

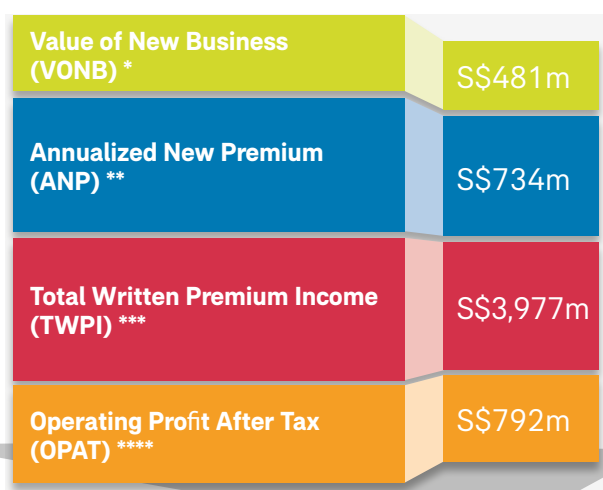
# Financial Highlights

The Company, incorporated in Singapore, prepares its financial statements based on the Singapore Financial Reporting Standards (SFRS). As a financial institution in Singapore, the Company is regulated by the Monetary Authority of Singapore (MAS) and operates based on a set of regulatory requirements namely, the Insurance Act and the Insurance Regulations as issued by the regulator. The above are done for the Company's financial year ended 31 December for each year.

As part of the overall AIA Group (the AIA Group), of which the ultimate parent company, AIA Group Limited is incorporated in Hong Kong, the Company also prepares financial information based on International Financial Reporting Standards (IFRS) and supplementary information for consolidation of results at the AIA Group level. This set of IFRS financial information is prepared based on the AIA Group's financial year ended 31 December.

With effect from 1 January 2020, the life insurance business of AIA Company Limited (Brunei Branch) has been transferred to the Company. With the transfer, AIA Brunei will be aligned with AIA Singapore's legal and operational structure, thereby enhancing operational efficiencies. This alignment will allow a streamlined approach in the region, so we can focus on better serving our customers' needs. We remain committed to providing the same quality of services our customers in Brunei have enjoyed.

The Company's financial information based on IFRS and supplementary information for the financial year ended 31 December 2019 are as follows.



\* VONB is the present value, measured at point of sale, of projected after-tax statutory profits emerging in the future from new business sold in the period less the cost of holding required capital in excess of regulatory reserves to support this business.

\*\* ANP is a measure of new business activity that is calculated as the sum of 100% annualized first year premiums and 10% single premiums, before reinsurance ceded.

\*\*\* TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.

\*\*\*\* OPAT is the operating profit after tax attributable to shareholders of AIA Singapore Private Limited.

Life fund is the major profit contributor, and account for more than 99% of IFRS operating profit after tax. The remaining IFRS operating profit after tax is contributed from the General fund.