



HEALTHIER, LONGER,
BETTER LIVES

2020 INTERIM RESULTS PRESENTATION

20 August 2020

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

Agenda

1

FINANCIAL RESULTS

Garth Jones, Group Chief Financial Officer

2

TRANSFORMING AIA

Lee Yuan Siong, Group Chief Executive and President

3

Q&A





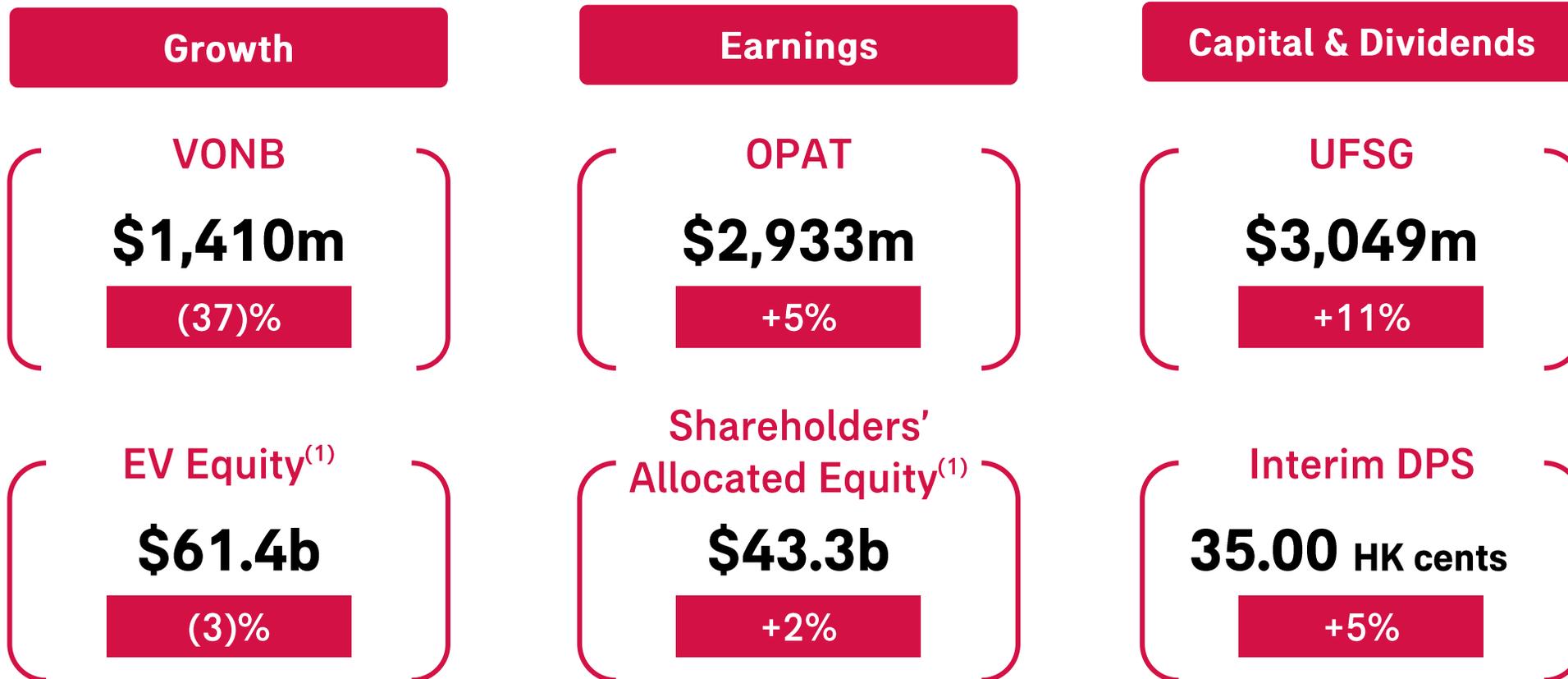
Financial Results

Garth Jones

Group Chief Financial Officer



1H2020 Resilience in Unprecedented Environment



Note:

(1) Comparatives for balance sheet items are shown against the position as at 31 December 2019



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Growth

Earnings

Capital & Dividends



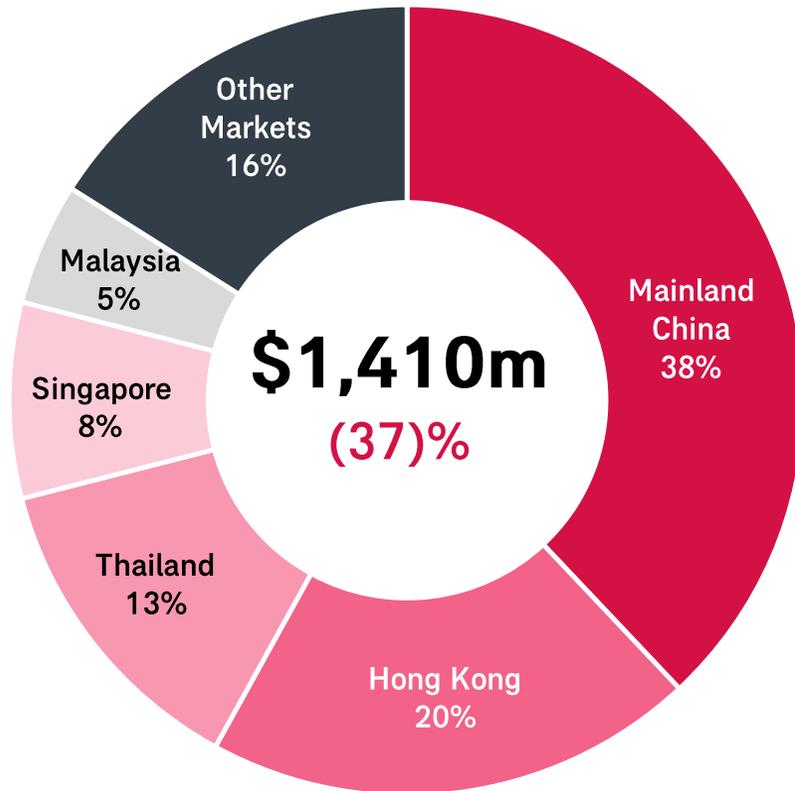
Positive VONB Momentum as COVID-19 Measures Ease



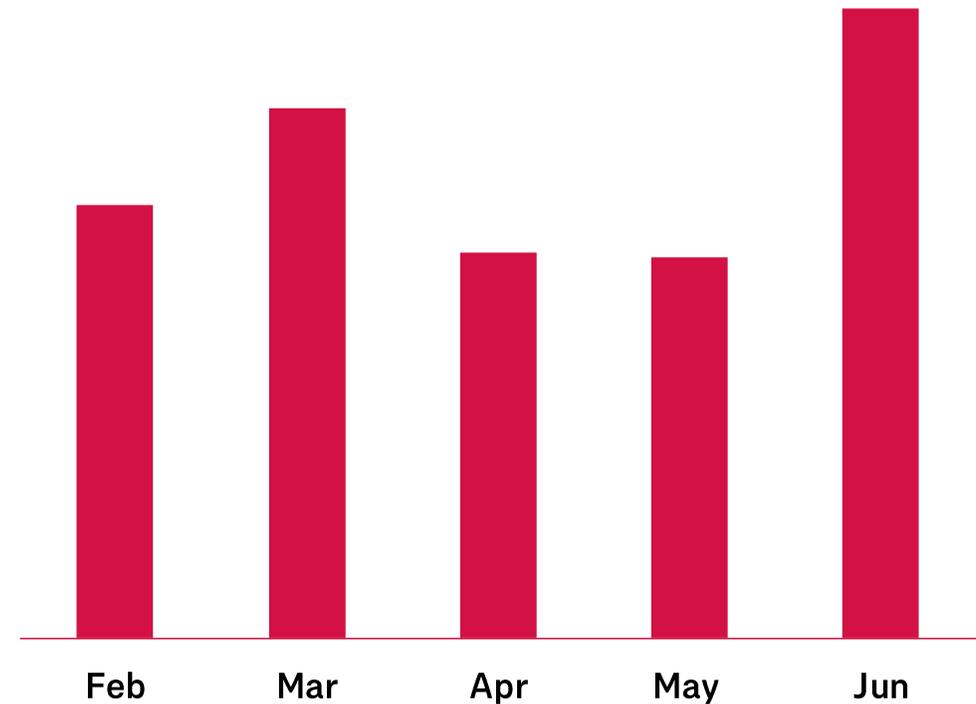
AIA China the largest contributor to Group VONB

VONB reflects timing and scale of restrictions

1H2020 VONB by Market Segment



Monthly Group VONB⁽¹⁾



Note:
(1) Excluding the one-off significant contribution to VONB as both CBA and ASB purchased mortality cover from AIA Australia on behalf of their existing home loan customers

Supporting Agents, Partners and Customers

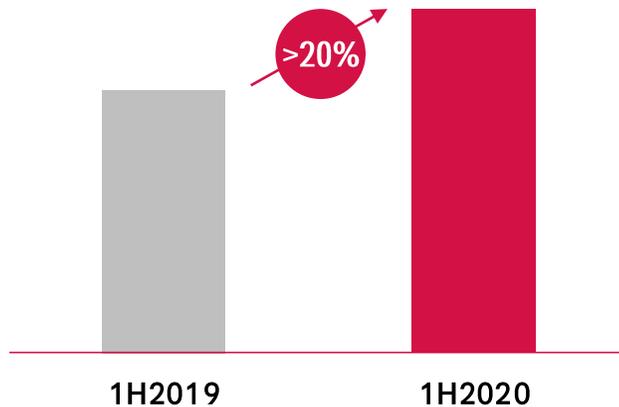


Recruitment and Training

Online Recruitment Seminars

Over 8,000
Across Asia-Pacific

New Recruits



Remote Digital Sales

Remote Digital Sales Capability



% of Products Virtual Sales Capability

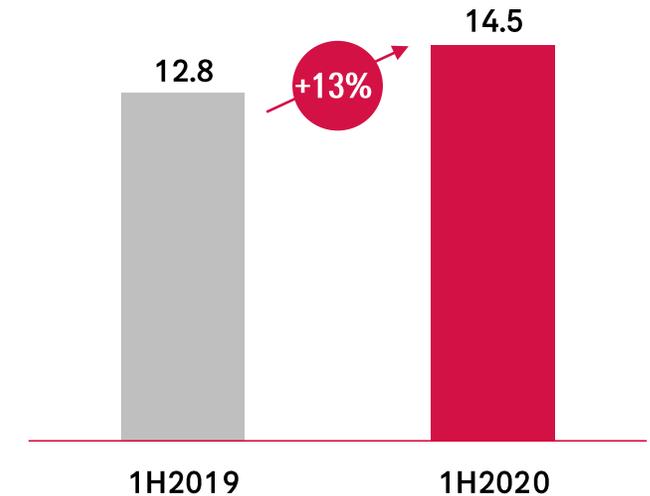


% of Agency Cases Closed Remotely



Customer Loyalty

Renewal Premiums⁽¹⁾ (\$b)



Persistency Rate



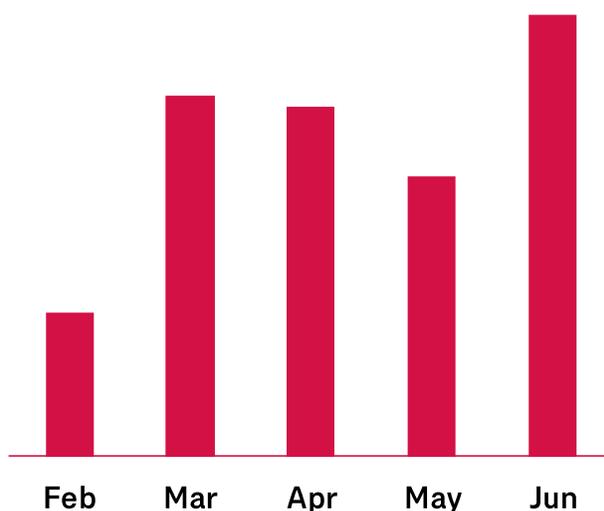
Notes:
For 1H2020, unless otherwise stated
(1) Comparative is shown on a constant exchange rate basis

Strong Momentum in All Markets as Restrictions Ease



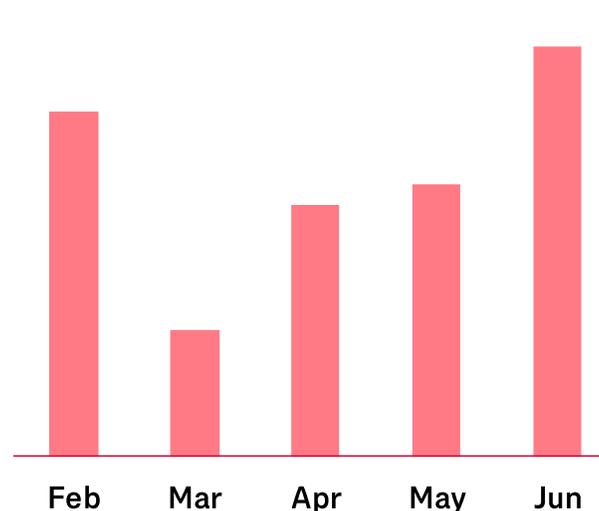
Resumption of face-to-face advice supplemented by increased remote selling

Mainland China
VONB



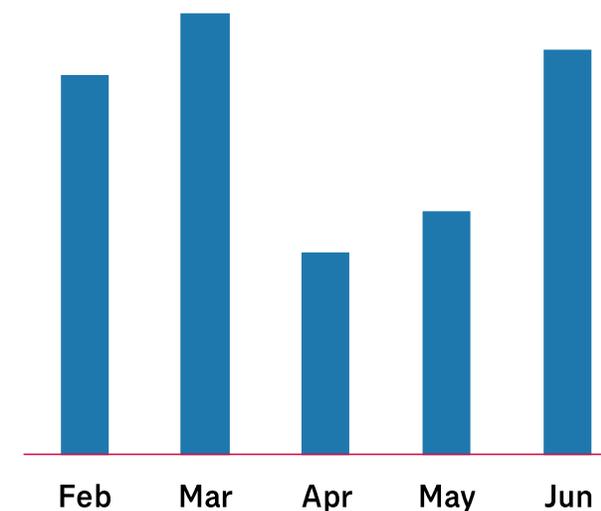
- Y-o-Y growth in 2Q 2020⁽²⁾
- Largest contributor to Group VONB in 1H 2020

Hong Kong
VONB



- Minimal sales from MCV customer segment since early February
- Recovery in domestic segment sales during May and June

Rest of Group⁽¹⁾
VONB



- Introduction or tightening of measures in March and April
- Momentum improving as restrictions ease

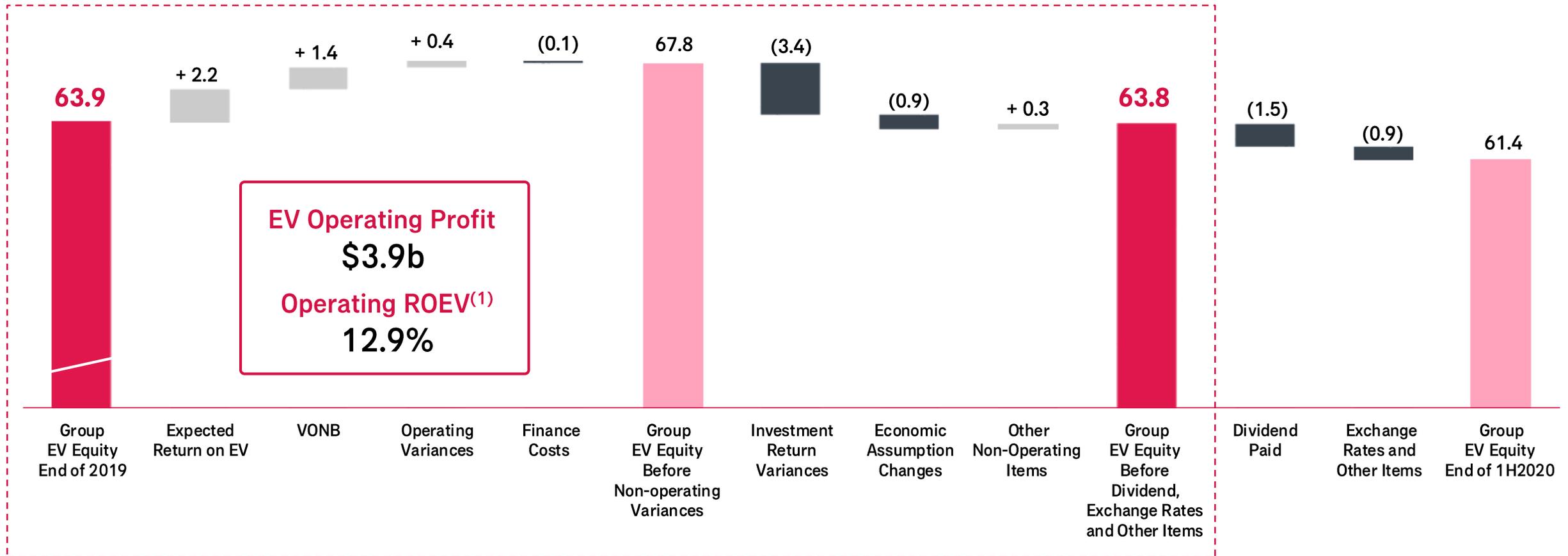
Notes:

(1) Rest of Group refers to the Group excluding Mainland China, Hong Kong and the one-off significant contribution to VONB as both CBA and ASB purchased mortality cover from AIA Australia on behalf of their existing home loan customers
 (2) Due to the timing of the announcement of the tax rule change that increased the tax deductibility of commissions from 1 January 2019, the reported VONB in 2Q 2019 for AIA China included a positive impact from the tax rule change for 1H 2019. AIA China reported positive VONB growth for 2Q 2020 on a like-for-like basis, compared with the VONB in 2Q 2019

EV Equity Maintained before Dividend Payment



1H2020 EV Equity Movement (\$b)



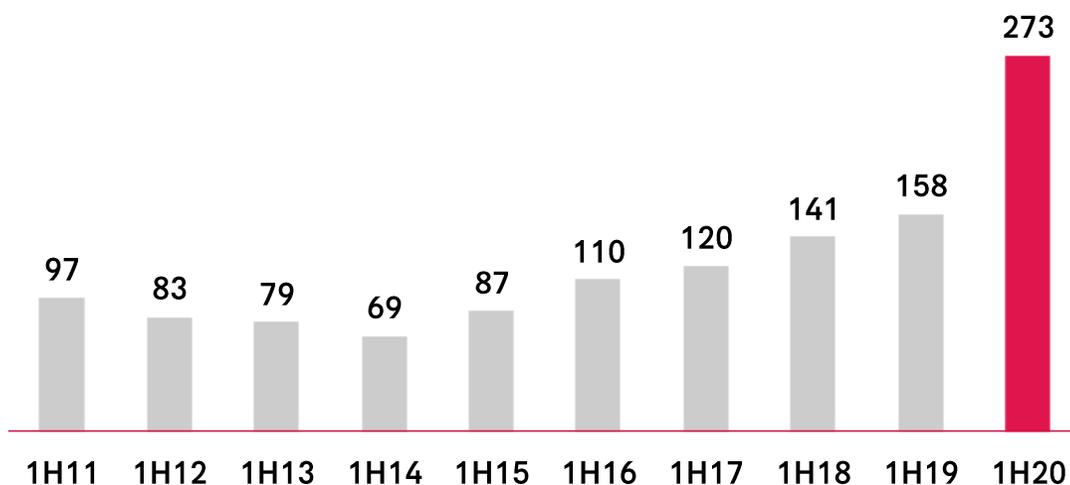
Notes:
Due to rounding, numbers presented in the chart may not add up precisely
(1) On an annualised basis

Quality Business with Prudent Operating Assumptions

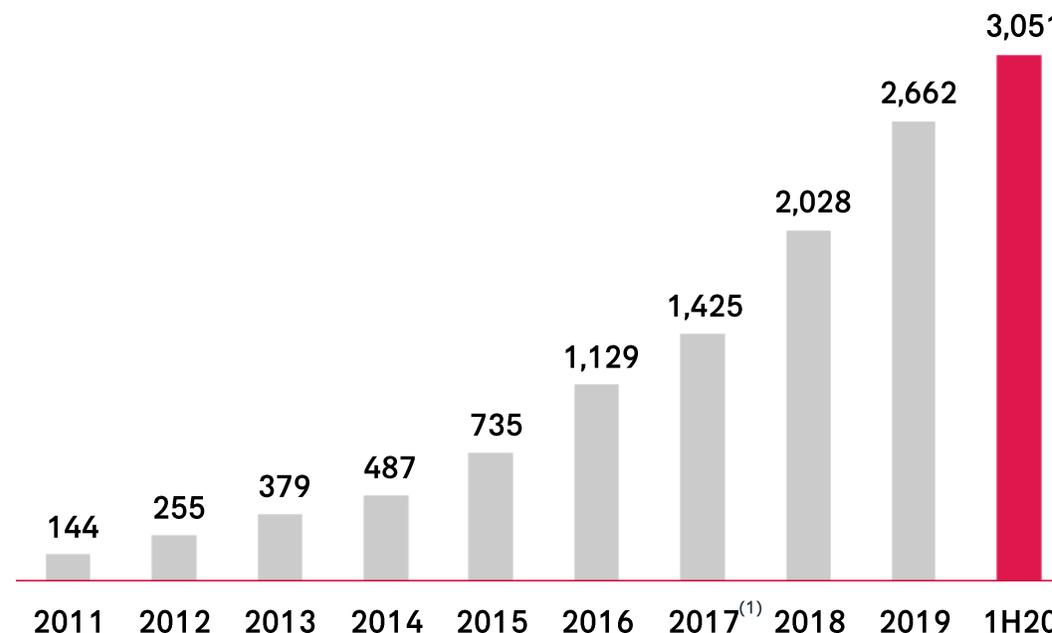


Consistently positive operating variances have added over \$3b to EV since IPO

Mortality and Morbidity Claims Experience Variances (\$m)



Cumulative EV Operating Variances (\$m)



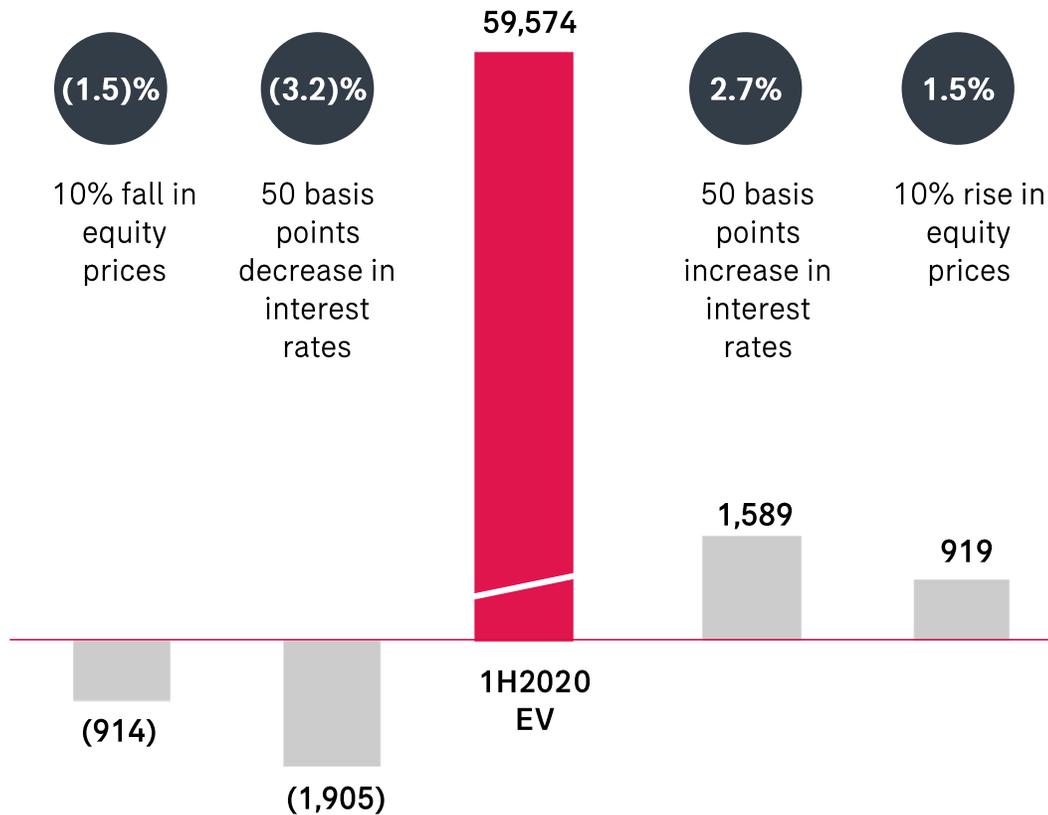
Note:
(1) 2017 figure covers a 13-month period from 1 December 2016 to 31 December 2017

EV Sensitivity to Interest Rates Remains Small



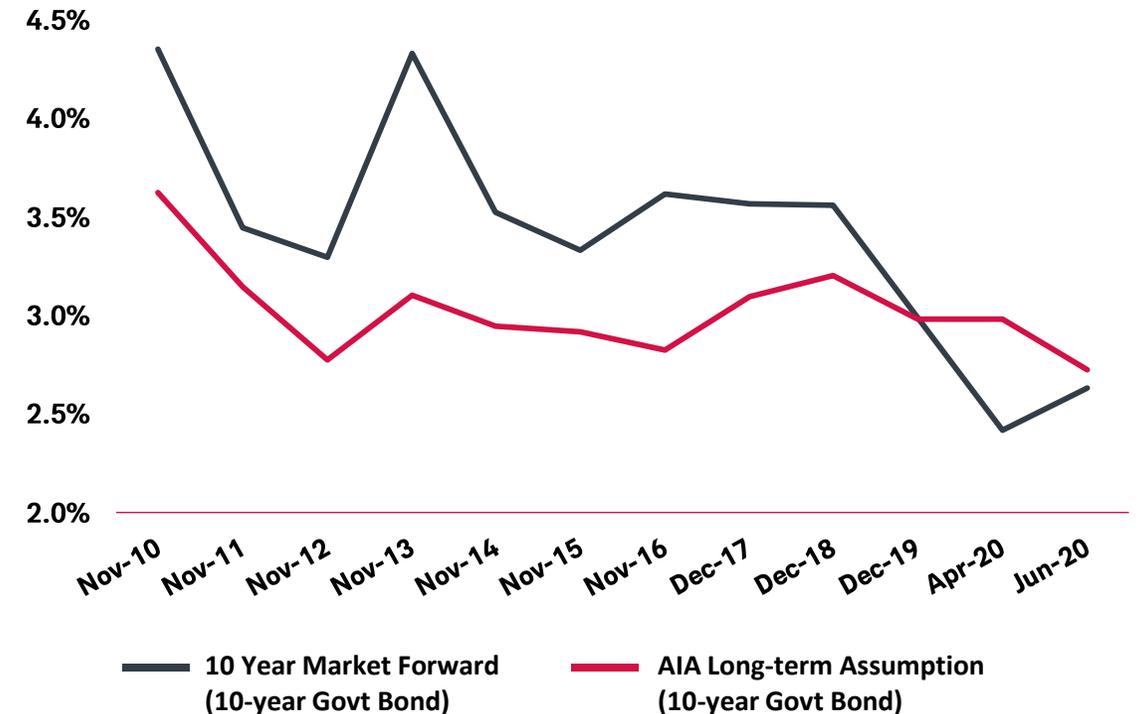
Sensitivity of EV

As at 30 June 2020



AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography⁽¹⁾



Note:

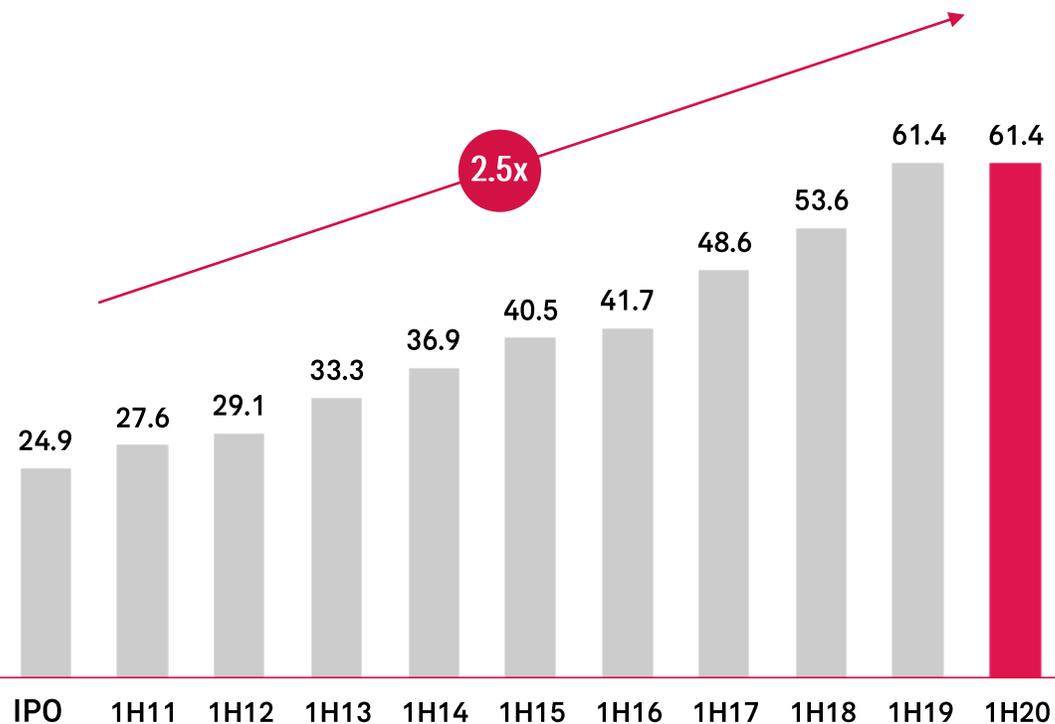
(1) Weighted average interest rates by VIF of Hong Kong, Mainland China, Thailand, Singapore and Malaysia

EV Equity 2.5x IPO to \$61.4b Driven by Operating Profit

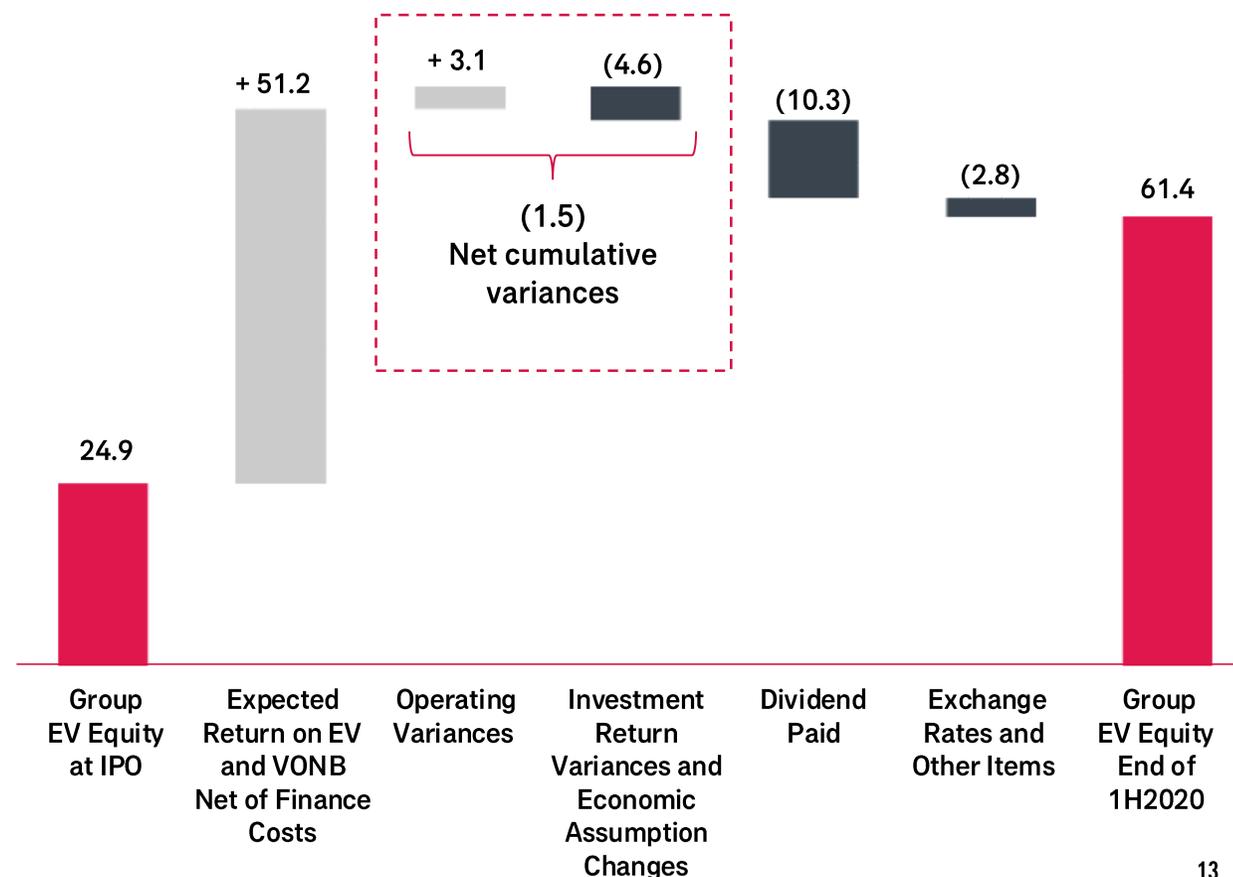


Prudent assumptions with small net cumulative variances

EV Equity (\$b)



EV Equity Movement Since IPO (\$b)



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



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Growth

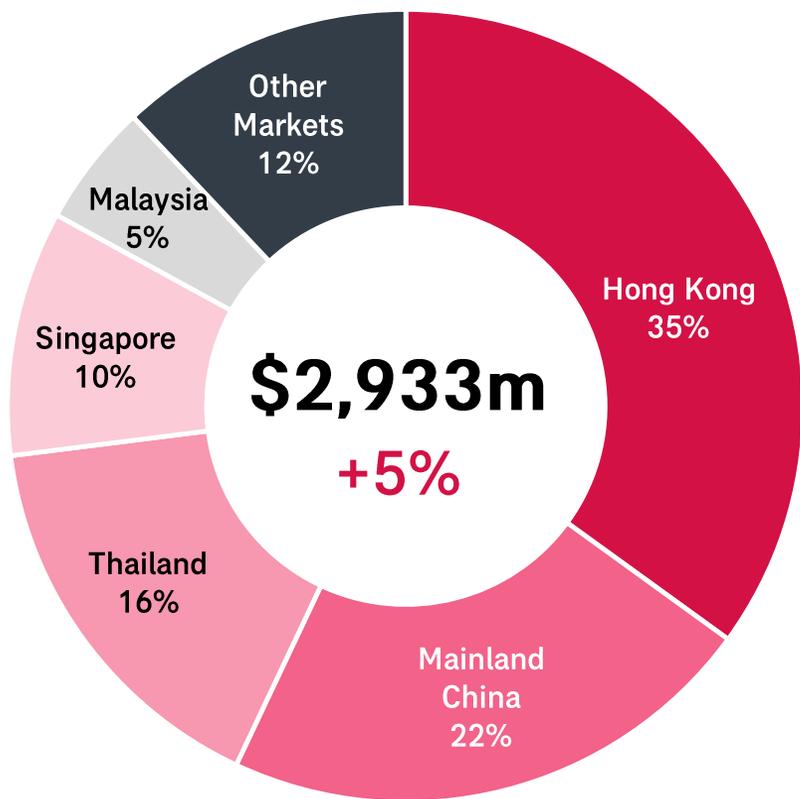
Earnings

Capital & Dividends

OPAT up 5% to \$2.9b



1H2020 OPAT by Market Segment



Resilient and growing in-force portfolio of high-quality business with recurring premiums

Hong Kong
\$1,005m
+7%

Mainland China
\$640m
+22%

Singapore
\$303m
+11%

Thailand
\$478m
(9)%

Malaysia
\$148m
(9)%

Other Markets
\$333m
(13)%

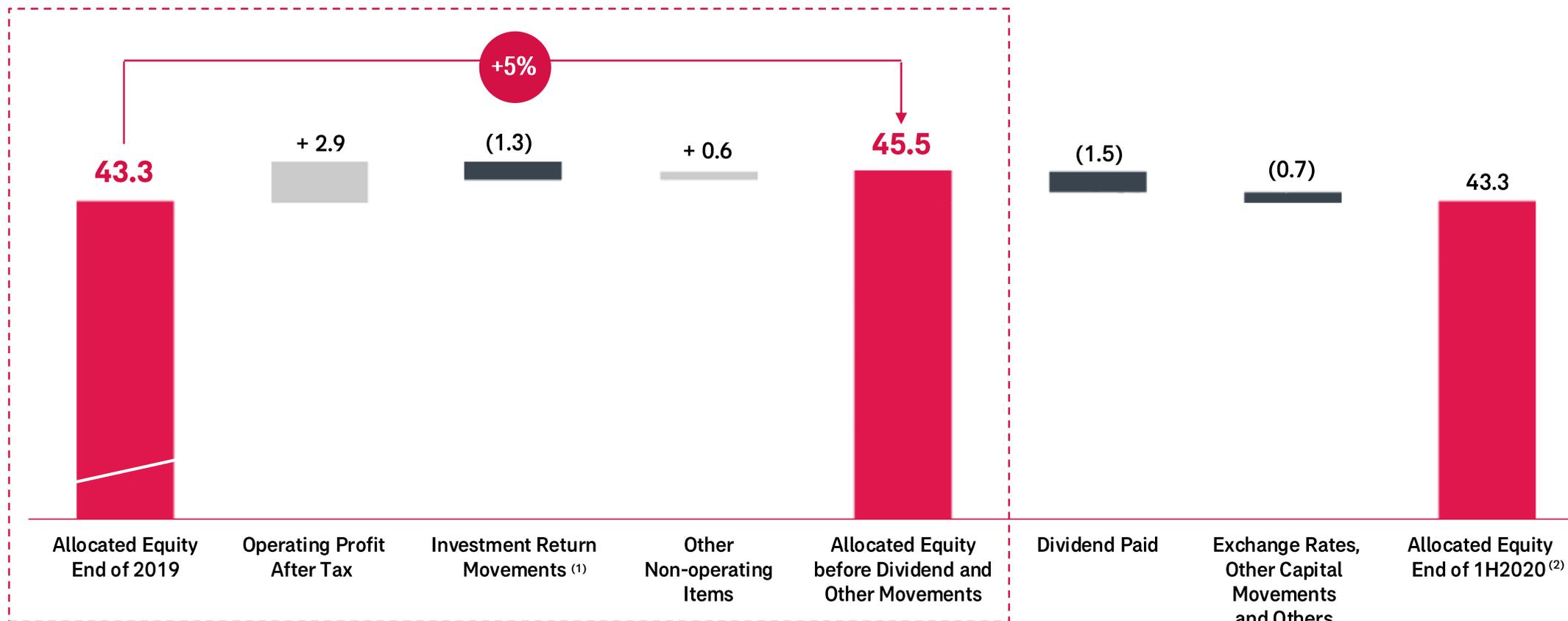
Note:
Group OPAT includes Group Corporate Centre

Shareholders' Allocated Equity up 5% before Dividend Payment



Shareholders' Allocated Equity driven by operating profit growth

IFRS Shareholders' Allocated Equity Movement (\$b)



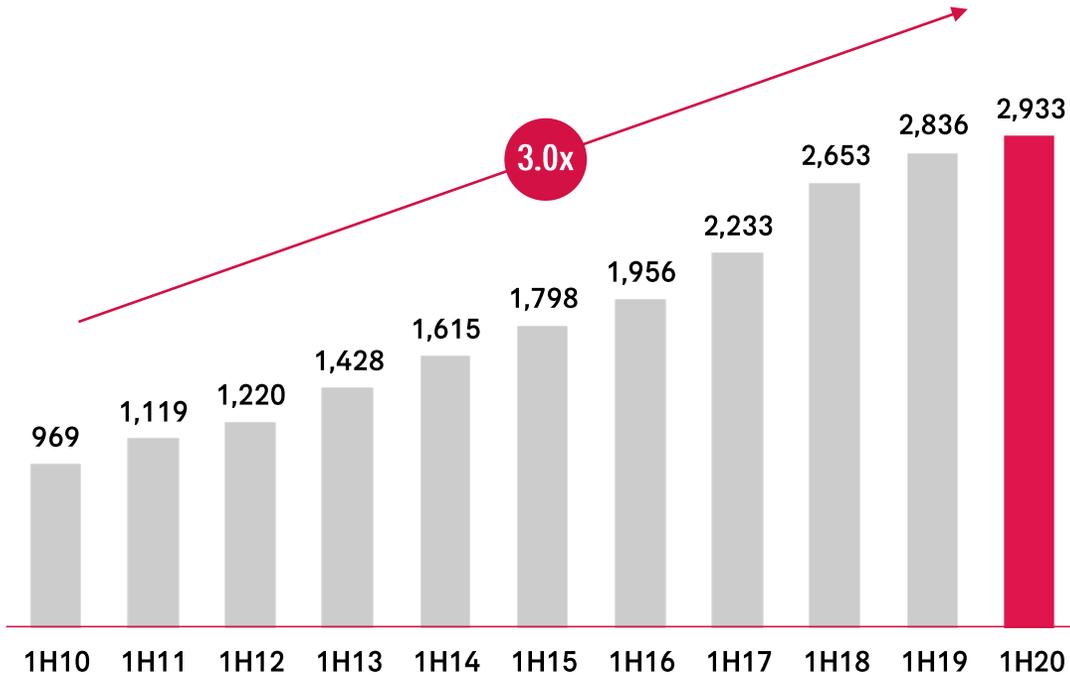
Notes:
 Due to rounding, numbers presented in the chart may not add up precisely
 (1) Short-term fluctuations in investment return related to equities and real estate, net of tax
 (2) Shareholders' allocated equity is shown before fair value reserve of \$13.5b as at 30 June 2020

OPAT 3.0x IPO Reflects Growing and Resilient In-Force

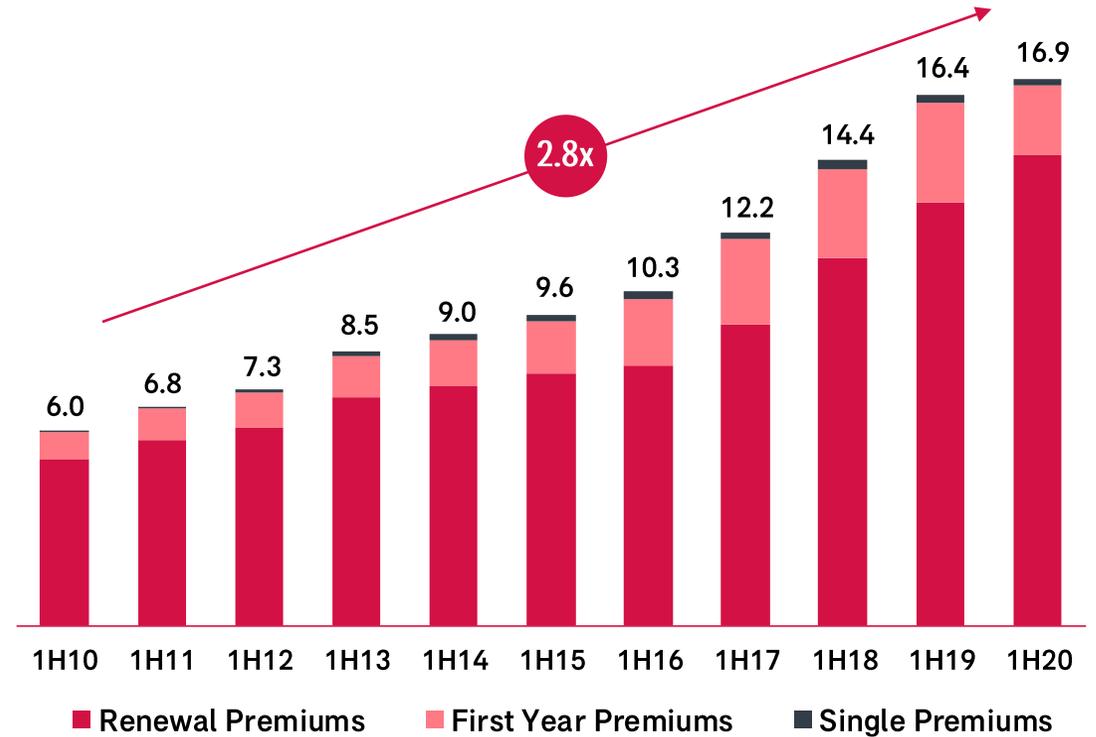


99% of Total Weighted Premium Income (TWPI) are recurring

OPAT (\$m)



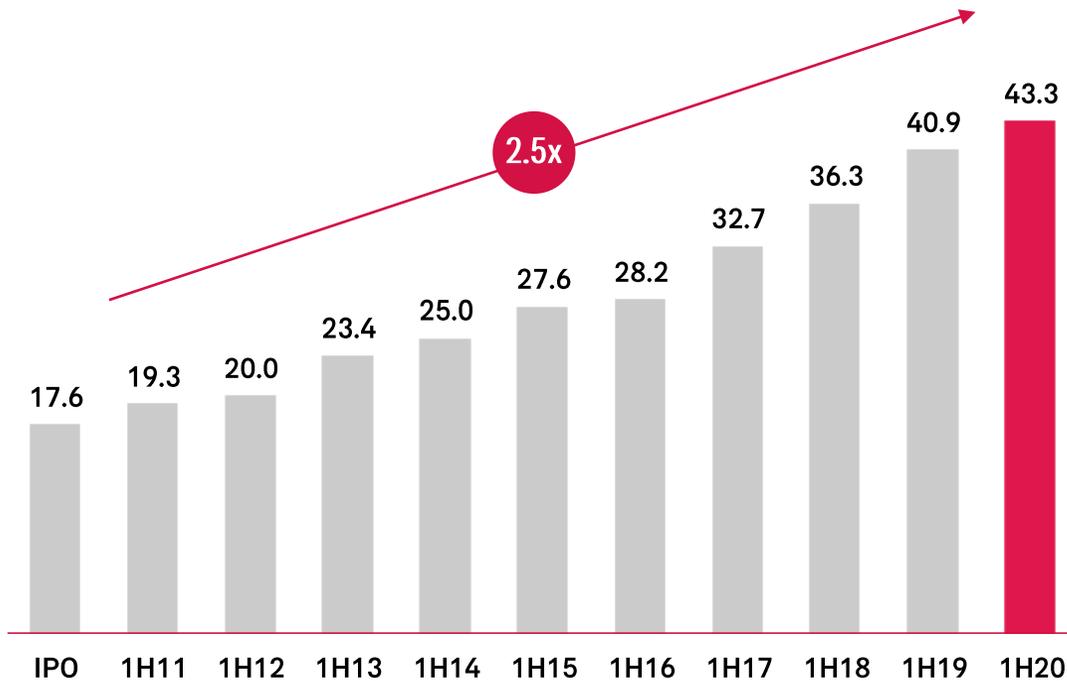
TWPI by Premium Type (\$b)



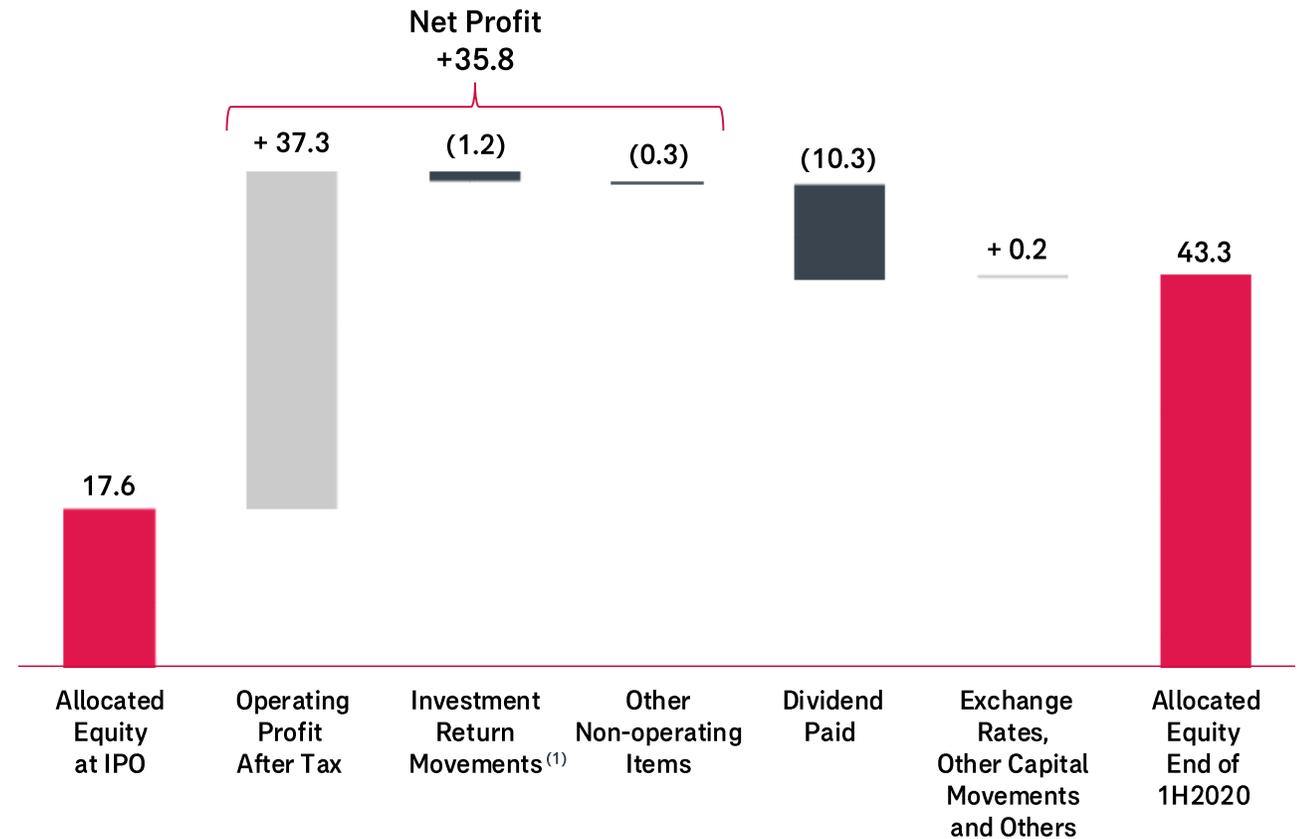
Shareholders' Allocated Equity 2.5x IPO Driven by OPAT Growth



Shareholders' Allocated Equity (\$b)



Shareholders' Allocated Equity Movement Since IPO (\$b)



Notes:

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

(1) Short-term fluctuations in investment return related to equities and real estate, net of tax



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Growth

Earnings

Capital & Dividends

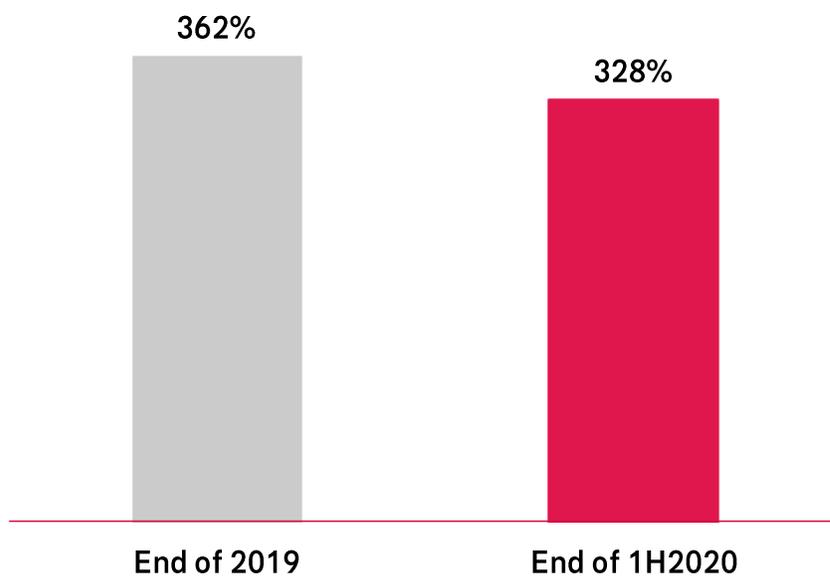


Robust Solvency Position



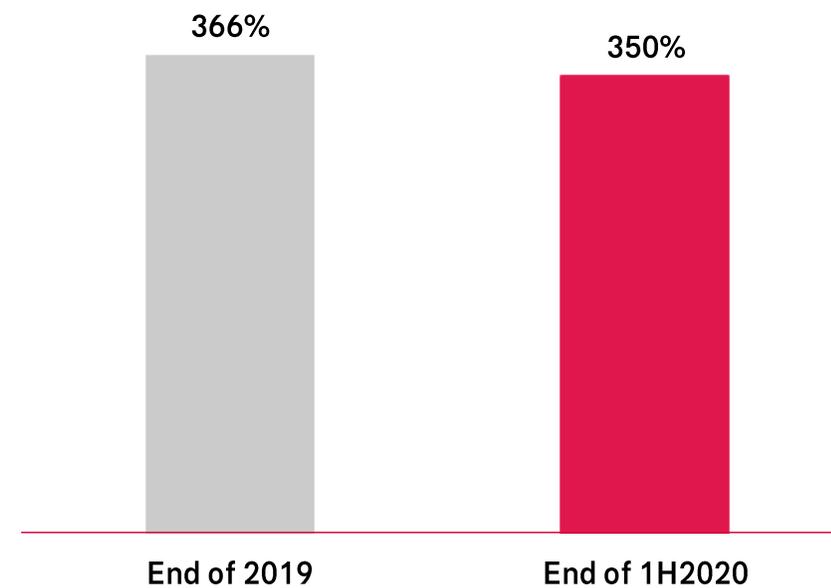
Resilient HKIO Solvency Position

AIA Co. HKIO Solvency Ratio



Strong Group LCSM Cover Ratio

Group LCSM Cover Ratio⁽¹⁾



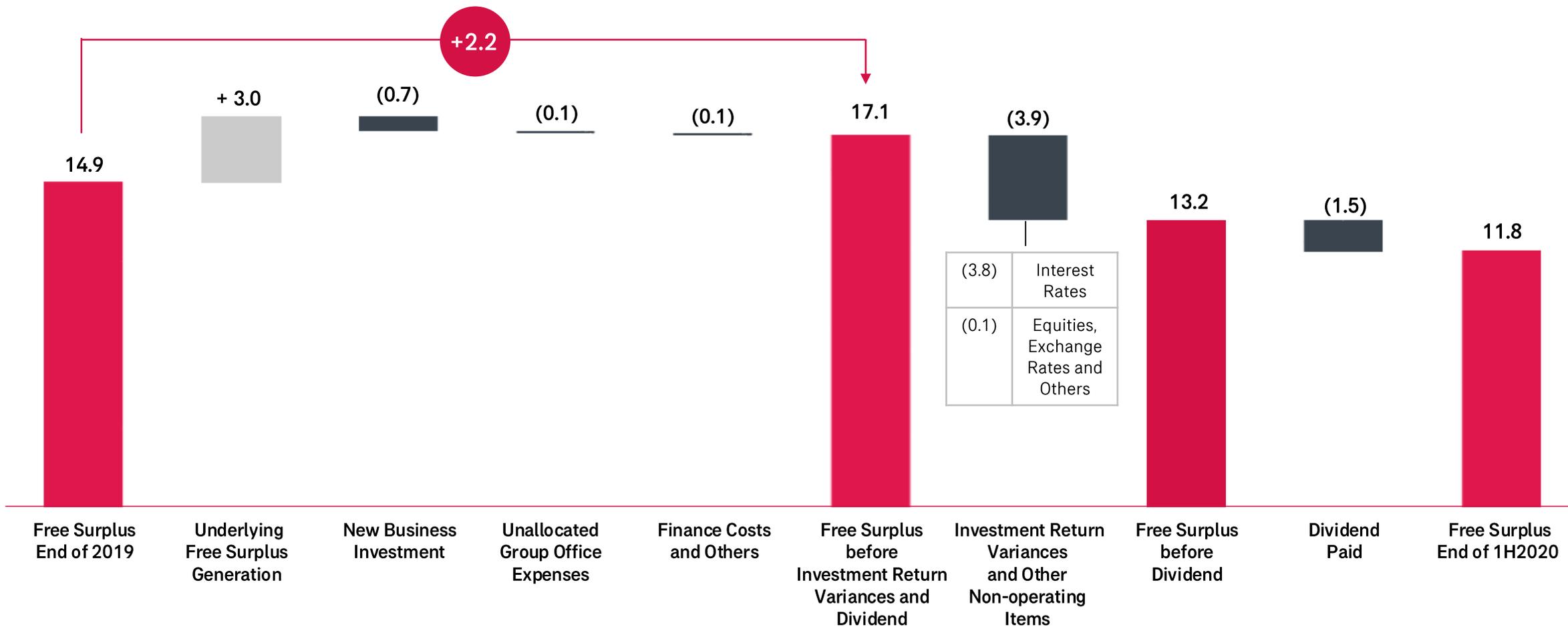
Note:

