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<thead>
<tr>
<th>Time</th>
<th>Presenter</th>
<th>Position</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>0930-1000</td>
<td>Mark Tucker</td>
<td>Group Chief Executive</td>
<td>2010 Group Review</td>
</tr>
<tr>
<td>1000-1020</td>
<td>Marc de Cure</td>
<td>Group CFO</td>
<td>2010 Financial Results</td>
</tr>
<tr>
<td>1020-1050</td>
<td>Regional Managing Directors</td>
<td></td>
<td>2010 Country Review</td>
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<td>1050-1100</td>
<td>Mark Tucker</td>
<td>Group Chief Executive</td>
<td>2011 Focus &amp; Priorities</td>
</tr>
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<td>1100-1200</td>
<td>Mark Tucker</td>
<td>Group Chief Executive</td>
<td>Q&amp;A</td>
</tr>
</tbody>
</table>
A New Beginning for AIA

- Eventful but Successful Year for AIA
- Strong Recovery and 2010 Performance
- Fourth-Quarter Uplift and 2011 Momentum
- Clear Priorities for Sustained Profitable Growth
- Relentless Focus on Shareholder Value Creation
2010: An Eventful Year for AIA

- Enduring Impact of Global Financial Crisis and AIG Events
- Prudential Offer Submitted
- Prudential Offer Withdrawn
- Mark Tucker Joined as Group Chief Executive
- Additions to Senior Management Team
- AIA Readied for IPO
- IPO Process Aborted
- IPO Process Restarted
- Global Investor Roadshow
- Successful IPO and SEHK Listing for AIA

External Events and Enduring Uncertainty

- Substantial volatility in global financial markets following 2008-09 crisis
- Daily headlines and distractions from ‘running the business’
- Prolonged uncertainty for AIA employees, distributors and customers
- Significant changes to AIA Group leadership and organisation
## 2010: Strong Performance on All Main Measures

<table>
<thead>
<tr>
<th></th>
<th>$m</th>
<th>2010</th>
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<td>2,701</td>
<td>1,754</td>
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<td>Shareholders’ Equity</td>
<td>19,635</td>
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Source: AIA

(1) Denotes net profit to shareholders of AIA Group Limited
(2) ANP excludes corporate pensions business
(3) VONB is after group office expenses and Hong Kong statutory adjustment; Includes corporate pensions business
(4) VONB Margin = VONB / ANP. Excludes corporate pensions business to be consistent with the definition of ANP
(5) Remittances of cash and investments from country operations to Group Office. 2009 remittances were minimal due to local regulatory orders limiting capital movements following AIG Events.
2010: Significant New Business Uplift in 4Q

- **Year-on-year:**
  - 4Q2010 ANP up 15% on 4Q2009
  - 4Q2010 VONB up 20% on 4Q2009

- **Quarter-on-quarter:**
  - 4Q2010 ANP up 26% on 3Q2010
  - 4Q2010 VONB up 28% on 3Q2010

Source: AIA
Strong Momentum Heading into 2011

1. Corporate strengthening and reorientation
   - Putting in place a world-class senior team
   - Empowering country leadership teams
   - Aligning incentives with profitable growth

2. Building blocks of sustained value growth
   - Nurturing and enhancing the in-force book
   - Increasing distribution scale and quality
   - Realigning product margins and mix
   - Enhancing customer experience
1. Corporate Strengthening and Reorientation

Putting in Place a World-Class Senior Management Team

- Depth of life insurance expertise (average of 21 years)
- Asia market experience (average of 19 years)
- Proven record of shareholder value creation
- More effective and supportive reporting structure
1. Corporate Strengthening and Reorientation

Empowering and Developing Our Country Leadership Teams

Empowerment with Accountability

- Significantly higher decision rights and delegated authorities for country CEOs
- All local functional heads other than Audit & Compliance report directly to country CEO rather than Group Function
- Much-simplified scorecard aligned with shareholder value creation introduced

Proactive Leadership Development

- Results-accountable Regional Managing Directors to oversee country operations with close in-market support
- RMDs to coach, guide and challenge country CEOs and their direct reports
- Stretching but achievable financial and operational targets for each country operation and group function
1. Corporate Strengthening and Reorientation

Aligning Incentives With Profitable Growth

- Value of New Business (VONB) 50%
- Embedded Value (EV) 20%
- IFRS Operating Profit 15%
- Country/Function Specific (1) 15%

- Whole of AIA committed to focused set of KPIs
- Management incentives realigned with KPIs
- Nurture in-force and grow new business

(1) Includes financial and non-financial targets tailored to each country operation and group function.
Strong Momentum Heading Into 2011

1. **Corporate strengthening and reorientation**
   - Putting in place a world-class senior team
   - Empowering country leadership teams
   - Aligning incentives with profitable growth

2. **Building blocks of sustained value growth**
   - Nurturing and enhancing the in-force book
   - Increasing distribution scale and quality
   - Realigning product margins and mix
   - Enhancing customer experience
2. Building Blocks of Sustained Value Growth

**In-Force:** Nurturing and Enhancing Our Large In-Force Book

- Increased **Value of In-Force (VIF)** by 15% to $15.2bn even after generating $2.1bn of free surplus over the year

- **Asset** growth of 23% driven by $7.9bn of net inflows over 2010 will drive future cash flows

- Steady **rise in persistency** in every quarter since 3Q2009

- Continuing **focus on customer retention and persistency enhancement**

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Month to month Persistency Ratio\(^{(1)}\)

Source: AIA

\(^{(1)}\) Persistency ratio = 1 – rate of surrenders and lapses net of reinstatements by premium; on Ordinary Individual Life and Standalone A&H only, excluding Philamlife and India; unaudited and non-IFRS information for reference only.

