



2010 Results Presentation

25th February 2011



Disclaimer



This document (“document”) has been prepared by AIA Group Limited (the “Company”) and its advisors solely for use at the presentation (the “Presentation”) held in connection with the announcement of the Company’s financial results. Document in this disclaimer shall be construed to include any oral commentary, statements, questions, answers and responses at the Presentation.

No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information and opinions contained herein are subject to change without notice. The accuracy of the information and opinions contained in this document is not guaranteed. Neither the Company nor any of its affiliates or any of their directors, officers, employees, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any information contained or presented in this document or otherwise arising in connection with this document.

This document contains certain forward looking statements relating to us 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 document, the words “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “ought and similar expressions, as they relate to us or our management, are intended to identify forward looking statements. These forward looking statements reflect our views as of the date hereof with respect to future events and are not a guarantee of future performance or developments. 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. The Company assumes no obligation to update or otherwise revise these forward-looking statements for new information, events or circumstances that occur subsequent to such dates.

This document does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any holding company or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. No shares of the Company may be sold in the United States or to U.S. persons without registration with the United States Securities and Exchange Commission except pursuant to an exemption from, or in a transaction not subject to, such registration. In Hong Kong, no shares of the Company may be offered to the public unless a prospectus in connection with the offering for sale or subscription of such shares has been authorized by The Stock Exchange of Hong Kong Limited for registration by the Registrar of Companies under the provisions of the Companies Ordinance (Cap.32 of the Laws of Hong Kong), and has been so registered.

By accepting this document, you agree to maintain absolute confidentiality regarding the information contained in this. The information herein is given to you solely for your own use and information, and no part of this document may be copied or reproduced, or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization/firm) in any manner or published, in whole or in part, for any purpose. The distribution of this document in may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Agenda

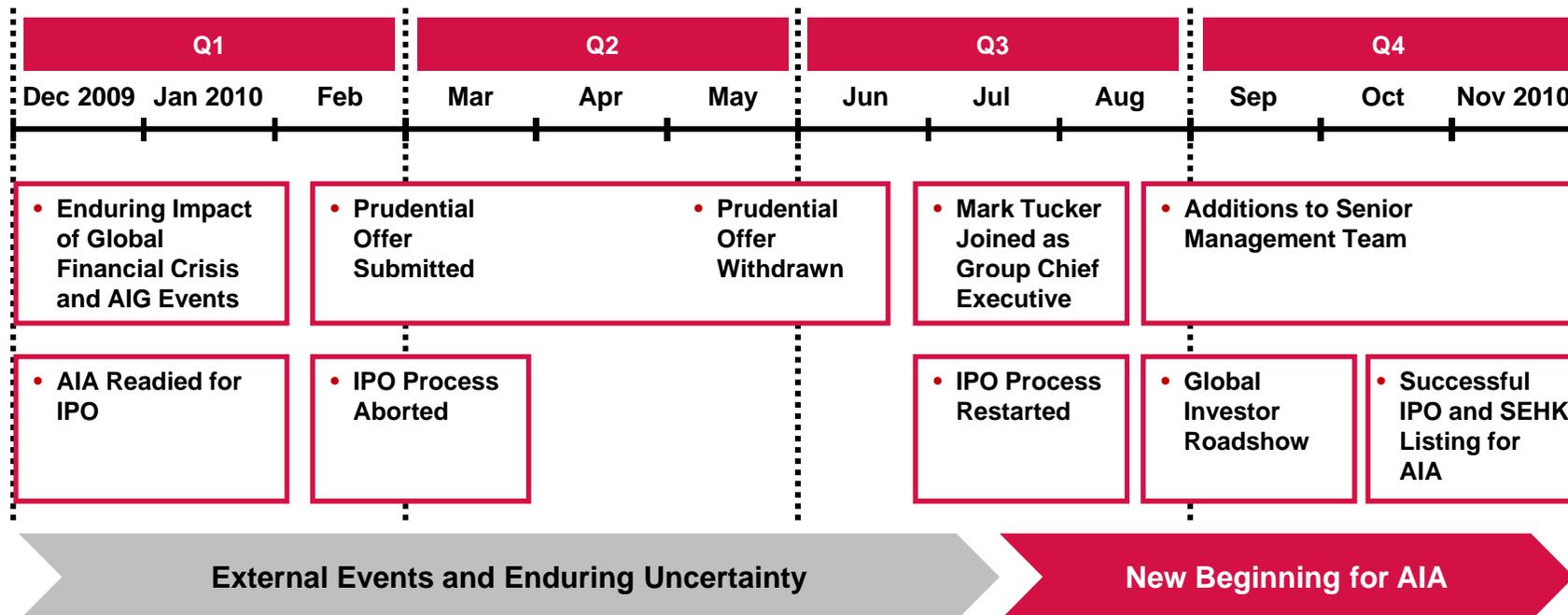


| Time | Presenter | Position | Topic |
|-------------|-----------------------------|-----------------------|-------------------------|
| 0930-1000 | Mark Tucker | Group Chief Executive | 2010 Group Review |
| 1000-1020 | Marc de Cure | Group CFO | 2010 Financial Results |
| 1020-1050 | Regional Managing Directors | | 2010 Country Review |
| 1050-1100 | Mark Tucker | Group Chief Executive | 2011 Focus & Priorities |
| 1100-1200 | Mark Tucker | Group Chief Executive | Q&A |

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**
- 
- The AIA logo is a watermark in the background of the slide. It features a circular emblem containing a stylized mountain range with a sun or moon rising behind it. Below the emblem, the letters 'AIA' are written in a large, bold, sans-serif font.

2010: An Eventful Year for AIA



- 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



| | \$m | 2010 | 2009 | YoY | |
|-----------------------|--|--------|--------|---------|---|
| IFRS Profit | TWPI | 13,013 | 11,632 | 12% | ↑ |
| | Operating Profit Before Tax | 2,102 | 1,781 | 18% | ↑ |
| | Operating Profit After Tax | 1,708 | 1,443 | 18% | ↑ |
| | Net Profit ⁽¹⁾ | 2,701 | 1,754 | 54% | ↑ |
| | Shareholders' Equity | 19,635 | 14,959 | 31% | ↑ |
| Value Creation | ANP ⁽²⁾ | 2,025 | 1,878 | 8% | ↑ |
| | VONB ⁽³⁾ | 667 | 545 | 22% | ↑ |
| | VONB Margin ⁽⁴⁾ | 32.6% | 28.3% | 4.3 pps | ↑ |
| | Embedded Value | 24,748 | 20,965 | 18% | ↑ |
| Capital | Net funds to Group ⁽⁵⁾ | 1,495 | (6) | n/m | ↑ |
| | ICO Regulatory Capital | 6,207 | 4,811 | 29% | ↑ |
| | ICO Solvency Ratio | 337% | 311% | 26 pps | ↑ |

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

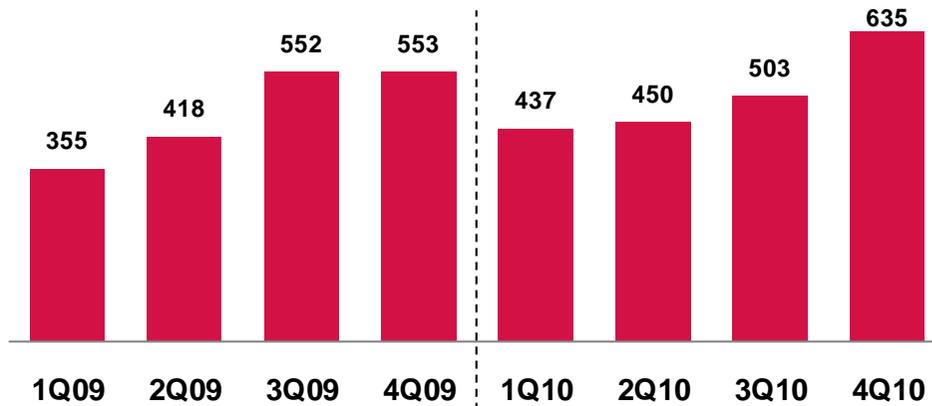
(4) VONB Margin = VONB / ANP. Excludes corporate pensions business to be consistent with the definition of ANP

(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



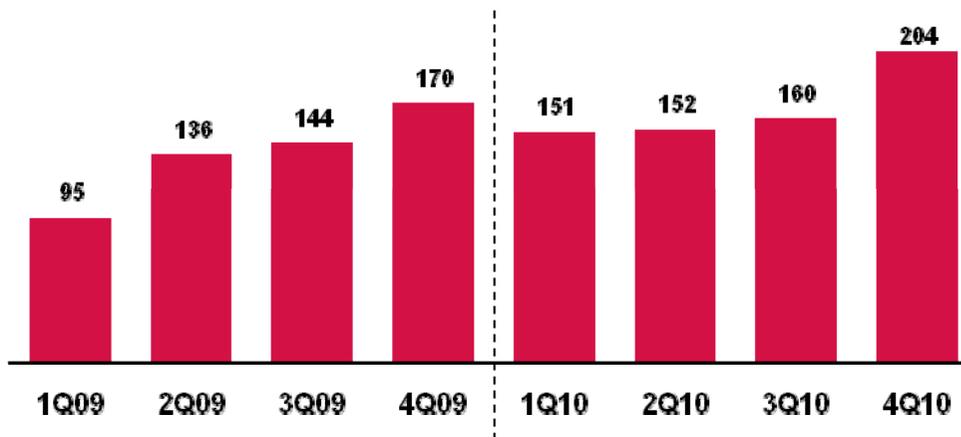
Annualised New Premium (\$m)



Year-on-year:

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

Value of New Business (\$m)



