

MILLIMAN REPORT

2019 Mid-Year Embedded Value Results: Asia

December 2019

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Table of Contents

OPENING REMARKS	2
INTRODUCTION AND BACKGROUND.....	3
EMBEDDED VALUE RESULTS.....	5
VALUE OF NEW BUSINESS RESULTS.....	7
NEW BUSINESS MARGIN RESULTS	10
RISK DISCOUNT RATE AND INVESTMENT RETURN ASSUMPTIONS	12
APPENDIX A: DISCLOSED ASIAN EV BY COMPANY BY MARKET.....	17
APPENDIX B: DISCLOSED ASIAN ANW AND VIF BY COMPANY BY MARKET.....	18

Opening remarks

We are pleased to present our Asian embedded value mid-year 2019 update. This report supplements the '2018 Embedded Value Results: Asia' report, which was released in September 2019, and provides a summary of the mid-year 2019 embedded value ('EV') results disclosed by Asian insurers.

It is worth noting that, while most of the region operates on a calendar year reporting basis, some markets and companies have different reporting years; India and Japan notably reporting mid-financial year results as at 30 September each year.

Most companies in the region have experienced steady growth in EV in the first half of the year. The growth in Value of New Business ('VNB') was mixed across the Asian markets. While some insurers in Hong Kong have improved their VNB via distribution efficiencies during this period, it is important to note that the reductions in new business sales due to the civil unrest in Hong Kong were mainly felt in the latter half of the year. Insurers in India reported significant increases in VNB, mainly due to increased sales of non-participating savings and protection products. In the Japanese market, almost all Japanese insurers, which disclosed results, reported a fall in VNB. Bond yields declined in most markets over 2018-2019, but equity markets experienced significant volatility amid increasing trade tensions and geopolitical uncertainty.

Best regards,

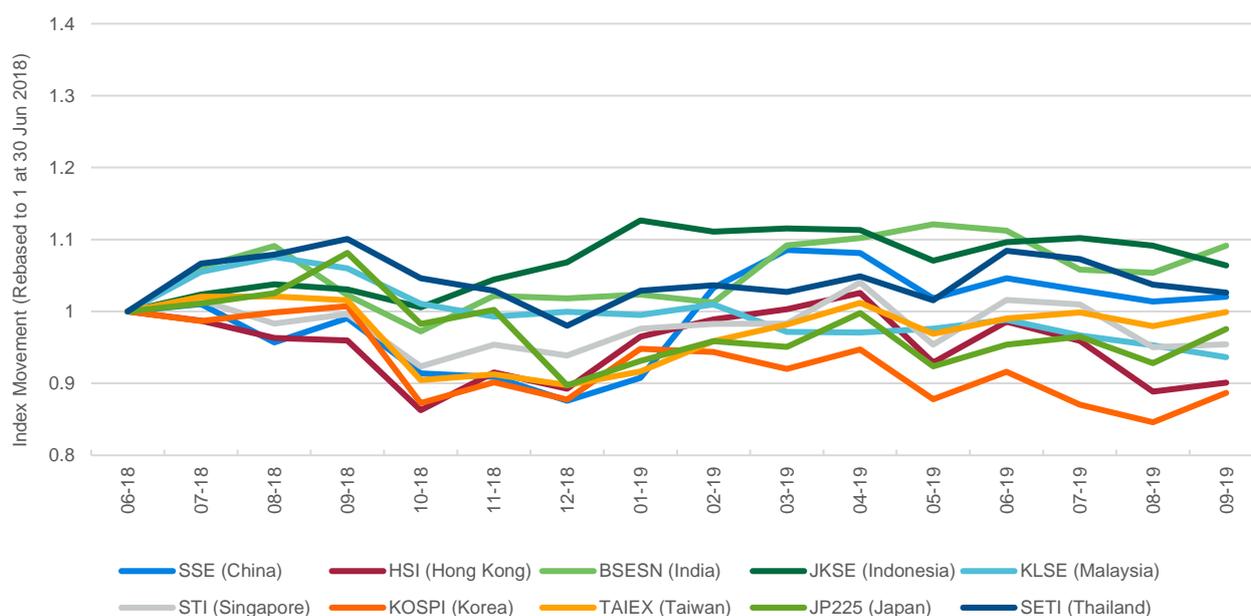
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Introduction and background

With the ongoing trade tensions between China and the United States, the Asian equity markets have experienced significant volatility over the past year (see Figure 1). India saw the strongest equity market gains across Asia¹, touching its highest index value since its inception in 1986 during April 2019, but experienced a major fall in July 2019. Besides China, India and Indonesia, all other markets in Asia experienced small to moderate declines in their respective equity indices.

Rising Asian equity markets tend to have positive impacts on the life insurance industry, typically improving insurers' investment results and the performance of unit-linked and participating lines of business, with the opposite effect in falling equity markets.

FIGURE 1: RECENT EQUITY MARKET PERFORMANCE: GROWTH OF MAJOR EQUITY INDICES^{2,3} FROM 30 JUNE 2018 TO 30 SEPTEMBER 2019



Interest rates in Asian markets have also been volatile over 2019, with most markets seeing a decline in interest rates since the start of the year⁴ (refer to Figure 2). The impact of changing interest rates on EV results depends upon the methodology adopted, the assumptions used and the type of business written by the company. Under a market-consistent EV (MCEV) or the Indian EV (IEV) framework, a lower interest rate might lead to an increase in the MCEV or IEV if a company writes more unit-linked business (due to the uplift in starting asset values and discounting of future profits at a lower interest rate) and protection-oriented business (due to the unrealised gains on starting assets and discounting of future profits at a lower interest rate), while the opposite might be true for a company that writes more traditional savings-oriented business (due to lower investment margins). Under a traditional EV (TEV) framework, the impact of changing interest rates also depends upon whether a company alters its long-term investment return assumptions in line with the change in interest rates. If a company does not change its long-term investment return assumptions, it may lead to counterintuitive results, such as declining interest rates resulting in a higher EV.

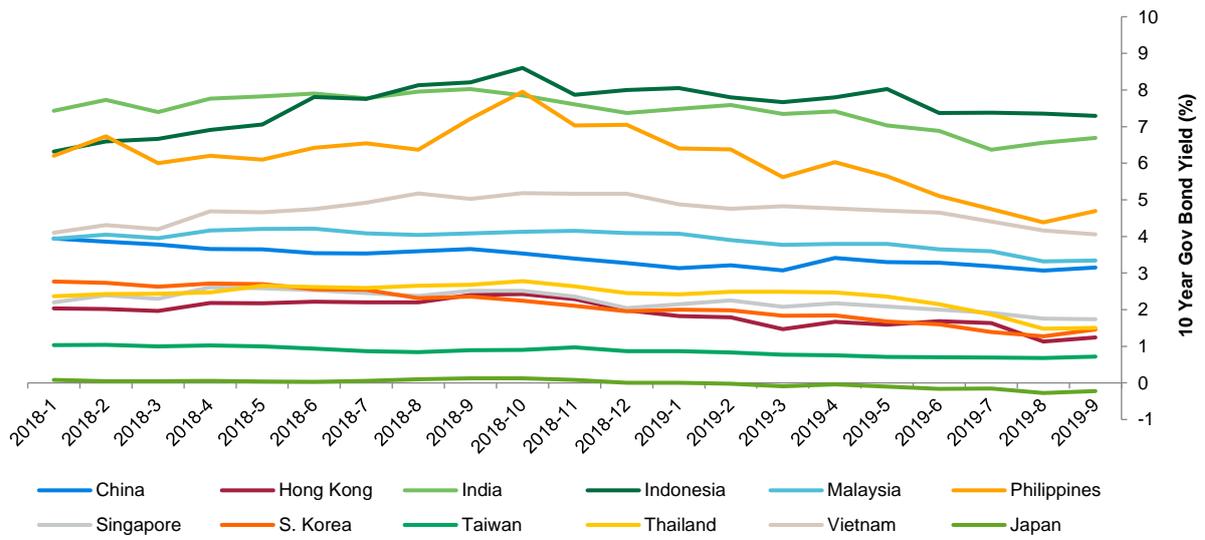
¹ Asian markets which are considered for this report are China, Hong Kong SAR, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Thailand and Taiwan.