\(^{(2)}\) Assets are defined here as fixed income and equity investments.
2. Building Blocks of Sustained Value Growth

Distribution: Growing Productivity in Agency

ANP Per Agent (1) ($ Per Month)

- **Developed Markets:** HK, SG, KO
  - FY2009: 3,392
  - FY2010: 3,998

- **Developing Markets:** TH, CN, MY
  - FY2009: 414
  - FY2010: 448

- **Emerging Markets:** IS, PH, VN
  - FY2009: 178
  - FY2010: 250

- **Grew agency productivity (1) in developed, developing and emerging markets**
  - +18% in Developed
  - +8% in Developing
  - +40% in Emerging

- **Eligible MDRT (2) agents up 31% YoY**
  - From 1,604 at end 2009 to 2,104 at end 2010

Source: AIA, MDRT

1. Agency productivity is calculated based on average of number of agents at each month end.
2. MDRT (Million Dollar Round Table) is an international organisation that recognises insurance professionals based on their annual sales numbers generated for the company for which they work.
2. Building Blocks of Sustained Value Growth

Distribution: Delivering Profitable Growth in Agency

<table>
<thead>
<tr>
<th>Agency VONB (1)</th>
<th>Agency VONB Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>$m</td>
<td>FY 2009 FY 2010</td>
</tr>
<tr>
<td></td>
<td>480 580</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Promoting **Premier Agency** concept and strategy
- Combining quality with scale
- Enforcing strict recruitment / contract maintenance criteria
- Realigning agent incentives to promote protection products
- Terminating inactive agents where reactivation has failed

**ANP ($m)**

- FY 2009: 1,307
- FY 2010: 1,473

Source: AIA.

(1) VONB and margin are pre-group office expenses and pre-Hong Kong statutory adjustment and presented on a local statutory basis.
2. Building Blocks of Sustained Value Growth

**Distribution**: Delivering Profitable Growth in Bancassurance

- Deepening existing partnerships
- Focusing sales on Regular Premium protection products
- Realigning sales incentives with product profitability
- Activating new bank partnerships (BPI, ICBC, CCB HK, Alliance Bank, ANZ)
- Building robust platform to enhance acquisition of new partners
2. Building Blocks of Sustained Value Growth

Distribution: Delivering Profitable Growth in Direct Marketing

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<thead>
<tr>
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<th>FY 2009</th>
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<tr>
<td>ANP ($m)</td>
<td>203</td>
<td>174</td>
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<tr>
<td>DM VONB (1)</td>
<td>42</td>
<td>59</td>
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<td>DM VONB Margin</td>
<td>21%</td>
<td>34%</td>
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- Refocusing DM activities from ANP to VONB
- Focusing on simple-to-sell protection products that add value to customers
- Repricing low margin products
- Realigning sales incentives to promote protection products

Source: AIA.

(1) VONB and margin are pre-group office expenses and pre-Hong Kong statutory adjustment and presented on a local statutory basis.
2. Building Blocks of Sustained Value Growth

Product: Increasing Margins in All Product Categories

VONB Margin\(^{(1)}\) by Base Product

- Enhancing margins within each product category
- Proactively managing portfolio mix
- Generating margins on riders typically higher than standalone A&H
- Figures exclude impact of attaching high-margin riders to base products shown

Source: AIA.

(1) VONB and margin are pre-group office expenses and pre-Hong Kong statutory adjustment and presented on a local statutory basis.
A New Beginning for AIA

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2010 Financial Results

IFRS Profit

Value Creation

Capital
## 2010: Strong Performance in a Challenging Year

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(5) Remittances of cash and cash equivalents from country operations to Group Office. 2009 remittances were minimal due to local regulatory orders limiting capital movements following AIG Events.
TWPI Up 12% to $13.0B

- Steady quarterly growth in TWPI over prior year
- Strong growth in 4Q10 post earlier distractions
- Pick-up in persistency
- 99% Regular Premium business in 2010
Investment Income Up 14% to $3.5B

- 12% growth in interest income
- Dividend income up 80% due to higher holdings of equities and effect of recovery in corporate earnings
- Sustained strong level of income despite low-interest-rate environment

Source: AIA

(1) Investment income only includes interest, dividend and rental income; excludes investment income related to investment-linked contracts.

(2) AIA's investment yield defined as net investment income as % of average policyholder and shareholder investments for the relevant periods (i.e. excluding investment-linked investments); peers' investment yield based on net investment income as % of total invested assets; AIA's net investment income does not include realised and unrealised gains and losses.

(3) Investment return defined as total investment income (i.e. including realised and unrealised gains and losses) as % of invested assets.
Expense Ratio at 8.8% In Line With Historical Norms

One of the lowest expense ratios in the industry globally

2010 includes higher incentive costs; excluding incentive costs, expense ratio would have been stable year-on-year

Aggressive expense control is a 2011 priority in both Group Office and Country Operations

Group Operating Expenses ($m)

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Ratio</td>
<td>8.4%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Source: AIA
IFRS Operating Profit Up 18% to $2.1B

Pre-Tax Operating Profit of $2.1B in line with earlier guidance

18% YoY growth in Pre-Tax Operating Profit

Excludes market value uplift on equities and bonds

Source: AIA
IFRS Net Profit Up 54% to $2.7B

- 54% Net Profit growth driven in part by equity gains
- ROE up 1 pps to 15.7%
- Effective tax rate declined to 20.6% in 2010

Net Profit$ Movement ($m) and ROE(%) (1)

<table>
<thead>
<tr>
<th>Net Profit at End FY09</th>
<th>Change in Operating Profit (2)</th>
<th>Change in Non-Operating Investment Return (3)</th>
<th>Change in Other Non-Operating Items (3)</th>
<th>Net Profit at End FY10</th>
</tr>
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<tbody>
<tr>
<td>1,754</td>
<td>261</td>
<td>623</td>
<td>63</td>
<td>2,701</td>
</tr>
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</table>

