



HEALTHIER, LONGER,
BETTER LIVES

2020 ANNUAL RESULTS PRESENTATION

12 March 2021

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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

BUSINESS HIGHLIGHTS

Lee Yuan Siong, Group Chief Executive and President

2

FINANCIAL RESULTS

Garth Jones, Group Chief Financial Officer

3

STRATEGIC PRIORITIES

Lee Yuan Siong, Group Chief Executive and President

4

Q&A



**HEALTHIER, LONGER,
BETTER LIVES**



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BETTER LIVES

Business Highlights

Lee Yuan Siong

Group Chief Executive and President



2020 Strong Performance in Unprecedented Environment



Growth

VONB

\$2,765m

(33)%

EV Equity

\$67.2b

+3%

Earnings

OPAT

\$5,942m

+5%

Shareholders'
Allocated Equity

\$48.0b

+9%

Capital & Dividends

UFSG

\$5,843m

+7%

Final Dividend
Per Share

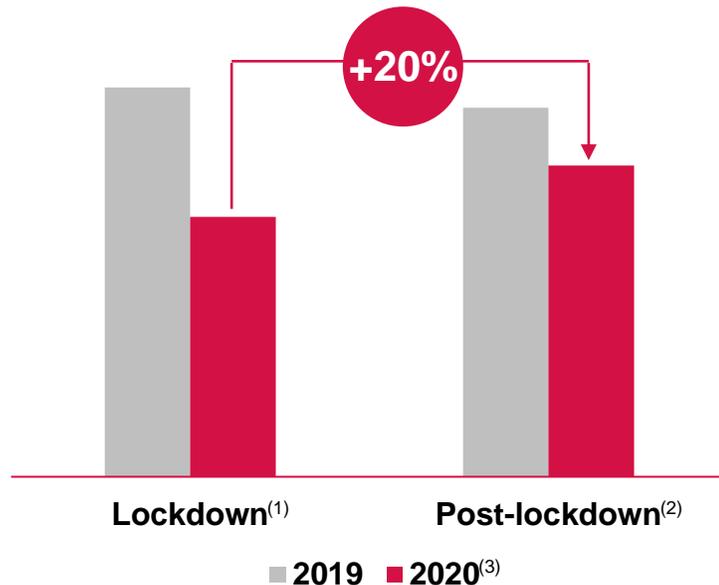
100.30 HK cents

+7.5%

Very Strong VONB Momentum as COVID-19 Restrictions Eased

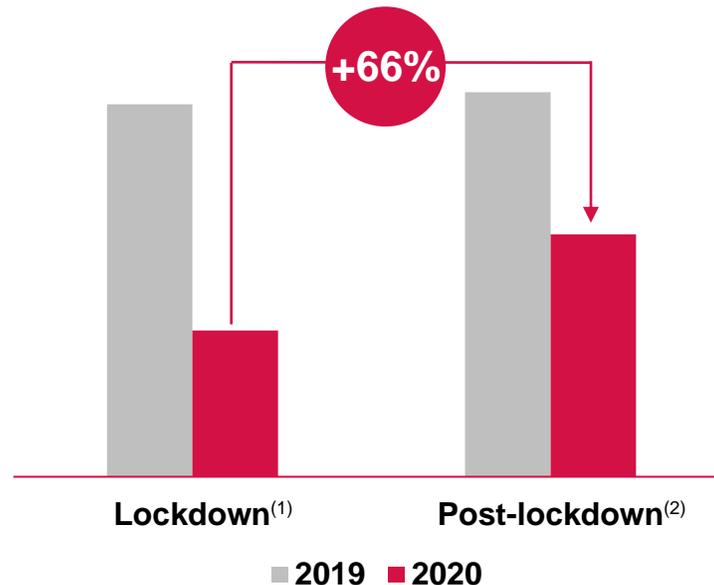


Mainland China
Monthly Average VONB



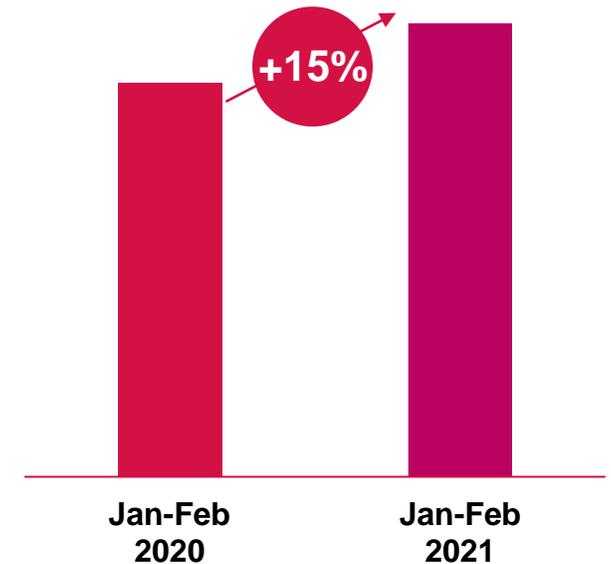
- Largest contributor to Group in 2020
- Peak lockdown in Feb to Mar 2020
- Momentum improved from Apr 2020

Rest of Group
Monthly Average VONB



- Hong Kong MCV sales effectively on hold from Feb 2020 due to border restrictions
- Excellent recovery in rest of Group post-lockdown

Total Group
VONB



- Successful start to 2021 as a group
- Very strong Mainland China VONB growth in first two months of 2021

Notes:
 (1) Lockdown refers to the initial lockdown (Feb-Mar for Mainland China; Feb-May for Hong Kong; Apr-Jul for Thailand; Mar-Jun for Malaysia; Apr-Jun for Singapore and Other Markets)
 (2) Post-lockdown refers to the period subsequent to the initial lockdown (Apr-Dec for Mainland China; Jun-Dec for Hong Kong; Aug-Dec for Thailand; Jul-Dec for Malaysia; Jul-Dec for Singapore and Other Markets)
 (3) Before the impact of 5% withholding tax applied to VONB of AIA China from Jul 2020

Supporting our Customers, Agents and Partners



Remote Sales Capabilities

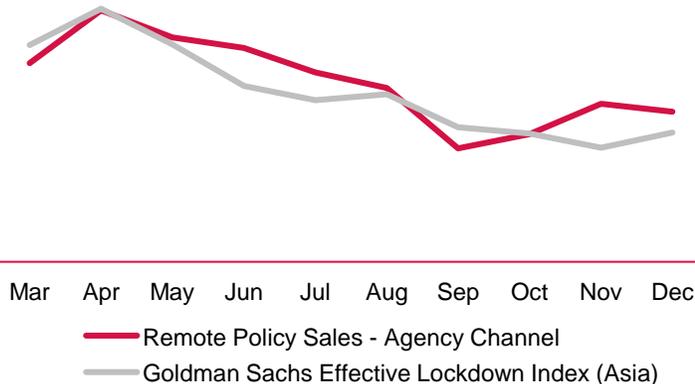
100%

Remote digital sales capabilities across all channels and markets

Digital new business submissions across all markets

95%

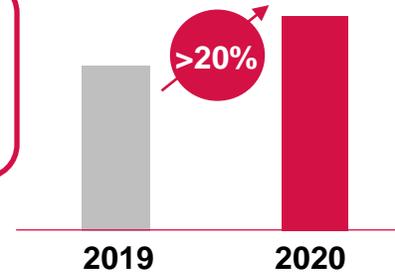
2020 Remote Sales Track Lockdown Severity



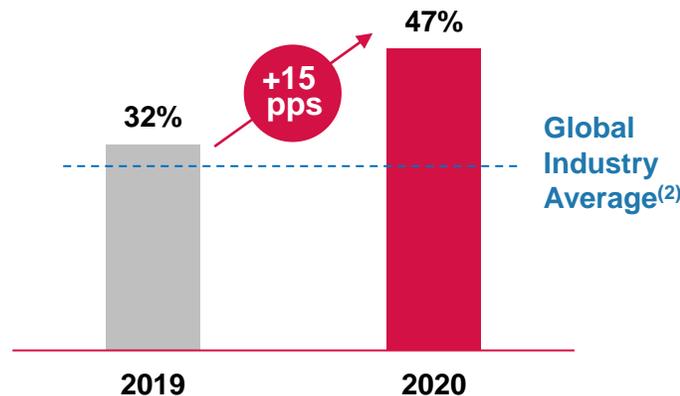
Online and Digital Enablement

>20,000 Online recruitment seminars

New Recruits



End-to-end Straight-through Processing⁽¹⁾



Supporting Customers

Extended free COVID-19 cover to >25m policies

\$1b Premium support Extended grace period in 12 markets

>\$16b Benefits and claims paid in 2020

Notes:

(1) End-to-end across Buy-Service-Claim

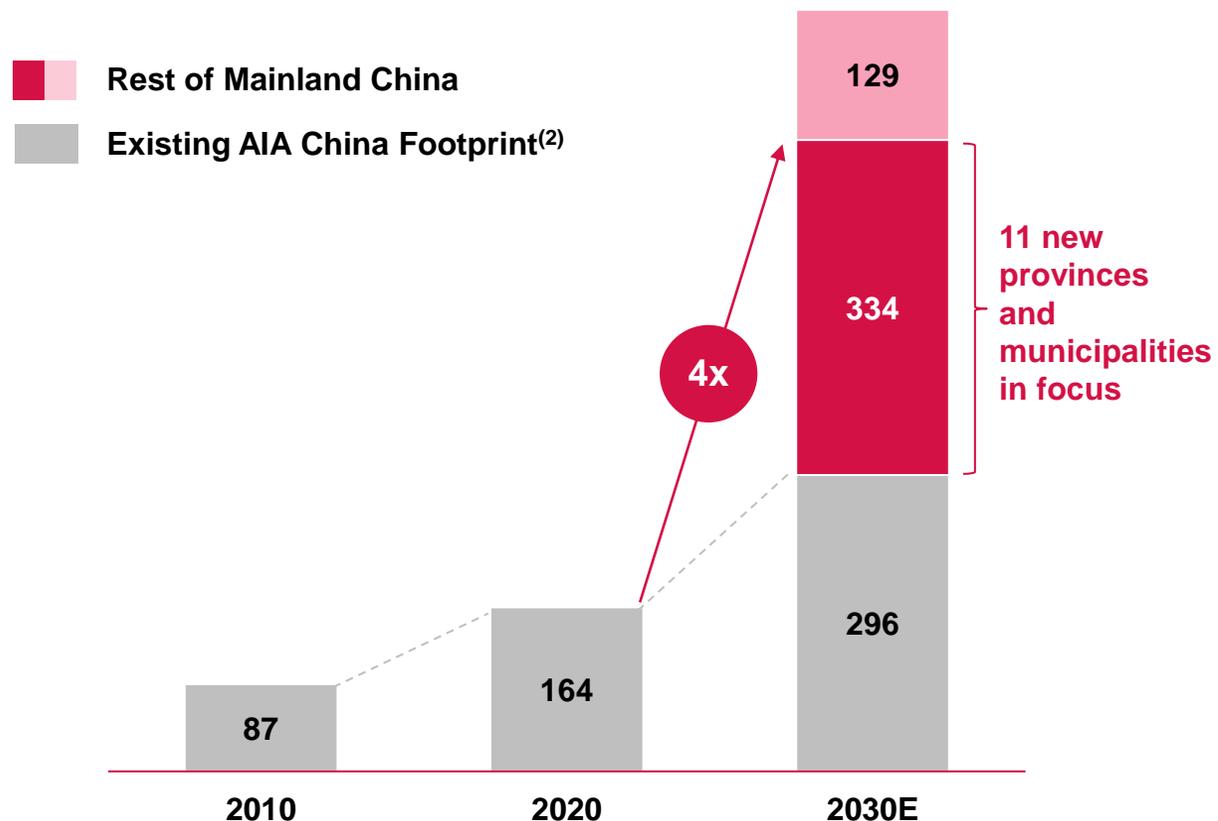
(2) Source: BCG, average of life insurers globally in 2020

Mainland China: Unique Opportunity with 100% Ownership



Geographical Expansion Multiplies AIA's Opportunity

Middle Class Population⁽¹⁾ (m)



Notes:

(1) Sources: McKinsey, AIA estimates

(2) Tianjin, Hebei and Sichuan included in 2030E existing AIA China footprint but not in 2010 and 2020

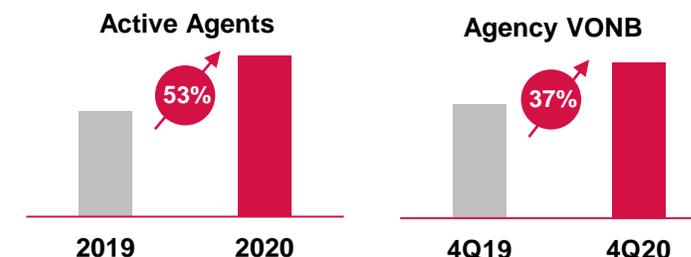
Geographical Expansion Developments



100% Owned Subsidiary

- First foreign life insurance company with 100% owned subsidiary
- Proven Premier Agency expansion model

Excellent Progress in Tianjin and Shijiazhuang



Sichuan Operations

- Over 30m middle class population in 2030E
- First branch in Western China

AIA: Global Leadership from Asia



CORPORATE

100%

Ownership in 17 out of 18 markets⁽¹⁾ in Asia

Aa2

Moody's financial strength rating⁽²⁾

1st Quartile

TSR return 2018-2020⁽³⁾

Top 3

Market position in majority of markets

#1

MDRT company globally for the last six years

8

Strategic partnerships with top-tier banks across the region⁽⁴⁾

ESG

#2

Global ESG risk rating, insurance industry



SUSTAINALYTICS

a Morningstar company

MSCI



A

Rating for resilience to long-term material ESG risks

ISS ESG



Prime

Corporate ESG rating



DISCLOSURE INSIGHT ACTION

A-

Climate change score

OUR CUSTOMERS

#2

Global insurance brand ranking⁽⁵⁾

>38m

Individual policies

>16m

Group scheme members

>\$16b

Benefits and claims paid in 2020

OUR PEOPLE

39%

Senior leaders are women



1st Quartile

Gallup employee engagement⁽⁶⁾

Notes:

ESG ratings in 2020

(1) Wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR, New Zealand and a 49% joint venture in India

(2) Financial strength rating of AIA Co.

(3) Comparing with 19 life and health or multi-line insurance companies in the Dow Jones Insurance Titans 30 Index

(4) Citibank regional partnership and 7 domestic bank partners with top 3 market position

(5) BrandZ™ Global ranking

(6) Global financial services and insurance industry (4th year running)



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Financial Results

Garth Jones

Group Chief Financial Officer



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Growth

Earnings

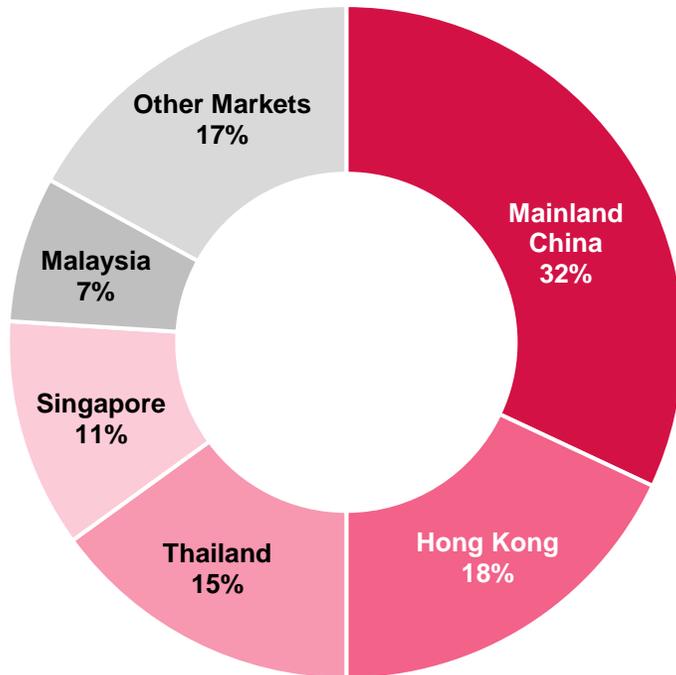
Capital & Dividends

Diversified High-Quality Business



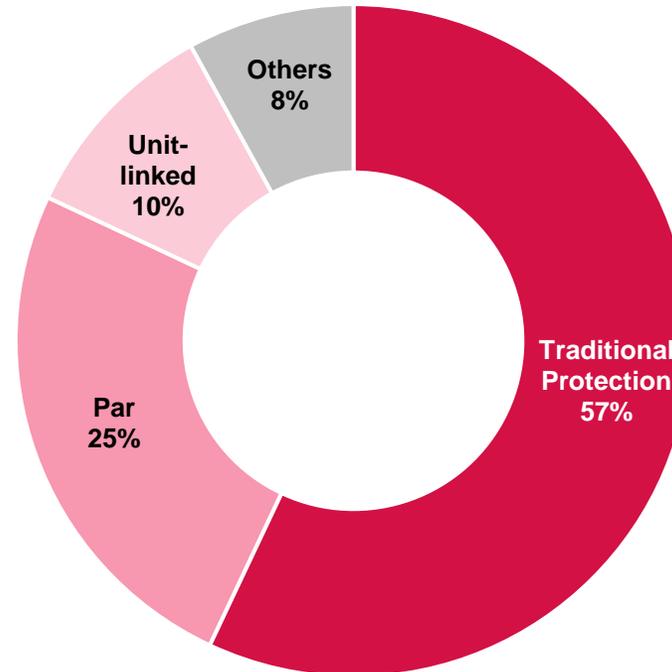
Geographical Mix

% of 2020 VONB



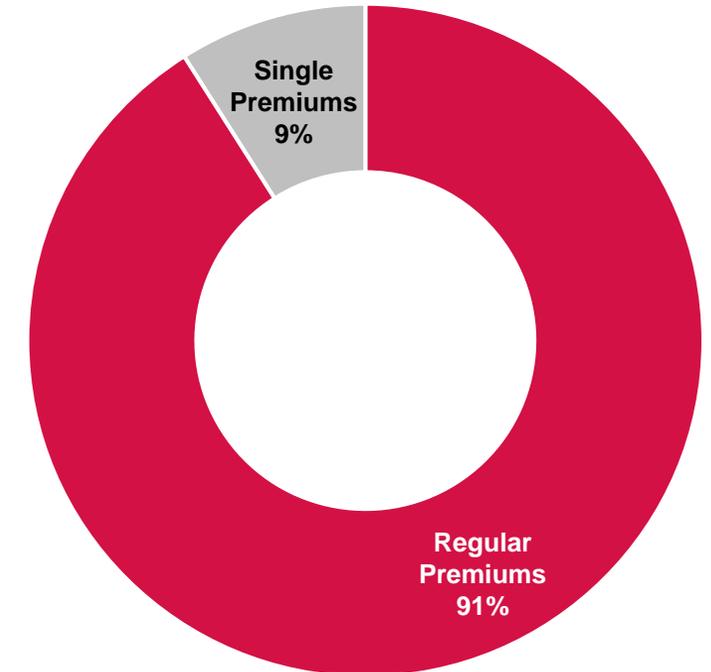
Product Mix

% of 2020 VONB



Premium Mix

% of 2020 ANP⁽¹⁾

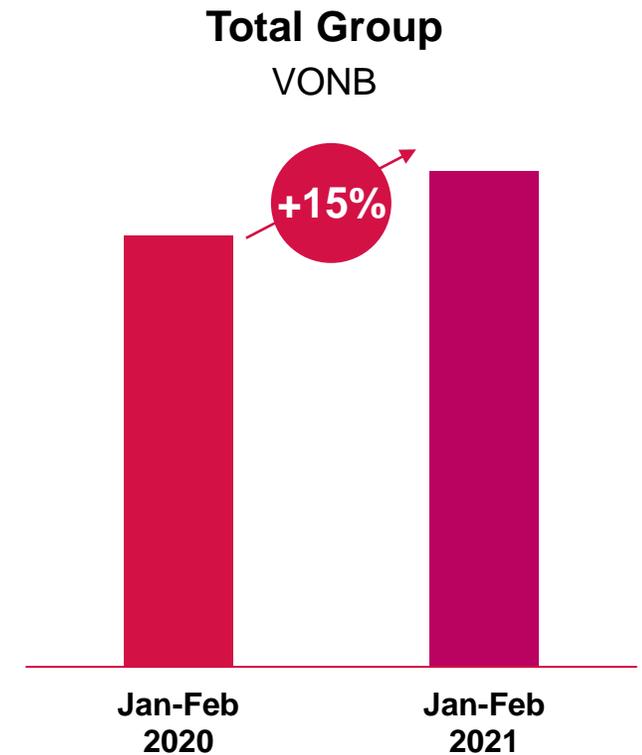
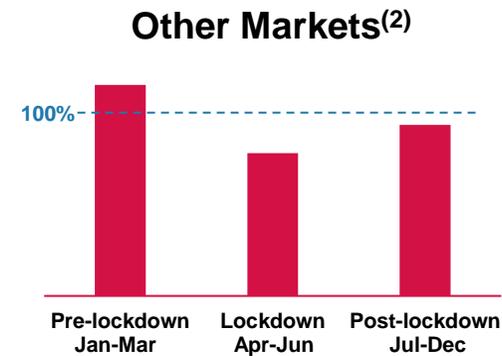
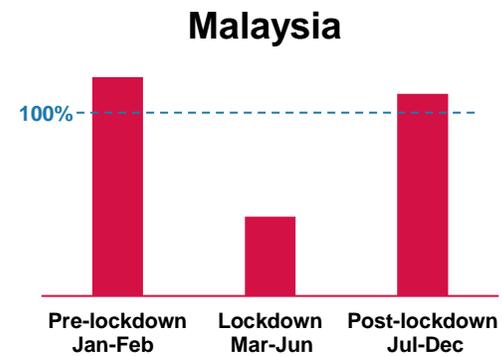
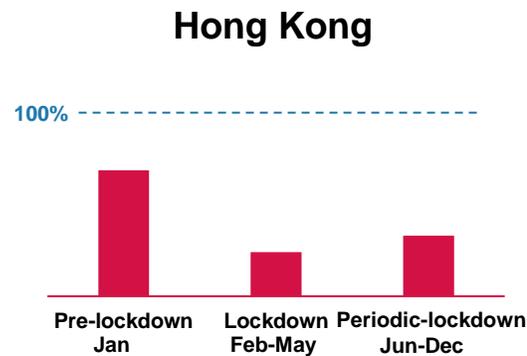
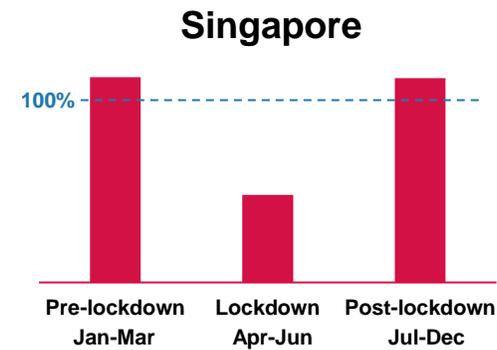
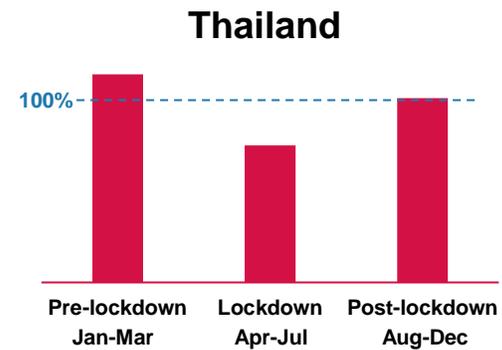
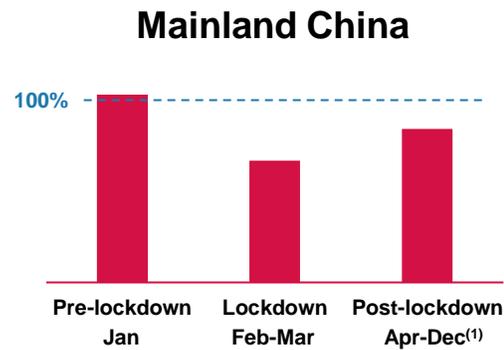