² The following stock indices have been used for each country: China: Shanghai Stock Exchange Composite Index; Hong Kong: Hang Seng Index; India: Bombay Stock Exchange 30; Indonesia: Jakarta Composite; Japan: Nikkei 225, Malaysia: Kuala Lumpur Stock Exchange Composite Index; Singapore: Straits Times Index; South Korea: Korea Composite Index; Taiwan: Taiwan Weighted Index, Thailand: SET Index.

³ Source: Investing.com.

⁴ Based on 10-year sovereign yields observed from January 2018 to September 2019.

FIGURE 2: 10-YEAR SOVEREIGN BOND YIELDS⁵ 2018-2019

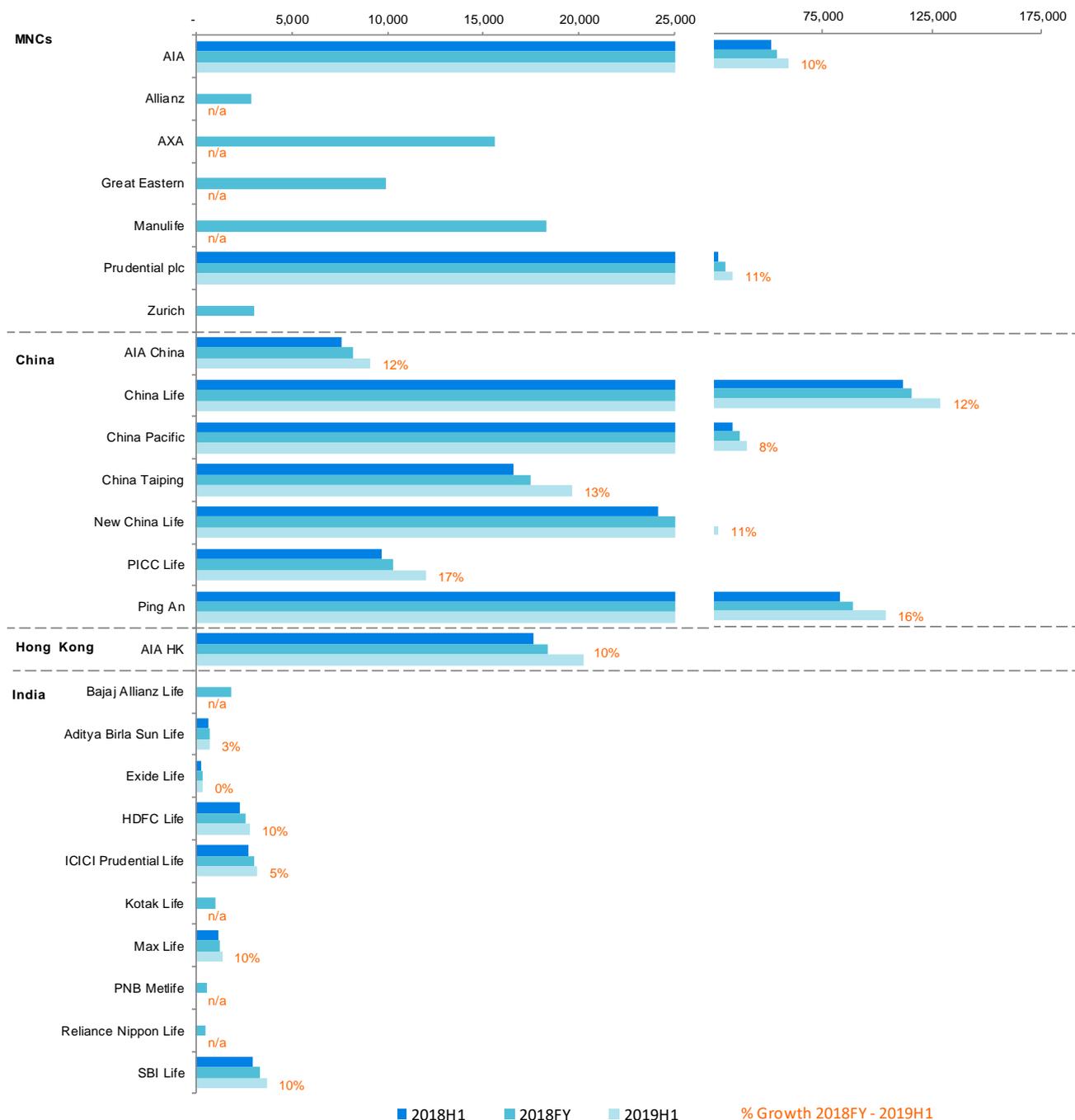


⁵ Source: Investing.com.

Embedded value results

The chart in Figure 3 compares the EV results by company within the different Asian markets over the period 2018H1 to 2019H1. It only includes those companies that have reported their mid-year EV results before the cutoff date of this report, i.e., 22 November 2019.

FIGURE 3: ASIAN LIFE INSURANCE COVERED BUSINESS EV BY COMPANY^{6,7} 2018H1 TO 2019H1

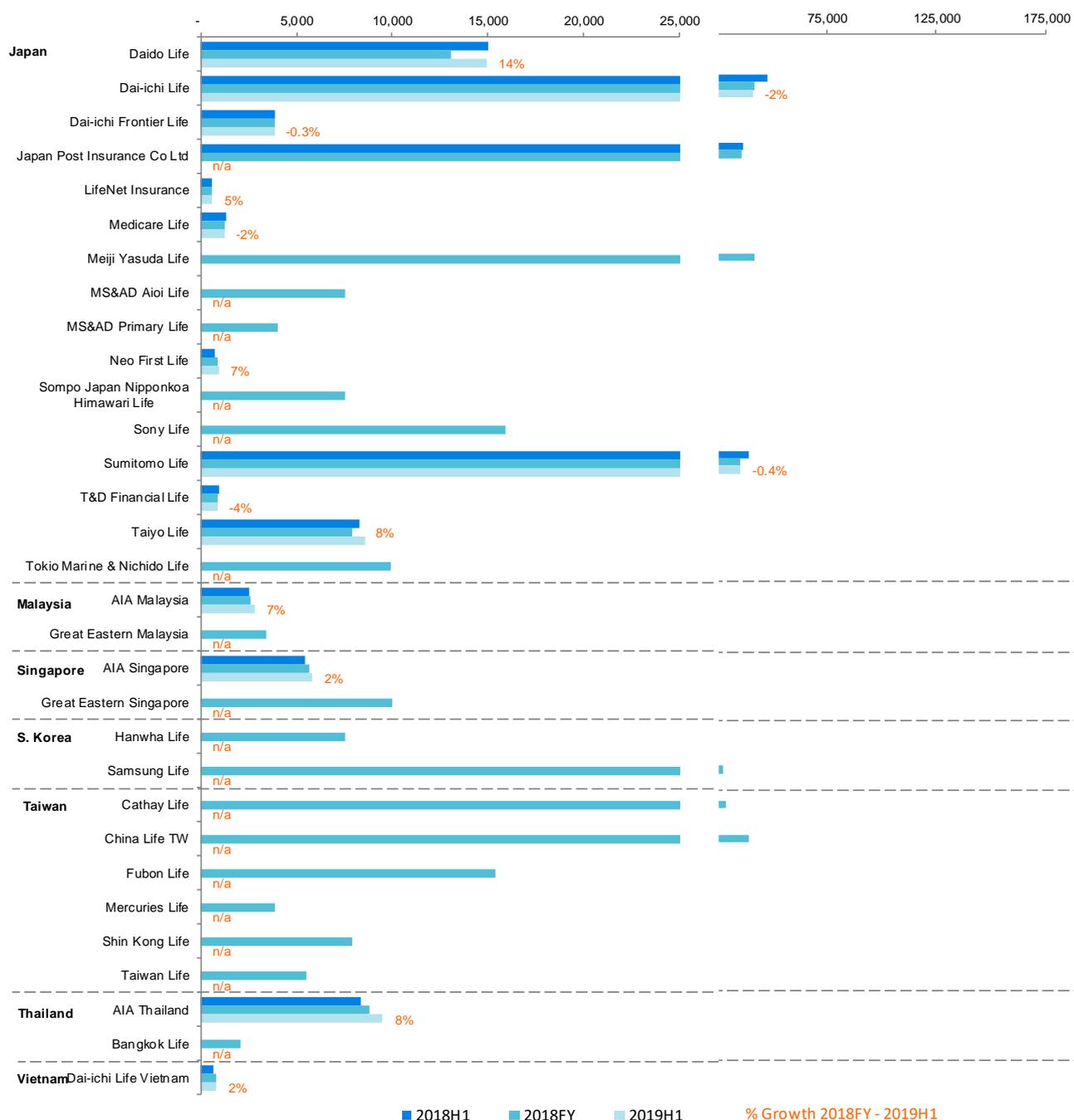


Note: "n/a" implies that the company has not disclosed its 2019H1 EV results at the time of writing this report.

