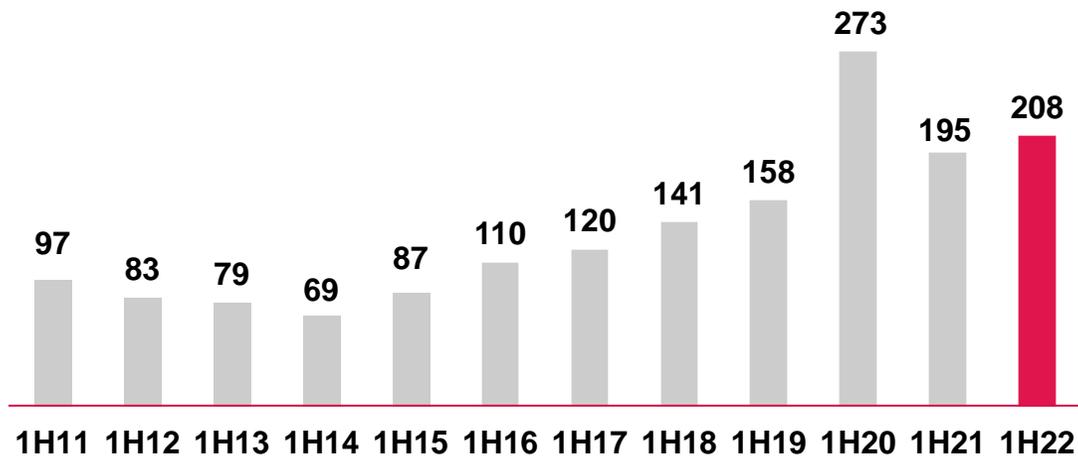


Note:  
 (1) Weighted average interest rates by VIF of Mainland China, Hong Kong, Thailand, Singapore and Malaysia

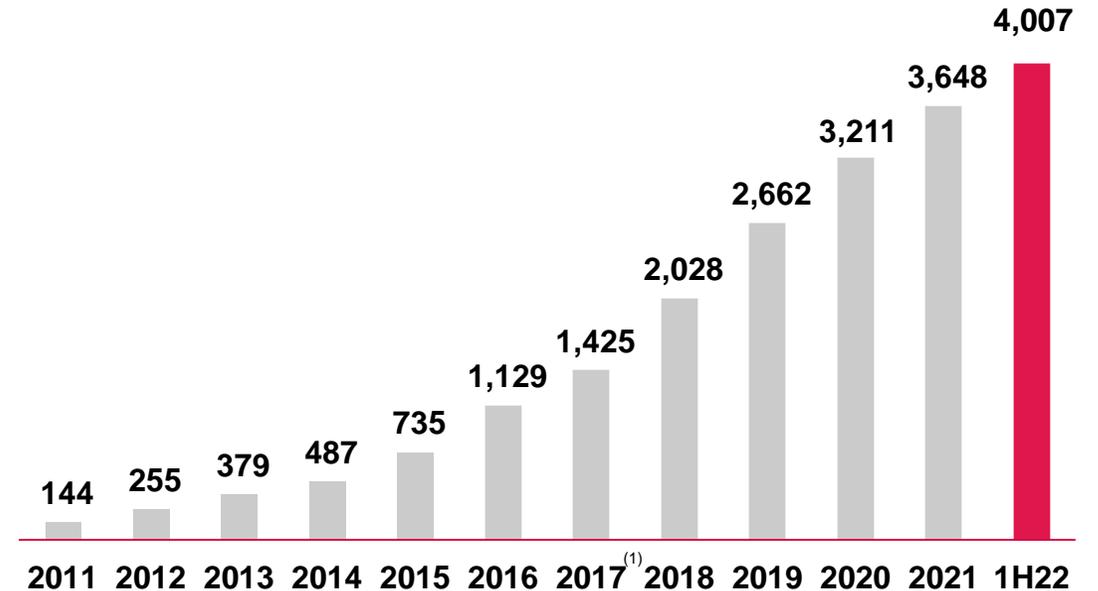
# Prudent Operating Assumptions Added \$4.0b to EV Since IPO



## Mortality and Morbidity Claims Experience Variances (\$m)



## Cumulative EV Operating Variances (\$m)



Note:

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



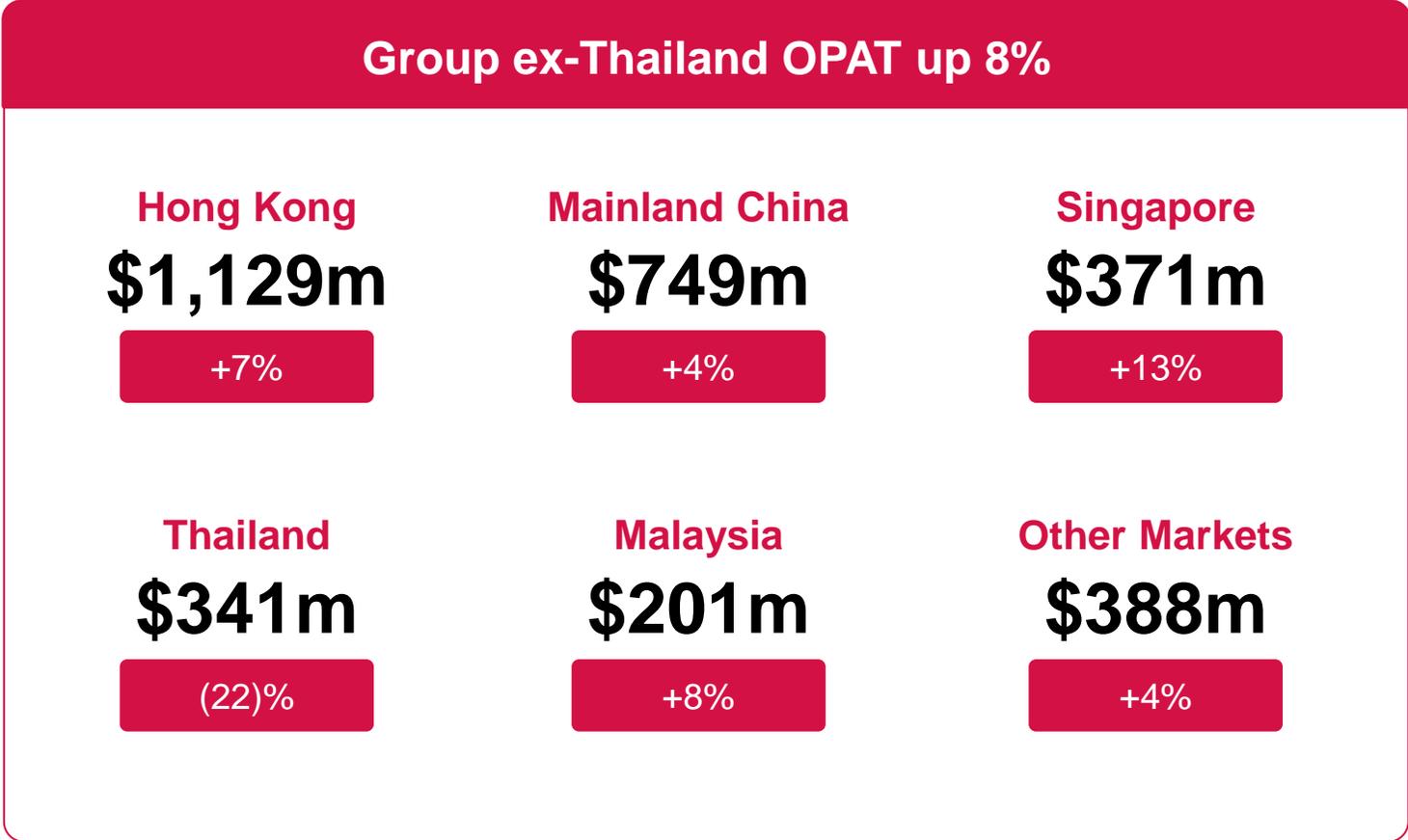
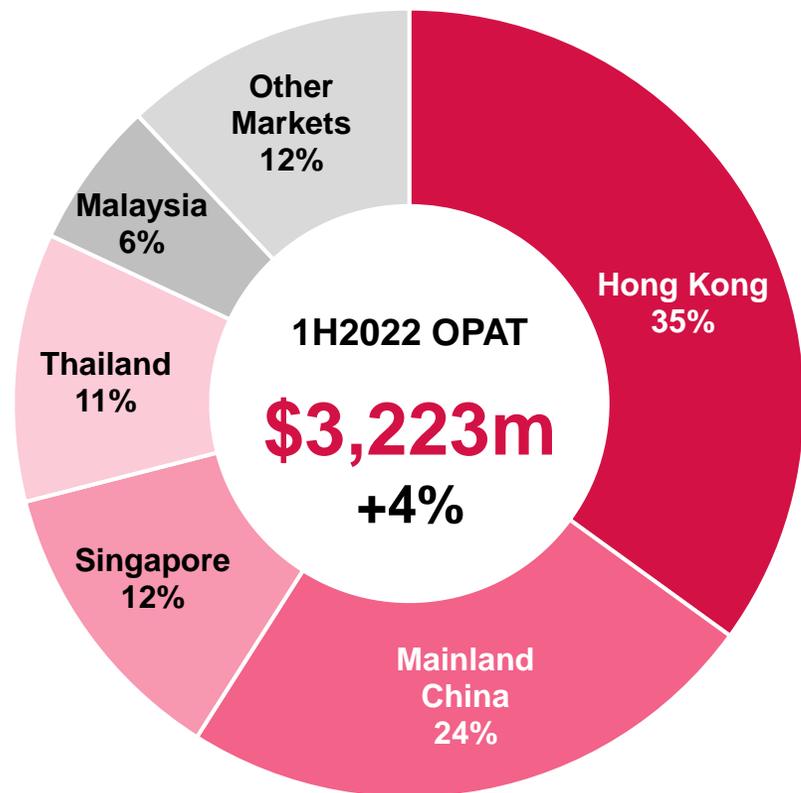
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Growth

**Earnings**

Capital & Dividends

# Growing In-Force Portfolio of High-Quality Business

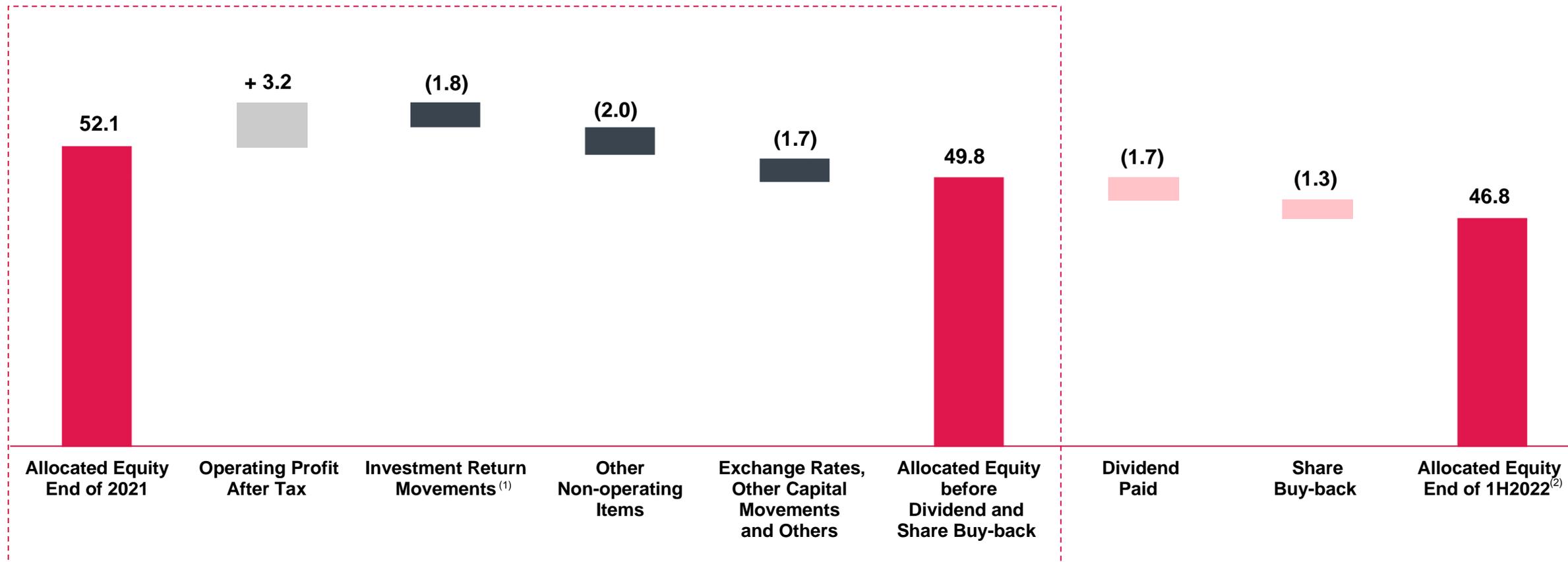


Note: Group OPAT includes Group Corporate Centre

# \$49.8b Shareholders' Allocated Equity before Dividend & Buy-Back



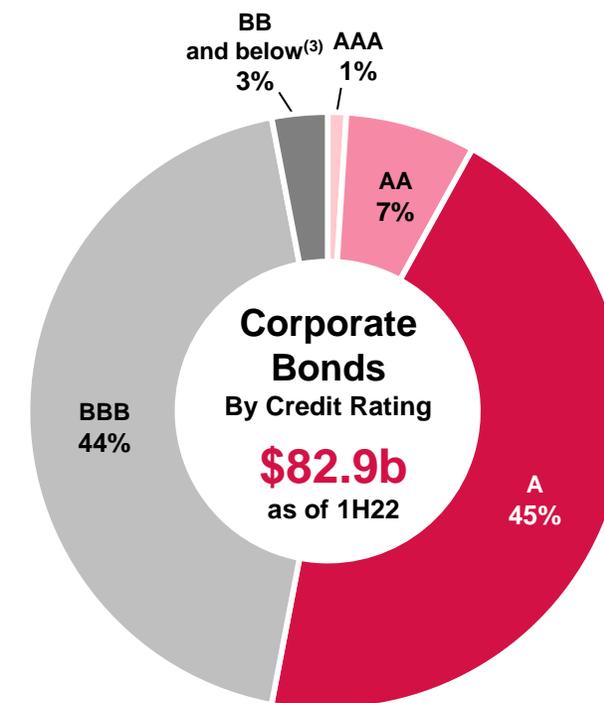
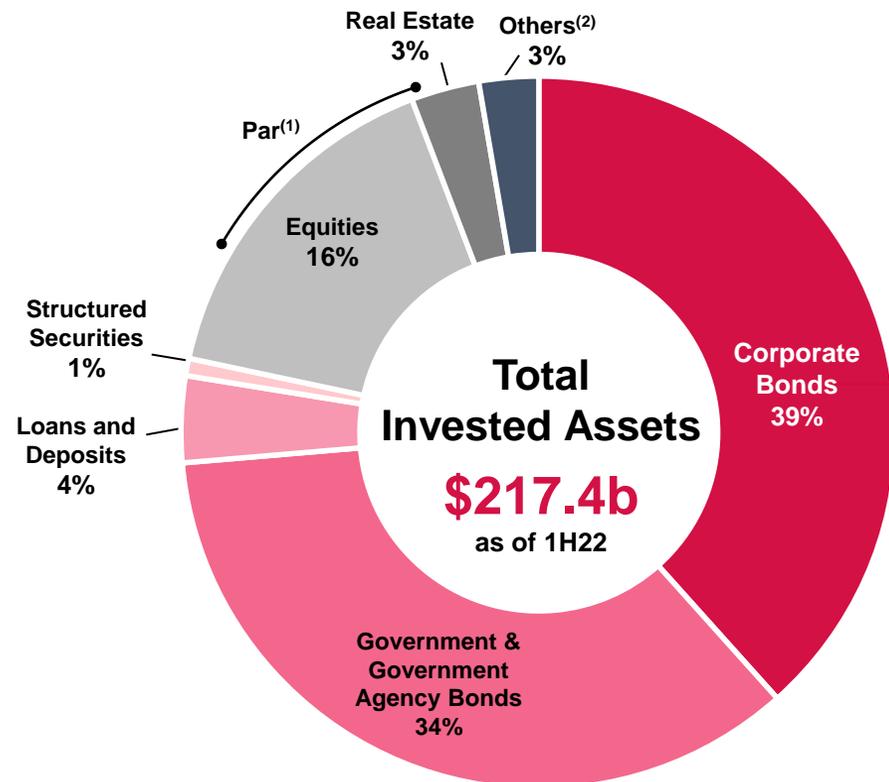
## IFRS Shareholders' Allocated Equity Movement (\$b)