Notes:
Geographical and product mix are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests
(1) Represents 100% of annualised first year premiums as regular premiums and 10% of single premiums, before reinsurance ceded

Very Strong VONB Momentum as COVID-19 Restrictions Eased



2020 VONB as % of 2019



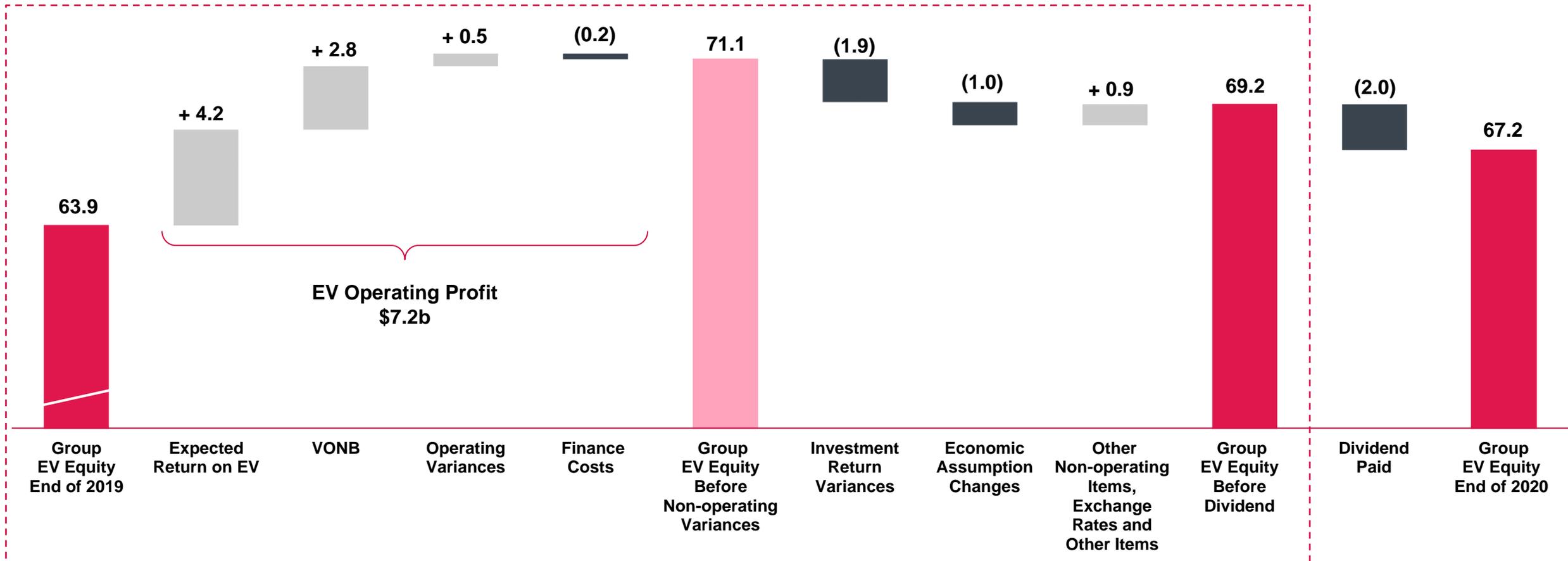
Notes:

- (1) Before the impact of 5% withholding tax applied to VONB in AIA China from July 2020
- (2) VONB of Tata AIA Life is included in each of the respective periods for both 2020 and 2019 on a like-for-like basis for presentation purpose

EV Equity up to \$69.2b before Dividend



2020 EV Equity Movement (\$b)

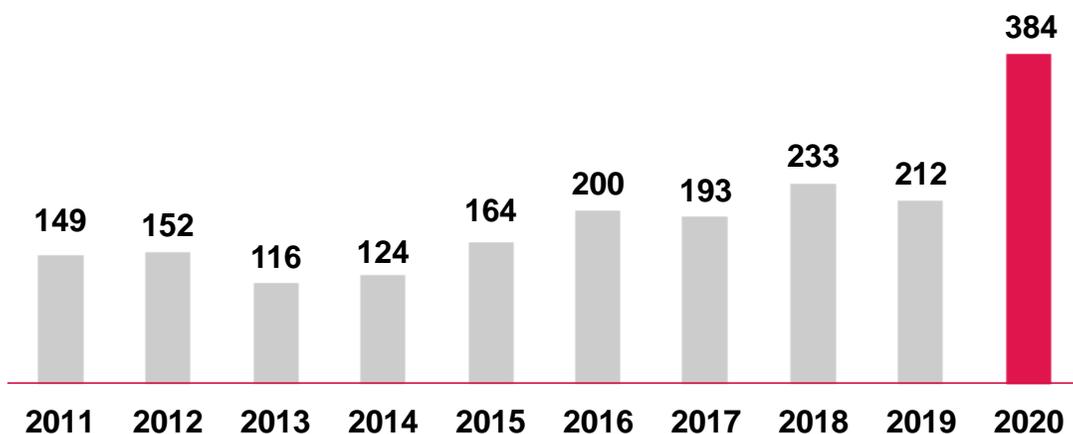


Note:
Due to rounding, numbers presented in the chart may not add up precisely

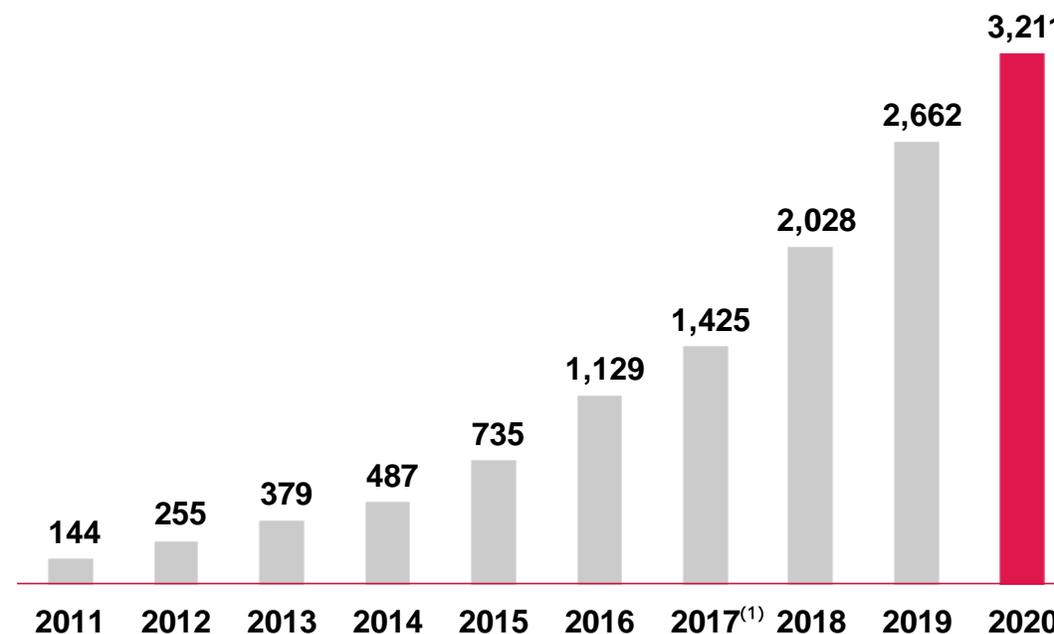
Prudent Operating Assumptions Added \$3.2b to EV Since IPO



Mortality and Morbidity Claims Experience Variances (\$m)



Cumulative EV Operating Variances (\$m)



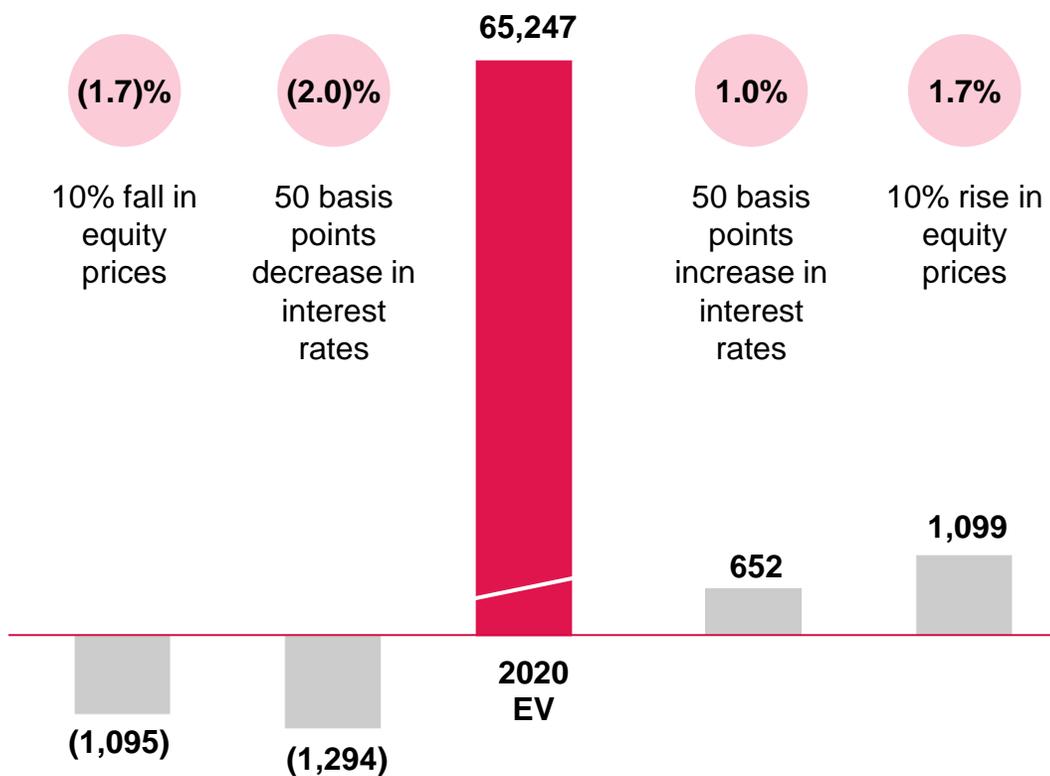
Note:
(1) 2017 figure covers a 13-month period from 1 December 2016 to 31 December 2017

EV Sensitivity to Interest Rates Remains Small



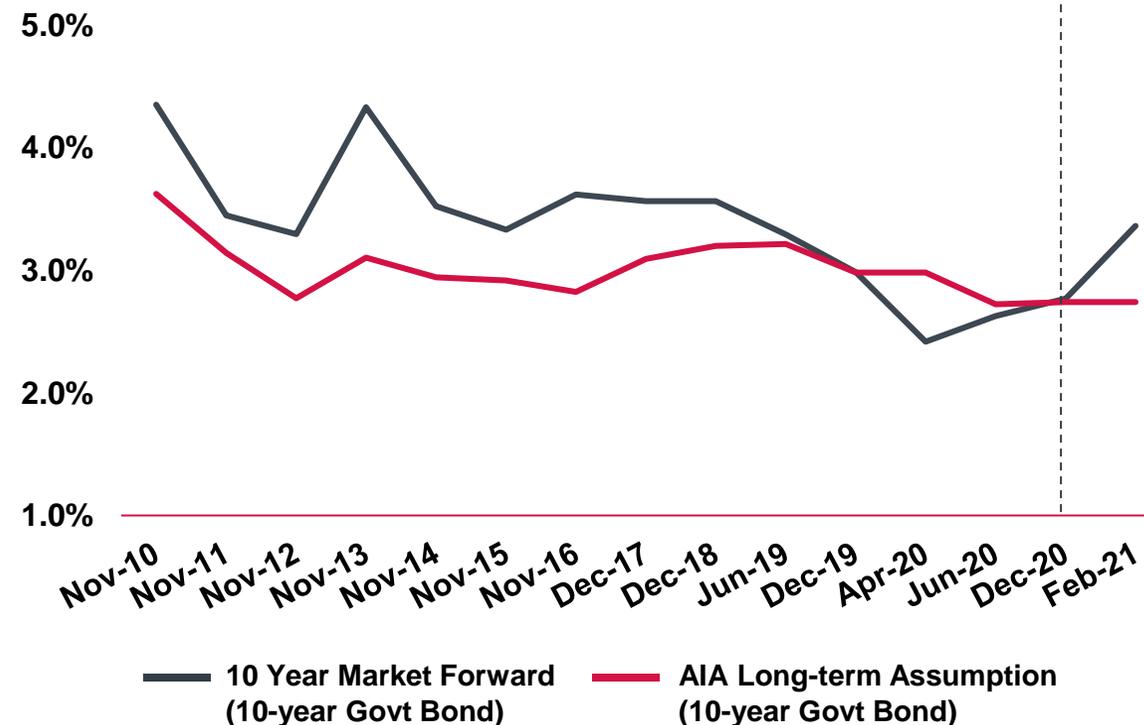
Sensitivity of EV

As at 31 December 2020



AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography⁽¹⁾



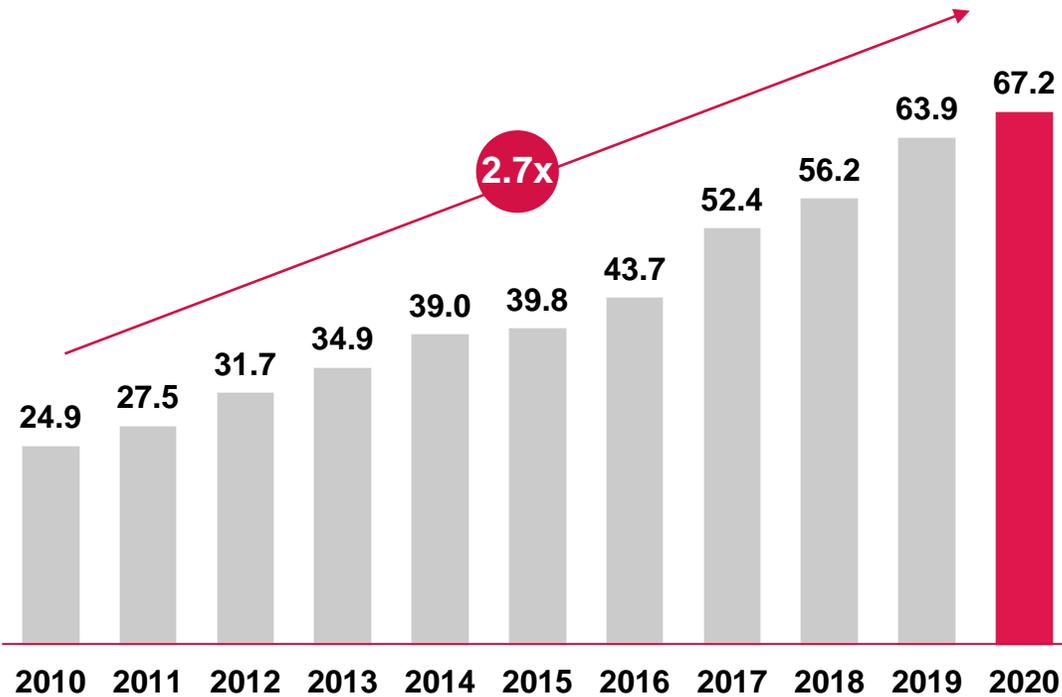
Note:

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

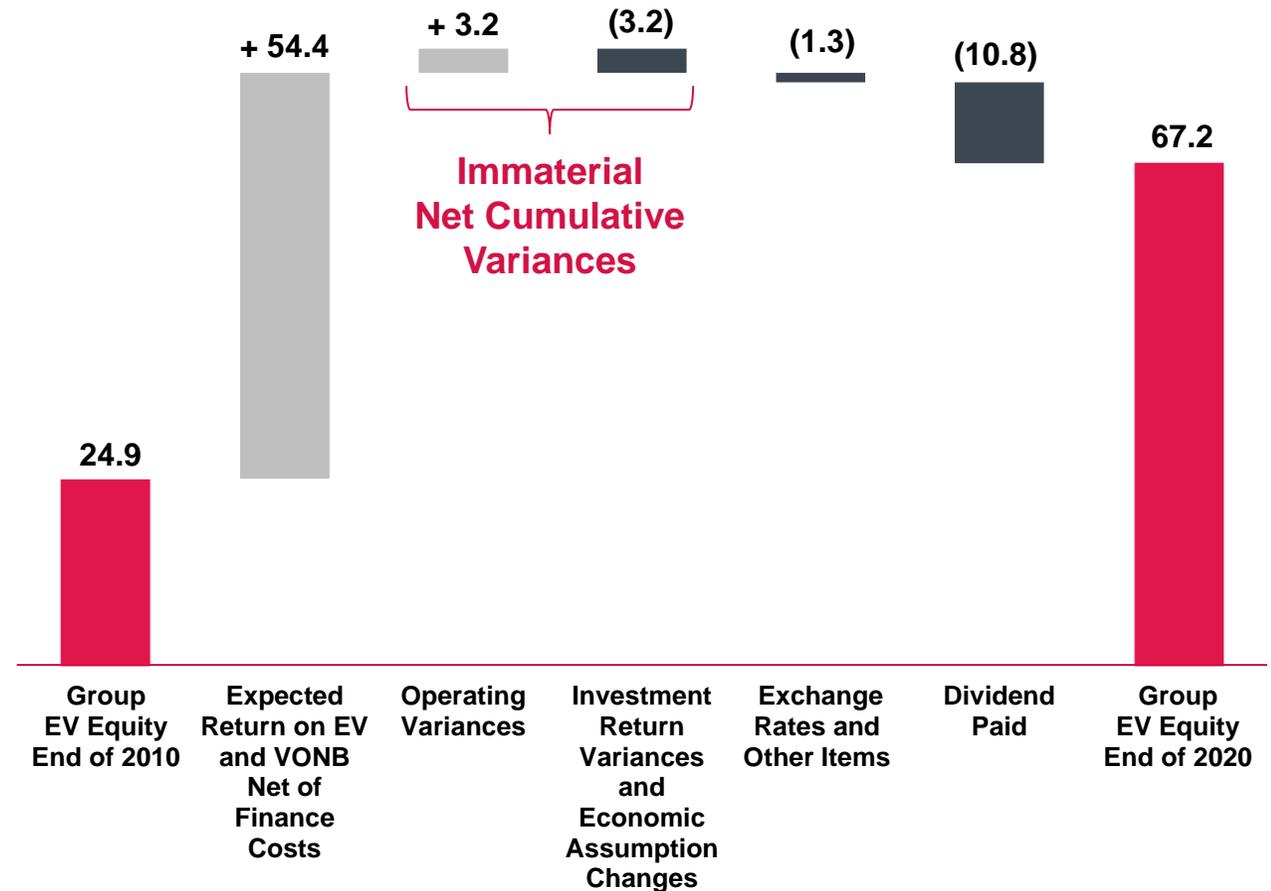
EV Equity 2.7x IPO by Operating Profit and Prudent Assumptions