⁶ The EV results for each company have been converted to USD at the foreign exchange (FX) rates prevailing as at their 2019H1 reporting dates to remove most of the effect of currency fluctuations.

⁷ In this report, 2018FY for Indian and Japanese insurers represents the financial year ending 31 March 2019; 2018H1 and 2019H1 represent the mid-year ending 30 September 2018 and 30 September 2019, respectively.

FIGURE 3: ASIAN LIFE INSURANCE COVERED BUSINESS EV BY COMPANY^{8,9} 2018H1 TO 2019H1 (CONTINUED)



Note: "n/a" implies that the company has not disclosed its 2019H1 EV results at the time of writing this report.

⁸ The EV results for each company have been converted to USD at the foreign exchange (FX) rates prevailing as at their 2019H1 reporting dates to remove most of the effect of currency fluctuations.

⁹ In this report, 2018FY for Indian and Japanese insurers represents the financial year ending 31 March 2019; 2018H1 and 2019H1 represent the mid-year ending 30 September 2018 and 30 September 2019, respectively.

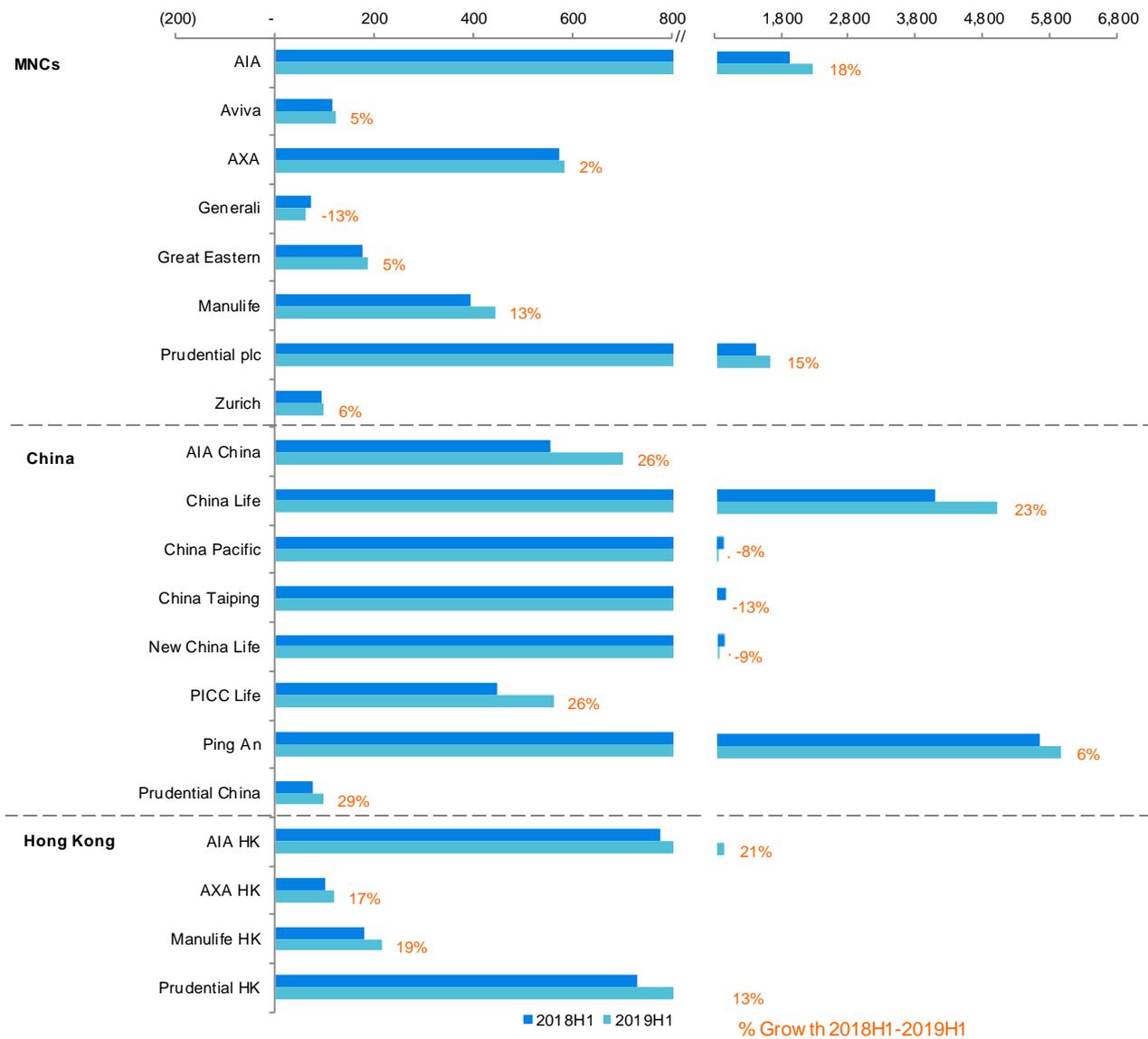
Besides Dai-ichi Life, Dai-ichi Frontier Life, Medicare Life, Sumitomo Life and T&D Financial Life, all other companies reported positive increases in EV during 2019H1. PICC Life recorded the highest growth of 17%, followed by Ping An Life recording a growth of 16%.

AIA recorded positive growth in EV across all of its Asian operations. The company attributed the growth in EV operating profit to strong VNB growth and positive operating variances resulting from the continued proactive management of its in-force portfolio.

Value of new business results

The chart in Figure 4 compares the VNB results by company within the different Asian markets over the period 2018H1 to 2019H1.^{10,11}

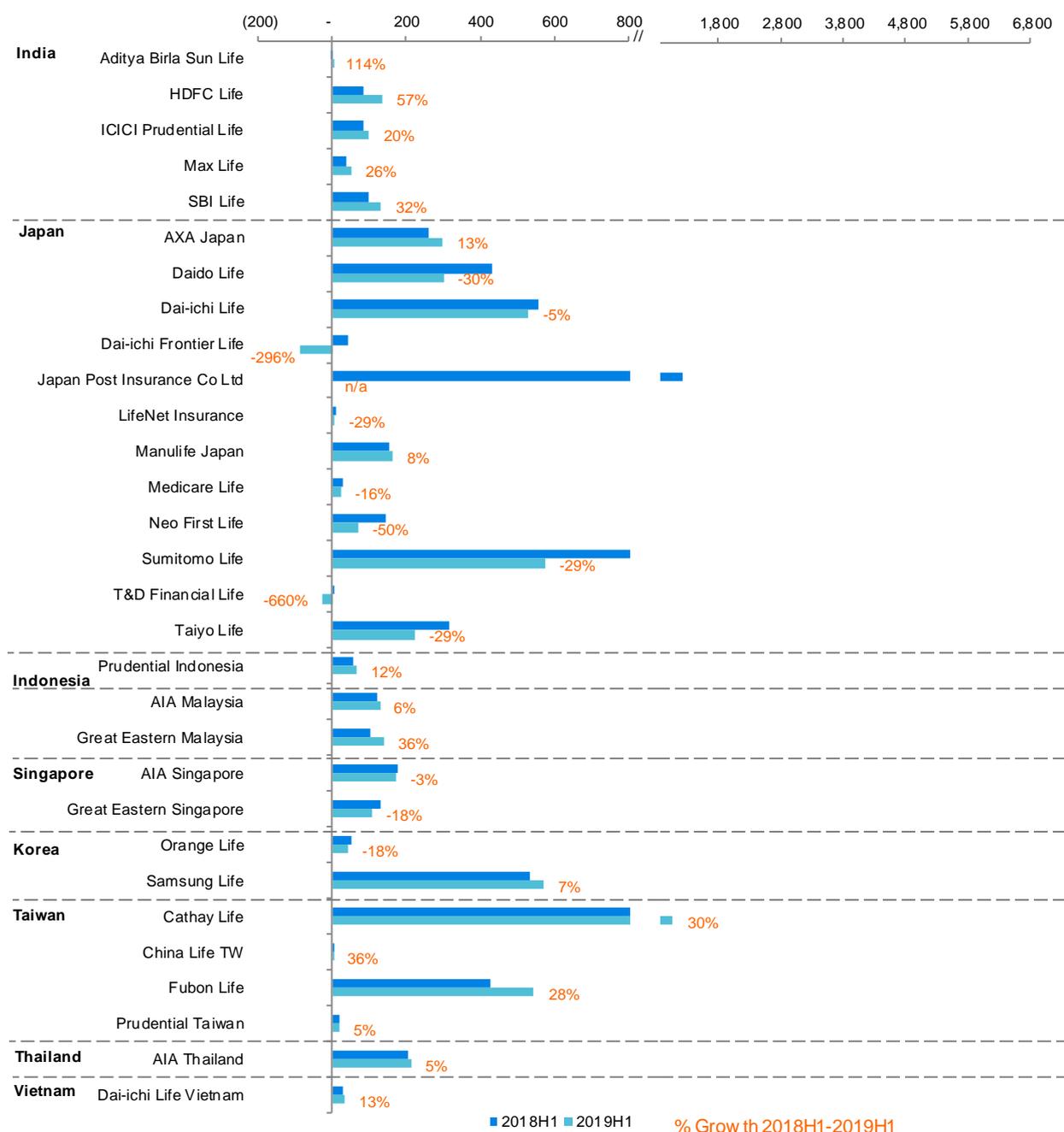
FIGURE 4: ASIAN VNB BY COMPANY 2018H1 TO 2019H1