Return on Equity

- 14.7%
- 15.7%

Source: AIA

(1) Denotes net profit to shareholders of AIA Group Limited.
(2) Based on net return on equity.
(3) Stated net of tax and relates to amount attributable to shareholders of AIG Group Limited.
IFRS Shareholder Equity Up 31% to $19.6B

Shareholder Equity Movement ($m)

- Strong growth in shareholder equity to $19.6B
- Driven by strong operating performance and capital gains
- FX gains on weakening of US dollar also had impact

Source: AIA
Invested Assets Up 20% to $91B

<table>
<thead>
<tr>
<th>Invested Assets Composition (1) ($m)</th>
<th>Fixed Income &amp; Equity Investments Growth During 2010 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2010</td>
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<td>-------------------------------------</td>
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<tr>
<td><strong>Fixed Income (2)</strong></td>
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<td>53,999 87%</td>
<td>63,780 85%</td>
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<td>59,097 95%</td>
<td>72,572 97%</td>
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<tr>
<td><strong>Cash</strong></td>
<td></td>
</tr>
<tr>
<td>2,641 4%</td>
<td>2,100 3%</td>
</tr>
<tr>
<td><strong>Properties</strong></td>
<td></td>
</tr>
<tr>
<td>244 0%</td>
<td>309 0%</td>
</tr>
<tr>
<td><strong>PH &amp; SH (3)</strong></td>
<td></td>
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<tr>
<td>13,678</td>
<td>15,946</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
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</table>

- Increased asset weighting to equities
- ~$8b asset growth from net inflows
- No significant changes in asset quality

Source: AIA
(1) Percentages may not be additive due to rounding.
(2) Includes debt securities, loans and term deposits.
(3) Policyholder and Shareholder Investments. Excludes funds backing Investment Linked Products.
2010 Financial Results

IFRS Profit

Value Creation

Capital
ANP Up 8% to $2.0B

- Strong growth in 4Q10 following end of external distractions:
  - Up 15% over 4Q09
  - Up 26% over 3Q10

- ANP quality has also improved:
  - VONB growth exceeded ANP growth in 2010
VONB Up 22% to $667m

Strong growth in 4Q10:
- Up 20% over 4Q09
- Up 28% over 3Q10

Pricing discipline maintained throughout 2010:
- Margin variations due mainly to changes in product mix
- Margins up in every channel and product category

Source: AIA
(1) VONB is after group office expenses and Hong Kong statutory adjustment; includes corporate pension businesses
(2) Excludes corporate pensions business to be consistent with the definition of ANP
VIF Up 15% to $15.2B; $10.2B Monetised Within 5 Years

- VIF grew 15% from $13.2B in 2009 to $15.2B in 2010
- Significant near-term cash releases:
  - Strong cash flows from in-force to fund growth
  - 56% of VIF turns to cash within 20 years
- Focus on optimising VIF through ALM, persistency and expense management

**Undiscounted Cash Flows ($B)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flows (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-15</td>
<td>0.6</td>
</tr>
<tr>
<td>2016-20</td>
<td>9.6</td>
</tr>
<tr>
<td>2021-25</td>
<td>12.0</td>
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<tr>
<td>2026-30</td>
<td>13.6</td>
</tr>
<tr>
<td>&gt;2030</td>
<td>23.4</td>
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</tbody>
</table>

**Additional during 2H2010**

- 3.6

**VIF at end 1H2010**

- 23.4

**% of Total**

<table>
<thead>
<tr>
<th>Period</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>2011-15</td>
<td>16</td>
</tr>
<tr>
<td>2016-20</td>
<td>15</td>
</tr>
<tr>
<td>2021-25</td>
<td>14</td>
</tr>
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<td>2026-30</td>
<td>11</td>
</tr>
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<td>&gt;2030</td>
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</table>

Source: AIA

(1) Figures on chart represent the after-tax cash flows from the assets backing the reserves and required capital of the in-force business of AIA which are expected to emerge in the future, on a HK STAT basis.
2010 Embedded Value Movement ($m)\(^{(3)}\)

- **Operating EV growth**
  - driven by expected return on EV plus VONB

- **Total EV growth**
  - aided by investment and FX gains

Source: AIA

(1) Consist of effect of changes in long term investment return assumption of -$615m and changes in risk discounted rate of $282m

(2) Other includes model change, non-operating variance and capital / dividend movement

(3) Figures may not be additive due to rounding.
2010 Financial Results

- IFRS Profit
- Value Creation
- Capital
Free Surplus Up 24% to $5.0B

### 2010 Free Surplus Movement ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS at Beginning of Year</td>
<td>4,011</td>
</tr>
<tr>
<td>FS Generated During Year</td>
<td>2,107</td>
</tr>
<tr>
<td>FS Used to Fund New Business</td>
<td>(958)</td>
</tr>
<tr>
<td>Unallocated Group Office Expenses</td>
<td>(168)</td>
</tr>
<tr>
<td>FS Available at End of Year</td>
<td>4,992</td>
</tr>
</tbody>
</table>

- $2.1B of Free Surplus generated during 2010 (+50%)
- $958M invested in new business sales
- $168M to cover Group Office expenses
- Free surplus of $5.0B at end of 2010

Source: AIA

(1) Free surplus here is the excess of the market value of AIA’s assets over the sum of the statutory liabilities and the minimum regulatory required capital across all business units. For branches of AIA Co. and AIA-B, the statutory liabilities are based on HKICO statutory accounting and the required capital based on 150% HKICO required minimum solvency margin.
Capital Up 29% to $6.2B; ICO Solvency Ratio of 337%

Total Available Capital (1) ($m)

