TRANSCRIPT

AIA Group Limited 2025 Annual Results

Analyst Briefing Presentation

Business Highlights by Lee Yuan Siong – *Group Chief Executive and President*

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Good morning and thank you for joining AIA's 2025 annual results presentation. Today, we have announced record results with double-digit growth in new business, earnings and cash generation and a new share buy-back of 1.7 billion dollars. This performance demonstrates AIA's ability to convert our competitive advantages into strong growth for shareholders. Let me start with the financial highlights.

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Value of new business increased by 15 per cent to a record 5.5 billion dollars. EV Equity rose to 79.7 billion, up by 14 per cent per share and this is after returning 4.7 billion dollars to shareholders during the year. Underlying free surplus generation grew by 11 per cent per share and operating profit after tax was up by 12 per cent per share, on track to meet or exceed our 2026 growth target. The Board has recommended a 10 per cent increase in the final dividend per share and approved a new share buy-back of 1.7 billion dollars, in accordance with our capital management policy. As you can see, we are delivering compounding new business that drives both cash generation and earnings growth.

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This performance reflects the execution of a clear and consistent strategy. It is fully aligned with Asia's long-term structural growth drivers and built on competitive strengths that are developed and enhanced over many years. Each of these strengths reinforces the other and taken together, they are incredibly difficult to replicate. And this is what gives me confidence in AIA's ability to capture the significant opportunities across our markets. You can see this most clearly when we look at our individual businesses.

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In Hong Kong, we delivered record VONB of 2.3 billion dollars, an increase of 28 per cent. Our Premier Agency continued to lead the market, with almost 25 per cent of agents achieving MDRT membership. Agency contributed 70 per cent of Hong Kong's VONB, growing by 26 per cent. This reflected a 9 per cent increase in active agent headcount and a 14 per cent rise in productivity.

New recruits grew by 12 per cent, supporting growth in future capacity, while MDRT qualifiers rose by 20 per cent, reinforcing our focus on professionalism and quality. Partnerships VONB in Hong Kong grew by 46 per cent. Within this, bancassurance delivered 41 per cent growth, supported by improved customer targeting and higher productivity. And our IFA and broker channel grew by 49 per cent, from deeper engagement with preferred brokers driving an increased share of wallet.

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Demand remained very strong from both domestic and Mainland Chinese visitor customers. Across both segments, our focus is on sustainable growth, through regular premium protection and long-term savings solutions. The domestic business, which accounts for around half of our VONB, grew by 21 per cent. The outlook for future growth is strong as we add new customers and deepen relationships with our 3 million existing customers, meeting even more of their needs.

VONB from Mainland Chinese Visitors increased by 35 per cent, mainly driven by sales to more than 50,000 new customers. We now have around 530,000 MCV policyholders, highlighting the enormous potential remaining for future growth from new and returning customers. With the leading distribution platform and a comprehensive product range, AIA's Hong Kong business is exceptionally well-positioned to meet growing demand well into the future.

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Moving now to AIA China. VONB in 2025 exceeded $1.2 billion dollars. For the full year, growth reflects economic assumption changes, but momentum accelerated materially in the second half to 14 per cent. This strong momentum has continued into 2026, with combined VONB for January and February up more than 20 per cent year-on-year.

AIA's geographical expansion in Mainland China provides a unique long-term growth opportunity. Since 2019, we have established operations in 9 additional regions, including 4 new launches in 2025, adding almost 200 million potential customers within our target market. VONB from these new regions increased by 45 per cent to 118 million dollars, accounting for more than 9 per cent of AIA China's total. Looking ahead, we expect VONB from new geographies to grow by 40 per cent per annum over the next 5 years to more than 600 million dollars by 2030.

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Our differentiated, professional Premier Agency sets AIA China apart, contributing 85 per cent of VONB in 2025. Agent productivity is 3 times the market average, built on long-term relationships and the provision of personalised advice. This results in a more advantaged product mix and an industry-leading VONB margin of 65 per cent. Our Premier Agency model is fully digitally enabled and increasingly powered by AI. This helps to raise professionalism as we attract and retain the best candidates, while driving scale and productivity. In 2025, active agents increased by 8 per cent and new recruits grew by 14 per cent. New agency leaders were up by 40 per cent, strengthening the foundations for continued growth.

Alongside agency, selective bank partnerships broaden our reach in the growing affluent and high net worth segments, delivering higher average case sizes and attractive profitability. Our solid foundation and strong momentum give me confidence in AIA's ability to capture the large and growing opportunity in Mainland China.

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Turning to ASEAN where AIA is the number one life and health insurer. We delivered VONB of 2 billion in 2025, representing 34 per cent of the Group's total.

Thailand, our largest market, achieved VONB of one billion dollars, up 13 per cent, driven by a strong agency performance and double-digit growth from partnerships. We have also provided a separate presentation on AIA Thailand's growth strategy, setting out how we intend to capture the tremendous life and health insurance opportunities in that market. VONB from Singapore increased by 14 per cent to over half a billion dollars, with agency growth of 10 per cent and partnerships up 31 per cent including strong momentum from offshore business. In Malaysia, performance improved in the second half as agency productivity and recruitment began to recover. Partnerships VONB grew by 17 per cent in 2025 with strong results in bancassurance and our market leading corporate solutions business.

Across ASEAN, Premier Agency is our main source of new business, delivering a high-quality product mix and we are the leader in protection products across the region. Overall, the quality of our distribution and product mix position AIA well to meet the evolving customer needs across the region.

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In India, Tata AIA Life delivered another excellent performance with VONB increasing by 33 per cent. The business continues to focus on quality, ranking number one for persistency and retail protection. Our agency is the market-leader and contributed around 60 per cent of VONB. Agency VONB grew by 44 per cent, supported by improvements in activity levels, leader development and recruitment. Bank and broker partnerships are complementary to our agency distribution, extending customer reach and driving additional strong growth. Overall, Tata AIA Life's focus on protection, disciplined distribution and consistent execution, ensure we are well on our way to capturing India's huge potential.

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Across the Group, this consistent focus on quality distribution underpins our performance. AIA's proprietary Premier Agency is the core driver of profitable new business, contributing 73 per cent of the Group's total VONB. Our agents build lifelong relationships with customers, focused on meeting evolving needs, through trusted advice and best-in-class products.

We have the world's leading tied agency, which has been the number one MDRT globally for the last 11 years. This is the outcome of a differentiated strategy, honed over decades, that supports high-quality profitable new business growth, attractive agent incomes and higher shareholder returns. The success of our model is self-reinforcing as it helps us to hire and retain the best agents, further extending our industry leadership. Continued investment in talent development and advanced digital tools has driven growth in agent numbers and a step-up in productivity. This has laid the right foundations to further strengthen our Premier Agency leadership through the use of artificial intelligence.

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Our agents provide ongoing reassurance and support through face-to-face guidance that helps individuals and families navigate complex choices and adapt as circumstances change. AI enables deeper customer engagement and helps agents focus on what matters most: high-quality, tailored advice grounded in empathy, accountability and understanding. AIA plus, our all-in-one customer super app, now manages interactions for more than 23 million users, providing powerful insights on needs and preferences.

In 2025, our customer data mart captured and structured around 200 million customer interactions, enabling advanced analytics and more personalised and targeted engagement. As a result, we provided 5 million actionable leads to agents. With a 17 per cent conversion into sales, these leads generated more than 2.1 billion dollars of VONB. This highlights how technology and analytics are amplifying our long-term advice-led model, supporting higher productivity and sustainable growth across our distribution.