¹⁰ For Indian and Japanese insurers, the middle of the financial year (i.e., H1) falls on 30 September. For all other insurers considered in this report, including AIA, the corresponding date is 30 June.

¹¹ We have excluded those companies that have not reported 2018H1 and 2019H1 VNB.

FIGURE 4: ASIAN VNB BY COMPANY 2018H1 TO 2019H1 (CONTINUED)



Except Generali, all the multinational corporations (MNCs) disclosing results reported positive growth in VNB, with AIA reporting the highest VNB growth of 18%. AIA attributed its VNB growth to assumption changes, including the positive effect of a tax rule change that increased the tax deductibility of commissions in China, as well as the positive benefit of shifts in both geographical and product mix. Agency distribution remains AIA’s core distribution channel, accounting for 72% of the Group’s total VNB in the first half of 2019. Manulife’s VNB growth of 13% was mainly driven by a more favourable business mix, partially offset by lower sales in Japan. The company’s annual premium equivalent (APE) sales in Japan decreased due to the temporary suspension of the sale of corporate-owned life insurance (COLI) products, until new tax regulations were issued.

In China, the growth in VNB in 2019H1 was mixed, with AIA and PICC Life reporting the highest growth of 26%. AIA’s China operation continues to be the Group’s fastest growing business in terms of VNB growth. The company continues to achieve high sales volumes by focusing on ongoing agency productivity enhancements. China Taiping reported the biggest decline in VNB of 13%.

All life insurers in Hong Kong included in the report recorded double-digit growth in VNB. AIA recorded the highest growth of 21%, attributing this to strong performance by both agency and partnership channels. Up to the end of June, the company achieved double-digit growth in VNB from domestic customers, as well as the Mainland Chinese visitor customer segment. Prudential Hong Kong's VNB growth of 13% was driven by strong agency performance. It is important to note that the reductions in new business sales due to the civil unrest in Hong Kong were mainly felt in the latter half of the year.

Insurers in India reported significant increases in VNB. HDFC Life reported a significant growth in VNB of around 57%, on the back of significant sales of its new non-participating savings product. Aditya Birla Sun Life recorded the highest growth of 114% (a growth of INR 160 million in absolute terms), albeit from a very small base, driven by higher volumes through a newly acquired bancassurance distribution relationship, and increased focus on non-participating products.

Prudential Indonesia reported an increase of 12% in VNB, mainly driven by higher APE sales, new product offerings (including a new non-linked savings products and an upgraded medical insurance product) and favorable interest rate movements.

In Japan, most insurers disclosing results reported a decline in VNB, due in part to the severe interest rate environment. As anticipated, results varied significantly by company, depending on product mix. Some companies writing a high proportion of foreign currency denominated products were particularly adversely affected, due to the use of a lower risk-free rate in their market-consistent calculations.

AIA Malaysia attributed its growth in VNB to increased numbers of active agents and improved agent productivity.

In Singapore, both AIA and Great Eastern reported a fall in VNB, both saying the fall was largely due to lower single premium sales. AIA has further attributed the lower sales to be linked to the regulatory change in October 2018 related to the Central Provident Fund Investment Scheme (CPFIS). Sales charges for unit-linked products sold through the CPFIS were halved from 3% to 1.5% from 1 October 2018, and were removed entirely on 1 October 2019.

In South Korea, Orange Life reported a large fall of 18% in VNB. The company attributed the decline in VNB to:

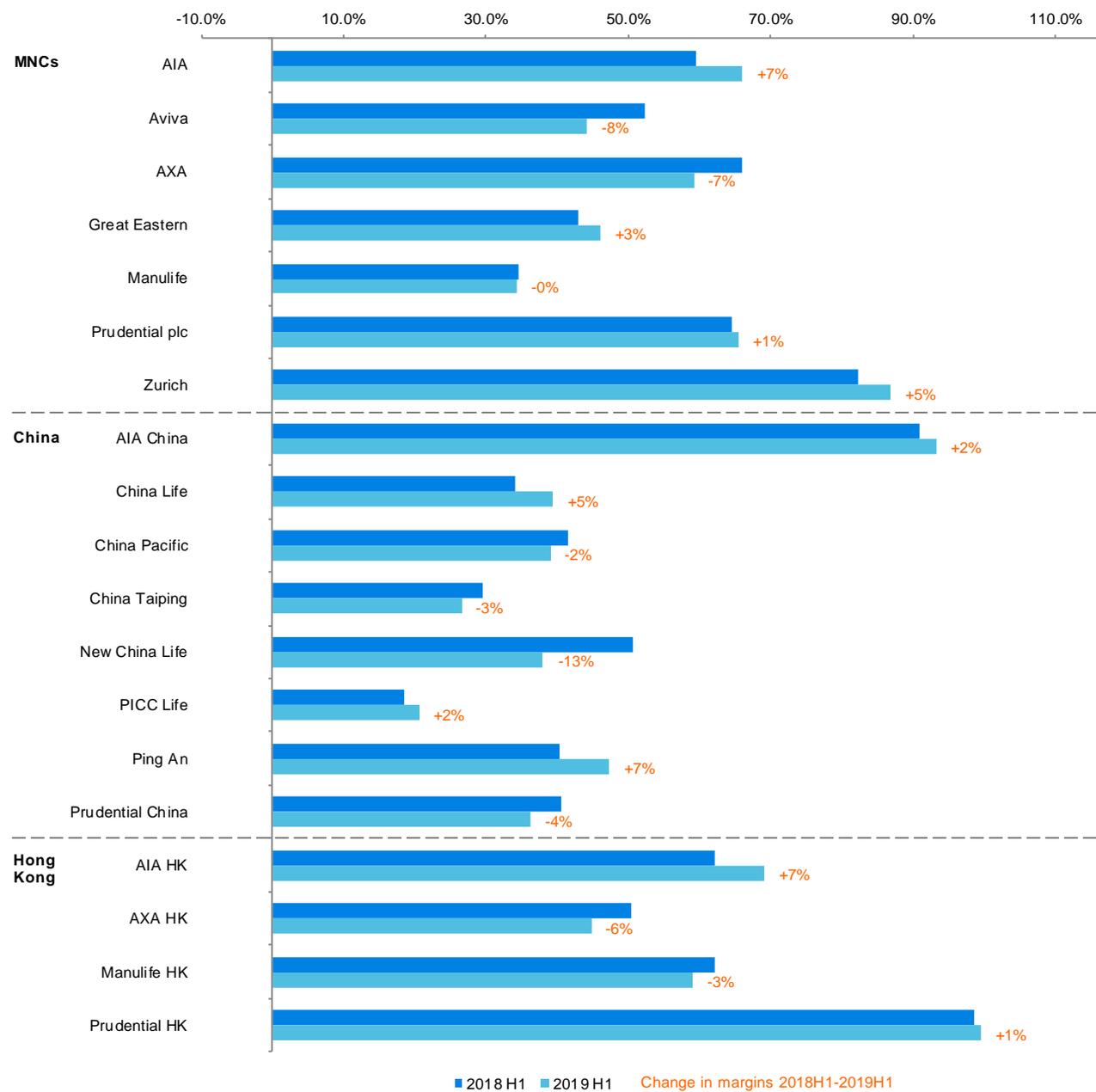
- Increased sales of low margin products
- Increased costs from revitalising the Financial Consultant (FC) channel
- A downward adjustment in the investment return assumption due to falling interest rates

Samsung Life's VNB growth of 7% was driven by strong protection sales.