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

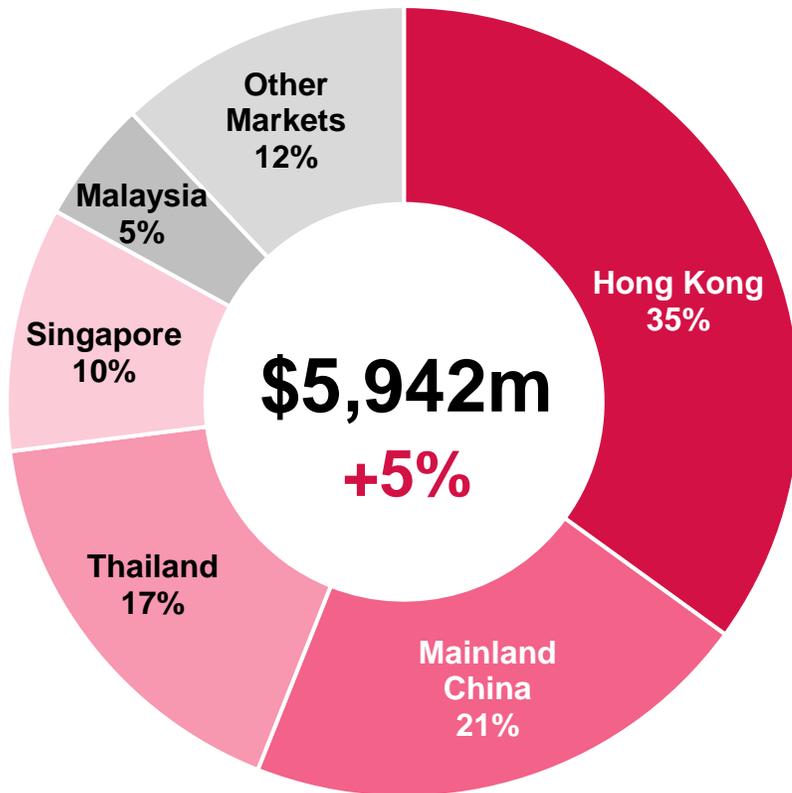
Capital & Dividends



OPAT up 5% to \$5.9b



2020 OPAT by Market Segment



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

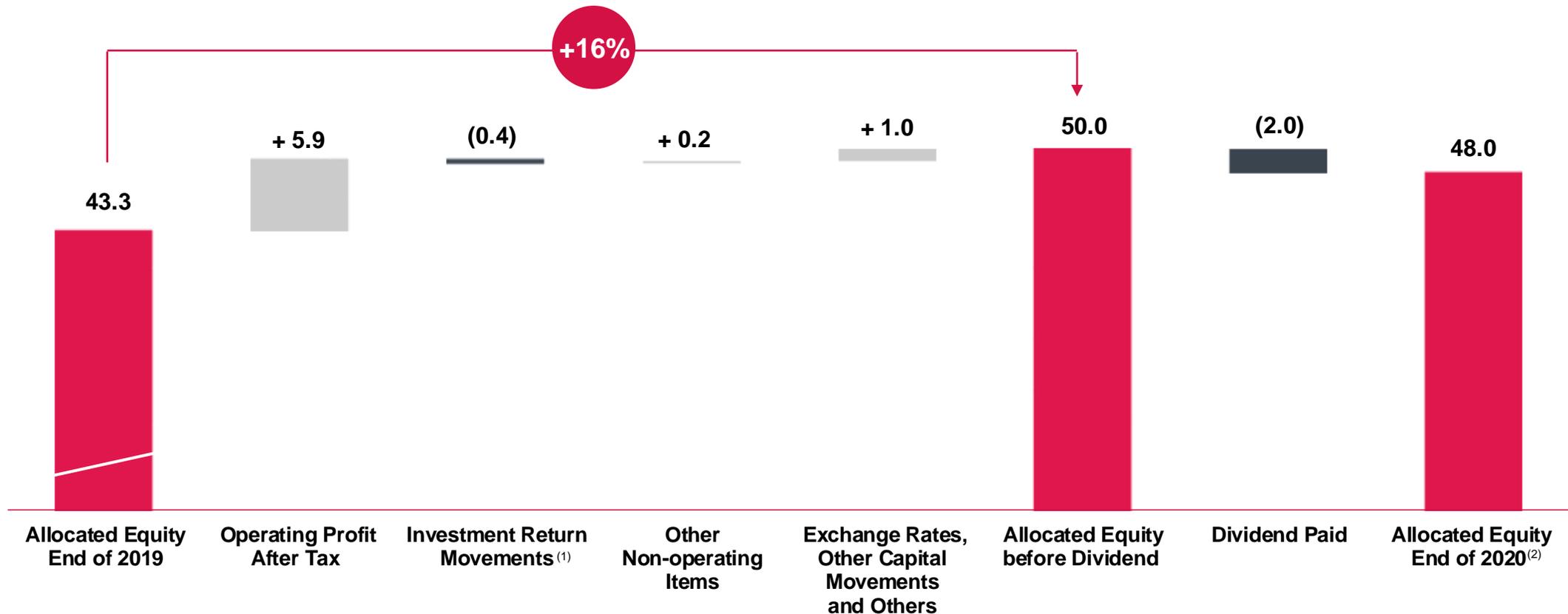


Note:
Group OPAT includes Group Corporate Centre

Shareholders' Allocated Equity up 16% before Dividend



IFRS Shareholders' Allocated Equity Movement (\$b)



Notes:

Due to rounding, numbers presented in the chart may not add up precisely
 Growth rate is shown on an actual exchange rate basis

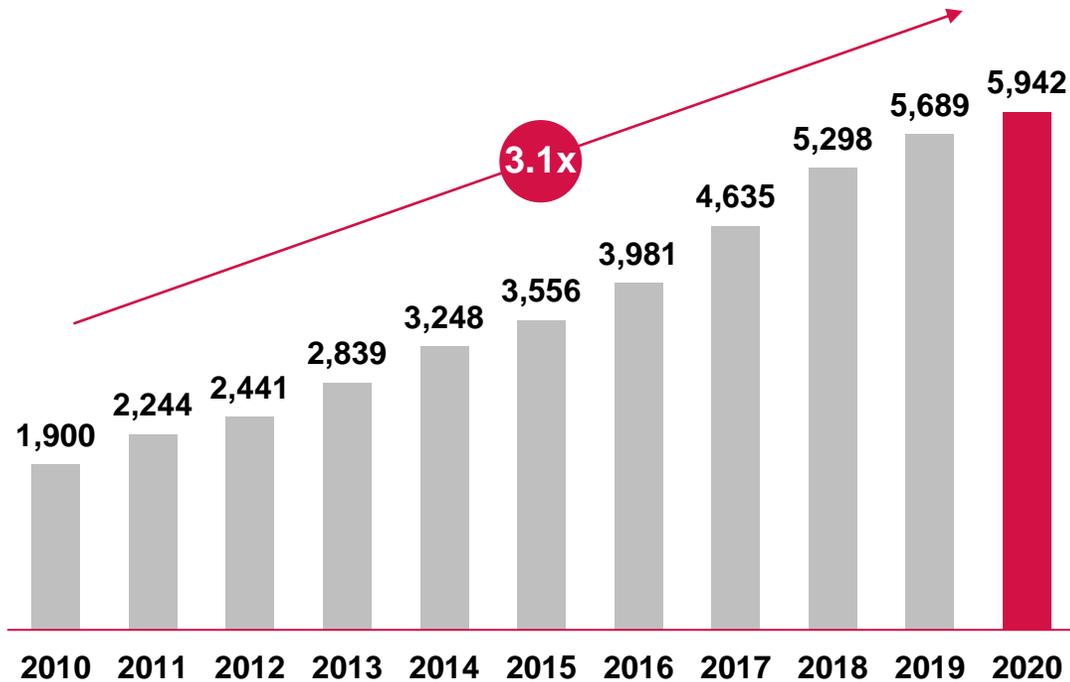
(1) Short-term fluctuations in investment return related to equities and real estate, net of tax

(2) Shareholders' allocated equity is shown before the addition of fair value reserve of \$15.2b as at 31 December 2020

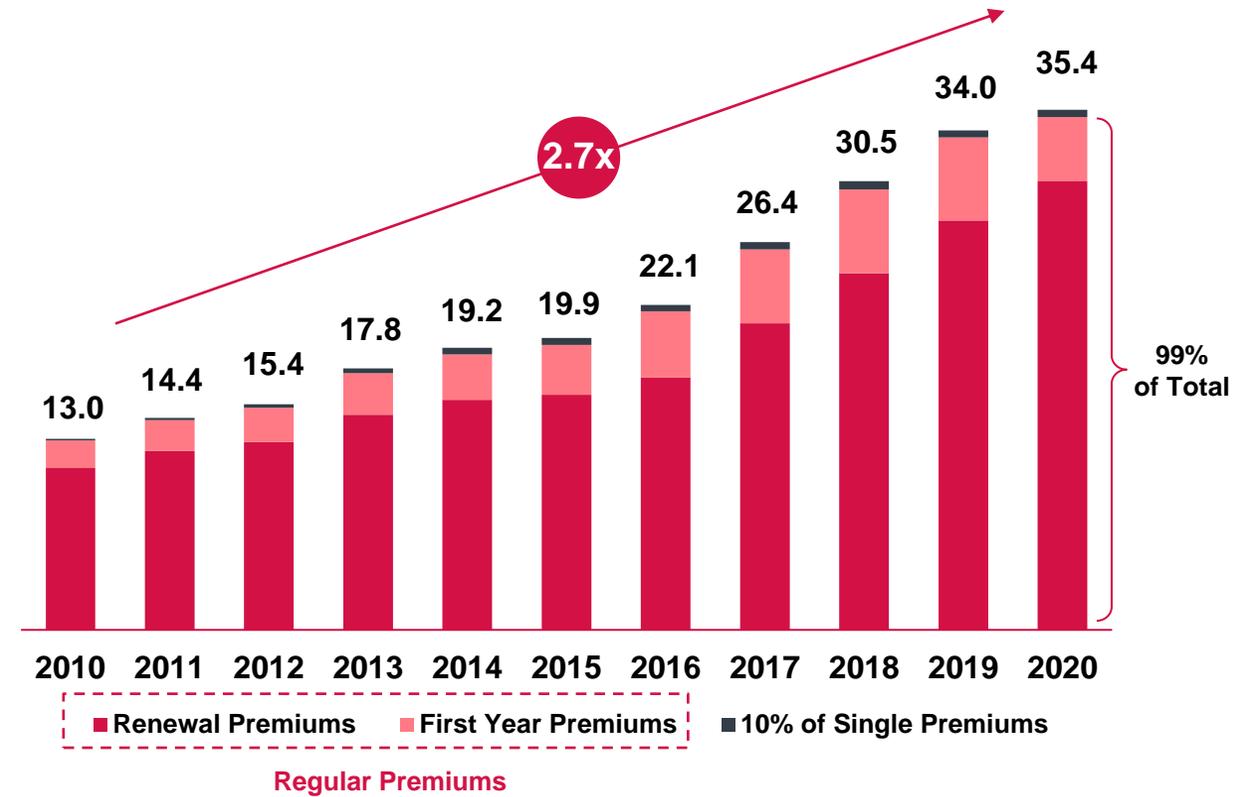
OPAT 3.1x IPO Reflects Growing and Resilient In-Force



OPAT (\$m)



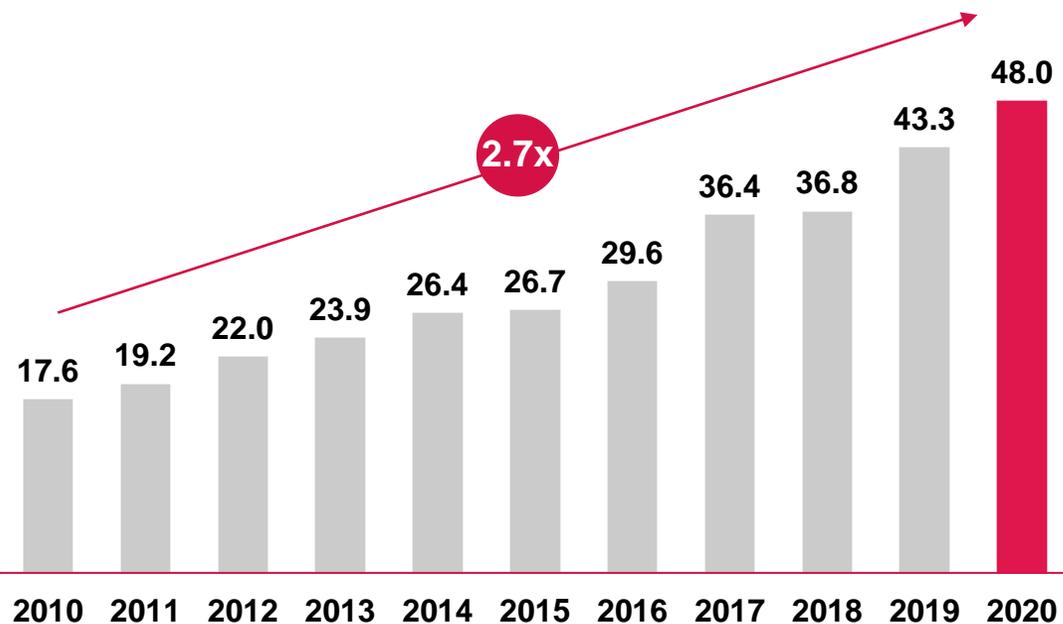
TWPI by Premium Type (\$b)



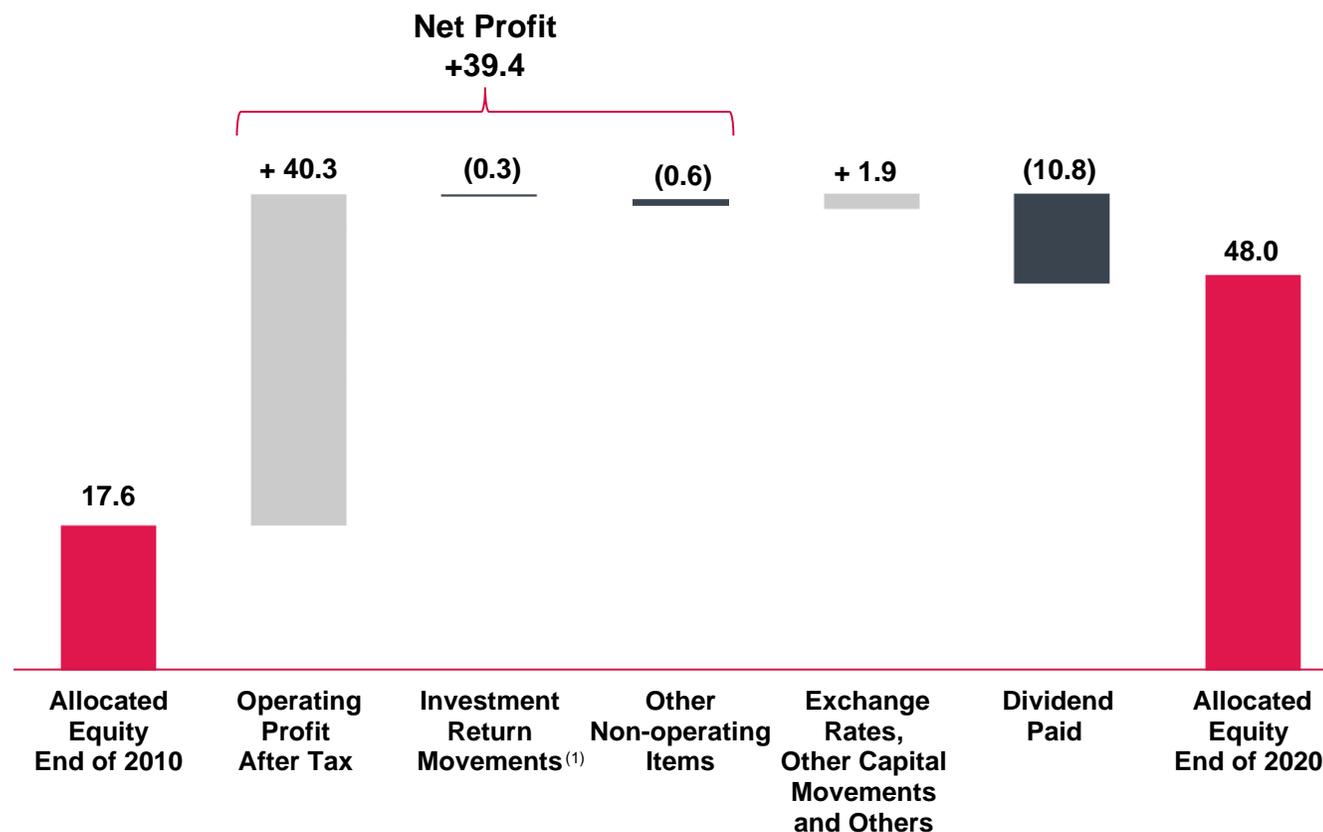
Shareholders' Allocated Equity 2.7x IPO Driven by OPAT Growth



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

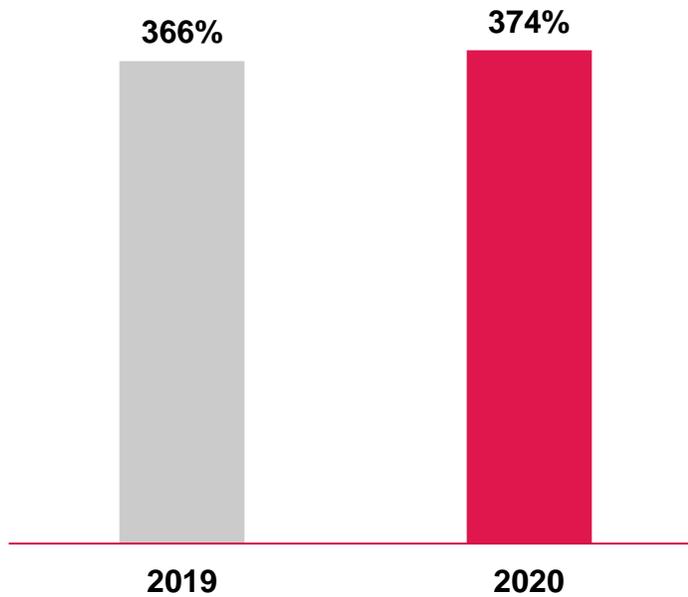
Capital & Dividends



Resilient Solvency Position and Low Leverage

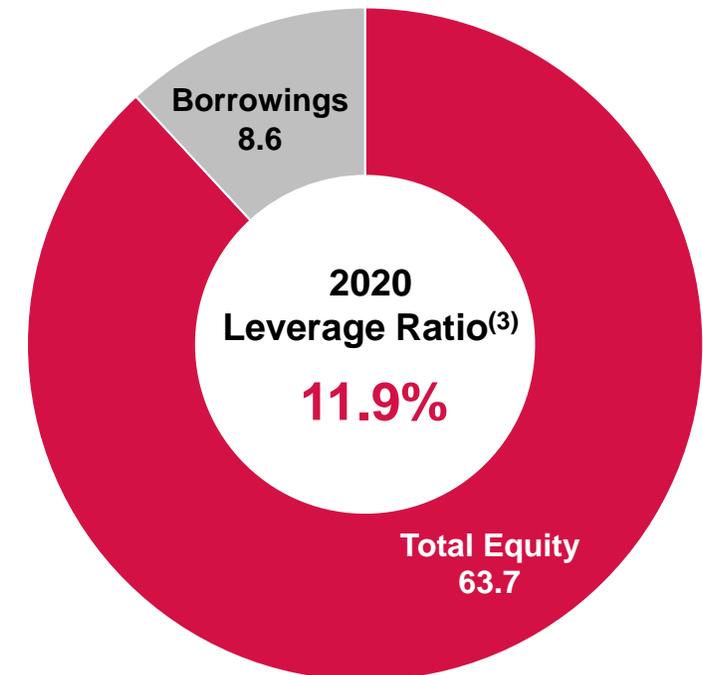


Group LCSM Cover Ratio⁽¹⁾



- New GWS⁽²⁾ framework is expected to apply in 1H 2021
- Consolidated view of the Group's capital position
- Group LCSM based on minimum required capital
- Small sensitivities to equity markets and interest rates

Group Total Leverage (\$b)



Notes:

(1) AIA estimated basis of Local Capital Summation Method (LCSM); including \$1.7b of subordinated securities under the GMTN programme that we expect to become eligible Tier 2 debt capital