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

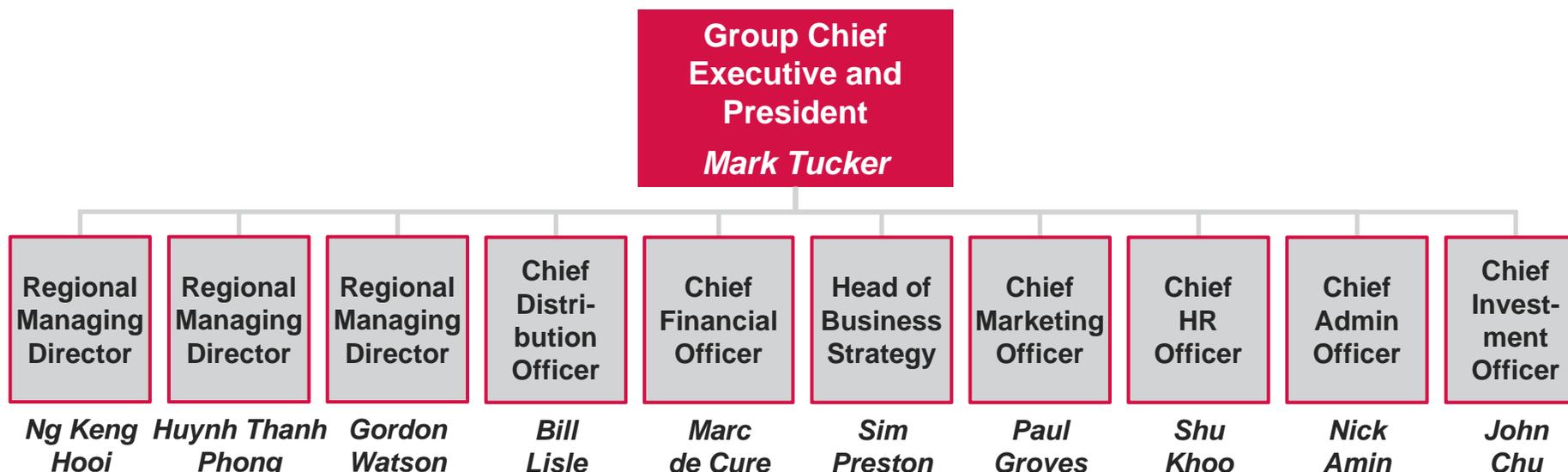
2. Building blocks of sustained value growth

- 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

| | <u>Weighting</u> | |
|---|------------------|---|
| ▪ Value of New Business (VONB) | 50% | } ▪ Whole of AIA committed to focused set of KPIs } ▪ Management incentives realigned with KPIs } ▪ Nurture in-force <u>and</u> grow new business |
| ▪ Embedded Value (EV) | 20% | |
| ▪ IFRS Operating Profit | 15% | |
| ▪ Country/Function Specific ⁽¹⁾ | 15% | |

(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

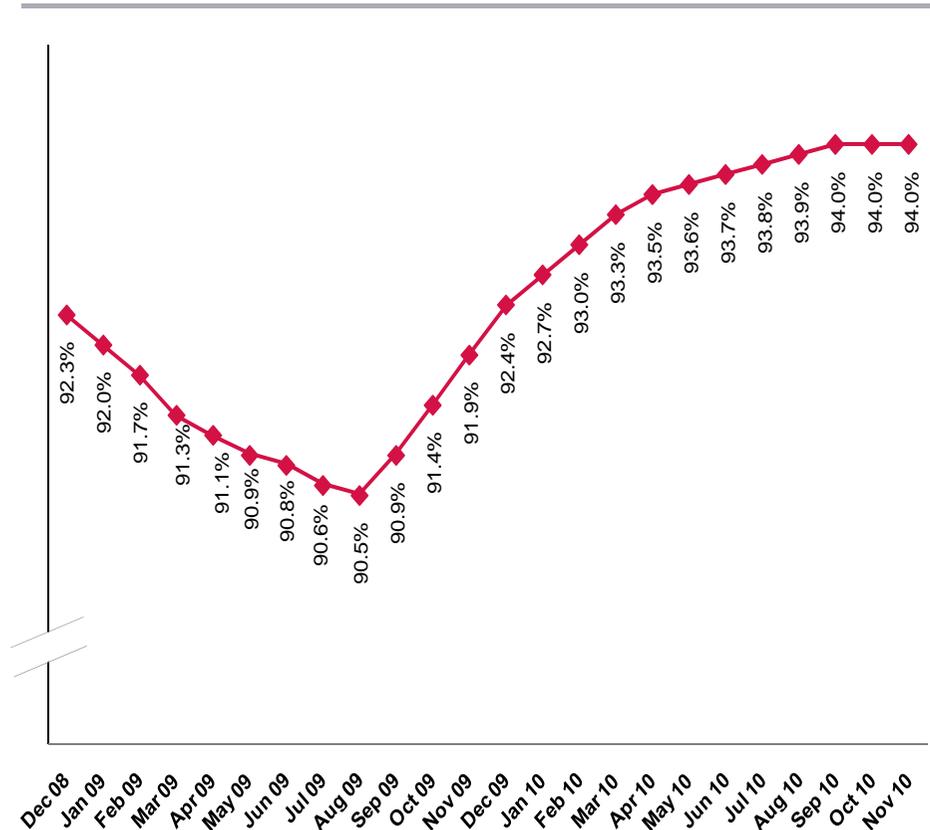
- Nurturing and enhancing the in-force book
- Increasing distribution scale and quality
- Realigning product margins and mix
- Enhancing customer experience

2. Building Blocks of Sustained Value Growth



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

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.

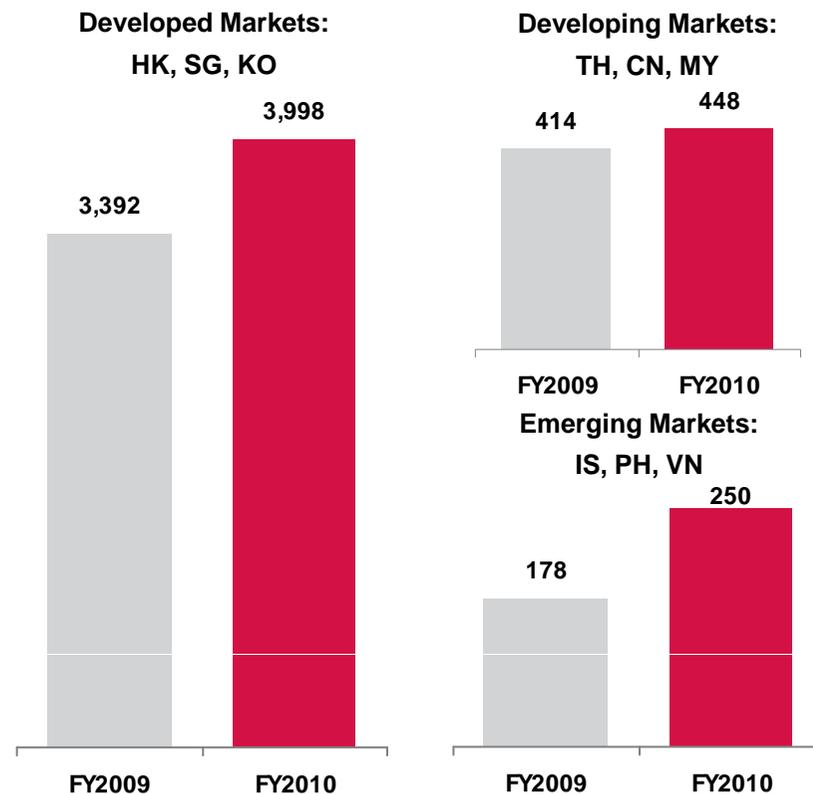
- Increased **Value of In-Force (VIF)** by 15% to \$15.2bn even after generating \$2.1bn of free surplus over the year
- **Asset⁽²⁾ growth of 23%** driven by \$7.9bn of net inflows over 2010 will drive future cash flows
- **Steady rise in persistency** in every quarter since 3Q2009
- **Continuing focus on customer retention and persistency enhancement**

2. Building Blocks of Sustained Value Growth



Distribution: Growing Productivity in Agency

ANP Per Agent⁽¹⁾ (\$ Per Month)



- 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

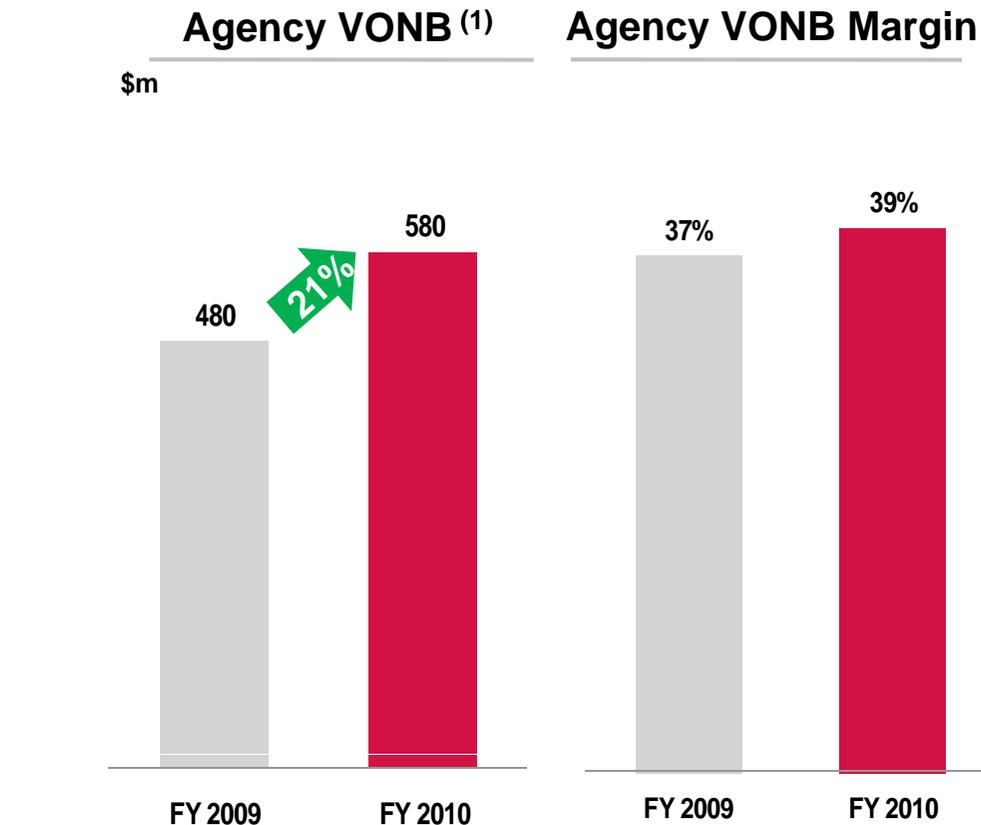
(1) Agency productivity is calculated based on average of number of agents at each month end..