(1) AIA estimated basis; excluding any contribution from medium-term notes

Resilient Free Surplus with UFSG up 11%



Free Surplus Movement⁽¹⁾ (\$b)



Notes:

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

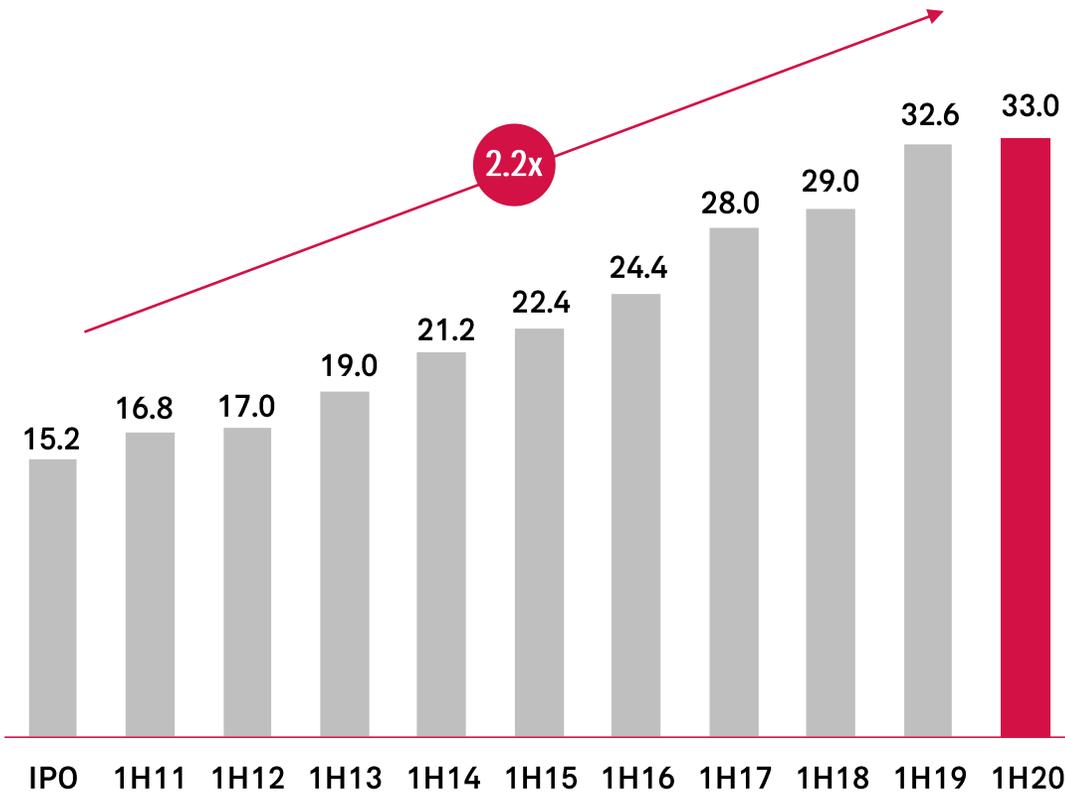
(1) Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital

UFSG 2.8x IPO from In-Force Growth

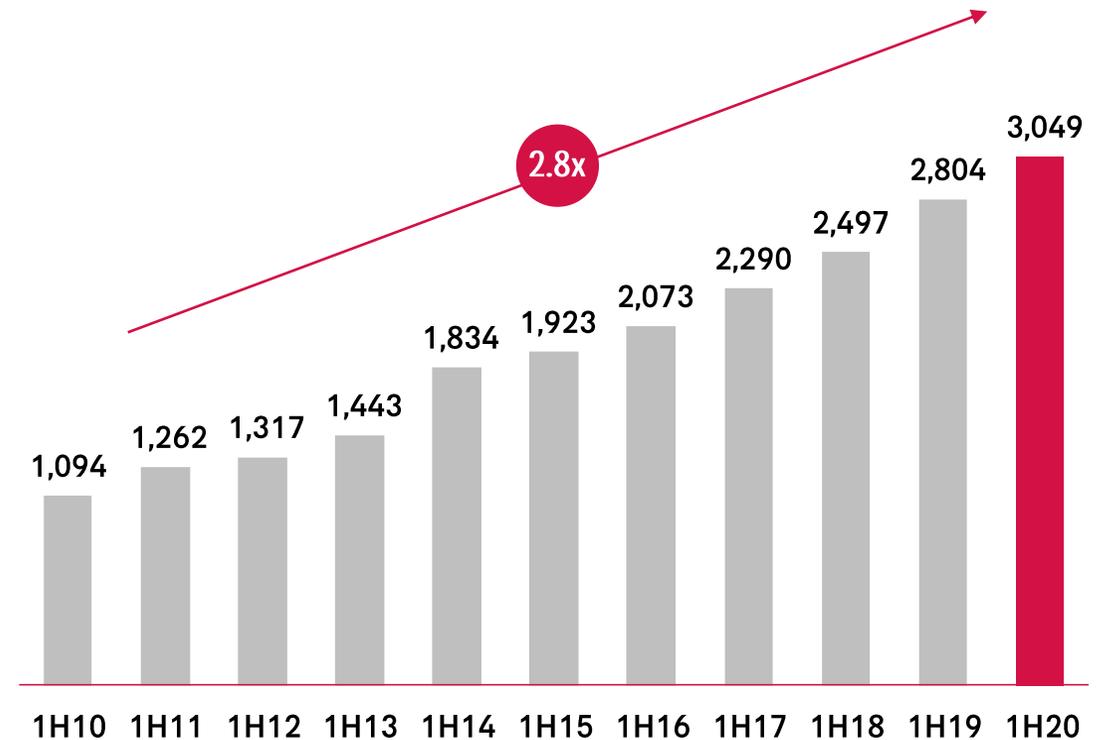


Growth of quality in-force value translates into Underlying Free Surplus Generation

Value of In-Force Business (\$b)



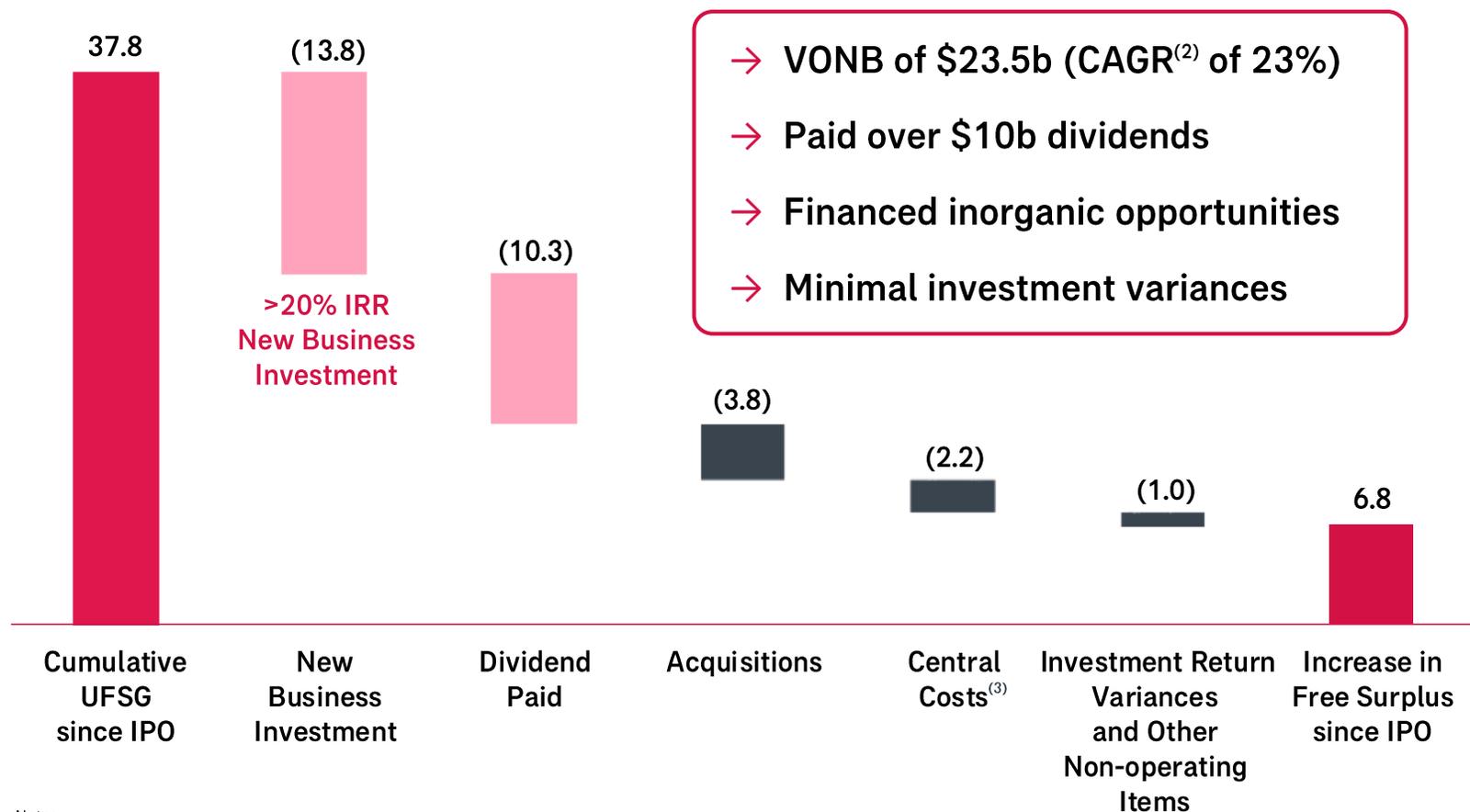
Underlying Free Surplus Generation (\$m)



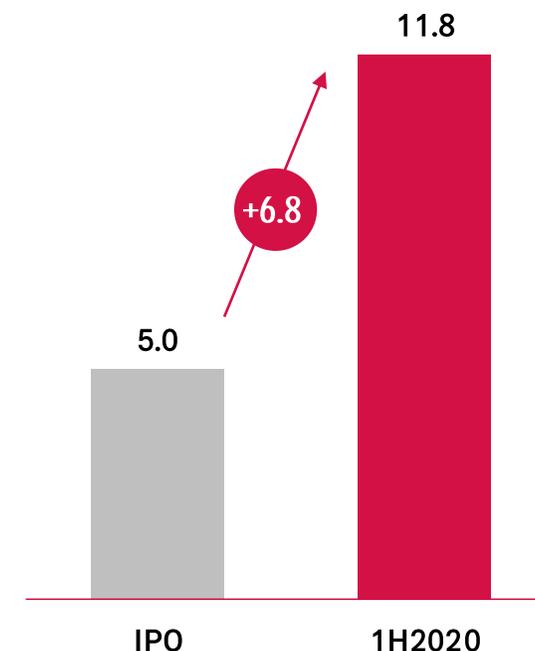
Financial Discipline Driving Shareholder Value



Use of Free Surplus⁽¹⁾ Since IPO (\$b)



Free Surplus⁽¹⁾ (\$b)



Notes:

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

(1) Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital

(2) CAGR of 2010-2019

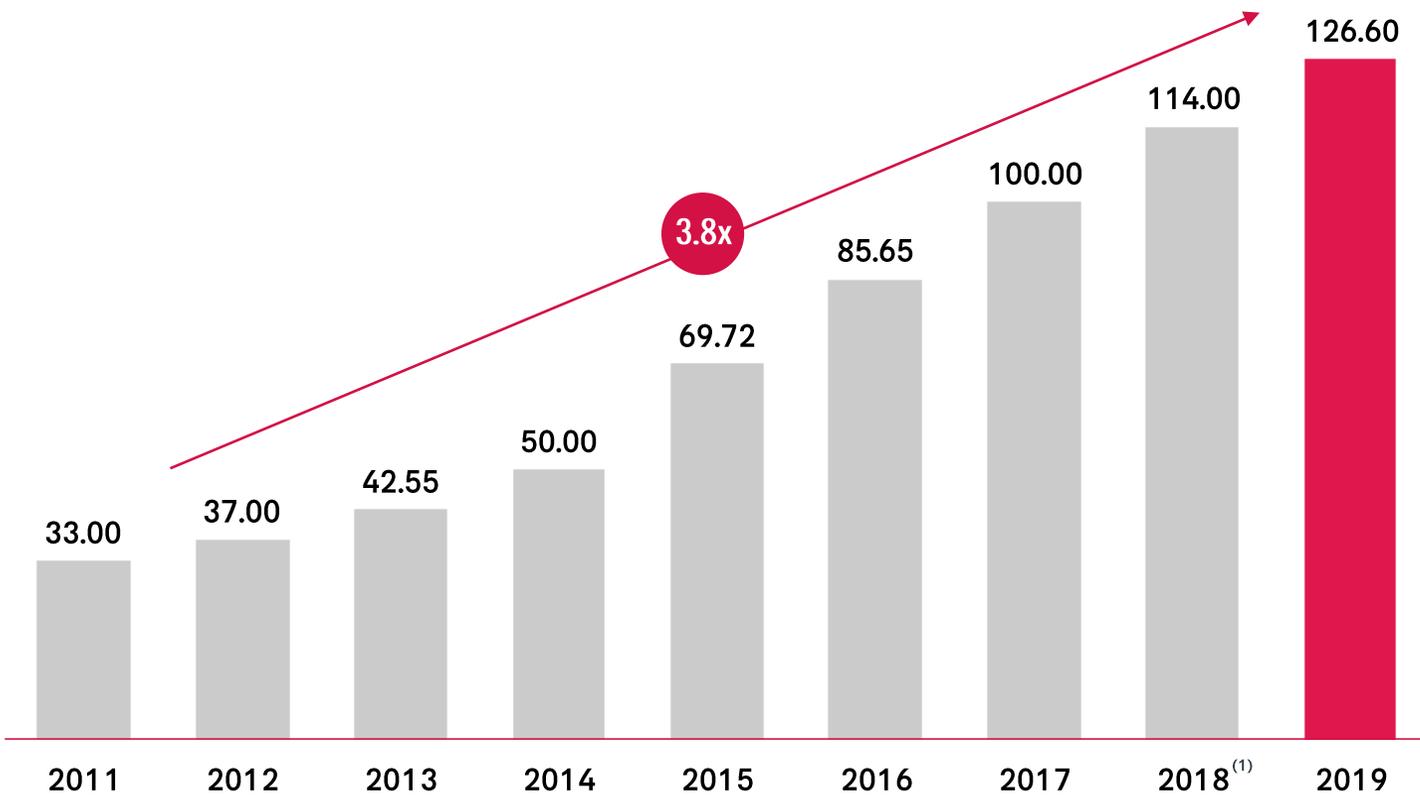
(3) Unallocated Group Office expenses, finance costs and other capital movements

Interim Dividend Increase of 5%

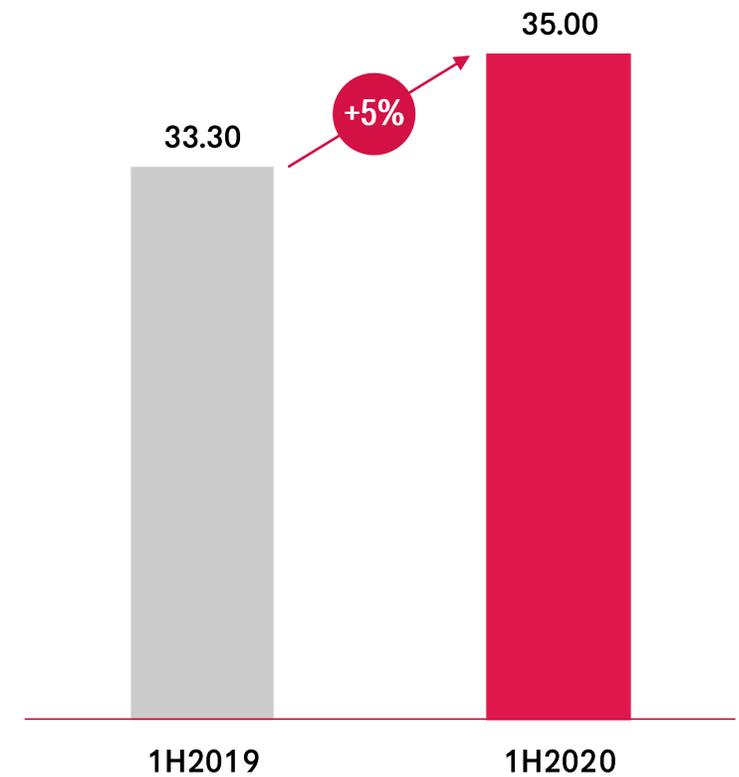


Prudent, sustainable and progressive dividend policy

Total Dividend Per Share (HK cents)



Interim Dividend Per Share (HK cents)



Note:
(1) Total dividend excluding special dividend

Resilient 1H2020 Results with Positive Momentum



- **Strong VONB recovery as COVID-19 measures ease**
- **OPAT and UFSG growth supported by quality in-force portfolio**
- **Resilient Embedded Value with prudent assumptions**
- **Growth in Shareholders' Allocated Equity before dividend payment**
- **Robust financial position with strong solvency**
- **Prudent, sustainable and progressive dividend policy**



Transforming AIA

Lee Yuan Siong

Group Chief Executive and President



AIA's Growth Strategy is Built on 5 Long-term Structural Drivers



1

Asia's unprecedented wealth creation

Fast-growing middle class population (1.4b increase by 2030)

Substantial increase in personal financial assets (\$70t increase by 2030)

Growing need to optimise asset allocation (~50% of personal financial assets in cash)

2

Significant need for protection

Increasing prevalence of avoidable lifestyle-related diseases

Private health expenditure outpacing disposable incomes

Ageing populations driving growing protection and long-term savings needs

3

Rapidly shifting consumer mindset

Greater concerns about health and wellness influencing choices

More relevant content required for deeper engagement

On-demand service and personalised relevant interactions

4

Pervasiveness of technology

Data and analytics driving deeper and actionable customer insights

Deeper connectivity delivers personalisation of propositions

Enhanced scale and efficiency through cloud, AI and automation

5

Resilience and sustainability

Purpose and authenticity now a growing business imperative

Taking a stand on ESG issues expected by all stakeholders

Ensuring resilience in a world of increasingly hard-to-predict, material shocks

Key Competitive Advantages of a Transformed AIA



Unparalleled Asia Platform

- Asia focus with leading market positions
- 100% ownership structures

World-Class Digital Technology

- Customer and distribution digital tools powered by data analytics
- Superior back office efficiency

Best-in-Class Customer Experience

- Leading experience with relentless focus on simplicity, timeliness and reliability
- Helping people live Healthier, Longer, Better Lives

Differentiated Quality Distribution

- Unrivalled scale Premier Agency focused on delivering quality advice
- Industry-leading strategic partnerships providing access to new growth opportunities

Compelling Propositions

- Integrated and personalised Health and Wellness ecosystem delivering shared outcomes
- Long-term savings and retirement solutions powered by AIA Regional Funds Platform

Empowered Culture

- Simpler, faster, more connected organisation
- High-quality management with extensive experience in Asia

Financial Discipline and Strength

- Profitable new business growth, delivering strong earnings and cash
- Resilient balance sheet

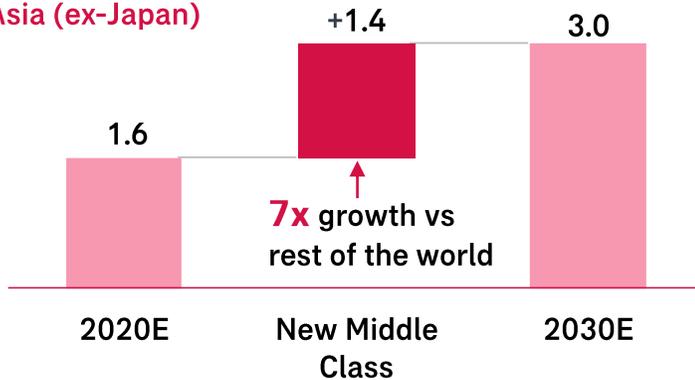


Unparalleled Platform Focused on Asia

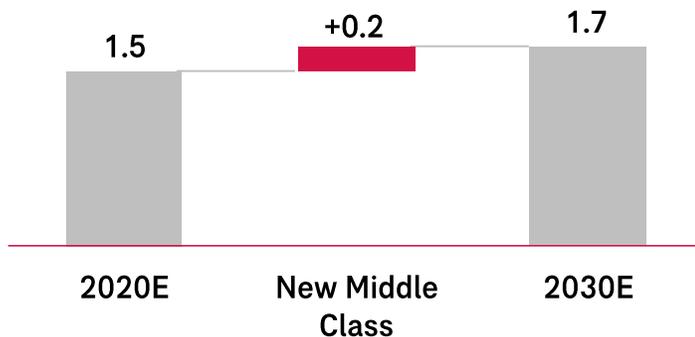
Growing Middle Class

Middle Class Population
Billion people

Asia (ex-Japan)

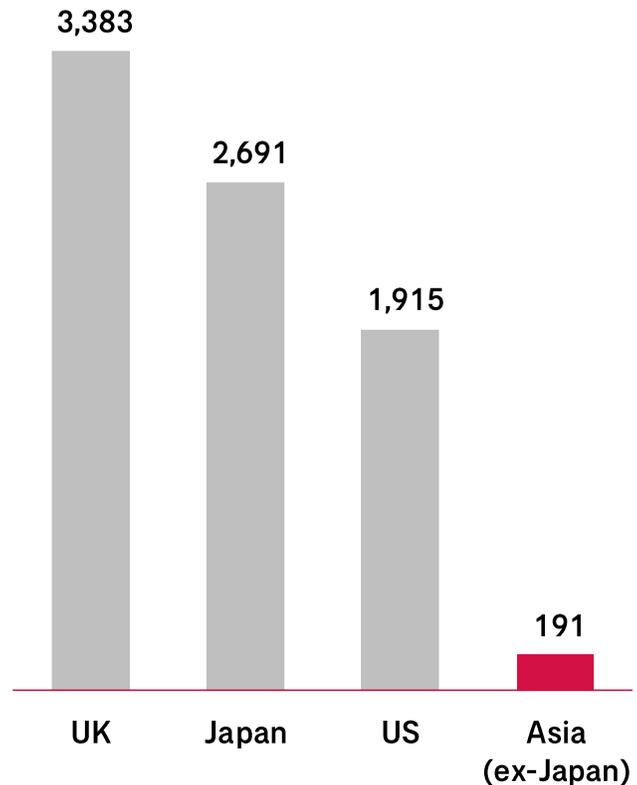


Rest of the world



Low Insurance Cover

Life Insurance Density
Premiums per capita in US\$ (2019)



Unique Asia Footprint

Unmatched Scale and Presence
Over a century of experience

Originated in Shanghai in 1919

Leading positions in the vast majority of markets

100% ownership in 17 markets⁽¹⁾

First and only wholly-owned foreign life insurance subsidiary in Mainland China

Serving holders of more than 36 million individual policies and over 16 million group members across 18 markets

Protecting people across the region with total sums assured of US\$1.8 trillion

Notes:
Sources: McKinsey, SwissRe

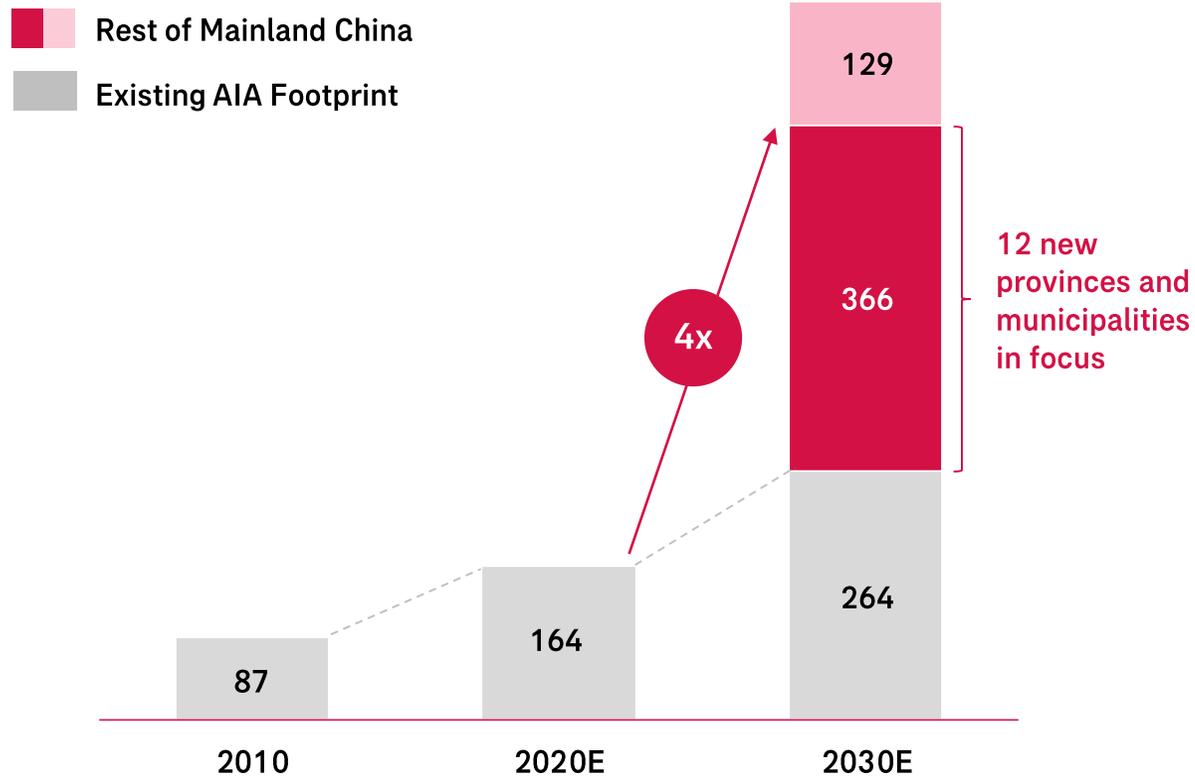
(1) As of 30 June 2020, entities within AIA Group held 99.05% of the shares of AIA Sri Lanka. AIA is currently undertaking actions to try to secure 100% ownership of shares of AIA Sri Lanka, which it expects to conclude before the end of 2020