In Taiwan, Fubon Life's VNB growth of 28% was driven by higher sales of traditional regular premium policies. AIA Thailand reported positive VNB growth of 5%, mainly driven by continued success of the Financial Adviser (FA) program and the company's exclusive long-term partnership with Bangkok Bank.

New business margin results

FIGURE 5: IMPLIED NEW BUSINESS MARGINS BY COMPANY,^{12,13,14,15} FOR 2018H1 AND 2019H1



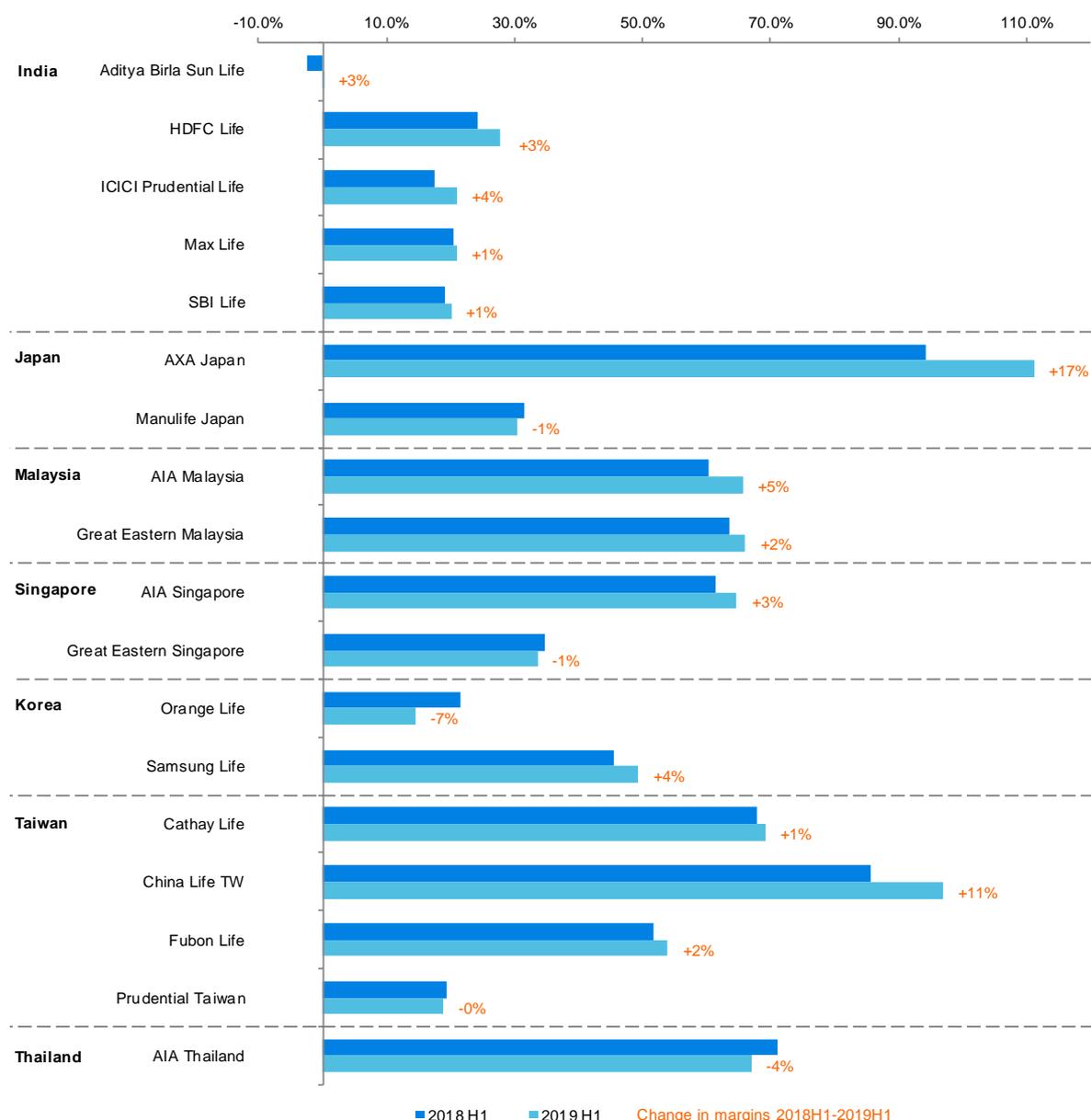
¹² For the MNCs, please note that these are the margins relating to their Asian business.

¹³ New business margin is defined as VNB divided by APE. We have excluded Japan insurers from this analysis as they report new business margins as the ratio of VNB to the present value of new business premiums.

¹⁴ We have excluded those companies that have not reported 2018H1 and 2019H1 new business margins.

¹⁵ APE figures for China insurers include short-term insurance premiums as life insurers write both, short-term and long-term business for both life and health insurance.

FIGURE 5 IMPLIED NEW BUSINESS MARGINS BY COMPANY FOR 2018H1 AND 2019H1 (CONTINUED)



Between the first half of 2018 and the first half of 2019, changes in new business (NB) margins were varied. Most insurers across Asia reported an increase in new business margins, whereas some reported a decrease.

The highest growth in new business margins (in relative terms) came from the following:

- Aditya Birla Sun Life, where margins increased from -2.3% to 0.2%
- ICICI Prudential Life, where margins increased from 17.5% to 21.0%
- AXA Japan, where margins increased from 94% to 111%
- Ping An, where margins increased from 40.4% to 47.4%

In contrast, the largest decline in new business margin came from Orange Life, for which margins fell from 21.5% to 14.6%. New China Life also saw a decline in new business margin, from 50.6% to 38.0%.

Risk discount rate and investment return assumptions

The risk discount rate and investment return assumptions of the insurers in Asia that report embedded value results are listed in Figures 7 and 8.