Solvency Surplus and Solvency Ratio on HK ICO basis

- Solvency surplus increased by $1.1B
- Solvency ratio up 26 percentage points to 337%
- S&P credit rating of AA- on AIA Co

HK ICO Solvency Ratio

Source: AIA
(1) Solvency surplus of AIA Co. being the HKICO total available capital less 100% HKICO required minimum solvency margin.
(2) Remittances from country operations to Group Office. 2009 were only $6m due to local regulatory orders limiting capital movements following AIG Events.
Net Funds Remitted to Group of $1.5B

2010 Changes in Working Capital (1) Held at Group ($m)

- Net funds of $1.5B remitted from countries in 2010 (vs. -$6m in 2009)
- Regulatory restrictions on capital transfers eased post-IPO
- $50m loan from AIG fully settled
- Working Capital at Group of >$2.1B at end of 2010

<table>
<thead>
<tr>
<th>Working Capital at Start of Year</th>
<th>Net Funds Remitted to Group</th>
<th>Corporate and Other Segment Net Loss</th>
<th>Repayment of Borrowing from AIG</th>
<th>Other Changes in Working Capital</th>
<th>Working Capital at End of Year (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>885</td>
<td></td>
<td>(140)</td>
<td>(50)</td>
<td>(37)</td>
<td>2,153</td>
</tr>
</tbody>
</table>

Source: AIA

(1) Working Capital consists of cash and cash equivalents, available for sale equity securities, and available for sale debt securities.
Disciplined and Efficient Capital Management

- **Invest in Profitable Growth**
  - Fund New Business strain
  - Fund unallocated Group Office expenses

- **Maintain Capital Strength**
  - Meet target ICO solvency
  - Maintain strong S&P rating

- **Enhance Capital Productivity**
  - Deliver better structural efficiency
  - Improve product and channel efficiency

- **Pay Sustainable Dividend**
  - Enhance total shareholder returns
  - Plan to declare an interim dividend at end of 1H2011

Strong free surplus generation and capital offers AIA options to create future profitable growth and shareholder value.
2010 Financial Results: Summary

- Strong performance in challenging year
- Strong and stable in-force business
- New Business profit momentum
- Robust capital and cash flow
## Country Review: Recovery and Growth

<table>
<thead>
<tr>
<th>Gordon Watson</th>
<th>Major Markets</th>
<th>Other Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hong Kong</td>
<td>Philippines</td>
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<tr>
<td></td>
<td>Korea</td>
<td>Taiwan</td>
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<td></td>
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<td>Group Insurance</td>
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</table>

<table>
<thead>
<tr>
<th>Ng Keng Hooi</th>
<th>Major Markets</th>
<th>Other Markets</th>
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<tbody>
<tr>
<td></td>
<td>Thailand</td>
<td>Australia</td>
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<tr>
<th>Huynh Thanh Phong</th>
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<tbody>
<tr>
<td></td>
<td>Singapore</td>
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<tr>
<td></td>
<td>Malaysia</td>
<td>Vietnam</td>
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<tr>
<td></td>
<td></td>
<td>India (@ 26%)</td>
</tr>
</tbody>
</table>
1. Profitable Growth

2. Consumer-Led Innovation

3. Premier Agency
Hong Kong(1) 2010: Rapid Recovery on Back of IPO

VONB (2) Recovery in 2010

- Capitalised on IPO momentum in agency in 2H: **MDRT up 29% YoY**
- Lowered cost base and **improved operational efficiency** with back office migration and HQ relocation
- VONB margins down due to **higher ILP volumes** driven by growing investor confidence
- Further capitalised on AIA Group momentum with **multiple awards for Customer Service and Brand**

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>3Q2010</th>
<th>4Q2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP</td>
<td>387</td>
<td>449</td>
<td>100</td>
<td>183</td>
</tr>
<tr>
<td>VONB Margin(3)</td>
<td>50%</td>
<td>45%</td>
<td>44%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Source: AIA
(1) Includes Macau and AIAPT.
(2) VONB by market is based on local statutory basis; includes corporate pension businesses.
(3) Excludes corporate pensions business to be consistent with the definition of ANP.
Hong Kong(1) 2011: Agency Led Return to Growth

- Implement **Premier Agency**, emphasising MDRT as our benchmark

- Improve **agent training and development** and point-of-sale technologies

- Bring to market **innovative, consumer focused products** with higher VONB margins to close the protection gap

- **Leverage AIA brand** in our home market to accelerate growth

---

(1) Includes Macau and AIAPT.
Korea 2010: Headwinds Remain but Turning the Corner

Recovery in 2010

- Re-priced or withdrew low margin products
- Launched Agency Branch Manager system to enhance agency model and increase productivity
- Diversified channel mix and increased market reach with the launch of Martassurance partnership with Tesco
- Improved AIA brand recognition – aided awareness at 70% up from very low levels in 2009

Source: AIA

(1) VONB by market is based on local statutory basis; includes corporate pension businesses.
(2) Excludes corporate pensions business to be consistent with the definition of ANP.
Korea 2011: Repositioning for Profitable Growth

- Build **Premier Agency** force through branch manager model and focus on higher activity and productivity

- Roll out **“Select and Focus” Bancassurance** plan to build strong, strategic partner relationships

- **Enhance product mix** with focus on higher VONB margins

- Continue to **enhance brand awareness** while building positive brand equity
### Philippines, Taiwan and Group Insurance

#### Recovery in 2010
- Re-priced or withdrew low-margin products
- Launched BPI-Philam Life JV in January 2010
- More than tripled VONB during 2010

#### Growth Focus in 2011
- Deepen the relationship with our JV partner
- Professionalise agency

#### Philippines
- Re-priced or withdrew low-margin products
- Launched BPI-Philam Life JV in January 2010
- More than tripled VONB during 2010