Notes:

- (1) Short-term fluctuations in investment return related to equities and real estate, net of tax
- (2) Shareholders' allocated equity is shown before the fair value reserve of \$(5.8)b as at 30 June 2022

# High-Quality Investment Portfolio



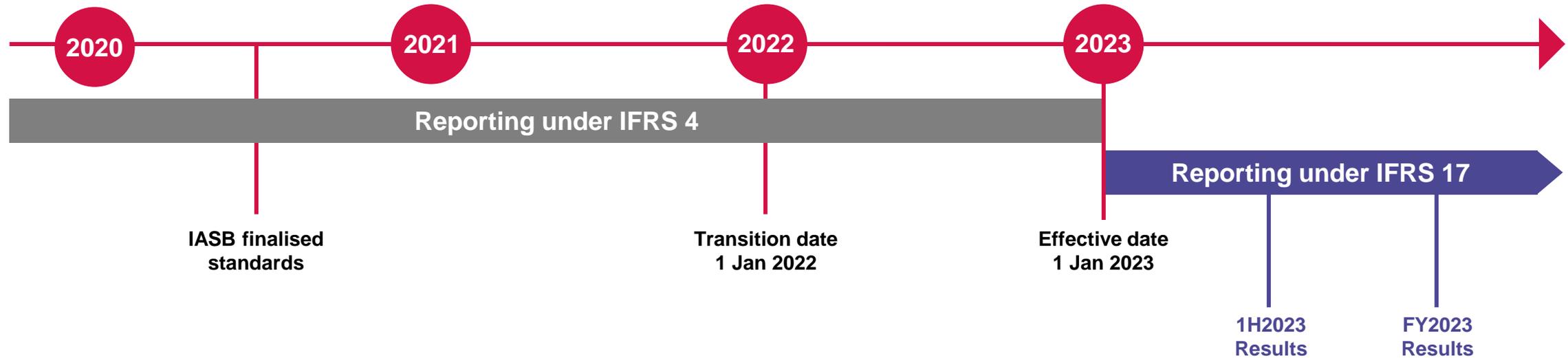
- ALM investment strategy with 78% of invested assets in fixed income
- Immaterial impairments since IPO
- 2% in Mainland China real estate, banks and LGFVs bonds and equities
- 63% of equities and real estate in Par<sup>(1)</sup> funds

- Average rating of A-
- >2,000 issuers
- Average holding size of \$36m
- 0.19% downgraded to below investment grade in 1H22

Notes:

- (1) Including participating funds and other participating business with distinct portfolios
- (2) Cash and cash equivalents and derivatives
- (3) Including not rated bonds

# Moving to IFRS 17 in 2023



- **No impact on solvency, capital, cash generation, EV and VONB**
- **No change to strategic priorities, capital management framework or dividend policy**
- **Asset-liability accounting mismatch reduced**
- **OPAT and shareholders' allocated equity retained as key disclosure metrics**
- **Full restated financial statements for 2022 under IFRS 9 / IFRS 17 in 2Q 2023**



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Growth

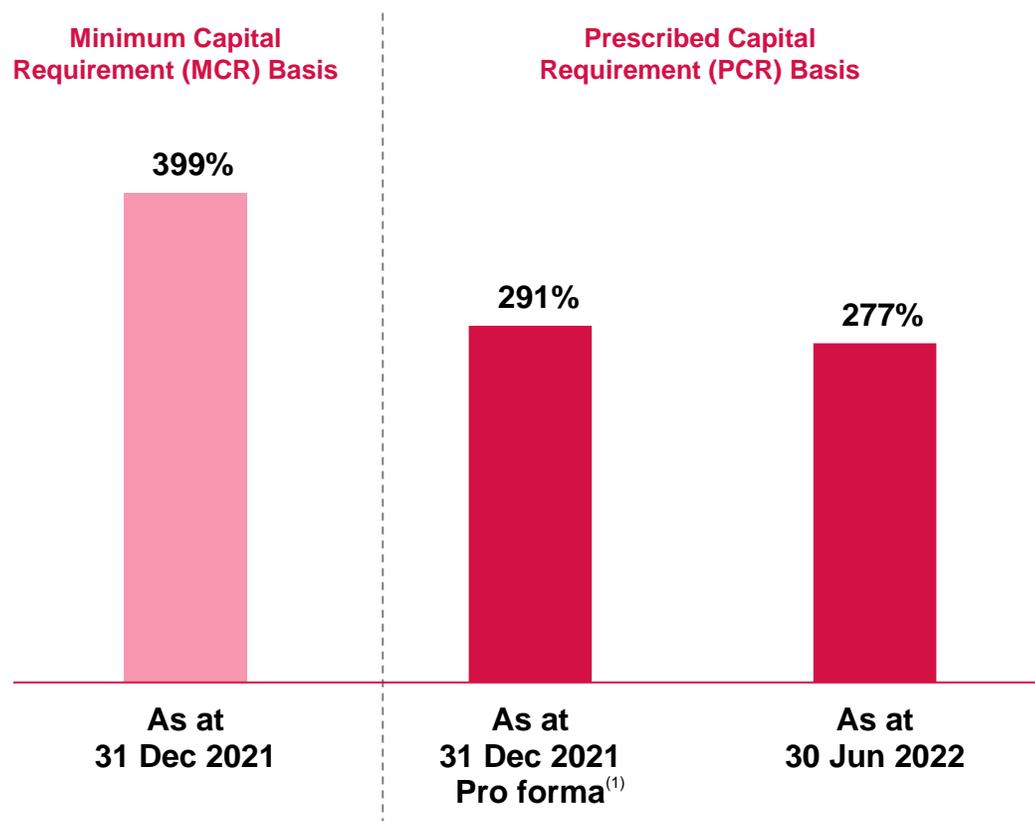
Earnings

**Capital & Dividends**

# Very Strong and Resilient Solvency Position on New PCR Basis



## Group LCSM Cover Ratio



- Prescribed capital requirement (PCR) basis since 1 Jan 2022
- Previously reported on minimum capital requirement (MCR) basis
- Pro forma<sup>(1)</sup> Group LCSM cover ratio as at 31 Dec 2021 of 291% due to higher capital requirements on PCR basis
- Includes HKRBC and C-ROSS II effective from 1 Jan 2022
- Consolidated view of the Group's capital position
- All key markets on a risk-based regulatory basis
- Group available capital of \$72.4b, up \$4.8b<sup>(2)</sup>
- Small sensitivity to interest rates and equity prices

Notes:

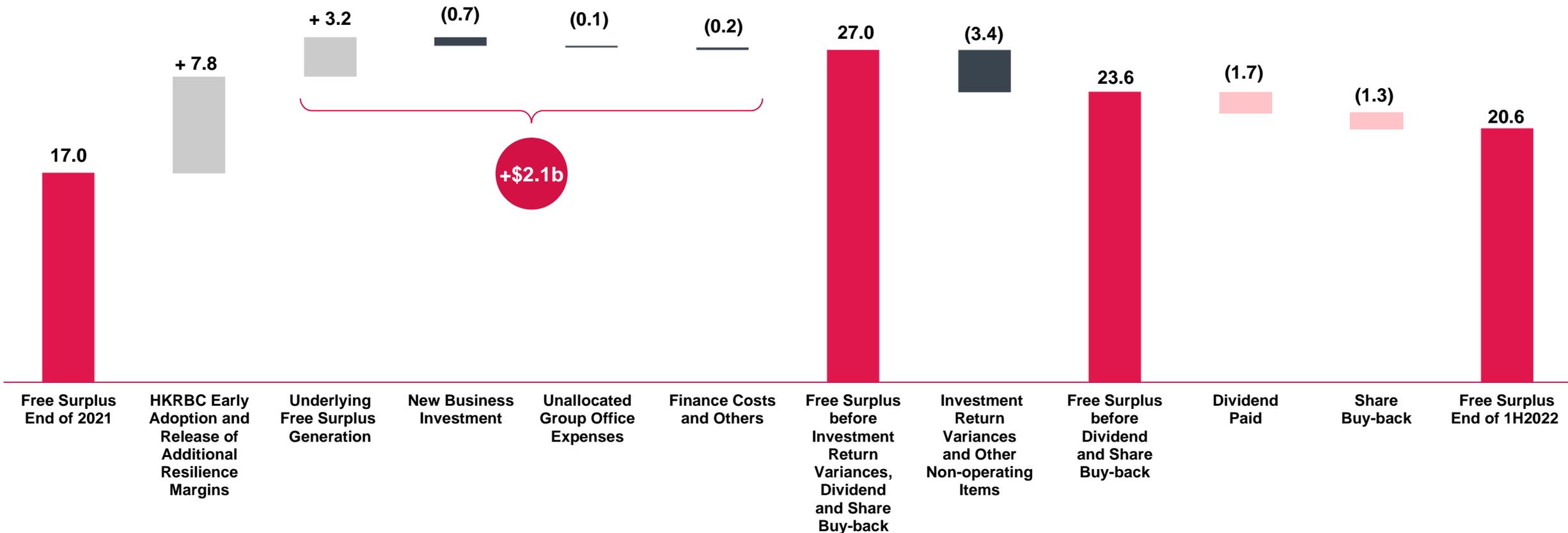
(1) Pro forma assuming early adoption of HKRBC, introduction of C-ROSS II and release of additional resilience margins

(2) Against the position as of 31 Dec 2021 as previously reported

# Free Surplus Increased by \$3.6b to \$20.6b



## Free Surplus Movement (\$b)



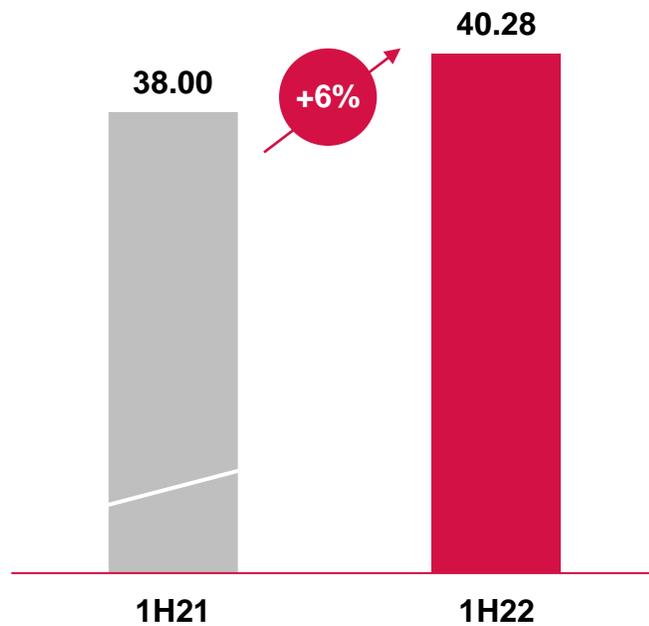
Note: Due to rounding, numbers presented in the chart may not add up precisely

# Progressive Return to Shareholders; Interim Dividend up 6%



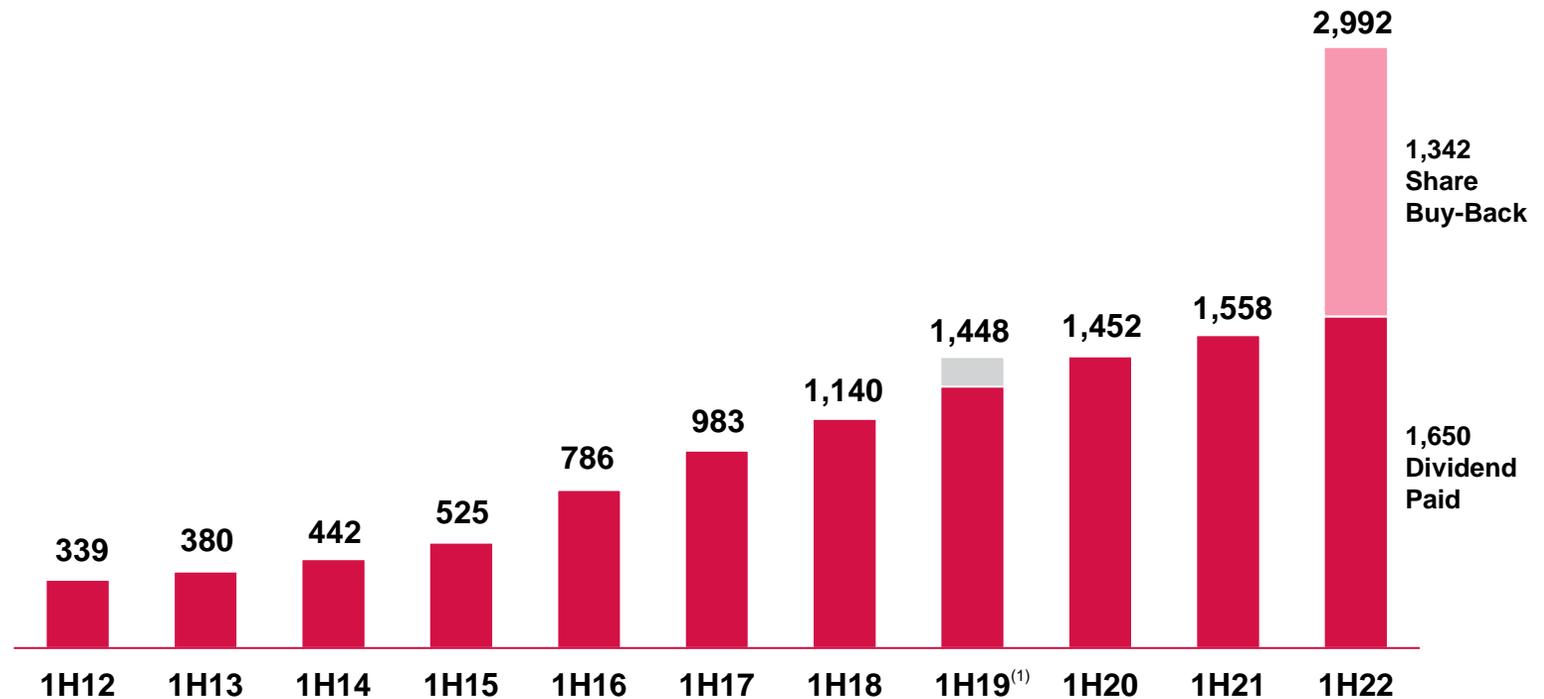
## Prudent, Sustainable and Progressive Dividend Policy

### Interim Dividend Per Share (HK cents)



## Ongoing Share Buy-Back Enhancing Shareholder Returns

### Return to Shareholders (\$m)



Note:  
 (1) Including special dividend payment of \$146m

# Profitable Growth Strategy Driving Shareholder Value

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- **Improving VONB momentum and return to growth for the Group in June**
- **EV Equity up 3% before \$3.0b return to shareholders**
- **Strong cash generation with Free Surplus of \$20.6b, up \$3.6b**
- **High-quality investment portfolio**
- **Interim Dividend up 6%**
- **Ongoing \$10b share buy-back programme enhancing shareholder returns**
- **Enormous potential for profitable new business growth**



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# AIA's Integrated Health Strategy

**Lee Yuan Siong**

Group Chief Executive and President

# Asia is the Most Attractive Region for Life and Health Insurance



## Unparalleled Opportunities

### Growing Population

**+30 million p.a.**

Asia adds to its population from 2020 to 2030E

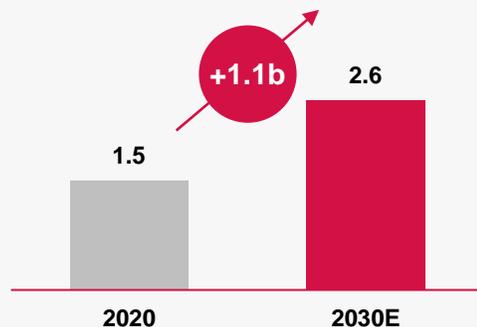
### Increasing Wealth

**50%**

of global GDP growth over 2020 to 2030E will come from Asia ex-Japan

### Rising Middle Class<sup>(1)</sup>

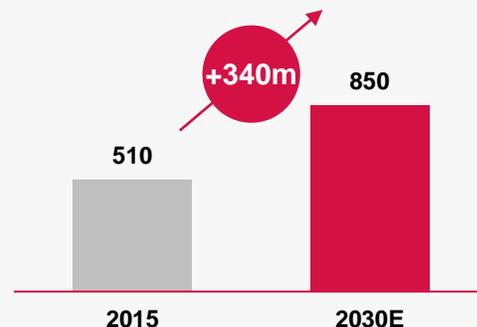
**2.6 billion**



### Ageing Society

**850 million**

above 60 years of age



## Material and Fast-Growing Health Market

### High Disease Burden

**>60%**

of the global disease burden caused by major chronic respiratory diseases occurs in Asia