FIGURE 7: RISK DISCOUNT RATE AND INVESTMENT RETURN ASSUMPTIONS OF MNCS¹⁶

TYPE	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
MNC	AIA	TEV	China: 9.75% Hong Kong: 7.50% Indonesia: 13.00% Korea: 8.60% Malaysia: 8.75% Philippines (Philam Life): 11.80% Singapore: 7.10% Sri Lanka: 15.70% Taiwan: 7.85% Thailand: 8.60 % Vietnam: 11.80%	China: Equities 9.30%, 10Y Gov't Bonds 3.70% Hong Kong: Equities 7.80%, 10Y Gov't Bonds 3.00% Indonesia: Equities 12.00%, 10Y Gov't Bonds 7.50% Korea: Equities 7.20%, 10Y Gov't Bonds 2.70% Malaysia: Equities 8.80%, 10Y Gov't Bonds 4.20% Philippines (Philam Life): Equities 10.50%, 10Y Gov't Bonds 5.30% Singapore: Equities 7.20%, 10Y Gov't Bonds 2.70% Sri Lanka: Equities 12.00%, 10Y Gov't Bonds 10.00% Taiwan: Equities 6.60%, 10Y Gov't Bonds 1.60% Thailand: Equities 9.00%, 10Y Gov't Bonds 3.20% Vietnam: Equities 11.30%, 10Y Gov't Bonds 6.00%
	Allianz	MCEV / SII	Swap rates, allowing for credit risk adjustment and volatility adjustment.	Swap rates, allowing for credit risk adjustment and volatility adjustment.
	Aviva	SII	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment, volatility adjustment and matching adjustment.
	AXA	EEV	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.
	Great Eastern	TEV	Singapore: 7.00% Malaysia: 8.75% Indonesia: 13.5%	Not disclosed.
	Manulife	TEV	Hong Kong: 9.20% Japan: 5.75%	Hong Kong: Equity 9.50%, 10Y Gov't Bonds (immediate to 30 years in future): 2.02% to 3.33% Japan: Equity 6.00%, 10Y Gov't Bonds (immediate to 30 years in future): -0.01% to 2.64%
	Prudential plc	EEV	China: 8.0% (NB), 8.0% (IF) Hong Kong: 3.8% (NB), 3.8% (IF) Indonesia: 11.8% (NB), 11.8% (IF) Malaysia: 6.2% (NB), 6.2% (IF) Philippines: 12.5% (NB), 12.5% (IF) Singapore: 3.5% (NB), 4.3% (IF) Taiwan: 4.3% (NB), 4.2% (IF) Thailand: 9.6% (NB), 9.6% (IF) Vietnam: 9.1% (NB), 9.0% (IF)	China: 10Y Gov't Bonds 3.3% Hong Kong: 10Y Gov't Bonds 2.0% Indonesia: 10Y Gov't Bonds 7.5% Malaysia: 10Y Gov't Bonds 3.7% Philippines: 10Y Gov't Bonds 5.0% Singapore: 10Y Gov't Bonds 2.0% Taiwan: 10Y Gov't Bonds 0.7% Thailand: 10Y Gov't Bonds 2.1% Vietnam: 10Y Gov't Bonds 4.7%
	Zurich	MCEV	Swap rates, allowing for volatility adjustment.	Swap rates, allowing for volatility adjustment.

Note: Blue shaded entries indicate that the 2019H1 EV assumptions for the company have not yet been disclosed, thus the stated assumptions have been based on FY2018 disclosures instead.

¹⁶ NB: new business; IF: in-force business.

FIGURE 8: RISK DISCOUNT RATE AND INVESTMENT ASSUMPTIONS OF INSURERS BY MARKET^{17,18,19}

COUNTRY	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
China	Chinese 10-year government bond yield at 30 June 2019: 3.279%			
	AIA	TEV	9.75%	China: Equities 9.30%, 10Y Gov't Bonds 3.70%
	China Life	TEV	10.00%	Assumed to be 5%
	China Pacific	TEV	11.00%	Long-term business: 5.00% Short-term business: based on the latest 1 year bank deposit base rate
	China Taiping	TEV	11.00%	Assumed to be 4.80% with an increase of 0.05% annually up to 5.00% and thereafter remain unchanged.
	New China Life	TEV	11.50%	Year 1: 4.50% (non-linked), 7.60% (linked) Year 2: 4.60% (non-linked), 4.7% (universal life), 7.60% (linked) Year 3: 4.80% (non-linked), 5.00% (universal life), 7.80% (linked) Year 4+: 5.00% (non-linked), 5.10% (universal life), 7.90% (linked)
	PICC Life	TEV	10.00%	5.25%
	Ping An	TEV	11.00%	Non-investment-linked: 4.75% in Year 1 and 5.00% thereafter Investment-linked: slightly higher than non-investment-linked
	Prudential	EEV	8.0% (NB), 8.0% (IF)	10Y Gov't Bonds 3.3%
Hong Kong	Hong Kong 10-year government bond yield at 30 June 2019: 1.684%			
	AIA	TEV	7.50%	Equities 7.8%, 10Y Gov't Bonds 3.0%
	AXA	EEV	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.
	Manulife	TEV	Hong Kong: 9.20%	Hong Kong: Equity 9.50%, 10Y Gov't Bonds (immediate to 30 years in future): 2.02% to 3.33%
	Prudential	EEV	3.8% (NB), 3.8% (IF)	10Y Gov't Bonds 2.0%
India	Indian 10-year government bond yield at 30 September 2019: 6.695%			
	Bajaj Allianz	MCEV	Risk-free yield curve.	Risk-free yield curve.
	Aditya Birla Sun Life	MCEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).
	Exide Life	MCEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).
	HDFC Life	IEV	Risk-free yield curve.	Risk-free yield curve.
	ICICI Prudential	IEV	Risk-free yield curve.	Risk-free yield curve.
	Kotak Life	IEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).

¹⁷ NB: new business; IF: in-force business.

¹⁸ Source for 10-year government bond yields: Investing.com.

¹⁹ For Indian and Japanese companies, the financial year runs from April to March. Therefore, the 10-year government bond yields are shown as at September 2019 (i.e., at the mid-year valuation date for these companies).

COUNTRY	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
India (continued)	Max Life	MCEV	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).	Not disclosed (although expected to be risk-free yield curve given the valuation methodology).
	Reliance Life	TEV	Not disclosed.	Not disclosed.
	SBI Life	IEV	Risk-free yield curve.	Risk-free yield curve.
Japan	Japanese 10-year government bond yield at 30 September 2019: -0.223%			
	AXA	MCEEV	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.	Risk-free interest rate curves, allowing for credit risk adjustment and volatility adjustment.
	Manulife	TEV	Japan: 5.75%	Japan: 5.75%
	Daido Life	MCEV	Risk-free rate: Based on Japanese Government Bond (JGB) and ultimate forward rates.	Risk-free rate.
	Dai-ichi Life	MCEEV	Risk-free rate (JPY): Based on Japanese Government Bond and ultimate forward rates. Risk-free rate (foreign currencies): Based on swap rates extrapolated by assuming that forward rates in the 31st year and beyond were equal to those in the 30th year.	Risk-free rate.
	Dai-ichi Frontier Life	MCEEV	Risk-free rate (JPY): Based on Japanese Government Bond and ultimate forward rates. Risk-free rate (foreign currencies): Based on swap rates extrapolated by assuming that forward rates in the 31st year and beyond were equal to those in the 30th year.	Risk-free rate.
	Japan Post Insurance Co Ltd	MCEEV	Risk-free rate (based on Japanese Government Bond and ultimate forward rates).	Risk-free rate.
	LifeNet Insurance	MCEEV	Risk-free rate (based on swap rates and ultimate forward rates).	Risk-free rate.
	Medicare Life	MCEEV	Risk-free rate (based on Japanese, US and Australian Government Bond and ultimate forward rates).	Risk-free rate.
	Meiji Yasuda Life	MCEEV	Risk-free rate (based on JGB).	Risk-free rate.
	MS&AD Aioi Life	MCEEV	Risk-free rate (based on JGB extrapolated by assuming that forward rates in the 41st year and beyond were equal to those in the 40th year).	Risk-free rate.
	MS&AD Primary Life	MCEEV	Swap rates extrapolated by assuming that forward rates in the 41st year and beyond were equal to those in the 40th year, allowing for illiquidity premium.	Swap rates, allowing for illiquidity premium.
	Neo First Life	MCEEV	Risk-free rate (based on Japanese Government Bond and ultimate forward rates).	Risk-free rate.
	Sompo Japan Nipponkoa Himawari Life	MCEV	Risk-free rate (based on Japanese Government Bond and ultimate forward rates).	Risk-free rate.
	Sony Life	MCEV	Risk-free rate (based on JGB and US Treasury yields and ultimate forward rates).	Risk-free rate.
	Sumitomo Life	MCEEV	Risk-free rate (based on Japanese, US and Australian Government Bond and ultimate forward rates).	Risk-free rate.