(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



- 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)



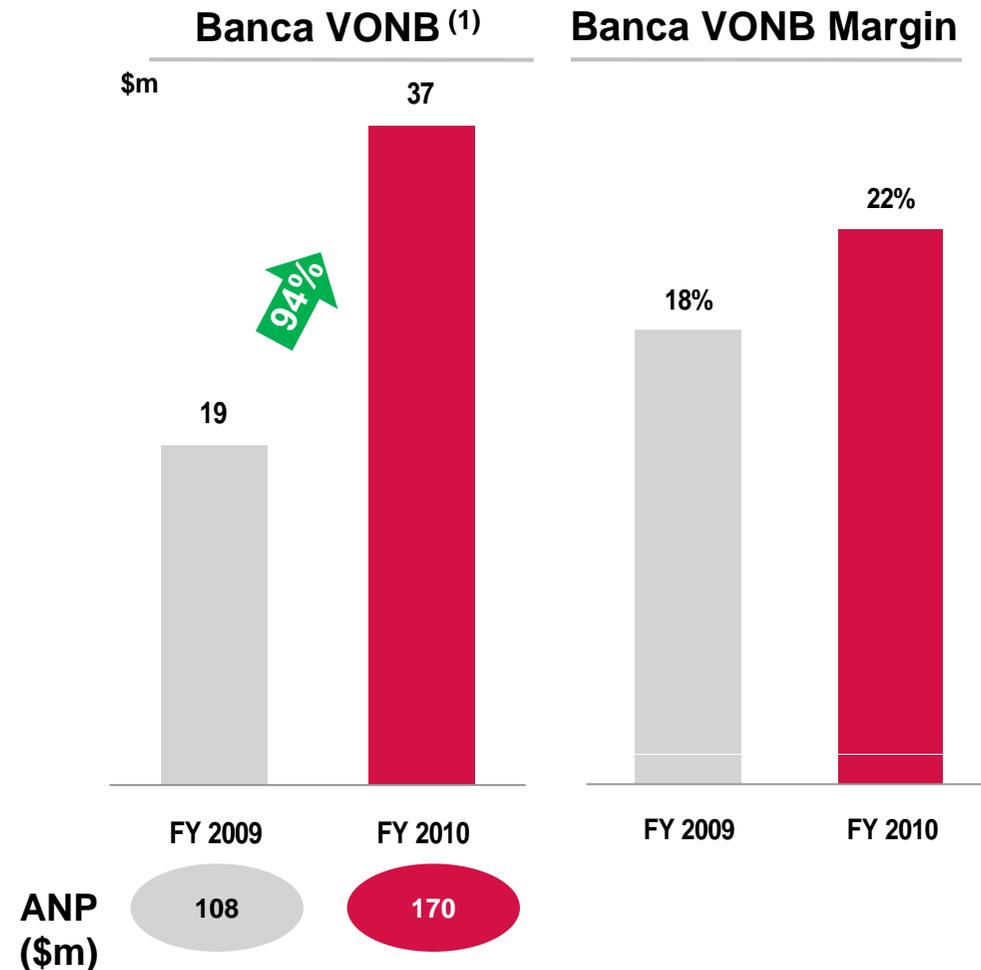
Source: AIA.

(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

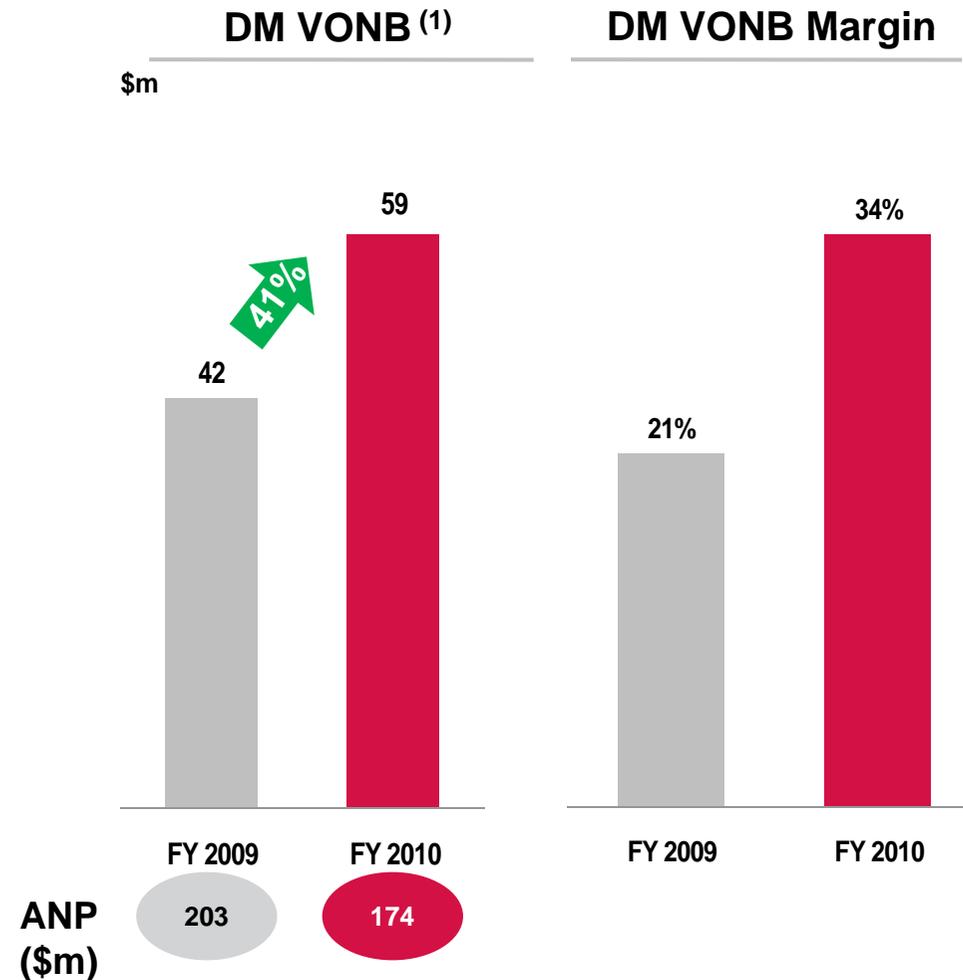
Source: AIA.

(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 Direct Marketing



- 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.

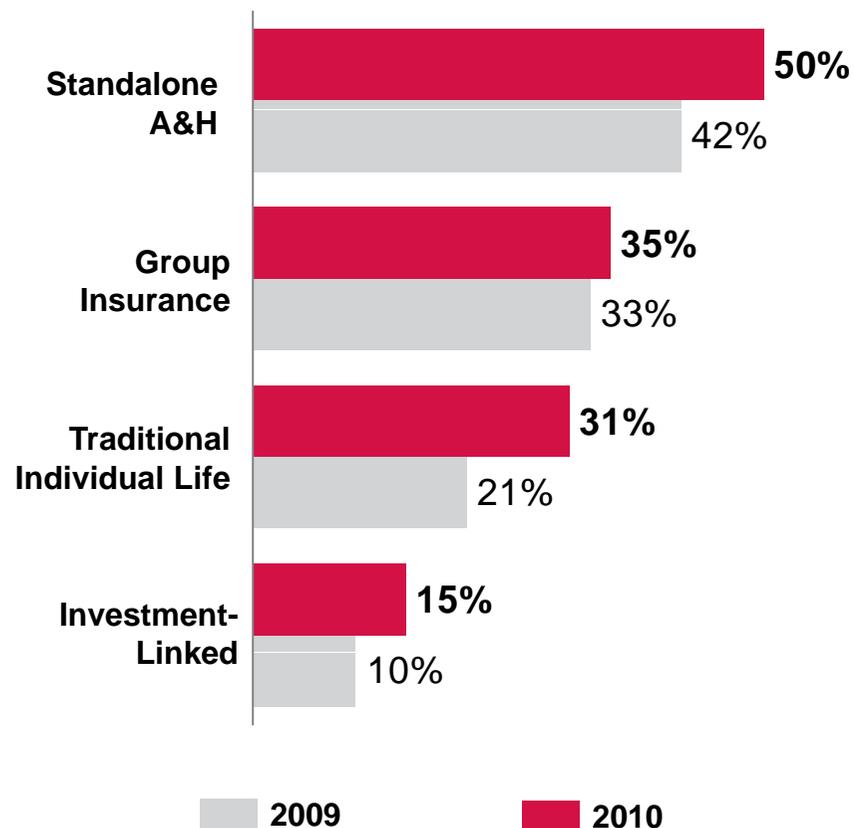
(1) VONB and margin are pre-group office expenses and pre-Hong Kong statutory adjustment and presented on a local statutory basis.

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.



