PRODUCT KEY FACTS

AIA 2-in-1 Protection Linked Plan (Regular Premium)

October 2024

AIA International Limited
(Incorporated in Bermuda with limited liability)

This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.

There is a "Glossary" section at the end of this Product Key Facts Statement.
For those words which are capitalised and unless defined otherwise,
please refer to the "Glossary" section for explanations.

Quick facts

Name of insurance company:	AIA International Limited	**Policy currency:**	USD / HKD / RMB
Single or regular premium:	Regular premium (with optional lump sum premium)	**Life insurance protection level:**	☑ High protection ☐ Low protection
Policy term:	Whole life	**Governing law of policy:**	The laws of Hong Kong Special Administrative Region
Premium payment term:	10 years		
Period with surrender charge:	First 9 Policy Years		

Things to know before you invest ⚠

- **AIA 2-in-1 Protection Linked Plan (Regular Premium) (the "Plan" or the "ILAS policy") is a long-term investment-cum-life insurance product. Your principal will be at risk and subject to the credit risks of AIA International Limited (Incorporated in Bermuda with limited liability) ("AIA" or "the Company" or "we" or "us" or "our").**
- **This ILAS policy is subject to a surrender charge of up to 30% of the Basic Account value for the first 9 Policy Years and an upfront charge of 6% for each top up lump sum premium paid (if applicable). It is only suitable for investors who are prepared to hold the investment for a long-term period.**
- **If you are not prepared to hold your policy for at least 10 years, this policy is not suitable for you and it may be cheaper to purchase an insurance policy and make separate fund investments. You should seek independent professional advice.**

What is this product and how does it work?

1. Product nature

Life insurance policy that provides:
- investment in Investment Options; and
- life insurance protection.

2. Premiums

The premiums you pay, after deduction of any upfront charge (if applicable), will be used by AIA to allocate notional units of Investment Options you select and will go towards accretion of the value of your ILAS policy. Regular premium paid will be allocated to the Basic Account and if you pay lump sum premium, which is optional, this will be allocated to the Lump Sum Premium Account.

3. Investment

The range of Investment Options (and corresponding underlying funds) available for selection under your ILAS policy are listed in the investment options brochure. They include funds authorised by the Securities and Futures Commission of Hong Kong ("SFC") pursuant to the Code on Unit Trusts and Mutual Funds.

You may switch between Investment Options over time to suit your investment plan and risk profile. The features and risk profiles of the underlying funds can be found in their offering documents which are available from AIA upon request.

4. Investment returns

The value of your ILAS policy is calculated by AIA based on the performance of your selected Investment Options (linked to the corresponding underlying funds). Your return under this ILAS policy is subject to various fees and charges levied by AIA (see item 6 below) and will be lower than the return of the corresponding underlying funds.

5. Insurance protection

For Basic Account:

Period	Level of death benefits
(a) If the insured passes away on or before the Policy Anniversary on or immediately following the insured's sixty-fifth birthday, the death benefit will be:	The higher of: (i) Total Premium Payable multiplied by the Prescribed Percentage and less the sum of all the partial withdrawals made (if any); and (ii) 105% of the Basic Account value.
(b) If the insured passes away after the Policy Anniversary on or immediately following the insured's sixty-fifth birthday, the death benefit will be:	The higher of: (i) The total regular premiums paid less the sum of all the partial withdrawals made (if any); and (ii) 105% of the Basic Account value.

In relation to the death benefit of the Basic Account, this ILAS policy provides several options of Prescribed Percentage for selection upon policy inception, the Sum Assured can be ranged from 150% to 450% of the Total Premium Payable. However, the death benefit of the Basic Account may significantly drop to the minimum death benefit, which is the greater of (i) 100% of the total regular premiums paid and (ii) 105% of the Basic Account value, if the insured passes away after the Policy Anniversary on or immediately following the insured's 65th birthday. Hence, the death benefit payable may be insufficient for your needs.

The Cost of Insurance ("COI") used to cover the insurance protection will be deducted from your ILAS policy. This charge may increase significantly when the insured gets older or your investments make a loss, etc. **Please refer to the section "Policy charges payable to AIA" of this statement or the section "B) Summary of fees and charges" of the product brochure for more information.**

For Lump Sum Premium Account:

The death benefit is 105% of the Lump Sum Premium Account value while the Basic Policy is in force.

What is this product and how does it work? (Cont.)