#### Taiwan
- Re-priced or withdrew low-margin products
- Launched telemarketing campaign with ANZ and offered life and protection products to Mega and TSB mortgage customers
- More than doubled VONB during 2010

#### Group Insurance
- Retained major Employee Benefits accounts
- Employee Benefits total premiums up 25%
- Credit Life total premiums up 65%
- Increase the number of agents selling group insurance
- Set up direct sales force in key markets
Country Review: Recovery and Growth

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<tbody>
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<td></td>
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<td>Korea</td>
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<td>Singapore &amp; Brunei</td>
<td>Indonesia</td>
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<tr>
<td></td>
<td>Malaysia</td>
<td>Vietnam</td>
</tr>
<tr>
<td></td>
<td></td>
<td>India (@ 26%)</td>
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</tbody>
</table>
Thailand 2010: Strong VONB and Margin Growth

**VONB (1)**

<table>
<thead>
<tr>
<th>($m)</th>
<th>FY2009</th>
<th>FY2010</th>
<th>3Q2010</th>
<th>4Q2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP</td>
<td>372</td>
<td>420</td>
<td>107</td>
<td>133</td>
</tr>
<tr>
<td>VONB Margin (2)</td>
<td>32%</td>
<td>41%</td>
<td>45%</td>
<td>44%</td>
</tr>
</tbody>
</table>

**Recovery in 2010**

- Focus on enhancing product margins through withdrawing or re-pricing low margin products and **introducing new higher margin products**
- Increase sales of **high margin riders and A&H products**
- Launched **first investment-linked product in Thailand**
- Continued **automation** to enhance service and cost efficiency

*Source: AIA*

(1) VONB by market is based on local statutory basis; includes corporate pension businesses.
(2) Excludes corporate pensions business to be consistent with the definition of ANP.
Thailand 2011: Focus on Agency Productivity

- Implement **Premier Agency** strategy to enhance productivity
- **Increase active agents** to grow sales
- Train agents to sell **investment-linked products**
- Seek new **Bancassurance** relationships
- Grow **Direct Marketing** business and tap on the potential of our huge customer base
China 2010: Significant Growth Momentum

VONB (1)

<table>
<thead>
<tr>
<th>($m)</th>
<th>FY2009</th>
<th>FY2010</th>
<th>3Q2010</th>
<th>4Q2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP</td>
<td>188</td>
<td>206</td>
<td>50</td>
<td>64</td>
</tr>
<tr>
<td>Margin(2)</td>
<td>26%</td>
<td>33%</td>
<td>36%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Recovery in 2010

- Secured approval to open **eight new Sales and Service Centres** in November 2010 – two in Guangdong and six in Jiangsu

- **Strengthened management team**

- Signed **long-term bancassurance agreement with ICBC** with significant progress on the partnership

- Refocused product portfolio on protection, launched high-margin ‘**All-in-One**’ product

---

(1) VONB by market is based on local statutory basis; includes corporate pension businesses.
(2) Excludes corporate pensions business to be consistent with the definition of ANP.
China 2011: Increase Market Penetration

- Implement **Premier Agency** strategy to enhance productivity
- Increase **active agent** number
- Increase number of ICBC bank outlets selling **Bancassurance** products
- Launch **Next Generation Investment Linked Products**
- Expand into **new cities** in Guangdong and Jiangsu Provinces
## Australia & New Zealand: Maintain Recent Momentum

### Recovery in 2010
- Continued to diversify into alternative channels, IFA and Direct Marketing
- Secured new five-year distribution deals with Priceline and Citibank
- Sustained business momentum under new leadership
- Launched new higher margin products

### Growth Focus in 2011
- Commence Group Insurance partnership with Sunsuper
- Grow higher margin Direct Marketing sales
- Drive down the high acquisition cost to improve margin
## Country Review: Recovery and Growth

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</thead>
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<td><strong>Gordon Watson</strong></td>
</tr>
<tr>
<td>Hong Kong &amp; Macau, Korea</td>
<td>Philippines, Taiwan, Group Insurance</td>
</tr>
<tr>
<td><strong>Ng Keng Hooi</strong></td>
<td><strong>Ng Keng Hooi</strong></td>
</tr>
<tr>
<td>Thailand, China</td>
<td>Australia, New Zealand</td>
</tr>
<tr>
<td><strong>Huynh Thanh Phong</strong></td>
<td><strong>Huynh Thanh Phong</strong></td>
</tr>
<tr>
<td>Singapore &amp; Brunei, Malaysia</td>
<td>Indonesia, Vietnam, India (@ 26%)</td>
</tr>
</tbody>
</table>
Singapore(1) 2010: Regained Momentum in 2H

**VONB (2)**

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>3Q2010</th>
<th>4Q2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP</td>
<td>162</td>
<td>210</td>
<td>72</td>
<td>56</td>
</tr>
<tr>
<td>VONB Margin(3)</td>
<td>60%</td>
<td>49%</td>
<td>35%</td>
<td>53%</td>
</tr>
</tbody>
</table>

**Recovery in 2010**

- **Significant recruitment of new agents and Associate District Managers**
- **Reoriented sales towards VONB and strengthened A&H resources**
- **Launched new protection products** including ‘Complete Critical Cover’, ‘Secure Term’, and ‘Health Cash Plus’
- **Named the Best Group Insurance provider** for fifth consecutive year
- **Moved additional back office functions to Malaysia Shared Services Operation**

*(Source: AIA)*

(1) Includes Brunei.
(2) VONB by market is based on local statutory basis; includes corporate pension businesses.
(3) Excludes corporate pensions business to be consistent with the definition of ANP.
Singapore\(^{(1)}\) 2011: Build a Market Leading Agency Force