Mainland China: AIA's Unique Opportunity with 100% Ownership



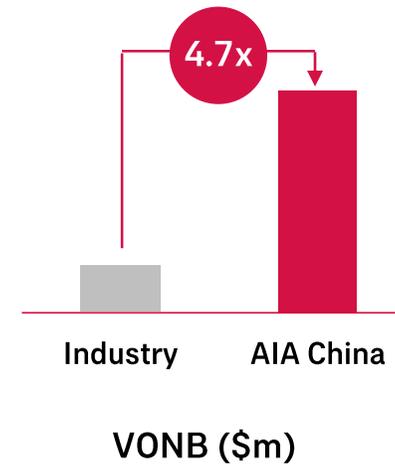
Geographic Expansion Multiplies AIA Opportunity

Middle Class Population⁽¹⁾ (m)

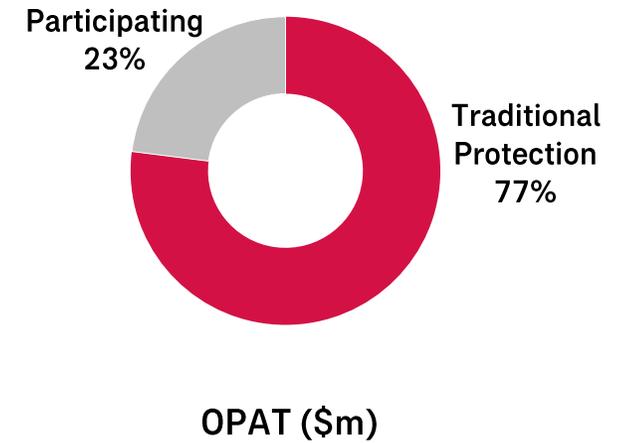


Differentiated Strategy Drives Profitable Growth

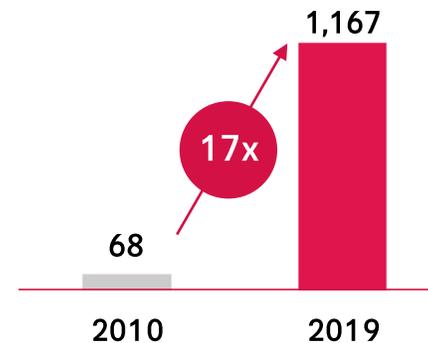
VONB per Agent⁽²⁾



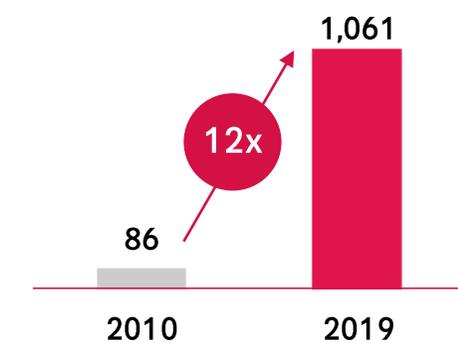
1H20 Product Mix by VONB



VONB (\$m)



OPAT (\$m)



Notes:
 (1) Sources: McKinsey, AIA estimates
 (2) For 2019; industry statistics based on latest company reports



Mainland China: AIA has a Proven Expansion Model

Premier Agency

- Professional full-time agency platform
- Advice-based and customer-centric
- Quality-focused and scalable
- High-performance culture

Digitally Enabled

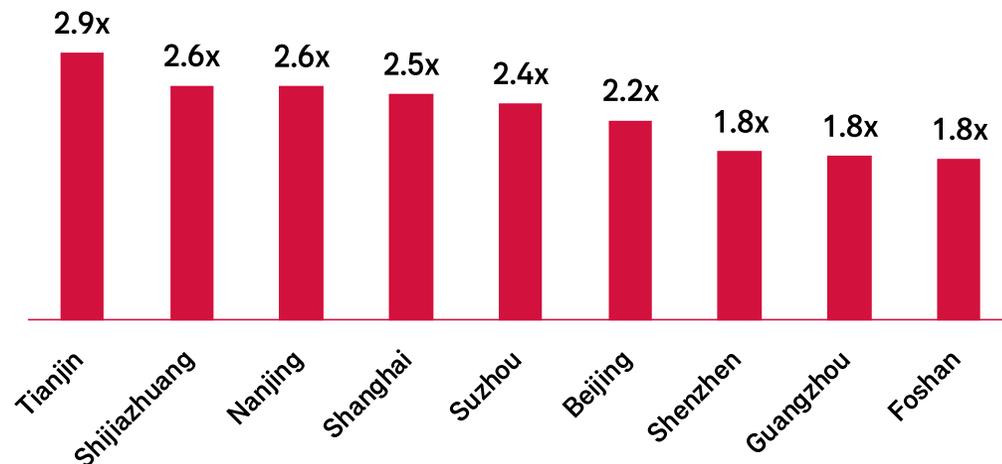
- End-to-end digitalised agency model: recruit, train, manage, prospect, sell, service
- Cloud-based digital platforms powered by AI and data analytics
- Scalable infrastructure

High-quality Management

- Experienced local management team with strong track record of execution
- Multi-year expansion plan targeting selected cities
- Empowerment culture

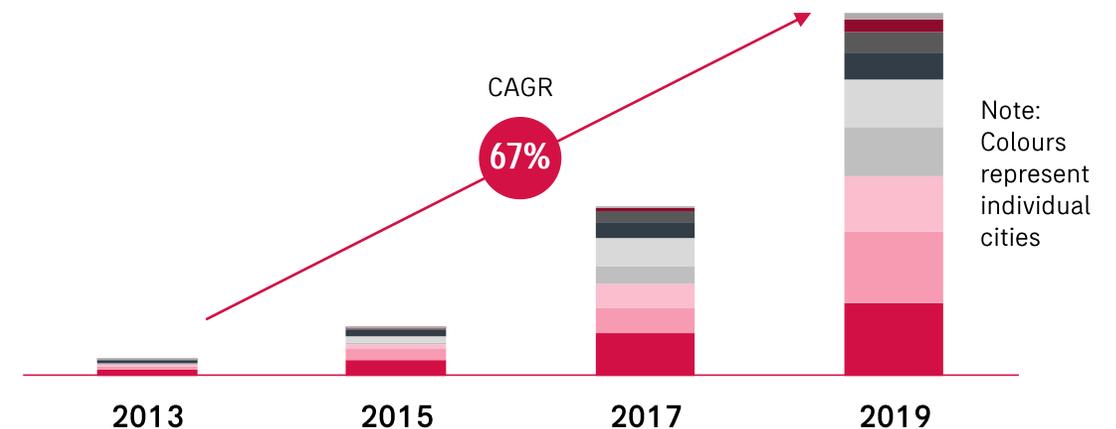
AIA Agents >2x Average Earnings

Average Annual Income
AIA Agent vs Working Population⁽¹⁾



Expansion Success

AIA Jiangsu (9 Cities post Suzhou and Nanjing)
Agency VONB Growth



Note:
(1) Source: National Bureau of Statistics of China



Transforming AIA through World-Class Technology

Scalable

- Technology needs met dynamically
- Scalable near real time
- Seamless plug and play integration with partners

Efficient

- Industry-leading cost efficiency
- Instant buy, service and claim
- Available 24/7

Agile

- Complete, accurate and timely data
- Smarter, faster decisions
- Deepen understanding of customers

Cloud First

Lead Time to
Real Time



Scalable, efficient
and agile platform

Modular Architecture

Stand-alone to
Integrated



Driving seamless
integration and scalability

Automation

Manual to
Automated



End-to-end
automated processes

Always On

Downtime
to Uptime



Build platforms for
zero downtime

Big Data

Ordered to
Enriched



Powered to process data
variety, volume and velocity

Artificial Intelligence

Rules-based to
Smarter



AI-powered
processes and decisions

Selected KPIs

Cloud Adoption



Modern Applications



Straight-Through
Processing



System Availability



Customer Data
Fields Richness



AI Processes





Enabling Customer, Agent and Partner Digital Journeys

Agent Apps



Digitally-equipped salesforce supported by sales tools, CRM and analytics

Bank Partner Integration



Integrated business models and shared value propositions with local partners

Digital Platforms



Driving greater engagement and customer acquisition

Customer Experience



Exceptional experience from purchase to servicing

Digital Adoption

Sales from Digital Leads

Leads Generation

First Contact Resolution

Selected KPIs

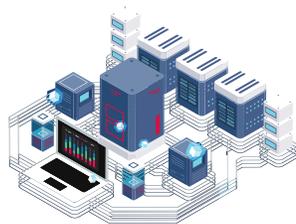
100%

70%

90%

90%

Analytics Engine



Technology Foundation



Shared Data Lake





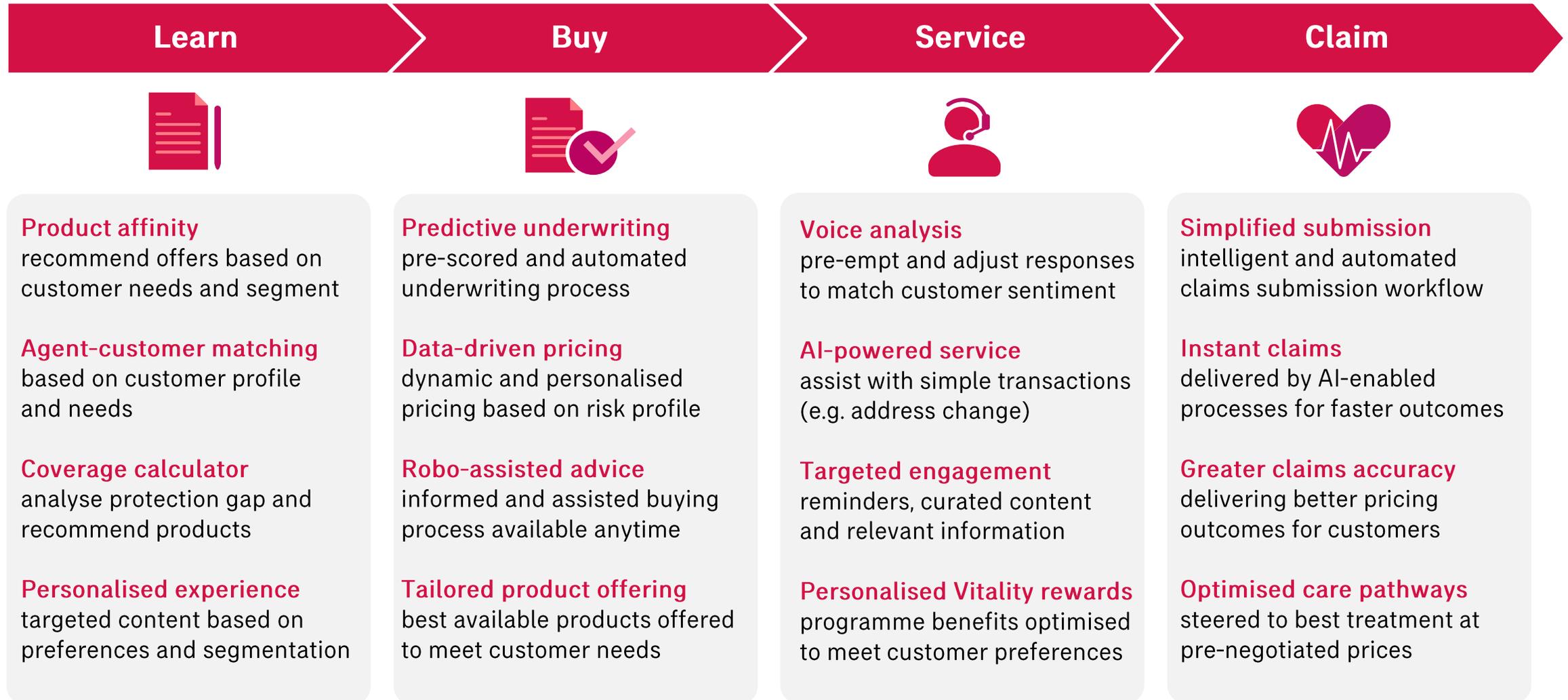
Analytics: Powering Everything We Do

Data Analytics Use Cases

Marketing									
Personalised engagement	Product affinity based offers	Predictive underwriting	Dynamic pricing based on profiles	Tailored propositions	Agent-customer matching	Simplified claim submission	Voice analysis	Propensity modelling	AI-powered chatbot
Distribution					Operations			Health and Wellness	
Agency		Partnerships	Corporate Solutions	Underwriting	Servicing	Claims	AIA Vitality and Ecosystem		
Recruitment optimisation	Customers to agents reassignment	Sales pipeline management	Data-driven leads generation	AIA Analytica	Data-driven underwriting (external data)	Early lapse prediction	Assessment automation	Rewards optimisation	AIA Regional Health Passport
Algorithmic training	Incentive optimisation	Churn prediction	Commission optimisation	Cross-selling to members	Data-driven underwriting (internal data)	Automated recommendation	Health claims leakage reduction	Integrated insurance recommendation	Personal case management
Data-driven leads generation	Commission optimisation	AI chatbot support	Incentive optimisation	Claims experience management	Fraud detection	Robo-assisted advice	Mortality experience	Provider management	Telemedicine
Finance		Asset Management			Risk		HR	IT	
Real-time management decision support	Machine learning for liability valuation	Macroeconomic and market modelling	AI-based trade analysis	Algorithmic trading	Intermediary conduct monitoring	Controls automation	AI-based recruitment	Cloud optimisation	Predictive cybersecurity
In-force experience modelling	Clustering for actuarial modelling	Multi-factor equity modelling	Asset manager performance evaluation	Automating middle and back office process	Financial crimes compliance	Social media compliance	Learning and development recommendation	Augmented machine learning	IT uptime and availability



Transforming Customer Journeys with Analytics





Best-in-Class Experience with Compelling Outcomes

Service

Leading customer service and claim journeys with relentless focus on simplicity, timeliness and reliability

↑ Net Promoter Score

↑ Straight-through Processing

Engage

Compelling and engaging propositions with integrated and exclusive services to form lasting relationships

↑ Persistency ratio

↑ Growth in customer numbers

Grow

Superior experiences delivering greater persistency, larger case sizes and more products per customer

↑ % of ANP from existing customers

↑ Products per in-force customer

Customer-Oriented Organisation

Leading to greater shared outcomes

Data and Analytics

Personalised targeting, product recommendation, pricing and operating efficiencies

Technology, Digital and Analytics Enablers



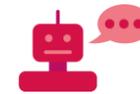
Human-centred journeys



Culture change programmes



Real-time feedback



Automation



AI / ML



Data governance and strategy



Accelerating High-Quality Premier Agency Growth

Group Achievement Since IPO

Value Creation

5.6x

Agency VONB since IPO⁽¹⁾

#1 MDRT Globally



>12,700

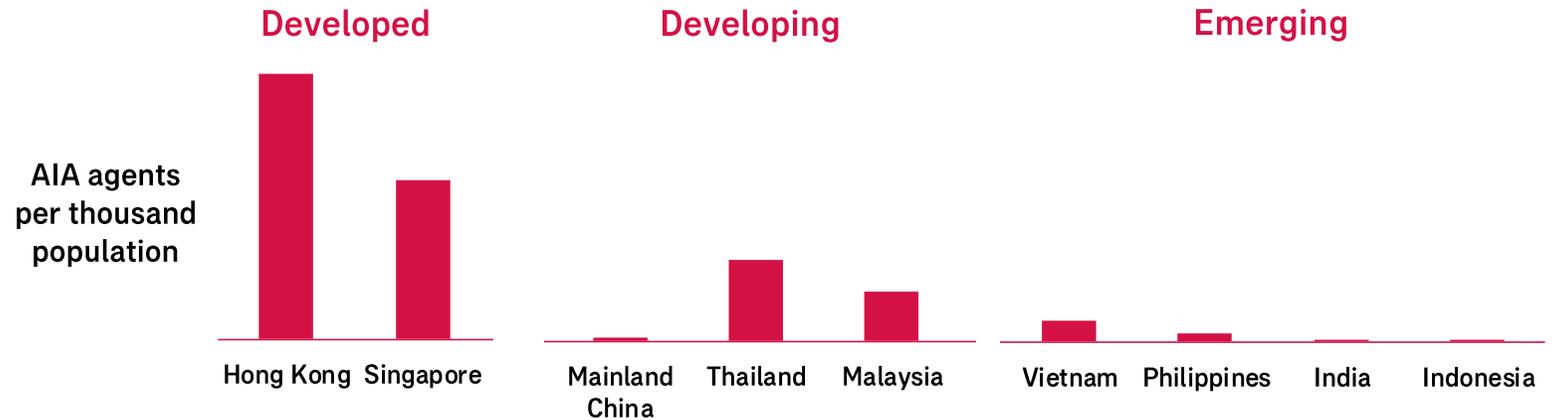
Registered MDRT members over 7x since IPO

Productivity

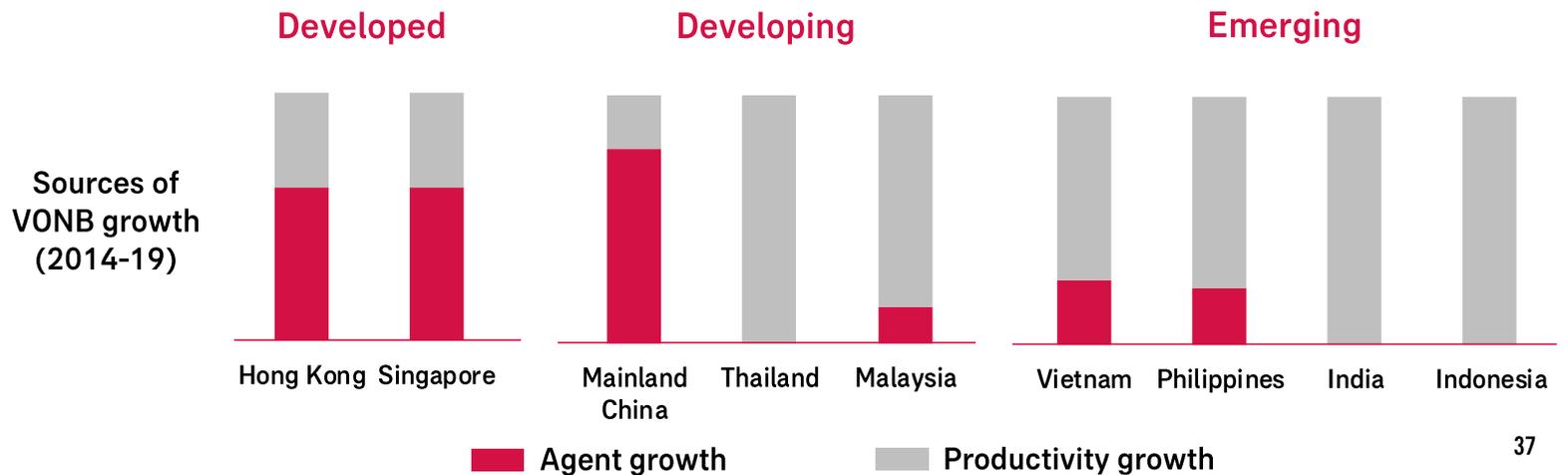
2.7x

VONB per Active Agent since IPO⁽¹⁾

Significant Opportunity to Increase Scale



VONB Growth Driven by Productivity Gains Beyond HK, SG and CN



Note:
 (1) 2019 full year results, excluding Tata AIA Life



Technology, Digital and Analytics Powering Agent Value Chain



Next-gen Leaders

- Recruit:** Performance prediction, Fast-track talent development
- Train:** Proactive and real-time coaching, Mentoring and joint field work
- Manage:** Real-time performance tracking, Recruitment incentives for agents and leaders
- Prospect:** AI-enabled leads management, Agent-customer matching
- Sell:** Intelligent recommendations, Tailored products and pricing
- Service:** Automated and online submissions, Customer loyalty management

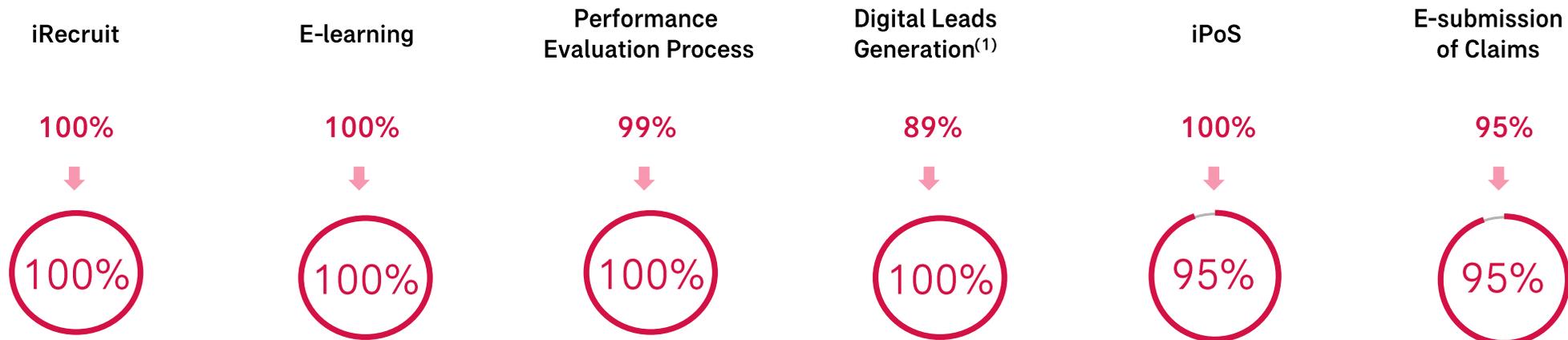
Premier Agents

- Recruit:** Online recruitment and AI interviews, Agent-leader assignment models
- Train:** Training tailored to career path, Potential leader identification
- Manage:** On-the-go feedback and reviews, Personalised needs and pre-scoring
- Prospect:** Social media leads generation, Analytics-powered CRM systems

Digital Tool Adoption

AIA China and Tata AIA Life Today

Group Target



Note:

(1) Digital leads generation tool is only available for a selected group of leaders and agents in India

Bancassurance: Significantly Expanding Customer Reach via Digital



Leading Portfolio of Long-term Partnerships

Existing base of **>100 million** in-branch, online banking and credit card customers

Regional Strategic Bancassurance Partnership in 12 Markets



Partnerships with Top 3 Domestic Banks in 9 Markets



Thailand



Philippines



Indonesia



Malaysia



Vietnam⁽¹⁾



India⁽¹⁾



Australia



New Zealand



Myanmar⁽¹⁾

Digitally-led Bancassurance Model

Retail In-branch Customers

Online Banking Customers

Credit Card Customers

Analytics-enabled Leads Generation

- Data-driven marketing
- Analytics using partner, AIA and external data
- Propensity models to design targeted offers



Customer-preferred closure methods



Digital completion with assisted closure as needed

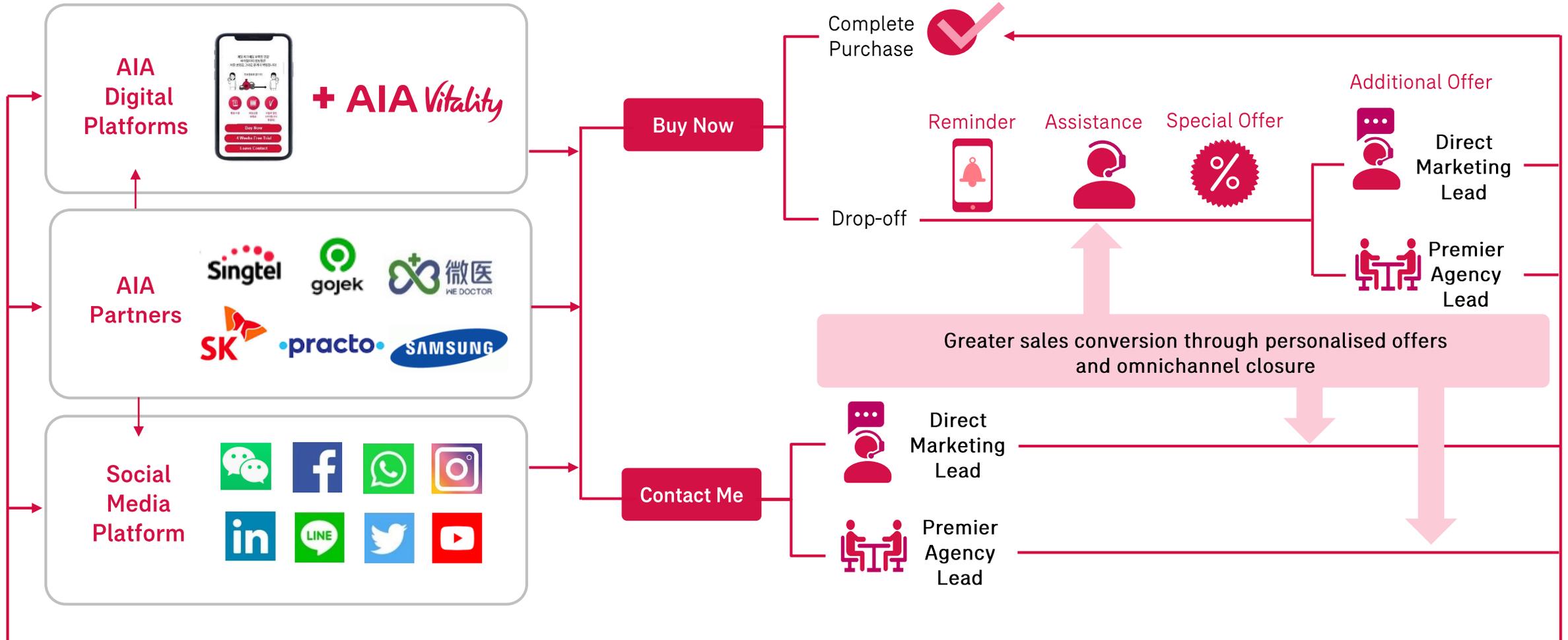
Face-to-face advisory with digital tools for analysis and submission

Note:
(1) Ranking among private sector



Digital Platforms: New Models, New Growth

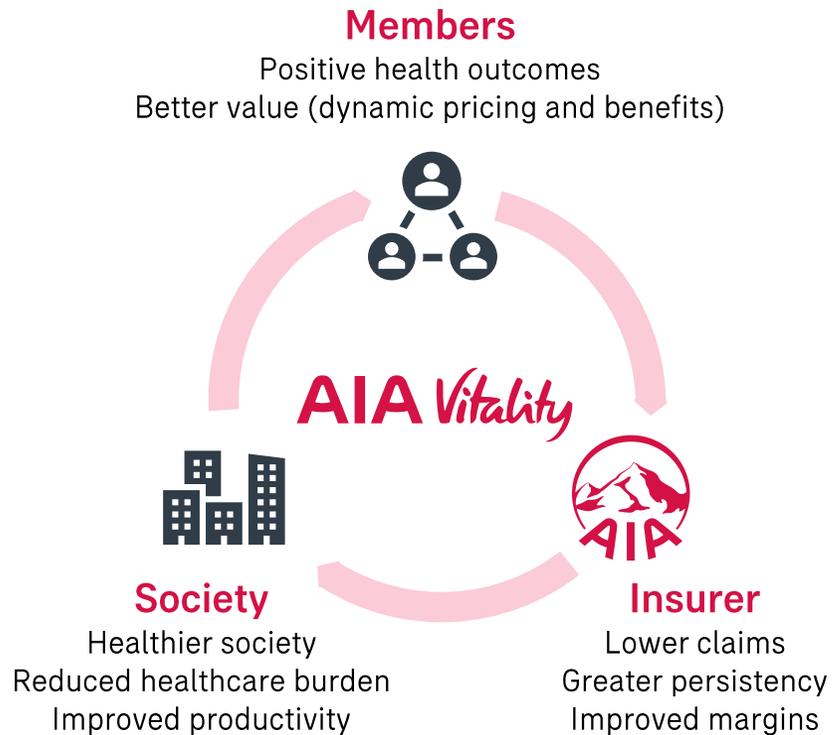
Increased new customer traffic and greater leads conversion through personalised digital engagement