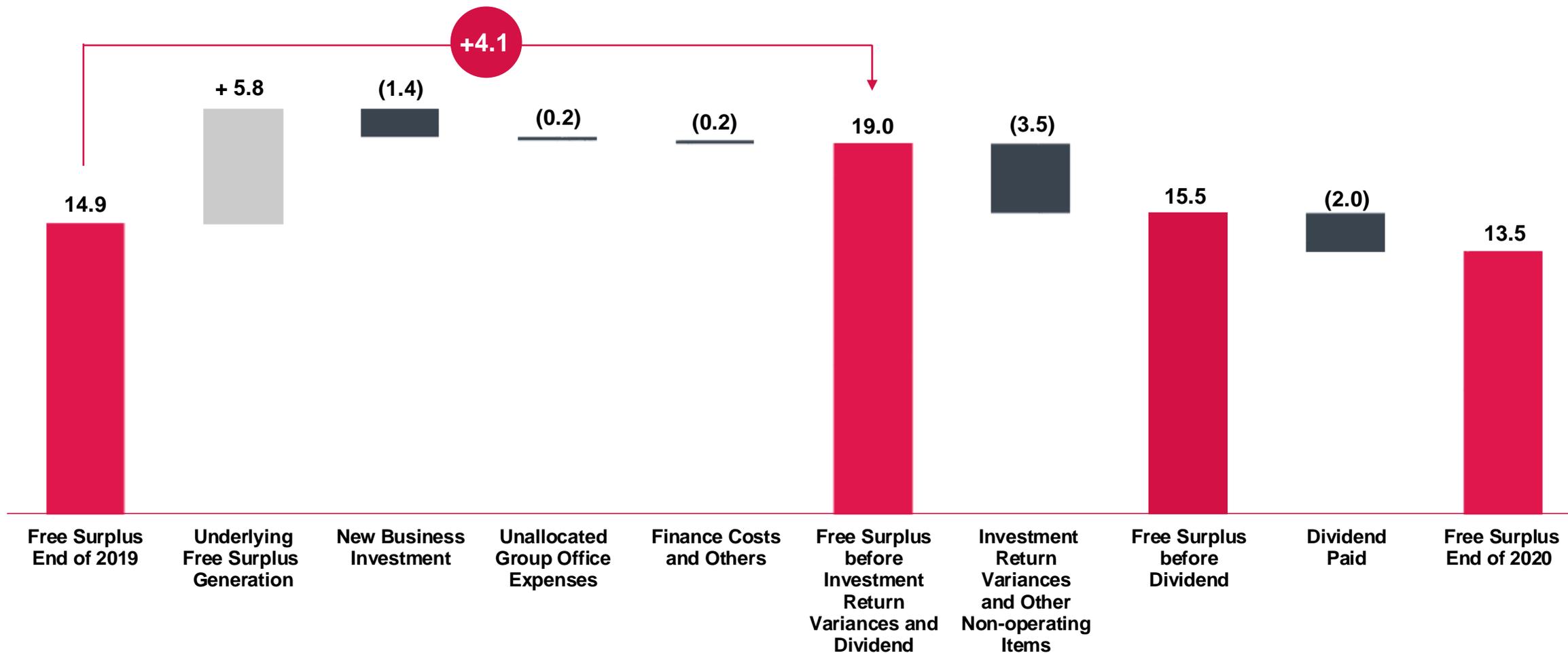
(2) New Group-wide Supervision

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

Resilient Free Surplus



Free Surplus⁽¹⁾ Movement (\$b)



Notes:

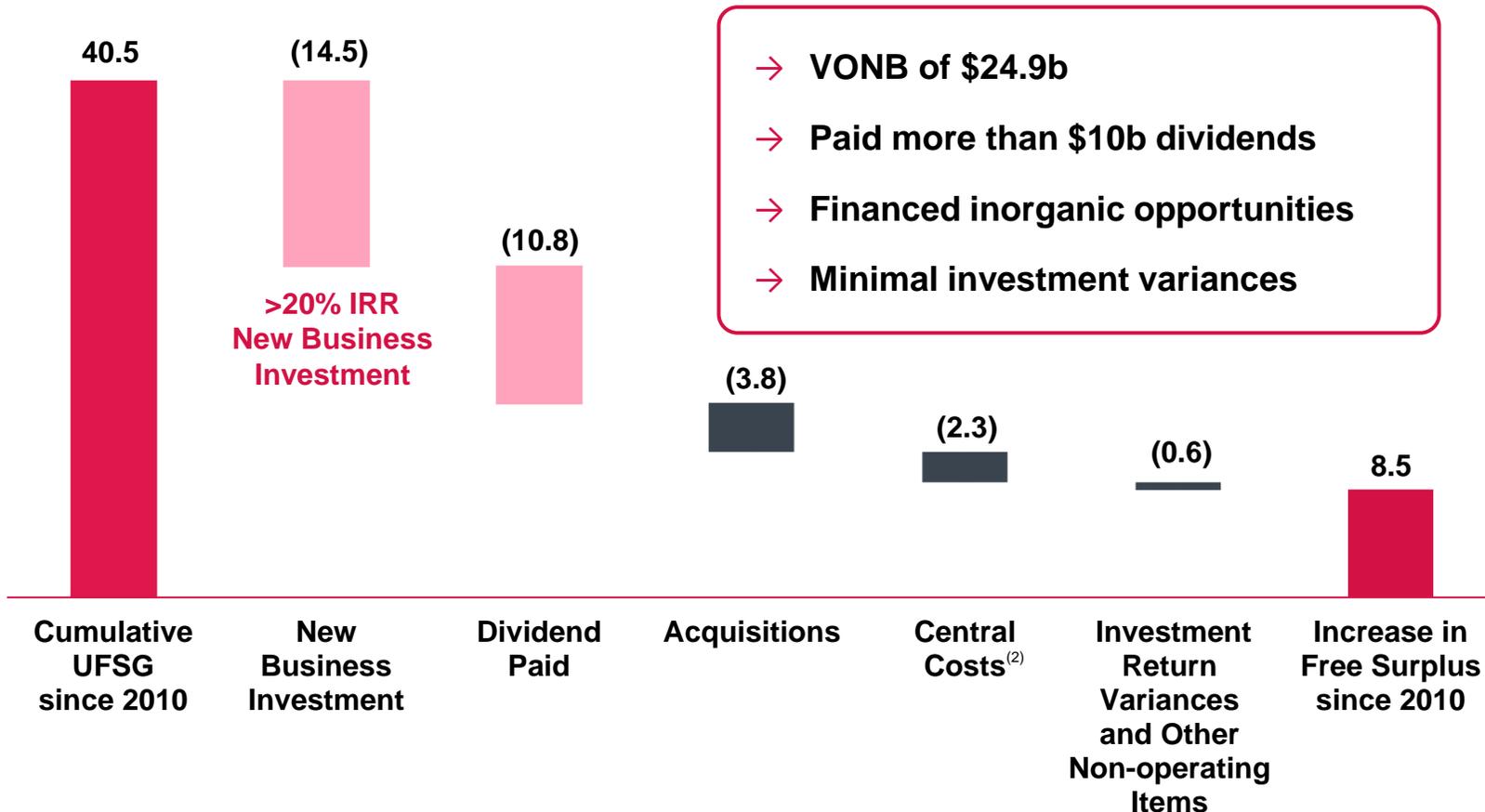
Due to rounding, numbers presented in the chart may not add up precisely

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

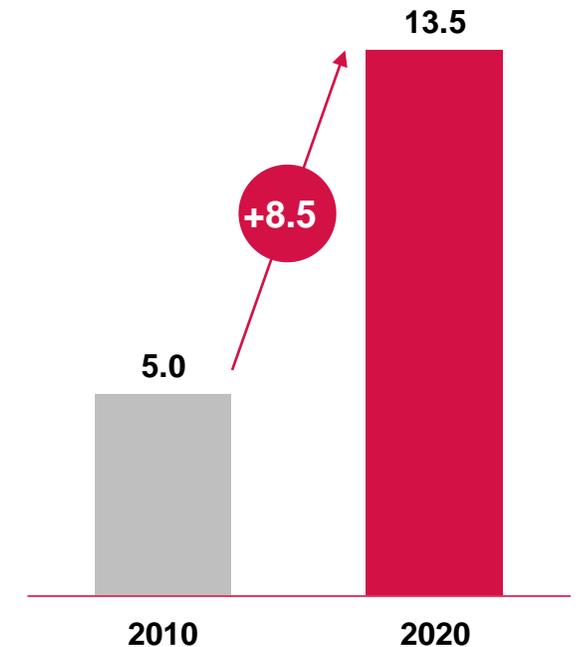
Financial Discipline Driving Free Surplus Generation



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

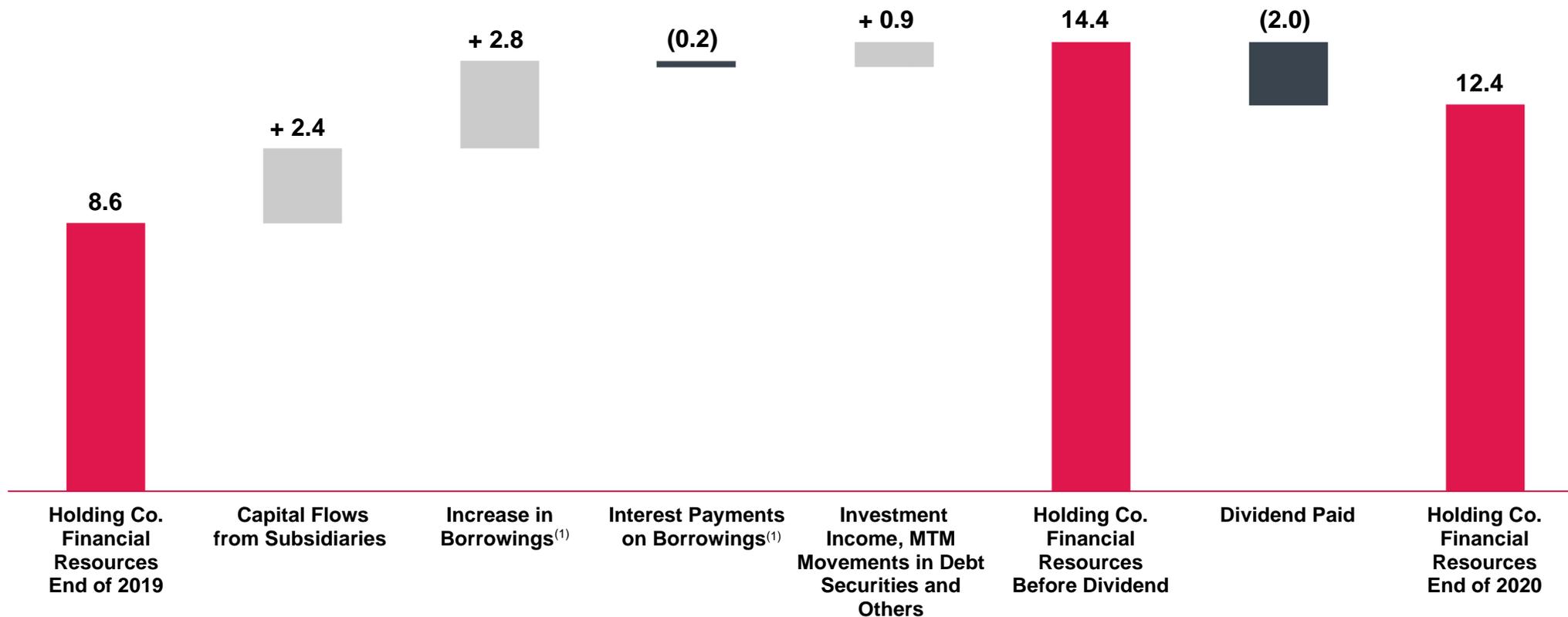
(1) Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and required capital

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

Holding Company Financial Resources



Holding Company Financial Resources Movement (\$b)



Notes:

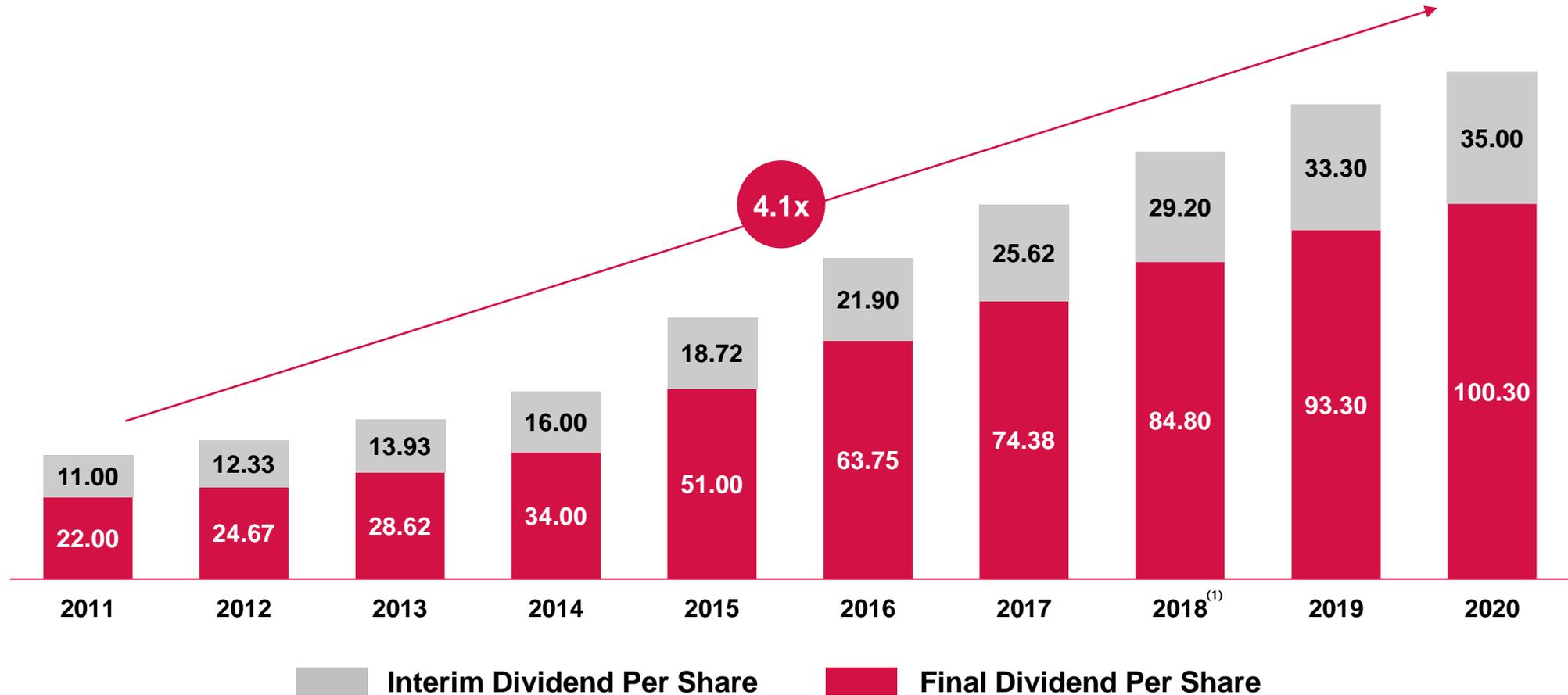
Due to rounding, numbers presented in the chart may not add up precisely

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

2020 Final Dividend Increase of 7.5%



Total Dividend Per Share (HK cents)



Note:
(1) Total dividend excluding special dividend

2020 Strong Performance in Unprecedented Environment



- **Very Strong VONB momentum as COVID-19 restrictions eased**
- **OPAT and UFSG growth supported by quality in-force portfolio**
- **Resilient Embedded Value with prudent assumptions**
- **Significant increase in Shareholders' Allocated Equity**
- **Robust financial position with very strong solvency**
- **Prudent, sustainable and progressive dividend policy**



Strategic Priorities

Lee Yuan Siong
Group Chief Executive and President

AIA Live
THAILAND

AIA Live
THAILAND

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



Seamless and Intuitive Purchasing Experience

AIA Philippines: Policy Application and Onboarding



Simple and Efficient New Business Process

<p>E-SUBMISSION</p> <ul style="list-style-type: none"> Remote authentication Document review E-signature 	<p>E-PAYMENT</p> <ul style="list-style-type: none"> Secure payment Account enrolment Instant confirmation 	<p>E-QUESTIONNAIRE</p> <ul style="list-style-type: none"> Policy terms Cooling-off period Acknowledgements 	<p>E-POLICY</p> <ul style="list-style-type: none"> Automated issuance Customer portal access AIA Vitality enrolment
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Enhanced Customer Experience

- 76%** Submissions auto-underwritten
- 10x** Increase in underwriting capacity
- 3x** Straight-through processing rate to 75%
- 20 min** End-to-end customer onboarding process

AI Underwriting Solution with High Accuracy and Efficiency

<p>Automation and AI</p>	<p>Simplified Process</p>	<p>Real-time Approvals</p>	<p>Enhanced Use of Data</p>
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Note: Apply to Philam Life and its joint venture with Bank of the Philippine Islands (BPI)



Fast and Simple Claim Payments

AIA Thailand:
Digitalised & Automated Medical Claims



Cashless Process Adoption through Provider Network



Delivering a Scalable Process

- >2.5m** Claims processed in 2020
- >70%** Straight-through processing of cashless outpatient claims
- >15%** Expansion of provider network
- 3,000** Work-hour savings per month

Efficiency, enhanced data capture and analytics provide additional opportunities

- ✓ Expanded Provider Network
- ✓ Provider Management
- ✓ Customer Steerage
- ✓ Underwriting and Pricing



Premier Agency: Scaling Capacity and Quality

AIA China: Online Recruitment & Training



Digitally-enabled End-to-end Recruitment Process

Candidate Engagement ▶ Screening ▶ Assessment ▶ Enrolment

Candidate Management for Leaders

Candidate Profiling and Testing

Pipeline Management for Agency Leaders

Smart Learning & Coaching Platform

- Customised learning programmes
- Capability development tracking
- AI-enabled training with role player

Capability Development

Self-learning & AI Role Player

Driving Growth in Recruits

New Recruits

Year	New Recruits
2019	~1,000
2020	~1,300

2,700 e-Academy daily average users⁽¹⁾

70% AI role player adoption by new recruits

Note:
(1) In 2H 2020



Premier Agency: Driving a Step Change in Growth

 **AIA Malaysia:**
Digital Agency Management

RECRUIT

TRAIN

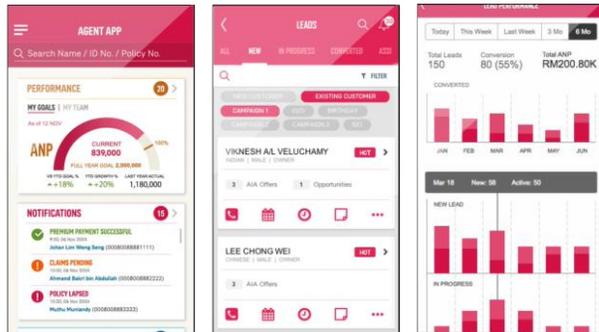
MANAGE

PROSPECT

SELL

SERVICE

100% Digitally-enabled Agency Force



- Dashboard showing single view of customer
- Integrated with policy administration systems
- Marketing and lead generation through social media
- Real-time activity management by agents and leaders

Advanced Analytics Enhancing Productivity



Customer purchase propensity and insights to improve activity



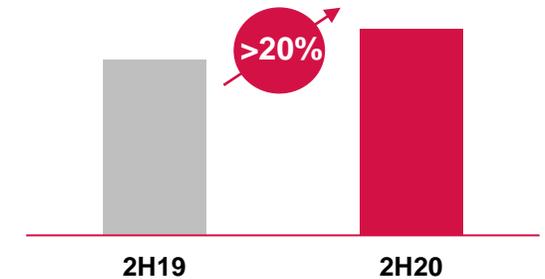
Performance alerts and real-time notifications improving productivity



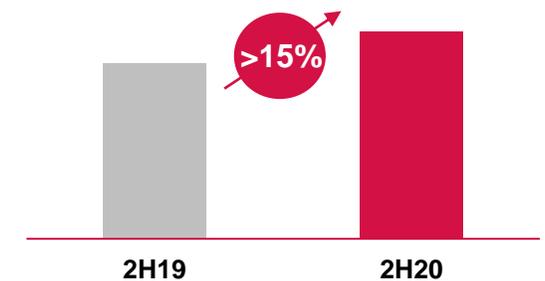
Gamification to influence behaviour and enhance skills

Improved Activity and Productivity

Active Agents



Cases per Active Agent



Bancassurance: Digital Enablement and Personalisation



Tata AIA Life: Domestic Bank Partners

Analytics-driven Personalisation



Joint bank and AIA demographic, socio-economic and transaction data



Customer and purchasing propensity analytics



Personalised product offerings



Pre-approved offers and targeted marketing

Analytics-driven leads

1.2m

Digital Onboarding



Online banking integrated onboarding process



Remote assisted product suitability analysis



Integration with credit bureaus for medical and financial underwriting



Assisted application and tele-underwriting



Validation, remote signature and e-payment

End-to-end journey time

18 min

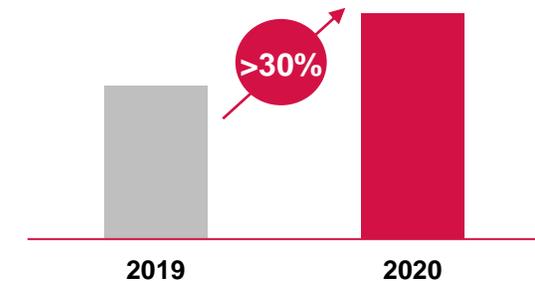
Digital purchase NPS⁽¹⁾

43

Growth through Digital

Domestic Bank Partners ANP

Apr to Dec (9 months)



% of new policies purchased digitally

>60%

Note:

(1) Net Promoter Score (NPS) increased from 26 in 2019 to 43 in 2020



Digital Platforms: New Models, New Growth

Increasing new customer acquisition through personalised digital engagement

✓ Affinity partnerships with shared value

✓ Customer-led propositions through analytics

✓ Digital-led omnichannel distribution

✓ Specialist TDA talent

✓ Agile, test and learn approach



40m Combined Customer Base

- 'Moment of Truth' marketing proposition through advanced analytics
- AIA Vitality integrated Samsung Galaxy watch proposition
- Simplified underwriting using AIA Vitality data
- Digital-led, omnichannel distribution closure