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Fast-growing partnerships extend our reach to hundreds of millions of potential customers through strategic bank partnerships. We focus on selective, high-quality partnerships, aligned around shared growth ambitions and long-term value creation.

By integrating AIA's technology and analytics capabilities into partner channels, we are able to improve customer targeting, proposition relevance and productivity. As a result, bancassurance VONB has more than doubled over the past three years, from higher numbers of active insurance sellers, increased productivity and enhanced profitability with 45 per cent margin. Together, our agency and partnership channels create a powerful distribution model that supports long-term growth and advances our Purpose of helping people live Healthier, Longer, Better Lives.

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By delivering protection and long-term savings solutions that support financial security at every stage of life, we help customers guard against unforeseen risks, accumulate wealth and plan for the future. And we do this through best-in-class products, combined with an ecosystem of health and wellness services, that is backed by personalised, professional advice. In 2025, we added 2.3 million new customers, while existing policyholders accounted for around 50 per cent of the Group's new business through repeat purchases. 91 per cent of the Group's VONB comes from protection and fee-based insurance products, ensuring sustainable and resilient earnings and cash generation for AIA's shareholders.

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In closing, today's record results demonstrate that we are executing a clear strategy that leverages our core strengths, deepens our competitive advantages and delivers sustainable shareholder value. Our ambitions are bolder than ever, and the scale and resilience of our business, ensure we are well placed to realise AIA's full potential.

I will now hand over to Garth who will take you through the financial results in more detail. Thank you.

Financial Results by Garth Jones – *Group Chief Financial Officer*

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Good morning everyone. I'll now take you through our excellent performance, with double-digit growth across our key financial metrics.

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VONB increased by 15 per cent to 5.5 billion dollars, driving EV Equity up by 14 per cent per share to 79.7 billion dollars, after returning 4.7 billion to shareholders during the year. UFSG, our key operating measure of cash generation, rose by 11 per cent per share while under IFRS, operating earnings were up 12 per cent per share. Through strong profit growth and our disciplined capital management, both operating ROEV and ROE increased to over 15 per cent. Following the Group's excellent performance, the Board has recommended a 10 per cent increase in the final dividend. This brings the total dividend for 2025 to 193 Hong Kong cents per share, also up 10 per cent. Under our established capital management policy, the Board has also approved a new share buy-back of 1.7 billion dollars. The increased dividend and new share buy-back reflect our confidence in AIA's future prospects and financial strength.

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I will go through more details of the financial performance in three sections. First, the Embedded Value results, to show how we create shareholder value.

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AIA's growth strategy is focused on writing profitable new business, which compounds over time to support higher earnings and cash generation for the long term. VONB was up 15 per cent from 9 per cent ANP growth and a 3.6 percentage point increase in VONB margin, driven by proactive product mix shifts and repricing. Agency distribution was the Group's primary growth engine, delivering a 13 per cent increase in VONB. Partnership distribution grew by 22 per cent, including strong double-digit growth from both bancassurance and our intermediated channels. With the majority of our markets delivering double-digit increases in VONB, we again saw broad-based growth in 2025.

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AIA's product strategy creates value for both our customers and shareholders. Traditional protection products generate underwriting profits that are not dependent on capital market movements while participating and unit-linked solutions generate stable, fee-based insurance income. Over 90 per cent of our VONB is generated from these most attractive product lines, with very low average guarantees, and strong and predictable cash generation.

Our new business is capital efficient, with 3.8 dollars of VONB generated for every dollar invested and, as we have reduced capital intensity, so the ratio has increased. The financial profile of new business is very attractive, with rapid emergence of distributable earnings driving high IRRs and short payback periods. Our capability to deliver large-scale, high-quality, profitable new business sets AIA apart and underpins our confidence in the Group's future growth.

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By consistently adding layers of profitable new business, supported by prudent assumptions and active management of the in-force portfolio, we grow EV Equity and, in turn, cash generation. Higher VONB was the main driver of a 13 per cent per share increase in EV Operating Profit to 10.9 billion dollars. The successful execution of our Integrated Healthcare Strategy and disciplined expense management supported greater positive operating variances, which added over 300 million dollars to EV Operating Profit. As a result of the strong growth in operating profit, ROEV increased by 90 basis points to 15.8 per cent.

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Over the year, EV Equity increased by 14 per cent per share, after 4.7 billion paid to shareholders through dividends and buy-backs. EV Operating Profit was the main contributor to the higher EV Equity. Investment variances were positive, following an improvement in the second half, reflecting favourable equity market movements in Mainland China, Hong Kong and Thailand. Positive non-operating items of 1.7 billion mostly represent the effects of exchange rates. Net of shareholder returns, EV Equity finished the year at 79.7 billion.

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AIA's strong track record of positive operating experience demonstrates the prudence in our assumptions and the quality of our in-force business. Overall, consistently favourable operating variances have added 4.4 billion dollars to EV Equity since our IPO. While AIA is not immune to capital markets, you can see from the small sensitivities shown here that our EV remains highly resilient to short-term market volatility. A 50 basis point increase or decrease in interest rates has less than one per cent impact on the Group's embedded value. We also have a substantial allowance for risk in our discount rates, making EV Equity a prudent estimate of the economic value to shareholders from the in-force business.

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Similar to our new business, future earnings from our in-force book are predominantly sourced from protection and long-term savings products, which provide recurring and resilient cash flows. The in-force is highly cash generative with earnings continuing for decades into the future. Over 53 billion is expected to emerge over the next 10 years. This figure is up 14 per cent over the year, as we added another layer of high-quality new business. Our strong cash generation allows us to both increase returns to shareholders and reinvest in growing new business, which further expands our stock of future earnings.

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UFSG is our key operating measure of cash generation and is shown before reinvestment in new business and central costs. The key component of UFSG is the expected distributable earnings from in-force business, which increased as we added new business written over the year. As a result of our proactive in-force management, operating variances improved compared with 2024. After allowing for the first-time effect of global minimum tax, UFSG grew by 11 per cent per share.

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Moving on to the IFRS Results.

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Similar to Embedded Value, continued growth in high-quality new business adds successive layers of future profit to the CSM balance, which is gradually released into earnings over time. New Business CSM grew by a very strong 17 per cent and underlying CSM growth accelerated to 10.5 per cent. Together with positive variances and currency effects, the CSM balance increased to 64.9 billion at the end of 2025. As a result of a stable release rate and the larger stock, the CSM release increased by 10 per cent to 6.2 billion dollars. The CSM release remained the principal contributor to OPAT, our core measure of operating earnings.

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Operating Profit After Tax increased to 7.1 billion dollars. The higher CSM release and positive operating variances drove an 18 per cent increase in the insurance service result, which added more than 1 billion dollars to OPAT. This was partially offset by a small reduction in the net investment result, reflecting the effect of share buy-backs, higher financing costs and tax. Overall, OPAT increased by 12 per cent per share putting us on track to meet or exceed our 2026 target.

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Strong growth in OPAT and our ongoing capital management actions supported a 70 basis points increase in Operating ROE to 15.5 per cent. After returns to shareholders, allocated equity increased by 10 per cent per share to 47.5 billion dollars. Comprehensive Equity adds the CSM, on a net of tax basis, onto shareholders' equity which provides a more economic view of shareholders' equity by including the value of future earnings. Comprehensive Equity increased by 15 per cent per share to 97.9 billion dollars at the end of 2025.

