SAVINGS & RETIREMENT INCOME

BONUS POWER VANTAGE (BPV)

Live the bright future you deserve

AIA International Limited
(Incorporated in Bermuda with limited liability)

HEALTHIER, LONGER, BETTER LIVES

Financial planning is crucial

In order to bring your dreams to life, you need proper planning.

Bonus Power Vantage can help you achieve your financial goals by accumulating wealth over time with potentially high returns. When the time is right, you can access your cash flexibly to build your child's education fund, reach your retirement goals or plan your legacy for your loved ones. Offering one-time, 5-year or 10-year premium payment terms to suit your needs, Bonus Power Vantage brings your golden future closer than ever.

Plan Highlights

Potentially high returns
to help you realise your dreams

Bonus Lock-in Option
to realise potential returns

Change of Insured Option
for legacy planning

Contingent insured arrangement
protects your legacy amid uncertainty

Educational Merit Benefit
to motivate academic excellence

Unemployment Benefit
for extra flexibility during tough times

How does it work?

Bonus Power Vantage is a **participating insurance plan**. We will distribute the profit generated from this product group by declaring non-guaranteed bonus(es) to your policy at least once per year starting from the end of the 3rd policy year.

We will declare **Reversionary Bonus** under policies with a 5-year or 10-year premium payment term, which is a non-guaranteed bonus, the face value of which forms a permanent addition to your policy once it is declared. The cash value of Reversionary Bonus may be cashed out or left to accumulate in your policy throughout its duration.

We will also declare a **Terminal Bonus** under all policies, which is a non-cumulative, non-guaranteed bonus, the amount of which is valid until the next declaration. The amount in each declaration may be greater or less than the previous amount based on a number of factors, including but not limited to investment returns and general market volatility.

If the worst should happen and the insured, who is the person protected under the policy, passes away, according to the death benefit calculation, we will pay the face values of any Reversionary Bonus accumulated (if applicable) and Terminal Bonus to the person whom you select in your policy as the beneficiary. Otherwise, upon the surrender or termination of your policy, we will pay any cash values that may have accumulated on any Reversionary Bonus (if applicable), and the cash value of Terminal Bonus under the policy. These cash values are not guaranteed.

The plan also offers the opportunity for potential long-term capital growth in the form of policy values. To suit your needs and your budget, you can choose different premium payment terms, which also offer different policy returns and death benefits.

5-year or 10-year premium payment term for greater financial flexibility

We will declare non-guaranteed Reversionary Bonus and a non-guaranteed Terminal Bonus. Your policy values comprise the following:

i. guaranteed cash value; plus

ii. non-guaranteed cash value of the Reversionary Bonus; plus

iii. non-guaranteed cash value of the Terminal Bonus; plus

iv. any remaining balance of the Bonus Lock-in Account (if applicable).

To give you additional financial flexibility in times of need, you can borrow up to 90% of the total guaranteed cash value of the policy plus the non-guaranteed cash value of any Reversionary Bonus. Interest on a policy loan will be charged at a rate solely determined by us.

If the insured passes away and no contingent insured has become the new insured, we will pay the death benefit to the beneficiary. The death benefit will include the higher of:

i. 105% of the total premiums paid for the basic plan; and

ii. the sum of:

- the guaranteed cash value of the policy;
- the face value of any Reversionary Bonus in the policy; and
- the face value of any Terminal Bonus in the policy;

plus any remaining balance of the Bonus Lock-in Account (if applicable).

We will deduct all outstanding debt under the policy before we make the payment to the beneficiary.

One-time premium payment term for peace of mind

We will declare a non-guaranteed Terminal Bonus. Your policy values comprise the following:

i. guaranteed cash value; plus

ii. non-guaranteed cash value of the Terminal Bonus; plus

iii. any remaining balance of the Bonus Lock-in Account (if applicable).

To give you additional financial flexibility in times of need, you can borrow up to the guaranteed cash value of the policy. Interest on a policy loan will be charged at a rate solely determined by us.

If the insured passes away and no contingent insured has become the new insured, we will pay the death benefit to the beneficiary. The death benefit will include the higher of:

i. 105% of the one-time premium paid for the basic plan; and

ii. the sum of:

- the guaranteed cash value of the policy; and
- the face value of any Terminal Bonus in the policy;

plus any remaining balance of the Bonus Lock-in Account (if applicable).

We will deduct all outstanding debt under the policy before we make the payment to the beneficiary.

All premium payment terms also offer extra protection in the face of life's challenges. If the insured passes away due to a covered accident within the first 12 months of the policy, the **Bonus Power Vantage** also pays a benefit equal to the total premiums paid or one-time premium paid (as applicable) for your basic plan, in addition to the above death benefit. The maximum aggregate amount of this benefit payable with respect to the same insured under all **Bonus Power Vantage** policies is US$100,000 and the benefit payable under each policy will be prorated according to its total premiums paid or one-time premium paid (as applicable).

Realise potential returns with Bonus Lock-in Option

Bonus Power Vantage helps you realise potential returns with the Bonus Lock-in Option. You can transfer the Reversionary Bonus (if applicable) and Terminal Bonus into a Bonus Lock-in Account to earn interest. You can also withdraw cash from the Bonus Lock-in Account anytime to meet your needs throughout various life stages without reducing the principal amount of your policy.