4

Underwriting questions

32

Segmented products



Regional Technology Partnership

- Accelerate new customer acquisition
- Simplified process and faster connection to digital platforms
- Frequent and connected engagement model
- Micro-products, event and time-bound offers

2

Partners operational

12

New products



Strategic Digital Health Partnership

- Distribution to Practo's user base
 - Simple products for direct digital sales
 - Referrals to agents for cross-sell / upsell
- Integrated Practo services: Telemedicine, diagnostics, medicine delivery, network bookings

175m

Unique users

70k

Network of top-tier hospitals and clinics

AIA's Differentiated Regional Health and Wellness Ecosystem



AIA Vitality



Core platform for engagement and positive behaviour change

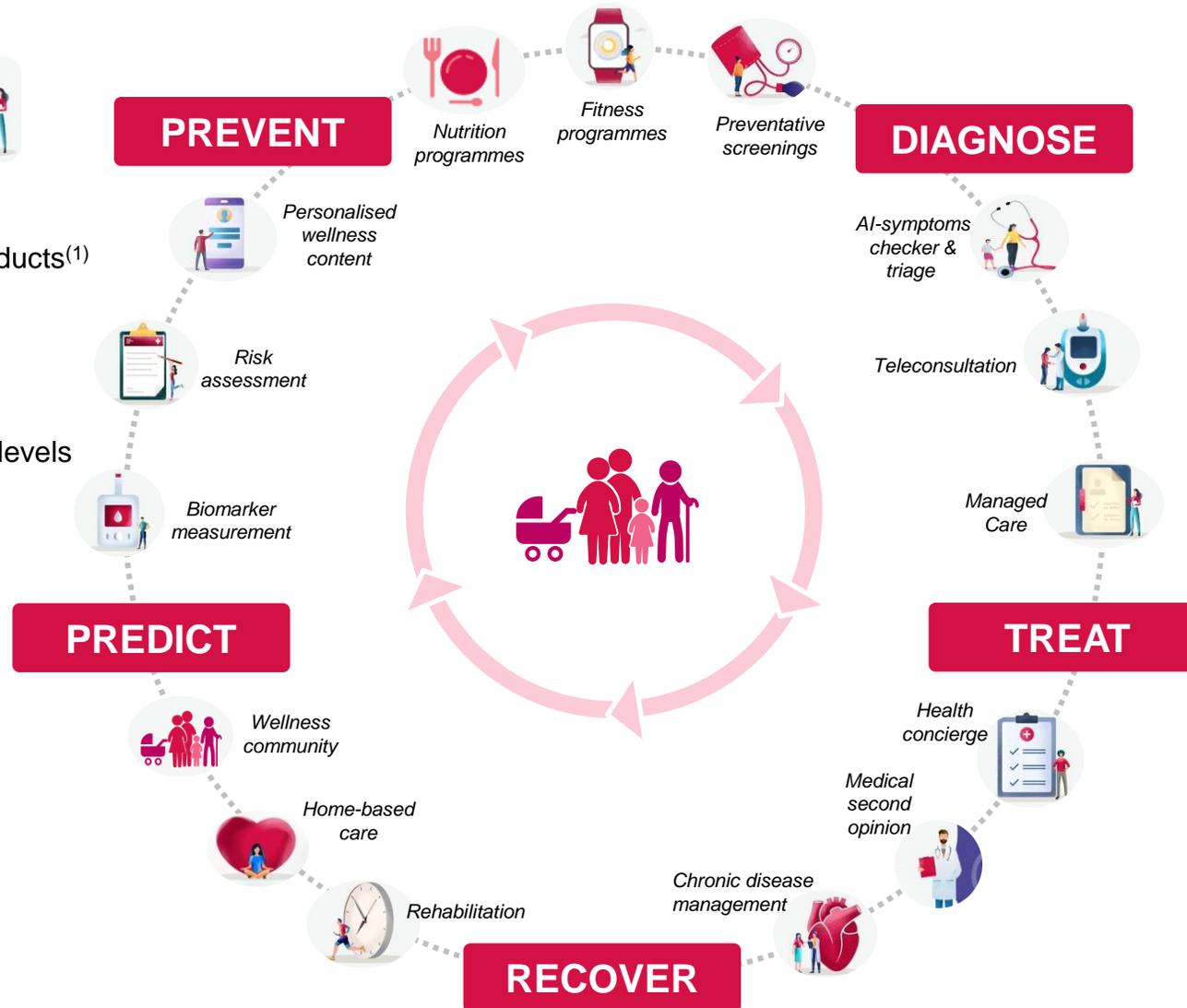
- **\$1.2b VONB** from integrated products⁽¹⁾
- **10m** health assessments
- **4m** mental health assessments
- **800k** workouts a day
- **73%** unhealthy to healthy glucose levels

Personal Case Management



Access to leading global specialists for medical advice

- **8** markets live
- **23%** diagnosis change
- **62%** refined treatment plan
- **93%** customer satisfaction rate



Telemedicine and Local Health Networks



Leading domestic health networks across the region

- **6** markets live with telemedicine
- **>10k** hospitals and clinics, with preferential rates & direct billing
- Integrating with H&W content, appointment bookings and other H&W services

AIA Regional Health Passport



Top-tier international hospitals with cross-border cashless service

- **5** markets live
- **Top 100** upper-tier hospitals in Asia
- **Leading US and European** hospitals
- **10k** providers globally

Note:
 (1) VONB from products integrated with AIA Vitality from 2018 to 2020

Innovative Propositions Integrated with the Ecosystem



AIA One Absolute – Full Protection

Severity-based critical illness protection



- Benefit linked to severity of medical condition
- Complete coverage enhances customer buy experience
- Spans traditional CI and medical products

AIA Vitality



You Ru Yi 友如意

Critical illness protection providing tailored coverage



- Personalisation through unbundled solution
- Segmented recommendations driven by analytics
- Integrated with Premier Agency advice model



AIA China Wellness



HealthShield Gold Max

Holistic healthcare solution



- Protection from diagnosis to recovery
- First-in-market screening benefits
- Medical concierge

AIA Vitality



A-Life Wealth Builder

Innovative long-term savings and protection



- Rewards long-term saving habits
- Benefit increases through healthier living
- Flexibility at critical life stages

AIA Vitality



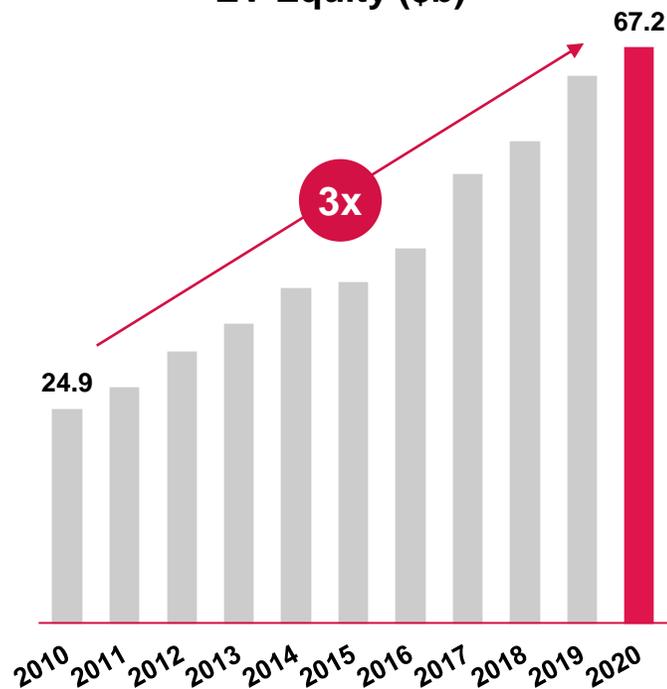
Financial Discipline Delivering Sustainable Shareholder Value



Growth

Cumulative VONB
\$24.9b since IPO

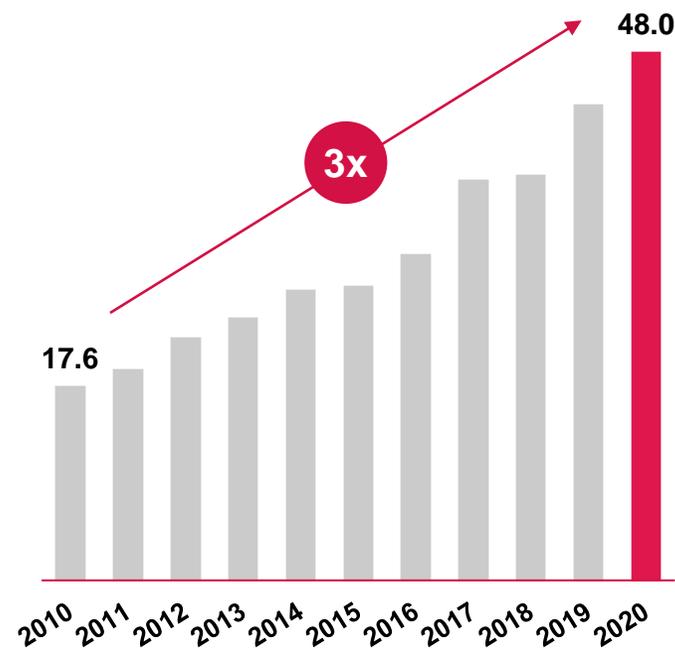
EV Equity (\$b)



Earnings

Cumulative OPAT
\$40.3b since IPO

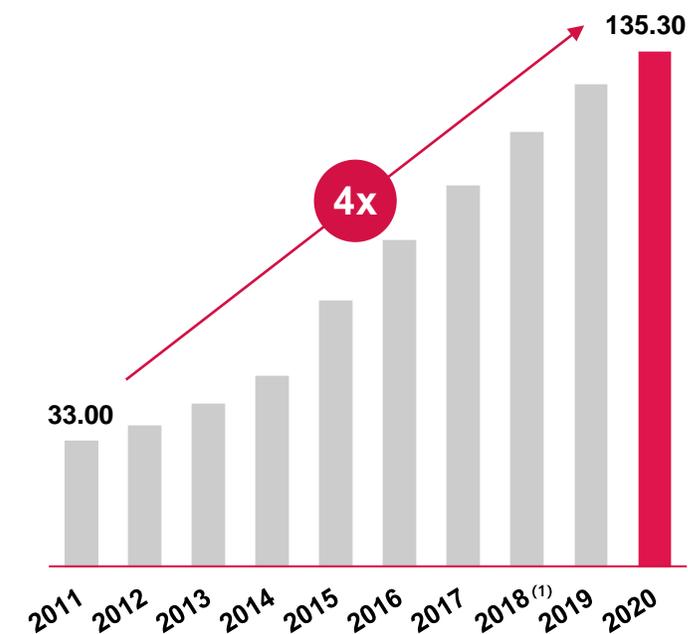
Shareholders' Allocated Equity (\$b)



Capital & Cash

Cumulative UFGS
\$40.5b since IPO

Total Dividend Per Share (HK cents)



Note:
(1) Total dividend excluding special dividend



- **100% focus on Asia to capture structural growth opportunities**
- **Leverage unique Mainland China opportunity to access 4X larger market**
- **Clear and ambitious corporate strategy to best serve our customers**
- **Transform technology, digital and analytics to drive growth and efficiency**
- **Shape a more sustainable future for our communities**
- **Build on substantial competitive advantages and strong track record of growth**
- **Maintain financial discipline to deliver shareholder value**



HEALTHIER, LONGER,
BETTER LIVES



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 twelve-month period ended 30 September 2020 and the twelve-month period ended 30 September 2019 in AIA's consolidated results for the year ended 31 December 2020 and the year ended 31 December 2019 respectively. VONB and ANP for Other Markets included the results from our 49% in Tata AIA Life. 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 Hong Kong participating business has been refined to reflect expected changes to policyholder bonuses. Comparative information has been adjusted for 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 year 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.
- 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 – wholly-owned branches and subsidiaries in Mainland China, Hong Kong Special Administrative Region, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau Special Administrative Region, New Zealand and a 49% joint venture in India.
- ANP represents 100% of annualised first year premiums and 10% of single premiums, before reinsurance ceded.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company.
- 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.
- 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 framework as it applies to the Group.

Definitions and Notes (Cont.)



- 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 2020 and 2019 exclude VONB attributable to non-controlling interests of \$24m and \$32m respectively.
- VONB and VONB margin by distribution channel are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests and exclude pension business.
- VONB and VONB margin by product mix and geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests.
- VONB includes pension business. ANP and VONB margin exclude pension business and are before 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

Embedding ESG in Our Business



AIA's Ambition

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

ESG Strategy

Health and Wellness

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

Green Operations

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

Sustainable Investment

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

People and Culture

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

Effective Governance

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

Note:

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

2020 Summary of Financial Results



	(\$m)	2020	2019	CER	AER
Growth	VONB	2,765	4,154	(33)%	(33)%
	EV Operating Profit	7,243	8,685	(17)%	(17)%
	Operating ROEV ⁽¹⁾	11.7%	15.9%	(4.1) pps	(4.2) pps
	EV Equity	67,185	63,905	+3%	+5%
IFRS Earnings	Operating Profit After Tax	5,942	5,689	+5%	+4%
	Operating ROE ⁽²⁾	13.0%	14.0%	(0.8) pps	(1.0) pps
	Shareholders' Allocated Equity	48,030	43,278	+9%	+11%
Capital & Dividends	Underlying Free Surplus Generation	5,843	5,501	+7%	+6%
	AIA Co. HKIO Solvency Ratio	489%	362%	n/a	+127 pps
	Group LCSM Cover Ratio ⁽³⁾	374%	366%	n/a	+8 pps
	Final Dividend Per Share (HK cents)	100.30	93.30	n/a	+7.5%
	Total Dividend Per Share (HK cents)	135.30	126.60	n/a	+6.9%

Notes:

(1) EV operating profit expressed as a percentage of the opening embedded value

(2) OPAT expressed as a percentage of the simple average of opening and closing shareholders' allocated equity

(3) AIA estimated basis of Local Capital Summation Method (LCSM); including \$1.7b of subordinated securities under the GMTN programme that we expect to become eligible Tier 2 debt capital

Geographical Market Performance



Mainland China (\$m)	2020	2019	CER	AER
VONB	968	1,167	(17)%	(17)%
VONB Margin	80.9%	93.5%	(12.7) pps	(12.6) pps
ANP	1,197	1,248	(4)%	(4)%
TWPI	5,622	4,804	+17%	+17%
OPAT	1,220	1,061	+14%	+15%

Singapore (\$m)	2020	2019	CER	AER
VONB	330	352	(5)%	(6)%
VONB Margin	63.4%	65.5%	(2.2) pps	(2.1) pps
ANP	520	538	(2)%	(3)%
TWPI	3,088	2,916	+7%	+6%
OPAT	621	583	+8%	+7%

Hong Kong (\$m)	2020	2019	CER	AER
VONB	550	1,621	(66)%	(66)%
VONB Margin	44.7%	66.1%	(21.4) pps	(21.4) pps
ANP	1,138	2,393	(52)%	(52)%
TWPI	13,042	13,107	-	-
OPAT	2,059	1,879	+10%	+10%

Malaysia (\$m)	2020	2019	CER	AER
VONB	222	258	(13)%	(14)%
VONB Margin	59.9%	63.1%	(3.1) pps	(3.2) pps
ANP	369	406	(8)%	(9)%
TWPI	2,216	2,142	+5%	+3%
OPAT	326	333	(2)%	(2)%

Thailand (\$m)	2020	2019	CER	AER
VONB	469	494	(4)%	(5)%
VONB Margin	71.0%	67.7%	+3.2 pps	+3.3 pps
ANP	661	729	(9)%	(9)%
TWPI	4,462	4,352	+3%	+3%
OPAT	987	1,064	(7)%	(7)%

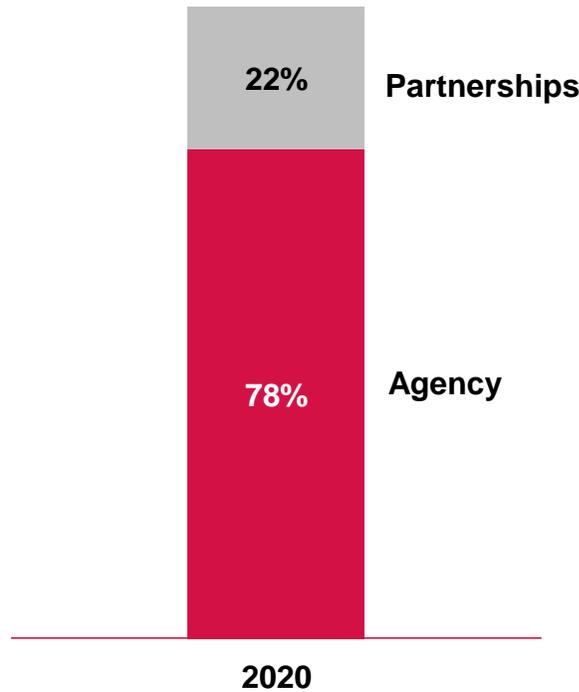
Other Markets (\$m)	2020	2019	CER	AER
VONB	514	535	(4)%	(4)%
VONB Margin	38.4%	41.9%	(3.7) pps	(3.5) pps
ANP	1,334	1,271	+5%	+5%
TWPI	6,978	6,681	+5%	+4%
OPAT	687	772	(11)%	(11)%

Uniquely Diversified Platform



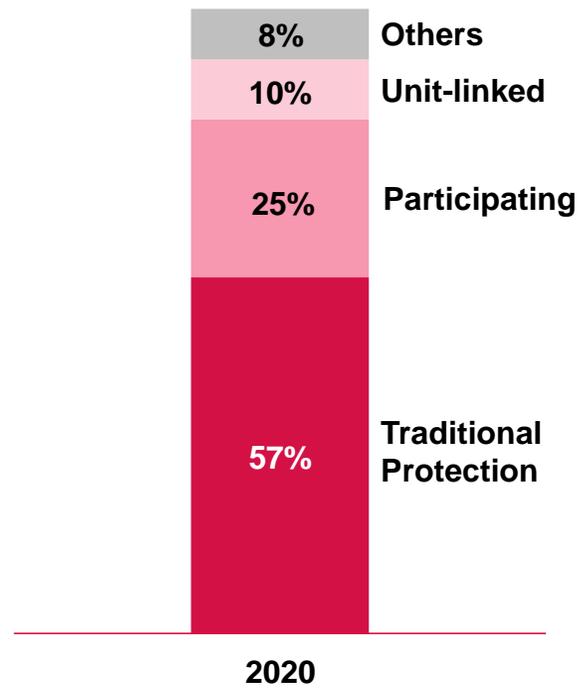
Distribution Mix

% of VONB



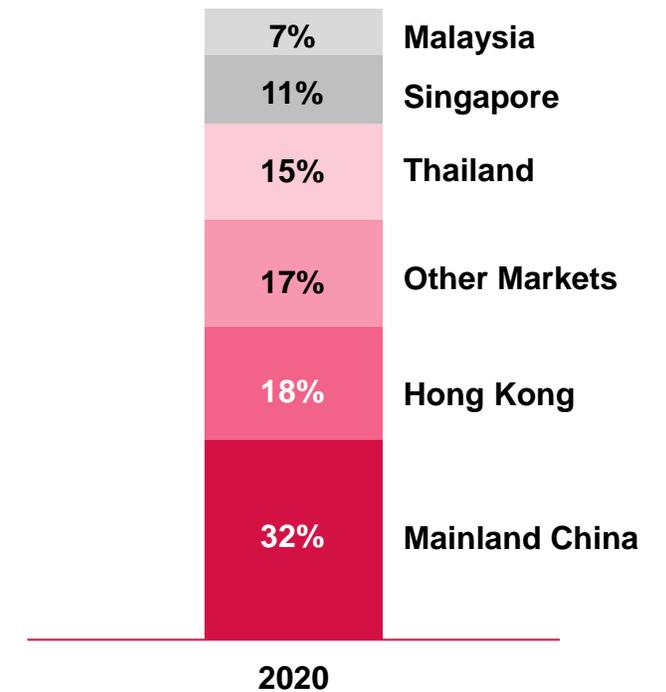
Product Mix

% of VONB



Geographical Mix

% of VONB



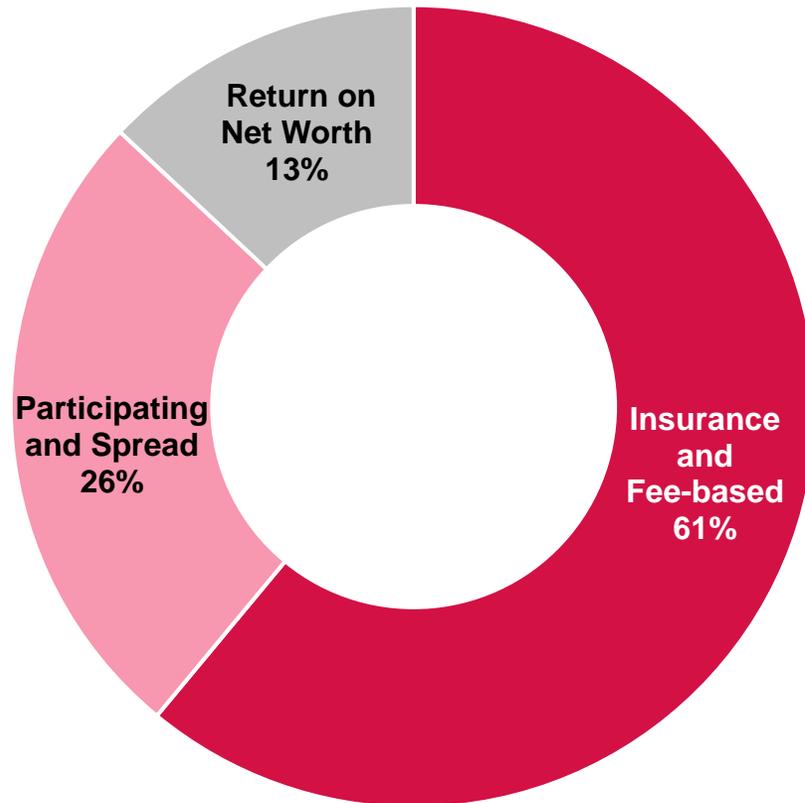
Notes:

Distribution mix is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests and exclude pension business. Product and geographical mix are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests

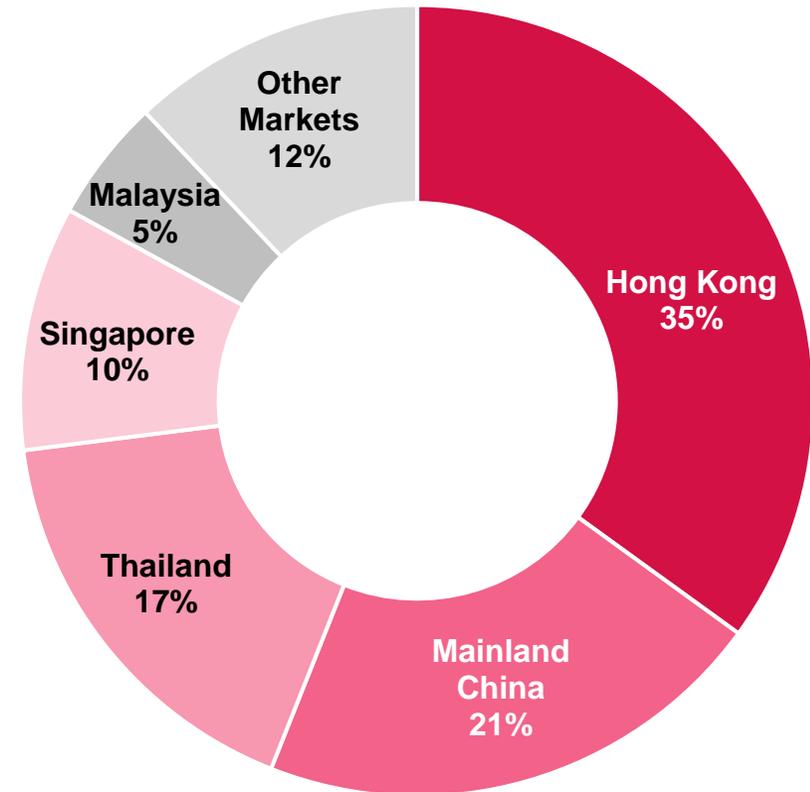
Balanced Product Mix and Diversified Earnings



Sources of IFRS Operating Profit⁽¹⁾



OPAT by Market Segment



Notes:
For 2020

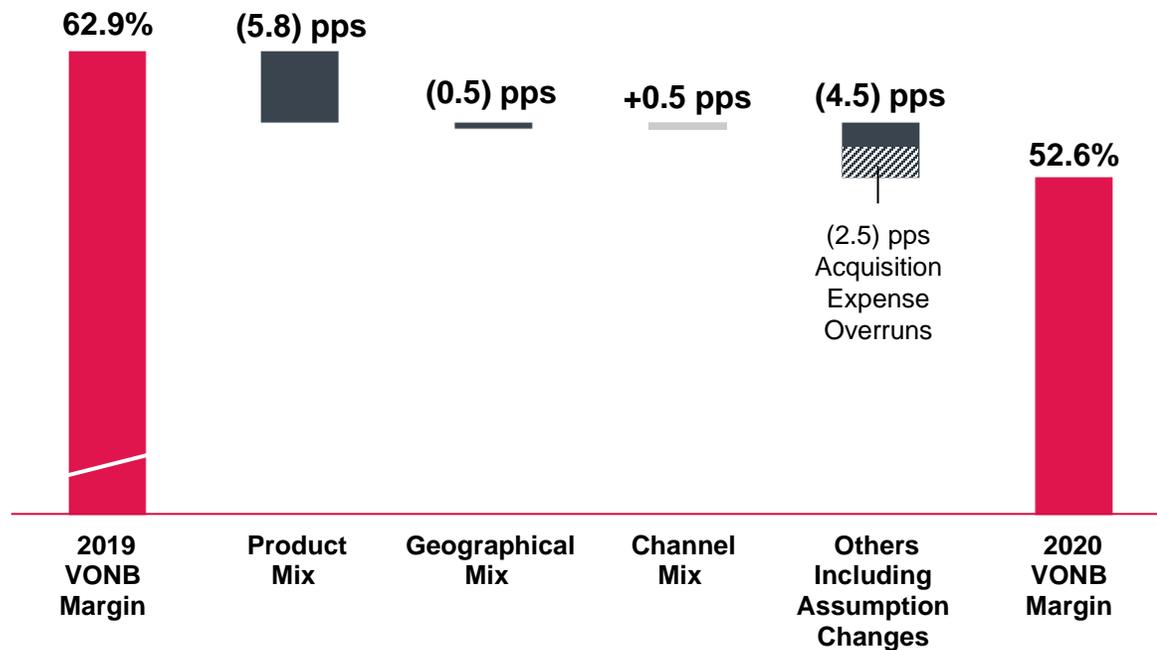
(1) Operating profit before tax and before Group Corporate Centre expenses

Shift in Product Mix; Stable Protection Margin

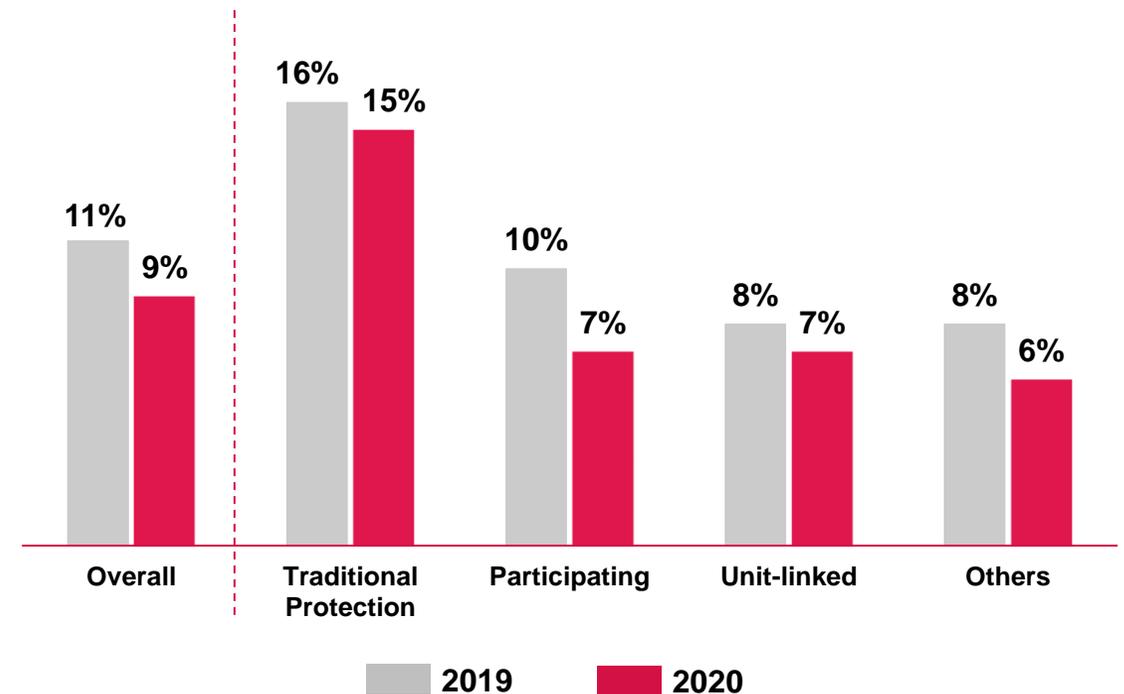


Higher demand for long-term savings products;
Successful upselling to existing customers in Mainland China and Hong Kong

VONB Margin Movement



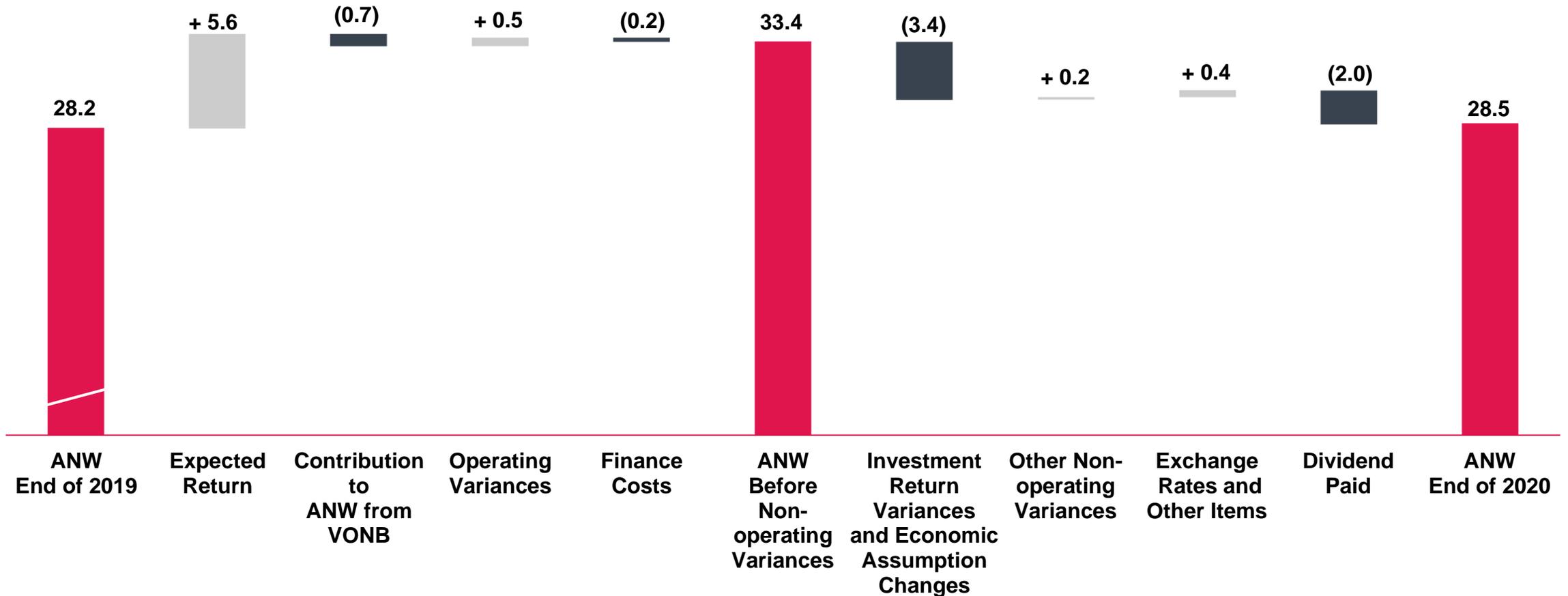
PVNB Margin by Product



2020 ANW Movement



ANW Movement (\$b)

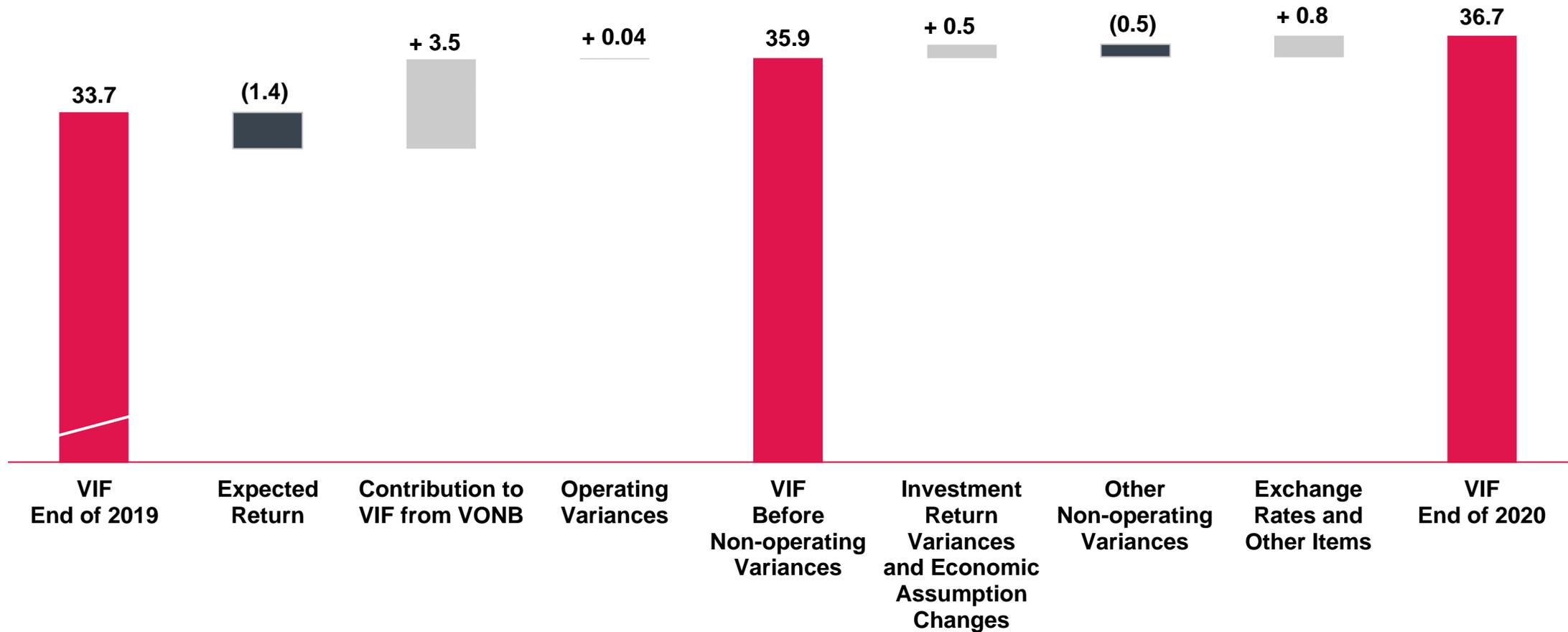


Note:
Due to rounding, numbers presented in the chart may not add up precisely

2020 VIF Movement



VIF Movement (\$b)

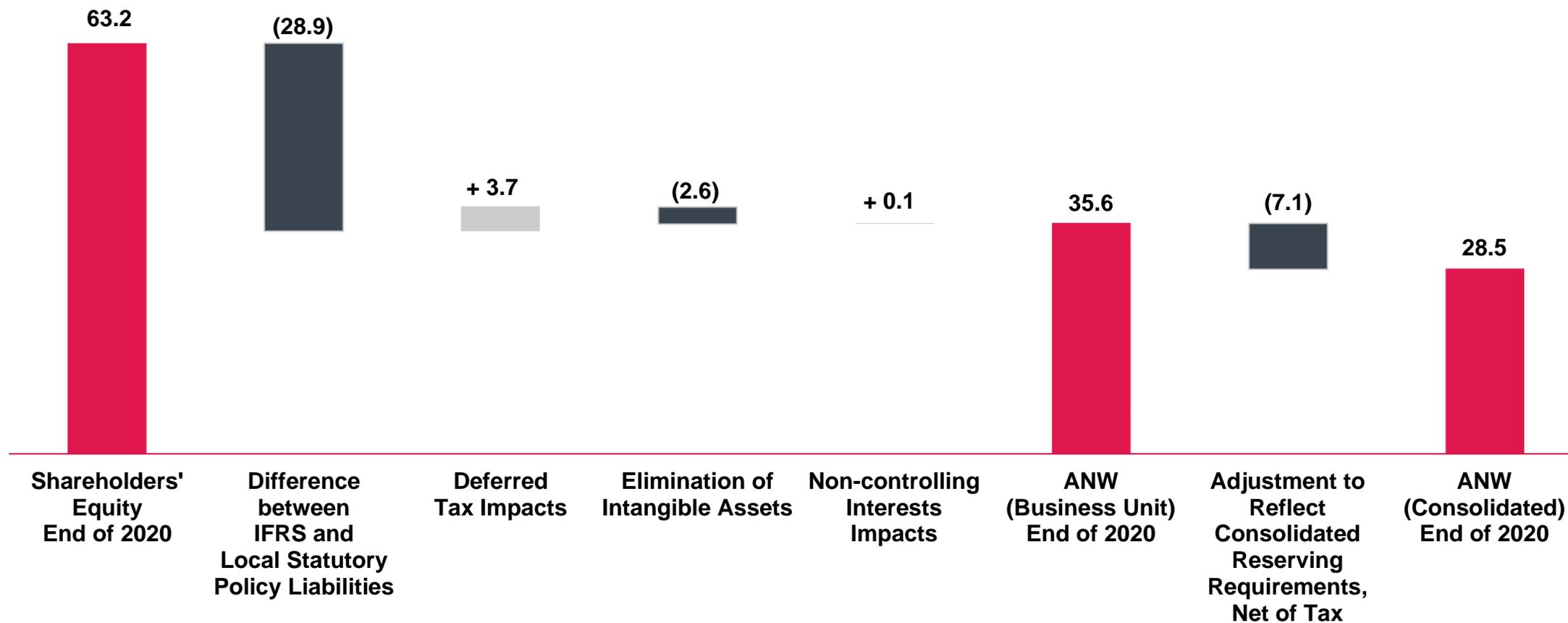


Note:
Due to rounding, numbers presented in the chart may not add up precisely

2020 IFRS Shareholders' Equity and ANW



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

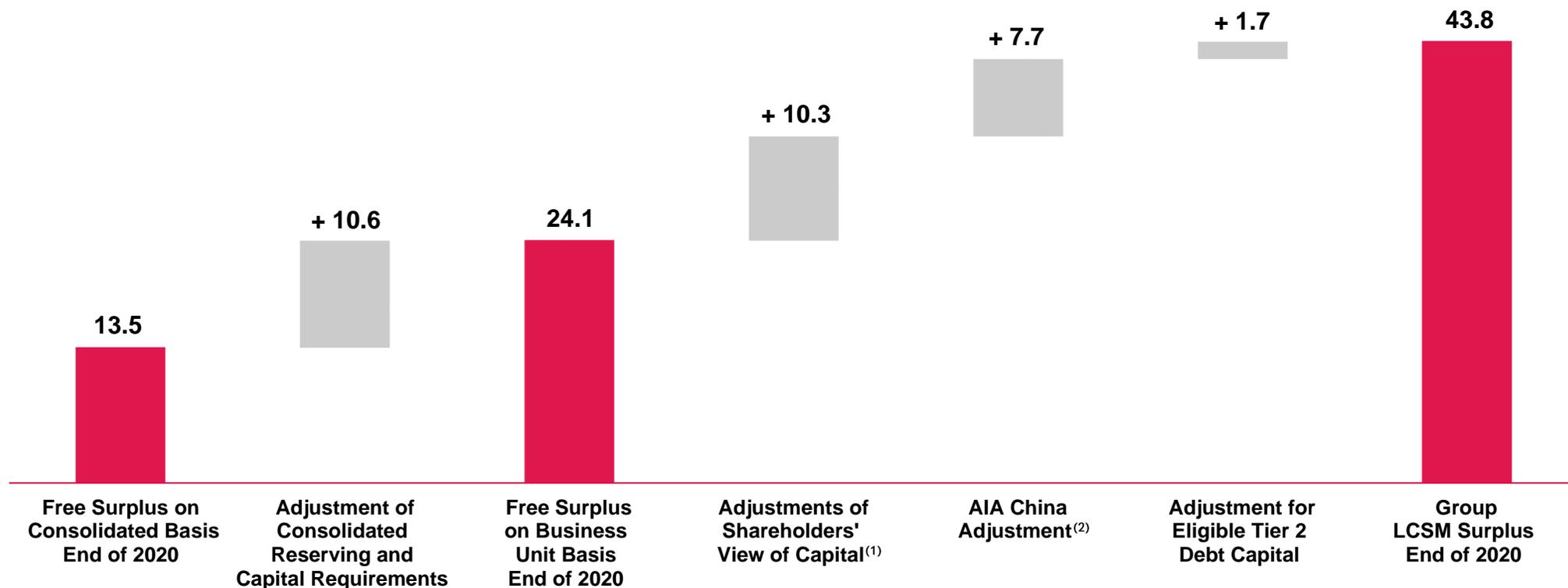


Note:
Due to rounding, numbers presented in the chart may not add up precisely

Free Surplus vs Group LCSM Surplus



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



Notes:

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

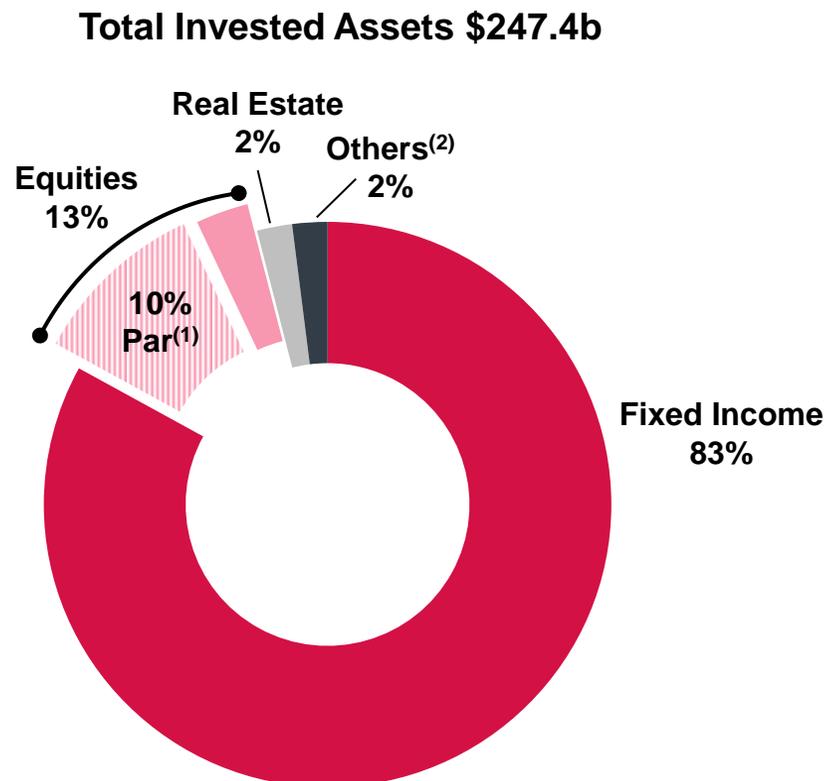
(1) Reflects change from EV required capital to Group minimum capital requirement and the inclusion of Par fund surplus

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

Reconciliation of OPAT to Net Profit



Total Investments by Type



Reconciliation of OPAT to Net Profit

(\$m)	2019	2020
OPAT	5,689	5,942
Short-term fluctuations ⁽³⁾ in		
Par Equities	367	549
Others	(62)	(955)
Total	305	(406)
Other items ⁽⁴⁾	(15)	243
Net Profit	5,979	5,779

Notes:

Total invested assets as of 31 Dec 2020

(1) Including Participating funds and Hong Kong participating business

(2) Cash and cash equivalents and derivatives

(3) Short-term fluctuations in investment return related to equities and real estate

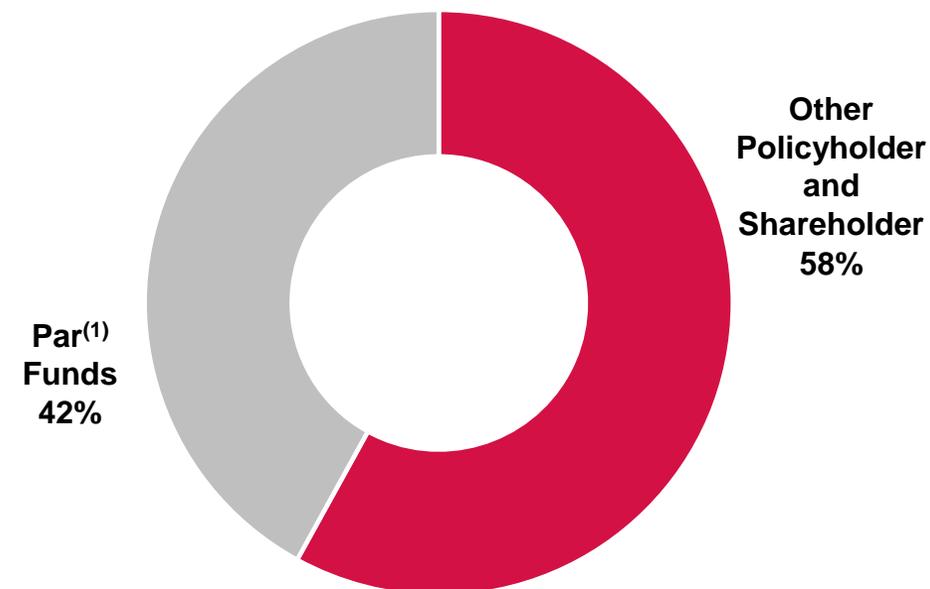
(4) Other non-operating investment return and other items

Total Invested Assets



(\$m)	Par ⁽¹⁾ Funds	Other Policyholder and Shareholder	Total
Fixed Income	78,491	125,927	204,418
Equities	23,892	7,058	30,950
Real Estate	1,054	5,570	6,624
Others ⁽²⁾	900	4,516	5,416
Total Invested Assets	104,337	143,071	247,408

Total Invested Assets \$247.4b



Notes:

As of 31 Dec 2020

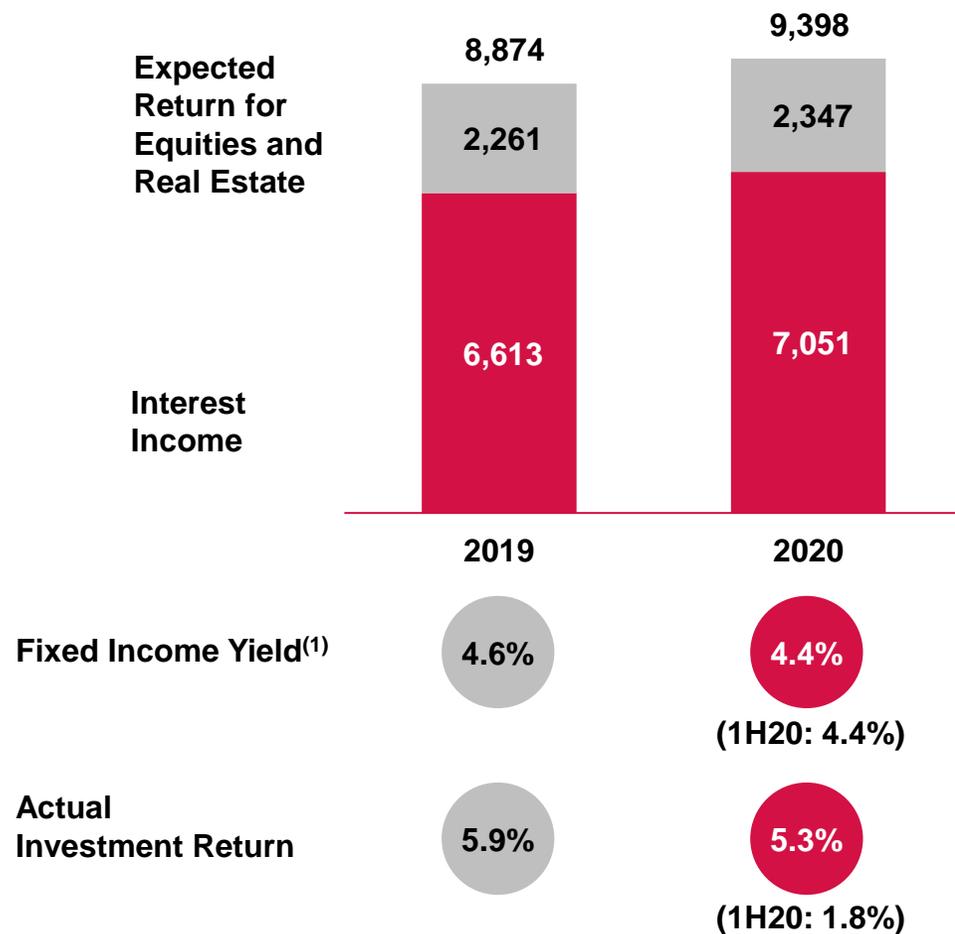
(1) Including Participating funds and Hong Kong participating business

(2) Cash and cash equivalents and derivatives

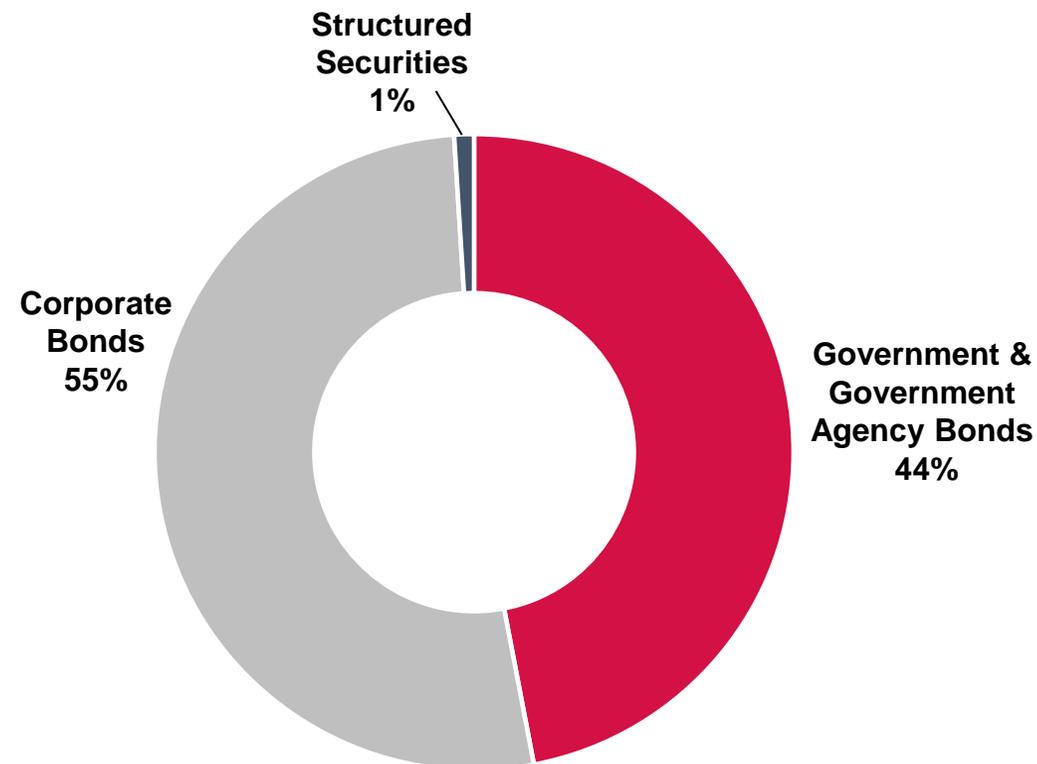
Prudent Investment Portfolio Summary



IFRS Operating Profit Investment Return (\$m)



Total Bond Portfolio of \$195.5b



Notes:

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

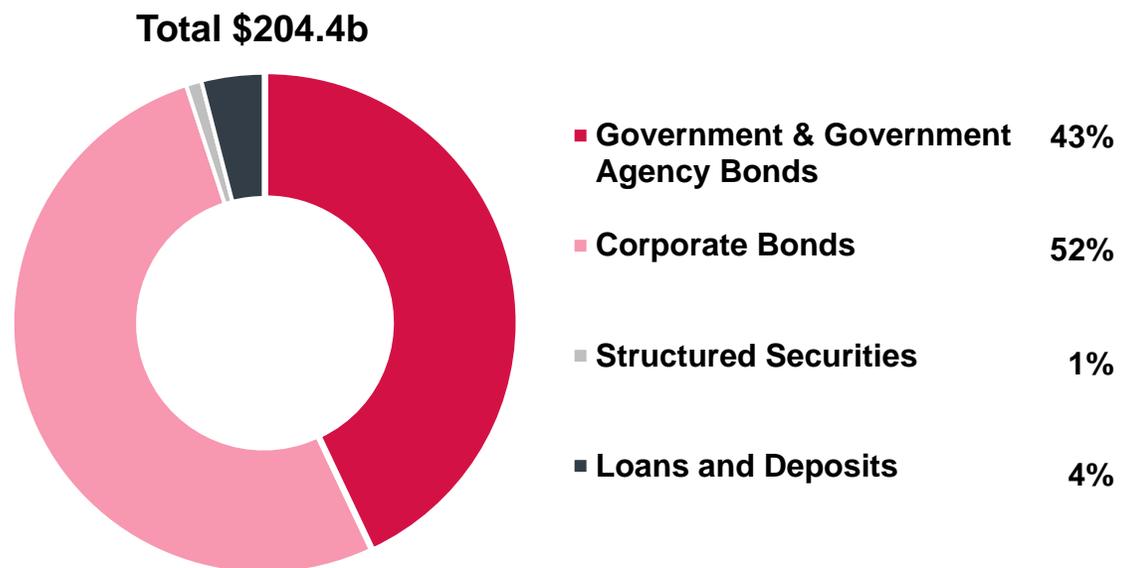
Total bond portfolio as of 31 Dec 2020

(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

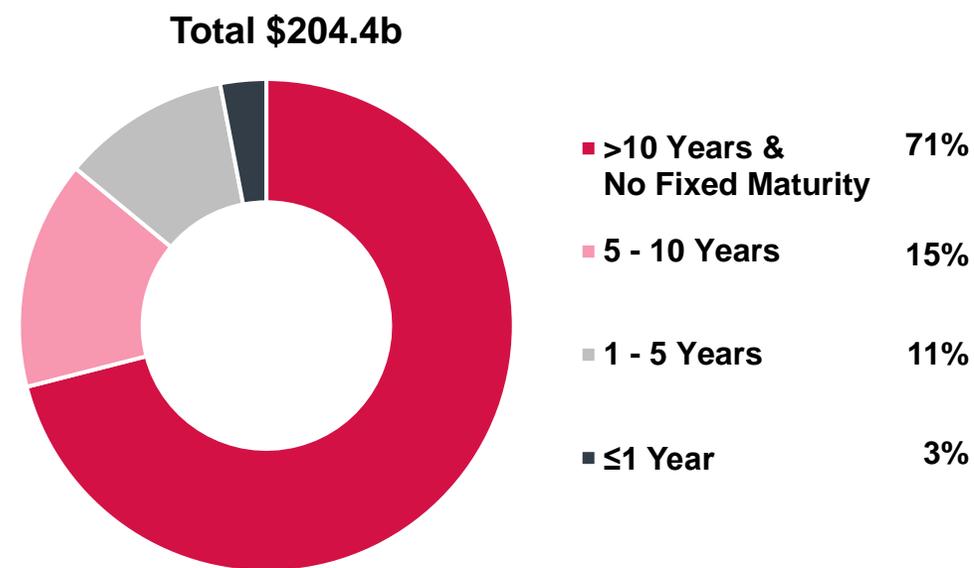
Prudent and High-Quality Fixed Income Portfolio



Total Fixed Income by Type



Total Fixed Income by Maturity



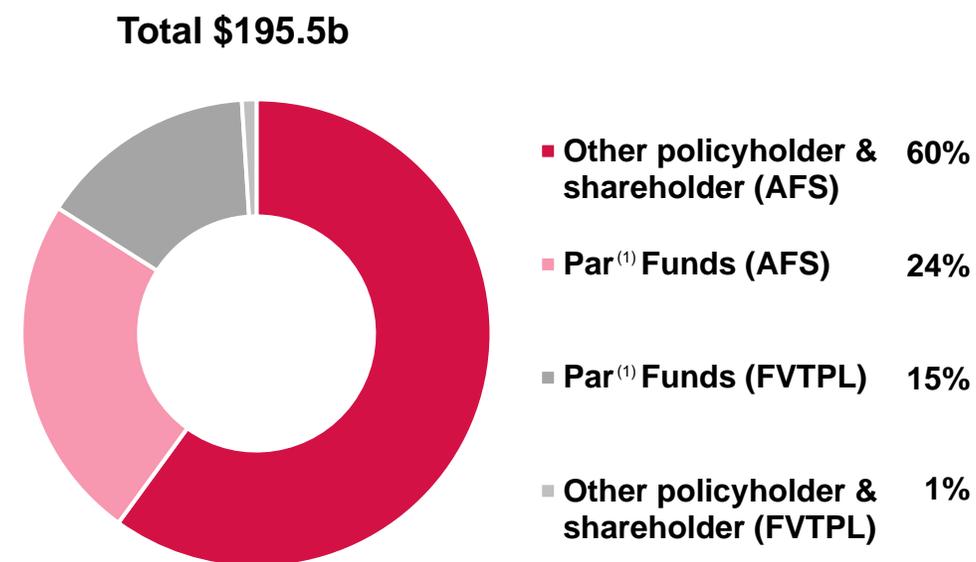
Note:
As of 31 Dec 2020

Prudent and High-Quality Fixed Income Portfolio



(\$m)	Par ⁽¹⁾ Funds	Other Policyholder and Shareholder	Total
Available For Sale (AFS)	47,602	117,504	165,106
Fair Value Through Profit or Loss (FVTPL)	28,370	2,002	30,372
Total Bonds	75,972	119,506	195,478

Total Bonds by Accounting Classification

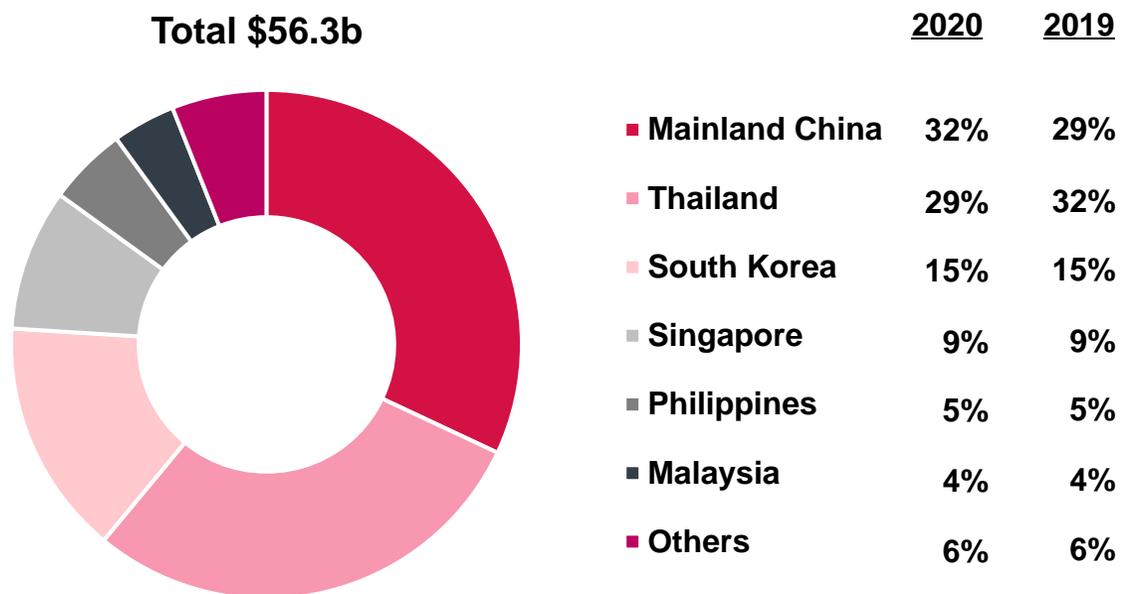


Notes:
As of 31 Dec 2020
(1) Including participating funds and Hong Kong participating business

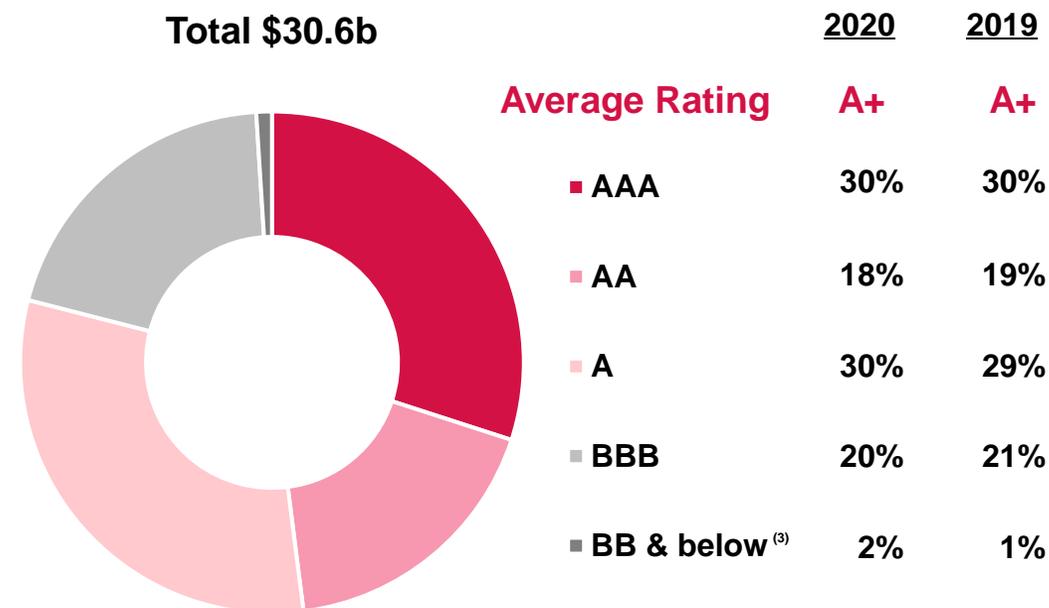
Government Bond Portfolio



Government Bonds⁽¹⁾ by Geography



Other Government⁽²⁾ and Agency Bonds by Rating



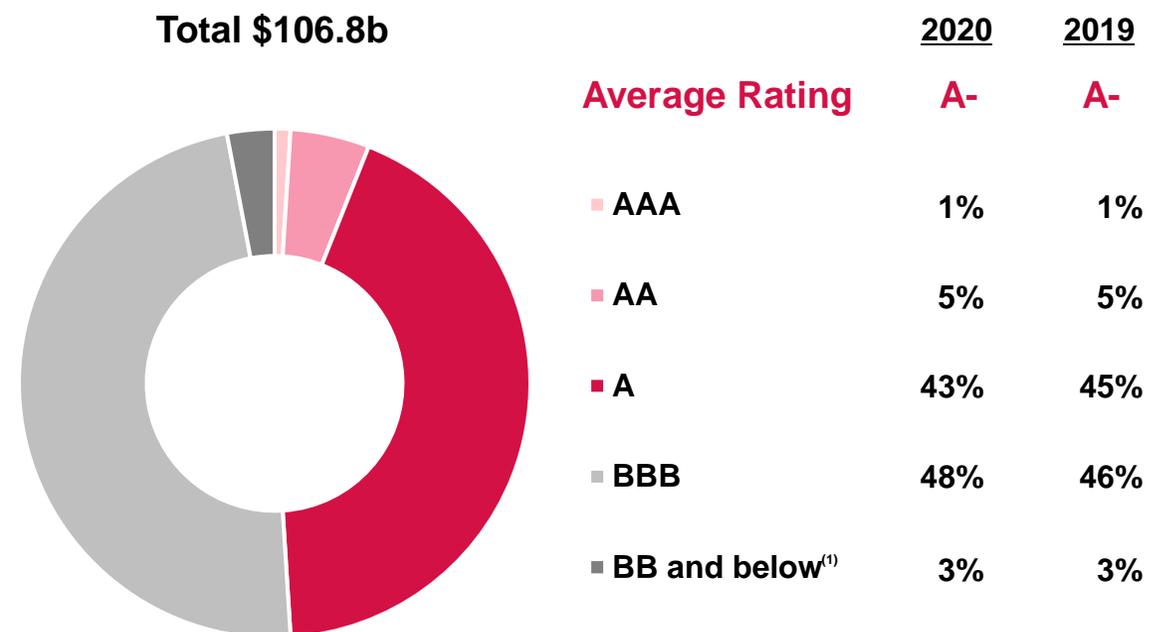
Notes:
 As of 31 Dec 2020 unless otherwise stated
 (1) Government bonds include bonds issued in local or foreign currencies by the government of the country where respective business unit operates
 (2) Other government bonds comprise other bonds issued by government
 (3) Including not rated bonds