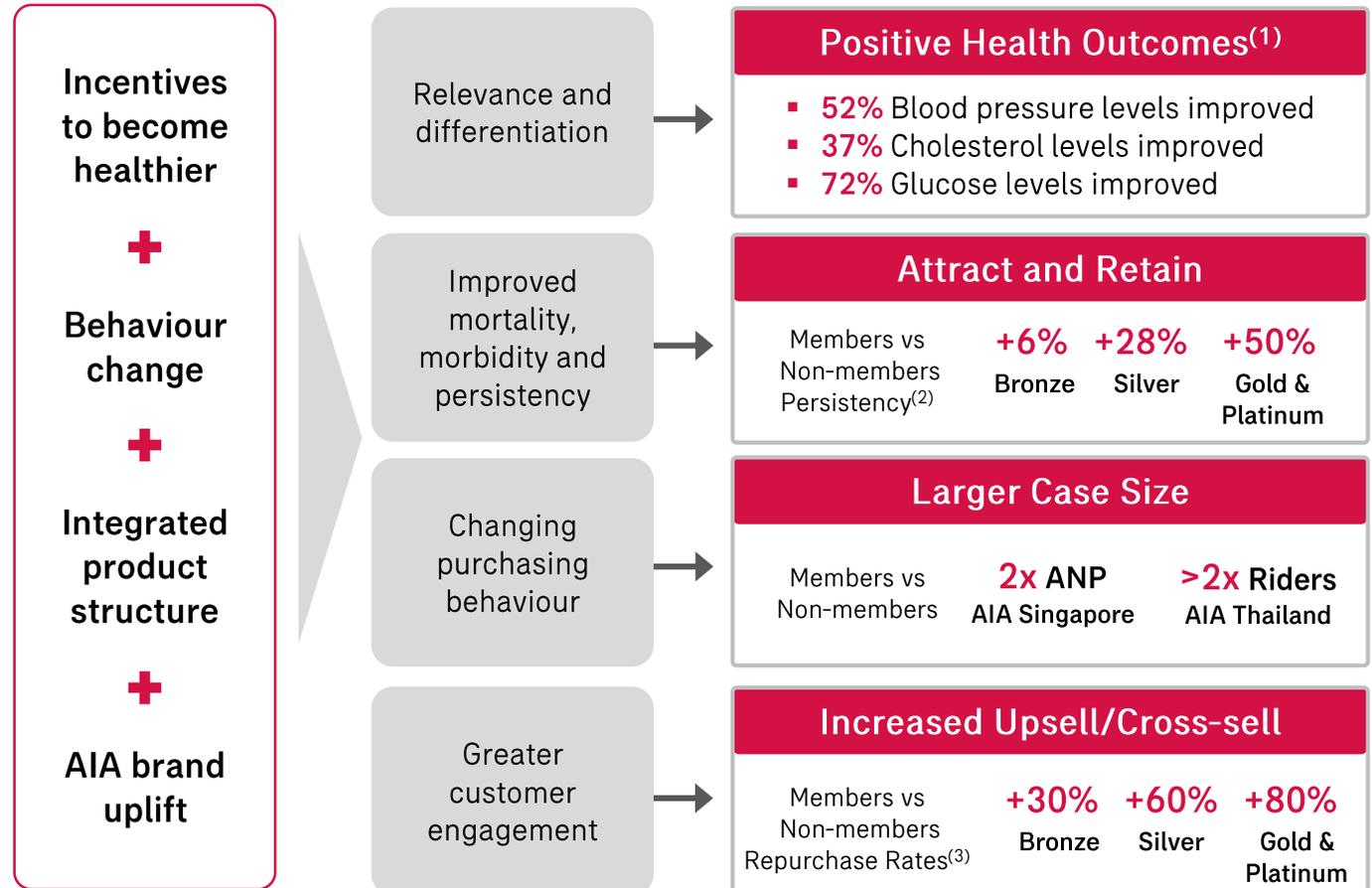


Integrated and Personalised Health and Wellness Propositions

Helping people live Healthier, Longer, Better Lives



Creating Shared Outcomes with Healthier Customers, Lower Cost of Insurance and Enhanced VONB

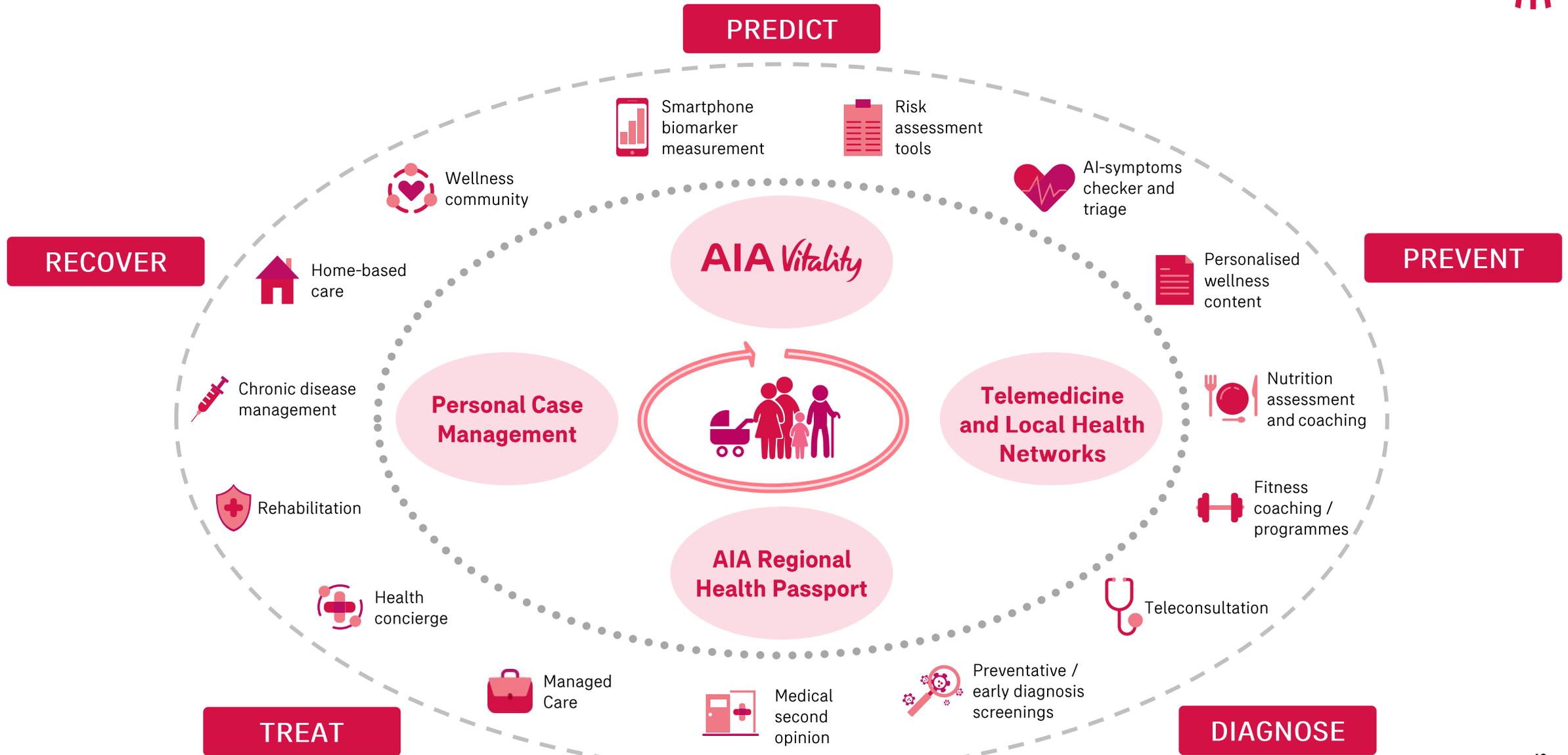


Notes:

- (1) AIA Vitality members' health improvement as of 30 June 2020
- (2) Results of AIA Australia in 2016-2019, supported based on the actual lapse experience
- (3) Results of AIA Singapore in 2019



AIA's Differentiated Regional Health and Wellness Ecosystem





Long-term Savings: Powered by AIA Regional Funds Platform

Customer Outcomes



Peace of mind



Value for money



Long-term outperformance

AIA Regional Funds Platform

Professional Stewardship

- Manager selection
- Ongoing performance review
- Dynamic strategy monitoring

Exclusive Access

- Innovative funds and strategies
- Institutional pricing and service
- Unique access to leading managers

Flexibility and Choice

- Seamlessly switch managers
- Diversified fund options
- Trusted advice

Leading Global Fund Managers



Organisation of the Future: Simpler, Faster, More Connected

Building on AIA's empowerment culture through greater autonomy and collaboration between functions



Streamline organisational structures to accelerate execution of strategy and provide new opportunities to retain talent



Embed an **agile way of working** for specific functions with processes, decision-making and mindset supporting key priorities



Increase technology, digital and analytics talent at scale through both upskilling and recruitment



Reorient around the **end-to-end customer journey** to deliver faster speed to market and greater responsiveness to customer needs



Financial Discipline Delivering Sustainable Shareholder Value

Growth

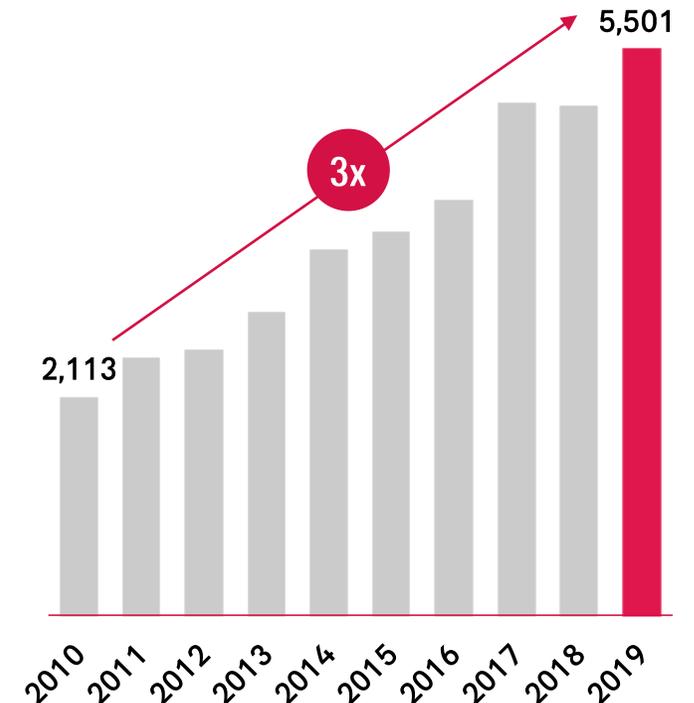
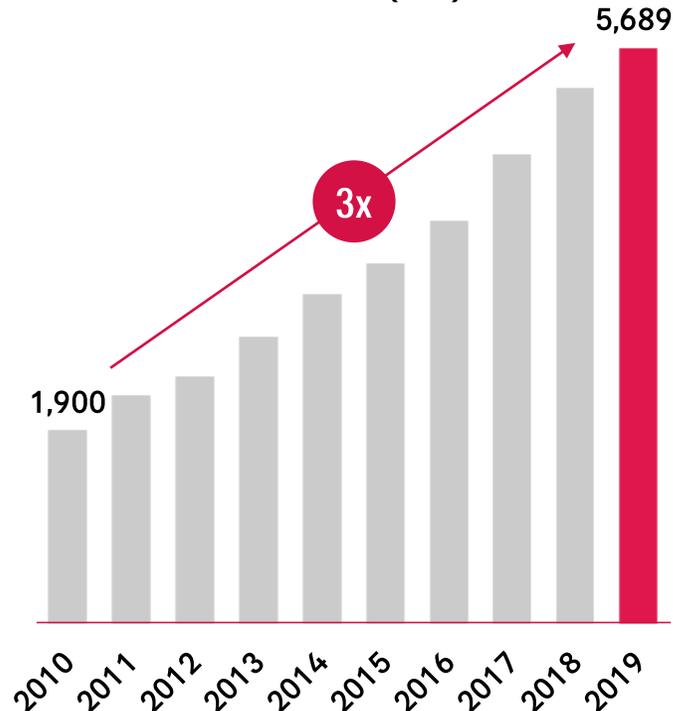
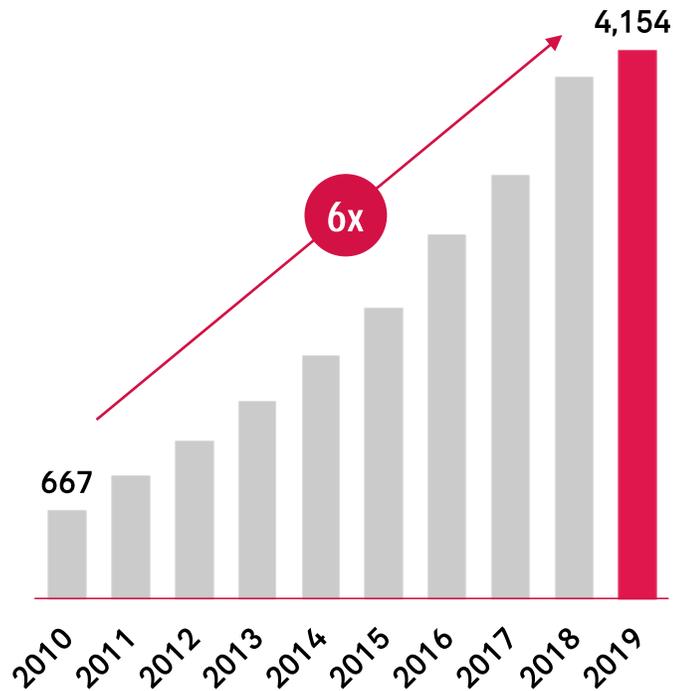
Earnings

Capital & Cash

VONB (\$m)

OPAT (\$m)

UFGS (\$m)



EV Equity

\$61.4b 2.5x IPO

Shareholders' Allocated Equity

\$43.3b 2.5x IPO

Dividend Paid

\$10.3b since IPO

Note:
For 1H2020, unless otherwise stated

AIA Group – Delivering Sustainable Shareholder Value



- Focus 100% on Asia to capture structural growth
- Leverage unique Mainland China opportunity to access 4X larger market
- Transform technology, digital and analytics to drive growth and efficiency
- Accelerate Premier Agency growth in developing and emerging markets
- Access untapped customers with digitally-led partnership models
- Deliver compelling, impossible to replicate propositions
- Build a simpler, faster, more connected and empowered organisation
- Maintain financial discipline to deliver shareholder value

Our Purpose: Helping People live Healthier, Longer, Better Lives



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

Q&A Session



Definitions and Notes



- In the context of our reportable market segments, Hong Kong refers to operations in Hong Kong Special Administrative Region and Macau Special Administrative Region; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia (including New Zealand), Cambodia, India, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China) and Vietnam.
- The financial information from 2017 to 2020 is presented on the 31 December financial year-end basis, and the financial information from 2010 to 2016 is presented on the 30 November financial year-end basis.
- The results of Tata AIA Life are accounted for the six-month period ended 31 March 2020 and the six-month period ended 31 March 2019 in AIA's consolidated results for the first half of 2020 and the first half of 2019 respectively. In the first half of 2020, VONB and ANP for Other Markets included the results from our 49% in Tata AIA Life. The reported VONB and ANP for the first half of 2019 have not been restated and do not include any contribution from Tata AIA Life. The IFRS results of Tata AIA Life are accounted for using the equity method. For clarity, TWPI does not include any contribution from Tata AIA Life.
- AIA's IFRS accounting treatment for the recognition and measurement of insurance contract liabilities of other participating business with distinct portfolios has been refined to reflect expected changes to policyholder bonuses. Comparative information has been adjusted for the first half of 2019 and as at 31 December 2019. Comparative information for 2018 and prior years has not been restated.
- Prior to 2020, the Group reflected the withholding tax charge under Group Corporate Centre. Starting from 2020, the Group has enhanced the segment information to present the withholding tax charge in the operating segment where the withholding tax arises. Comparative information has been adjusted to conform to current period presentation.
- 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.
- ASB refers to ASB Bank Limited in New Zealand.
- Actual investment return is the interest income from fixed income investments and actual investment returns of equities and real estate, as a percentage of average fixed income investments, equities and real estate over the period. This excludes unit-linked contracts and consolidated investment funds.
- AIA has a presence in 18 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Mainland China, Hong Kong Special Administrative Region, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Taiwan (China), Vietnam, Brunei, Macau Special Administrative Region, New Zealand, a 99% subsidiary in Sri Lanka, and a 49% joint venture in India.
- CBA refers to Commonwealth Bank of Australia.
- CMLA refers to The Colonial Mutual Life Assurance Society Limited (including its affiliated companies), one of the largest life insurance providers in Australia.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company.
- Expense ratio is calculated as operating expenses divided by TWPI.
- Fixed income yield is the interest income from fixed income investments, as a percentage of average fixed income investments measured at amortised cost over the period. This excludes unit-linked contracts and consolidated investment funds.
- Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital.

Definitions and Notes (Cont.)



- The Hong Kong Insurance Authority (HKIA) is introducing a group-wide capital framework for monitoring insurance groups under its supervision. The cover ratio of group available capital to group minimum capital requirement (MCR) under the Local Capital Summation Method (LCSM) is based on our current understanding of the likely framework as it applies to the Group.
- 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.
- Persistency is the proportion of the total business, as measured by annualised premiums, that is retained over the previous 12 months without being lapsed or surrendered.
- PVNBP margin refers to margin on a present value of new business premium basis.
- Operating ROE stands for operating return on shareholders' allocated equity and is as operating profit after tax attributable to shareholders of the Company, expressed as a percentage of the simple average of opening and closing shareholders' allocated equity.
- Operating ROEV stands for operating return on EV and is calculated as EV operating profit, expressed as a percentage of the opening embedded value.
- Shareholders' allocated equity is total equity attributable to shareholders of the Company less fair value reserve.
- Tata AIA Life refers to Tata AIA Life Insurance Company Limited.
- TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.
- 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 in the first half of 2020 excludes VONB attributable to non-controlling interests of \$10m. VONB for the first half of 2019 has not been restated and is reported before deducting the amount attributable to non-controlling interests of \$15m, as previously disclosed in our Interim Report 2019.
- VONB and VONB margin by distribution channel are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and exclude pension business.
- VONB and VONB margin by geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses.
- VONB includes pension business. ANP and VONB margin exclude pension business and are before 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 deduction of non-controlling interests to be consistent with the definition of ANP.



HEALTHIER, LONGER,
BETTER LIVES

APPENDIX

Regional Chief Executive Market Responsibilities



Lee Yuan Siong
Group Chief Executive
and President



Regional Chief Executives



Bill Lisle

- Thailand
- Australia (incl. New Zealand)
- India
- Sri Lanka
- Vietnam



Jacky Chan

- Mainland China
- Hong Kong and Macau
- Philippines
- South Korea
- Taiwan (China)



Tan Hak Leh

- Singapore and Brunei
- Malaysia
- Cambodia
- Indonesia
- Myanmar

1H2020 Summary of Financial Results



	(\$m)	1H2020	1H2019	CER	AER
Growth	VONB	1,410	2,275	(37)%	(38)%
	EV Operating Profit	3,878	4,523	(13)%	(14)%
	Operating ROEV ⁽¹⁾	12.9%	17.3%	(3.9) pps	(4.4) pps
	EV Equity ⁽²⁾	61,420	63,905	(3)%	(4)%
IFRS Earnings	Operating Profit After Tax	2,933	2,836	+5%	+3%
	Operating ROE ⁽³⁾	13.2%	14.0%	(0.6) pps	(0.8) pps
	Shareholders' Allocated Equity ⁽²⁾	43,309	43,278	+2%	-
Capital & Dividends	Underlying Free Surplus Generation	3,049	2,804	+11%	+9%
	AIA Co. HKIO Solvency Ratio ⁽²⁾	328%	362%	n/a	(34) pps
	Group LCSM Cover Ratio ⁽⁴⁾	350%	366%	n/a	(16) pps
	Interim Dividend Per Share (HK cents)	35.00	33.30	n/a	+5%

Notes:

- (1) EV operating profit expressed as a percentage of the opening embedded value, on an annualised basis
- (2) Comparatives for balance sheet items are shown against the position as at 31 December 2019
- (3) OPAT expressed as a percentage of the simple average of opening and closing shareholders' allocated equity, on an annualised basis
- (4) AIA estimated basis; excluding any contribution from medium-term notes

Geographical Market Performance



Mainland China (\$m)	1H2020	1H2019	CER	AER
VONB	594	702	(13)%	(15)%
VONB Margin	81.8%	93.2%	(11.5) pps	(11.4) pps
ANP	726	753	-	(4)%
TWPI	3,001	2,561	+21%	+17%
OPAT	640	537	+22%	+19%

Singapore (\$m)	1H2020	1H2019	CER	AER
VONB	127	173	(24)%	(27)%
VONB Margin	59.3%	64.8%	(5.5) pps	(5.5) pps
ANP	214	267	(17)%	(20)%
TWPI	1,502	1,456	+6%	+3%
OPAT	303	281	+11%	+8%

Hong Kong (\$m)	1H2020	1H2019	CER	AER
VONB	306	945	(68)%	(68)%
VONB Margin	51.0%	68.0%	(17.0) pps	(17.0) pps
ANP	565	1,367	(59)%	(59)%
TWPI	6,136	6,104	+1%	+1%
OPAT	1,005	935	+7%	+7%

Malaysia (\$m)	1H2020	1H2019	CER	AER
VONB	81	130	(36)%	(38)%
VONB Margin	50.5%	65.4%	(14.9) pps	(14.9) pps
ANP	159	198	(17)%	(20)%
TWPI	1,049	1,063	+2%	(1)%
OPAT	148	167	(9)%	(11)%

Thailand (\$m)	1H2020	1H2019	CER	AER
VONB	199	215	(7)%	(7)%
VONB Margin	63.9%	66.8%	(2.9) pps	(2.9) pps
ANP	312	321	(3)%	(3)%
TWPI	1,981	1,929	+3%	+3%
OPAT	478	528	(9)%	(9)%

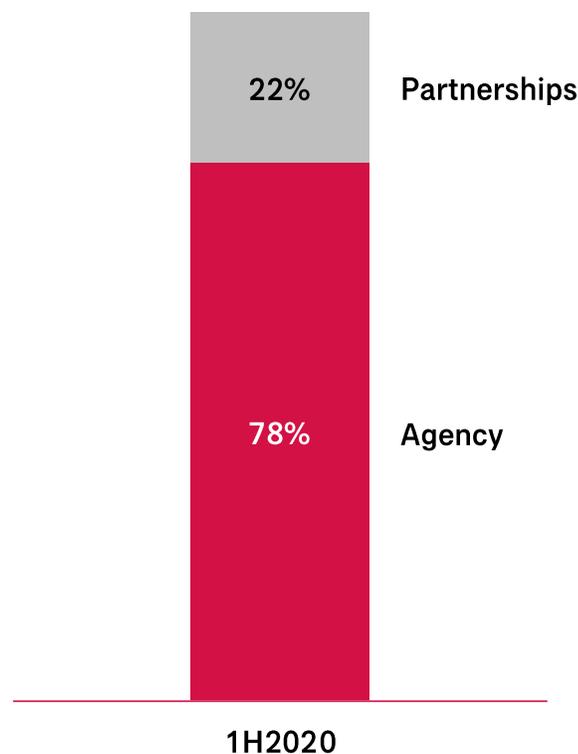
Other Markets (\$m)	1H2020	1H2019	CER	AER
VONB	240	224	+10%	+7%
VONB Margin	39.7%	41.8%	(1.8) pps	(2.1) pps
ANP	603	537	+15%	+12%
TWPI	3,257	3,292	+3%	(1)%
OPAT	333	388	(13)%	(14)%

Uniquely Diversified Platform



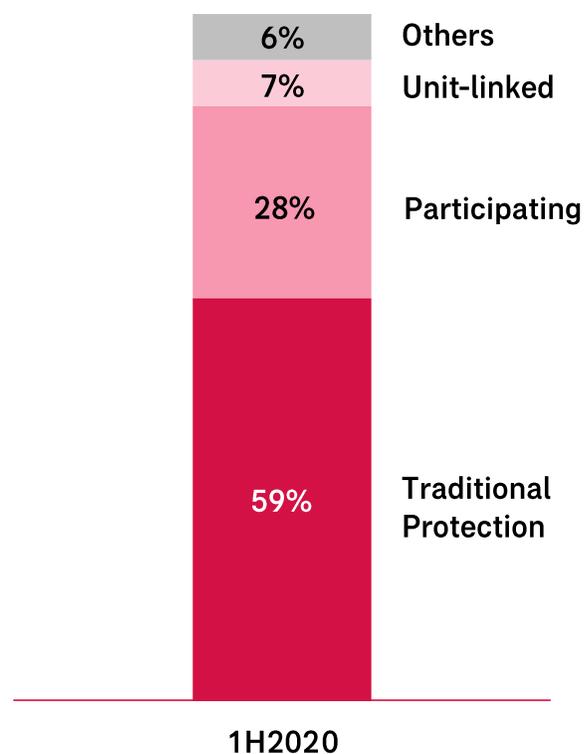
Distribution Mix

% of VONB



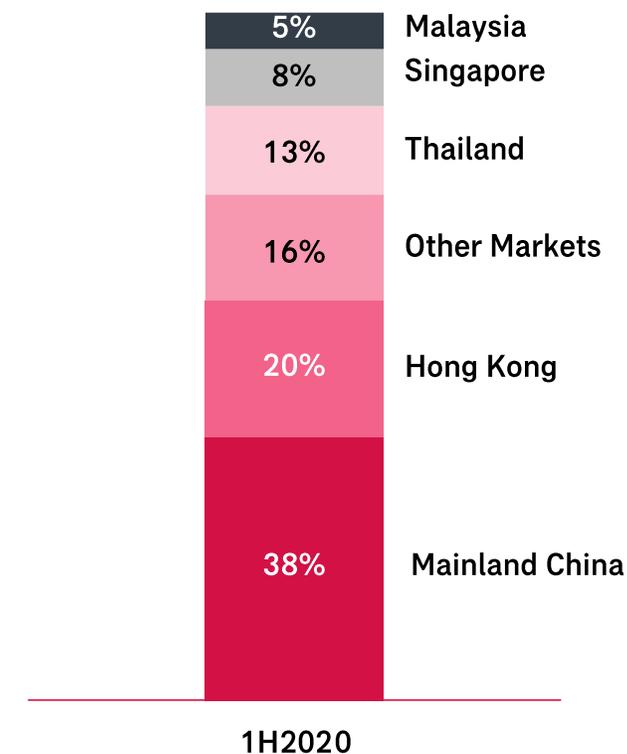
Product Mix

% of VONB



Geographical Mix

% of VONB

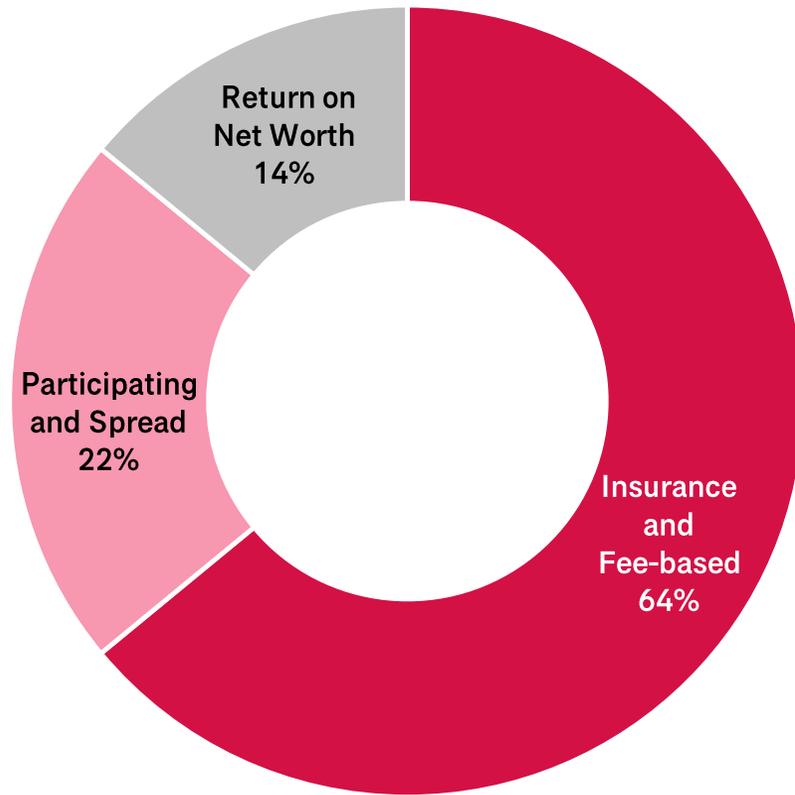


Notes:
 Distribution mix is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and excluding pension business
 Product and geographical mix are based on local statutory reserving and capital requirements, before the deduction of unallocated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