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



2010 Group Review

Mark Tucker

2010 Financial Results

Marc de Cure

**Country Review:
Recovery and Growth**

Regional MDs

2011 Focus and Priorities

Mark Tucker

Q&A

2010 Financial Results



IFRS Profit

Value Creation

Capital

2010: Strong Performance in a Challenging Year



| | \$m | 2010 | 2009 | YoY | |
|-----------------------|--|--------|--------|---------|---|
| IFRS Profit | TWPI | 13,013 | 11,632 | 12% | ↑ |
| | Operating Profit Before Tax | 2,102 | 1,781 | 18% | ↑ |
| | Operating Profit After Tax | 1,708 | 1,443 | 18% | ↑ |
| | Net Profit ⁽¹⁾ | 2,701 | 1,754 | 54% | ↑ |
| | Shareholders' Equity | 19,635 | 14,959 | 31% | ↑ |
| Value Creation | ANP ⁽²⁾ | 2,025 | 1,878 | 8% | ↑ |
| | VONB ⁽³⁾ | 667 | 545 | 22% | ↑ |
| | VONB Margin ⁽⁴⁾ | 32.6% | 28.3% | 4.3 pps | ↑ |
| | Embedded Value | 24,748 | 20,965 | 18% | ↑ |
| Capital | Net funds to Group ⁽⁵⁾ | 1,495 | (6) | n/m | ↑ |
| | ICO Regulatory Capital | 6,207 | 4,811 | 29% | ↑ |
| | ICO Solvency Ratio | 337% | 311% | 26 pps | ↑ |

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

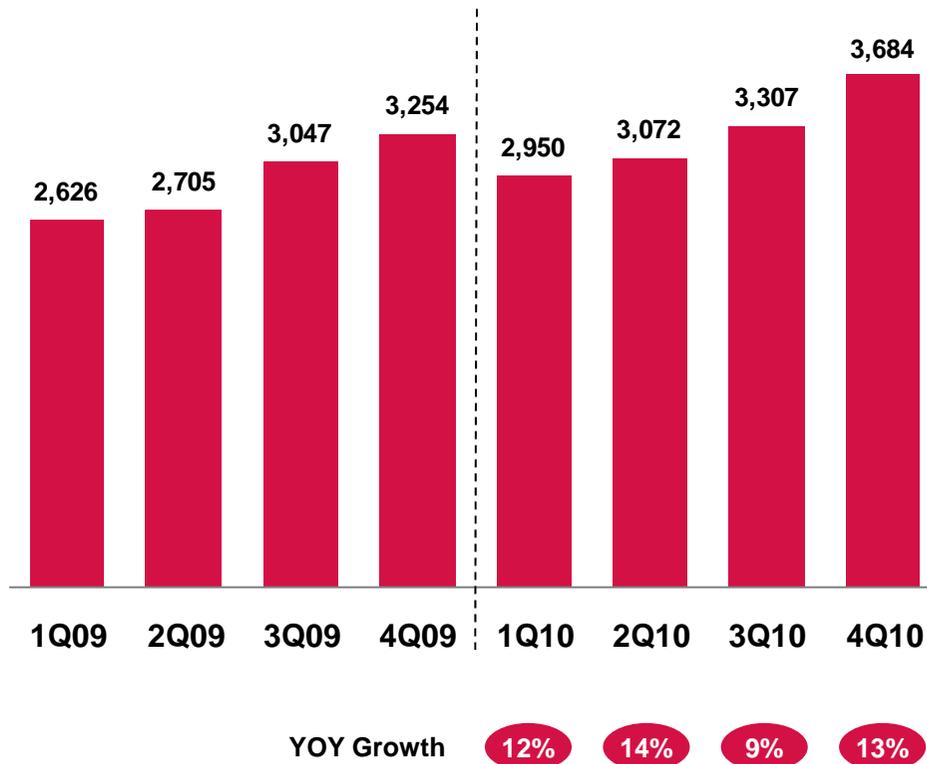
(4) VONB Margin = VONB / ANP. Excludes corporate pensions business to be consistent with the definition of ANP

(5) Remittances of cash and 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



Total Weighted Premium Income (\$m)



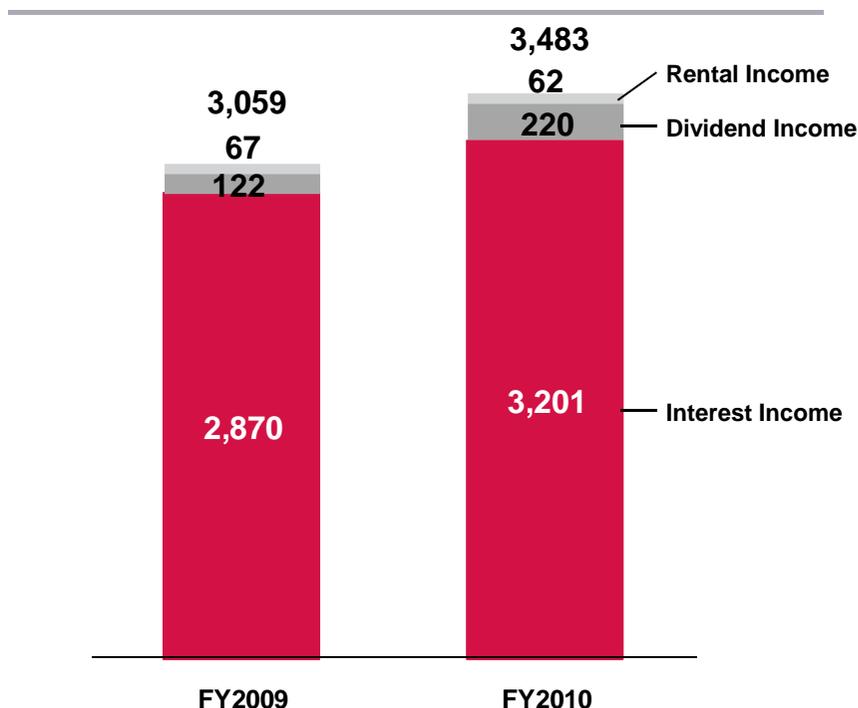
- Steady quarterly growth in TWPI over prior year
- Strong growth in 4Q10 post earlier distractions
- Pick-up in persistency
- 99% Regular Premium business in 2010

Source: AIA

Investment Income Up 14% to \$3.5B



Investment Income (\$m)⁽¹⁾



- 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

Investment Yield ⁽²⁾

5.5%

5.1%

Investment Return ⁽³⁾

8.3%

8.0%

Source: AIA

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

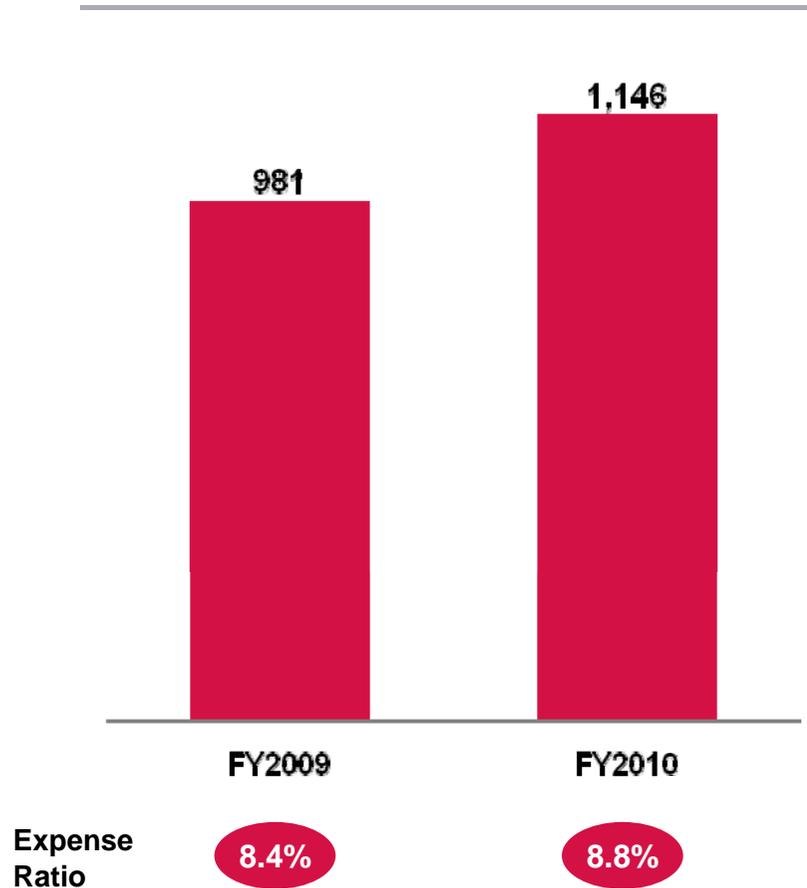
(2) AIA's investment yield defined as net investment income as % of average policyholder and shareholder investments for the relevant periods (i.e. excluding investment-linked investments); peers' investment yield based on net investment income as % of total invested assets; AIA's net investment income 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



Group Operating Expenses (\$m)



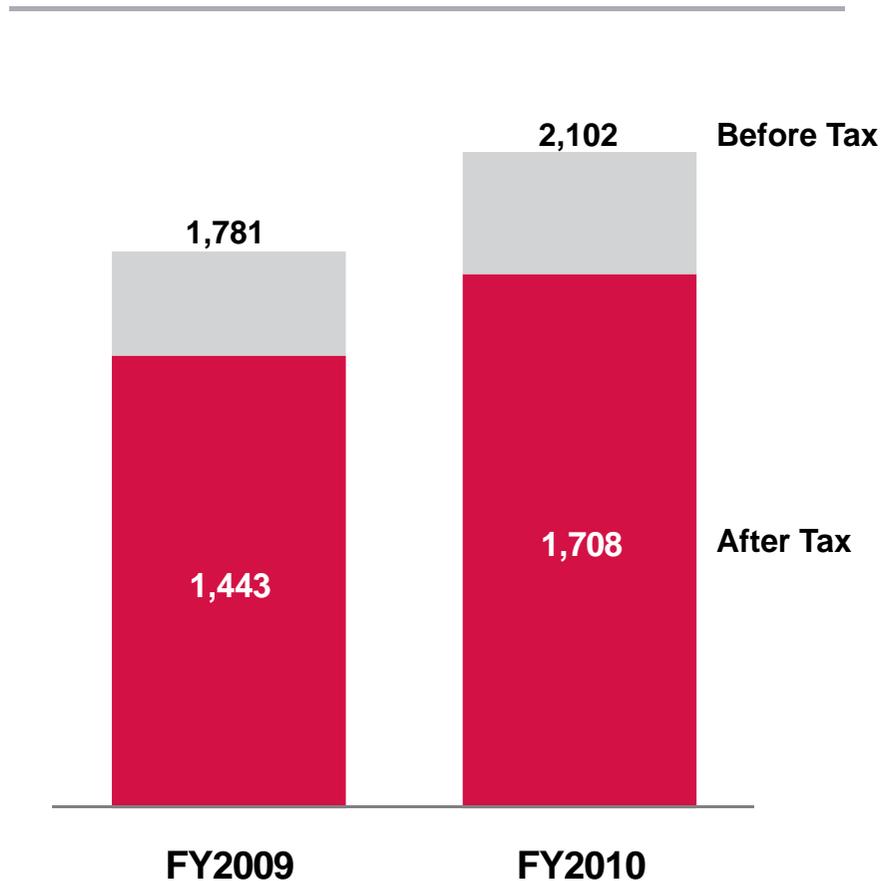
- One of the lowest expense ratios in the industry globally
- 2010 includes higher incentive costs; excluding incentive costs, expense ratio would have been stable year-on-year
- Aggressive expense control is a 2011 priority in both Group Office and Country Operations