Within 30 days after the end of each policy year, starting from the end of the 15th policy year, you may apply to exercise the Bonus Lock-in Option once per policy year, which lets you transfer an identical percentage of the latest cash value of the Reversionary Bonus (if applicable) and the latest cash value of the Terminal Bonus into your Bonus Lock-in Account while your policy is in force. Exercising the Bonus Lock-in Option will not reduce the principal amount of the policy, which is used to calculate the premium and relevant policy values and will not be payable as the death benefit.

Once your application for exercising the Bonus Lock-in Option is approved, we will calculate the Lock-in Amount based on the latest cash value of the Reversionary Bonus (if applicable) and the latest cash value of the Terminal Bonus. All outstanding debt under your policy will be deducted from the Lock-in Amount (up to a maximum deduction amount equal to the Lock-in Amount) before it is transferred into your Bonus Lock-in Account. Once the Lock-in Amount is transferred into your Bonus Lock-in Account, the Reversionary Bonus (if applicable) and Terminal Bonus as at the relevant policy year and the Reversionary Bonus (if applicable) and Terminal Bonus to be declared for all subsequent policy years will be reduced accordingly. The transfer of Lock-in Amount cannot be reversed once the Bonus Lock-in Option is exercised. Each subsequent declaration of the Reversionary Bonus (if applicable) and Terminal Bonus will not affect the value of Bonus Lock-in Account.

Any remaining balance in your Bonus Lock-in Account may accumulate at a non-guaranteed accumulation interest rate that may be declared by us from time to time. Subject to our rules and regulations prevailing at the time, you may withdraw cash from your Bonus Lock-in Account anytime.

You can decide on what percentage of the Reversionary Bonus (if applicable) and Terminal Bonus to transfer, subject to the following:

- During any given policy year, the percentages of the Reversionary Bonus (if applicable) and Terminal Bonus transferred into your Bonus Lock-in Account must be identical to each other.
- The percentages to be transferred cannot be less than 10% or more than 70%. We reserve the right to change this Minimum Percentage and Maximum Percentage from time to time, subject to our prevailing rules and regulations.
- The Lock-in Amount to be transferred cannot be less than a minimum amount (currently US$100), which may be determined by us from time to time, subject to our prevailing rules and regulations.

Flexible withdrawal throughout your retirement

When you step into your retirement years, with **Bonus Power Vantage**, you can choose to withdraw policy values in one go, to realize your dreams. Alternatively, you can withdraw policy values regularly to suit your needs. For example, you can opt for annual or monthly withdrawals as part of your retirement income streams to enjoy your fulfilling retirement years.

Upon request, you can withdraw guaranteed cash value, non-guaranteed cash value of the Reversionary Bonus (if applicable) and non-guaranteed cash value of the Terminal Bonus from the **Bonus Power Vantage**. However, this will reduce the future values of your policy. After withdrawal, the principal amount of the policy and the total premiums paid or one-time premium paid (as applicable) for the basic plan under the death benefit may be reduced.

Your choice of settlement option

Apart from a lump sum payment, if you wish your beneficiary to take the amount of death benefit and accidental death benefit in regular instalments, the plan provides a settlement option available to you.

You can select specific amounts of benefits to be paid to your beneficiary at regular intervals chosen by you, provided that the total annual payment is at least equal to 2% of the sum of the death benefit and accidental death benefit. Remaining amount of benefits will be left in our company to accumulate at the non-guaranteed interest rate determined by us, until the full amount of benefits has been paid to the beneficiary.

The death benefit settlement option is not available if the sum of death benefit and accidental death benefit payable is less than US$50,000.

Change of Insured Option for legacy planning

To help you pass the fruits of your planning from generation to generation, the Change of Insured Option allows you to change the insured to another loved one, in whom you and the beneficiary have insurable interest, without affecting your policy values. That way, the value of your policy can be inherited by later generations, helping you pass on your wealth with extra flexibility.

There is a limit of 2 times you may request for the Change of Insured Option (aggregating with the limit of change of insured through contingent insured arrangement) during the lifetime of the current insured after the end of the 1st policy year, subject to our approval. No medical examination is required for the proposed new insured as long as the total annual premiums or one-time premium payment does not exceed the aggregate limit set for such insured, subject to our prevailing rules and regulations. At the time of application, the age of the proposed new insured must be between 15 days and 60.

Once the insured has been changed, all existing add-on plans will automatically terminate (except the **Payor Benefit Rider** (if any, where waiver of premium has not commenced), which shall remain in force provided that the age of the proposed new insured is between 15 days and 17 years old at the time of application, while its premium may be adjusted in accordance with any different benefit term).

Contingent insured arrangement to protect your legacy

During the lifetime of the current insured, you can designate another loved one as a contingent insured, in whom you and the beneficiary have insurable interest. Upon the passing of the current insured, the contingent insured may become the new insured, subject to our approval. With this contingent insured arrangement, you can protect your legacy for the next generation even if the current insured passes away unexpectedly, providing greater peace of mind during uncertain times.

There is no limit on the number of times you can designate, modify or remove a contingent insured during the lifetime of the current insured, but you may only have one contingent insured per policy at any time during the benefit term. At the time of designation, the proposed contingent insured must be between 15 days and 60 years of age.