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Finally, capital management

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We follow a robust internal capital management framework. Backed by strong financial discipline, our unwavering focus on profitable growth delivers substantial free surplus generation. This supports a prudent, sustainable and progressive dividend. In addition, we look to return capital to shareholders that is surplus to our needs while retaining sufficient financial flexibility to capture the huge growth opportunities available to us. AIA's clear capital management policy sets out how we deliver sustainable and growing returns to shareholders over time, through dividends and share buy-backs.

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Strong growth in UFSG, supported an increase in Net Free Surplus Generation of 14 per cent per share. As I mentioned earlier, despite the strong increase in VONB, a proactive shift towards less capital-intensive products, most notably in Mainland China, saw a reduction in new business investment to 1.4 billion. Adjusting for unallocated expenses, finance costs and other items, net free surplus generation was 4.5 billion dollars. As intended by our capital management policy, the Shareholder Capital Ratio reduced over the year and remained strong at 221 per cent.

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With respect to the 2025 financial year, total returns to shareholders under our capital management policy amount to 4.3 billion dollars. Based on our excellent financial performance, the Board has recommended a 10 per cent increase in the final dividend per share, which results in total dividends of 2.6 billion for the year. The Board has also approved a new share buy-back of 1.7 billion dollars. This comprises 0.7 billion to meet the 75 per cent net FSG target and an additional 1 billion, following a further review of the Group's capital position. In aggregate, total returns to shareholders in respect of the 2025 financial results are 4.3 billion dollars, up 13 per cent per share compared with 2024.

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Our ability to write large-scale, high-quality, and profitable new business, with a very attractive financial profile, is a key differentiator for AIA. Successive cohorts of profitable new business compound over time, adding substantial layers of recurring earnings to our large in-force book, driving UFSG and OPAT growth. With another excellent financial performance in 2025, we delivered double-digit growth across our key financial metrics of growth, earnings and cash generation and further extended our strong track record. Since 2010, dividends and share buy-backs now amount to 40 billion dollars. We believe that AIA's ability to deliver compounding growth across new business, earnings and cash, sets us apart.

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We remain confident in our outlook. AIA is exceptionally well positioned to capture the enormous growth opportunities in Asia, the most attractive region in the world for life and health insurance. Our strong balance sheet, financial flexibility, and clear growth strategy give us great confidence in execution. We are focused on driving high-quality, profitable new business growth with highly attractive reinvestment economics. This adds further substantial layers of recurring earnings and cash generation, that in turn will generate highly attractive returns for shareholders well into the future. Thank you.

– End of Analyst Briefing Presentation –

Q&A session

Sami Taipalus (AIA): Good morning from AIA Central in Hong Kong, and welcome to AIA's 2025 Results Analyst briefing. My name is Sami Taipalus and I'm delighted to be joining you today in my new role as AIA Group Chief Investor Relations Officer. With me on the stage today, we have Lee Yuan Siong, Group CEO, Garth Jones, Group CFO and other regional chief executives, Jacky Chan, Fisher Zhang, Hak Leh Tan and Leo Grepin. We also have other members of the Group Executive committee with us in the room. Before we begin the Q&A session, I want to highlight that we have a separate video on AIA Thailand Growth Strategy which we published on the website today. If you haven't had time to look at it yet, please do so later. We will now begin the Q&A session. If you want to ask a question, please make sure that you're logged into the Zoom webinar. Operator, over to you.

Operator: Thank you. Ladies and gentlemen, if you wish to ask a question, please click the hand raising button and wait for your name to be announced. After I call your name, please press the unmute button shown on your screen and ask your questions. If at any time you need to cancel your request, please unclick the hand raising button. Let's proceed now. And our first question comes from Thomas Wang of Goldman Sachs.

Thomas Wang (Goldman Sachs): Yes. Thank you. Thank you for the opportunity to ask a question and congrats on the results. I have two questions.

Firstly, I think we welcome definitely the colour in 2026, for Mainland China in the first two months, also for Thailand on the first quarter. Just wondering if you could give us some colour on Hong Kong because that's obviously very strong growth in 2025. How do you see all this momentum trending in the first couple of months and then what's your outlook?

And the second question, thank you for the additional video around Thailand. It's definitely a highlight of the last few years. Just wondering, I'm sure you're working on expanding some of the initiatives that you deploy in Thailand into other markets. I'm just wondering from your perspective, how do you think about that the success in Thailand, how much is it kind of down to your execution, and then how much sort of the market specific factors that played into your success? The reason I'm asking is that if you deploy, obviously, if deploy some of the initiatives into other markets, they may not be as successful as in Thailand. So, I'm just trying to get a sense, how much you may need to try to fine tune that strategy in other markets. Thank you.

Lee Yuan Siong (AIA): Yeah, thank you Thomas. I just start with a few comments, and I'll hand over to Jacky on Hong Kong. Very happy about the performance by Hong Kong. We develop very broad-based momentum across customer segments and excellent performance across our all distribution channels. As you know, we have the market leading agency force which have contributed 70% of AIA Hong Kong's VONB, number one in the MDRT, 25% of our agents in Hong Kong are MDRT qualifiers, and all the fundamental drivers of agencies performing strongly. In terms of demand, we are very positive on the outlook for demand growth both in the domestic and MCV segments. Maybe Jacky?

Jacky Chan (AIA): Thank you, Yuan Siong. I just want to add that AIA Hong Kong and Macau momentum is very strong in 2025. First half VONB grew by 24% and second half VONB grew by 32%. And we launched innovative participating product in July last year, and that was getting a lot of attraction and also traction in the market, and that actually continues. And we continue to see that both our premier agency and our selected partnership with both our bancassurance partners, Citibank, BEA, and our selected partners in IFA and brokers area. All these channels continue to maintain strong momentum going into the first quarter of this year.

Lee Yuan Siong (AIA): Thank you, Thomas. Also on Thailand, clearly Thailand is a very important market for us, and Thailand has delivered strong performance in 2025, VONB growth of 13%. In fact, Thailand has been growing consistently over many years. VONB in 2025 was double the level of 2019 pre-COVID-19 level. So, I think it's a very strong performance from Thailand. Clearly many reasons behind and I will hand it over to Hak Leh to talk about our Thailand business.

Hak Leh Tan (AIA): Thank you Yuan Siong and thank you Thomas for the question. As Yuan Siong mentioned, AIA Thailand delivered another year of strong VONB growth, 13% up to US$1 billion, which as Yuan Siong mentioned, more than double the pre-COVID-19 level now. As we previously explained and as you can see the quarterly VONB trend on page 58, the surge of medical business that started in the fourth quarter of 2024 ahead of regulatory changes, contributed to an exceptionally strong first quarter result of 2025. On the full year basis, the growth of AIA Thailand was broad-based. We saw strong growth in life, health, medical, and across both PD and agency channels. In fact, our market leading agency channel continues to grow in scale and in productivity, with the increased market share of close to 44%. Likewise, our strategic partnership with Bangkok Bank grew in productivity as well as case size, through our segment-focused proposition strategy. So overall, we are clear leader in Thailand, with an extremely strong track record of delivery. As you can see from the presentation that was uploaded this morning, we have a very clear growth strategy built up on the competitive edge that we have in Thailand to fully capitalise the opportunities that still remain intact for us in Thailand.

Lee Yuan Siong (AIA): Thank you Thomas. I do encourage you all to watch the video on Thailand. If you look at the video, you will see that what we are doing in Thailand is very similar to what Fisher introduced in the China video last year. So, this demonstrates that we are learning the best practices across our markets and industrialising it across AIA Group. Thank you.

Sami Taipalus (AIA): Thank you. Operator, next question please.