Source: AIA

IFRS Operating Profit Up 18% to \$2.1B



Operating Profit (\$m)



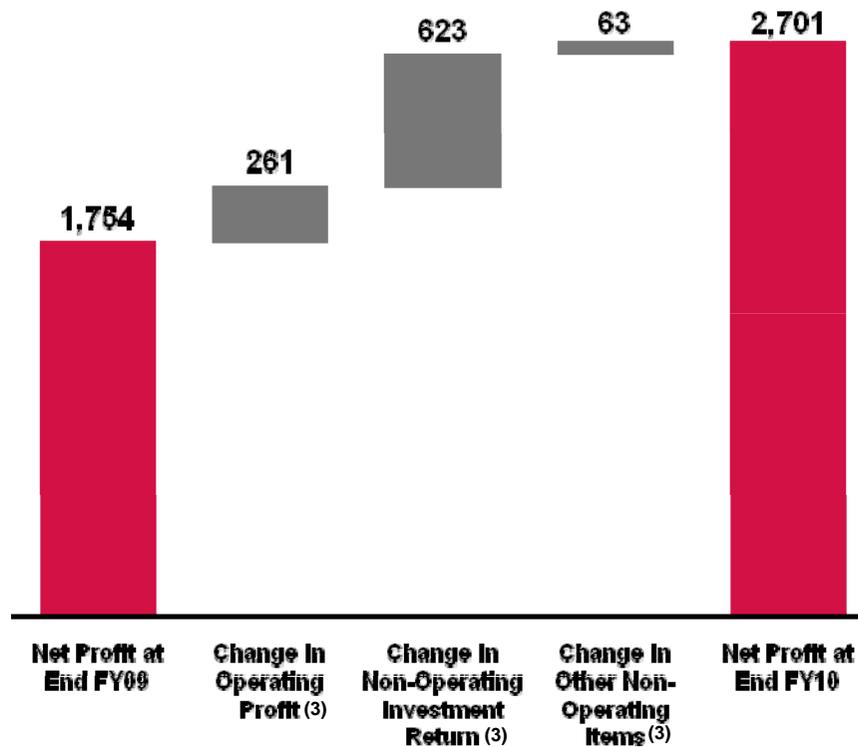
- Pre-Tax Operating Profit of \$2.1B in line with earlier guidance
- 18% YoY growth in Pre-Tax Operating Profit
- Excludes market value uplift on equities and bonds

Source: AIA

IFRS Net Profit Up 54% to \$2.7B



Net Profit⁽¹⁾ Movement (\$m) and ROE⁽²⁾ (%)



- 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

Return on Equity

14.7%

15.7%

Source: AIA

(1) Denotes net profit to shareholders of AIA Group Limited.

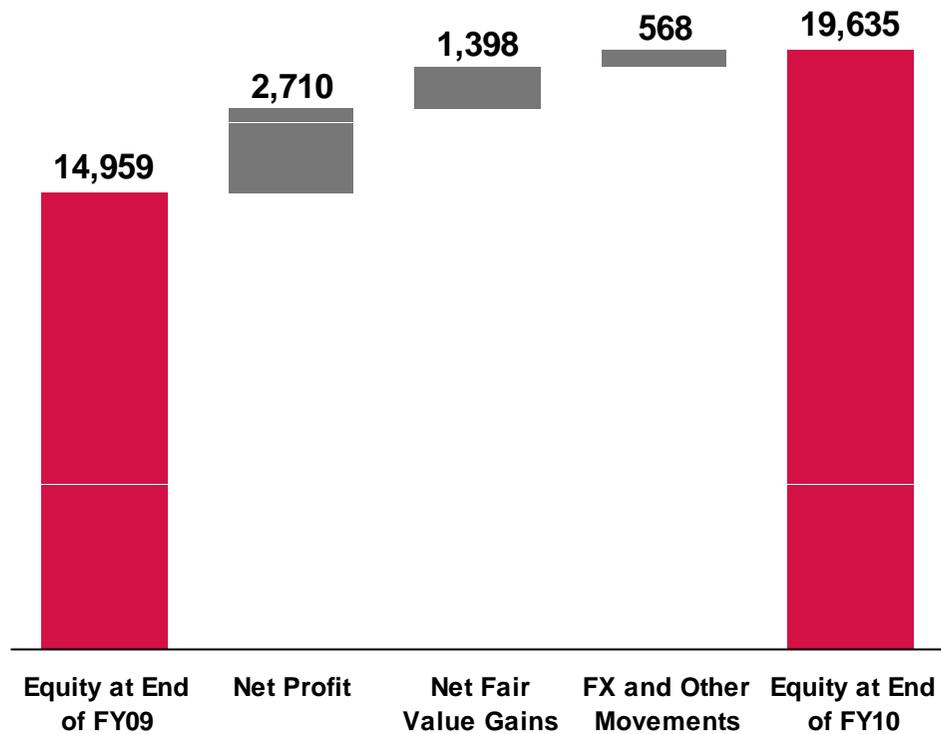
(2) Based on net return on equity.

(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

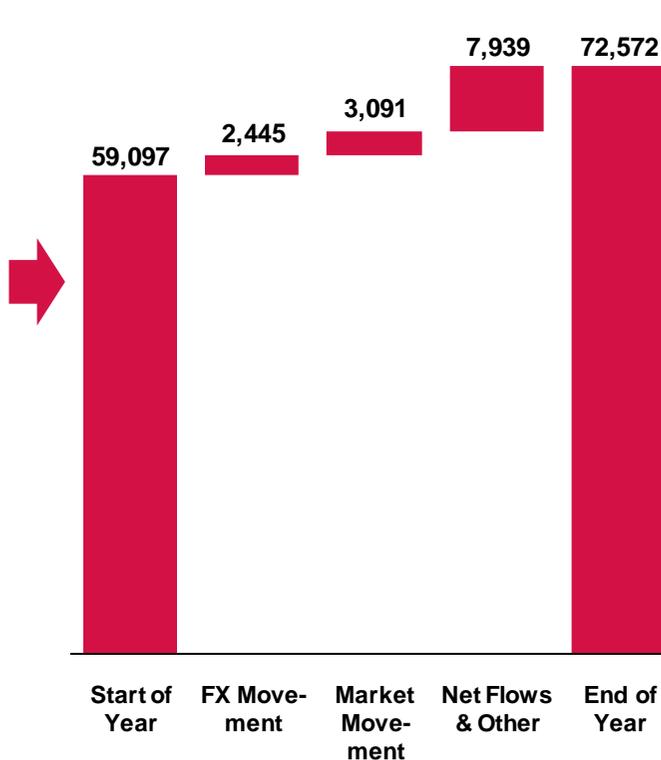
Invested Assets Up 20% to \$91B



Invested Assets Composition ⁽¹⁾ (\$m)

| | 2009 | | 2010 | |
|-----------------------------------|---------------|-------------|---------------|-------------|
| Fixed Income ⁽²⁾ | 53,999 | 87% | 63,780 | 85% |
| Equity | 5,098 | 8% | 8,792 | 12% |
| Fixed Income & Equity | 59,097 | 95% | 72,572 | 97% |
| Cash | 2,641 | 4% | 2,100 | 3% |
| Properties | 244 | 0% | 309 | 0% |
| PH & SH ⁽³⁾ | 61,982 | 100% | 74,981 | 100% |
| ILP | 13,678 | | 15,946 | |
| Total | 75,660 | | 90,927 | |

Fixed Income & Equity Investments Growth During 2010 (\$m)



- 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

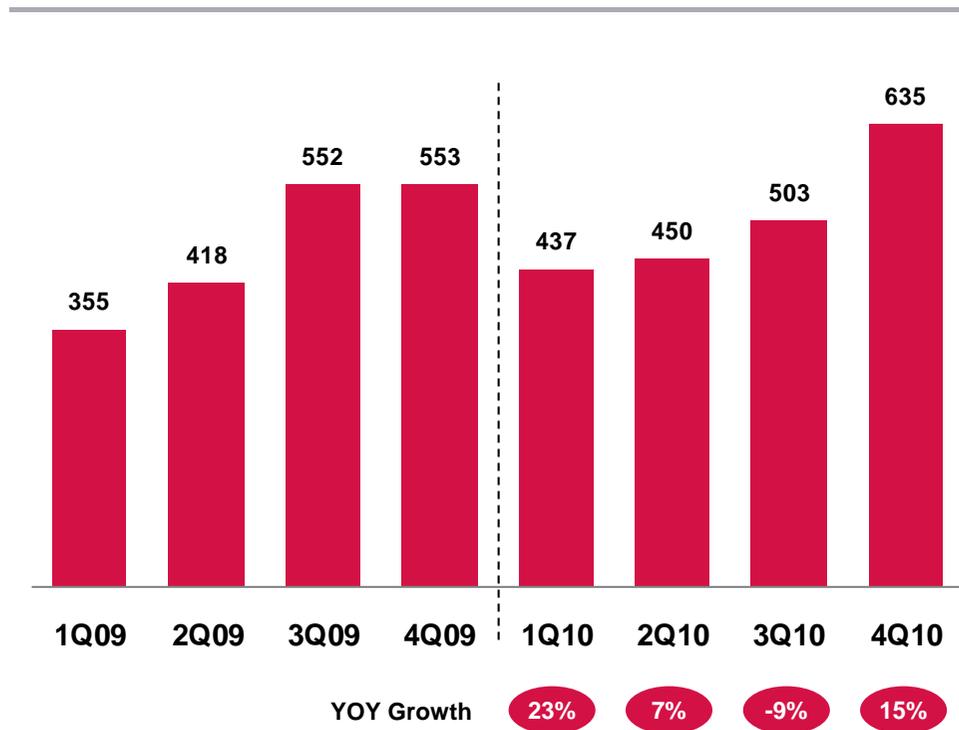
Value Creation

Capital

ANP Up 8% to \$2.0B



Annualised New Premium (\$m)