Upon the passing of the current insured, the contingent insured must be age 60 or under to be eligible to become the new insured. No medical examination is required for the contingent insured as long as the total annual premiums or one-time premium payment does not exceed the aggregate limit set for such insured, subject to our prevailing rules and regulations. The contingent insured needs to be approved to become the new insured within a year upon the passing of the current insured, otherwise the death benefit will become payable to the beneficiary.

Upon the contingent insured becoming the new insured, your policy values will not be affected, and you may designate a new contingent insured. All existing add-on plans will automatically terminate (except the **Payor Benefit Rider** (if any, where waiver of premium has not commenced), which shall remain in force provided that the age of the contingent insured is between 15 days and 17 years old when the current insured passed away, while its premium may be adjusted in accordance with any different benefit term). There is a limit of 2 times you may change the insured through the contingent insured arrangement (aggregating with the limit under the Change of Insured Option), subject to our approval.

Rewards for academic excellence

To motivate the insured to strive for academic excellence, we will reward academic achievements by offering the Educational Merit Benefit. Once the policy has been in force for at least 1 year, if the insured obtains one of the following achievements before the age of 25, **Bonus Power Vantage** will pay the corresponding award amount while the policy is in force.

The Educational Merit Benefit will only be paid for one of the following categories once per policy and will terminate if you have claimed for the award amount in respect of any one insured. With respect to the same insured under all **Bonus Power Vantage** policies, the Educational Merit Benefit is only payable once per life.

Educational Merit Benefit

Category	Achievement	Award Amount
Hong Kong Diploma of Secondary Education (HKDSE)	At least three 5* grade or above from at least six subjects in one sitting	US$280 for each 5* grade or above
Test of English as a Foreign Language (TOEFL)	Total score of 110 or above	US$680
International English Language Test System (IELTS)	Overall band score of 8 or above	US$680
SAT	Total score of 1,500 or above	US$680
International Baccalaureate Diploma Programme (IBDP)	Total score of 41 or above	US$680
University admission	Successful admission to any of the world's top ten universities^	US$2,800

^ The ranking is based on the source as determined by us from time to time. For the latest details, please visit https://www.aia.com.hk/en/our-products/insurance-with-investment-focus/bonus-power-vantage.html.

If you have changed the insured of the policy through Change of Insured Option or contingent insured arrangement, **Bonus Power Vantage** would only pay the Educational Merit Benefit when the new insured has achieved the required achievements at least 1 year after the change of insured and before age 25 of the new insured.

We reserve the right to change the terms and conditions of Educational Merit Benefit from time to time without further notice.

Flexible premium payment terms

Denominated in US Dollars, the **Bonus Power Vantage** offers the choice of 3 premium payment terms, facilitating flexible planning depending on your current outlook. Premium amounts are guaranteed to be fixed throughout the premium payment term.

Premium Payment Term	Insured's Age at Application	Benefit Term
One-time premium payment	15 days to age 80	Whole life
5 years	15 days to age 75	
10 years	15 days to age 70	

Delay premium payments in case of unemployment for 5-year or 10-year premium payment policies

Unemployment may cause a significant impact on your finances. Hence, the Unemployment Benefit helps ease your financial burden during tough times while keeping the insured protected, even if life takes an unexpected turn. Subject to terms and conditions and our approval, if you are laid off and become involuntarily unemployed during the premium payment term of your basic plan, you may claim for the Unemployment Benefit. Once it is approved, the grace period for late premium payment under the basic plan and any add-on plans will be extended from 31 days up to 365 days to give you a safe buffer. Your Unemployment Benefit claim needs to be submitted within 30 days of your involuntary unemployment. The Unemployment Benefit is available once per policy and relevant proof is required.

Add-on cover for policies with 5-year or 10-year premium payment term

If you opt for a 5-year or 10-year premium payment term, you may select an add-on plan under which we will waive the future premiums for the **Bonus Power Vantage** if the insured becomes totally and permanently disabled before the age of 60, providing support in the face of unfortunate circumstances.

In addition, you may also select the **Payor Benefit Rider** under which we will waive the future premiums for the basic plan until the insured reaches the age of 25 should you pass away or suffer total and permanent disability before the age of 60.

All add-on plans are subject to additional premiums, underwriting and exclusions. All benefits under add-on plans will be terminated when your **Bonus Power Vantage** policy terminates.

Easy to join

No medical examination is required for your application as long as the total annual premiums or one-time premium payment (as applicable) does not exceed the aggregate limit set for each insured, subject to our prevailing rules and regulations. Simply apply and begin planning the future of your dreams.

Examples

(The following examples are hypothetical and for illustrative purposes only. Actual bonuses are not guaranteed and are declared at AIA's sole discretion.)