Operator: Sure. The next question comes from MW Kim of JP Morgan. MW, please click the unmute button and ask your question.

MW Kim (JP Morgan): Good morning. Thank you for the opportunity. I would like to ask two questions. One on solvency capital and one on India. Firstly, following the strong capital return, the solvency ratio lowered to the 221% as of December 2025. We do more ambitious growth initiatives planned for 2026, and additional share buyback announced. Could you please share your year-end solvency ratio projection? Is 200% of the required capital still the company the target capital ratio? On India, the India JV deliver another strong new business value increase of 33%. Could you please share the timeline for providing standalone disclosure on India business? Additionally, do you view the regulatory environment including GST, the exemption and potential changes to upfront stage commissions as supportive over the growth outlook in India. Thank you.

Lee Yuan Siong (AIA): Thank you. Kim. I would just start again with a few comments, and I'll hand over to Garth on the capital question. As you know, we have executed consistently on our capital management framework over the recent years, leading to a much more optimal balance sheet and higher returns on capital. So maybe I'll hand over to Garth to elaborate.

Garth Jones (AIA): Yea, thanks MW. Yea, you can see that the capital management framework that we set out is doing exactly what we expected it to. You have the 75% of net free surplus generation. The increase in the dividend, that is prudent, sustainable and progressive. An additional 1 billion that brings the total payout to 4.3 billion for the year, which is up 13%. With the payout, you'll see that the shareholder capital ratio reduces. I should say that the 200% that we mentioned before is not an absolute limit. It's not a target. It's a measure. And we say we want to be comfortably above the 200%. It may dip below that in certain stress situations, but we look at the situation as that happened. I think the key thing for us is that we're actively managing the balance sheet and actively managing the capital position. You see the strong OPAT growth; 12% OPAT growth that's in excess of 9 to 11% OPAT target. We're on track to either meet or exceed the OPAT target. Combined with the capital actions we've taken, have driven an increase in ROE up to 15.5%. And with that, you can see that we are doing all we can to create shareholder value, by not only growing the business, but actively managing the capital position to an up-to-hold place. We remain very strong. We see good flows from the businesses, good remittances. Holdco cash is good. So overall, the business is in a great financial shape. And we're very confident about the way we'll look in the future.

Lee Yuan Siong (AIA): Yea on India, another excellent performance with VONB up by 33%. So, I'll hand over to Leo to discuss India further. Thank you.

Leo Grepin (AIA): Hi, good morning. Thank you for the question on India. As you've noted, we've been delighted by the performance of our joint venture this year as Yuan Siong mentioned, up 33%. That growth has been broad-based across our agency channel, which was up 44% last year, with very strong quality of the business, very strong recruitment double-digit, leader growth double-digit, active agents double-digit, and then also our partnership distribution channel which also showed 21% growth last year in VONB. And on the back of our banca partnerships, where we're seeing increasing productivity of our insurance specialists, as well as our brokerage partnerships where we continue to have the number one wallet share across the leading brokerage firms. So, very broad growth. And importantly for us, very high-quality growth. Our agency remains the number one in MDRT in the country. We remained number one in persistency. And we're very focused on growing protection, which is reflecting on us being the number one life insurer in terms of retail sum assured. So overall, very strong momentum for the business. And you referred to some recent regulatory changes as well as broader reform. Broadly, MW, we view this as quite supportive of the growth of the industry. The recent GST reform, in our view, is a progressive step in increasing affordability for life insurance in the country and supporting the development of the industry. Similarly, we've seen an amendment of the Insurance Act in December of last year with, for example, some measures to increase foreign investments in life insurance in India. And we see all of these as liberalisation of the industry, which we think will be conducive to continued profitable growth. Thank you.

Sami Taipalus (AIA): Thank you. Operator. Next question please.

Operator: The next question comes from Charles Zhou of UBS securities. Charles, please press the unmute button shown on your screen and ask your question.

Charles Zhou (UBS Securities): Hi, good morning. This is Charles Zhou from UBS. I have three questions. First of all, congratulation for a strong set of results. The first one is about AI. I think in US and European markets, AI is making material progress in reshaping the insurance industry. Such as AI automated insurance distribution and also autonomous driving, etc. So how do you view the potential AI disruption on AIA. And also, could you please maybe briefly outline the key AI use cases already in place today? And also, how your AI strategy could evolve over the next couple of years?

My second question is about the growth outlook for the whole group. I think for 2025, the 15% growth was strong, although part of that reflects some temporary tailwinds. For example, the regulatory changes in Hong Kong second and third quarter, and also first quarter in Thailand. So, looking through those one-offs, how confident are you in sustaining the mid-teens value of new business growth this year. And also, what are the key growth driver behind?

My last question is related to China. On p.8 of your slide. For China, I think glad to see very strong momentum of over 20% value of new business growth year on year in the first two months. So may I know if it is largely driven by bancassurance. The major domestic peers are accelerating the bancassurance development to capture the so-called deposit migration opportunity, but I think AIA has been focusing on the premium agency and protection products. So, what is your distribution channel strategy, and also how do you view the deposit migration in China. Thank you.

Lee Yuan Siong (AIA): Thank you Charles. I'll take the first question on AI, then I will hand over to Fisher to talk specifically about how we are using AI in China. Very excited on opportunities for AI. I think it augments and elevates our agents core proposition, which is providing trusted and personalised advice and will definitely improve efficiency and productivity. Over the years, more than 800 million of TDA investments that we have put in has placed us in a very good position. Our strong technology foundation, our large pool of structured data enables a range of AI and digital tools that are already delivering benefits to the business. We have the scale, we have the industry knowledge, with the proprietary data, with the financial resources, to work alongside leading global technology providers to further improve distribution productivity, customer experience and operational efficiencies through the use of AI. Our premier agency offers personalised advice on products which are critical to customers' physical and financial well-being in a highly regulated environment, making trust and accountability a key to our offering, and this is hard to replicate with the tech alone. We believe that AI will augment and elevate our premier agents. I'll hand over to Fisher to talk a bit more about how AI is empowering our agency force in China.

Fisher Zhang (AIA): Thanks Yuan Siong, let me quickly talk about how we use AI to continue to transform our premier agency. As you know, there are two major development journeys for the agency. One is sales and the other is leader development. For the sales journey, as I introduced in the interim result, in addition to the normal AI training, AI recruitment, AI role player, we are able to provide the leads to the agents, help them to nurture the leads from the cold to warm to hot, and provide with actionable customer insight, and since then, we continue to evolve. Now with advanced agency data mart, we are able to provide agents with personalised development plan, benchmarked against those successful MDRTs, and write down our advanced customer data mart. For each agent and customer, we can develop a personalised engagement plan, including how to better serve, how to better engage, how to upsell and cross sell. We already saw some early impact. One indicator for the new agent success has been improved 20% in 2025. As for the leader development journey, the similar logic and similar approach, we are now able to provide the leader with personalised development plan, benchmarked against those successful leaders. For their team members, we can provide the leaders with predictive insight based on the leading behaviour data, and also, we can provide each member the personalised development plan. As you can see, our number of new leaders has increased by 40% which is great in the last year. I think AI support is a key enabler. So, with more data, enrich the knowledge library, enhance the capability, we are developing intelligent AI. It will be no longer just a passive system. It will be a partner and advisor. It can provide the timely, proactive, personalised and predictive support to agent and leader. I think AI definitely will transform the agency channel and will definitely increase the agency value and the customer value significantly in future.