- Implement **Premier Agency** model aiming to increase activity and productivity materially

- Build on strong momentum and continue to **recruit agents and leaders**

- Further **improve product portfolio margin** by repricing low-margin products and introducing more protection and A&H type products

- Use existing distribution to strengthen leadership in **Group Insurance**

- Further leverage our Malaysia **Shared Service Operation** and focus on delivering **high quality customer service**

\(^{(1)}\) Includes Brunei.
Malaysia 2010: Significant Profitability Improvement

<table>
<thead>
<tr>
<th>VONB (1)</th>
<th>Recovery in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>($m)</td>
<td></td>
</tr>
<tr>
<td>FY2009</td>
<td>28</td>
</tr>
<tr>
<td>FY2010</td>
<td>39</td>
</tr>
<tr>
<td>3Q2010</td>
<td>10 &lt;1%</td>
</tr>
<tr>
<td>4Q2010</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: AIA
(1) VONB by market is based on local statutory basis; includes corporate pension businesses.
(2) Excludes corporate pensions business to be consistent with the definition of ANP.
Malaysia 2011: Expand All Distribution Channels

- Implement **Premier Agency** strategy focusing on materially improvement in activity and productivity

- **Energise agency force** with recruitment drives and accelerating Agency Organiser programme

- **Roll out Takaful operation** using existing agency force, relationship with CIMB Wealth Advisors and recruitment of Muslim agents

- Progress development of **partnership channels** by securing key new partners for both Bancassurance and Direct Marketing channels

- Intensify effort to move to **profitable protection and A&H** products
### Vietnam, Indonesia and India: Agency-Led Expansion

**Recovery in 2010**

- Recorded strong growth in VONB and ANP despite negative impact of external events
- Improved VONB margin due to better rider attachment and larger case size
- Continued to build Agency momentum and recruitment

**Growth Focus in 2011**

- Expand agency scale and productivity by recruiting experienced agency leaders
- Introduce next-generation Universal Life and Investment Linked products to manage capital and strain while enhancing margins

**Vietnam**

- Recorded strong growth in VONB and ANP
- Improved VONB margin due to better rider attachment and larger case size
- Continued to build Agency momentum and recruitment

**Indonesia**

- Recorded strong growth in VONB and ANP
- Deepened bancassurance relationship with BCA and CIMB while acquiring new partners
- Withdrew low margin high strain products, replaced with more profitable new products

**India (@26%)**

- Restructured agency to eliminate low-productivity segment and boost productivity
- Rationalised branch network and reduced the number of locations
- Repriced key products to improve margin following regulation changes

**India**

- Implement Premier Agency model to boost agent activity and productivity
- Acquire significant new bank partners
- Further improve product portfolio margin through product redesign and repricing
- Expand Shariah-compliant product lines

---

_AIA GROUP 2010 RESULTS PRESENTATION_
## 2011: Relentless Focus on Value Generation

**Strategic Themes**

**Initiatives Underway**

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Growing distribution scale and quality</th>
<th>Premier Agency strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Profitable Bancassurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profitable Direct Marketing</td>
</tr>
<tr>
<td>Product</td>
<td>Optimising product mix for VONB delivery</td>
<td>Protection and A&amp;H focus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Insurance expansion</td>
</tr>
<tr>
<td>Customer</td>
<td>Enhancing customer access, experience and retention</td>
<td>Customer marketing priorities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Takaful customer proposition</td>
</tr>
<tr>
<td>Organisation</td>
<td>Developing capabilities whilst driving operating efficiencies</td>
<td>Competency development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shared services expansion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group functional review</td>
</tr>
<tr>
<td>Financial</td>
<td>Strengthening capital and risk management</td>
<td>Optimising capital-efficient returns on capital</td>
</tr>
</tbody>
</table>
Distribution: Implementing Premier Agency Strategy

- Asia’s Premier Agency in both scale and quality
  - Productivity / MDRT
  - Reactivation
  - Quality Recruitment
  - A+H sales
  - Recapture

- Clear performance metrics and targets

- World-class training and development programmes

- Professional sales process and ongoing customer service

- Attractive remuneration aligned with sustainable VONB delivery and customer needs

- Point of Sale technology making it easier for customer to do business with AIA

- Building customer propositions to meet changing life stage needs
### Product: Optimising Product Mix for VONB Delivery

#### 2011 Product Priorities

<table>
<thead>
<tr>
<th>Raise Unit VONB Margins</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Re-price low-margin products</strong> and re-launch with higher protection component</td>
<td></td>
</tr>
<tr>
<td><strong>Avoid low-margin short-pay</strong> deposit substitute products</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Proactively Manage Product Mix</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Adjust sales incentives</strong> to migrate mix to more profitable products and boost riders</td>
<td></td>
</tr>
<tr>
<td><strong>Maximize re-use</strong> of successful high VONB product to other suitable markets</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Refocus Product Mix on Higher-Margin Categories</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Roll out Next Generation ILP and UL propositions</strong></td>
<td>Singapore, HK, China, Indonesia, Thailand, Vietnam</td>
</tr>
<tr>
<td><strong>Enhance A&amp;H / protection</strong> portfolio to reinforce AIA’s leadership position</td>
<td>Singapore, HK, Thailand, Malaysia, Korea</td>
</tr>
<tr>
<td>Reinforce and expand leadership position in <strong>Group Insurance</strong></td>
<td>All markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2011 Country Focus</th>
<th></th>
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<tbody>
<tr>
<td><strong>All markets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Singapore, Hong Kong</strong></td>
<td></td>
</tr>
<tr>
<td><strong>All markets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>All markets</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: AIA
## Customer: Improving Access, Experience & Retention