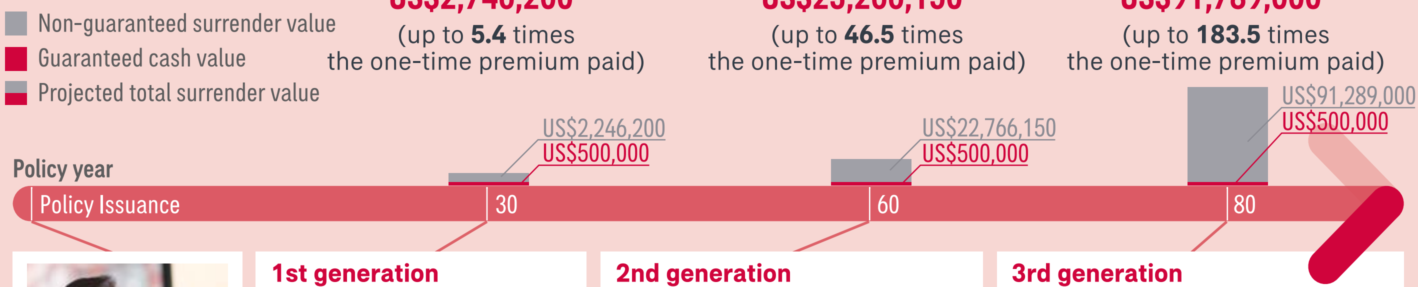
Policy owner and insured:	Stephen (age 50)
Occupation:	Barrister
Family status:	Married, with a son Samuel (age 20)

Stephen understands time is a critical factor in wealth accumulation. He wants to set up an arrangement that will help him accumulate wealth wisely and pass on his legacy to future generations of his family. This is why he purchases **Bonus Power Vantage** with a one-time premium payment of US$500,000.

The plan helps him accumulate capital over the long term. It also allows for the insured to be changed[1] up to 2 times, potentially benefitting the next 2 generations, and even allowing Stephen's legacy to be passed gradually to the 4th generation through the Death Benefit Settlement Option[2].

This case assumes that policy owners do not withdraw cash from the policy at any point, choosing instead to let the total surrender value accumulate within the policy. This case also assumes that the Bonus Lock-in Option is not exercised.

Projected total surrender value	Projected total surrender value	Projected total surrender value
US$2,746,200[3]	**US$23,266,150**[3]	**US$91,789,000**[3]
(up to **5.4** times the one-time premium paid)	(up to **46.5** times the one-time premium paid)	(up to **183.5** times the one-time premium paid)



At the age of 50, Stephen purchases **Bonus Power Vantage** with a one-time premium of US$500,000.

No medical examination required

1st generation
Insured: Stephen, age 80

Stephen retired at the age of 65 and chose to let the policy value continue accumulating.

At the age of 80, he chooses to change both the insured[1] and owner of the policy to his son, Samuel (age 50), passing on the policy's projected total surrender value.

2nd generation
New insured: Son Samuel, age 80

Stephen's son Samuel makes a good living, so he continues to roll over the full policy value.

Like Stephen, he changes the insured[1] and owner of the policy to his son Saul (Stephen's grandson, currently 40 years old), transferring the policy to him as a family legacy.

3rd generation
New insured: Grandson Saul, age 60

When Saul reaches the age of 60, he may choose the Death Benefit Settlement Option[2], allowing his next generation to receive the death benefit amount in regular instalments.

Alternatively, Saul may also choose to surrender the policy, withdraw the projected total surrender value and pass the full amount to the next generation.

Remarks:

1. The Change of Insured Option is subject to our approval. For details of the rules and regulations, please refer to the "Change of Insured Option" section of this brochure.
2. The Death Benefit Settlement Option is subject to our approval. For details of the rules and regulations, please refer to the "Your choice of settlement option" section of this brochure.
3. The projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus the non-guaranteed cash value of any Terminal Bonus and is based on the current projected surrender value and bonus scale. The current projected surrender value and bonus scale are neither indicative of future performance nor are they guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual face value and cash value of the Terminal Bonus payable throughout the duration of the policy may vary from year to year at AIA's sole discretion, which may be greater or less than the previously declared amounts based on a number of factors and may be less or more favourable than those illustrated. The above example assumes that no cash withdrawal or policy loans are taken throughout the term of the policy and no Bonus Lock-in Option is exercised. To receive the amounts illustrated, the policy owner must surrender his policy at the end of respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.

Policy owner and insured:	William (age 35)
Occupation:	Senior accountant
Family status:	Married (Emily, age 30), with a new-born son Wesley

As a new dad, his family is a crucial motivator for William to work hard and advance his career. He aims to plan ahead to create a better life for his family. He especially hopes to set his son Wesley up for future success.

For these reasons, he purchases **Bonus Power Vantage** with:

Premium payment term:	5 years
Annual premium:	US$25,000
Total premiums paid:	US$125,000

The plan provides potentially high long-term returns and offers flexibility in the use of the policy value through cash withdrawals[1]. The plan also allows William to designate his wife Emily as a contingent insured[2] to secure advanced protection for his family.

This case assumes that William and Emily do not withdraw cash before the 40th policy year, choosing instead to let the total surrender value accumulate in the policy. This case also assumes that the Bonus Lock-in Option is not exercised.

Insured: William (age 35)
Contingent insured: Emily (age 30)

Non-guaranteed surrender value
Guaranteed cash value
Projected total surrender value

Policy year

Policy Issuance

At age 35, William purchases **Bonus Power Vantage** and designates his wife Emily as the contingent insured[2].