6. Fees and charges

There are various fees and charges under this ILAS policy. Please see below for details:

Policy charges	• Upfront charge A (i.e. Premium charge is applicable to each lump sum premium paid only) • Account value charge B (applicable to Basic Account only) • COI C • Surrender charge D	Platform fee
Underlying fund charges E	E.g. management fee and performance fee	

Separately, the managers of the underlying funds may pay up to 80% of their annual management fees as a rebate to AIA subject to various terms and conditions.

7. Bonuses / Refund of COI F

Under the Basic Account, you may be entitled to, subject to certain conditions, below bonuses and refund of COI:

(i) persistency bonus at the 61st and every Monthiversary thereafter until the Basic Policy is terminated;

(ii) loyalty bonus at the 10th Policy Anniversary while your Basic Policy is in force;

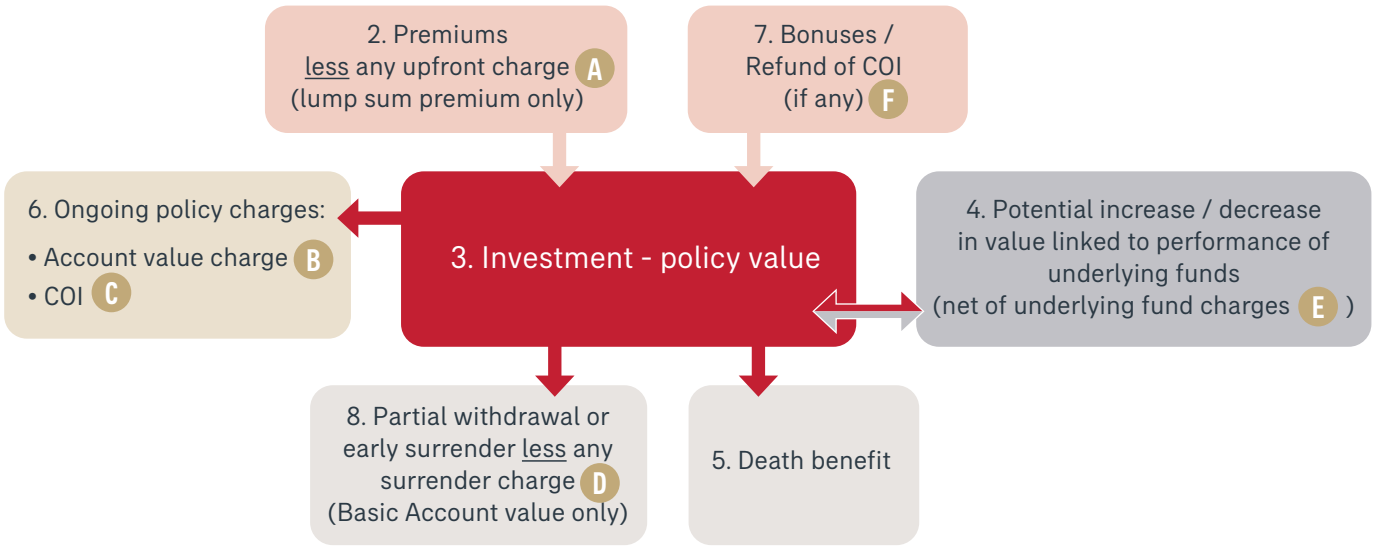
(iii) special bonus at the 15th Policy Anniversary and the 20th Policy Anniversary while your Basic Policy is in force; and

(iv) refund up to 50% of the COI charged in the first 20 Policy Years at the 20th Policy Anniversary.

The bonuses and refund of COI aforementioned are not applicable to the Lump Sum Premium Account.

8. Partial withdrawal and early surrender

You may request to make partial withdrawal or surrender your Basic Policy early subject to conditions and any applicable surrender charge. You should note that due to partial withdrawal(s) made from the Account Value, the death benefit payable will be reduced. Moreover, due to partial withdrawal(s) made from the Basic Account, the amount of the persistency bonus, loyalty bonus, special bonus and refund of COI (if applicable) will be reduced. Any partial withdrawal(s) made may also affect the sustainability of the Basic Policy due to the reduction of your Account Value. If you choose to fully surrender your Basic Policy early, you may not get back the full amount of premium you pay. Your personalised illustration will provide an indication of the surrender values over time.



The numbers in this graph follow the items numbered in the table right above.

What are the key risks?

Investment involves risks. Please refer to the principal brochure of the Plan for details including the risk factors.

