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Media Release

AIA CAPTURES FURTHER SIGNIFICANT GROWTH OPPORTUNITIES IN CHINA THROUGH A UNIQUE INVESTMENT IN CHINA POST LIFE HELPING MILLIONS MORE CHINESE FAMILIES LIVE HEALTHIER, LONGER, BETTER LIVES

- Equity investment in China Post Life increases the Group's exposure to the growth opportunities in the Chinese life insurance market
- Enables AIA to capture the significant value available from distribution channels and customer segments that are complementary to our existing strategy in China
- China Post Life has access to the largest retail financial distribution network of around 40,000 financial outlets nationwide and more than 600 million retail customers through its distribution partnership with PSBC
- China Post Life's highly-differentiated business model benefits from a unique operating structure and platform
- Substantial opportunities for further value creation leveraging AIA's expertise through agreed governance structure and technical assistance
- Business Cooperation Framework Agreement to explore additional areas of collaboration between AIA and China Post

HONG KONG, 29 June 2021 – AIA Group Limited (the “Company”, and together with its subsidiaries, “AIA” or the “Group”) announces that it has agreed to invest RMB12,033 million (US\$1,860 million)¹ through its wholly-owned subsidiary, AIA Company Limited, for a 24.99 per cent equity stake, post investment, in China Post Life Insurance Co., Ltd. (“China Post Life”), subject to securing all necessary regulatory approvals. The investment will be financed on an all-cash basis from internal resources.

The total value of the proposed investment represents a valuation of 1.34x China Post Life book value² on a pre-money basis³ as of 31 December 2020. Value of new business (“VONB”) for China Post Life was RMB1,866 million (US\$269 million)⁴ for the full year 2020.

China is one of the largest life insurance markets globally and capturing the significant growth potential it offers is a core component of AIA's strategy. Our wholly-owned business, AIA China, has a highly successful and exceptional platform focused on providing high-quality protection and long-term savings products to the rapidly-growing middle-class and affluent customer segments through its highly-differentiated Premier Agency model. AIA China's proven expansion strategy captures the tremendous growth opportunities both within its existing footprint and by increasing its geographical reach.

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AIA's investment in China Post Life increases the Group's exposure to the growth opportunities in the Chinese life insurance market and enables AIA to capture the significant value available from distribution channels and customer segments that are complementary to our existing strategy in China. The Group's operations of AIA China will remain entirely independent of this investment.

China Post Life is a subsidiary of China Post Group Co., Ltd. ("China Post") and is the leading bank-affiliated⁵ life insurer focused on bringing financial protection to the mass and emerging mass-affluent market in China. Through its distribution partnership with Postal Savings Bank of China Co., Ltd. ("PSBC"), it has access to the largest retail financial distribution network of around 40,000 financial outlets nationwide and more than 600 million retail customers. China Post Life currently distributes in 21 provinces, covering 80 per cent of the PSBC network.

China Post Life also has a unique operating structure and platform for distribution and customer servicing using China Post's infrastructure and resources. This distinctive model is an important competitive advantage and enables profitable growth at scale with market-leading efficiency.

AIA brings its extensive life insurance expertise and proven track record in Asian distribution partnerships to support the acceleration of China Post Life's strategic priorities to grow its share of distribution through PSBC and move towards long-term savings with protection products to meet the evolving needs of Chinese customers.

A dedicated joint team comprising representatives from AIA Group Office and China Post Life will form the Technical Assistance Advisory Committee reporting directly to the board of directors of China Post Life. Areas of technical support and cooperation will include product development, technology, investment and risk management expertise, as well as support in expanding and deepening China Post Life's unique distribution opportunity. AIA will have the right to nominate one non-executive director to China Post Life's board of directors.

AIA and China Post have also entered into a Business Cooperation Framework Agreement to explore additional business opportunities.

Lee Yuan Siong, AIA's Group Chief Executive and President, said: "The Chinese insurance market is already the second-largest in the world with immense long-term growth opportunities given the protection gap of more than US\$40 trillion⁶. This unique investment in China Post Life enables AIA to capture additional areas of growth and benefit from the substantial potential for value creation.

"The strong and aligned relationship between China Post Life and China Post is the right model at the right time for successful partnership distribution in China. AIA's proven track record makes us the ideal investor to help China Post Life build on their success and deliver long-term, sustainable VONB growth.

"AIA's investment in China Post Life is highly complementary to our strategy in China and enables the Group to capture significant upside from additional distribution channels and customer segments, helping millions more Chinese families live Healthier, Longer, Better Lives."

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Dang Xiurong, Party Secretary and Chairwoman of China Post Life, said: “We are delighted to welcome AIA as a strategic investor in China Post Life. AIA is globally recognised as the leading pan-Asian life and health insurer with an outstanding track record of delivering value creation for shareholders since its IPO in 2010.

“China Post Life has a rare opportunity as one of the fastest growing life insurers in China. Our unique operating model and the largest retail financial distribution network are distinctive competitive advantages and the cornerstones of our strategic ambitions.

“We are confident that with the support of AIA’s unrivalled experience, we will advance our strategic priorities and bring financial protection to the under-penetrated mass and emerging mass-affluent market at pace, while capturing the significant potential for further growth and sustainable value creation.”

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About AIA

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁷, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR⁸ and New Zealand, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$326 billion as of 31 December 2020.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 38 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

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Information Pack

An information pack is available on AIA's website:

<https://www.aia.com/en/investor-relations/results-presentations/other-presentations.html>

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Notes:

1. Unless otherwise specified, the translation of Renminbi into United States Dollars is made for illustration purposes only at the rate of RMB6.47 to US\$1. No representation is made that any amounts in Renminbi could have been or could be converted at the specified rate.
2. On the basis of the generally accepted accounting principles in the People's Republic of China.
3. The total value of the proposed investment represents a valuation of 1.24x pro forma China Post Life book value on a post-money basis as of 31 December 2020.
4. VONB is stated on China Post Life embedded value basis, translated into United States Dollars based on average spot rates over the period.
5. Bank-affiliated life insurer refers to a life insurer whose main distribution channel is bancassurance and is controlled by, or affiliated with, a large commercial bank in China.
6. Swiss Re Institute, July 2020.
7. Hong Kong SAR refers to Hong Kong Special Administrative Region.
8. Macau SAR refers to Macau Special Administrative Region.

This document contains forward-looking statements relating to the Company and/or China Post Life, China Post and PSBC that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. Actual results and events may differ materially from information contained in the forward-looking statements.

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