COUNTRY	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
Japan (continued)	T&D Financial Life	MCEV	Risk-free rate: Based on Japanese Government Bond and ultimate forward rates.	Risk-free rate.
	Taiyo Life	MCEV	Risk-free rate: Based on Japanese Government Bond and ultimate forward rates.	Risk-free rate.
	Tokio Marine & Nichido Life	MCEV	Risk-free rate (based on Government Bond yields extrapolated by assuming that forward rates in the 41st year and beyond were equal to those in the 40th year, allowing for illiquidity premium).	Risk-free rate.
Indonesia	Indonesian 10-year government bond yield at 30 June 2019: 7.369%			
	AIA	TEV	13.00%	Equities 12.0%, 10Y Gov't Bonds 7.50%
	Prudential	EEV	11.8% (NB), 11.8% (IF)	10Y Gov't Bonds 7.5%
Malaysia	Malaysian 10-year government bond yield at 30 June 2019: 3.641%			
	AIA	TEV	8.75%	Equities 8.80%, 10Y Gov't Bonds 4.20%
	Great Eastern	TEV	Malaysia: 8.75%	Not disclosed.
	Prudential	EEV	6.2% (NB), 6.2% (IF)	10Y Gov't Bonds 3.7%
Philippines	Philippines 10-year government bond yield at 30 June 2019: 5.105%			
	AIA	TEV	0.118	Equities 10.50%, 10Y Gov't Bonds 5.30%
	Prudential	EEV	12.5% (NB), 12.5% (IF)	10Y Gov't Bonds 5.0%
Singapore	Singaporean 10-year government bond yield at 30 June 2019: 2.00%			
	AIA	TEV	7.10%	Equities 7.20%, 10Y Gov't Bonds 2.70%
	Great Eastern	TEV	7.00%	Not disclosed.
	Prudential	EEV	3.5% (NB), 4.3% (IF)	10Y Gov't Bonds 2.0%
South Korea	Korean 10-year government bond yield at 30 June 2019: 1.595%			
	AIA	TEV	3.5% (NB), 4.3% (IF)	Equities 7.20%, 10Y Gov't Bonds 2.70%
	Hanwha Life	TEV	8.50%	3.35%
	Orange Life	TEV	8.10%	2.65%
	Samsung Life	TEV	Not disclosed	3.10%
	Samsung Fire & Marine	TEV	8.50%	3.30%
Taiwan	Taiwanese 10-year government bond yield at 30 June 2019: 0.700%			
	AIA	TEV	7.85%	Equities 6.60%, 10Y Gov't Bonds 1.60%
	China Life TW	TEV	10.50%	Years 1-10: 3.75%-5.31% (traditional), 2.75%-4.45% (interest-sensitive) Years 11+: 5.35% (traditional), 4.55% (interest-sensitive)
	Fubon Life	TEV	VNB: 10.5% VIF: 11.0%	VNB NTD Traditional Policies: Year 2018 to Year 2050 at 2.96% ~ 5.52% (2051+) USD Policies: Year 2018 to Year 2047 at 4.06% ~ 5.96% (2048+) VIF NTD Traditional Policies: Year 2019 to Year 2050 at 3.47% ~ 5.56% (2051+) USD Policies: Year 2019 to Year 2044 at 4.47% ~ 5.96% (2045+)

COUNTRY	COMPANY	EV PRINCIPLE	RDR	INVESTMENT RETURNS
Taiwan (continued)	Mercuries Life	TEV	10.50%	VNB TWD Products: 3.40% ~ 5.00% (2039+) USD Products : 4.20% ~ 6.00% (2032+) VIF TWD Products: 3.50% ~ 5.00% (2045+) USD Products : 4.30% ~ 6.00% (2043+)
	Prudential	EEV	4.3% (NB), 4.2% (IF)	10Y Gov't Bonds 0.7%
	Shin Kong Life	TEV	10.50%	VNB TWD Products: 3.34% ~ 5.00% USD Products : 4.43% ~ 5.60% VIF TWD Products: 3.47% ~ 5.00% USD Products: 4.70% ~ 5.60%
	Taiwan Life	TEV	10.00%	TWD Policies: Year 2019 to Year 2038 at 3.62% ~ 4.30% (2039+) USD Policies: Year 2019 to Year 2038 at 4.80% ~ 5.50% (2039+)
Thailand	Thai 10-year government bond yield at 30 June 2019: 2.150%			
	AIA	TEV	8.60%	Equities 9.00%, 10Y Gov't Bonds 3.20%
	Bangkok Life	TEV	9.00%	4.25%
	Prudential	EEV	9.6% (NB), 9.6% (IF)	10Y Gov't Bonds 2.1%
Vietnam	Vietnamese 10-year government bond yield at 30 June 2019: 4.654%			
	AIA	TEV	11.80%	Equities 11.30%, 10Y Gov't Bonds 6.0%
	Dai-ichi Life Vietnam	TEV	Not disclosed.	Not disclosed.
	Prudential	EEV	9.1% (NB), 9.0% (IF)	10Y Gov't Bonds 4.7%

Note: Blue shaded entries indicate that the 2019H1 EV assumptions for the company have not yet been disclosed, thus the stated assumptions have been based on FY2018 disclosures instead.

Appendix A: Disclosed Asian EV by company by market

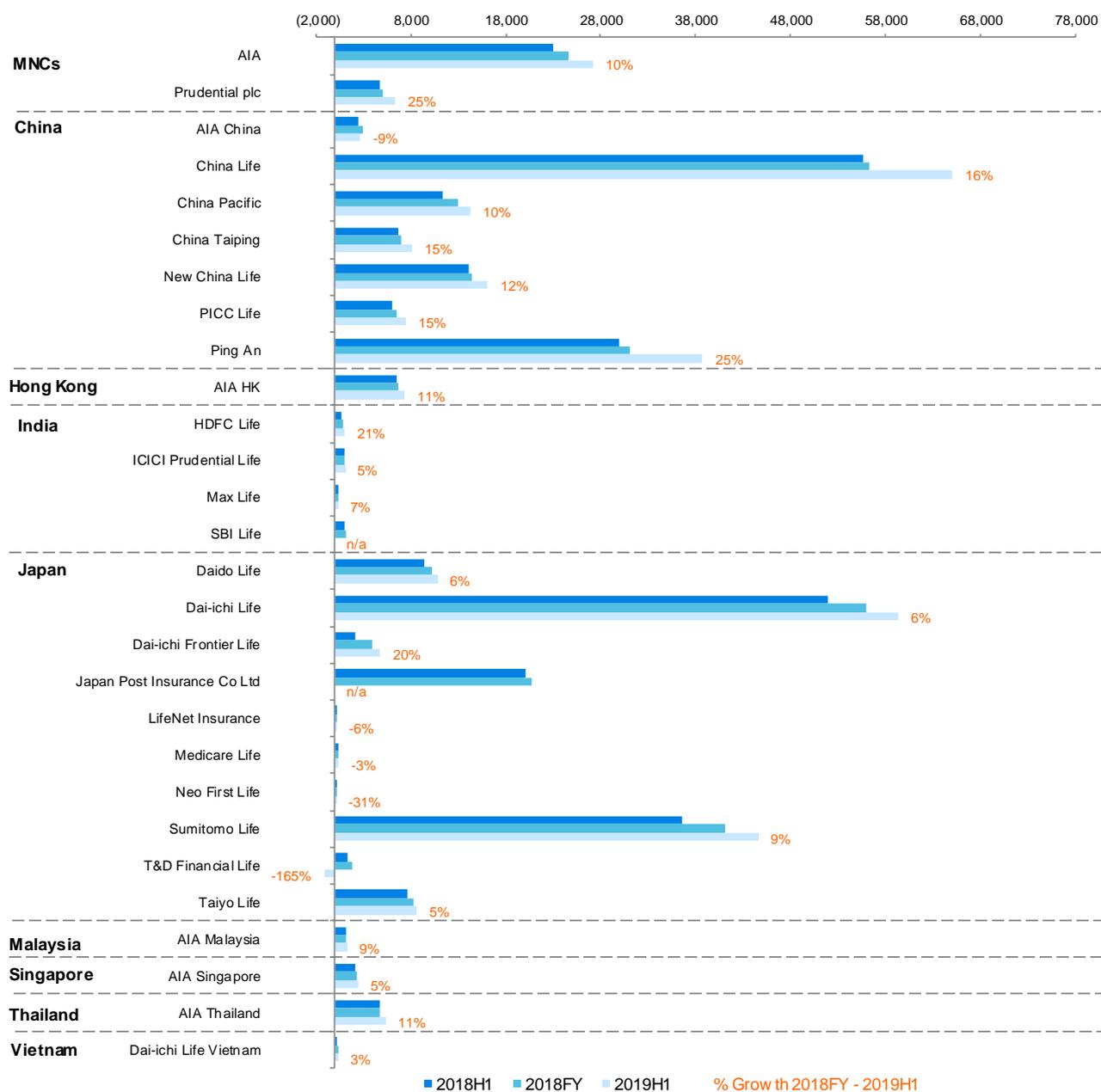
DISCLOSED ASIAN EV BY COMPANY AS AT 2019H1 REPORTING YEAR (USD MILLIONS²⁰)