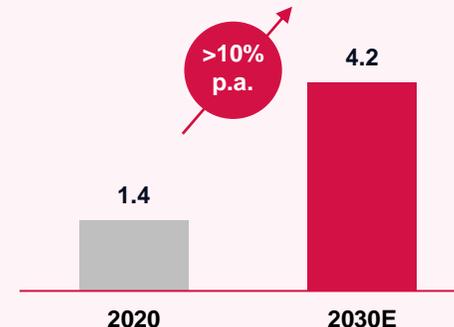
### Greater Focus on Health

**64%**

of Asian consumers are more concerned about personal health and protection post COVID-19

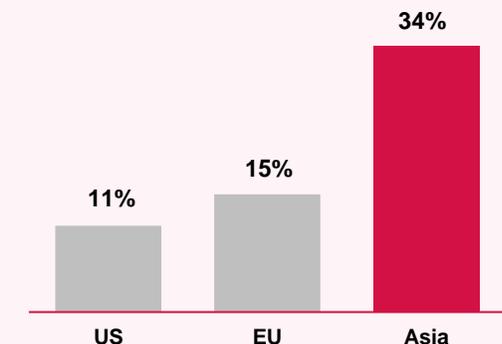
**>\$4 trillion**

Annual healthcare expenditure across AIA's markets in 2030E



**34%**

of total healthcare expenditure is **out-of-pocket**



# Urgent Need to Address Healthcare Demands in Asia

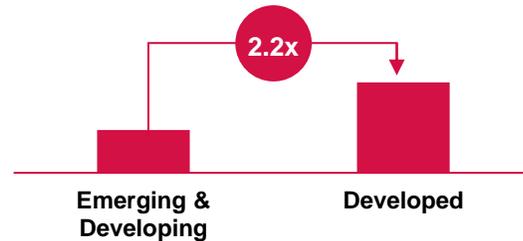


## More Accessible

### Greater Capacity

Access to care varies significantly across and within markets

Physicians per Population in APAC



### Increased Availability

Significant demand and opportunity for digital health services

**70%** of consumers      **~90%** of physicians

expect to use more **digital health services**

## More Affordable

### Reduced Medical Cost Inflation

Healthcare expenditure is growing faster than GDP growth rate

**>1.8x GDP growth**

(2020-2030E)  
across AIA markets

### Higher Coverages

Low private medical insurance

**<10%**

private medical insurance as a percentage of total healthcare expenditure

**~\$100b**

value of **foregone treatments** each year

## More Effective

### Integrated Healthcare Journeys

Healthcare is fragmented, complex and difficult to navigate

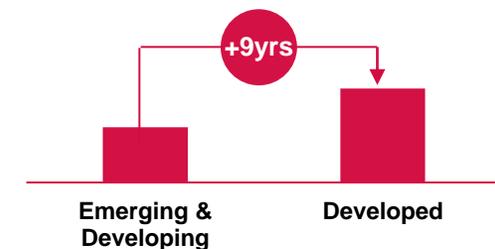
**>90% of consumers**

prefer an integrated experience for their healthcare needs

### Improved Treatments

Significant variability in quality of care across markets and socio-economic groups

Life Expectancy at birth in APAC



# AIA is Uniquely Positioned to Make a Difference



**Leading Pan-Asian Private Health Insurer**

**Profitable at Scale**

**>40% VONB**  
from products with health-related benefits<sup>(1)</sup>

**>14m** health customers    **>160,000** corporate customers

**Leading Market Presence**

**#1 Hong Kong** (25% share)    **#1 Thailand** (31% share)

**#1 Singapore** (24% share)    **#1 Malaysia** (23% share<sup>(2)</sup>)

**Unrivalled Distribution**

**Premier Agency**  
#1 MDRT multinational company for 8 years

**Leading strategic partnerships**  
Banks and digital platforms

**Differentiated Health and Wellness Services**

**AIA Vitality** ■ **>\$2.2b VONB** from integrated products<sup>(3)</sup>  
■ **>14m** health & mental well-being assessments<sup>(3)</sup>

**Health Provider Networks** ■ **10k** leading domestic hospitals and clinics with preferential rates  
■ Telemedicine in **10 markets**, >70% increase in consultations

**Personal Case Management**  
**Leading global specialists**

- 12 markets, >3m eligible lives
- >20% diagnosis change
- >50% refined treatment plan

**Regional Health Passport**  
**Cross-border cashless services**

- Provide access to leading global hospitals

**Unique HealthTech Platform**

**amplifyhealth**

**Leading digital health technology and integrated solutions business, improving the health and wellness outcomes of patients and communities across Asia**

- >30** years proven HealthTech IP
- >200** cutting-edge technology assets
- ~200** full-time employees as of July

**Extensive Data, Advanced Analytics Capabilities**

- >10m** hospital admissions
- >500m** unique claims
- >10TB** behavioural data

Notes:  
 (1) Include medical coverages and traditional protection products such as critical illness, disability income that have fixed benefits payable on a health condition diagnosis, but excluding death and accident benefits  
 (2) Exclude non-profit medical schemes  
 (3) Cumulative since 2018

# AIA's Integrated Health Strategy



## Personalised Health Insurance

Be the leading provider of personalised health insurance advice and innovative solutions

## Integration with Outpatient Clinics

Deliver better health outcomes at lower costs through strategic partnerships with outpatient clinics

## Advanced Healthcare Administration and Management

Provide more effective care management programmes with simpler healthcare journeys

## Powered by Health Technology, Digital and Analytics

Apply world-class digital health technology across the entire health insurance and healthcare value chain resulting in more efficient pricing, best-in-class claims and risk management and advanced value-based care capabilities



## Making Healthcare

More Accessible

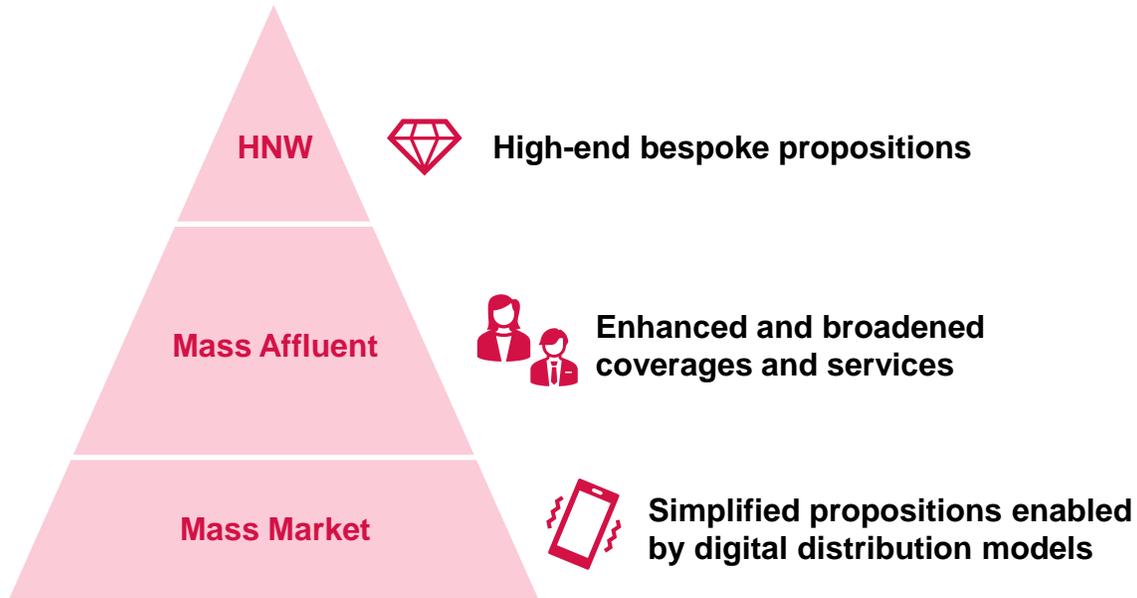
More Affordable

More Effective

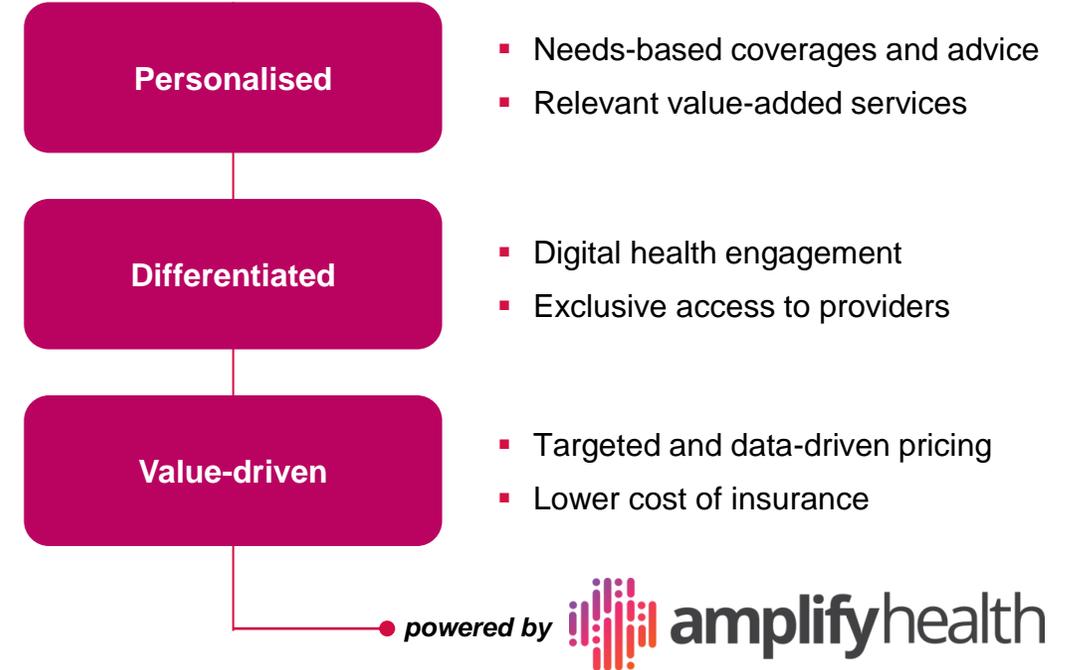
# Leading Provider of Personalised Health Insurance Solutions



## Deeper Insurance Coverages Across All Segments



## Differentiated Data-Driven Health Insurance Propositions



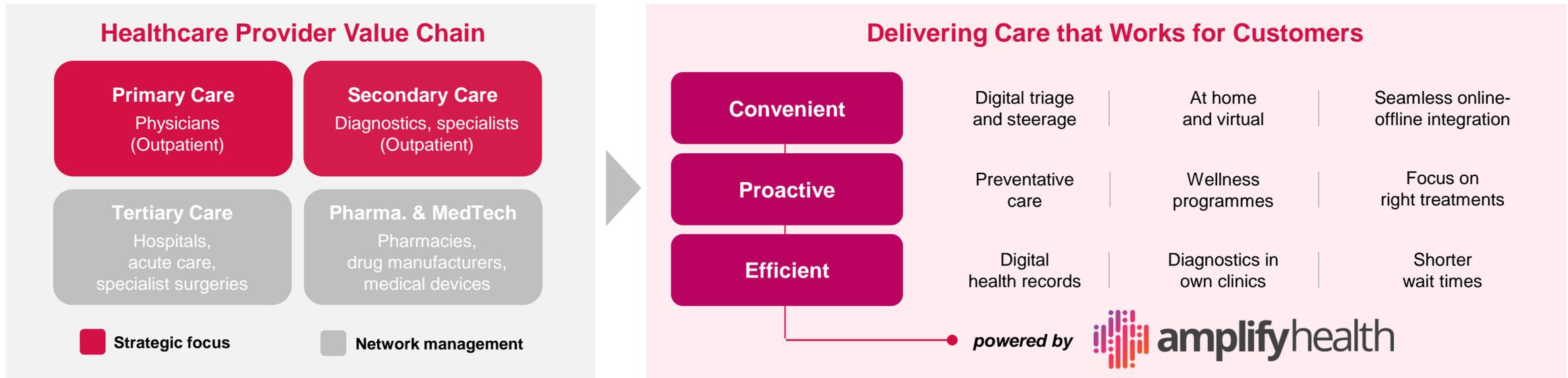
Benefits





# Delivering Better Health Outcomes at Lower Costs

- **Outpatient clinics are a key gateway to healthcare**, wielding significant influence on health outcomes and costs
- AIA will **partner with and selectively own high-quality physical and virtual outpatient clinics** to enhance customer journeys



# More Effective Care Management with Simpler Healthcare Journeys



## Quality Healthcare Networks

- Provider selection and performance monitoring
- Value-based pricing linked to patient health outcomes
- Rapid claims processing and payment

## Personalised Disease Management

- Disease-specific programmes (e.g. diabetes, cardiovascular)
- Co-ordinated chronic condition avoidance and management
- Slower progression, avoid complications, reduce hospitalisations

## Holistic Case Management & Support

- Dedicated case managers for patients
- Care planning, co-ordination and service integration
- Optimised clinical appropriateness, speed and cost of treatment

Analytics-based provider management

Automated claims, new business and policy administration

Reduction of fraud, waste and abuse

powered by



Benefits

### Customers

- ✓ Quality providers and programmes
- ✓ Reduced cost of treatment
- ✓ Improved health outcomes

### Healthcare Providers

- ✓ Improved efficiency
- ✓ Greater treatment efficacy
- ✓ Increased customer satisfaction

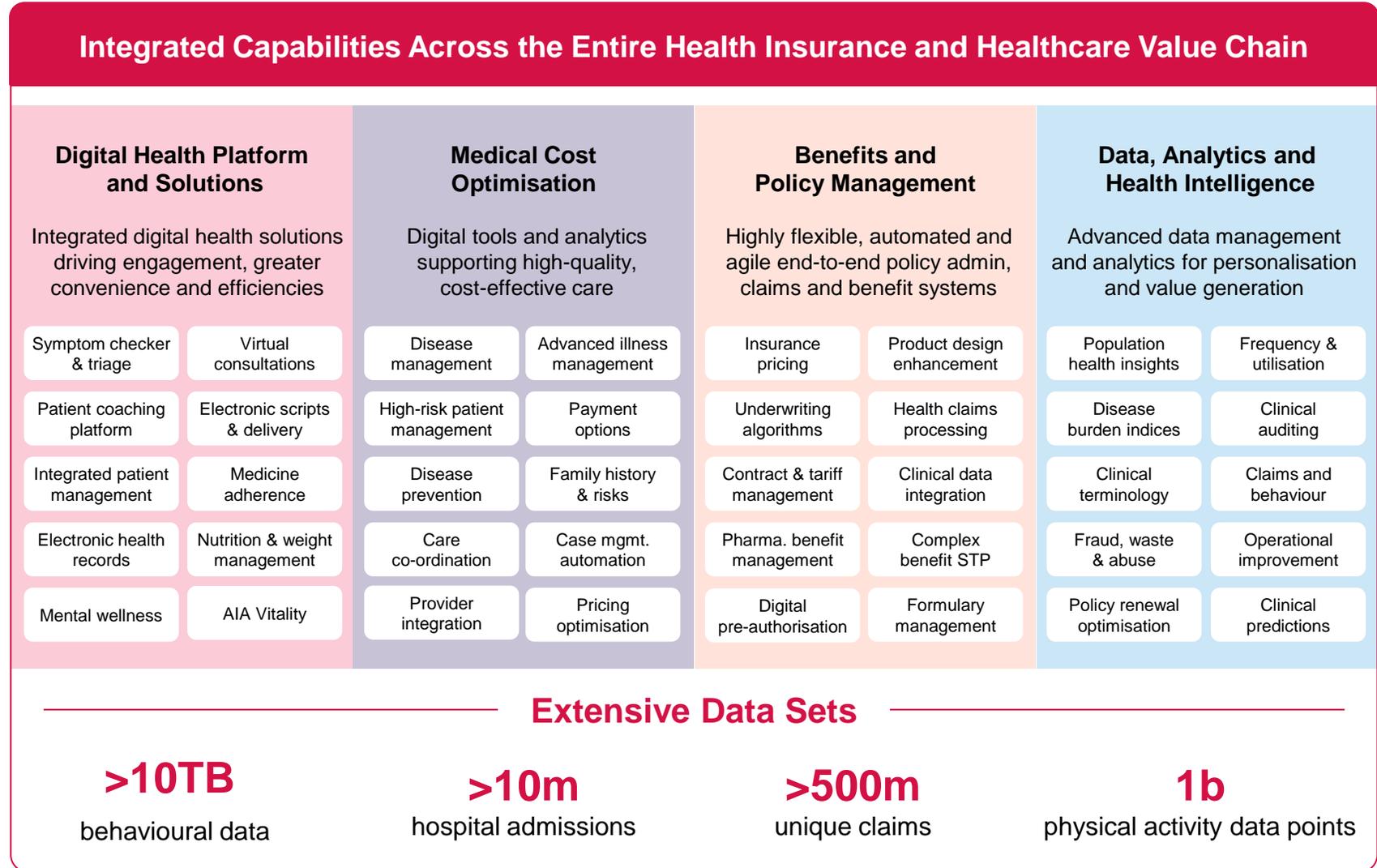
### AIA

- ✓ Differentiated propositions
- ✓ Pricing advantage
- ✓ Lower medical cost inflation