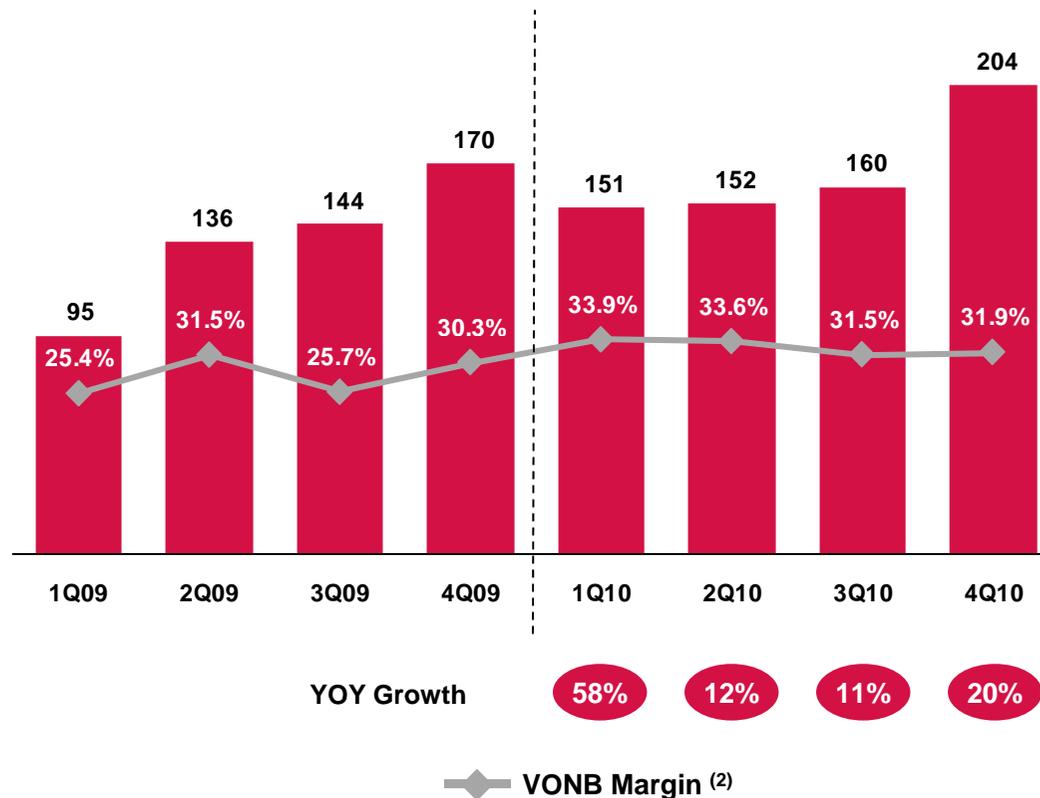
- Strong growth in 4Q10 following end of external distractions:
 - Up 15% over 4Q09
 - Up 26% over 3Q10
- ANP quality has also improved:
 - VONB growth exceeded ANP growth in 2010**

Source: AIA

VONB Up 22% to \$667m



VONB (\$m) and VONB Margin (VONB/ANP)



- 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

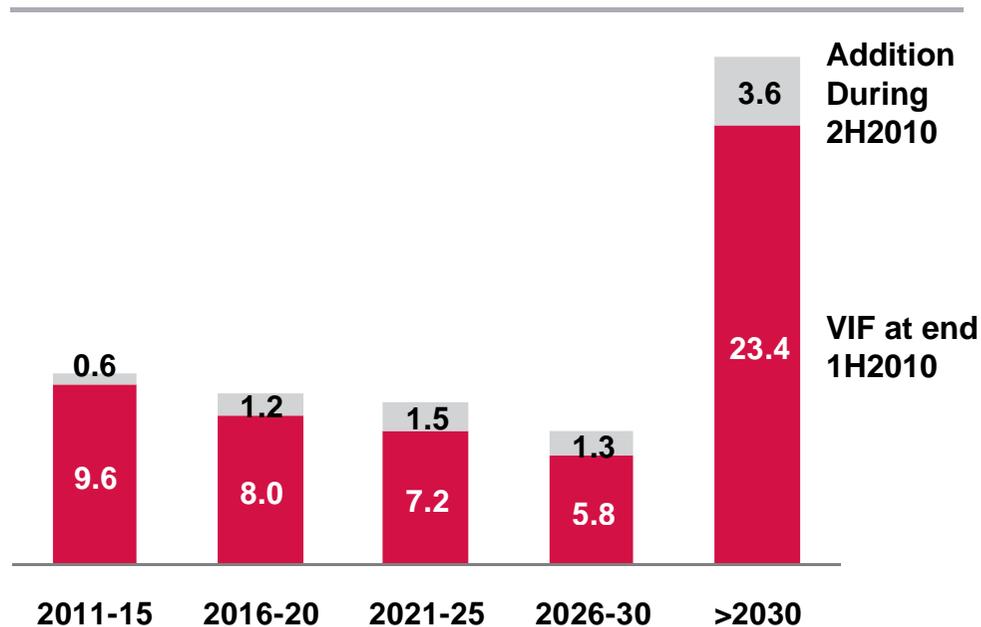
(1) VONB is after group office expenses and Hong Kong statutory adjustment; includes corporate pension businesses

(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



Undiscounted Cash Flows (\$B) ⁽¹⁾



| Period | 2011-15 | 2016-20 | 2021-25 | 2026-30 | >2030 |
|------------|---------|---------|---------|---------|-------|
| % of Total | 16% | 15% | 14% | 11% | 44% |

- 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

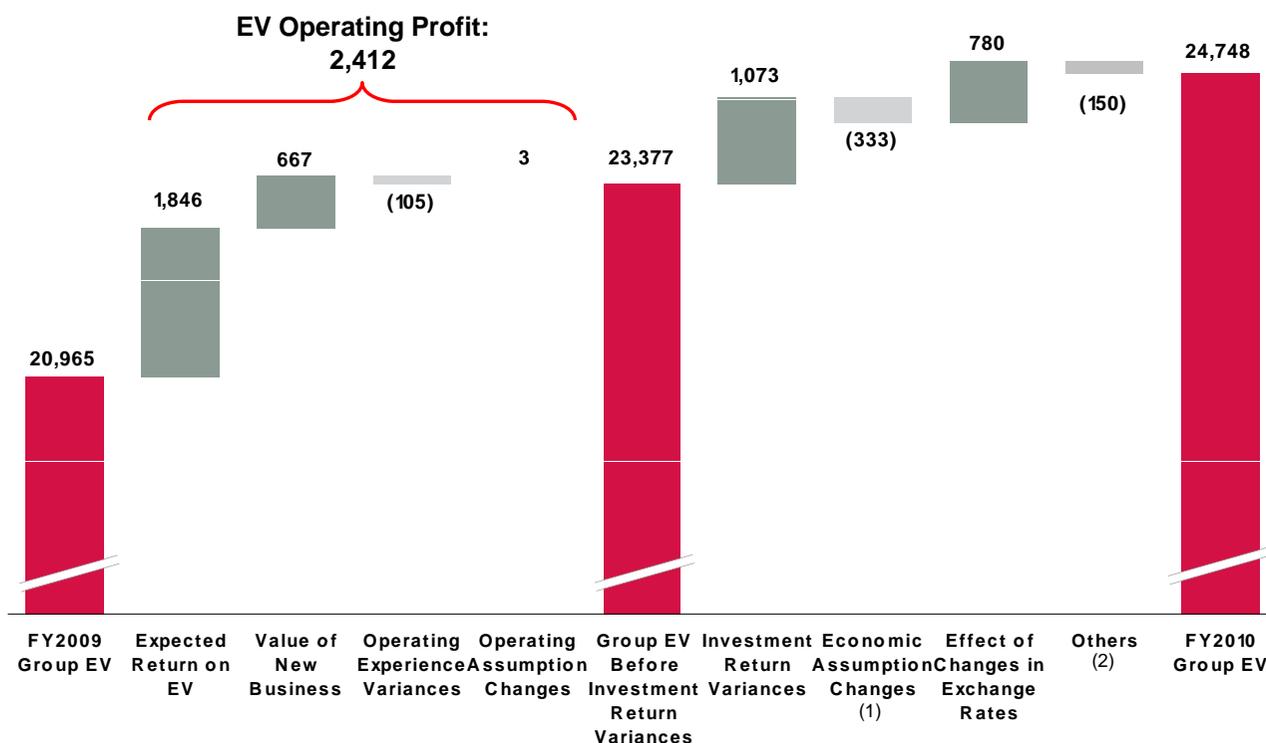
Source: AIA

(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.