Lee Yuan Siong (AIA): Thank you, Fisher. Just add on to Fisher's sharing by saying that we have actually set up a dedicated innovation office in 2024 to provide a very structured approach to launch prototypes in individual markets and to industrialise it across our markets. And you see some of what Fisher discussed about in China, in our Thailand video as well.

So now on your question about the growth outlook, I just want to say that we are very confident of our outlook going forward. We achieved very strong results, record VONB, and the growth accelerated in the second half, all these supported by very strong foundational drivers. The growth, as we discussed today, was a broad base. We have a diversified plan, easier platform, very attractive markets with high growth potential. And in the majority of the markets, we have a leading market position. We have the world's leading premier agency channel, and this is our core growth engine. 73% of our Group VONB comes from our premier agency channel, and we have complementary profitable partnerships, which provide additional revenue streams for AIA. As you know, we are very focused on writing high-quality new business, with a very high-quality product mix with very attractive new business economics. And I would also like to say that I believe that we also have the best talent in the industry, in the region, with very strong execution focus, so this gives me the confidence in the outlook for AIA going forward. Thank you.

On your third question on China. Again, China delivered a record VONB of 1.2 billion in fiscal year 2025. Very happy to see momentum recover. Actually, last year, when we reported on the first half of 2025 for China, we explained that, driven by economic assumption changes, the growth was impacted, but the underlying growth of the business was very strong. And in 2025 second half, we saw the growth return to 14% and the momentum continues into 2026 January and February. And this growth is driven by across the existing and new geographies, and also across premier agency and bancassurance channels. I'll hand over to Fisher to elaborate.

Fisher Zhang (AIA): Thanks Yuan Siong, and thanks Charles for the question. I think it's several questions here. Number one, you asked about January and February. The answer is quite short. The momentum of the agency and the bancassurance are all very good. It's driven by both channels, and the agency remain the core channel and the core contributor for the growth. That's the number one question. Number two, you asked about the channel strategy. I think, particularly in the bancassurance, I know quite a lot of the domestic company are pushing more on bancassurance. I want to mention a couple of points. Number one, the bancassurance channel, as you know, is getting more healthy because some regulatory requirements, like "報行合一", which is kind of alignment with reporting and actual use of the expense. And also, we reduced the bank fee, reduced the PIR, and now gradually shift to par, so the bancassurance is getting healthy. But number two, our strategy is to build differentiated profitable bancassurance, so we kept emphasising that our strategy is to work with selected partners. We are doing the deeper collaboration. We focus on those affluent and high net worth customer. And very importantly, we clearly implement those activity management, and we are now exploring the data-based, customer-driven strategy. So, I think, as you can see, our bancassurance channel, the revenue margin is 36% in the last year. So that's our bancassurance strategy. But last but not least, I also want to emphasise the premier agency is still our core strategy, it's still our core advantage, our main channel strategy. I'm very pleased to see the solid growth of fundamentals in 2025. As you can see, our number of active new agents increased by 20%, our number of new leaders increased by 40%. That lays a very good foundation for the future growth. So overall speaking, regarding the channel strategy, I think the premier agency is our core channel, and the differentiated profitable bancassurance is highly complementary.

The third question is talking about the deposit migration. I think, firstly, we do notice this trend, and I think it's a good opportunity for the life insurance industry, because now more customers are willing to consider the insurance. In particular, we also noticed that high net worth is a unique opportunity. That's why we continue to strengthen high net worth solutions. We continue to strengthen our high net worth ecosystem, those innovative proposition, and also the ecosystem of best service.

Lastly, I also want to emphasise that our response to the deposit migration is very selective and disciplined. As you know, our product strategy, we focus on the protection and the long-term saving. We try to provide comprehensive products and supported by those ecosystem best services and together with our professional advice services to satisfy the customer with different needs at a different life stage and financial stage, so we are not volume driven. So overall speaking, I think for this, our attitude is, we are trying to make use of this opportunity by remaining committed to our core strategy.

Lee Yuan Siong (AIA): Just a minor correction to Fisher's answer, the VONB margin of our bancassurance channel in China is 35%.

Sami Taipalus (AIA): Thanks Charles for the question, and let's move on to the next one.

Operator: The next question comes from Kailesh Mistry, from Deutsche Bank. Kailesh, please press the unmute button shown on your screen and ask your question.

Kailesh Mistry (Deutsche Bank): Good morning. Thank you for taking my questions. First one, simple one, active agent numbers. How did they change in Thailand, Singapore, and Malaysia. Number two, Singapore NBV. What proportion of that comes from offshore? Why do customers buy offshore products in Singapore? Is it similar to Hong Kong? And where are they coming from? And what's the outlook for the growth in that offshore segment?

And then on the share buyback. Just coming back to the earlier question. If I look at slide 97, is it the way to think about this that at the end of the year, you bring the solvency ratio back down towards 200% and then the following year you reload, and then do it all over again. Is that the best way of thinking about how you distribute this excess amount above the 75% payout ratio?

And then, lastly, just coming back to AI and tech, obviously you've done a lot of great stuff through your TDA initiatives etc. to prepare for this. But specifically, how are you thinking about the threats and the opportunities from these LLMs that may end up moving the younger generation towards greater personalisation and or price comparison, so on and so forth. Thank you.

Lee Yuan Siong (AIA): Thank you for your question, Kailesh, good to hear from you again. Yes, premier agency is our core distribution channel. We have the world leading agency and contribute 73% of Group VONB, and we have number one MDRT globally for the last 11 years consecutively, and number one in many of the markets that we operate in, including the markets that you referred to just now. So in terms of active agent numbers, I'll hand over to Jacky to talk about.

Jacky Chan (AIA): Very happy to say that we keep tracking all our premier agency across our business units. And if you look at our slide 12, it talks about growing headcount, growing new recruit, growing new leaders, and growing new active agent productivity. I just want to add that our number of active agents did have consistent growth across our major markets, Thailand, Singapore, Malaysia, too.

Lee Yuan Siong (AIA): Thank you. And I'll hand over to Hak Leh to talk about Singapore. Again, Singapore delivered very strong results in 2025.

Hak Leh Tan (AIA): Thank you Yuan Siong. Thank you Kailesh. Yes, Singapore delivered strong VONB growth of 14% in 2025, which was the third consecutive year of a strong double-digit growth. As you can see, we have a very broad-based approach in Singapore. It's a multi-channel distribution with agency remain the core. Our agency force has been number one MDRT for 11 consecutive year and continue to grow in both quality and scale. Number of new recruits increased by close to 20% in 2025. Likewise, we also saw a very healthy growth in number of new leaders. Just in terms of the mix of business, as I mentioned, we have a very broad-based business. We serve both the domestic as well as offshore market through our agency channel as well as partnership distribution. Our product mix spans traditional product unit-linked as well as participating product. With Singapore being a financial hub, we experience strong growth in offshore business mostly from the region, but we say overall, the business in Singapore is still majority from the domestic market to meet both protection and long-term savings needs.

Garth Jones (AIA): Thanks, Kailesh. I think with the Capital Management Framework well set out, you can see that the net free surplus generation piece is dealt with through the 75% mechanism. And then what we do is we look at the situation each year, where we are, and look if there's anything in excess of that we would turn to shareholders. You saw the additional billion dollars that gave us 1.7 billion overall for the buyback today. I think we're obviously very comfortable with the 200% level, and we assess that in some ways, it's a mechanism that makes it more accessible. Kailesh, I think one thing that perhaps helps is to say that we tend to think of it in terms of the absolute amounts. I think the disclosures you referred to will show how the absolute amount of each item has moved, including just natural growth in the business, I think that's probably a better guide for you.