# Transforming AIA through World-Class Technology



- ✓ New health InsurTech business with Discovery
- ✓ Materially accelerates AIA's capability build in health
- ✓ Fully-integrated, production-tested health technology stack
- ✓ State-of-the-art health digital and analytics IP
- ✓ Globally proven top industry talent and expertise
- ✓ Empowering AIA's integrated health strategy
- ✓ AIA's key competitive advantage



# Creating Value for All of AIA's Stakeholders



## Customers

- ↑ Personalised products and services
- ↑ Access and coverages
- ↑ Affordable and sustainable pricing
- ↑ Experience and satisfaction



## Distributors

- ↑ New customer segments
- ↑ Referrals and cross-sell
- ↑ Scale and productivity
- ↑ Higher incomes



## Shareholders

- ↑ New customers, loyalty, persistency
- ↑ Distribution scale and productivity
- ↑ Protection products
- ↑ VONB, earnings and cash



**Accelerating AIA's Profitable Growth Strategy**  
**Helping People Live Healthier, Longer, Better Lives**



- **Resilient business performance with return to VONB growth for the Group in June**
- **100% focus on Asia – the most attractive region for life and health insurance**
- **Substantial competitive advantages and diversified platform built over decades**
- **Clear and ambitious strategy with powerful structural drivers of growth**
- **Strength and financial flexibility to shape a more sustainable future**
- **Deliver superior and sustainable long-term shareholder value**



HEALTHIER, LONGER,  
BETTER LIVES

# Definitions and Notes



- In the context of our reportable segments, Hong Kong refers to operations in the Hong Kong Special Administrative Region (SAR) and the Macau SAR; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia, Cambodia, India, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China) and Vietnam.
- The financial information from 2017 onwards is presented on the 31 December financial year-end basis, and the financial information from 2016 and before is presented on the 30 November financial year-end basis. Growth rates are shown against the corresponding period of 2021 unless otherwise stated. Comparatives for balance sheet items are shown against the position as at 31 December 2021 unless otherwise stated.
- ANP and VONB for Other Markets include the results from our 49 per cent shareholding in Tata AIA Life Insurance Company Limited (Tata AIA Life). ANP and VONB do not include any contribution from our 24.99 per cent shareholding in China Post Life Insurance Co., Ltd. (China Post Life). Both the IFRS results of Tata AIA Life and China Post Life are accounted for using the equity method. For clarity, TWPI does not include any contribution from Tata AIA Life and China Post Life.
- Both the results of Tata AIA Life and China Post Life are reported on a one-quarter-lag basis. The results of Tata AIA Life are accounted for using the six-month period ended 31 March 2022 and the six-month period ended 31 March 2021 in AIA's consolidated results for the six-month period ended 30 June 2022 and the six-month period ended 30 June 2021, respectively. The results of China Post Life are accounted for using the period from the completion of the investment on 11 January 2022 to 31 March 2022 in AIA's consolidated results for the six-month period ended 30 June 2022.
- The financial information from 2019 onwards is presented after the change in AIA's IFRS accounting treatment for the recognition and measurement of insurance contract liabilities of other participating business with distinct portfolios. The financial information from 2018 and before is presented before the above-mentioned changes.
- All figures are presented in actual reporting currency (US dollar) unless otherwise stated. Change on constant exchange rates (CER) is calculated for all figures for the current period and for the prior period, using constant average exchange rates, other than for balance sheet items as at the end of the current period and as at the end of the prior year, which is translated using the CER.
- Actual investment return is the interest income from fixed income investments and actual investment returns of equities and real estate, as a percentage of average fixed income investments, equities and real estate over the period. This excludes unit-linked contracts and consolidated investment funds.
- AIA's group available capital, group prescribed capital requirement (GPCR) and group minimum capital requirement (GMCR) are calculated based on the Local Capital Summation Method (LCSM). From 1 January 2022, the Group LCSM surplus is calculated as the excess of group available capital over GPCR and the Group LCSM cover ratio is calculated as the ratio of group available capital to GPCR on the new prescribed capital requirement (PCR) basis. Prior to 1 January 2022, the Group LCSM surplus and the Group LCSM cover ratio were calculated using the GMCR on the previously reported minimum capital requirement (MCR) basis.
- AIA has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR and a 49% joint venture in India.
- ANP represents 100% of annualised first year premiums and 10% of single premiums, before reinsurance ceded.
- ANW is the market value of assets in excess of the assets backing the policy reserves and other liabilities of the life (and similar) business of AIA, plus the IFRS equity value of other activities, such as general insurance business, less the value of intangible assets. It excludes any amounts not attributable to shareholders of AIA Group Limited. ANW for AIA is stated after adjustment to reflect consolidated reserving requirements. ANW by market is stated before adjustment to reflect consolidated reserving requirements, and presented on a local statutory basis.
- BEA refers to The Bank of East Asia, Limited.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company, after allowing for taxes.

# Definitions and Notes (Cont.)



- 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, required capital and adjustment for certain assets not eligible for regulatory capital purposes.
- Holding company financial resources represent the debt and equity securities, deposits, cash and cash equivalents and dividends paid but not settled by subsidiaries, net of obligations under repurchase agreements, at the Group's listed holding company, AIA Group Limited.
- 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.
- 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, on an annualised basis.
- Operating ROEV stands for operating return on EV and is calculated as EV operating profit, expressed as a percentage of the opening embedded value, on an annualised basis.
- PVNBP margin refers to margin on a present value of new business premium basis.
- 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.
- Underlying free surplus generation (UFSG) represents free surplus generated from the in-force business, adjusted for certain non-recurring items, and before free surplus used to fund new business, unallocated Group Office expenses, finance costs, investment return variances and other non-operating items. The underlying free surplus generation is also calculated after reflecting consolidated reserving and capital requirements.
- VIF is the present value of projected after-tax statutory profits by Business Units emerging in the future from the current in-force business less the cost arising from holding the required capital (CoC) to support the in-force business. VIF for AIA is stated after adjustments to reflect consolidated reserving and capital requirements and the after-tax value of unallocated Group Office expenses.
- VONB for the Group is after unallocated Group Office expenses and the adjustment to reflect consolidated reserving and capital requirements. The total reported VONB for the Group excludes VONB attributable to non-controlling interests.
- VONB and VONB margin by distribution channel are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests and exclude pension business.
- VONB and VONB margin by product mix and geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests.
- VONB includes pension business. ANP and VONB margin exclude pension business and are before the deduction of non-controlling interests.
- VONB margin is calculated as VONB divided by ANP. VONB for the margin calculations excludes pension business and is before the deduction of non-controlling interests to be consistent with the definition of ANP.



HEALTHIER, LONGER,  
BETTER LIVES

# APPENDIX

# Accelerating AIA's Profitable Growth Strategy



## Strategic Priorities

### Leading Customer Experience

Seamless omnichannel customer experience with best-in-class engagement

### Unrivalled Distribution

Scale capacity and productivity through digitalisation and advice-centric models

### Compelling Propositions

Be the leading provider of personalised advice and innovative solutions

## Step Change in Technology, Digital and Analytics

World-class technology

Customised and digitally-enabled journeys

Data and analytics powering everything we do

### Organisation of the Future

Simpler, faster, more connected

### Financial Discipline

Sustainable long-term shareholder value driven by clear KPIs

## Structural Growth Drivers in Asia



Unprecedented wealth creation



Significant need for private protection



Rapidly shifting consumer mindset



Pervasiveness of new technologies



Embracing purpose, sustainability and resilience

# Embedding ESG in Our Business



## AIA's Ambition

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

## ESG Strategy

### Health and Wellness

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

### Sustainable Operations

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

### Sustainable Investment

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

### People and Culture

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

### Effective Governance

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

Note:

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

# Amplify Health: A Key Competitive Advantage and Source of Value Creation



## Value Creation for AIA's Local Health Insurance Businesses

- ✓ **New health InsurTech business with Discovery**
- ✓ **Materially accelerates AIA's capability build in health**
- ✓ **Fully-integrated, production-tested health technology stack**
- ✓ **State-of-the-art health digital and analytics IP**
- ✓ **Globally proven top industry talent and expertise**
- ✓ **Empowering AIA's integrated health strategy**
- ✓ **AIA's key competitive advantage in health**

## Value Creation for Third Parties' HealthTech Services

**>\$100 billion** addressable market opportunity in Asia for **digital health and technology services by 2030E**

### Public payors

- Precision prevention for patients
- Fraud, waste and abuse management

### Healthcare providers

- Care coordination by patient-specific risks
- Text analytics on customer feedback

### Corporates

- Data-enabled underwriting tools in pricing
- Wellness programmes

### Private payors

- Data-driven underwriting and claims mgmt.
- Remote patient monitoring

### Pharma.

- Patient identification for real-world evidence
- Analytics to optimise commercials

# Geographical Market Performance



Mainland China (\$m)	1H22	1H21	CER	AER
VONB	563	738	(24)%	(24)%
VONB Margin	67.4%	82.1%	(14.8) pps	(14.7) pps
ANP	835	899	(7)%	(7)%
TWPI	4,509	3,961	+14%	+14%
OPAT	749	722	+4%	+4%

Singapore (\$m)	1H22	1H21	CER	AER
VONB	161	176	(6)%	(9)%
VONB Margin	65.9%	63.2%	+2.7 pps	+2.7 pps
ANP	244	279	(11)%	(13)%
TWPI	1,800	1,730	+7%	+4%
OPAT	371	339	+13%	+9%

Hong Kong (\$m)	1H22	1H21	CER	AER
VONB	323	313	+3%	+3%
VONB Margin	69.3%	57.5%	+11.8 pps	+11.8 pps
ANP	443	505	(12)%	(12)%
TWPI	5,404	5,773	(6)%	(6)%
OPAT	1,129	1,055	+7%	+7%

Malaysia (\$m)	1H22	1H21	CER	AER
VONB	161	157	+7%	+3%
VONB Margin	67.2%	61.7%	+5.4 pps	+5.5 pps
ANP	239	253	(2)%	(6)%
TWPI	1,248	1,200	+8%	+4%
OPAT	201	194	+8%	+4%

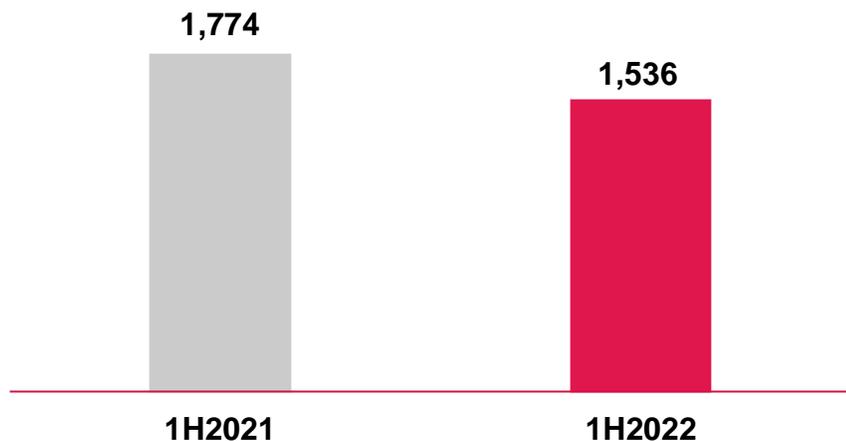
Thailand (\$m)	1H22	1H21	CER	AER
VONB	260	312	(9)%	(17)%
VONB Margin	83.8%	93.5%	(9.8) pps	(9.7) pps
ANP	311	333	+2%	(7)%
TWPI	1,989	2,089	+4%	(5)%
OPAT	341	485	(22)%	(30)%

Other Markets (\$m)	1H22	1H21	CER	AER
VONB	207	253	(15)%	(18)%
VONB Margin	29.1%	32.1%	(3.1) pps	(3.0) pps
ANP	706	791	(6)%	(11)%
TWPI	3,618	3,758	+3%	(4)%
OPAT	388	391	+4%	(1)%

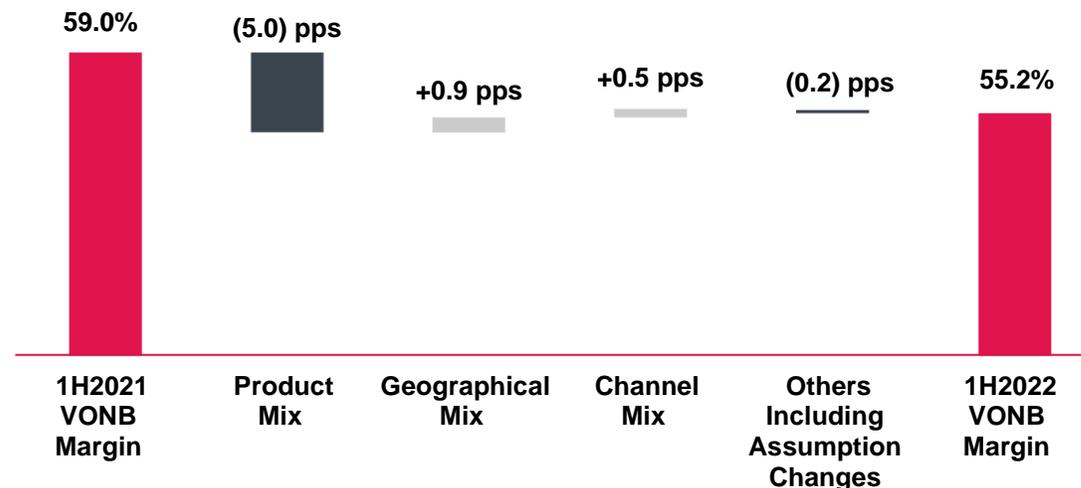
# High-Quality New Business Delivering Attractive Returns



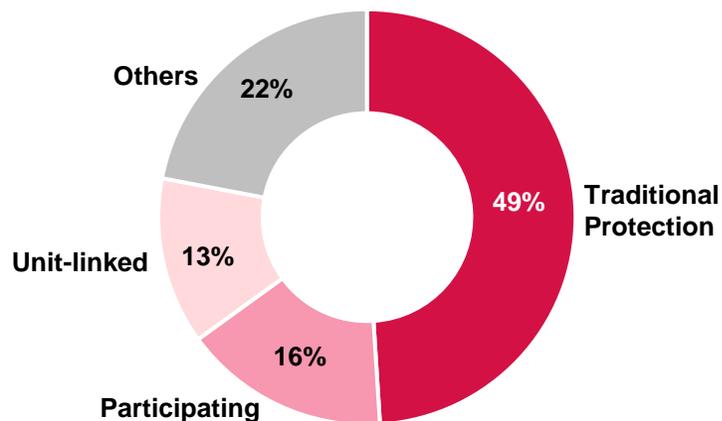
### VONB (\$m)