- **Credit and insolvency risks** – This product is an insurance policy issued by AIA. Your investments and insurance protection are subject to the credit risks of AIA.
- **No ownership over assets** – All the premiums you pay towards your ILAS policy, and any investments made by AIA in the underlying funds, will become and remain the assets of AIA. You do not have any rights or ownership over any of those assets. Your recourse is against AIA only.
- **Limited life protection after age 65 of the insured** – This ILAS policy will no longer provide high life protection when the age of insured exceeds 65 and the amount of death benefit payable may be significantly reduced. Please note that high life protection is only available for death benefit attributable to Basic Account but not the Lump Sum Premium Account.
- **Insurance benefits are at risk**– As part of your death benefit is linked to the performance of the Investment Options you selected from time to time, your death benefit is subject to investment risks and market fluctuations.
- **Market risks** – Return of this ILAS policy is contingent upon the performance of the underlying funds corresponding to the Investment Options you selected and therefore there is a risk of capital loss.
- **Some Investment Options have higher risk** – The Investment Options available under this product can have very different features and risk profiles. Some may be of high risk. For example, Investment Options linked to funds that pay dividend out of capital may result in an immediate reduction of the underlying funds' net asset value per unit and hence reduce the value of your ILAS policy.
- **Early termination risks** – Reduction or suspension of premium contribution, or partial withdrawal from the Basic Policy, may significantly reduce the value of the ILAS policy while all fees and charges are still deductible. Poor performance of the underlying funds may further magnify your investment losses. If the value of your ILAS policy becomes insufficient to cover all the ongoing fees and charges, your ILAS policy may be terminated early and you could lose all your premiums paid and benefits. In the first 3 Policy Years, the ILAS policy will lapse in the event of non-payment of the regular premium at the expiry of the Grace Period, your ILAS policy will be terminated early and you could lose all your premiums paid and benefits.
- **Foreign exchange risks** – The investment returns of your ILAS policy may be subject to foreign exchange risks as some of the underlying funds may be denominated in a currency which is different from that of your ILAS policy.
- **RMB risks** – RMB is currently not freely convertible and is subject to exchange controls, policies and restrictions imposed by the Mainland China authorities. Such policies may limit the depth of RMB market available outside of Mainland China, and thereby may reduce the liquidity of the Basic Policy. Under exceptional circumstances, any payments (including dividend payments) we made in RMB can be delayed due to the exchange controls and restrictions applicable to RMB. RMB's exchange rate against other currencies, including USD or HKD, is therefore susceptible to movements based on external factors.

Is there any guarantee?

This ILAS policy does not have any guarantees. You may not get back the full amount of premium you pay.

What are the fees and charges?

Total policy charges illustration

Estimated policy charges for a non-smoking 40 year-old male over the respective holding periods (% of premiums) (Note 1)			
Years	**10 years**	**15 years**	**20 years**
Account value charge (net of bonuses and refund of COI) (B – F) COI (C)	10.1% equivalent to 1.8% of policy value per year 2.9%	14.6% equivalent to 1.3% of policy value per year 4.8%	19.1% equivalent to 1.1% of policy value per year 7.4%
Total	13.0%	19.4%	26.5%

The actual percentage(s) may change depending on individual circumstances of each case, and will be significantly higher if the premium amount is lower, the Sum Assured is higher and / or your selected underlying investments are making losses.

Policy charges payable to AIA

For Basic Account:

Applicable charge	Applicable rate	When and how the charges are deducted
Account value charge (B)	The account value charge is calculated on each Monthiversary as follows: **Applicable account value charge rate / 12 x Basic Account value** Please note that the account value charge is only appliable to the Basic Account.	Deduct from the Basic Account value at each Monthiversary while the Basic Policy is in effect by cancelling units of Investment Options held in the Basic Account in proportion to their respective values.
Cost of insurance protection		
COI (C)	COI will be charged monthly starting from the first Policy Year up to the Policy Anniversary on or immediately following the insured's sixty-fifth birthday, while the Basic Policy is in effect. The COI is calculated as follows: **COI = sum at risk x COI rate**	Deduct from the Basic Account value on each Monthiversary while the Basic Policy is in effect by cancelling units of Investment Options held in the Basic Account in proportion to their respective values.

Policy Year	Account value charge rate (per annum)
1 - 5	2.8%
6 - 10	1.8%
From 11	1.5%

What are the fees and charges? (Cont.)