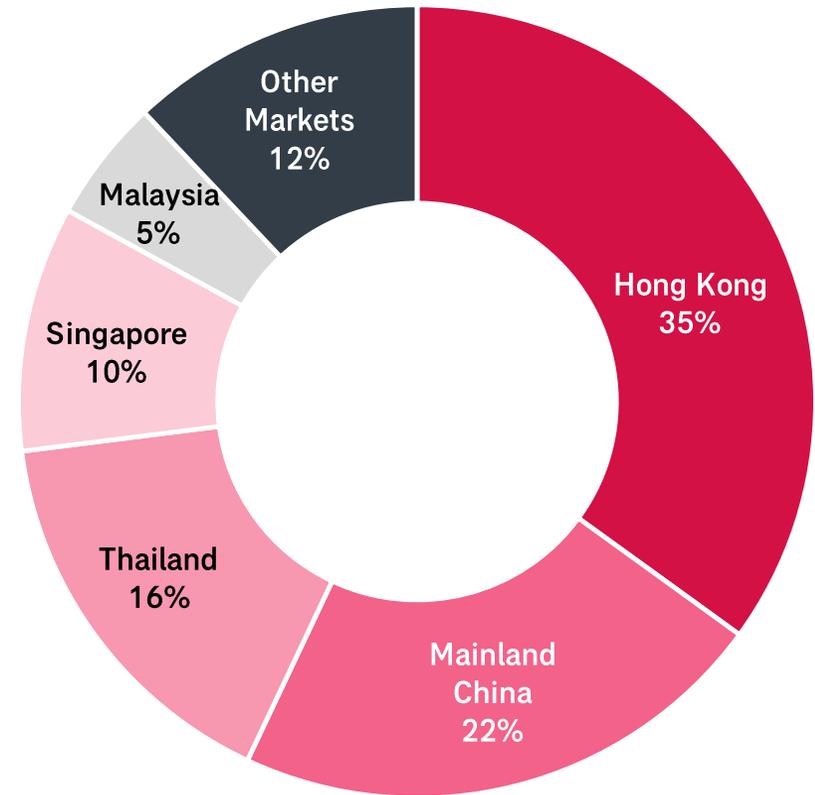
Balanced Product Mix and Diversified Earnings



Sources of IFRS Operating Profit⁽¹⁾



OPAT by Market Segment



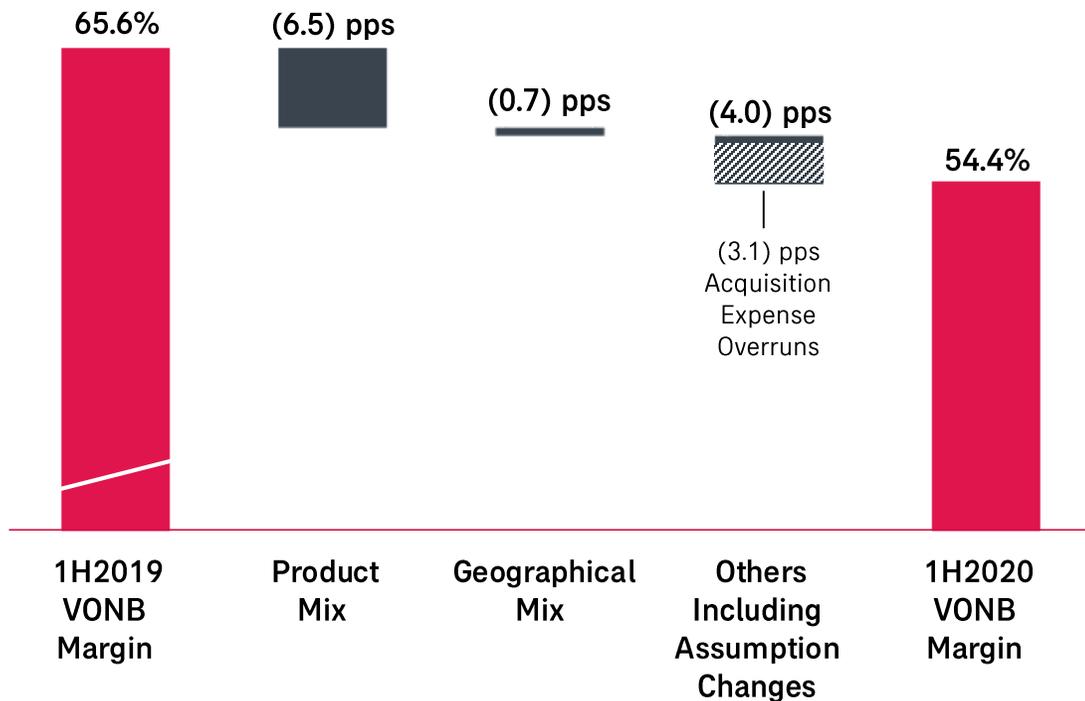
Notes:
For 1H2020
(1) Operating profit before tax and before Group Corporate Centre expenses

Shift in Product Mix; Stable Protection Margin

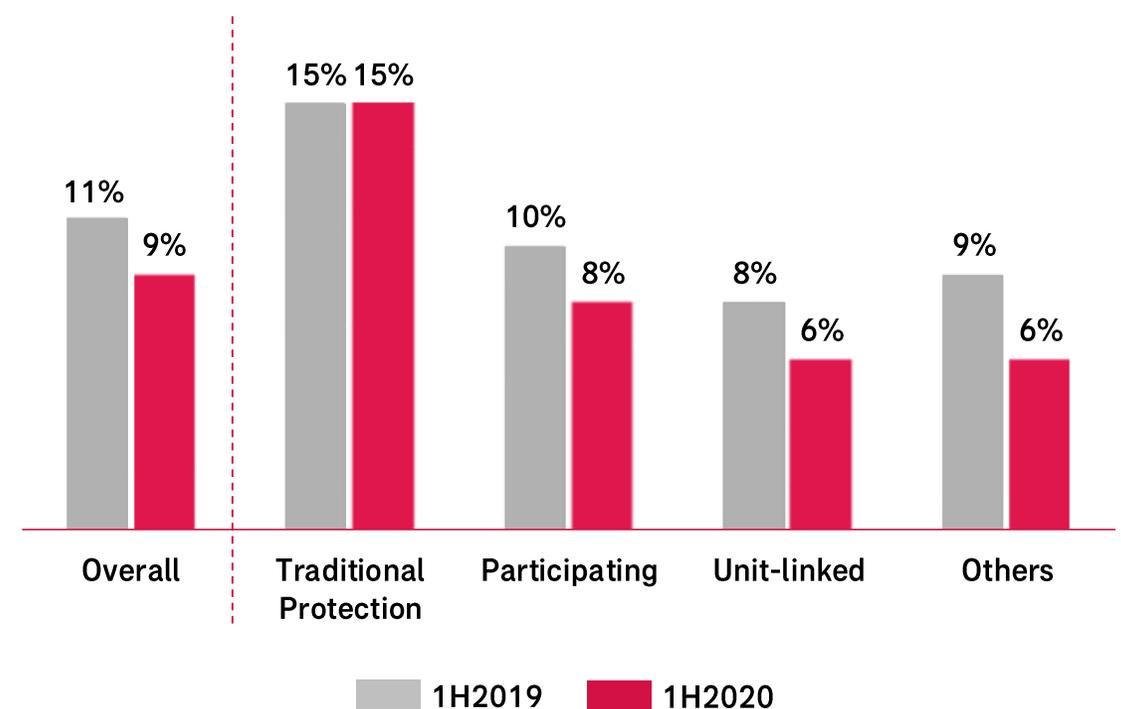


Higher demand for long-term savings products;
Successful upselling to existing customers in Mainland China and Hong Kong

VONB Margin Movement



PVNB Margin by Product



Resilient Working Capital Position



Working Capital Movement (\$b)

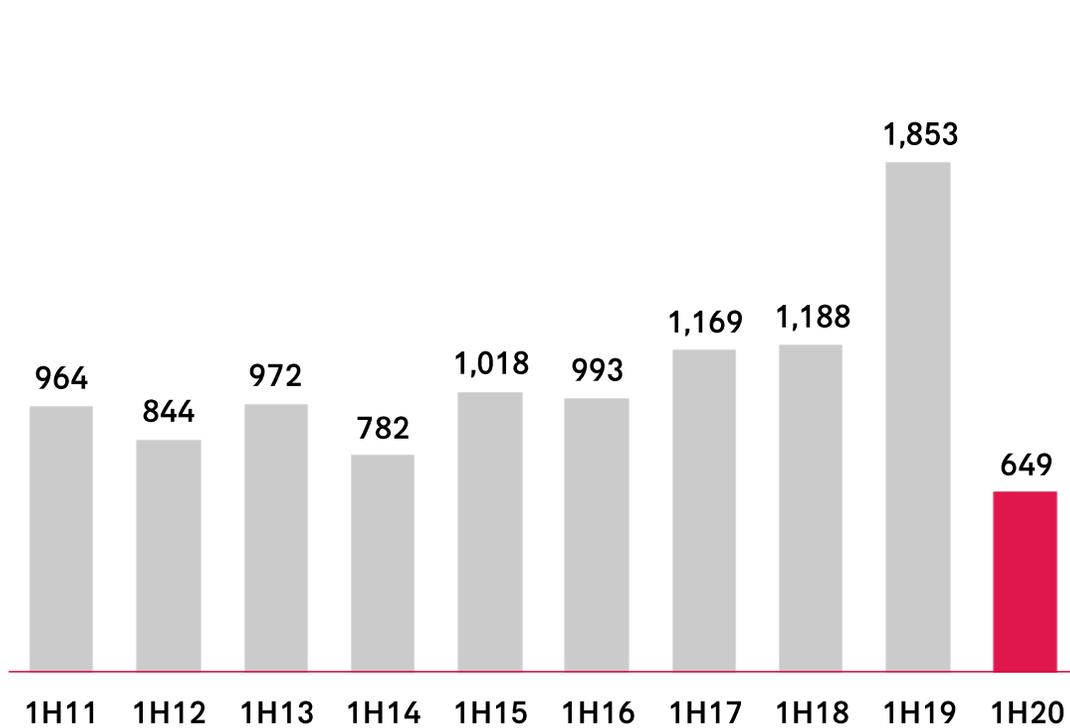


Note:
Due to rounding, numbers presented in the chart may not add up precisely

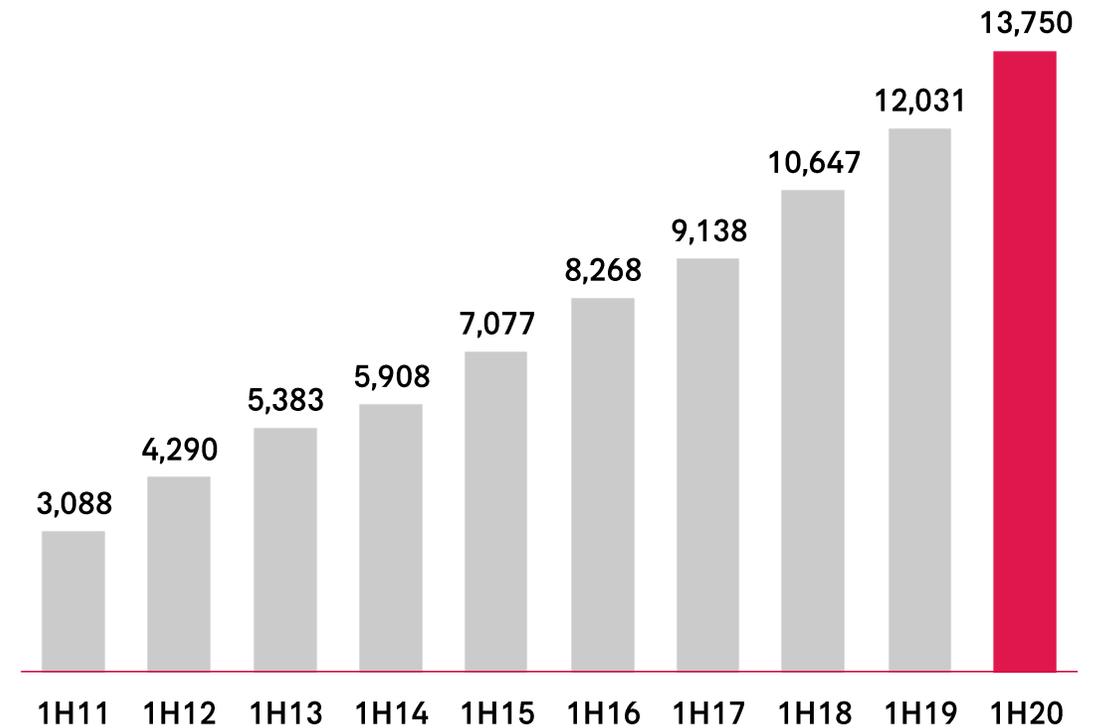
Capital Fungibility



Net Remittances to Group (\$m)



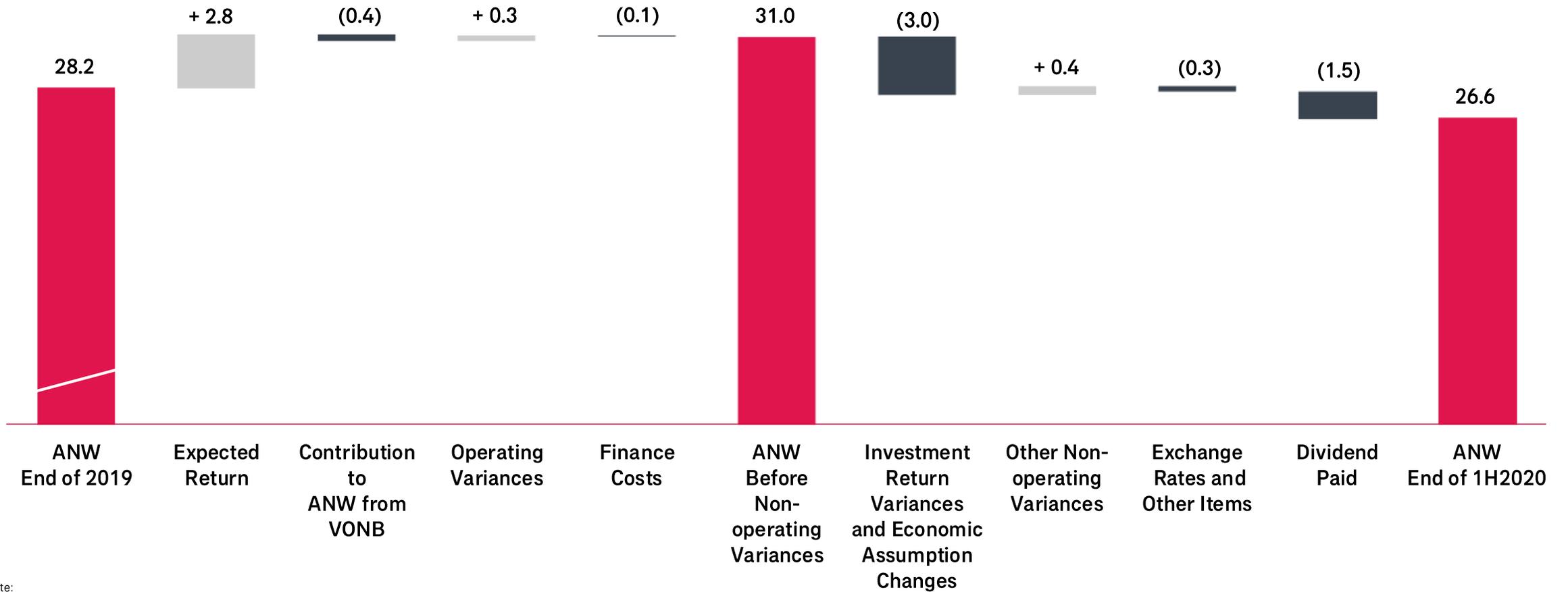
Working Capital (\$m)



1H2020 ANW Movement



ANW Movement (\$b)

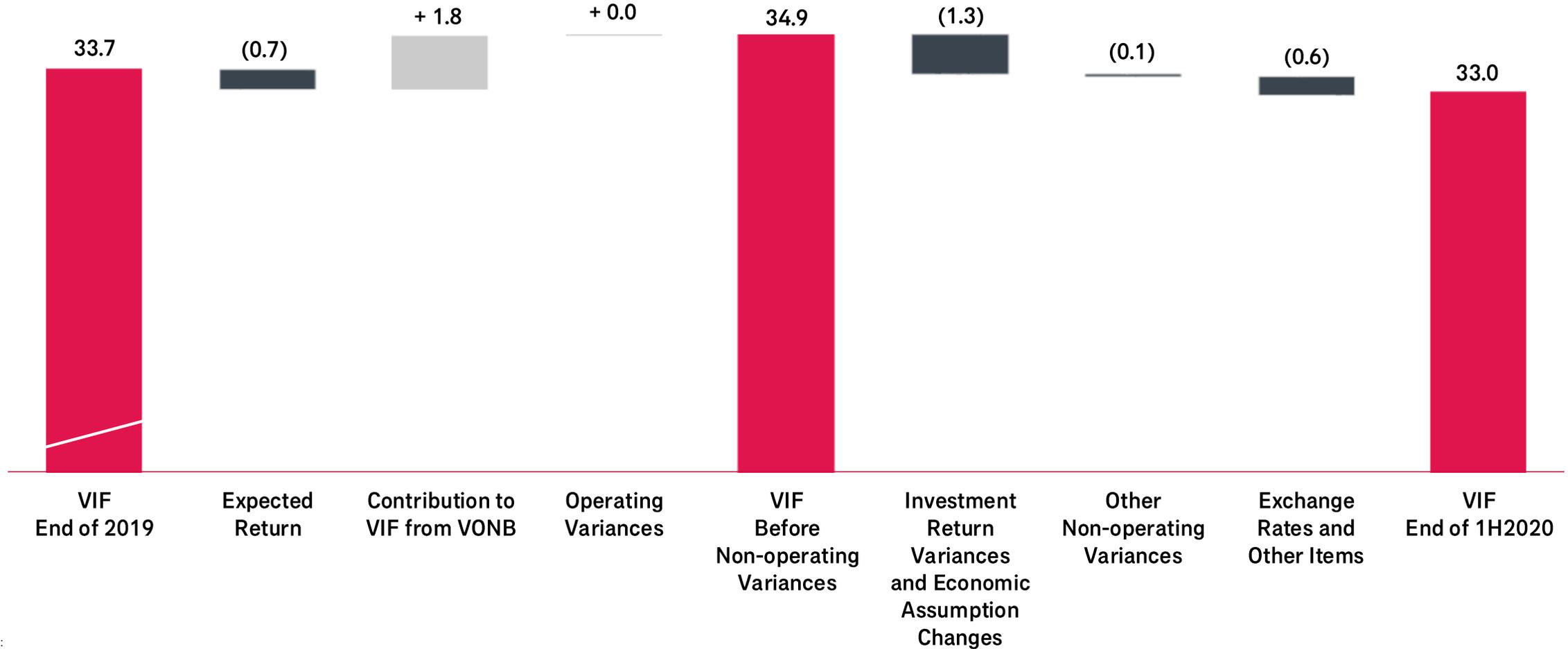


Note:
Due to rounding, numbers presented in the chart may not add up precisely

1H2020 VIF Movement



VIF Movement (\$b)

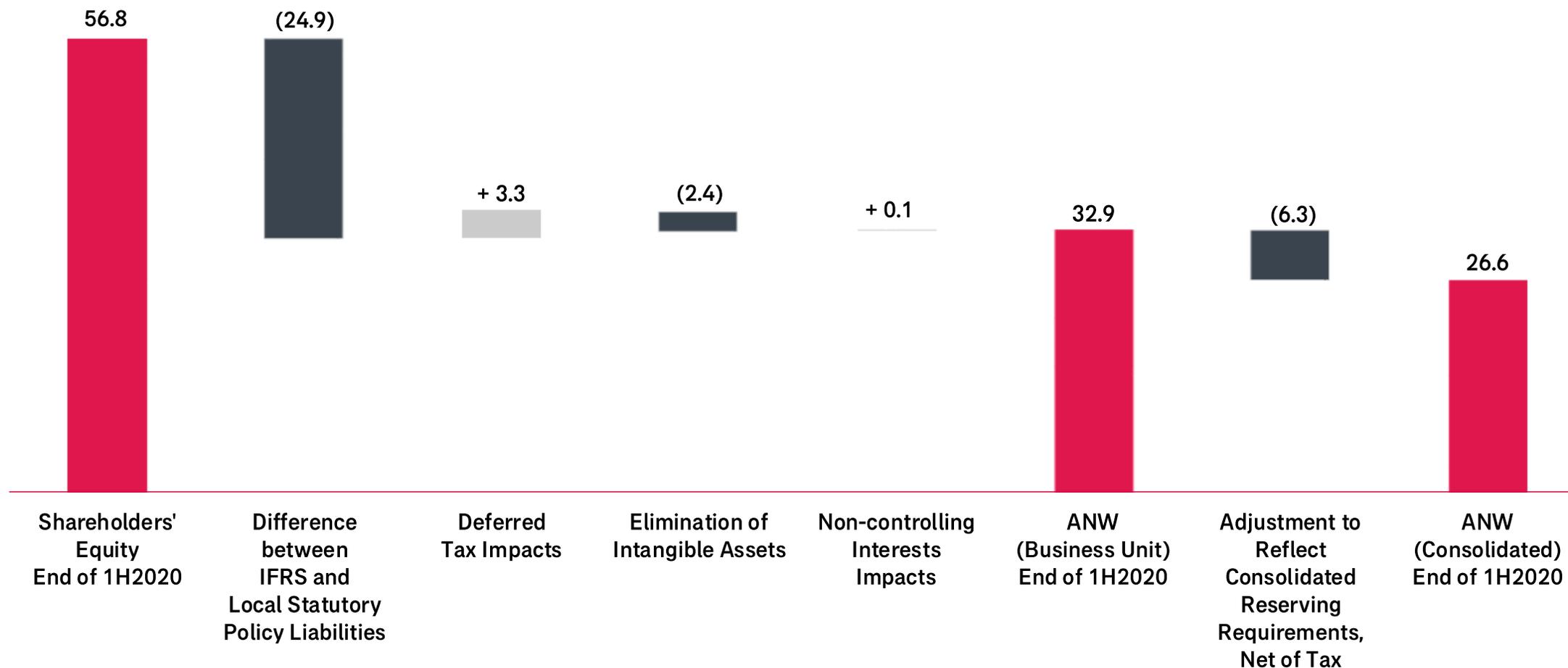


Note:
Due to rounding, numbers presented in the chart may not add up precisely

1H2020 IFRS Shareholders' Equity and ANW



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

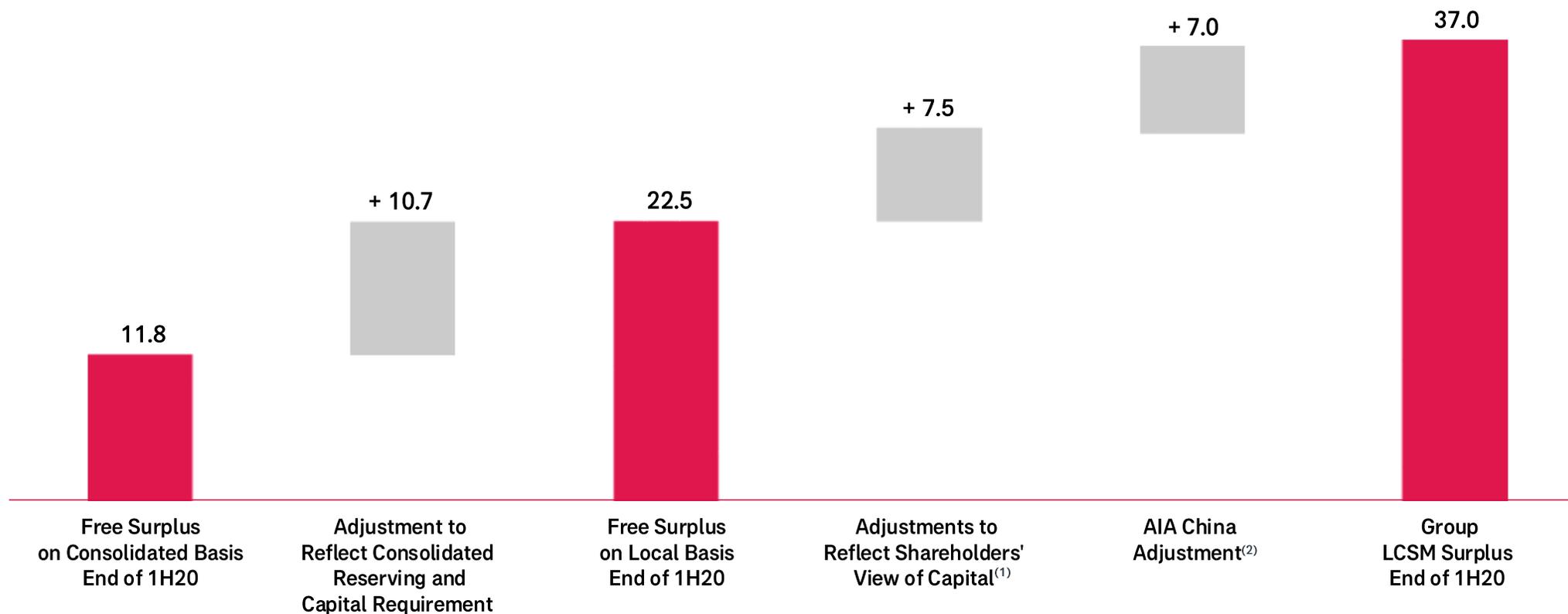


Note:
Due to rounding, numbers presented in the chart may not add up precisely

Free Surplus vs Group LCSM Surplus



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



Notes:

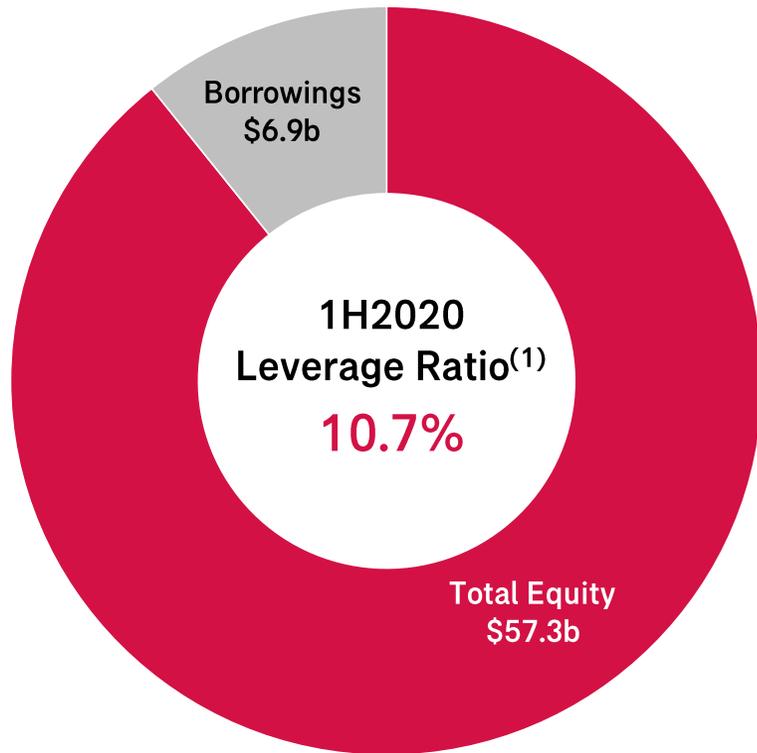
(1) Reflects change from EV required capital to Group minimum capital requirement and the inclusion of Par fund surplus

(2) Adjustment from CAA EV basis to C-ROSS solvency basis in line with local requirements

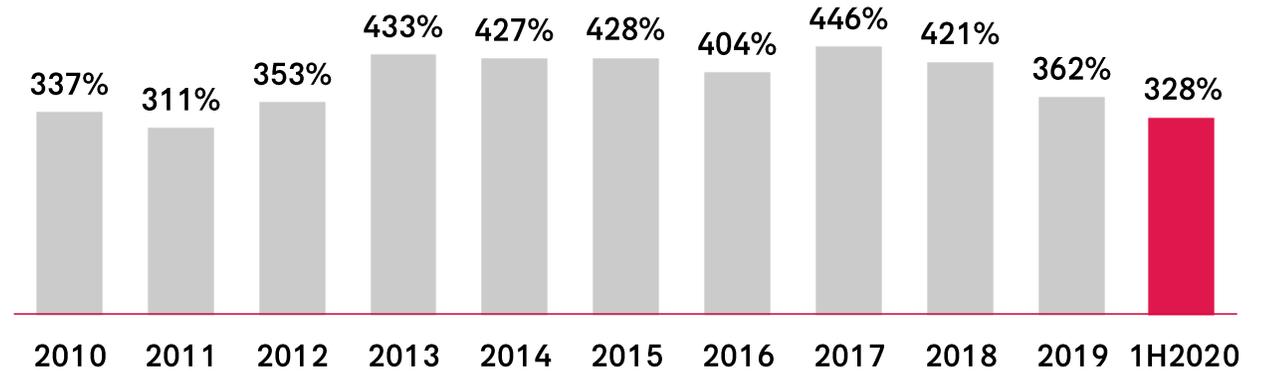
Robust Capital Structure



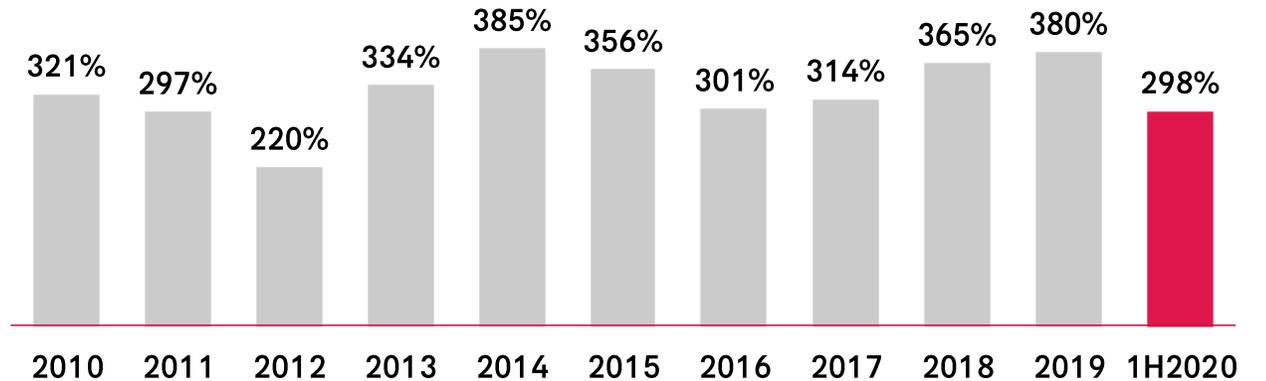
AIA Capital Structure



AIA Co. HKIO Solvency Ratio



AIA International HKIO Solvency Ratio



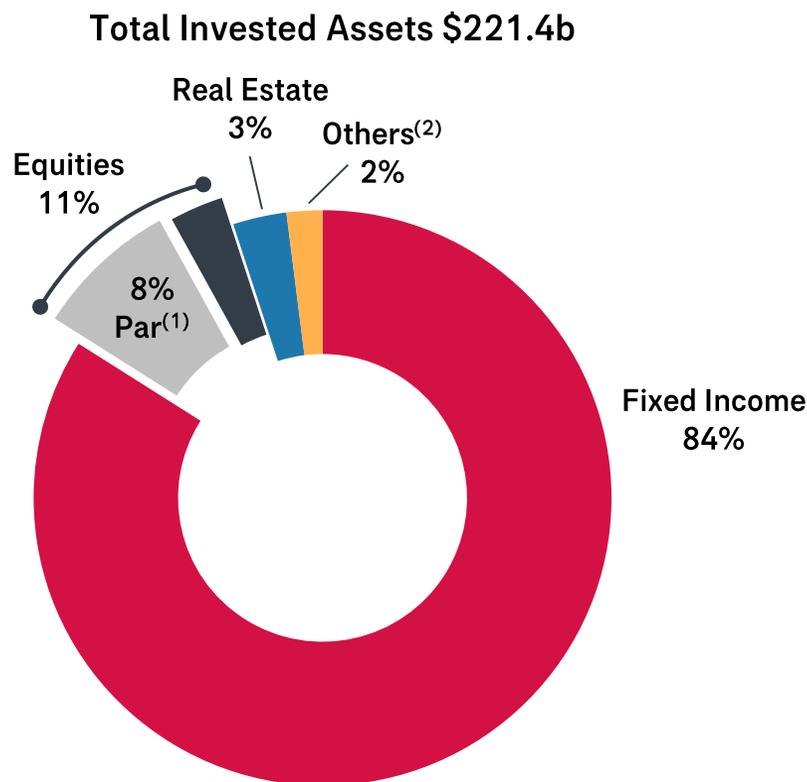
Note:

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

Reconciliation of OPAT to Net Profit



Total Investments by Type



Reconciliation of OPAT to Net Profit

(\$m)	1H2019	1H2020
OPAT	2,836	2,933
Short-term fluctuations ⁽³⁾ in		
Par Equities	300	(283)
Others	396	(1,007)
Total	696	(1,290)
Other items ⁽⁴⁾	(173)	554
Net Profit	3,359	2,197

Notes:

Total invested assets as of 30 June 2020

(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

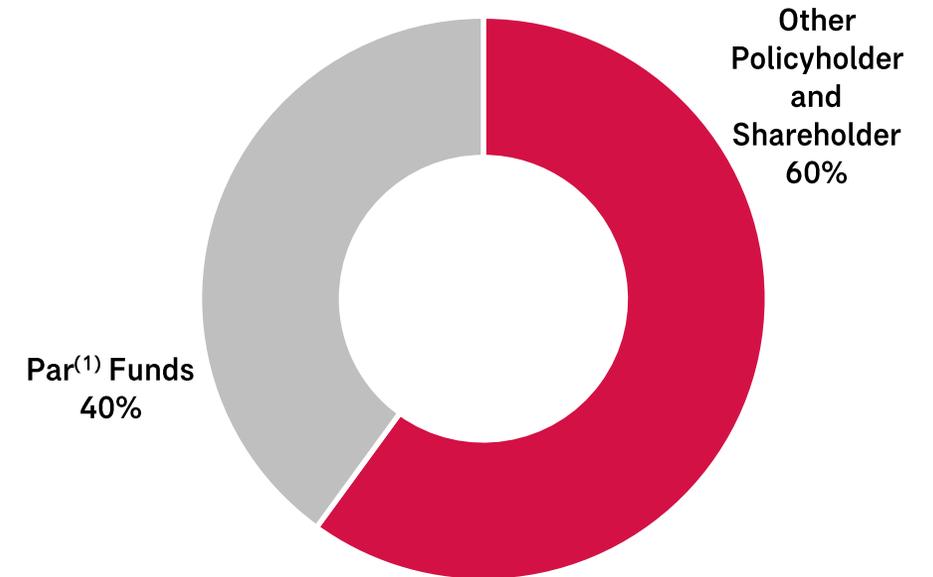
(4) Other non-operating investment return and other items

Total Invested Assets



(\$m)	Par ⁽¹⁾ Funds	Other Policyholder and Shareholder	Total
Fixed Income	69,789	114,856	184,645
Equities	17,716	6,473	24,189
Real Estate	1,011	5,478	6,489
Others ⁽²⁾	1,033	5,007	6,040
Total Invested Assets	89,549	131,814	221,363

Total Invested Assets \$221.4b



Notes:

As of 30 June 2020

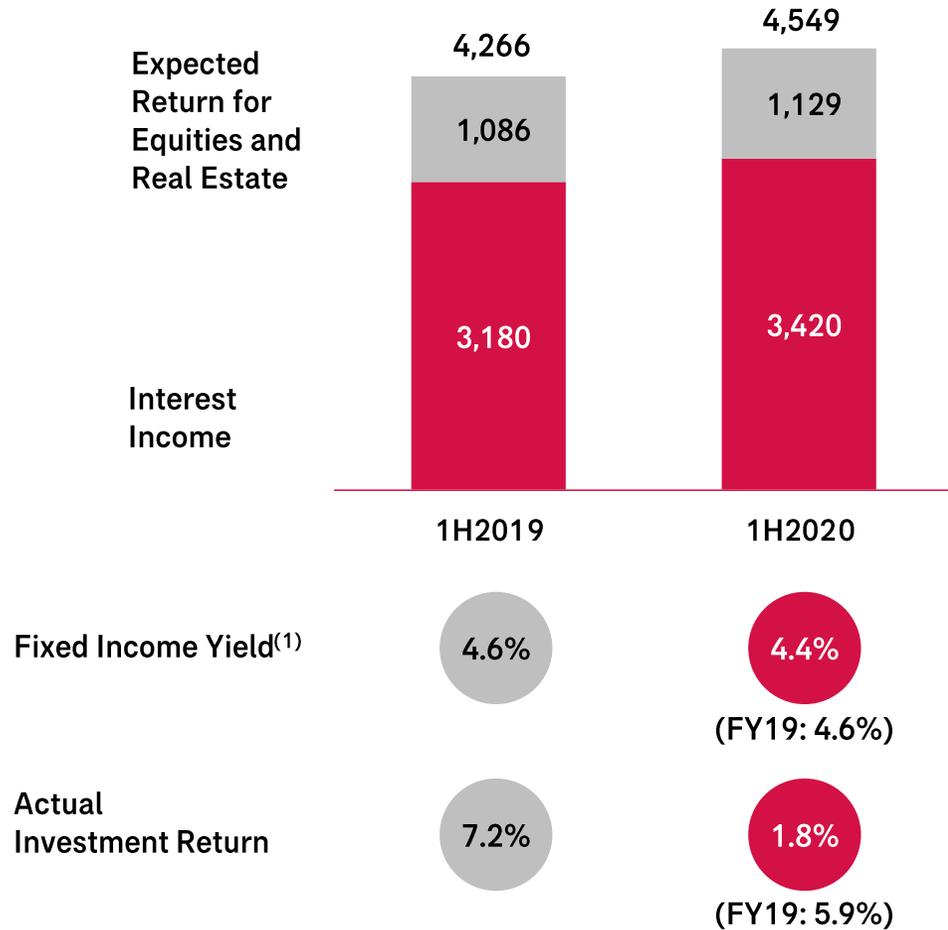
(1) Including Participating funds and Other participating business with distinct portfolios

(2) Cash and cash equivalents and derivatives

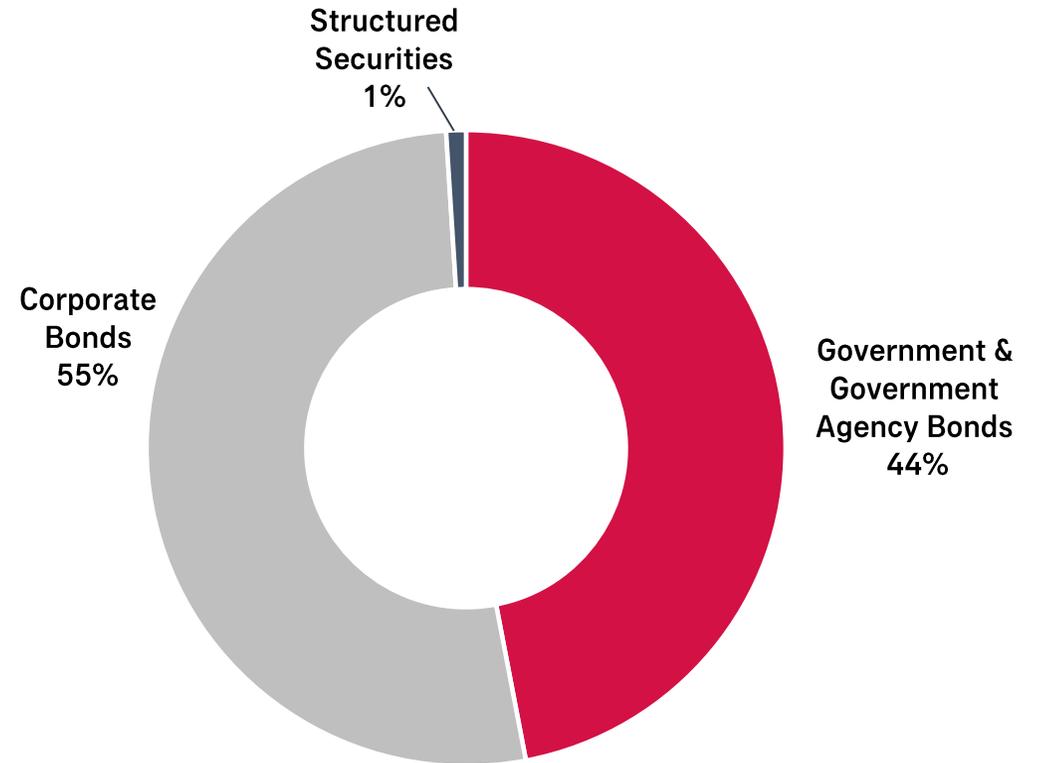
Prudent Investment Portfolio Summary



IFRS Operating Profit Investment Return (\$m)



Total Bond Portfolio of \$175.3b



Notes:

IFRS operating profit investment return comparatives are shown on a constant exchange rate basis

Fixed income yield and actual investment return are on an annualised basis

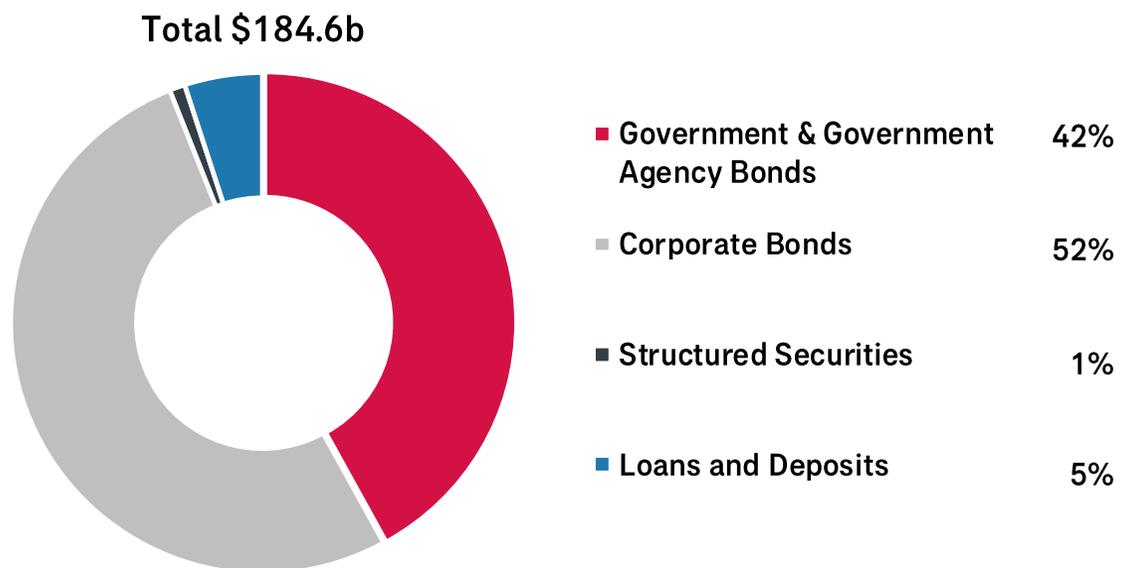
Total bond portfolio as of 30 June 2020

(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

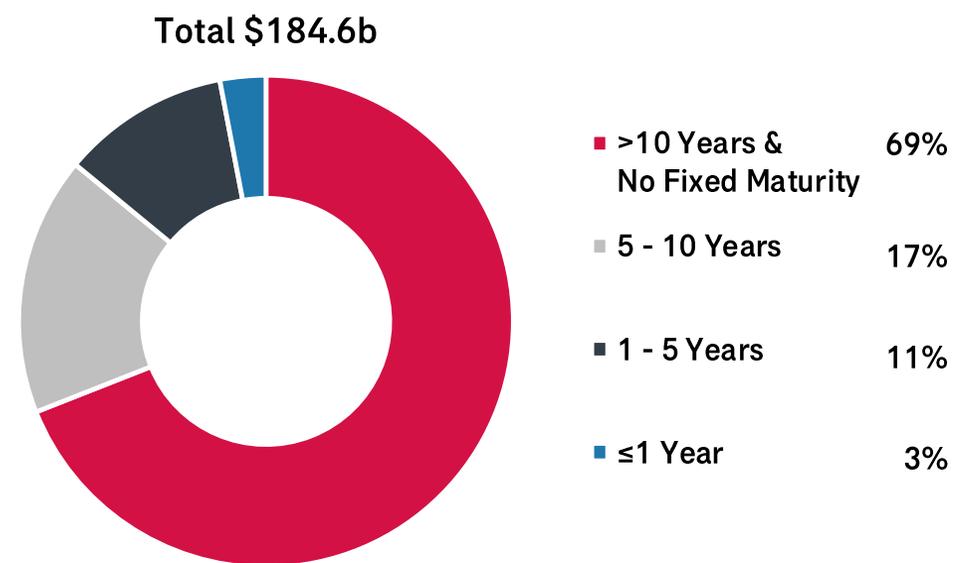
Prudent and High-Quality Fixed Income Portfolio



Total Fixed Income by Type



Total Fixed Income by Maturity



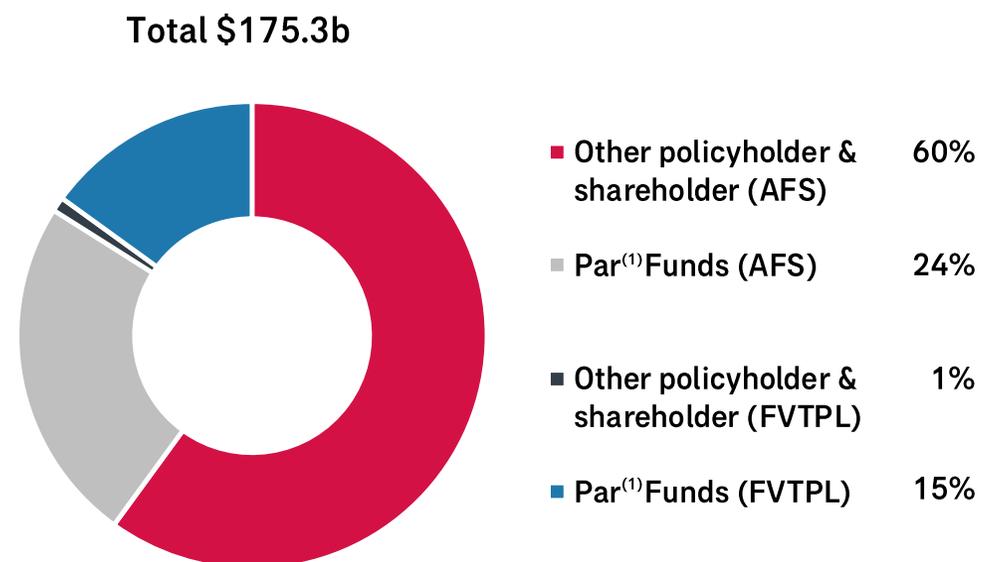
Note:
As of 30 June 2020

Prudent and High-Quality Fixed Income Portfolio



(\$m)	Par ⁽¹⁾ Funds	Other Policyholder and Shareholder	Total
Available For Sale (AFS)	41,459	105,670	147,129
Fair Value Through Profit or Loss (FVTPL)	25,926	2,196	28,122
Total Bonds	67,385	107,866	175,251

Total Bonds by Accounting Classification



Notes:

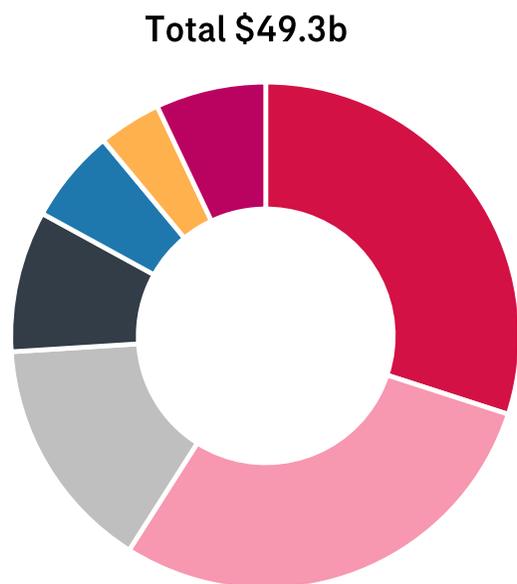
As of 30 June 2020

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

Government Bond Portfolio

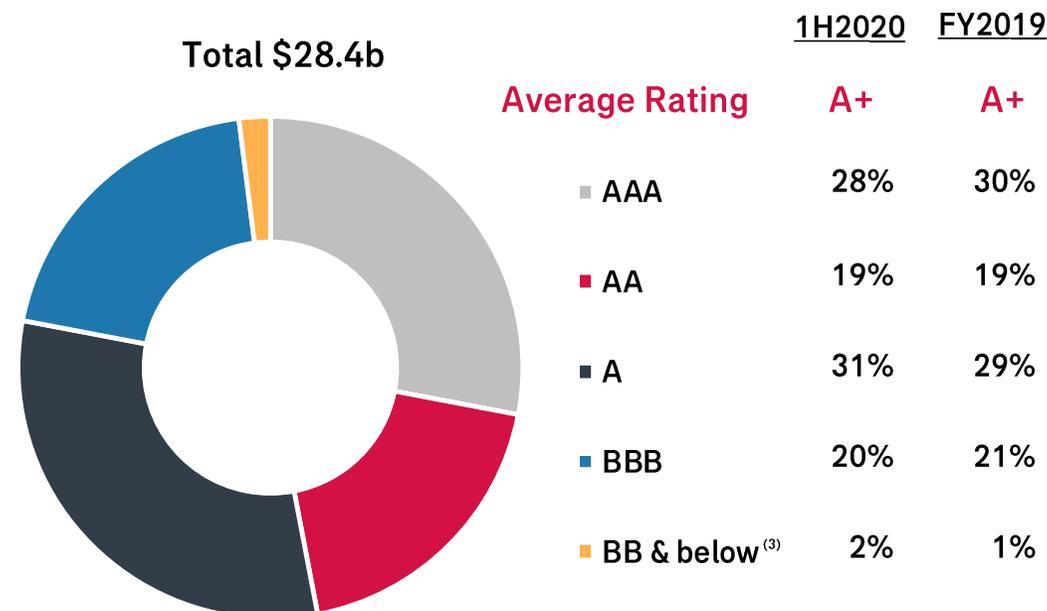


Government Bonds⁽¹⁾ by Geography



	1H2020	FY2019
Thailand	30%	32%
Mainland China	29%	29%
South Korea	15%	15%
Singapore	9%	9%
Philippines	6%	5%
Malaysia	4%	4%
Others	7%	6%

Other Government⁽²⁾ and Agency Bonds by Rating



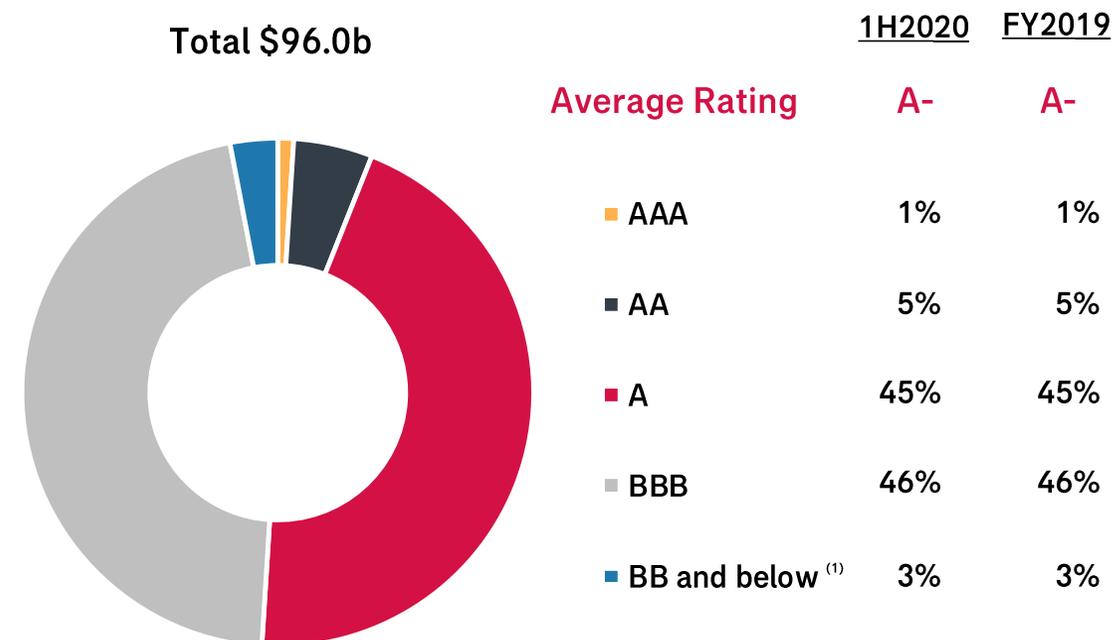
Notes:
 As of 30 June 2020 unless otherwise stated
 (1) Government bonds include bonds issued in local or foreign currencies by the government of the country where respective business unit operates
 (2) Other government bonds comprise other bonds issued by government
 (3) Including not rated bonds

Corporate Bond Portfolio



Rating	Total (\$m)
AAA	762
AA	4,777
A	42,954
BBB	44,572
BB and below ⁽¹⁾	2,950
Total	96,015