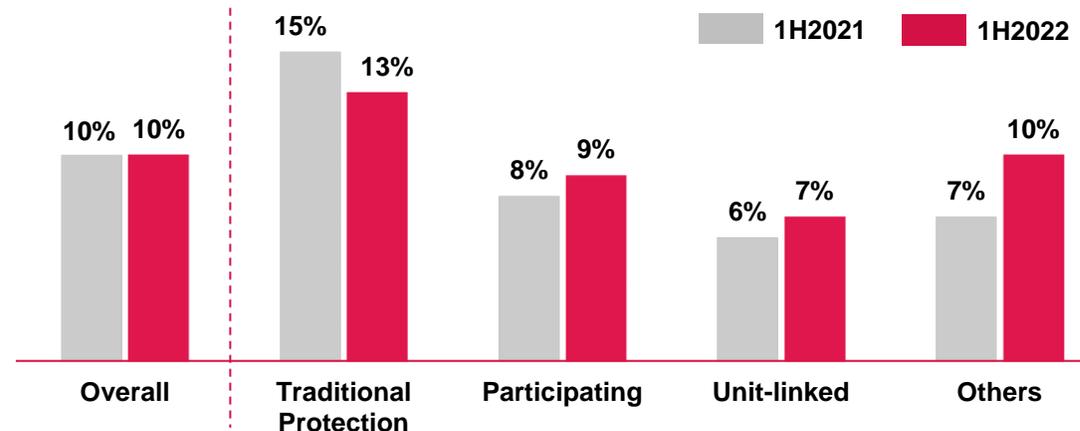
### VONB Margin Movement



### VONB by Product Mix



### PVNB Margin by Product<sup>(1)</sup>



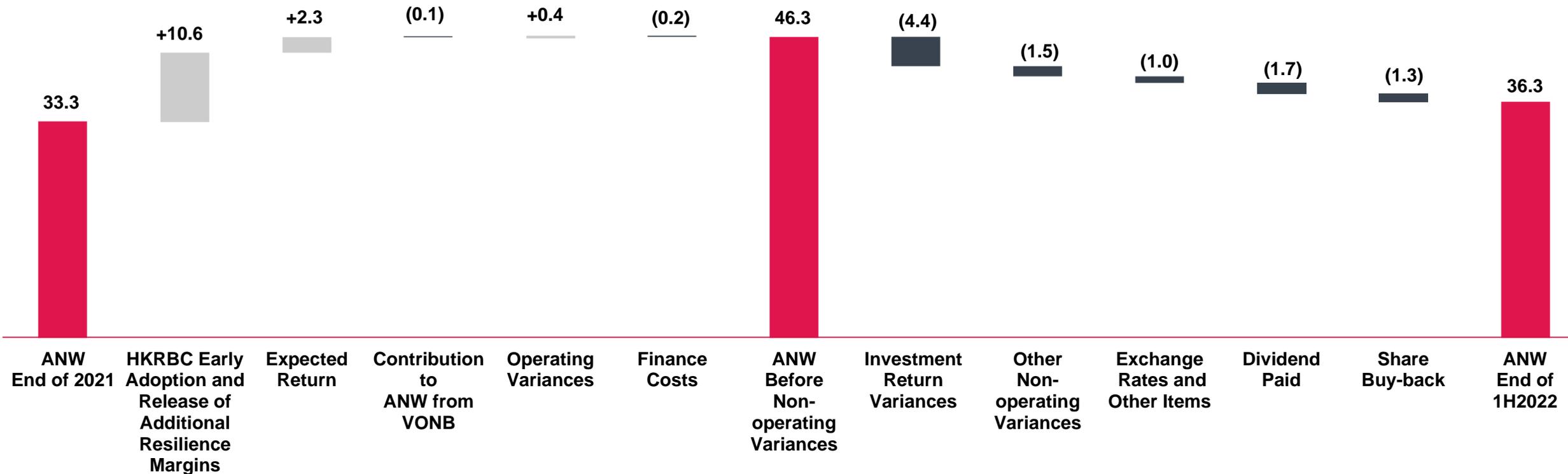
Notes: VONB comparative is shown on a constant exchange rate basis; Product mix are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests

(1) Product mix for 1H22 reflects minor changes to product categorisation compared to 1H21

# 1H2022 ANW Movement



## ANW Movement (\$b)

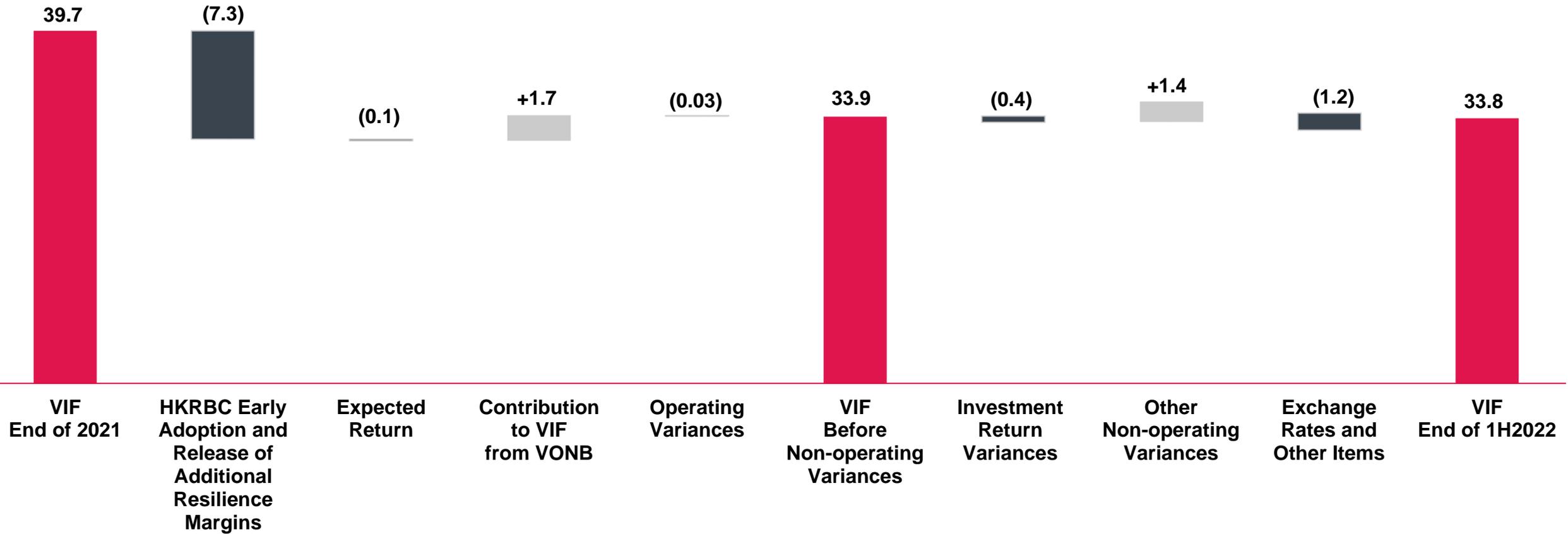


Note: Due to rounding, numbers presented in the chart may not add up precisely

# 1H2022 VIF Movement



## VIF Movement (\$b)

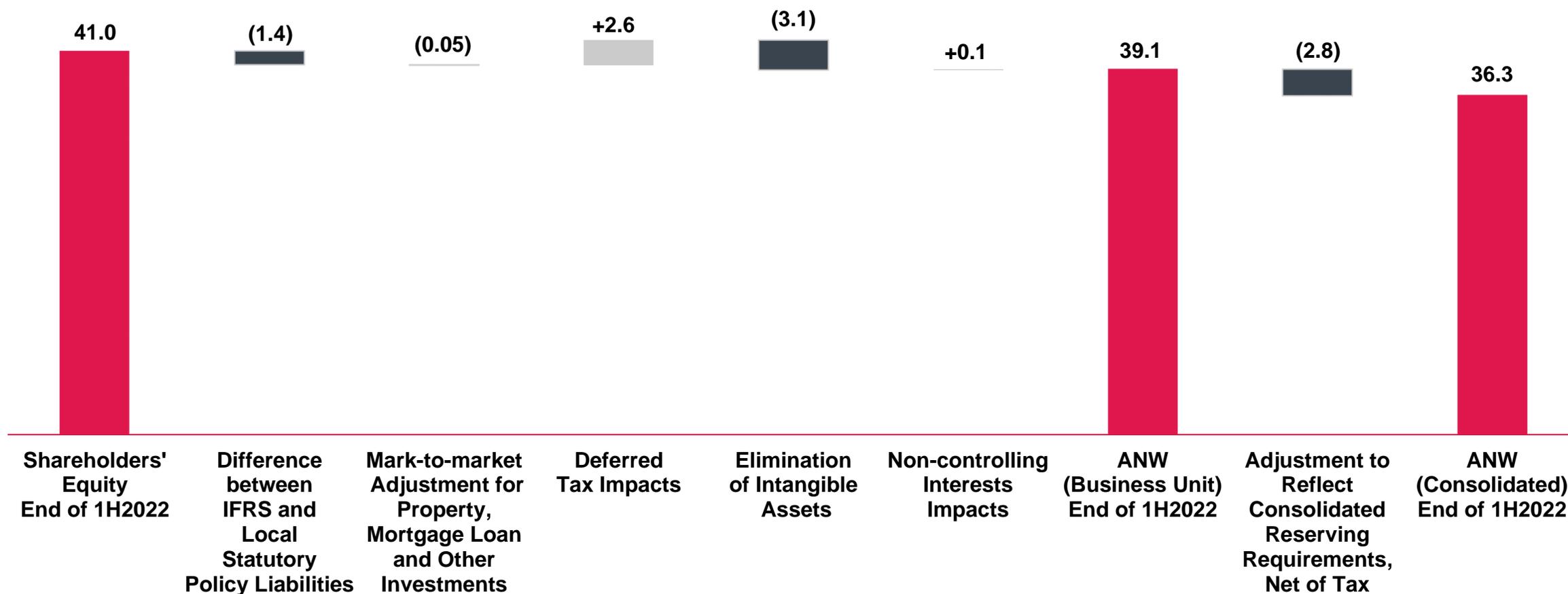


Note: Due to rounding, numbers presented in the chart may not add up precisely

# IFRS Shareholders' Equity and ANW



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

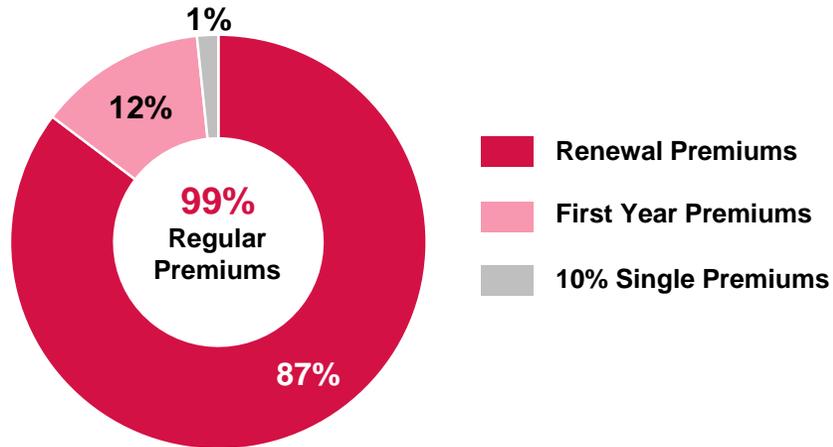


Note: Due to rounding, numbers presented in the chart may not add up precisely

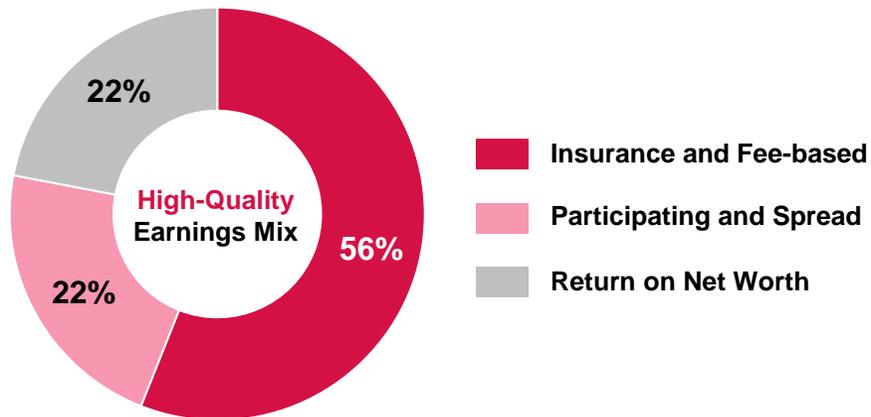
# High-Quality Diversified Earnings Driving 11% CAGR in OPAT



