

YOUR PARTICIPATING FUND UPDATE FOR 2025



HEALTHIER, LONGER,
BETTER LIVES

Thank you for the trust you place in AIA Singapore. We are pleased to provide you with the annual updates of the AIA Participating Fund (Par Fund). This commentary provides clear and concise insights into the performance of the Par Fund that matter most to you as a policy owner.

In 2026, AIA Singapore (AIA) is projected to pay out S\$622 million in bonuses and dividends. We are pleased to announce an increase in the bonus and dividend rates for some policies, while maintaining last year's rates for the majority of policies.

The bonuses and dividends for the accounting year ending 31 December 2025, as recommended by the Appointed Actuary and approved by AIA Singapore's Board of Directors, will be allocated and credited to your policy(ies) on the policy anniversary on or after 1 July 2026. Terminal bonus and dividend rates, where applicable, will take effect from 1 July 2026.

AIA Singapore remains committed to managing our policy owners' investments prudently over the long term. We continue to focus on ensuring the security and solvency of the Par Fund and seek to maximise investment returns to provide stable benefits to our policy owners.

NON-INVESTMENT PERFORMANCE

Insurance claims and operating expenses were in line with our expectations in 2025. Short-term fluctuations of these non-investment factors, such as insurance and operating expenses are not expected to affect future bonuses significantly.

BENEFITS PAID TO POLICY OWNERS	S\$ Million
Survival Proceeds*	921
Death, Total Permanent Disability and Critical Illness Claims	106
Surrender Claims	585
Total Amount of Benefits Paid In 2025	1,612

*Survival Proceeds include Maturity benefit, coupons, cash bonuses and annuity benefits.

TOTAL EXPENSE RATIO

YEAR	2023	2024	2025
Total Expense Ratio	1.3%	1.2%	1.1%

Note: Total Expense Ratio is the proportion of total expenses incurred by the Par Fund to the assets of the Par Fund. Total expenses include investment, management, distribution, tax and other expenses. Historical expense ratios may not be indicative of future expense ratios.

INVESTMENT PERFORMANCE

Global equity markets rallied strongly in 2025. Despite a sharp sell-off following Liberation Day, markets staged a swift recovery and ended the year firmly in positive territory. Major equity markets across the US, Europe, and Asia delivered double-digit returns.

European equities led the rally, supported by renewed investor confidence driven by fiscal stimulus initiatives and accommodative monetary easing. Asian equities also posted solid gains, with Taiwan and South Korea outperforming on the back of robust fundamentals in the semiconductor and memory chip sectors. Domestically, Singapore equities recorded a strong year, underpinned by resilient economic growth and optimism surrounding the Equity Market Development Programme (EQDP).

Fixed income markets likewise delivered positive returns in 2025. The US 10-year Treasury yield trended lower over the year, while US investment grade corporate credit spreads remained broadly stable. In Singapore, government bonds performed particularly well as yields declined significantly amid limited supply. The lower local interest-rate environment supported demand for the domestic corporate bond market, further contributing to positive returns.

KEY STATISTICS OF THE PAR FUND FOR 2025

Bonuses/Dividends Declared:

S\$622 million

Investment Returns:

S\$ Overall 10.9%

US\$ Overall 9.2%

A\$ Overall 5.7%

Total Assets (31 December 2025):

S\$33,312 million

Total Expense Ratio: **1.1%**

Total Benefits Paid:

S\$1,612 million



ASSET ALLOCATION

As of 31 December 2025, the market value of total Par Fund assets was S\$33,312 million, supporting Singapore Dollar (S\$), US Dollar (US\$) and Australian Dollar (A\$) plans. The asset strategy varies by the currency of the plans.

Asset Mix Of The Par Fund By Currency

Asset Mix	S\$ Plans	US\$ Plans	A\$ Plans
Fixed Income	59%	73%	99%
Equities	36%	26%	0%
Properties	2%	0%	0%
Loans & Others	3%	1%	1%

HISTORICAL INVESTMENT RETURNS BY PRODUCT GROUPS

Year	S\$ Product Group Overall	US\$ Product Group Overall	A\$ Product Group
2023	5.9%	5.6%	9.3%
2024	7.0%	1.2%	7.4%
2025	10.9%	9.2%	5.7%

