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**AIA Group Limited**  
**友邦保險控股有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**Stock Code: 1299**

## **AIA COMPLETES THE ACQUISITION OF ING MALAYSIA**

### **DISCLOSEABLE TRANSACTION**

AIA Group Limited (the “Company”) is pleased to announce that, following regulatory approvals, its wholly-owned subsidiary, American International Assurance Company, Limited (“AIA Co.”) entered into a Share Sale and Purchase Agreement (the “SPA”), after market close on 17 December 2012, to purchase the entire share capital of ING Management Holdings (Malaysia) Sdn. Bhd. (“ING Malaysia”) from ING Insurance Asia N.V. (“ING Insurance Asia”) (the “Transaction”). Furthermore, the Transaction has been completed on 18 December 2012.

#### **SUMMARY**

As the Company highlighted at the time of announcement on 11 October 2012 (the “Previous Announcement”), the acquisition of ING Malaysia represents a highly attractive opportunity that will deliver a range of important benefits to AIA:

- The Transaction is an excellent fit with AIA’s corporate strengths and priorities and extends AIA’s pan-Asian leadership position and quality growth strategy in Asia. It will see AIA become the Number One ranked insurance company in seven high-growth Asian markets<sup>(1)</sup>.
- It will transform AIA Malaysia’s scale and reach to become the market leader<sup>(2)</sup> in the fast-growing and highly profitable Malaysian life insurance market.
- The acquisition provides an exceptional opportunity to extend AIA’s existing Premier Agency strategy in Malaysia through the addition of approximately 9,200 agents<sup>(3)</sup> to create the largest tied agency force in the country.

- It broadens and deepens AIA's existing bancassurance distribution through the addition of an exclusive long-term bancassurance arrangement with Public Bank, one of Malaysia's leading banking groups with over five million customers and more than 250 branches. AIA will also become the clear market leader in Employee Benefits.
- The acquisition represents a compelling financial investment for shareholders and will be immediately accretive to earnings<sup>(4)</sup>. It is expected to generate cost synergies of US\$24 million<sup>(5)</sup> by 2015 and the purchase price will be funded through a combination of AIA's internal cash resources and external debt financing that will retain AIA's existing strong financial position.
- The transaction offers significant value creation opportunities and growth upside through leveraging AIA's track record of profitable growth delivery and applying AIA's product and distribution expertise to the combined business.

**Mark Tucker, AIA's Group Chief Executive and President, said:**

"We are delighted to have completed the acquisition before the end of 2012. As we said at the time of announcement in October, the acquisition of ING Malaysia represents a highly attractive opportunity with compelling strategic and financial benefits for AIA. With a combined customer base of over 2.6 million people, approximately 16,600 agents and an exclusive bancassurance relationship with one of Malaysia's leading banking organisations, our enlarged business in Malaysia represents a very powerful proposition that will result in a positive outcome for our shareholders, customers, employees and agents."

**TRANSACTION**

Reference is made to the Previous Announcement. Unless otherwise defined, all capitalised terms have the same meanings ascribed to them in the Previous Announcement.

The Transaction involves the acquisition of the entire issued shares in ING Malaysia by AIA Co. from ING Insurance Asia. The consideration paid with respect to the Transaction pursuant to the SPA is approximately Euro 1.34 billion (which is equivalent to US\$1.73 billion), which was paid in cash on Completion, after taking into account certain adjustments at Completion which are not material.

The consideration was arrived at after arm's length negotiations on normal commercial terms and after taking into account, inter alia, the net worth and estimated future earnings of ING Malaysia.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ING Insurance Asia and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

The Directors (including the independent non-executive Directors) further consider that the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## INFORMATION ON ING MALAYSIA, AND REASONS FOR AND BENEFITS OF THE TRANSACTION

The underlying result before tax of ING Malaysia, as previously disclosed, is US\$121 million for 2010 and is US\$138 million for 2011, and the total assets of ING Malaysia as of 31 December 2010 are US\$5,514 million and as of 31 December 2011 are US\$6,068 million<sup>(6)</sup>. For additional information on ING Malaysia and the reasons for and benefits of the Transaction, including as required by Listing Rule 14.58, please refer to the Previous Announcement and the presentation to analysts and investors on the Transaction referred to therein and available on the Company's website at:

<http://investors.aia.com/phoenix.zhtml?c=238804&p=irol-presentations2>

ING Insurance Asia is the holding company of ING Malaysia and is the seller in the Transaction. ING Insurance Asia is a wholly-owned subsidiary of ING Insurance EurAsia, N.V., which is ultimately controlled by ING Groep N.V.

### LISTING RULES IMPLICATIONS

Since the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5 per cent but is below 25 per cent, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements relating to AIA Group Limited that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. These forward looking statements are, by their nature, subject to significant risks and uncertainties. When used in this announcement, the words "will", "plan", "should" and similar expressions are intended to identify forward looking statements.

You are strongly cautioned that reliance on any forward looking statements involves known and unknown risks and uncertainties. Actual results and events may differ materially from information contained in the forward looking statements.

### CONTACTS

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#### Notes:

- 1) In terms of life insurance premiums in 2011. Based on data published by relevant regulatory and industry sources, including AIA as the largest foreign life insurer in China in terms of life insurance premiums during the same period.
- 2) Stated on a combined basis based on the aggregate of AIA Malaysia's and ING Malaysia's gross earned premiums for the year ended 30 November 2011 and 31 December 2011, respectively. AIA is Number Four in the Malaysian market based on gross earned premiums for 2011 based on company public filings.

- 3) Approximate number of agents as of 31 December 2011.
- 4) Earnings defined as operating profit after tax. Earnings accretion is estimated by excluding one-off integration and transaction costs. Please note that this statement regarding accretive earnings is not intended to be a profit forecast and should not be interpreted to mean that the earnings per share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial periods.
- 5) Synergies are shown net of allocation to participating policyholders, before tax and before one-off integration and transaction costs with annualised run rate expected to be achieved by end 2015.
- 6) Source: ING, all financials stated are on ING's accounting basis. Unless otherwise specified in this announcement, translation of Malaysian Ringgit into US dollars is made at the rate of 3.0538 Malaysian Ringgit to 1 US dollar. No representation is made that any amounts in Malaysian Ringgit could have been or could be converted at this specified rate or at any other rates or at all.

## **ABOUT AIA**

AIA Group Limited and its subsidiaries (collectively "AIA" or "the Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has operations in 16 markets in Asia Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 92 per cent subsidiary in Sri Lanka and a 26 per cent joint-venture in India.

The business that is now AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$119,494 million as of 31 May 2012.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement savings plans, life insurance and accident and health insurance. AIA also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents and employees across Asia Pacific, AIA serves the holders of more than 24 million individual policies and over 10 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

By order of the Board  
**Mark Edward Tucker**  
*Executive Director,*  
*Group Chief Executive and President*

Hong Kong, 18 December 2012

As at the date of this announcement, the Board of Directors of the Company comprises:

*Non-executive Chairman and Non-executive Director:*

Mr. Edmund Sze-Wing Tse

*Executive Director, Group Chief Executive and President:*

Mr. Mark Edward Tucker

*Independent Non-executive Directors:*

Mr. Jack Chak-Kwong So, Mr. Chung-Kong Chow, Dr. Qin Xiao, Mr. John Barrie Harrison, Mr. Barry Chun-Yuen Cheung, Mr. George Yong-Boon Yeo and Dr. Narongchai Akrasanee