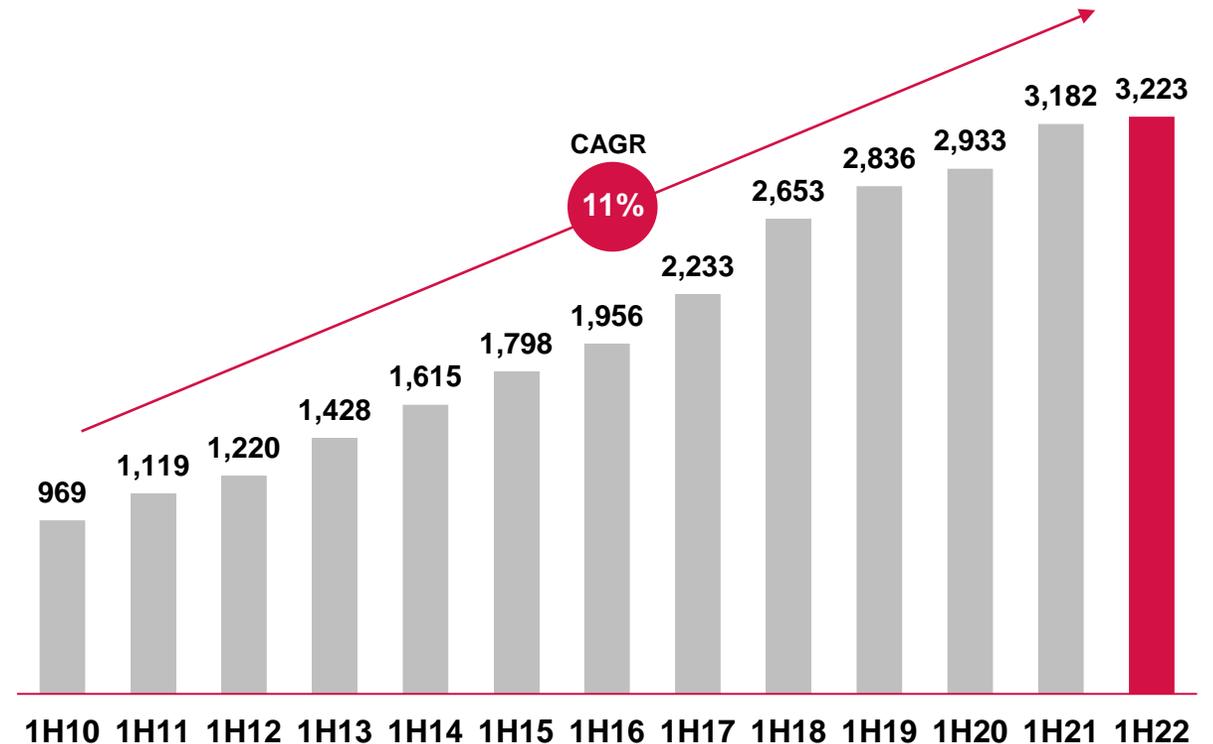
### TWPI by Premium Type



### Sources of IFRS Operating Profit<sup>(1)</sup>



### OPAT (\$m)



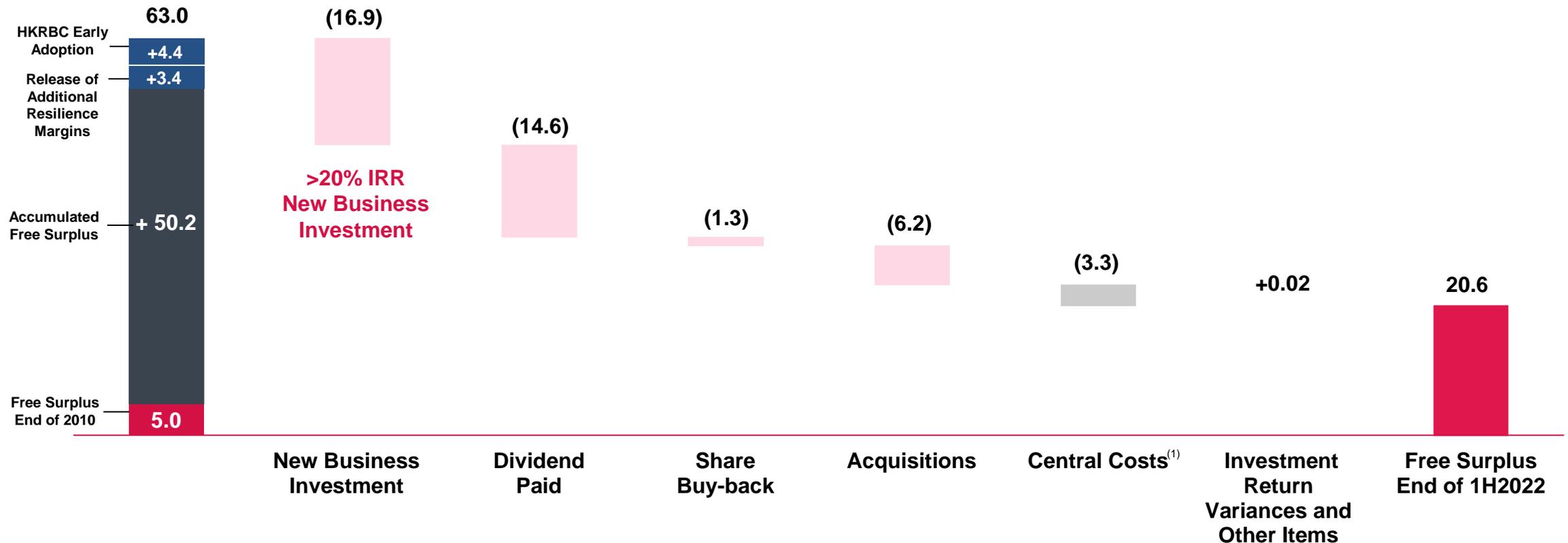
Notes: For 1H22

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

# Robust Capital Management Driving Shareholder Value



## Uses of Free Surplus Since IPO (\$b)

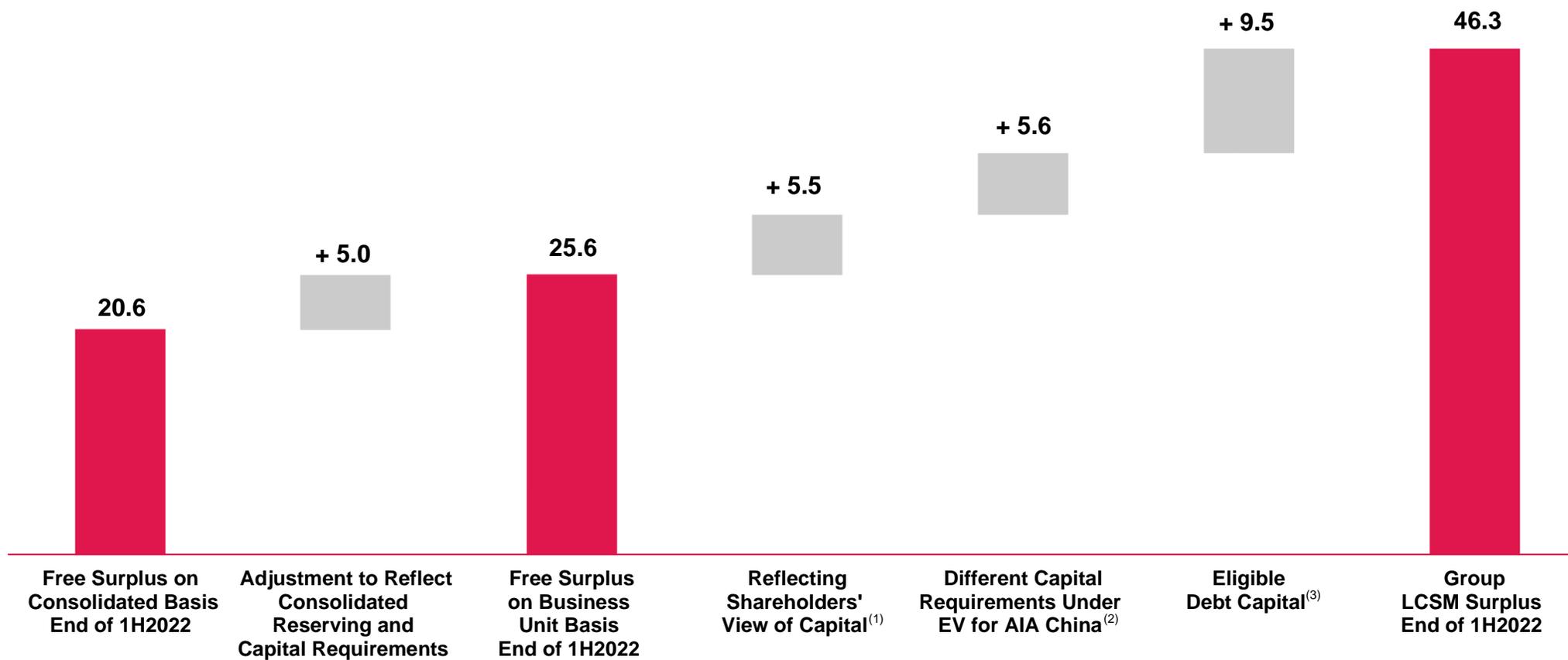


Notes: Due to rounding, numbers presented in the chart may not add up precisely  
 (1) Including unallocated Group Office expenses, finance costs and other capital movements

# Free Surplus vs Group LCSM Surplus



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



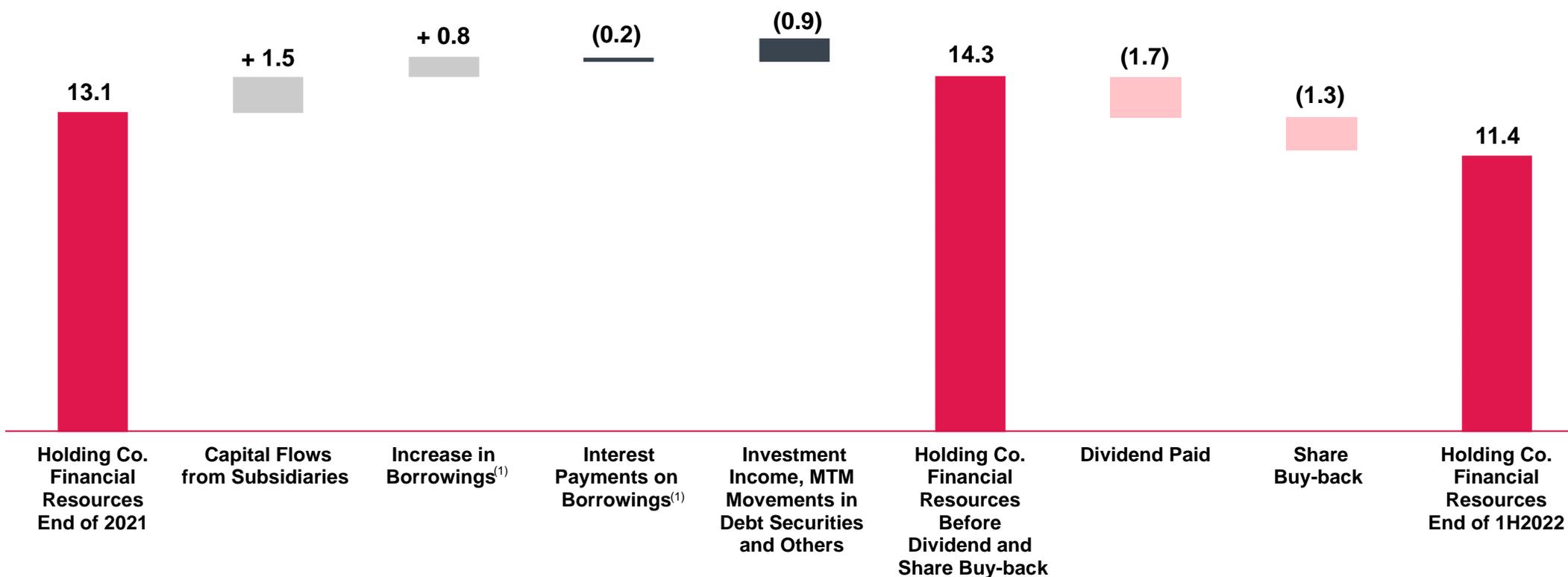
Notes: Due to rounding, numbers presented in the chart may not add up precisely

- (1) Reflects change from EV required capital to group prescribed capital requirement (GPCR) and the inclusion of participating fund surplus
- (2) Adjustment from China Association of Actuaries (CAA) EV basis to C-ROSS solvency basis in line with local requirements
- (3) Eligible Other Than Tier 1 debt capital

# Holding Company Financial Resources



## Holding Company Financial Resources Movement (\$b)



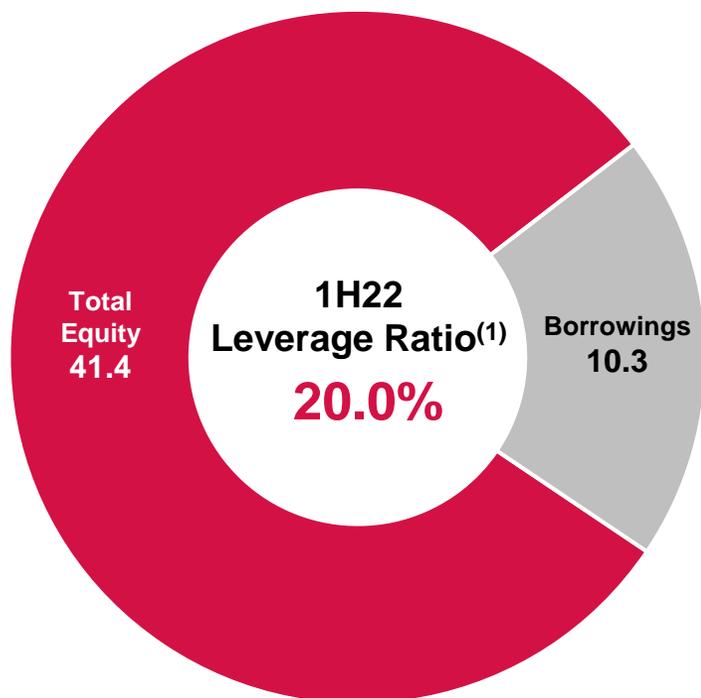
Notes: Due to rounding, numbers presented in the chart may not add up precisely

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

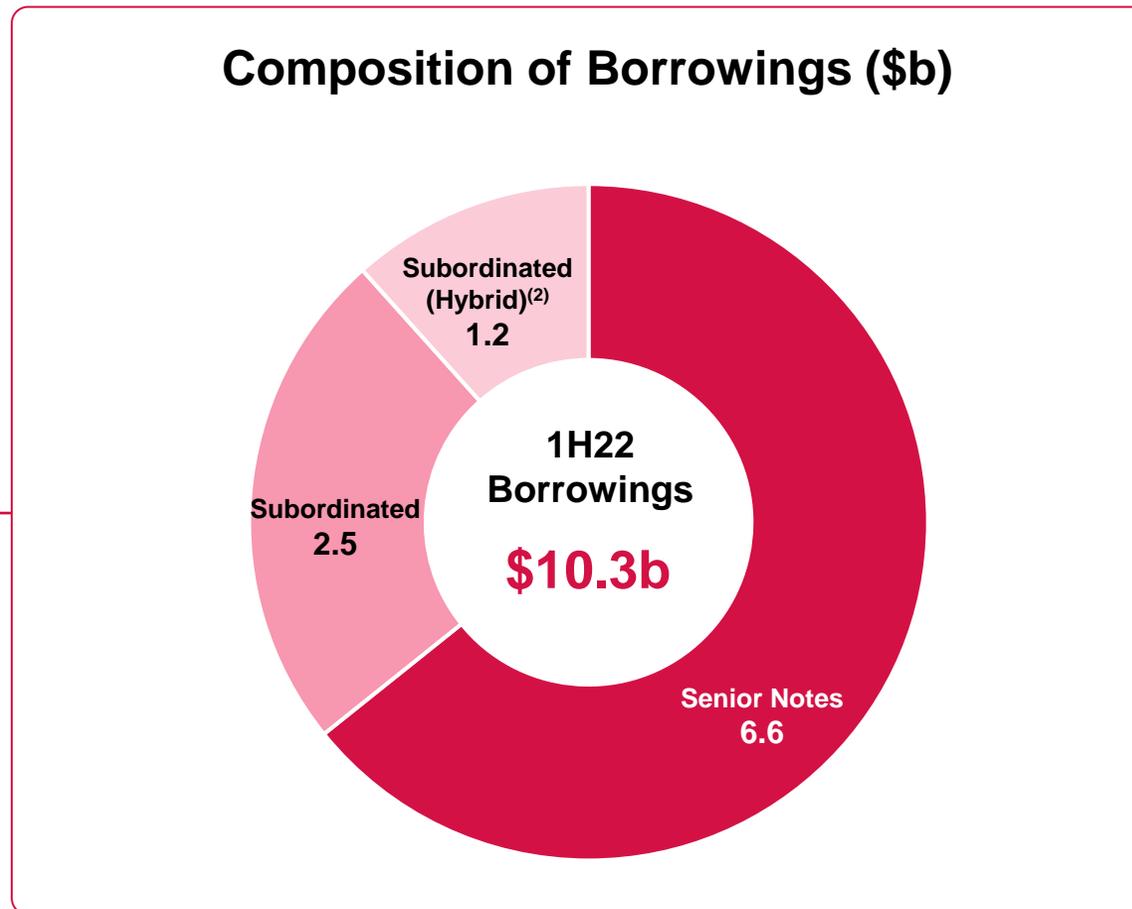
# Discipline Around Financial Leverage



## Group Total Leverage (\$b)



## Composition of Borrowings (\$b)



Notes: For 1H22

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

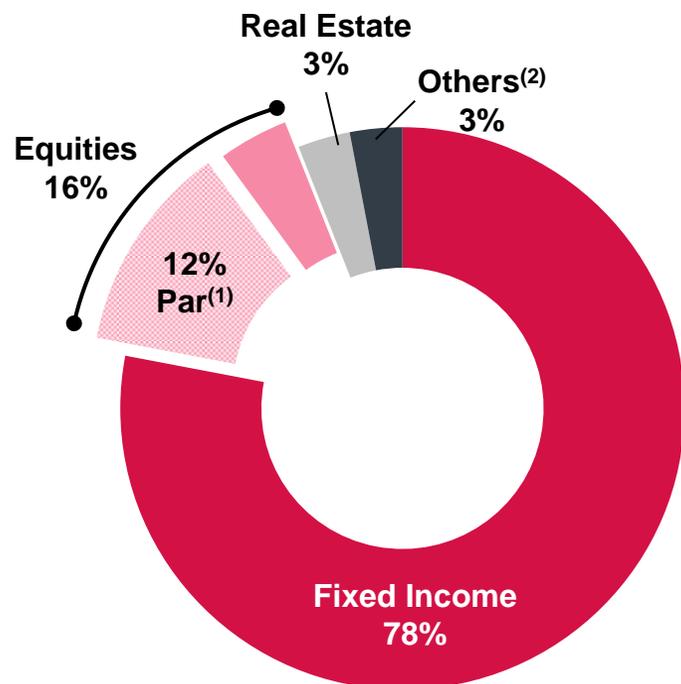
(2) Hybrid capital instruments meet requirements from one or more rating agencies for ratings capital credit and/or equity content for purposes of calculating financial leverage

# Reconciliation of OPAT to Net Profit / (Loss)



## Total Investments by Type

Total Invested Assets \$217.4b



## Reconciliation of OPAT to Net Profit / (Loss)

(\$m)	1H2021	1H2022
OPAT	3,182	3,223
Short-term fluctuations <sup>(3)</sup> in		
Par <sup>(1)</sup> Equities	113	(1,093)
Others	86	(720)
Total	199	(1,813)
Other items <sup>(4)</sup>	(136)	(1,981)
Net Profit / (Loss)	3,245	(571)