EV Up 18% to \$24.7B



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

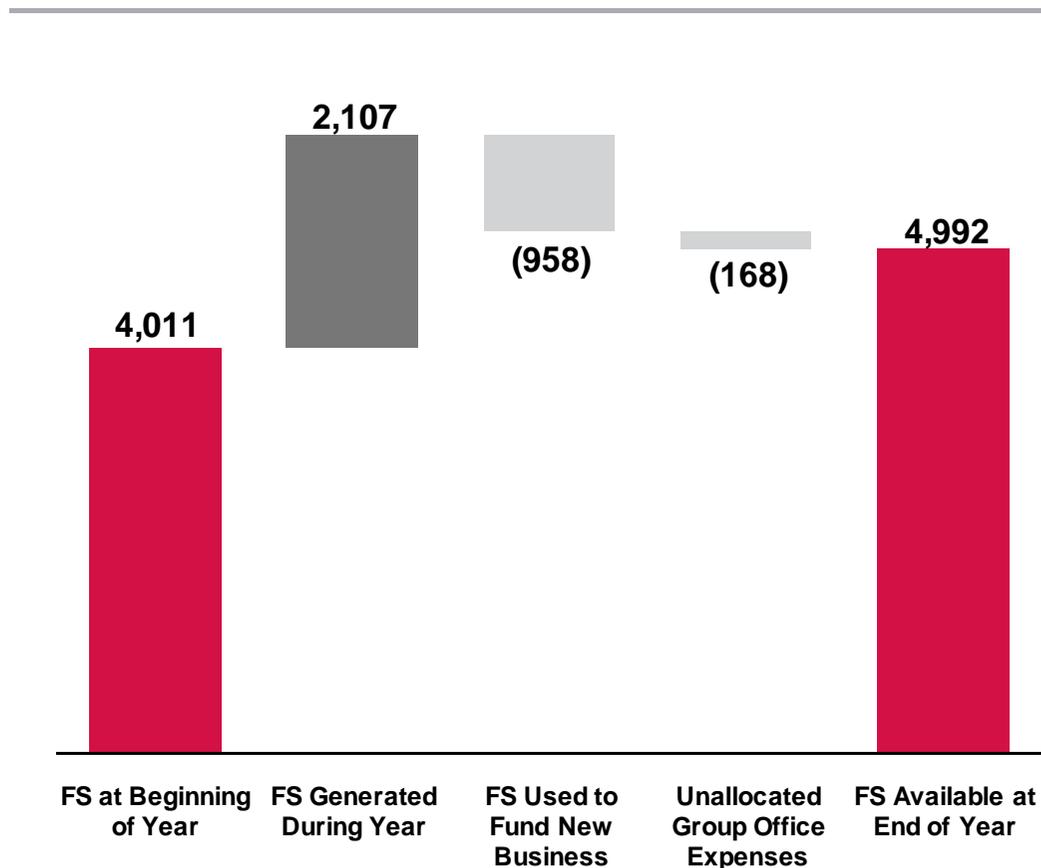
Value Creation

Capital

Free Surplus Up 24% to \$5.0B



2010 Free Surplus ⁽¹⁾ Movement (\$m)



- \$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

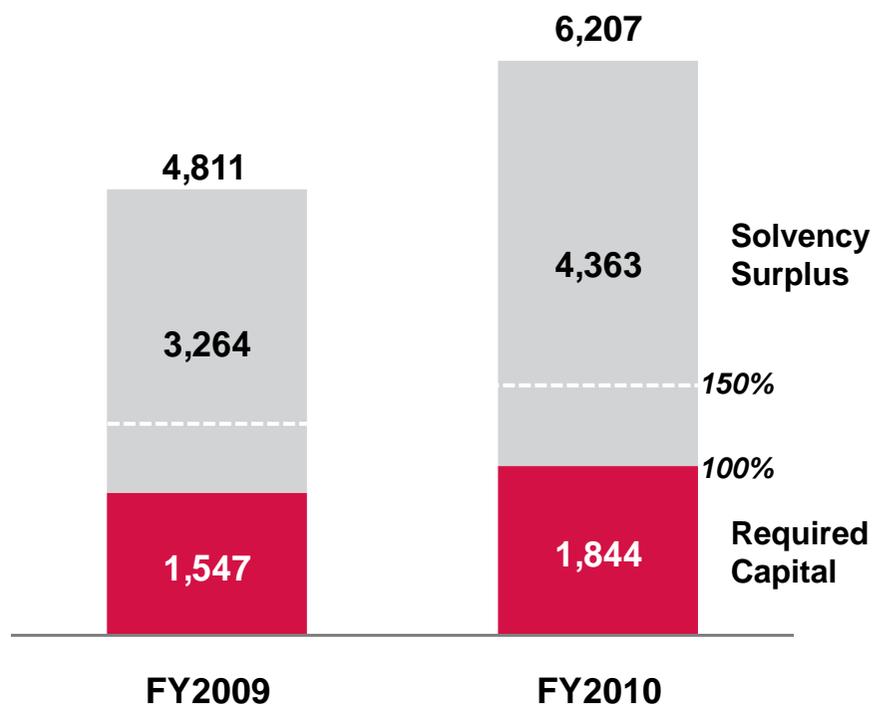
(1) Free surplus here is the excess of the market value of AIA's assets over the sum of the statutory liabilities and the minimum regulatory required capital across all business units. For branches of AIA Co. and AIA-B, the statutory liabilities are based on HKICO statutory accounting and the required 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



| HK ICO Solvency Ratio | FY2009 | FY2010 |
|-----------------------|--------|--------|
| | 311% | 337% |

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

Source: AIA

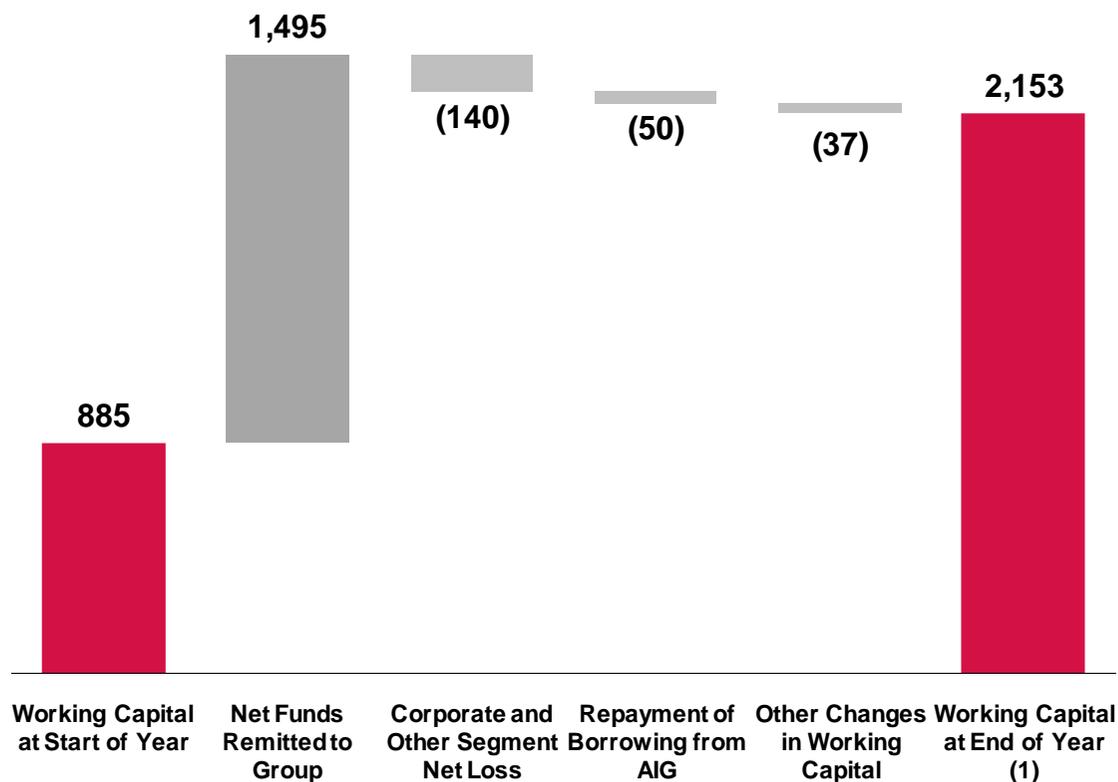
(1) Solvency surplus of AIA Co. being the HKICO total available capital less 100% HKICO required minimum solvency margin.

(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

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



- **Strong performance in challenging year**
- **Strong and stable in-force business**
- **New Business profit momentum**
- **Robust capital and cash flow**



2010 Group Review

Mark Tucker

2010 Financial Results

Marc de Cure

**Country Review:
Recovery and Growth**

Regional MDs

2011 Focus and Priorities

Mark Tucker

Q&A

Country Review: Recovery and Growth



| | <u>Major Markets</u> | <u>Other Markets</u> |
|--------------------------|-----------------------|--|
| Gordon Watson | Hong Kong Korea | Philippines Taiwan Group Insurance |
| Ng Keng Hooi | Thailand China | Australia New Zealand |
| Huynh Thanh Phong | Singapore Malaysia | Indonesia Vietnam India (@ 26%) |



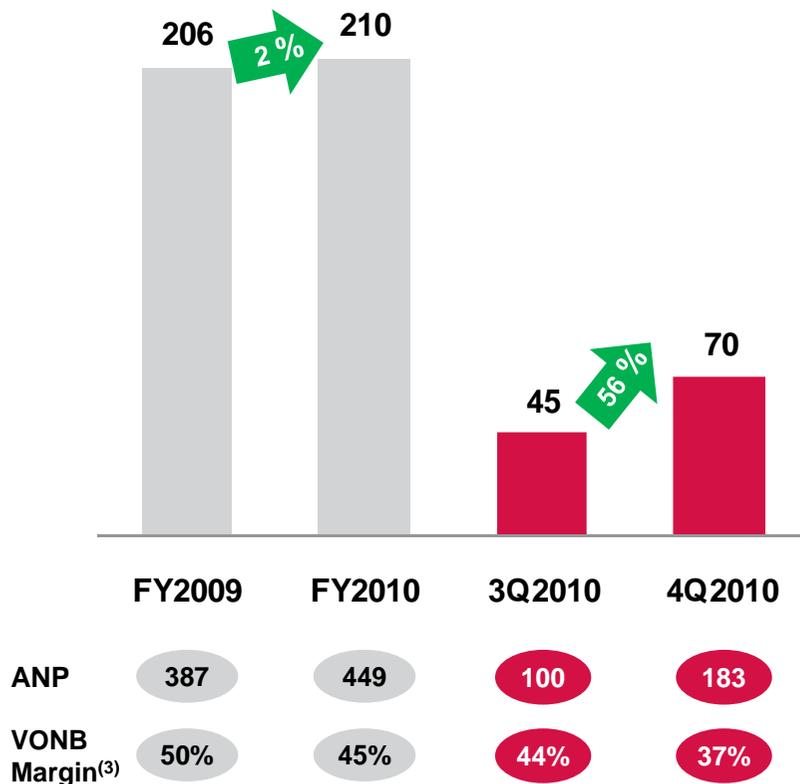
- 1. Profitable Growth**
- 2. Consumer-Led Innovation**
- 3. Premier Agency**

Hong Kong⁽¹⁾ 2010: Rapid Recovery on Back of IPO



VONB (2)

(\$m)



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.