No medical examination required

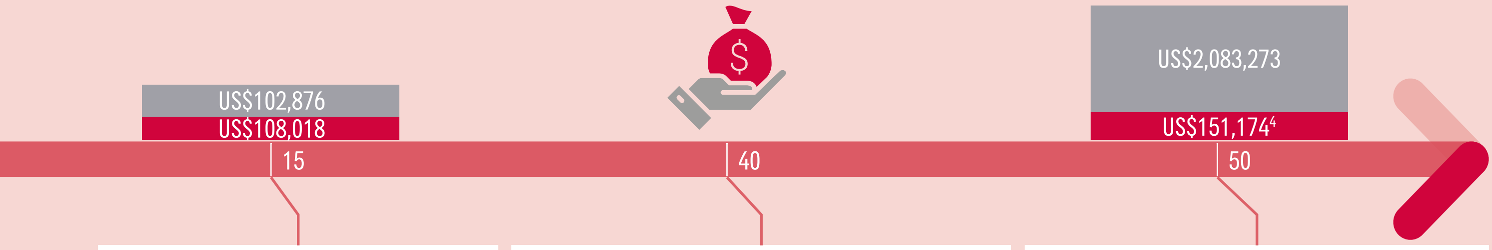
Remarks:
1. The cash withdrawal amount under the Bonus Power Vantage is non-guaranteed. The actual amount of cash withdrawal may vary according to the actual non-guaranteed benefit payable. Cash withdrawal will first be deducted from any cash value of the encashable Reversionary Bonus and any associated Terminal Bonus (collectively, the "Cash Value of Encashable Bonuses"), and then any withdrawals which exceed the remaining balance of the Cash Value of Encashable Bonuses will be deducted from the guaranteed cash value and any associated cash value of the Terminal Bonus (declared after the end of the 3rd policy year), which in turn will reduce the principal amount of the policy. Therefore, the subsequent guaranteed cash value, face value and cash value of any Reversionary Bonus and any Terminal Bonus and total premiums paid as used in the calculation of the Death Benefit will be adjusted accordingly based on the reduced principal amount and the amounts will be less than the projections made without cash withdrawal. Please contact your financial planner or our Company to obtain illustrative documents for details of the cash withdrawal mentioned in the case above. This policy will be terminated when the total surrender value has been withdrawn entirely.
2. During the lifetime of the current insured, you can designate another loved one as the contingent insured, in whom you and the beneficiary have insurable interest. Upon the passing of the current insured, the contingent insured may become the new insured, subject to our approval. For details of the rules and regulations, please refer to the "Contingent insured arrangement" section in this brochure.

New insured: Emily
New contingent insured: Wesley

Projected total surrender value
US$210,894[3]
(up to **1.6** times the total premiums paid)

Cash withdrawal (non-guaranteed):
US$150,000[1]

Projected total surrender value
US$2,234,447[3]
(up to **17.8** times the total premiums paid)



Unfortunately, William passes away. Emily becomes the new insured[2] and owner of the policy and designates her son Wesley as the contingent insured[2].

No medical examination required

At the age of 70, Emily wants to support Wesley in pursuing his dream of starting his own business.

She withdraws **US$150,000**[1] from the policy to form part of the business capital for Wesley's new company.

When Emily reaches the age of 80, the balance of the projected total surrender value is **US$2,234,447**[3].

Emily could choose to withdraw cash[1] for her own use or leave the policy value to Wesley.

3. The projected total surrender value illustrated is the sum of the policy's guaranteed cash value plus the non-guaranteed cash values of any Reversionary Bonus and Terminal Bonus and is based on the current projected surrender value and bonus scales. The current projected surrender value and bonus scales are neither indicative of future performance nor are they guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual face values and cash values of the Reversionary Bonus and Terminal Bonus payable throughout the duration of the policy may vary from year to year at AIA's sole discretion, which may be greater or less than the previously declared amounts based on a number of factors and may be less or more favourable than those illustrated. The above example assumes that no policy loans are taken throughout the term of the policy, no Bonus Lock-in Option is exercised and that all premiums are paid in full when due. To receive the amounts illustrated, the policy owner must surrender his policy at the end of respective policy year. This policy will be terminated when the total surrender value has been withdrawn entirely.
4. The guaranteed cash value is calculated based on the projected principal amount at the end of each policy year. The actual principal amount calculated after each partial surrender may be more or less than the projected figures for each policy year. Thus, the actual guaranteed cash value will be based on the actual principal amount calculated at the end of each policy year.

Important Information

This brochure does not contain the full terms and conditions of the policy. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of this product. The precise terms and conditions of this plan are specified in the policy contract. Please refer to the policy contract for the definitions of capitalised terms, and the exact and complete terms and conditions of cover. In case you want to read policy contract sample before making an application, you can obtain a copy from AIA. This brochure should be read along with the illustrative document (if any) and other relevant marketing materials, which include additional information and important considerations about this product. We would like to remind you to review the relevant product materials provided to you and seek independent professional advice if necessary.

This brochure is for distribution in Hong Kong / Macau only.