### Enhancing Customer Access:
**Islamic Insurance in Malaysia and Indonesia**

- Maximize use of *existing agency*, bank and DM channels for Takaful\(^{(1)}\) insurance
- Establish *dedicated Takaful agency* plus Bancassurance partners and DM sponsors
- Embed *Takaful-specific KPIs* in each channel and local Marketing function
- Enhance *awareness of AIA Takaful* through distinctive brand campaign
- Seek *official approval* on all aspects of Takaful operations and activities

### Enhancing Customer Experience:
**Customer-Centric Marketing Priorities**

- Embed *net promoter score* to drive customer advocacy and retention
- Upgrade in-house *customer value management* capabilities
- Replicate successful HK/KO *customer segmentation* pilots in SG, TH and MY
- Coordinate *coupon and maturity recapture* initiatives in HK, SG and TH
- Improve user-friendliness of *web-based customer tools* in all markets

---

\(^{(1)}\) *Takaful* refers here to Takaful Insurance in Malaysia and Shariah Insurance in Indonesia.
Organisation: Enhancing Capabilities and Efficiencies

**Leveraging Country Scale**

- **Reducing run-rate expenses** in larger, more mature operations (HK, SG, TH, CN, KO)
- **Expanding Malaysia and China Shared Service Operations** to improve service quality and cost efficiency
- **Migrating life admin systems to best-of-breed scalable platform**, and reviewing options for **data centre configuration**

**Streamlining Group Office**

- **Reducing Group Office scale and expenses**, and moving talent to Shared Services or country operations
- **Slimming down the Group Strategic Initiatives Office** and passing delivery accountability to RMDs and CEOs
- **Empowering country operations by raising delegated authorities** for RMDs and country CEOs
Financial: Disciplined and Efficient Capital Management

- **Invest in Profitable Growth**: 
  - Fund New Business strain
  - Fund unallocated Group Office expenses

- **Maintain Capital Strength**: 
  - Meet target ICO solvency
  - Maintain strong S&P rating

- **Enhance Capital Productivity**: 
  - Deliver better structural efficiency
  - Improve product and channel efficiency

- **Pay Sustainable Dividend**: 
  - Enhance total shareholder returns
  - Plan to declare an interim dividend at end of 1H2011

Strong free surplus generation and capital offers AIA options to create future profitable growth and shareholder value.
AIA – Positioned to Win

- World’s most dynamic region and markets
- Uniquely advantaged franchise and control
- Exceptional financial strength
- World-class senior management team
- Extraordinary value growth opportunities
- Results recovery well underway; more to come
- Economic growth, demographics, savings and protection needs
- 100% Asia, 100% ownership in 14 markets, in-force scale, agency led
- Self-funding model, increasing free surplus, strong capital
- Deep expertise, experience in building, running regional businesses
- Premier Agency, A&H/Protection, lean operations, capital management
- Q4 uplift, Q1 momentum, results orientation, visible early impact
<table>
<thead>
<tr>
<th>Section</th>
<th>Presenter</th>
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<tbody>
<tr>
<td>2010 Group Review</td>
<td>Mark Tucker</td>
</tr>
<tr>
<td>2010 Financial Results</td>
<td>Marc de Cure</td>
</tr>
<tr>
<td>Country Review: Recovery and Growth</td>
<td>Regional MDs</td>
</tr>
<tr>
<td>2011 Focus and Priorities</td>
<td>Mark Tucker</td>
</tr>
</tbody>
</table>

Q&A
**Glossary**

- **A&H** Accident & Health
- **AIAPT** AIA Pension & Trustee
- **ANP** Annualised New Premiums
- **CEO** Chief Executive Officer
- **DM** Direct Marketing
- **EV** Embedded Value
- **FS** Free Surplus
- **FX** Foreign Exchange
- **FY** Financial Year
- **IA** Invested Assets
- **ICO** Insurance Commissioner’s Office
- **IFRS** International Financial Reporting Standards
- **ILP** Investment-Linked Product
- **IPO** Initial Public Offering
- **MPF** Mandatory Provident Fund
- **MDRT** Million Dollar Round Table
- **RMD** Regional Managing Director
- **ROE** Return on Equity
- **ROEV** Return on Embedded Value
- **OPAT** Operating Profit After Tax
- **S&P** Standard & Poor’s
- **SAA** Strategic Asset Allocation
- **TAAL** Tactical Asset Allocation
- **TWPI** Total Weighted Premium Income
- **UL** Universal Life
- **VIF** Value of In Force
- **VONB** Value of New Business
- **YOY** Year on Year

For a full glossary with explanations of key terms please refer to the AIA Group Limited 2010 Annual Results Announcement.
## Embedded Value: Base Case Key Assumptions

### 2010 Year End Assumptions (vs. 2009 Year End)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Hong Kong</th>
<th>Thailand</th>
<th>Singapore (3)</th>
<th>Malaysia</th>
<th>China</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>8.0%</td>
<td>9.5%</td>
<td>7.75%</td>
<td>9.0%</td>
<td>10.0%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Discount Rate (in parentheses)</td>
<td>(8.0%)</td>
<td>(10.0%)</td>
<td>(7.75%)</td>
<td>(9.0%)</td>
<td>(10.0%)</td>
<td>(11.0%)</td>
</tr>
<tr>
<td>Investment Return – 10-Yr GB Yield (1)</td>
<td>3.5%</td>
<td>3.9%</td>
<td>2.9%</td>
<td>4.5%</td>
<td>3.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Investment Return – 10-Yr GB Yield (1) (in parentheses)</td>
<td>(3.8%)</td>
<td>(4.2%)</td>
<td>(2.9%)</td>
<td>(4.5%)</td>
<td>(3.7%)</td>
<td>(5.2%)</td>
</tr>
<tr>
<td>Investment Return – Equity Return</td>
<td>8.5%</td>
<td>10.2%</td>
<td>8.0%</td>
<td>8.3%</td>
<td>9.7%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Investment Return – Equity Return (in parentheses)</td>
<td>(8.5%)</td>
<td>(10.2%)</td>
<td>(8.0%)</td>
<td>(8.3%)</td>
<td>(9.7%)</td>
<td>(9.1%)</td>
</tr>
<tr>
<td>BU Solvency Requirement</td>
<td>150%</td>
<td>150%</td>
<td>200%</td>
<td>170%</td>
<td>100%</td>
<td>150%</td>
</tr>
<tr>
<td>Group Solvency Requirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branch operations adjusted for HK statutory requirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Based on best estimate future expense level and long-term inflation assumption for each operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistency / Mortality / Morbidity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Based on recent historical and best estimate expectations of future experience by product group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Rates (2)</td>
<td>16.5%</td>
<td>30%</td>
<td>17%</td>
<td>25%</td>
<td>25%</td>
<td>22%</td>
</tr>
</tbody>
</table>