Notes: Total invested assets as of 30 June 2022

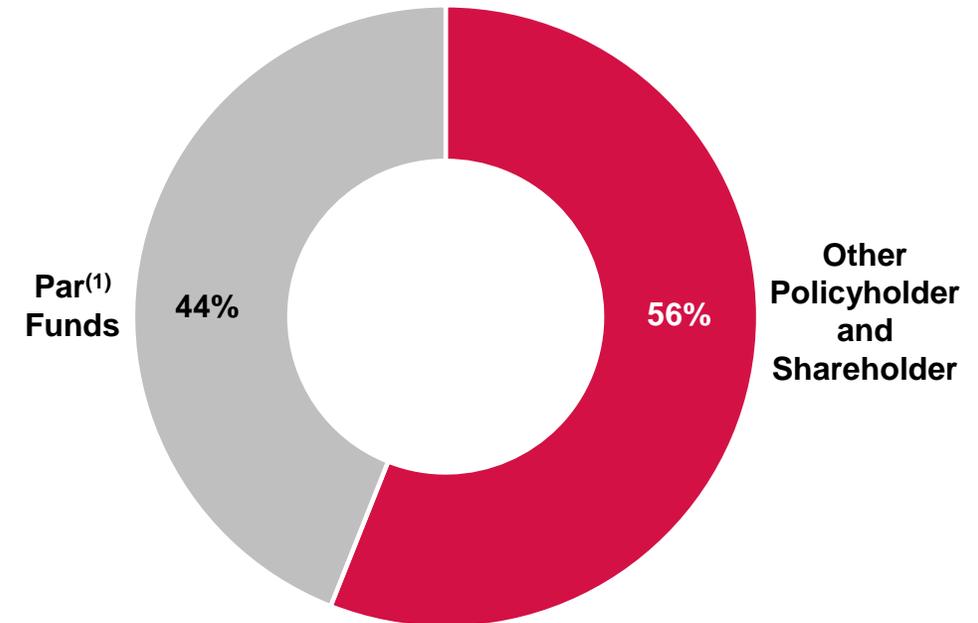
- (1) Including participating funds and other participating business with distinct portfolios
- (2) Cash and cash equivalents and derivatives
- (3) Short-term fluctuations in investment return related to equities and real estate
- (4) Other non-operating investment return and other items

# Total Invested Assets



(\$m)	Par <sup>(1)</sup> Funds	Other Policyholder and Shareholder	Total
Fixed Income	67,803	102,547	170,350
Equities	25,063	9,471	34,534
Real Estate	1,068	5,622	6,690
Others <sup>(2)</sup>	1,205	4,652	5,857
<b>Total Invested Assets</b>	<b>95,139</b>	<b>122,292</b>	<b>217,431</b>

Total Invested Assets \$217.4b



Notes: As of 30 June 2022

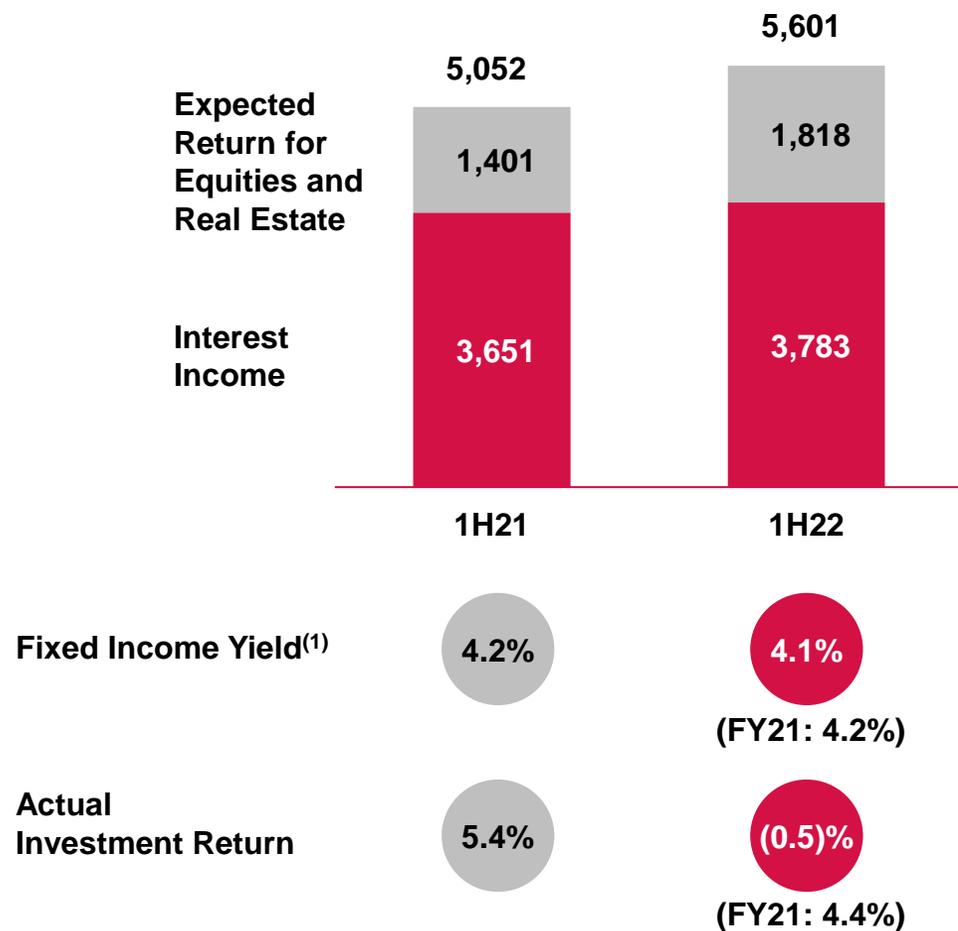
(1) Including participating funds and other participating business with distinct portfolios

(2) Cash and cash equivalents and derivatives

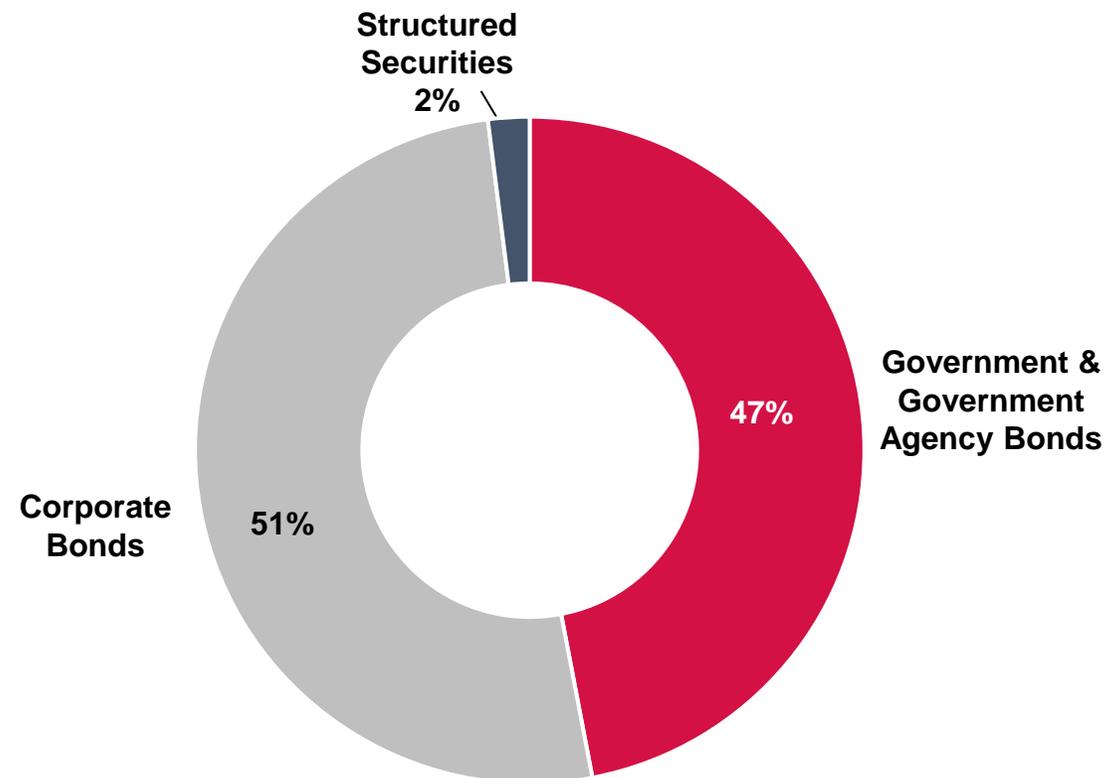
# Prudent Investment Portfolio Summary



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



## Total Bond Portfolio of \$162.0b

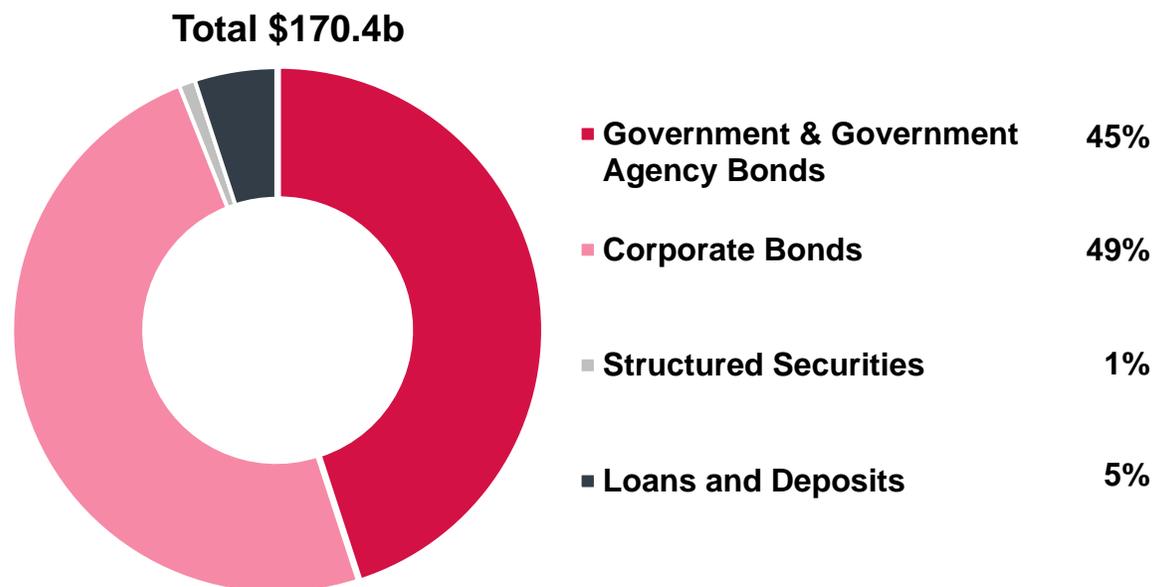


Notes: IFRS operating profit investment return comparatives are shown on a constant exchange rate basis; Fixed income yield and actual investment return of 1H22 and 1H21 are on an annualised basis; Total bond portfolio as of 30 June 2022  
 (1) Interest income from fixed income investments, as a percentage of average fixed income investments measured at amortised cost over the period. This excludes unit-linked contracts and consolidated investment funds

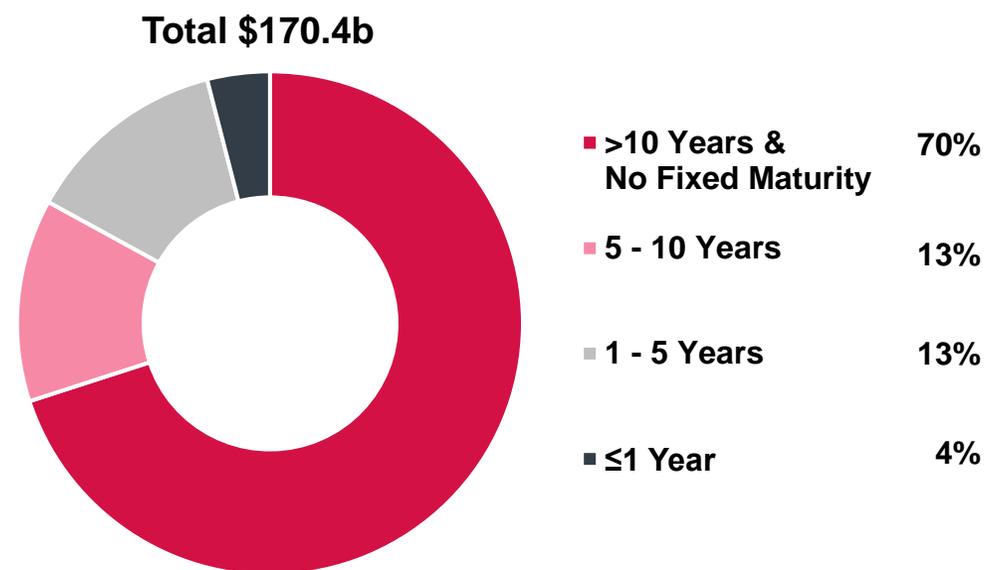
# Prudent and High-Quality Fixed Income Portfolio



## Total Fixed Income by Type



## Total Fixed Income by Maturity



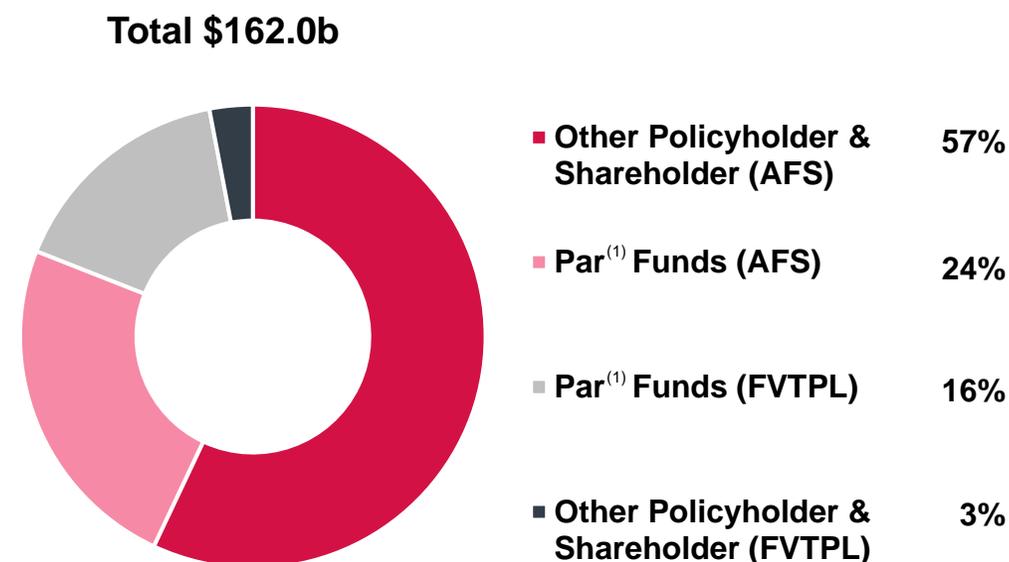
Note: As of 30 June 2022

# Prudent and High-Quality Fixed Income Portfolio



(\$m)	Par <sup>(1)</sup> Funds	Other Policyholder and Shareholder	Total
Available For Sale (AFS)	38,536	92,503	131,039
Fair Value Through Profit or Loss (FVTPL)	26,765	4,167	30,932
<b>Total Bonds</b>	<b>65,301</b>	<b>96,670</b>	<b>161,971</b>

## Total Bonds by Accounting Classification



Notes: As of 30 June 2022

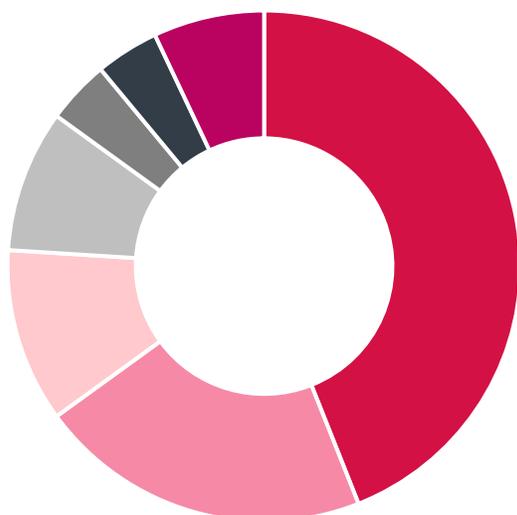
(1) Including participating funds and other participating business with distinct portfolios

# Government Bond Portfolio



## Government Bonds<sup>(1)</sup> by Geography

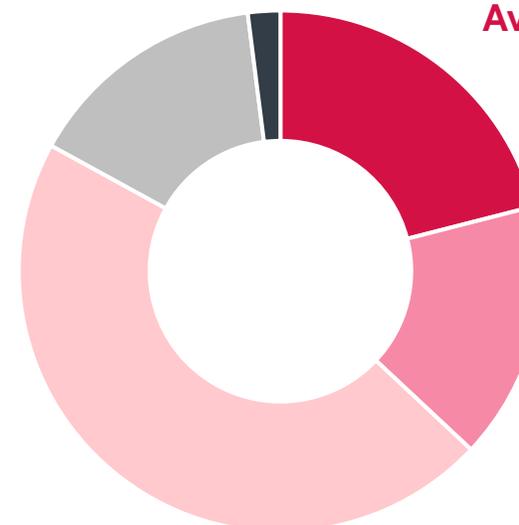
Total \$50.6b



	<u>1H2022</u>	<u>FY2021</u>
■ Mainland China	44%	39%
■ Thailand	21%	25%
■ South Korea	11%	13%
■ Singapore	9%	9%
■ Philippines	4%	4%
■ Malaysia	4%	4%
■ Others	7%	6%