Corporate Bond Portfolio



Rating	Total (\$m)
AAA	964
AA	5,812
A	46,292
BBB	50,839
BB and below ⁽¹⁾	2,922
Total	106,829

Corporate Bonds by Rating



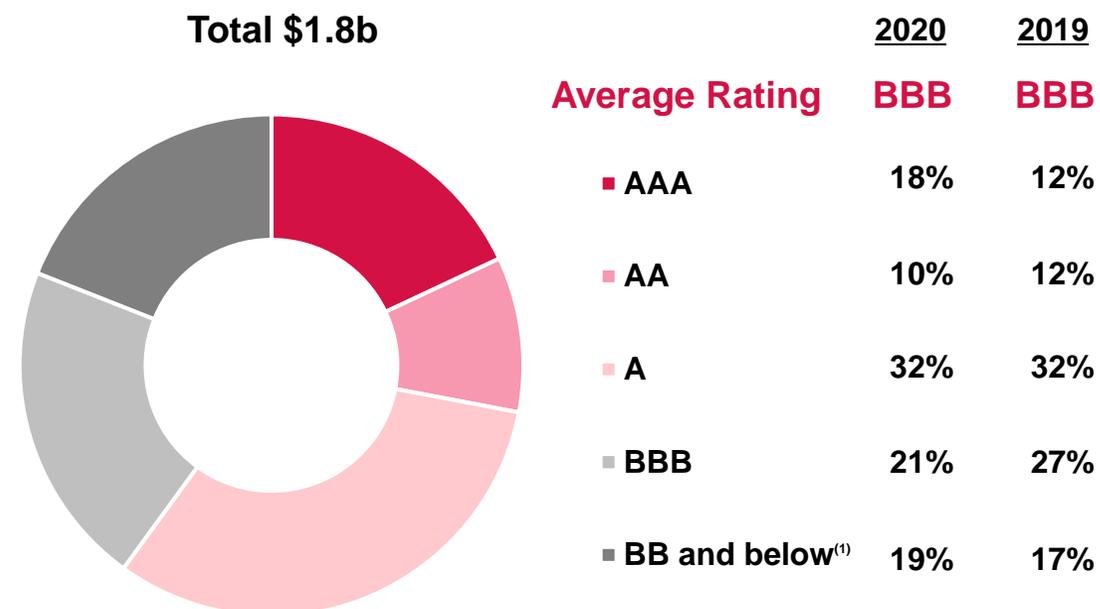
Notes:
As of 31 Dec 2020 unless otherwise stated
(1) Including not rated bonds

Structured Security Portfolio



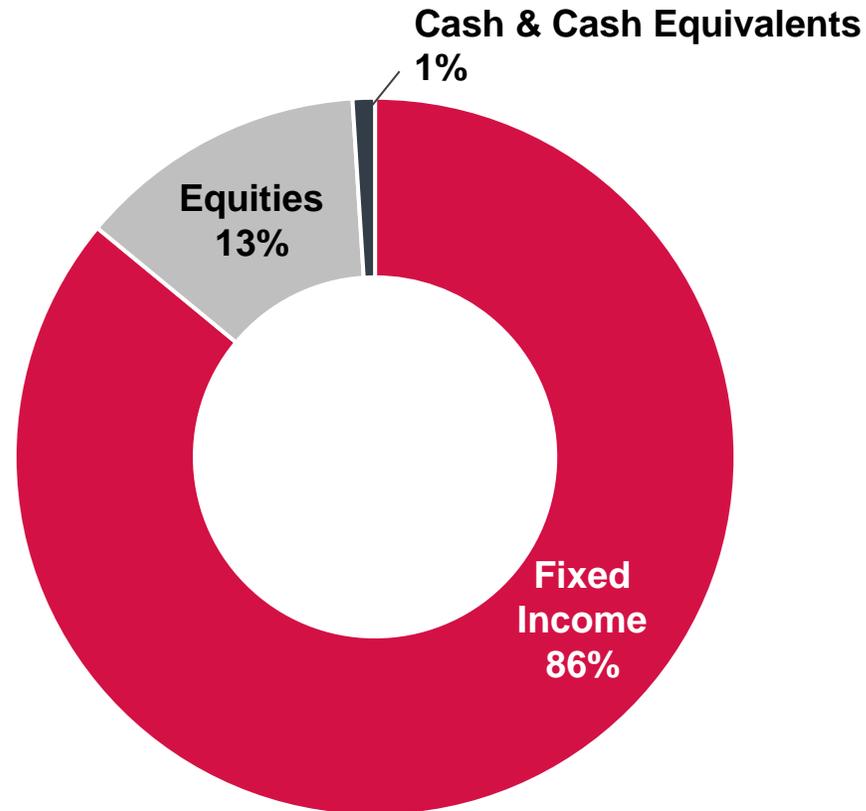
Rating	Total (\$m)
AAA	310
AA	176
A	571
BBB	376
BB and below ⁽¹⁾	334
Total	1,767

Structured Securities by Rating



Notes:
As of 31 Dec 2020 unless otherwise stated
(1) Including not rated bonds

AIA China Invested Asset Mix



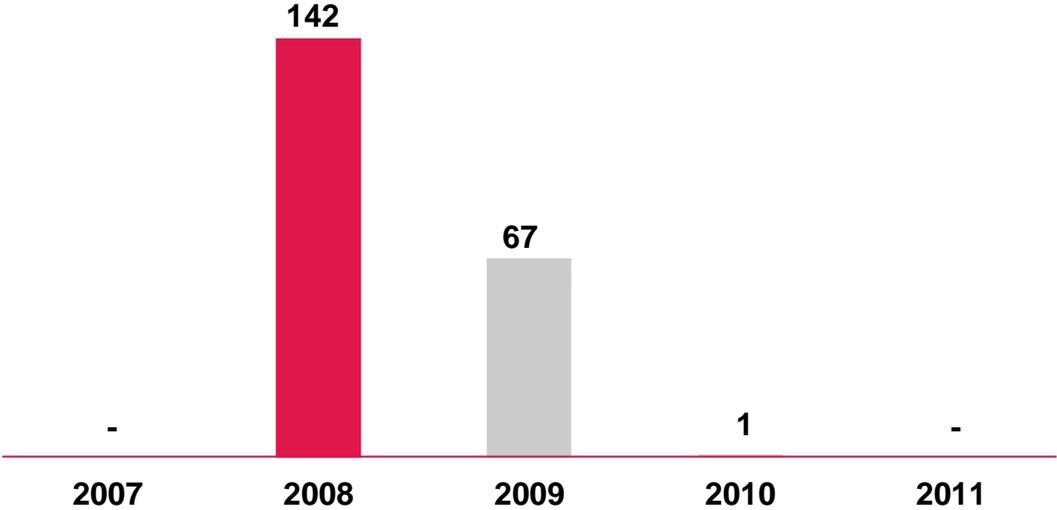
Prudent ALM Approach

- Asset allocation driven by liability cash flow matching in local currency
- ~80% of earnings from insurance and fees
- 86% of invested assets in fixed income
- 92% of bond portfolio in government and government agency bonds
- Bond portfolio average international rating A
- Asset portfolio well diversified with insignificant alternative assets

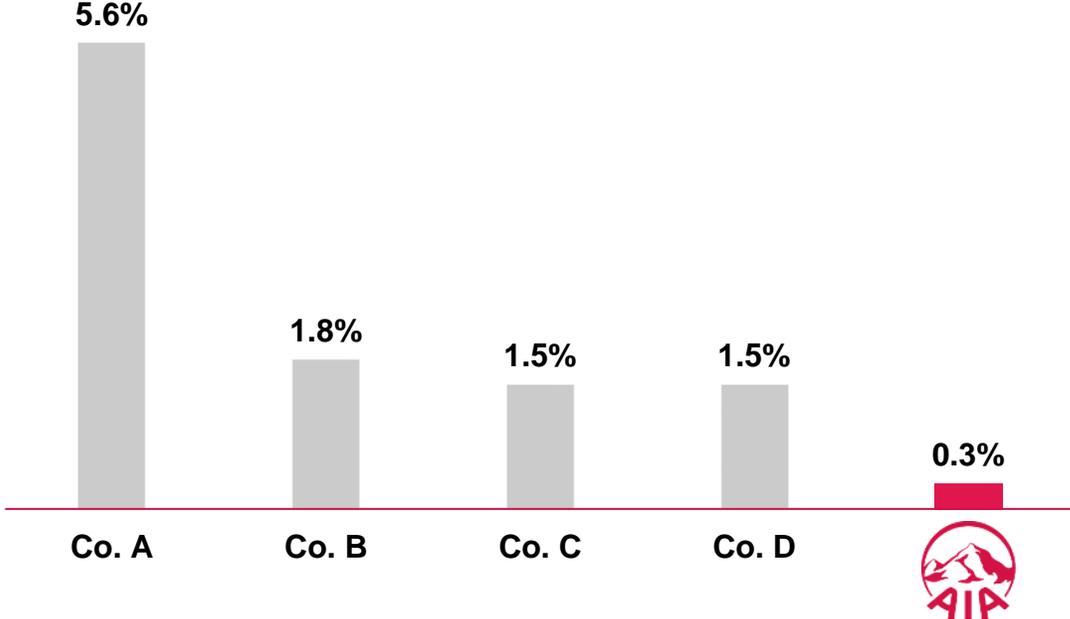
Impairment Experience During Global Financial Crisis



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 31 December 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	6.55	2.30	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	7.25	1.00	6.25
Thailand	9.50	3.87	5.63	7.80	2.70	5.10
Vietnam	16.00	10.20	5.80	9.80	4.00	5.80
Weighted Average⁽³⁾	8.95	3.85	5.10	8.06	2.90	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

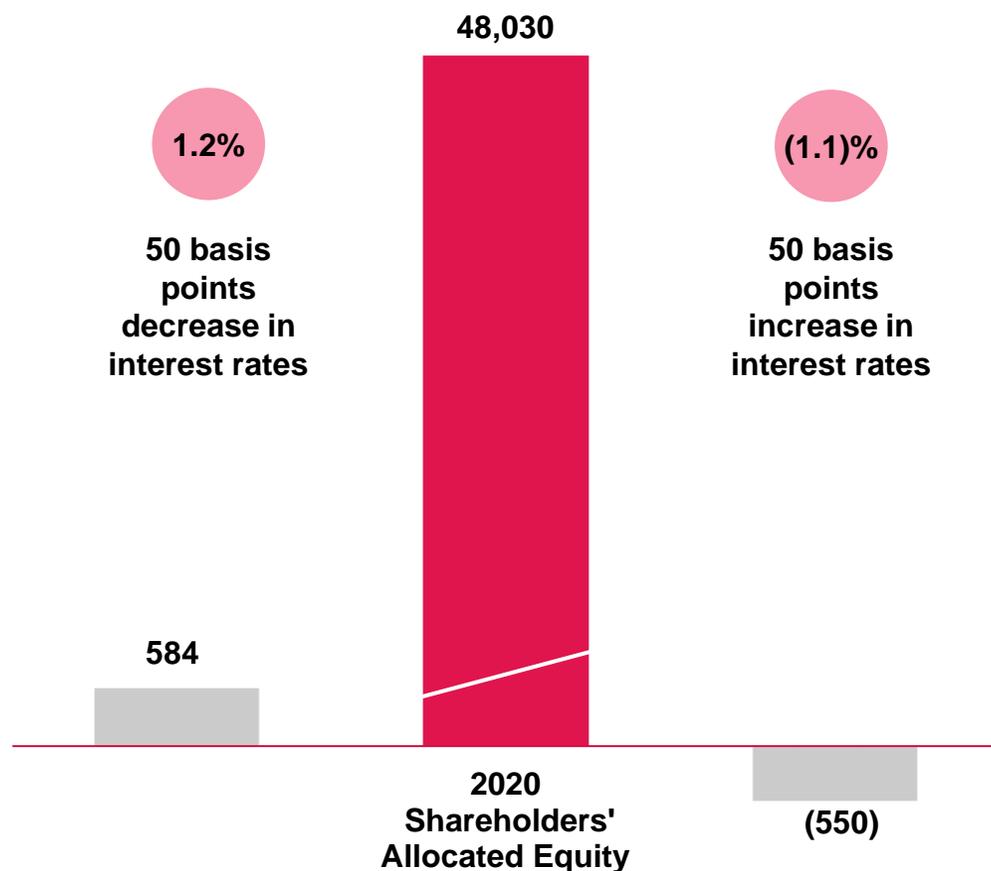
(2) Sri Lanka is included since the acquisition completion date of 5 Dec 2012

(3) Weighted average by VIF contribution

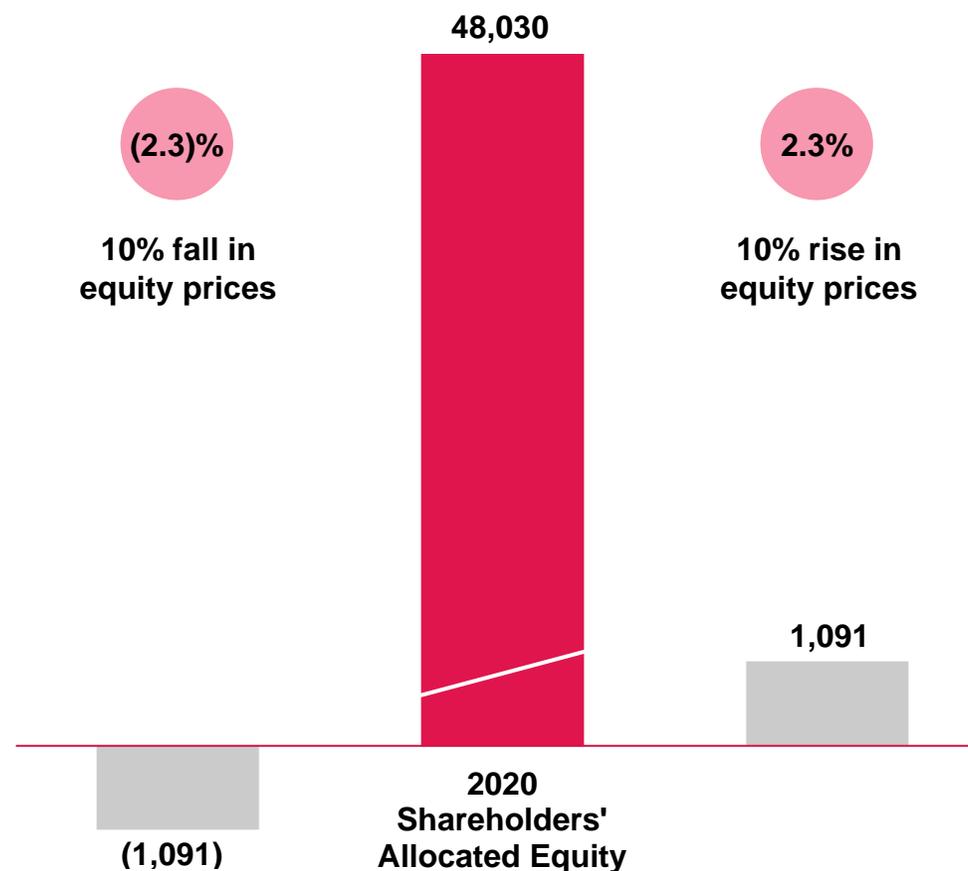
Sensitivity Analysis – Shareholders' Allocated Equity



Interest Rates (\$m)



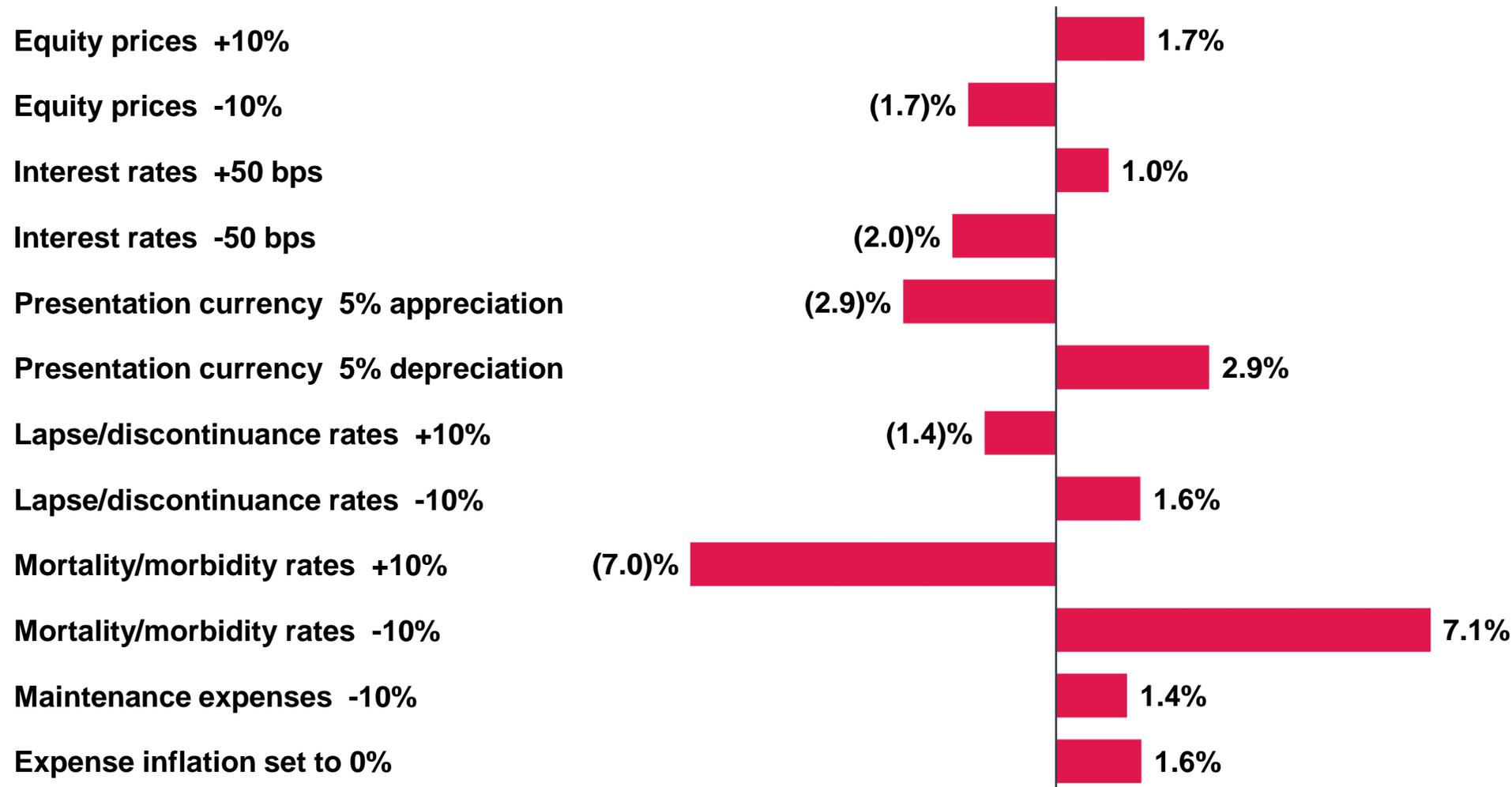
Equities (\$m)



Sensitivity Analysis – EV



Sensitivity of EV as at 31 December 2020



Sensitivity Analysis – VONB



Sensitivity of VONB for the twelve months ended 31 December 2020