Applicable charge	Applicable rate	When and how the charges are deducted
COI (Cont.) C	whereas: i) Sum at risk is the death benefit of Basic Account minus the Basic Account value, subject to a minimum of zero. ii) COI rates are based on the following factors of the insured: 1) the age attained at the most recent Policy Anniversary ("Attained Age") and / or the age when the Basic Policy is issued; 2) gender; and 3) class of risk (including, but not limited to, health status, smoking status, nationality and residence). The COI rates may increase significantly during the term of the Basic Policy due to the insured's Attained Age and may significantly reduce the Account Value. COI will be waived after the Policy Anniversary on or immediately following the insured's sixty-fifth birthday. The table below set out some indicative standard COI rates for the Basic Policy. These standard COI rates are for illustrative purposes only.	When the Basic Account value is insufficient to pay for the COI, the outstanding COI will be deducted from the Lump Sum Premium Account (if any).

COI rates (Annual rate per 1,000 sum at risk)
Base currency: USD, HKD and RMB

Attained Age	Male Non-smoker	Male Smoker	Female Non-smoker	Female Smoker
0 5 10 15	1.45	1.45	1.45	1.45
20 25	0.93	1.25	0.92	1.20
30	0.95	1.30	0.92	1.23
35	1.08	1.66	0.99	1.43
40	1.42	2.50	1.18	1.92
45	2.14	4.00	1.58	2.82
50	3.32	6.43	2.41	4.73
55	5.18	9.67	3.45	6.54
60	8.60	15.17	5.56	10.29
65	15.38	29.57	10.09	18.81
Over 65	0	0	0	0

Please ask your intermediaries and / or refer to the customised illustration documents for the COI rates applicable to you.

What are the fees and charges? (Cont.)

Applicable charge	Applicable rate	When and how the charges are deducted
Charge on early surrender or partial withdrawal or non-payment of regular premium		
Surrender charge D	Surrender charge is applicable in the event of: i) partial withdrawal made from the Basic Account during the first 9 Policy Years; ii) lapse of the Basic Policy due to failure to pay the regular premium at the expiry of Grace Period during the first 3 Policy Years; or iii) surrender of the Basic Policy during the first 9 Policy Years. The applicable surrender charge rates for the respective Policy Years are set out as follows:	Deduct from the value of units of Investment Options cancelled in accordance with the partial withdrawal, non-payment of the regular premium or surrender. You will only receive the net amount after deducting the applicable surrender charge.

Policy Year	Surrender Charge Rate
1	30%
2	20%
3	13%
4	12%
5	11%
6	10%
7	8%
8	6%
9	5%
10 and thereafter	Not applicable

(a) For partial withdrawal:

In the event of partial withdrawal made from the Basic Account during the first 9 Policy Years, the surrender charge is applicable and is calculated according to the relevant surrender charge rate (as set out in the table above) multiplied by the partial withdrawal amount.

(b) For non-payment of the regular premium:

In the event of lapse of Basic Policy due to failure to pay the regular premium at the expiry of the Grace Period during the first 3 Policy Years, the surrender charge is applicable and is calculated according to the relevant surrender charge rate (as set out in the table above) multiplied by the Basic Account value.

What are the fees and charges? (Cont.)

Applicable charge	Applicable rate	When and how the charges are deducted
Surrender charge (Cont.) D	(c) For surrender: In the event of surrender of the Basic Policy during the first 9 Policy Years, the surrender charge is applicable and is calculated according to the relevant surrender charge rate (as set out in the table above) multiplied by the Basic Account value. Please refer to the sections **"Partial withdrawal", "Surrender" and "C) Illustrative examples on fees and charges" of the product brochure** for more information.	

For Lump Sum Premium Account (if applicable):

Applicable charge	Applicable rate	When and how the charges are deducted
Upfront charge (i.e. Premium charge) A	6% of each lump sum premium received by us deducted upfront before investment.	Deduct from each lump sum premium received by us.

Apart from the upfront charge, no other ongoing fees and charges (including COI) are applicable to the Lump Sum Premium Account.

AIA may vary the charges with no less than 1-month prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

Underlying funds charges E

Underlying funds corresponding to the Investment Options have separate fees and charges on top of the policy charges set out above. Such charges will be deducted and reflected in the unit price of the underlying funds.

Intermediaries' remuneration

- Although you may pay nothing directly to the intermediary who sells / distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay and is therefore not independent. Your intermediary should disclose to you in writing at the point-of-sale information about intermediary remuneration.

- The amount of remuneration actually receivable by your intermediary may vary from year to year and may be higher in the early Policy Years. You should ask your intermediary before taking up your ILAS policy to know more about the remuneration that your intermediary will receive in respect of your ILAS policy. If you ask, your intermediary should disclose the requested information to you.

What if you change your mind?