## Other Government<sup>(2)</sup> and Agency Bonds by Rating

Total \$26.1b



Average Rating

	<u>1H2022</u>	<u>FY2021</u>
■ AAA	21%	21%
■ AA	16%	16%
■ A	46%	45%
■ BBB	15%	17%
■ BB & below <sup>(3)</sup>	2%	1%

Notes: As of 30 June 2022 unless otherwise stated

(1) Government bonds comprise bonds issued in local or foreign currencies by the government of any country where AIA's respective business units operate

(2) Other government bonds comprise all other bonds issued by governments not included in (1)

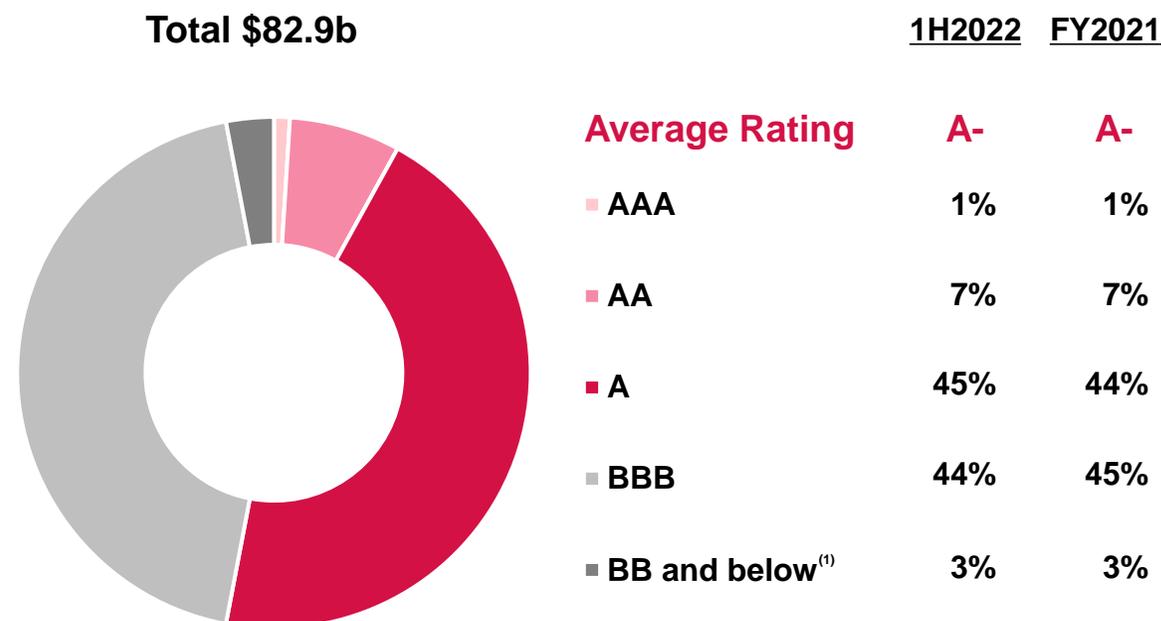
(3) Including not rated bonds

# Corporate Bond Portfolio



Rating	Total (\$m)
AAA	807
AA	6,047
A	36,824
BBB	36,509
BB and below <sup>(1)</sup>	2,755
<b>Total</b>	<b>82,942</b>

## Corporate Bonds by Rating



Notes: As of 30 June 2022 unless otherwise stated

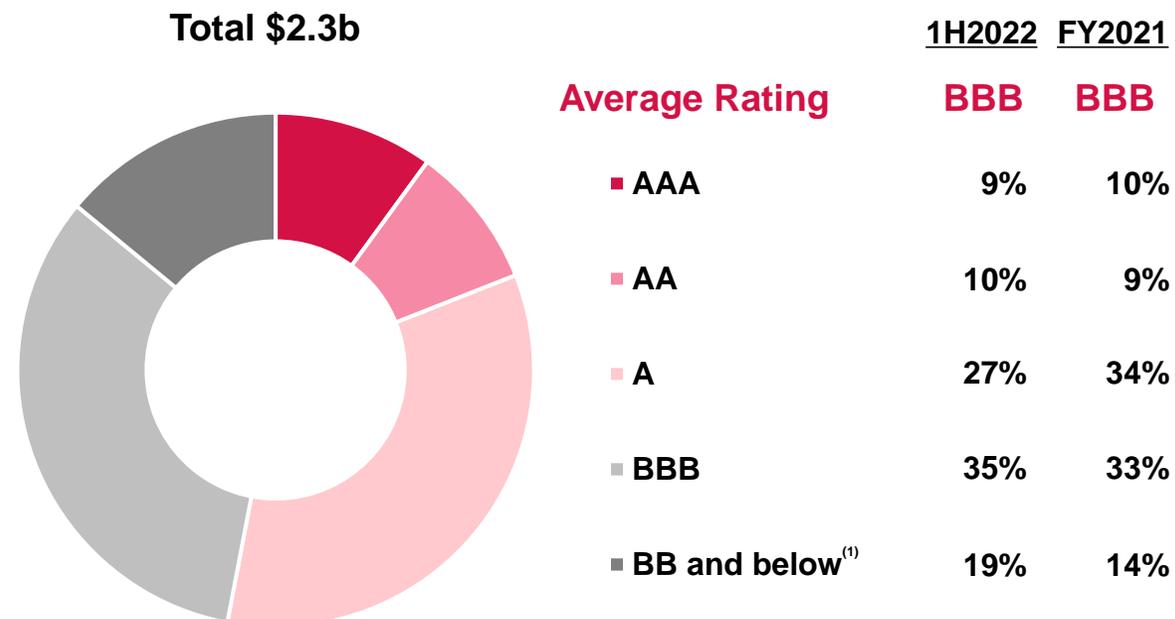
(1) Including not rated bonds

# Structured Security Portfolio



Rating	Total (\$m)
AAA	218
AA	241
A	626
BBB	815
BB and below <sup>(1)</sup>	436
<b>Total</b>	<b>2,336</b>

## Structured Securities by Rating



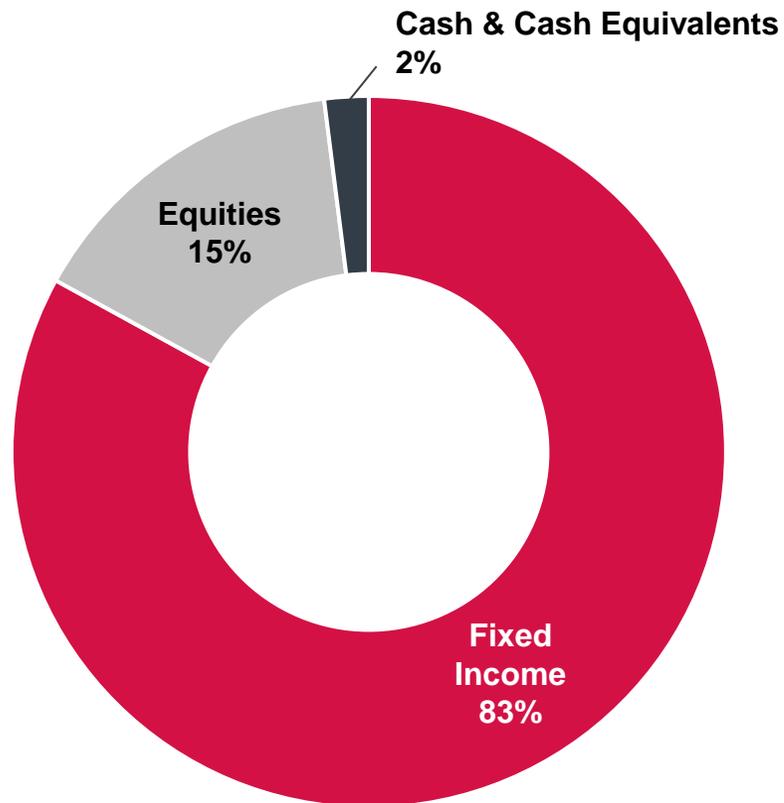
Notes: As of 30 June 2022 unless otherwise stated

(1) Including not rated bonds

# AIA China: Prudent Investment Portfolio



## AIA China Invested Asset Mix



## Prudent ALM Approach

- Asset allocation driven by liability cash flow matching in local currency
- ~80% of earnings from insurance and fee-based
- 83% of invested assets in fixed income
- 93% of bond portfolio in government and government agency bonds
- Bond portfolio average international rating A-
- Asset portfolio well diversified with insignificant alternative assets

# Risk Discount Rate and Risk Premium



%	As at 30 November 2010			As at 30 June 2022		
	Risk Discount Rates	Long-term 10-year Govt Bonds	Risk Premium	Risk Discount Rates	Long-term 10-year Govt Bonds	Risk Premium
Australia	8.75	5.65	3.10	6.42	2.30	4.12
Mainland China	10.00	3.74	6.26	9.70	3.70	6.00
Hong Kong	8.00	3.53	4.47	6.96	2.20	4.76
Indonesia	15.00	7.90	7.10	13.03	7.50	5.53
South Korea	10.50	4.82	5.68	8.10	2.20	5.90
Malaysia	9.00	4.45	4.55	8.49	4.00	4.49
New Zealand	9.00	6.13	2.87	6.48	2.30	4.18
Philippines	13.00	6.00	7.00	11.80	5.30	6.50
Singapore	7.75	2.93	4.82	6.59	2.20	4.39
Sri Lanka <sup>(1)</sup>	n/a	n/a	n/a	20.00	9.00	11.00
Taiwan (China)	8.00	1.73	6.27	7.20	1.00	6.20
Thailand	9.50	3.87	5.63	7.65	2.70	4.95
Vietnam	16.00	10.20	5.80	9.11	3.50	5.61
<b>Weighted Average<sup>(2)</sup></b>	<b>8.95</b>	<b>3.85</b>	<b>5.10</b>	<b>8.04</b>	<b>2.91</b>	<b>5.13</b>

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

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

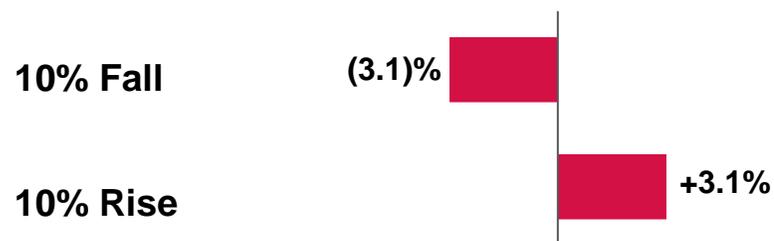
(2) Weighted average by VIF contribution

# Sensitivity Analysis – Allocated Equity and LCSM Cover Ratio

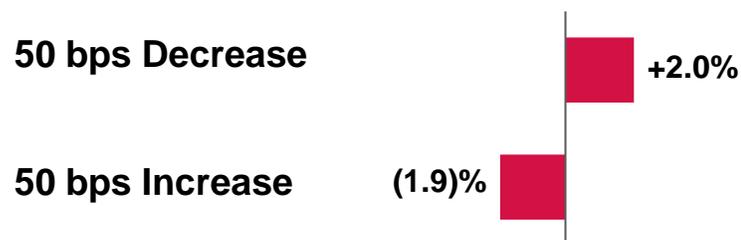


## Shareholders' Allocated Equity<sup>(1)</sup>

### Equity Prices

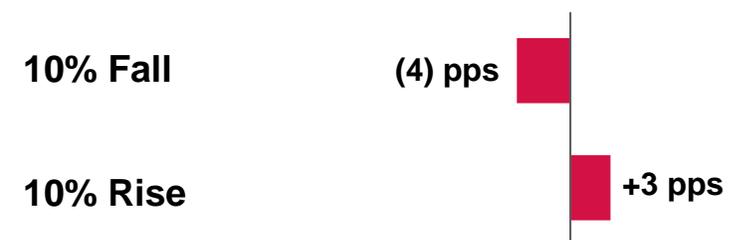


### Interest Rates



## Group LCSM Cover Ratio<sup>(2)</sup>

### Equity Prices



### Interest Rates



Notes:

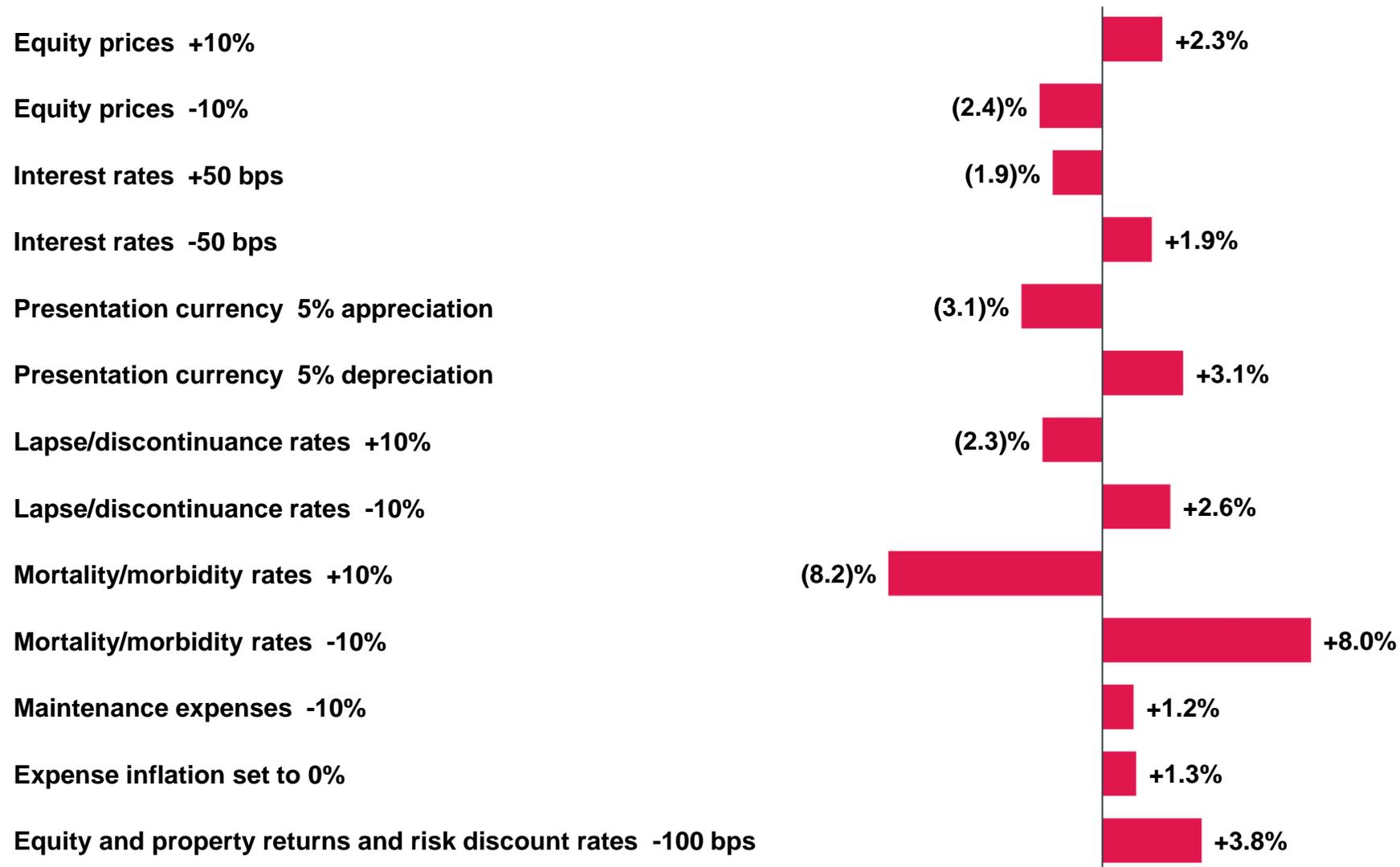
(1) Calculated based on shareholders' allocated equity as at 30 June 2022

(2) Calculated based on Group LCSM cover ratio on prescribed capital requirement (PCR) basis as at 30 June 2022

# Sensitivity Analysis – EV



## Sensitivity of EV as at 30 June 2022



# Sensitivity Analysis – VONB



## Sensitivity of VONB for the six months ended 30 June 2022