Corporate Bonds by Rating



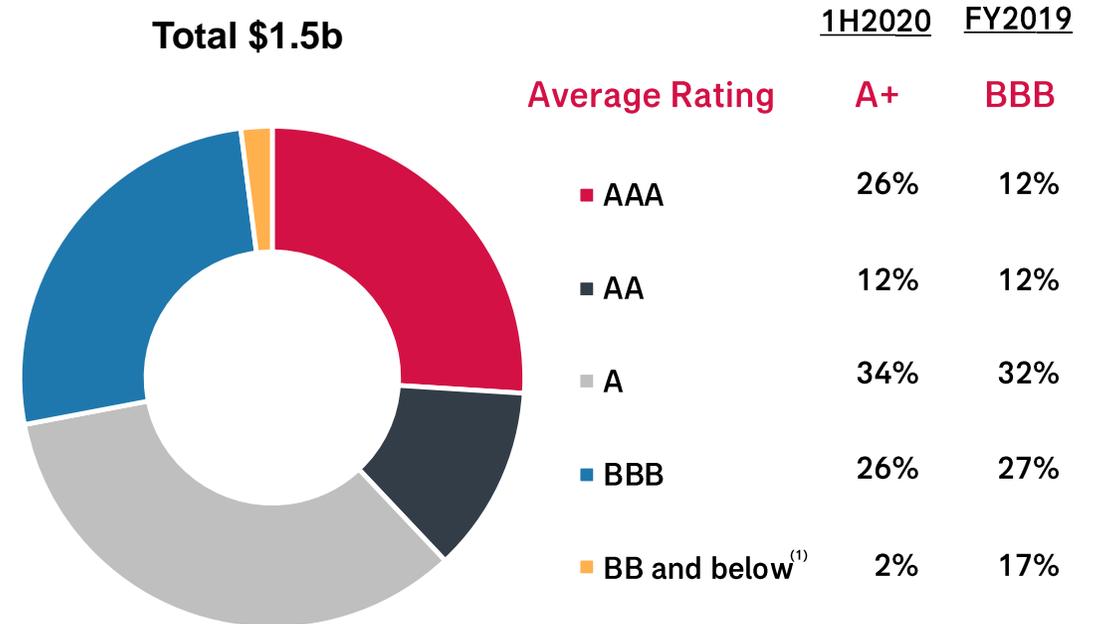
Notes:
As of 30 June 2020 unless otherwise stated
(1) Including not rated bonds

Structured Security Portfolio



Rating	Total (\$m)
AAA	387
AA	176
A	507
BBB	377
BB and below ⁽¹⁾	30
Total	1,477

Structured Securities by Rating

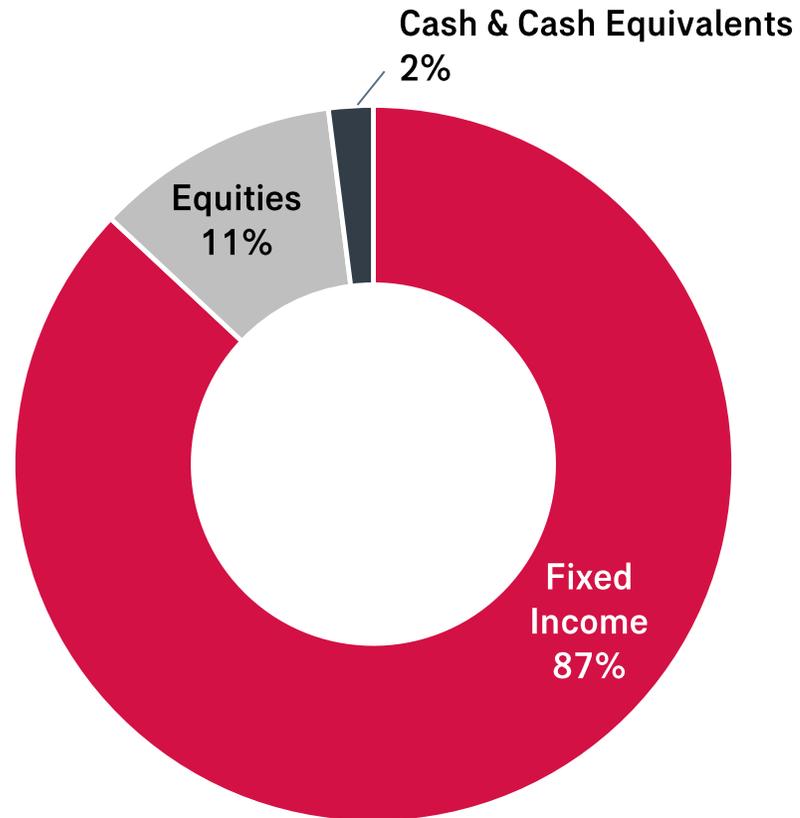


Notes:
As of 30 June 2020 unless otherwise stated
(1) Including not rated bonds

AIA China – Prudent Investment Portfolio



AIA China Invested Asset Mix



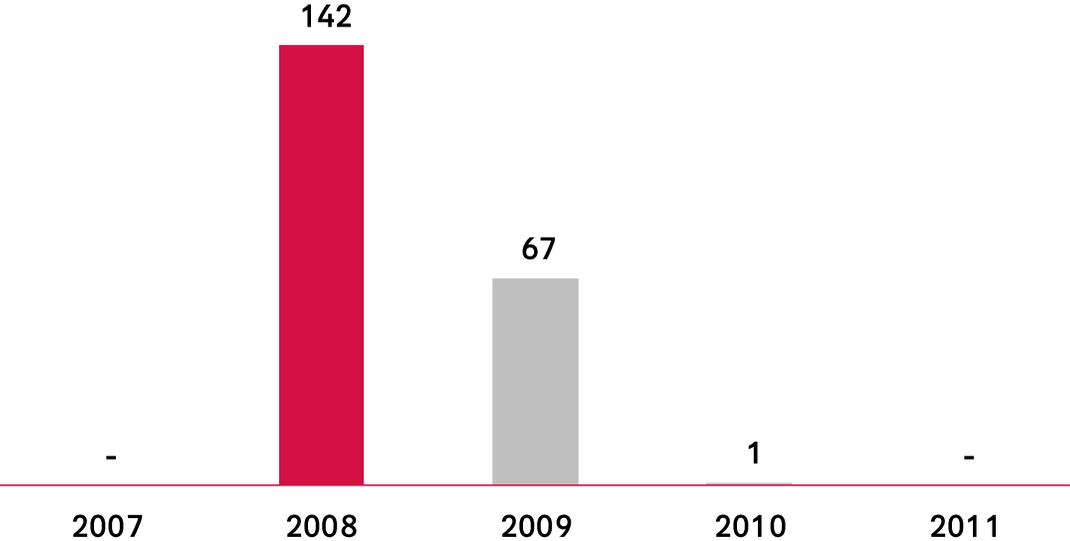
Prudent ALM Approach

- Asset allocation driven by liability cash flow matching in local currency
- ~80% of earnings from insurance and fees
- 87% of invested assets in fixed income
- 91% of bond portfolio in government and government agency bonds
- Bond portfolio average international rating A
- Asset portfolio well diversified with insignificant alternative assets

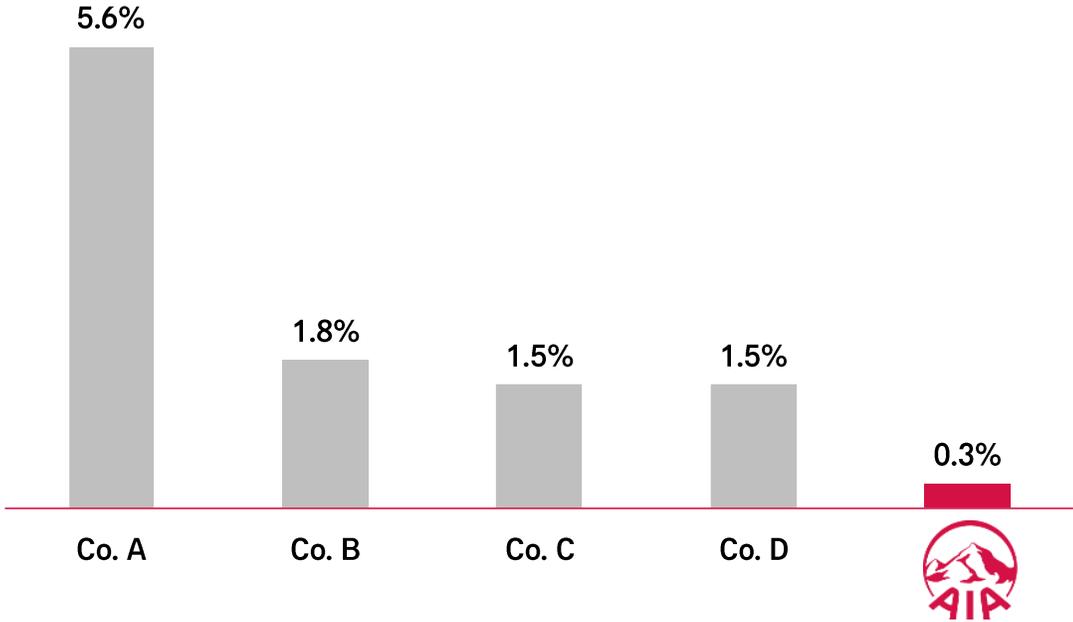
Impairment Experience During Global Financial Crisis



AIA Impairments on Invested Assets (\$m)



2008 Impairment Charges as % of Invested Assets



Risk Discount Rate and Risk Premium



%	As at 30 November 2010			As at 30 June 2020		
	Risk Discount Rates	Long-term 10-year Govt Bonds	Risk Premium	Risk Discount Rates	Long-term 10-year Govt Bonds	Risk Premium
Australia ⁽¹⁾	8.75	5.65	3.10	6.45	2.30	4.15
Mainland China	10.00	3.74	6.26	9.75	3.70	6.05
Hong Kong	8.00	3.53	4.47	7.00	2.20	4.80
Indonesia	15.00	7.90	7.10	13.00	7.50	5.50
South Korea	10.50	4.82	5.68	8.10	2.20	5.90
Malaysia	9.00	4.45	4.55	8.55	4.00	4.55
New Zealand	9.00	6.13	2.87	6.85	2.60	4.25
Philippines	13.00	6.00	7.00	11.80	5.30	6.50
Singapore	7.75	2.93	4.82	6.60	2.20	4.40
Sri Lanka ⁽²⁾	-	-	-	15.70	10.00	5.70
Taiwan (China)	8.00	1.73	6.27	7.55	1.30	6.25
Thailand	9.50	3.87	5.63	7.90	2.70	5.20
Vietnam	16.00	10.20	5.80	9.80	4.00	5.80
Weighted Average⁽³⁾	8.95	3.85	5.10	8.07	2.91	5.16

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) Excluding New Zealand

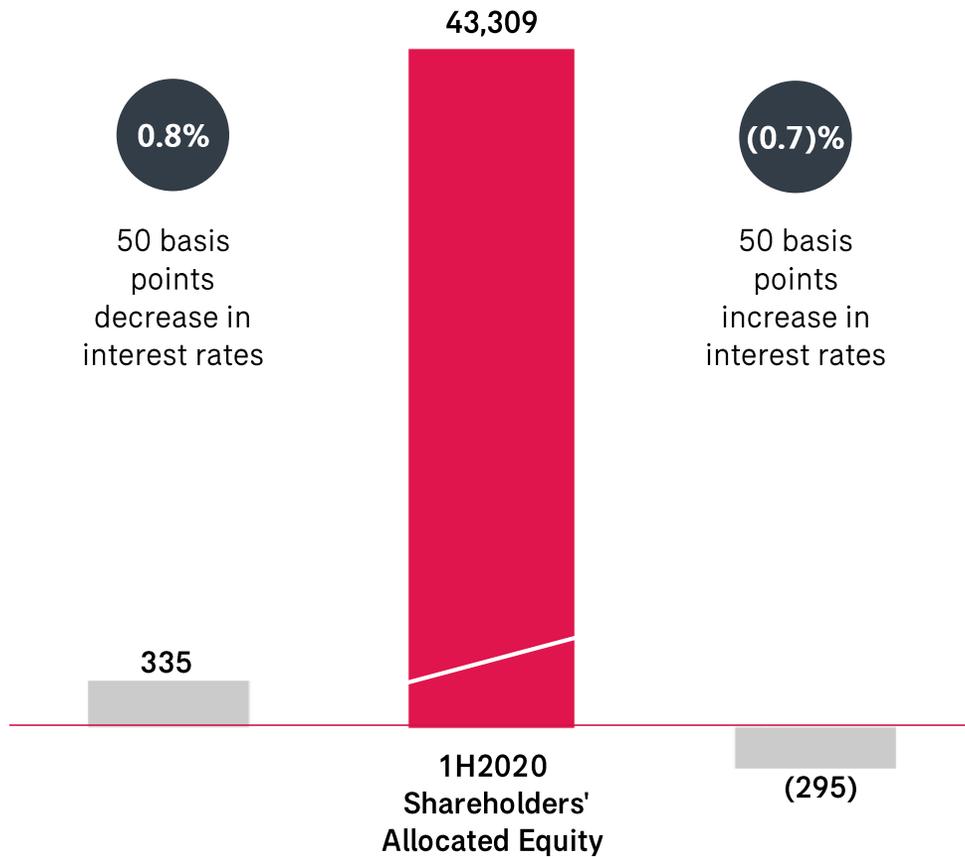
(2) Sri Lanka is included since the acquisition completion date of 5 December 2012

(3) Weighted average by VIF contribution

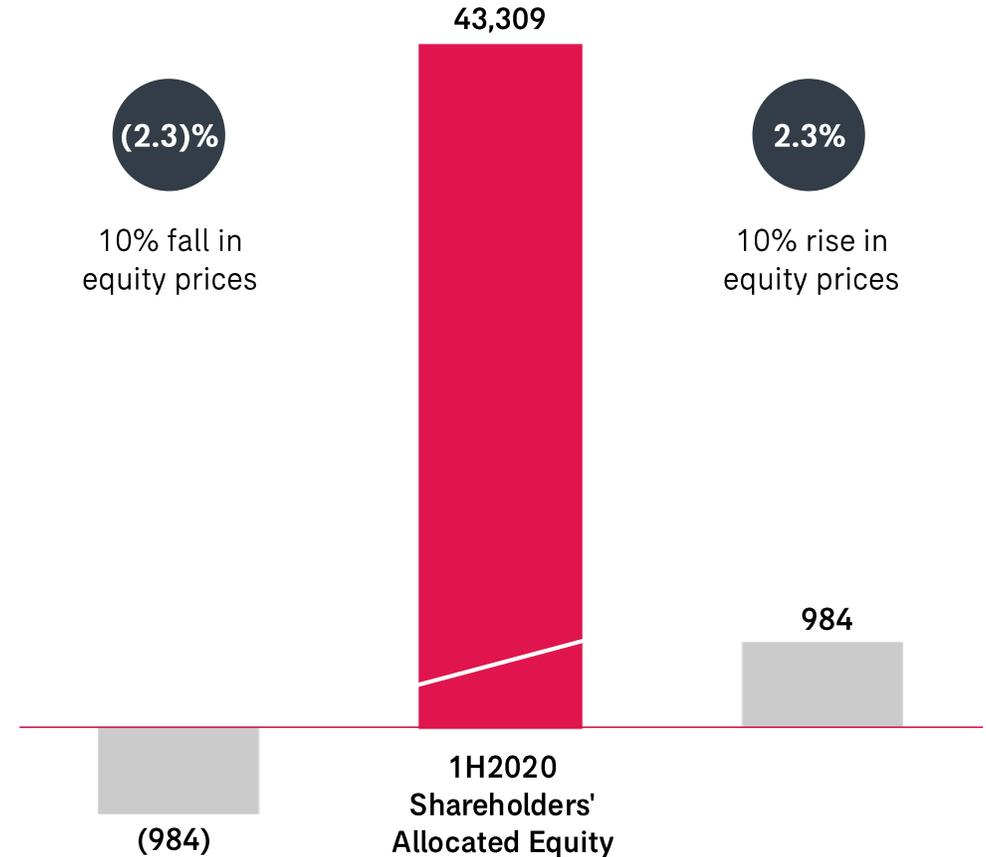
Sensitivity Analysis – Shareholders' Allocated Equity



Interest Rates (\$m)



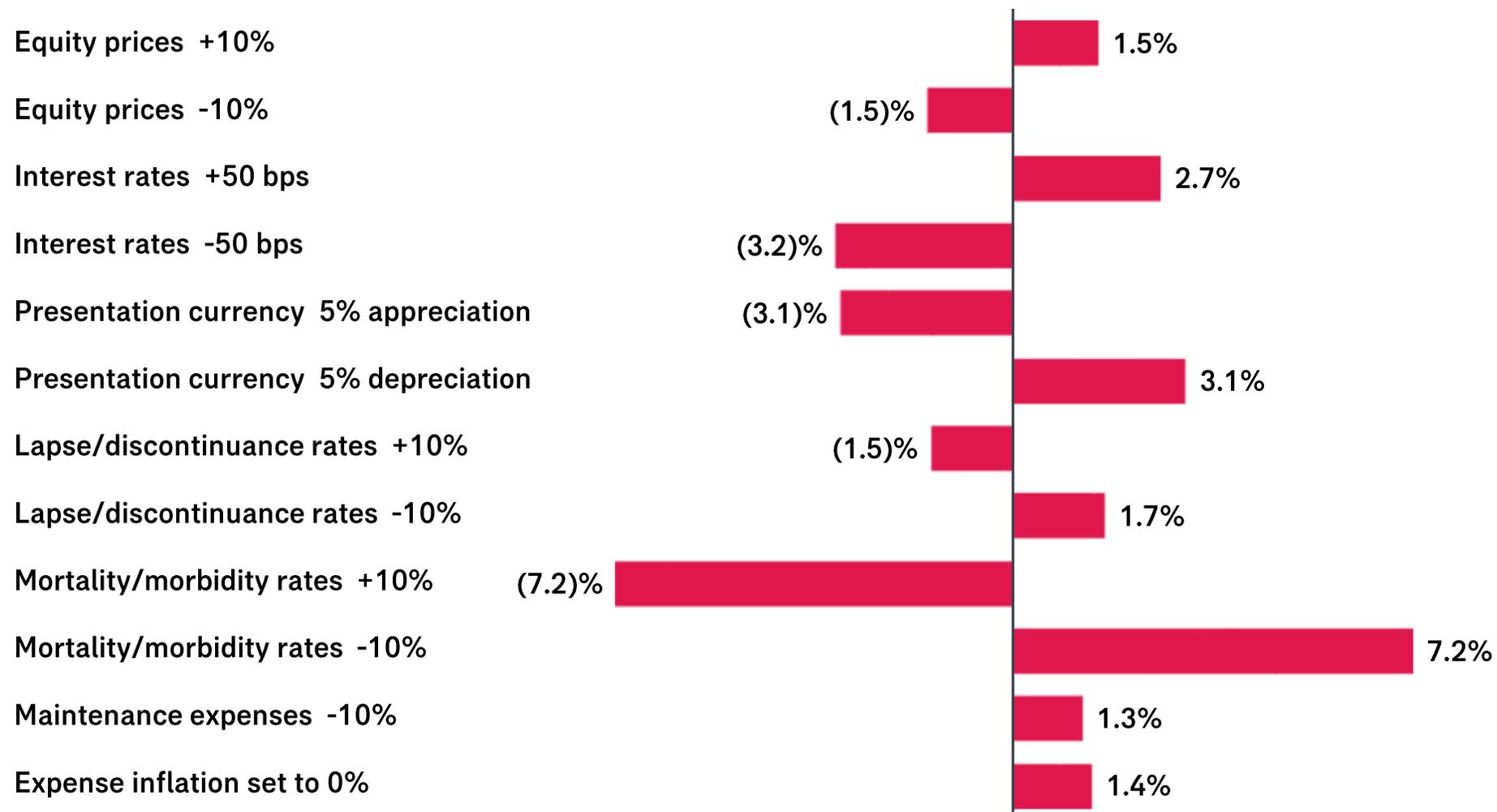
Equities (\$m)



Sensitivity Analysis – EV



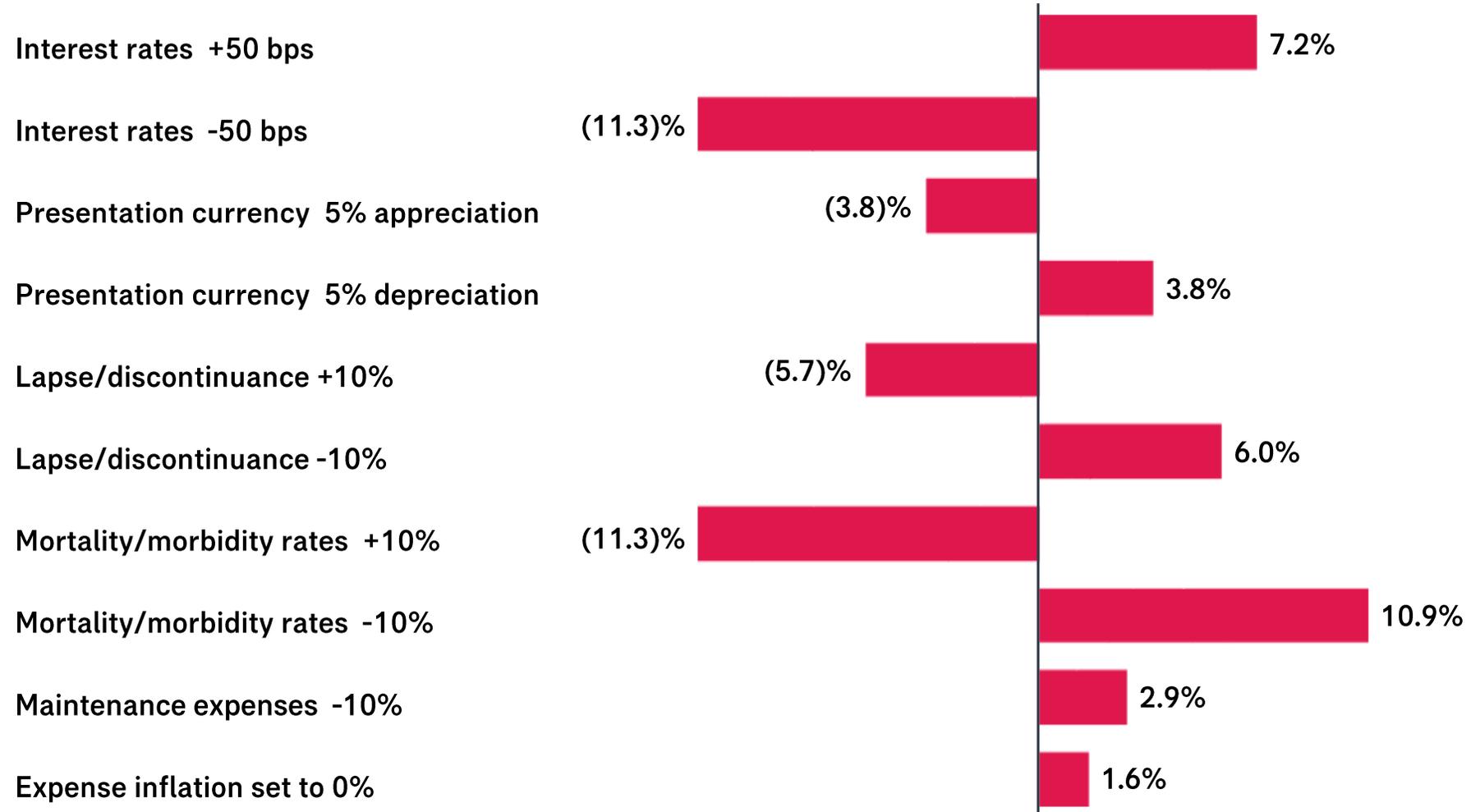
Sensitivity of EV as at 30 June 2020



Sensitivity Analysis – VONB



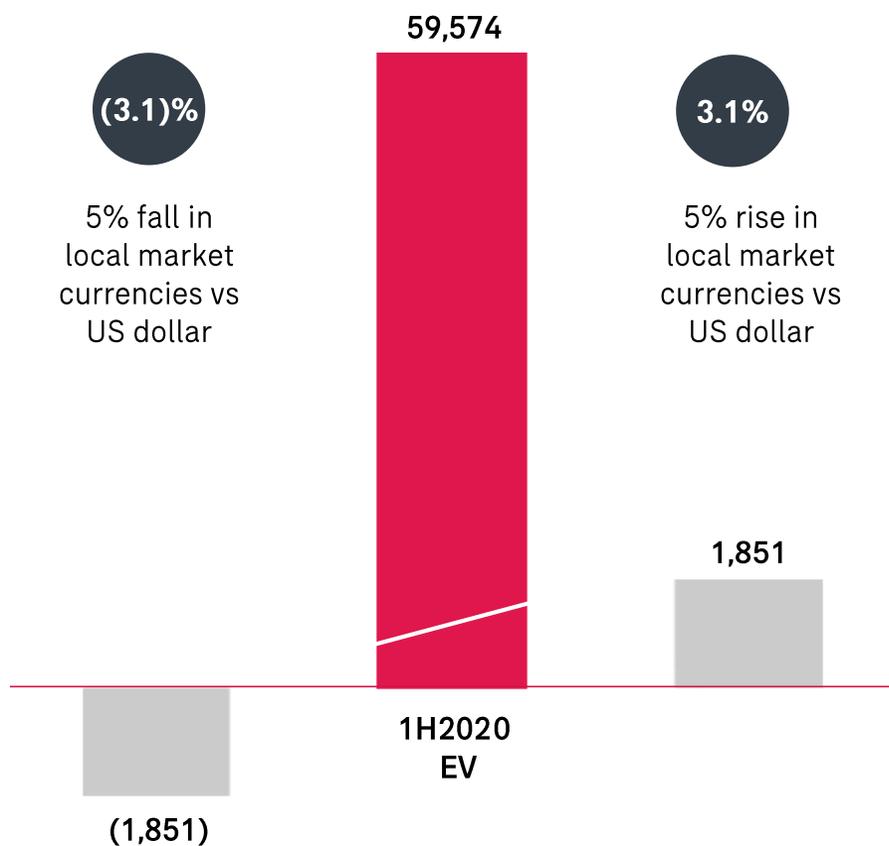
Sensitivity of VONB for the six months ended 30 June 2020



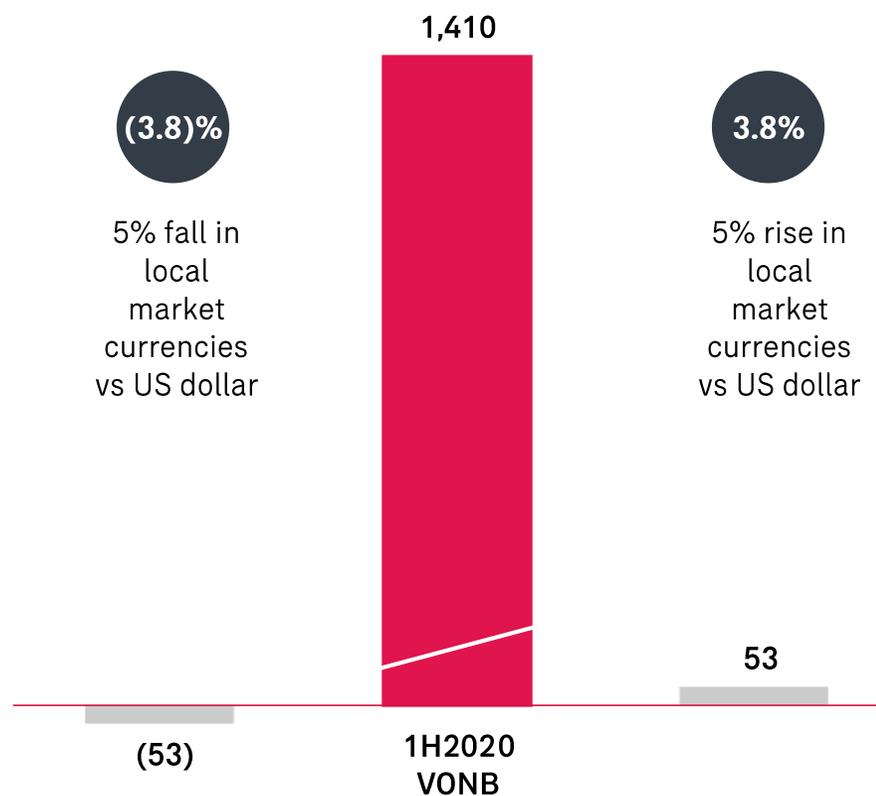
Currency Sensitivity – EV and VONB



EV (\$m)



VONB (\$m)



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