Bonus Philosophy

This is a participating insurance plan in which we share a portion of the profits earned on it and related participating insurance plans with the policy owners. It is designed to be held long term. The premiums of a participating insurance plan will be invested in a variety of assets according to our investment strategy. The cost of policy benefits (including guaranteed and non-guaranteed benefits as specified in your plan that may be payable on death or surrender, as well as charges we make to support policy guarantees (if applicable)) and expenses will be deducted as appropriate from premiums of the participating insurance plan or from the invested assets. We aim to ensure a fair sharing of profits between policy owners and shareholders, and among different groups of policy owners.

Divisible surplus refers to profits available for distribution back to policy owners as determined by us. The divisible surplus that will be shared with policy owners will be based on the profits earned from your plan and similar plans or similar groups of policies (as determined by us from time to time by considering factors such as benefit features, policy currencies and period of policy issuance). Divisible surplus may be shared with the policy owners in the form of reversionary bonuses and terminal bonuses as specified in your policy.

We review and determine the bonus amounts payable to policy owners at least once per year. Divisible surplus depends on the investment performance of the assets which we invest in and the amounts of benefits and expenses we need to pay for the plan. It is therefore inherently uncertain. Nevertheless, we aim to deliver relatively stable bonus payments over time through a smoothing process by spreading out the gains and losses over a period of time. The actual bonuses declared may be different from those illustrated or projected in any insurance plan information provided (e.g. benefit illustrations) depending on whether the divisible surplus, past experience and / or outlook are different from what we expected. If bonuses are different from our last communication, this will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the bonus amounts to the Board of the Company. The committee is comprised of members from different control functions or departments within the organisation both at the AIA Group level as well as Hong Kong local level, such as office of the Chief Executive of the Company, legal, compliance, finance, investment and risk management. Each member of the committee will endeavour to exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilise the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decisions and to manage the risk of conflict of interests, in order to ensure fair treatment between policy owners and shareholders, and among different groups of policy owners. The actual bonuses, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors, and with written declaration by the Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary on the management of fair treatment between policy owners and shareholders.

To determine the bonuses of a participating policy, we consider both past experience and the future outlook of all factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the backing assets, i.e. the assets in which we invest your premiums (after deducting the cost of policy benefits and expenses). Depending on the asset allocation adopted for the insurance plan, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including interest rate risk, credit spread and default risk, fluctuations in listed and private equity prices, real estate prices as well as foreign exchange rates if the currency of the backing assets is different from the policy currency, etc.

Claims: include claims for death benefits and any other insured benefits under the insurance plan.

Surrenders: include policy surrenders, partial surrenders and policy lapses; and their corresponding impact on the backing assets.

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the insurance plan (e.g. general administrative costs).

Some participating insurance plans allow the policy owners to place their annual dividends, guaranteed and non-guaranteed cash payments, guaranteed and non-guaranteed incomes, guaranteed and non-guaranteed annuity payments, and / or bonus and terminal dividend lock-in accounts with us, earning interest at a non-guaranteed interest rate. To determine such non-guaranteed interest rate, we consider the returns on the pool of assets in which these amounts are invested with reference to the past experience and future outlook. This pool of assets is segregated from other investments of the Company and may include bonds and other fixed income instruments.

For bonus philosophy and bonus history, please visit our website at https://www.aia.com.hk/en/dividend-philosophy-history.html

Investment Philosophy, Objective and Strategy

Our investment philosophy aims to deliver sustainable long-term returns in line with the insurance plan's investment objectives and the Company's business and financial objectives.

Our aforementioned objectives are to achieve the targeted long-term investment results while minimising volatility in investment returns to support the liabilities over time. They also aim to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.

Our current long-term target strategy is to allocate assets attributed to this insurance plan as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	25% - 100%
Growth assets	0% - 75%

The bonds and other fixed income instruments predominantly include government and corporate bonds and are mainly invested in the United States and Asia-Pacific. Growth assets may include listed equity, equity mutual funds, physical real estate, real estate funds, private equity funds and private credit funds, and are mainly invested in the United States, Asia-Pacific and Europe. Growth assets generally have a higher long-term expected return than bonds and fixed income assets but may be more volatile in the short term. The range of target asset mix may be different for different participating insurance plans. Our investment strategy is to actively manage the investment portfolio i.e. adjust the asset mix dynamically over a range that can be wider than the target range in response to the external market conditions and the financial condition of the participating business. For example, there may be a smaller proportion of growth assets when interest rates are low and a larger proportion of growth assets when interest rates are high. When interest rates are low, the proportion of growth assets may be even smaller than the long-term target strategy, so as to allow us to minimise volatility in investment returns and to protect our ability to pay the guaranteed benefits under the insurance plans, whereas the proportion of the growth assets may be even larger than the long-term target strategy when interest rates are high to allow for the possibility that we may share more investment opportunities in growth assets with the policy owners.

Subject to our investment objectives, we may use a material amount of derivatives (such as through pre-investing partly or fully expected future premiums) to manage our investment risk exposure and for matching between assets and liabilities, for example, the effects of changes in interest rates may be moderated while allowing for more flexibility in asset allocation.