Lee Yuan Siong (AIA): And on your question on AI, as I explained earlier, I'm very excited about the opportunities offered by AI to augment and elevate our premier agency channel. As I explained, our premier agents offer personalised advice on products which are critical to customers' physical and financial well-being in a highly regulated environment. So, trust and accountability is a key to offering, and this is hard to replicate with technology alone. In fact, a customer survey that we did recently tells us that 85% of survey customers still prefer advice from trusted advisors, and only 2% will opt for pure digital AI model. So again, we believe that the investments that we are making into AI, as described by Fisher, will really elevate and augment our premier agency channel.

Sami Taipalus (AIA): Great, operator, next question, please.

Operator: The next question comes from Leon Qi of CLSA. Leon, please press the unmute button shown on your screen and ask your question.

Leon Qi (CLSA): Hi. Thanks management for taking my questions. This is Leon Qi from CLSA, I have three questions today, if possible. Firstly, I want to ask about capital efficiency. On the slides page 21, there is a chart on capital efficiency. The VONB per dollar generated from new business investment actually improved a lot. Just wondering how much it has to do with the new product mix. I do understand that, for example, in Mainland China, the participating product is making a much larger portion of all the products. So, I just want to understand how much is the contribution from the product mix, and if there are other significant factors behind these significant capital efficiency improvements.

And secondly, I want to ask about the Hong Kong partnership channels. It is very good to see that last year both the IFA and bancassurance channel grew more than 40% year-on-year. Interestingly, earlier this week, one of the other Hong Kong insurers has given a very aggressive picture on the Hong Kong broker channel so far this year, and the other Hong Kong insurer seems to have a very different view on the market. So, it will be very helpful for us to know your stance on the IFA channel in Hong Kong this year, and what is your strategy in this channel.

And thirdly, last but not least, I do appreciate your additional disclosure on Thailand and the dedicated video on this interesting market. You have highlighted both the FA and also bancassurance channel in Thailand. But how do you materialise the significant opportunities there. Other than Bangkok Bank, which has been very conducive to your results, do you have plans to explore new partners? What about broker channels there? Agency channels? I understand the FA has been doing great. Any new initiatives on the product front? So, what's your plan for the next stage of the Thailand business, which has been very successful over the past few years? So, what's next in Thailand? Thank you.

Lee Yuan Siong (AIA): Thank you, Leon, for your question. I'll just start off by saying that we are committed to designing products that address the protection, the long-term savings, the life and health insurance needs of our customers across different life stages. We are also committed to writing profitable new business, which will deliver sustainable cash returns to shareholders. So you can see that the new business economics of the new business that we write each year is very, very attractive. We have ample capital resources to support our new business growth ambitions. Garth outlined our Capital Management Framework, and one of the priority uses of the capital is really to support new business growth. Now, specific to your question on capital efficiency, I'll hand over to Garth.

Garth Jones (AIA): Thank Yuan Siong. Thanks for the question, Leon. You can see that the business is highly capital efficient. We've improved the capital efficiency progressively, not only in terms of the VONB efficiency, but also, if you think about it, the IRRs are still very attractive, short payback periods. And importantly, when you look at the cash return in the first 10 years that we get a good cash return from the business as well. So very attractive reinvestment economics in terms of the new business, and that's the first port of call for any excess we have.

To your specific question, you're quite right that the capital intensity as it were, came down over the year. What is driving that, as always, is a mixture of product and country. It's not just product alone. On the product side, the biggest driver there was the move to participating products in China. On the country side, we clearly had more business in Hong Kong, with its strong growth, our largest market, and that is very capital efficient business. So, there's a country and a product mix, but needless to say, we continue to look at ways in which we can improve the capital efficiency even further, product by product, country by country.

Lee Yuan Siong (AIA): In terms of Hong Kong, we have a leading position in Hong Kong, the leading brand for insurance in Hong Kong. As I highlighted just now, very strong performance across customer segments, very strong performance across distribution channels. Our premier agency, our core channel, I'm very proud of this agency, 25 per cent of our agents are MDRT qualifiers in 2025, and we have a very good portfolio of partners, whether it's bank partners or whether it's IFAs in Hong Kong that we work closely with. And I'll hand over to Jacky to elaborate.

Jacky Chan (AIA): Thank you for the question. So, I'll also take this opportunity to say that at AIA Hong Kong and Macau, we do have a strategy for IFA brokers, which is a selected partnership with a high-quality preferred IFA and brokers. So, you know, there are thousands of brokers in Hong Kong, but we don't contract them all, we are very selective. And you also recall that early last year, AIA Hong Kong is still the only one to have stepped up our requirements for the brokers to have transparency for referral fee payment to those cases that come from referral business. And as you know, the Hong Kong IA also stepped up some regulation requirements, including a referral fee cap, including a commission spreading. And for AIA, we have been spreading commission for brokers for years. We have been giving not just first year but also spread it to renewal. So, in fact, I'm very happy that, since last year, with this strategy of partnering with preferred brokers, has really driven up, I would say it's a flight to quality. Our share of wallet has actually deepened with our preferred partners. And VONB growth, from IFA and broker has grown 49 per cent, I want to say that this strong momentum has continued into the first quarter this year.

Lee Yuan Siong (AIA): On Thailand again, we are the number one life and health insurer in Thailand, we are the leading insurance brand. Our premier agency channel, which is our core distribution channel, again, it has a dominant market position in Thailand. We are also working with a number of bank partners in Thailand. I'll hand over to Hak Leh to elaborate. Thank you.

Tan Hak Leh (AIA): Thank you, Leon for the question. Yes, we are the clear market leader in Thailand, with significant competitive advantages across a wide spectrum of the business. As Yuan Siong mentioned, our agency force remains our core distribution channel. We are particularly proud of the strong and continuous growth of our FA programme. FAs are the programme that grow highly productive and professional agents, and FA is now contributing to more than 40 per cent of the agency force, and our agency force is more than 40 per cent of the industry. And despite that, we believe there is still significant room to grow, both in scale as well as quality of our agency force in Thailand, so that we can serve the market, both the mass affluent as well as the high net worth market, even better.

In terms of product proposition, our focus has been on protection and long-term savings. In fact, in the third quarter last year, we launched an innovative long-term savings plan for the affluent and high net worth segment, and that's gained very strong traction. In fact, by December 2025 our new product contributed to more than 10% of our total long-term savings business, and then we see enormous potential to further broaden the scope of our proposition to gain an even bigger share of the affluent and high net worth segment, as what we've seen in several other markets.

So overall, with our clear market positioning and the clear strategy, as what you can see in the presentation that we uploaded this morning, we are very confident that AIA Thailand is uniquely positioned to continue to grow our business in Thailand and continue to serve the customers better.

Sami Taipalus (AIA): Thanks Leon for the question, let's move to the next one, please.

Operator: The next question comes from Gary Lam of HSBC. Gary, please press the unmute button shown on your screen and ask your question.

Gary Lam (HSBC): Thank you very much. Two questions, if I may, one big, one small question. The bigger question is, perhaps, can we understand how does the management see the impact from the Middle East conflict? Maybe part of that is, I can see in slide 85, over the last year, there's an increase in equity allocation from your investment portfolio. Would you, with some of the elevated market volatility, adjust the investment mix of the portfolio. More broadly, which are the key channels that you would focus on, like interest rate channels, distribution channels as a potential impact or implications there.