S\$ Product Group	1	2	3	4	5	6	7	8	9	10	11	12	13	14
2023	5.8%	5.7%	5.8%	6.0%	6.5%	5.8%	5.8%	6.4%	6.5%	6.8%	7.3%	N/A	N/A	5.8%
2024	7.1%	7.3%	6.7%	6.5%	6.5%	7.6%	7.4%	7.1%	7.1%	7.6%	6.9%	7.3%	7.3%	6.7%
2025	10.8%	11.0%	10.6%	10.2%	11.5%	11.5%	11.3%	11.0%	11.0%	9.6%	7.6%	10.0%	10.0%	10.5%

US\$ Product Group	1	2	3	4	5	6	7	8	9
2023	5.1%	5.1%	5.9%	6.0%	5.8%	6.2%	5.3%	6.4%	5.6%
2024	0.1%	0.9%	2.0%	2.2%	1.1%	3.3%	0.9%	1.2%	-1.5%
2025	8.0%	8.6%	10.3%	10.4%	9.6%	11.3%	8.4%	8.6%	7.1%

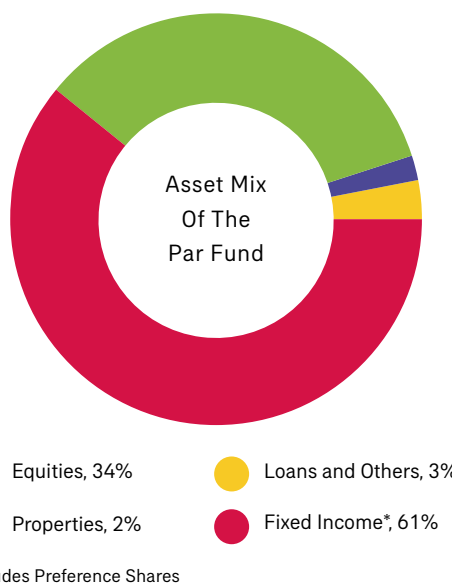
Note: The investment returns shown are after deducting investment expenses incurred in managing the Par Fund. Past performance is not necessarily indicative of future performance.

Singapore Dollar Participating Plans By Product Groups:

Group 1 <ul style="list-style-type: none"> AIA Gen3 series AIA Growth Special AIA Guaranteed 10 / 15 for Life series AIA Guaranteed Protect 15 / 20 series AIA Guaranteed Protect Plus series AIA Life Plus series AIA Platinum Gift for Life (II) Limited Pay AIA Platinum Heritage (II) Limited Pay AIA Prime Secure Accumulator AIA Retirement Saver SS (RP) AIA Smart Flexi Rewards (16-25 years term) AIA Smart Growth series AIA Smart Lifetime Rewards AIA Smart Pro Rewards SS / Saver SS AIA Smart Rewards Saver 21 / 25 series AIA Smart Wealth Builder Series SS (RP) AIA Wealth Pro Advantage Growth Direct – AIA Whole Life Cover Series 	Group 5 <ul style="list-style-type: none"> AIA Endowment Select
Group 2 <ul style="list-style-type: none"> AIA Prime Life offered in 1991-1999 AIA EAS 2-year and 3-year limited pay savings at age 60 offered in 1997-1999 	Group 6 <ul style="list-style-type: none"> AIA Retirement Saver SP
Group 3 <ul style="list-style-type: none"> All other SS Whole Life plans AIA Smart Flexi Growth 	Group 7 <ul style="list-style-type: none"> AIA Platinum Gift for Life SS (SP) AIA Platinum Gift for Life (II) SS (SP) AIA Retirement Saver (II)/(III)/(IV) SS (SP) AIA Smart Wealth Builder SS (SP)
Group 4 <ul style="list-style-type: none"> All other SS Endowment plans AIA Dollars for Life AIA Participating Annuity plans (12 Yr Gtd Ben) 	Group 8 <ul style="list-style-type: none"> SS Platinum Heritage (II) / Heritage Premier
	Group 9 <ul style="list-style-type: none"> SS Platinum Heritage Treasure
	Group 10 <ul style="list-style-type: none"> AIA Platinum Gift for Life Plus SS (SP) AIA Life Dividend SS
	Group 11 <ul style="list-style-type: none"> AIA Smart Goal 10
	Group 12 <ul style="list-style-type: none"> AIA Platinum Gift for Life Plus (II) SS (SP)
	Group 13 <ul style="list-style-type: none"> AIA Platinum Gift for Life Plus (II) SS Limited Pay
	Group 14 <ul style="list-style-type: none"> AIA Smart Flexi Rewards (10-15 years term) AIA Smart Flexi Rewards (II)

US Dollar Participating Plans By Product Groups:

Group 1 <ul style="list-style-type: none"> All other US\$ plans inception prior to 1 November 2013
Group 2 <ul style="list-style-type: none"> US\$ Smart Pro Saver All other US\$ plans inception post 1 November 2013
Group 3 <ul style="list-style-type: none"> US\$ Platinum Heritage / Heritage (II) / Heritage Premier
Group 4 <ul style="list-style-type: none"> US\$ Platinum Heritage Treasure / Heritage Wealth
Group 5 <ul style="list-style-type: none"> US\$ Platinum Heritage Wealth (II) (SP)
Group 6 <ul style="list-style-type: none"> US\$ Platinum Wealth Heritage
Group 7 <ul style="list-style-type: none"> US\$ AIA Platinum Gift for Life Plus
Group 8 <ul style="list-style-type: none"> US\$ AIA Platinum Heritage Wealth (II) Limited Pay
Group 9 <ul style="list-style-type: none"> US\$ AIA Platinum Infinite Wealth



FUTURE OUTLOOK

Global markets entered the first two months of 2026 on a strong footing, as investors positioned for fiscal expansion across major economies. The US economy is expected to benefit from fiscal stimulus under the One Big Beautiful Bill (OBBA), while Europe directs capital towards sectors which are of policy focus and strategic importance. In parallel, US corporates are projected to deliver positive earnings growth in 2026, providing continued support for risk assets.

Global markets are showing signs of transitioning from a one-sided bullish regime to a more mixed and volatile environment, shaped by two potentially opposing forces. On the positive side, capital expenditure driven by Artificial Intelligence (AI) could deliver sustained productivity gains and support long-term growth. Conversely, escalating geopolitical risks, including the Iran conflict, could drive higher commodity prices and weigh on global growth.

In this environment, careful and balanced risk-taking remains essential. While geopolitical events may trigger short-term market volatility, we are well-positioned as long-term investors to capitalise on investment opportunities that arise. In navigating the evolving investment landscape, AIA continues to maintain a disciplined investment approach centred on active management, diversification, and robust risk management.

STABILITY FOR OUR POLICY OWNERS

Bonuses or dividends allocated for a policy will depend on the performance of the plan it belongs to, based on past and projected future investment returns and experiences such as claims, surrenders and expenses of the plan. Any changes to the bonus or dividend rates for a plan will apply to all policies of that plan.

At AIA Singapore, our goal is to provide stable returns on your participating policy, helping you achieve your financial goals. We use a smoothing concept to minimise the impact of market movements by spreading profits and losses over time. In years when Par Fund's performance is good, we may save some of the earnings to help maintain bonuses in years with lower returns. Future investment outlook is a key factor impacting the future bonuses and dividends. If low returns persist, we may need to reduce future bonuses and dividends. We aim to keep the long-term cost of smoothing broadly neutral across generations of policy owners.

FINDING OUT MORE ABOUT YOUR PARTICIPATING POLICY

The Participating Policy Annual Statement (PPAS), which reflects the bonus and dividend rates for the current year as well as those for the past three years for your policy, will be sent to you within two months of your next policy anniversary. For your convenience, you can also access a digital copy of the PPAS or Post Sales Policy Illustration (PSPI), offering insights on the current projected benefits for your policy via AIA+¹.

If you require further assistance, please contact your AIA Consultant / Insurance Representative or call our Customer Care hotline at 1800-248-8000 or +65 6248-8000 (if you are calling from overseas) from Monday to Friday (excluding Public Holidays), between 8:45 a.m. to 5:30 p.m. We will be happy to assist you.

For a list of "Frequently Asked Questions" on participating bonuses and dividends, you can also visit our website at www.aia.com.sg/parfundupdate.

¹ Please log in to AIA+ at <https://aiaplus.aia.com.sg> or download the AIA+ app, your dedicated app and portal for all your financial, health and wellness needs, from the mobile app store.

Note:

This commentary is intended for your general information only. Its purpose is to update you on the Par Fund performance over the previous accounting period, and on the bonuses and dividends allocated for the year. It also sets out views of the future outlook of the Par Fund based on our latest actuarial investigation of policy liabilities carried out under section 95(1) of the Insurance Act 1966 and updates you on any changes in future non-guaranteed bonuses and dividends. It does not address any participating policy specifically, or particular needs of any persons. Any opinions, predictions, forecasts or forward-looking statements made are not necessarily indicative of future or likely performance. All figures quoted are rounded off in millions. The above information is accurate as of 31 December 2025.

Policy Owners' Protection Scheme: The policies mentioned in this commentary are protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact your insurer or visit the GIA/LIA or SDIC websites (www.gia.org.sg or www.lia.org.sg or www.sdic.org.sg).