Our general currency strategy is to minimise currency mismatches for bonds and other fixed income instruments. For these investments, our current practice is to endeavour to currency-match asset purchases with the currency of the underlying policy (e.g. US Dollar assets will be used to back US Dollar insurance plans). However, subject to market availability and opportunity, bonds or other fixed income instruments may be invested in a currency other than the currency of the underlying policy and currency swaps may be used to minimise the currency risks. Currently assets are mainly invested in US Dollar. Growth assets may be invested in a currency other than the currency of the underlying policy and the selection of the currency is made according to our investment philosophy, investment objectives and mandate.

We will pool similar participating insurance plans for investment to determine the return and we will then allocate the return to specific participating insurance plans with reference to their target asset mix. Actual investments (e.g. geographical mix, currency mix) would depend on market opportunities at the time of purchase, hence may be different from the target asset mix.

The investment strategy is subject to change depending on the market conditions and economic outlook. Should there be any material changes in the investment strategy, we will inform policy owners of the changes, with underlying reasons and expected impact to the bonuses.

Key Product Risks

1. You should pay premium(s) on time and according to the selected premium payment schedule. If you stop paying the premium before completion of the premium payment term, you may surrender the policy, otherwise, the premium will be covered by a loan taken out on the policy automatically. When the loan balance exceeds the sum of guaranteed cash value and cash value of Reversionary Bonus (if any) of the basic plan, the policy will terminate and you will lose the cover. The surrender value of the policy will be used to repay the loan balance, and we will refund any remaining value.

2. The plan may make certain portion of its investment in growth assets. Returns of growth assets are generally more volatile than bonds and other fixed income instruments, you should note the target asset mix of the product as disclosed in this product brochure, which will affect the bonus on the product. The savings component of the plan is subject to risks and possible loss. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

3. For one-time premium payment policies, they are subject to higher investment return volatility and thus are expected to have higher volatility on the bonus payable, as compared to policies with a 5-year or 10-year premium payment term which can benefit from cost averaging effect.

4. You may request for the termination of your policy by notifying us in written notice. Also, we will terminate your policy and you / the insured will lose the cover when one of the following happens:

    - the insured passes away, except when the contingent insured becomes the new insured;
    - you do not pay the premium within 31 days (or 365 days under Unemployment Benefit) of the due date and the policy has no cash value (Only applicable for a 5-year or 10-year premium payment policy); or
    - the outstanding debt exceeds the guaranteed cash value (applicable for a one-time premium payment policy) / the guaranteed cash value plus the cash value of the Reversionary Bonus (if any) of the policy (applicable for a 5-year or 10-year premium payment policy).

5. We underwrite the plan and you are subject to our credit risk. If we are unable to satisfy the financial obligations of the policy, you may lose your premium paid and benefits.

6. You are subject to exchange rate risks for plans denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations. You should consider the exchange rate risks and decide whether to take such risks.

7. Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

8. (Only applicable for a 5-year or 10-year premium payment policy) As the cash value of Reversionary Bonus is non-guaranteed, there may be a risk of overloan when there is adjustment on the cash value of Reversionary Bonus. Immediate loan repayment is required when there is an overloan, otherwise your policy will be terminated and you or the insured may lose the cover.

Key Exclusions to Accidental Death Benefit

Accidental Death Benefit will not cover any conditions that result from any of the following:

- self-destruction while sane or insane, participation in a fight or affray, being under the influence of alcohol or a non-prescribed drug
- war, service in armed forces in time of war or restoration of public order, riot, industrial action, terrorist activity, violation or attempted violation of the law or resistance to arrest
- racing on wheels or horse, scuba diving
- ptomaines or bacterial infection (except pyogenic infection occurring through an accidental cut or wound)
- air travel, including entering, exiting, operating, servicing or being transported by any aerial device or conveyance (except as a passenger of a commercial passenger airline on a regular scheduled passenger trip over its established passenger route)

The above list is for reference only. Please refer to the policy contract of this plan for the complete list and details of exclusions.

Effective from 1 January 2018, all policy owners are required to pay a levy on each premium payment made for both new and in-force Hong Kong policies to the Insurance Authority (IA). For levy details, please visit our website at www.aia.com.hk/useful-information-ia-en or IA's website at www.ia.org.hk.

Note for Unemployment Benefit

You must be employed under a continuous contract for not less than 24 months and be eligible for a severance payment upon termination under the employment or labour laws of Hong Kong or Macau (according to the place of policy issuance) prior to the involuntary unemployment. Further, such employment cannot be self-employment, employment by a family member (including spouse, parent, grandparent, child or grandchild) or employment as a domestic servant. The Unemployment Benefit starts on the premium due date at the time when we approve your claim and continues for up to 365 days. Proof of continuous unemployment is required by you upon our request. The Unemployment Benefit is not available if you were informed of your pending involuntary unemployment on or before the issue date or commencement date of the policy, whichever is later. The Unemployment Benefit will cease on the earliest of the following dates: (i) at the end of extended grace period, (ii) you fail to provide proof of continuous unemployment upon our request, (iii) the date on which the policy owner has been changed, (iv) the date on which any claims on waiver of premium under your basic plan is approved, (v) at the end of premium payment term of your basic plan, (vi) the date when any claims of your basic plan and / or add-on plans is made, if the premium payment mode is not changed to monthly, (vii) the date when you pay all outstanding premiums and (viii) termination date of your basic plan. Claim for Unemployment Benefit must be submitted within 30 days of your involuntary unemployment. The Unemployment Benefit could only be claimed once per policy and relevant proof is required. The approval of the Unemployment Benefit is subject to our prevailing rules and regulations, and the handling of policy during the extended grace period will be subject to our discretion.