Type	Company	Financial Year End	EV Principle	China	Hong Kong	India	Japan	South Korea	Malaysia	Singapore	Taiwan	Thailand	Indonesia	Philippines	Vietnam	Other Asia/ Unallocated
MNCs	AIA	31-Dec-19	TEV	9,133	20,252	-	-	-	2,811	5,820	-	9,515	-	-	-	12,215
	Prudential plc	31-Dec-19	EEV	-	-	-	-	-	-	-	-	-	-	-	-	34,390
China	China Life	31-Dec-19	TEV	129,165	-	-	-	-	-	-	-	-	-	-	-	-
	China Pacific	31-Dec-19	TEV	40,562	-	-	-	-	-	-	-	-	-	-	-	-
	China Taiping	31-Dec-19	TEV	19,656	-	-	-	-	-	-	-	-	-	-	-	-
	New China Life	31-Dec-19	TEV	27,878	-	-	-	-	-	-	-	-	-	-	-	-
	PICC Life	31-Dec-19	TEV	12,027	-	-	-	-	-	-	-	-	-	-	-	-
	Ping An	31-Dec-19	TEV	103,878	-	-	-	-	-	-	-	-	-	-	-	-
	Aditya Birla Sun Life	31-Mar-20	MCEV	-	-	712	-	-	-	-	-	-	-	-	-	-
India	Exide Life	31-Mar-20	MCEV	-	-	340	-	-	-	-	-	-	-	-	-	-
	HDFC Life	31-Mar-20	IEV	-	-	2,847	-	-	-	-	-	-	-	-	-	-
	ICICI Prudential Life	31-Mar-20	IEV	-	-	3,210	-	-	-	-	-	-	-	-	-	-
	Max Life	31-Mar-20	MCEV	-	-	1,391	-	-	-	-	-	-	-	-	-	-
	SBI Life	31-Mar-20	IEV	-	-	3,701	-	-	-	-	-	-	-	-	-	-
	Daido Life	31-Mar-20	MCEV	-	-	-	14,951	-	-	-	-	-	-	-	-	-
Japan	Dai-ichi Life	31-Mar-20	MC-EEV	-	-	-	41,258	-	-	-	-	-	-	-	-	-
	Dai-ichi Frontier Life	31-Mar-20	MCEV	-	-	-	3,843	-	-	-	-	-	-	-	-	-
	LifeNet Insurance	31-Mar-20	MC-EEV	-	-	-	614	-	-	-	-	-	-	-	-	-
	Medicare Life	31-Mar-20	MC-EEV	-	-	-	1,235	-	-	-	-	-	-	-	-	-
	Neo First Life	31-Mar-20	MC-EEV	-	-	-	929	-	-	-	-	-	-	-	-	-
	Sumitomo Life	31-Mar-20	MC-EEV	-	-	-	35,761	-	-	-	-	-	-	-	-	-
	T&D Financial Life	31-Mar-20	MCEV	-	-	-	870	-	-	-	-	-	-	-	-	-
	Taiyo Life	31-Mar-20	MCEV	-	-	-	8,589	-	-	-	-	-	-	-	-	-
Vietnam	Dai-ichi Life Vietnam	31-Dec-19	TEV	-	-	-	-	-	-	-	-	-	-	809	-	

²⁰ EV results have been converted at the prevailing USD mid-FX rate as at the reporting date.

Appendix B: Disclosed Asian ANW and VIF by company by market

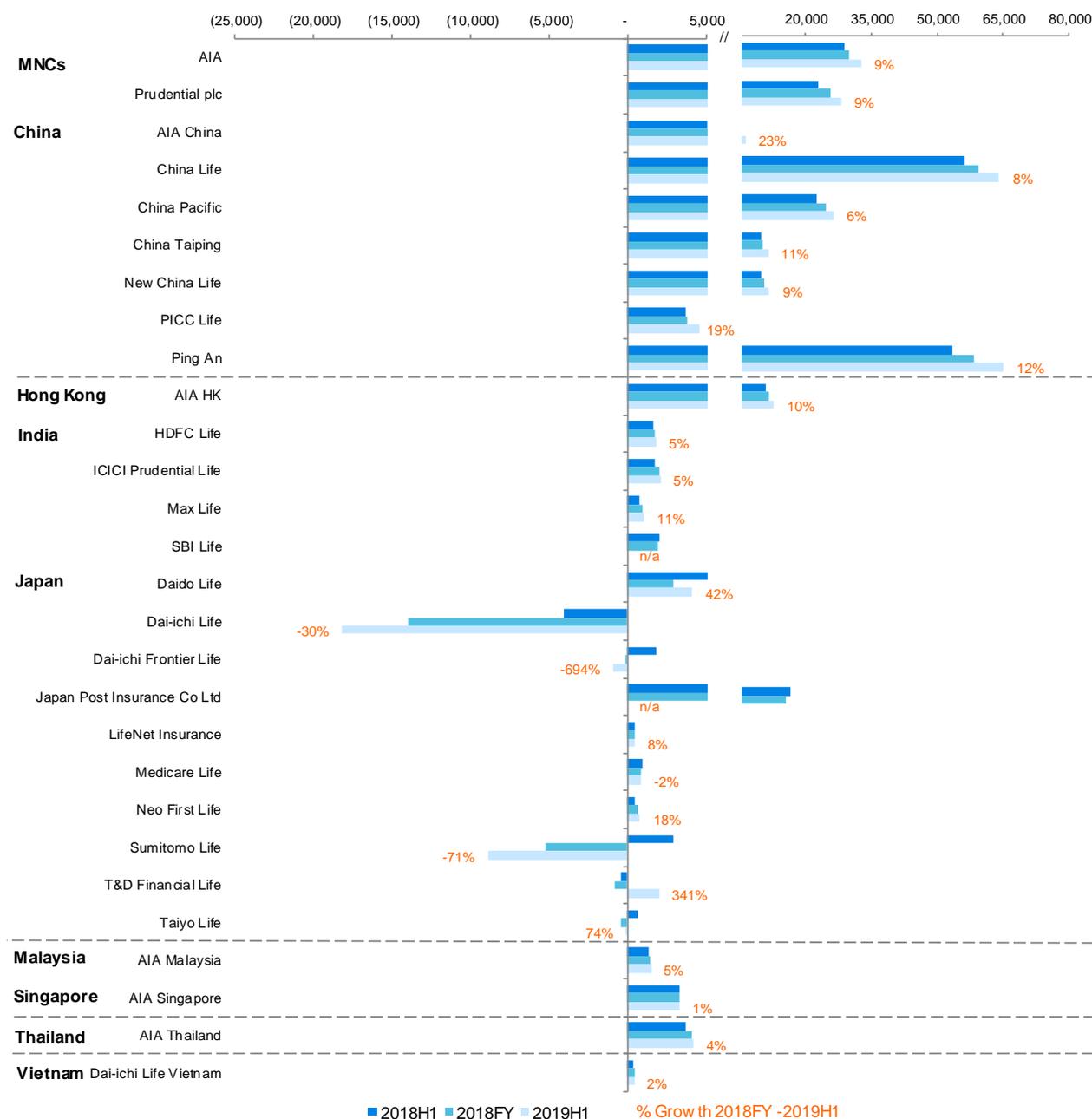
REPORTED ASIA ANW (2019H1 USD MILLIONS)²¹



Note: "n/a" implies that the company has not disclosed its 2019H1 ANW results at the time of writing this report.

²¹ We have excluded those companies that have not reported 2018H1 and 2019H1 ANW.

REPORTED ASIA VIF (2019H1 USD MILLIONS)²²



Note: "n/a" implies that the company has not disclosed its 2019H1 VIF results at the time of writing this report.

²² We have excluded those companies that have not reported 2018H1 and 2019H1 VIF.



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