Question number two is part of a follow up on the Hong Kong business. On VONB, if my calculation is right, actually for the group, it might have slowed down to 10% growth relative to 18% or 19% growth in the first nine months. So, can we understand the key driver underneath? Is it primarily in Hong Kong, China? And particularly on Hong Kong, I hear, of course, Fisher's comment that we have been following the commission's spread rules similar to HKIA. What should we, as an understanding of the likely slowdown of Hong Kong 4Q VONB momentum, I guess, particularly maybe on IFA and broker channel, just try to differentiate what are the one-off factors, versus whether it's a fundamental or just not as strong as before in terms of the momentum, thank you.

Lee Yuan Siong (AIA): Thank you, Gary. On the Middle East, like many, we are monitoring developments very closely. We also, like many, hope for a peaceful resolution. We have no direct operating or investment exposure to Iran, and our exposure to the broader Middle East is very small, and we have disclosed it this time now. So, any impact to AIA will be indirect, through movements in the global capital markets rather than any direct exposure. But given the very long-term nature of our business, we manage our investments through a disciplined, asset liability matching approach. So, this helps reduce the impact of market volatility on both profitability and our balance sheet. Also, at AIA, as you can see, we maintain a very strong capital position, and we calibrate this against a wide range of very severe stress scenarios which supports our resilience in times of uncertainty. So, AIA has been around for a long time. We are a long-term business, and we have proven to be very resilient through multiple cycles and challenges. So that's our answer for your question on the Middle East.

In terms of the performance of the Group, again, like I said before, a very strong performance in 2025, record VONB, supported by very strong foundational drivers. Growth in the second half accelerated versus the first half. We have said many times there are many seasonal factors and unique factors affecting quarters, so we don't really manage on a quarter-by-quarter basis. The foundational drivers of our business remain very strong, and we are confident of the outlook.

Sami Taipalus (AIA): All right, thank you for the question, Gary. Let's move to the next one.

Operator: The next question comes from Michael Li of BoA securities. Michael, please press the unmute button shown on your screen and ask your question.

Michael Li (BoA Securities): Thank you. This is Michael Li from Bank of America, and congratulations on the solid results. I have two questions. The first question is about private credit. So, I see that on your slide, you disclosed the size, you disclosed the percentage, but I still want to confirm something that, have you ever talked to your private credit asset managers, if there are any kind of liquidity limits currently in their funds, and if there are any quality issues in their funds, and what kind of measures will you take in the next few quarters, in terms of private credit investment, will it increase or will it decrease?

The second question is about the China business. So, I think Fisher answered the questions about the China bancassurance business. I think the definition of bancassurance in AIA and other insurers can be pretty different. You focus on your target clients, high net worth, at the margin at like 35% while others at like 10 to 15% margin. So, my question is, are you interested in a 10 to 15% margin bancassurance business? Are you interested in the mass market in China, if you want to develop your business in those less developed provinces? Thank you.

Lee Yuan Siong (AIA): Thank you. Michael, I think you have a specific question on private credit, but before handing over to Garth to talk about private credit, I just again emphasise that given the long-term nature of our business, we manage our investments through a very disciplined asset liability matching approach. We have very long-term liabilities, a very strong balance sheet and large recurring premium. So we have ample financial and liquidity flexibility. So, private market assets actually form an attractive part of the overall matching strategy, providing us with enhanced long-term returns and diversification. Our private asset portfolios are diversified across strategies and across many asset managers. We do a lot of testing, and in terms of liquidity requirements and stress tests, we actually take a very conservative approach by assuming zero liquidity and no recovery value from our private assets. So, we are quite comfortable with the quality, and the allocation of our private market portfolios and private credit actually is an even smaller proportion.

Garth Jones (AIA): Thank you Yuan Siong. I think, as you said, the stress tests are extreme, but you can see the key thing is that it is just 2% of our non-par and surplus assets. It is part of our asset liability matching, which we have a very disciplined asset ALM structure and so on. We are in constant dialog with the fund managers. We only deal with a very large and select group of managers, and not only in terms of their outlook, but where they are investing and so on. So, we think if managed properly, private credit can be an attractive asset class. Perhaps I could ask our Chief Investment Officer, Dr. Mark Konyn, to perhaps add a little more colour.

Mark Konyn (AIA): Thanks Garth, and thanks for the question, Michael. Private credit, obviously, is an asset class that has grown very significantly as a result of changes in the regulatory framework in particularly in the United States, in the banking industry. And we have kept abreast of those developments very closely. If you think about, as Yuan Siong mentioned it, the underlying ethos of our investment program is to back our long-dated liabilities, both in terms of long-term returns, cash flow, FX exposure, duration exposure. In that context, private credit has a role to play, but it is relatively small, as Garth said, about 2% of the non-par and surplus asset base. We have established a number of strategic relationships with key providers, largely in the US, but not only the US. And if you look back at our program, fixed income really is a core competency within our organisation, and particularly credit, we have developed our own credit capabilities for underwriting going back decades, and if you look across that period, we have suffered de minimis levels of default throughout that whole period, and this is because of the quality of our underwriting, the risk controls that we apply, and the constant reviewing and reporting that we have internally to make sure at all times we understand our exposure. We are extending that approach to private credit, and our teams internally over the last several years have been working closely with our asset management partners to make sure that we understand the exposures that we have got, and that we are comfortable with the exposures to Garth’s point. If you think about the exposure that we do have, over 60% is to senior secured direct lending, and this remains the sort of underpin of what we are doing. Obviously, we are conscious of what is going on in the market. It is largely related to retail investors who perhaps did not fully appreciate the nature of the investments. But I think, as Yuan Siong has said as well, liquidity is a key focus for us, and we are not dependent on our private asset programme for liquidity. Thank you.

Lee Yuan Siong (AIA): On your question on China. At AIA China, we have a very robust operating model, a very differentiated premier agency channel, and a very selective and differentiated partnership distribution channel as well. We are very focused on serving the life and health insurance and long-term savings needs of middle class and affluent families in Mainland China. On average, the middle class and affluent customers of our premier agents in China, have five products with AIA China. We are also in a very unique position whereby we are able to expand into new geographies. Since 2019, we have entered nine new regions, giving us access to 200 million additional middle class and affluent customers. We will continue to expand our footprint across China. So, AIA China is very much focused on the life and health insurance and long-term savings needs of middle class and affluent customers. Thank you.

Sami Taipalus (AIA): Thanks for the question, Michael. Next question, please.

Operator: The next question comes from Michael Chang of CGSI Securities. Michael, please press the unmute button shown on your screen and ask your question.

Michael Chang (CGSI Securities): Thanks. It's Michael here. I have three questions. The first one is for Yuan Siong. Taking a look at the briefing thus far, the questions, and taking a look at AIA over time, because talking to investors pre-pandemic, AIA, just looking at the VONB growth, seems to be at a different level from right now. Looking at the outlook, there are a lot of uncertainties introduced by distortions caused by regulation in Hong Kong, in Mainland China. Some of your peers have tried to reduce the uncertainty about the outlook with guidance on new business CSM or VONB. What do you think of the necessity of providing forward guidance on key important metrics?

Secondly, I really appreciate the changing of the wording of the guidance of the operating EPS growth targets, 9% to 11% from 2023 to 2026. But having said that, if I go with that range, this only implies 3% to 9% operating EPS growth for 2026, which I would think should be easily exceeded, at least in my forecast. How should we think about the operating per share growth going forward? Because the CSM is clearly recovering. I think the metrics are clearly improving from the point of AIA.