(1) Denotes 10 year government bond yields
(2) Standard corporate tax rate for Korea is 24.2% and expected to apply until March 2012, with 22% tax rate applied to periods after April 2012
(3) Singapore only, excluding Brunei
## Embedded Value: Key Sensitivities

### EV Sensitivities

<table>
<thead>
<tr>
<th>Base case</th>
<th>2010 (US$bn)</th>
<th>US$24.7bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate +/-2%</td>
<td>22.0</td>
<td>28.7</td>
</tr>
<tr>
<td>Investment Return +/-0.5%</td>
<td>22.9</td>
<td>26.6</td>
</tr>
<tr>
<td>Lapse Rates +/-10%</td>
<td>24.5</td>
<td>25.0</td>
</tr>
<tr>
<td>Mortality / Morbidity Rates +/-10%</td>
<td>23.5</td>
<td>26.0</td>
</tr>
<tr>
<td>Maintenance Expenses +/-10% (1)</td>
<td>24.4</td>
<td>25.1</td>
</tr>
</tbody>
</table>

### VONB Sensitivities

<table>
<thead>
<tr>
<th>2010 (US$m)</th>
<th>US$667m</th>
</tr>
</thead>
<tbody>
<tr>
<td>478</td>
<td>923</td>
</tr>
<tr>
<td>589</td>
<td>744</td>
</tr>
<tr>
<td>608</td>
<td>732</td>
</tr>
<tr>
<td>530</td>
<td>804</td>
</tr>
<tr>
<td>634</td>
<td>700</td>
</tr>
</tbody>
</table>

Source: AIA

(1) Sensitivity analysis was only conducted for 10% decrease in maintenance expenses; results for 10% increase in maintenance expenses assumed to be proportional in the opposite direction.
VONB Margins by Product and Channel

**VONB Margin by Product**

- Standalone A&H: 50% (2010), 42% (2009)
- Group Insurance: 35% (2010), 33% (2009)
- Traditional Individual Life: 31% (2010), 21% (2009)
- Investment-Linked: 15% (2010), 10% (2009)

**VONB Margin by Channel**

- Agency: 39% (2010), 37% (2009)
- Direct Marketing: 34% (2010), 21% (2009)
- Bancassurance: 22% (2010), 18% (2009)

Source: AIA

*A NEW BEGINNING FOR AIA*
VONB Contribution by Market

2010 VONB ($m) By Market

- Hong Kong: 206, 210
- Thailand: 120, 174
- Singapore: 96, 104
- China: 48, 68
- Korea: 60, 64
- Malaysia: 28, 39
- Others (3): 77, 99

VONB Margin (2)
- Hong Kong: 50%
- Thailand: 45%
- Singapore: 32%
- China: 41%
- Korea: 60%
- Malaysia: 49%
- Others (3): 18%

VONB Growth
- Hong Kong: 2%
- Thailand: 44%
- Singapore: 8%
- Korea: 43%
- Malaysia: 7%
- Others (3): 39%

Source: AIA

(1) VONB by market is based on local statutory basis; includes corporate pension businesses.
(2) VONB from corporate pension businesses is excluded from VONB Margin calculation to be consistent with the definition of ANP.
(3) ‘Others’ includes Australia, New Zealand, Philippines, Indonesia, Vietnam and Taiwan. Hong Kong includes Macau and AIAPT. Singapore includes Brunei.
Invested Asset Mix Optimised to Match Liabilities

**Investments by Asset Class (1)**

- Govt Bonds: 29%
- Corporate Bonds: 37%
- Agency Bonds: 12%
- Structured Securities: 2%
- Cash and equiv: 3%
- Term Deposits: 1%
- Loans: 4%
- Public Equities: 8%
- Others: 4%

**Government Bonds by Market (2)**

- Govt: 46%
- Agency Bonds: 47%
- CN: 6%
- MY: 6%
- KO: 11%
- PH: 11%
- SG: 11%
- Other: 11%

**Fixed Income Portfolio (2)**

- Govt and Govt Agency Bonds: 47%
- Corporate Bonds: 42%
- Other Loans: 1%
- Mortgage Loans: 1%
- Policy Loans: 3%
- Term Deposits: 1%
- Cash and equiv: 3%
- Structured Securities: 2%

**Corporate Bonds by Rating (3)**

- AAA: 4%
- AA: 13%
- BBB: 32%
- A: 46%
- Below Investment Grade & Other: 5%

Source: AIA

(1) Refers to policyholder and shareholder investments (i.e. excluding investment-linked investments of US$15.9 Bn as of 2010)
(2) Policyholder and shareholder investments only; excludes investment-linked investments; Mortgage loans includes Mortgage loans on residential and commercial real estate
(3) Based on government bonds and corporate bonds in policyholder and shareholder’s investment portfolio