Suicide

If the insured commits suicide within one year from the date on which the policy takes effect, our liability will be limited to the refund of premiums paid (without interest) less any outstanding debt.

After exercising the Change of Insured Option or upon the contingent insured becoming the new insured, if the new insured commits suicide within one year from the effective date of change as recorded by us, our liability will be limited to the refund of premiums paid (without interest) or the sum of guaranteed cash value, cash value of Reversionary Bonus (if any, applicable for a 5-year or 10-year premium payment policy), cash value of Terminal Bonus (if any) and any remaining balance of the Bonus Lock-in Account as at the date the new insured passes away, whichever is higher, less any outstanding debt.

Incontestability

Except for fraud or non-payment of premiums, we will not contest the validity of this policy after it has been in force during the lifetime of the insured for a continuous period of two years from the date on which the policy takes effect. This provision does not apply to any add-on plan providing accident, hospitalisation or disability benefits. After exercising the Change of Insured Option or upon the contingent insured becoming the new insured, such two-year period will be counted again starting from the effective date of change as recorded by us.

Warning Statement and Cancellation Right

Bonus Power Vantage is an insurance plan with a savings element. Part of the premium pays for the insurance and related costs. If you are not happy with your policy, you have a right to cancel it within the cooling-off period and obtain a refund of any premiums and levy paid. A written notice signed by you should be received by the Customer Service Centre of AIA International Limited at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong within the cooling-off period (that is, 21 calendar days immediately following either the day of delivery of the policy or cooling-off notice (informing you / your nominated representative about the availability of the policy and expiry date of the cooling-off period, whichever is earlier). After the expiration of the cooling-off period, if you cancel the policy before the end of the term, the projected total cash value may be substantially less than the total premium you have paid.

Important Notes from the Insurance Agent of The Bank of East Asia, Limited

- The Bank of East Asia, Limited ("BEA"), being registered with the Insurance Authority as a licensed insurance agency, act as an appointed licensed insurance agent for AIA International Limited (incorporated in Bermuda with limited liability) ("AIA"). This insurance plan is a product of AIA but not BEA.
- This insurance plan is underwritten by AIA and it is not a bank savings plan with free life insurance coverage. Part of the premium pays for the insurance and related costs. The premium paid is not a placement of a savings deposit with the bank and hence is not protected by the Deposit Protection Scheme in Hong Kong.
- Add-on plan (if any) is an add-on coverage for this insurance plan with additional premium paid required. BEA does not distribute any add-on plan; therefore, you cannot apply the add-on plan through BEA. If needed, you can contact AIA Customer Service Centre for inquiry after the policy is issued by AIA.
- In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between BEA and the customer out of the selling process or processing of the related transaction, BEA is required to enter into a Financial Dispute Resolution Scheme process with the customer.
- Claims under this insurance plan must be made by you to AIA directly. You can get the appropriate claim form by calling AIA Customer Service Hotline +852 2232 8968 in Hong Kong or visiting www.aia.com.hk or any AIA Customer Service Centre. For details, please refer to the policy contract provided by AIA.
- BEA's sales staff (including direct sales staff and authorised agents) are remunerated not only based on their financial performance, but also according to a range of other factors, including their adherence to best practices and their dedication to serving customers' interests.
- The information you disclosed in response to all AIA's questions must be true, complete and correct. Failure to disclose true, complete and correct information to AIA may render AIA unable to accept or process your application or the policy void.
- You are reminded to carefully review the relevant product materials provided to you and be advised to seek professional / independent advice when considered necessary.
- **For the benefits and returns mentioned throughout the product brochure and Important Notes, please note that the policy owner is subject to the credit risk of AIA. If the policy owner discontinues and / or surrenders this policy in early policy years, the amount of benefits he / she will get back may be considerably less than the total premiums he / she has paid. Projected and / or potential benefits and / or returns (e.g. reversionary bonus (if applicable), terminal bonus) presented in the product brochure are not guaranteed and are for illustrative purposes only. The actual future amounts of benefits and / or returns may be lower than or higher than the currently quoted benefits and / or returns.**
- Apart from the key product risks mentioned in product brochure, you are also reminded of the following risks:
    1. Liquidity risk – this insurance plan is designed to be held long term. You should only apply for this insurance plan if it is intended to pay the premium for the whole of the premium payment term. If you fail to pay the premium for the whole of the premium payment term, this will cause the policy to lapse or to be terminated earlier than the original benefit term, and the total surrender value (if any) that get back by you may be less than the total premiums paid.

2. Risk from surrender – if you cancel the policy before the end of the benefit term, you may suffer a significant loss, and the total surrender value received may be substantially less than the total premiums paid.
3. Non-guaranteed bonus scales – non-guaranteed benefits are based on the bonus scales of AIA determined under current assumed investment return. The actual amount payable may change anytime with the values being higher or lower than those being projected. In other words, a change in the current assumed investment return will affect the reversionary bonus (if applicable) and terminal bonus you will receive. Under some circumstances, the non-guaranteed benefits may be zero.

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