The last question relates to the capital front because that has been another area of focus. If I take a look at the required capital under the shareholder capital ratio, there is clearly a slowdown in the required capital growth. It is up 8% year-on-year in 2025, last year was up 13%. I think that is pretty much shift to par. Whenever I hear what Garth and Yuan Siong said just now about calibrating this against the severe stress situation, it is clear that par products can absorb stress much better. I just want to understand, firstly, under what conditions would AIA consider changing that prudent, comfortably above 200% capital ratio level? And then on the leverage front, if you are considering acquisitions, could there be change in the leverage ratio as well? Thanks a lot.

Lee Yuan Siong (AIA): Thank you, Michael. On your question about forward guidance, I think you can see that in 2025, and even earlier years since COVID-19, we have delivered a very strong performance, and I believe sustainable performance in our key financial metrics, including VONB, EV equity, OPAT, and full-year ROE are at record levels now, so I think we operate in markets, as I said, with highly attractive growth opportunities for Asia. We are a Pan-Asian diversified business that gives us greater diversification. In these markets, the majority of them, we actually have market leading positions with very strong competitive advantages, including our premier agency channel. So I think the record speaks for itself in terms of the ability to deliver strong, consistent performance across market cycles.

In terms of OPAT per share target, I just remind you that, first of all, we are actually quite well progressed to meet or exceed this OPAT per share growth target, which was set for 2023 to 2026. As you may recall, this target was introduced during the transition from IFRS 4 to IFRS 17, and it was to help the market better understand the impact of the transition of the two accounting standards, which is actually pretty complex, which is why the main consideration at that time for us to give this OPAT per share target. Now, by the end of 2026, you have five years of historical data with which to more accurately model the IFRS 17 earnings trajectory, and with the transparency of the IFRS 17 model, I think it is quite entirely doable. And on the capital question, I will hand over to Garth.

Garth Jones (AIA): Thanks, Michael. On the required capital, there are a number of things that drive the required capital. Clearly, product is one of those and participating business. You have to remember that it has to be added to the inforce business, so there is slow progression as you change the mix of business. Required capital also depends, obviously, on things such as interest rates and our strategic asset allocation that goes behind that, and any regulatory changes. We continually review that. We have reviewed it in the past, and we look at our stress tests. That is where we came up with the comfortably above 200% level. We are very happy with that level at present, and it is part of our overall capital framework.

Sami Taipalus (AIA): OK great, Michael, did it cover your questions?

Garth Jones (AIA): Sorry, I forgot to cover leverage, Sami. We are very comfortable with our leverage levels, Michael, we are very comfortable with our ratings. We clearly have some headroom within the ratings, but we like where we are. We have strong financial flexibility, and we feel that the current leverage level is appropriate. We added some more debt during the year, but obviously, as the business grows, then the leverage ratio will move along, but we are very comfortable where we are.

Sami Taipalus (AIA): Thank you. We have time for one final question.

Operator: Last question comes from Richard Xu of Morgan Stanley, Richard. Please press the unmute button shown on your screen and ask your question.

Richard Xu (Morgan Stanley): Sure. Thank you for the opportunity for the last question, I got two questions, one back to Hong Kong. So, we're seeing some obviously RMB appreciation in the beginning of the year, is there any impact on the Hong Kong business temporarily? And also, obviously, we heard there're some changes on the commission distribution to the agencies, whether that will impact the competitive landscape in Hong Kong, or recruiting, or some of these business growths in the near term, I guess, medium term as well.

And secondly on China, we see healthy outlook in the first couple of months. Can we get a little bit more on the volume versus margins and product mix on that front. And also on China, a lot of domestic life insurance are still heavily investing in health services, etc. Are we expanding any services or products on that front as well? Thank you.

Lee Yuan Siong (AIA): Thank you, Richard. On your question on Hong Kong and the demand, as I said at the beginning, in terms of the outlook for demand both from the domestic and the overseas segment, and for overseas segment, actually, MCV is the vast majority. The outlook for demand from these two segments is very, very strong, and we are very confident that there will be sustained demand coming from these two segments. So, any short-term movements in exchange rate actually does not affect this strong demand for Hong Kong insurance products, so maybe Jacky, who is closer to the market, would like to elaborate further.

Jacky Chan (AIA): I'd just like to add that the MCV business to Hong Kong has been here for more than two decades, and we went through different cycles of RMB appreciation and depreciation. And in fact, the demand of MCV customer to the Hong Kong insurance product is largely from the attractive proposition available in Hong Kong, and also the demand for the diversification of wealth management to Hong Kong, so we really don't see the RMB appreciation has any major impact to our business. And as to your question on commission spreading requirement. In fact, AIA Hong Kong has been applying a kind of commission spreading already, because of encouragement of servicing of our agent to the existing customer, and also align more in the long-term interest of the customer. We are already applying for renewal kind of compensation. So, the necessary change to our compensation actually is minimal, and it doesn't affect any of our business momentum from the agency force.

Lee Yuan Siong (AIA): And on the question on China, in terms of VONB in the January and February, we do not disclose this information, but in terms of your question on the proposition development in the Mainland China market, I'll hand over to Fisher to talk about it.

Fisher Zhang (AIA): Thanks for the question. Number one, I think we are focused on protection and long-term saving. As I said, we provide a comprehensive suite of the product, supported by ecosystem-based service. So maybe let me talk about the product first. As you know, AIA China is almost the very few insurance companies who are still very keen on the protection. So even in the last year, we observed double-digit growth in the CI. We continue to innovate in the product. I'll give you some typical examples.

Number one is, our par CI was very well received in the second half of last year because with a par it addresses upside potential. And number two, we developed a module based medical, and that is also very well received by the market, because we put the different key elements, like a VIP room, advanced drugs, into each module, so the customer can be based on their affordability to choose a different package. We call it DIY medical, that is very well received by the market. And very importantly, I want to also let you know this year, the Shanghai government launched a pilot programme, allowing the personal account of the social medical insurance to buy the commercial insurance through the agent. We are the first one to be chosen, and now we already sold to more than 10,000 customers, that is very good. We continue to also innovate in long-term saving like a deferred annuity, immediate annuity, quite a lot of new innovation in the product side.

And secondly, I want to talk about the ecosystem-based service. As you know, since eight years ago, we already started to build a solid, comprehensive ecosystem, including the hospital network, the healthcare ecosystem, and also the retirement related ecosystem. We can provide tailored service. Take retirement as an example. In the strong capable period, less capable period, disassemble period, terminal period, so it is a very flexible tailor, and we also provide a timely concierge service. So that kind of service has a strong enabler and empowerment to our strong proposition. We also continue to strengthen the different segments. Number one, I'll give you a typical example. We are the first company to go to the substandard segment. We developed the SIO CI, which is very, very well received by the customer. And I just mentioned the high net worth segment. We continue to innovate. Take the service example, recently, we launched the private family hospital. And for the product, we collaborate with a trust. We launched the insurance trust 3.0. So, in summary, I want to let you know our high net worth strategy is again comprehensive suite of product, is number one. And the number two, equipped by strong ecosystem-based service. And number three, please don't forget, you know that is our core advantage, professional advisor service by our premier agency and differentiated profitable bancassurance. I think that's a basic summary.

Sami Taipalus (AIA): Thanks for the questions, Richard. I think that's what we got time for today. If there are any follow up questions or any further questions, please feel free to get in touch with us in investor relations. Thank you,

Operator: Ladies and gentlemen, this concludes AIA 2025 Annual Results Q&A session. Thank you for your participation.

– End of Q&A session–

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