Cooling-off period

- Cooling-off period is a period during which life insurance policyholders may cancel their policies within the earlier of 21 calendar days immediately following either the day of delivery of the Basic Policy or a notice to you or your representative. Such notice should inform you or your representative of the availability of the Basic Policy and expiry date of the cooling-off period.

- Upon cancellation of your Basic Policy, we will then refund to you any premium(s) and levy paid to us less (1) partial withdrawal amount paid to you (if any); (2) the amount of cash dividend paid to you (if any); and (3) market value adjustments which are adjustments based on the loss we may suffer in cancelling the units of an Investment Option based on the bid price prevailing at the dealing day following the business day we received your cancellation request with the required documents(s) to our satisfaction.

- You have to inform AIA by giving a written notice. Such notice must be signed by you and received directly by AIA at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong.

- You may get back the amount you paid, or less if the value of the Investment Options chosen has gone down.

Additional information

- You should read the principal brochure of **AIA 2-in-1 Protection Linked Plan (Regular Premium)** and the offering documents of the underlying funds, which are available from AIA upon request, for details of the product features, risks and charges.

Insurance company's information

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Important

AIA is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including **AIA 2-in-1 Protection Linked Plan (Regular Premium)** referred to in this statement.

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

Note

1. The estimated total policy charges figures for the Basic Account are calculated based on the following assumptions:
   (a) the insured is a non-smoking 40 year-old male with a Sum Assured of HKD2,000,000;
   (b) the payment of annual regular premium of HKD100,000 is made throughout the premium payment term of 10 years and no lump sum premium is paid;
   (c) you hold your ILAS policy for 10, 15 and 20 years respectively;
   (d) there is no early withdrawal / termination of your ILAS policy; and
   (e) an assumed rate of return of 3% per annum.

The platform fee per year means the equivalent annual fee (as a percentage of Basic Account value) in respect of the total platform fee (net of all non-discretionary bonuses / refund of COI) levied under this ILAS policy.

Glossary

The following terms have the meanings set out below:

Term	Meaning
Account Value	The total value of all Investment Options under the Basic Account and Lump Sum Premium Account (if any). The value of each Investment Option equals the number of units of the Investment Option multiplied by the bid price of the Investment Option on the relevant valuation day. You may login to AIA+ mobile app / web version, contact your financial planner or call the AIA Customer Hotline for information of the Account Value.
Basic Account	The account holding all notional units of the Investment Options attributable to the regular premiums, including any relevant bonus(es), refund of COI and any dividend(s) amount paid in the form of units.
Basic Policy	The contract of **AIA 2-in-1 Protection Linked Plan (Regular Premium)**, including the schedule of fees and charges, as may be amended by endorsement from time to time.
Cost of Insurance or COI	The sum at risk multiplied by the relevant Cost of Insurance rate, which is based on the insured's attained age, gender, class of risk.
Grace Period	A period of 45 calendar days from the premium due date will be allowed for payment of each subsequent regular premium, the Basic Policy will remain in force during this period.
Investment Options	A range of investment choices available for your selection under the Plan issued by AIA and are set out in the investment options brochure. Each Investment Option will link with one underlying fund as specified in the investment options brochure.
Lump Sum Premium Account	The account holding all notional units of the Investment Options attributable to the lump sum premium(s) (after deducting any applicable premium charge), including any dividend(s) amount paid in the form of units.
Monthiversary	The same day of each subsequent month as the policy date. If there is no corresponding date in the month such as 29th, 30th or 31st, then the Monthiversary will be the last date of such month.
Policy Anniversary	The same date in each subsequent year as the policy date. If the policy date is 29 February in a leap year, then the Policy Anniversary will be 28 February in any subsequent non-leap year.

Glossary (Cont.)

Term	Meaning
Policy Year	Each twelve-month period starting from the policy date.
Prescribed Percentage	A percentage of 150%, 200%, 250%, 300%, 350%, 400% or 450% to be selected by you and approved by us, which is used for calculation of the death benefit.
Sum Assured	The amount selected by you and approved by the Company as shown on the Policy Information Page as the "Sum Assured" (any subsequent reduction in the Sum Assured by reducing the Prescribed Percentage and / or reducing Regular Premium upon your request will be amended by an endorsement). The Sum Assured is equal to the Total Premium Payable multiplied by the Prescribed Percentage.
Total Premium Payable	The total amount of all scheduled regular premiums due (excluding any lump sum premiums) for the Basic Policy within the premium payment period. If the regular premium of the Basic Policy has been reduced, the Total Premium Payable will be reduced accordingly and may result in reduction of the death benefit payable. Premium holiday and change of premium payment mode will not affect the Total Premium Payable and Sum Assured.

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