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**

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

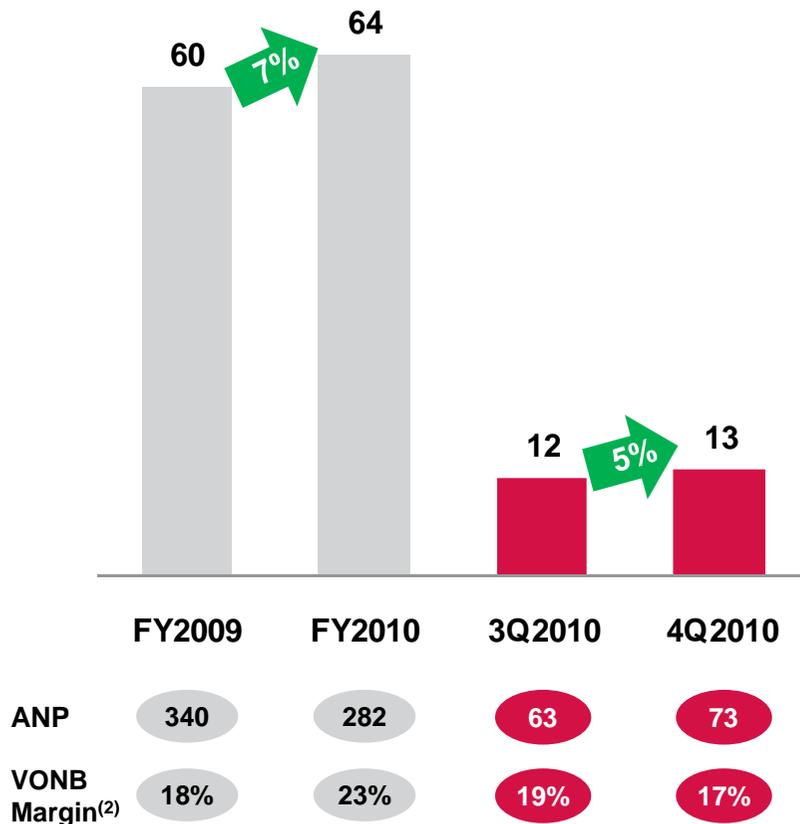
(1) Includes Macau and AIAPT.

Korea 2010: Headwinds Remain but Turning the Corner



VONB (1)

(\$m)



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

Growth Focus in 2011

Philippines

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

- Deepen the relationship with our JV partner
- Professionalise agency

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

- Increase the number of telemarketers
- Retain and expand telemarketing sponsors

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



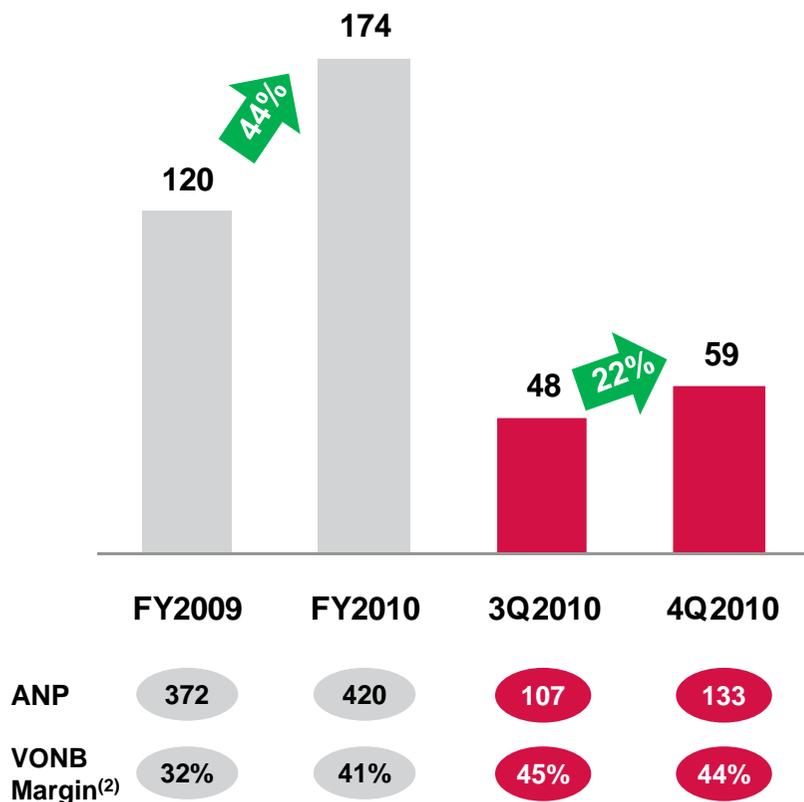
| | <u>Major Market</u> | <u>Other Market</u> |
|--------------------------|--------------------------------|--|
| Gordon Watson | Hong Kong & Macau Korea | Philippines Taiwan Group Insurance |
| Ng Keng Hooi | Thailand China | Australia New Zealand |
| Huynh Thanh Phong | Singapore & Brunei Malaysia | Indonesia Vietnam India (@ 26%) |

Thailand 2010: Strong VONB and Margin Growth



VONB (1)

(\$m)



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



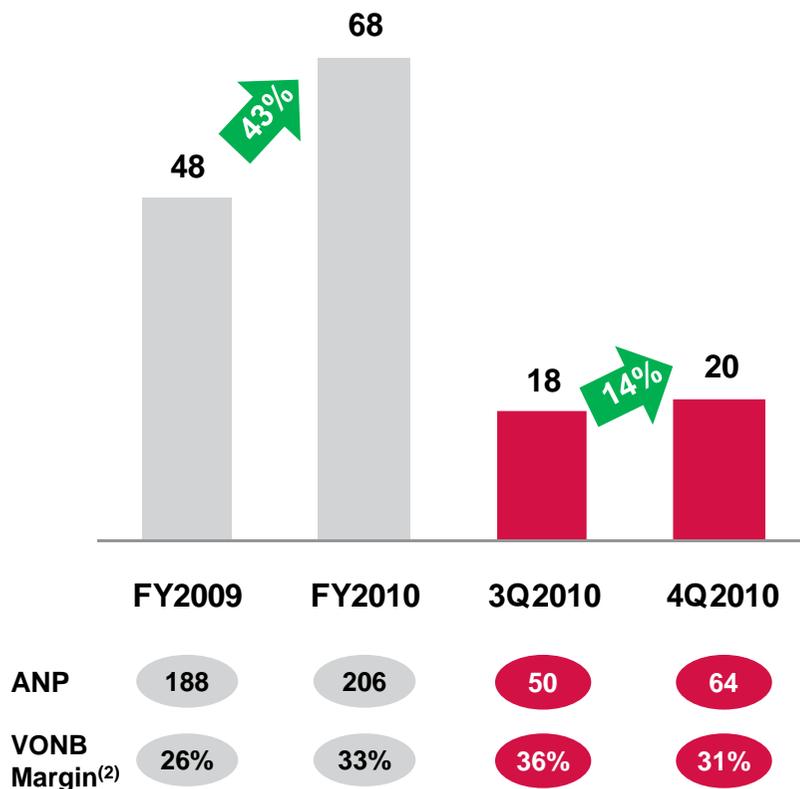
- Implement **Premier Agency** strategy to enhance productivity
- **Increase active agents** to grow sales
- Train agents to sell **investment-linked products**
- Seek new **Bancassurance** relationships
- Grow **Direct Marketing** business and tap on the potential of our huge customer base

China 2010: Significant Growth Momentum



VONB (1)

(\$m)



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

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.

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

Growth Focus in 2011

Australia

- Continued to diversify into alternative channels, IFA and Direct Marketing
- Secured new five-year distribution deals with Priceline and Citibank

- Commence Group Insurance partnership with Sunsuper
- Grow higher margin Direct Marketing sales

New Zealand

- Sustained business momentum under new leadership
- Launched new higher margin products

- Drive down the high acquisition cost to improve margin

Country Review: Recovery and Growth



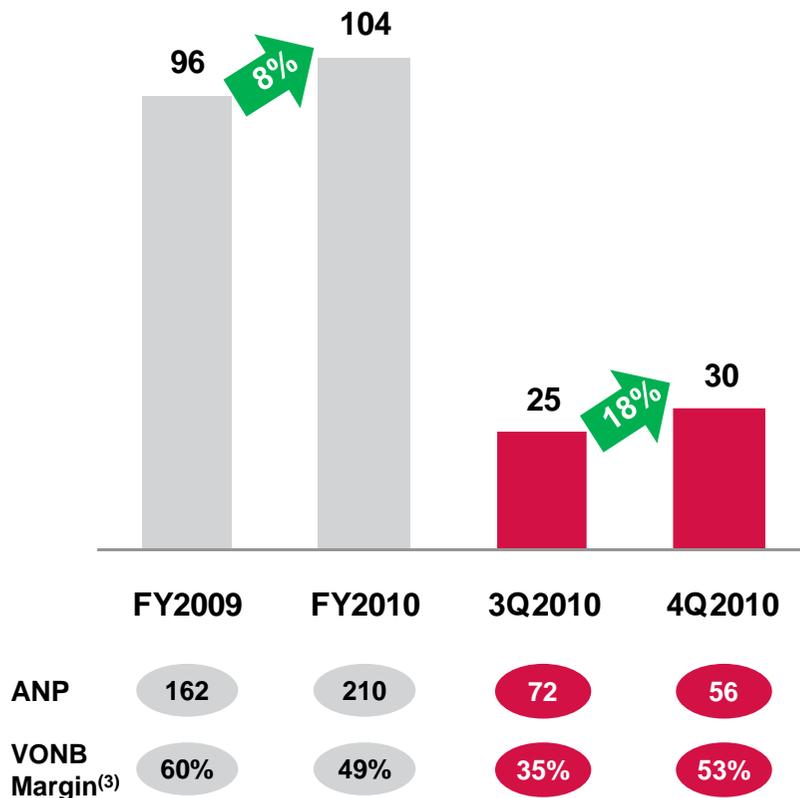
| | <u>Major Market</u> | <u>Other Market</u> |
|--------------------------|--------------------------------|--|
| Gordon Watson | Hong Kong & Macau Korea | Philippines Taiwan Group Insurance |
| Ng Keng Hooi | Thailand China | Australia New Zealand |
| Huynh Thanh Phong | Singapore & Brunei Malaysia | Indonesia Vietnam India (@ 26%) |

Singapore⁽¹⁾ 2010: Regained Momentum in 2H



VONB (2)

(\$m)



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.

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**

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**

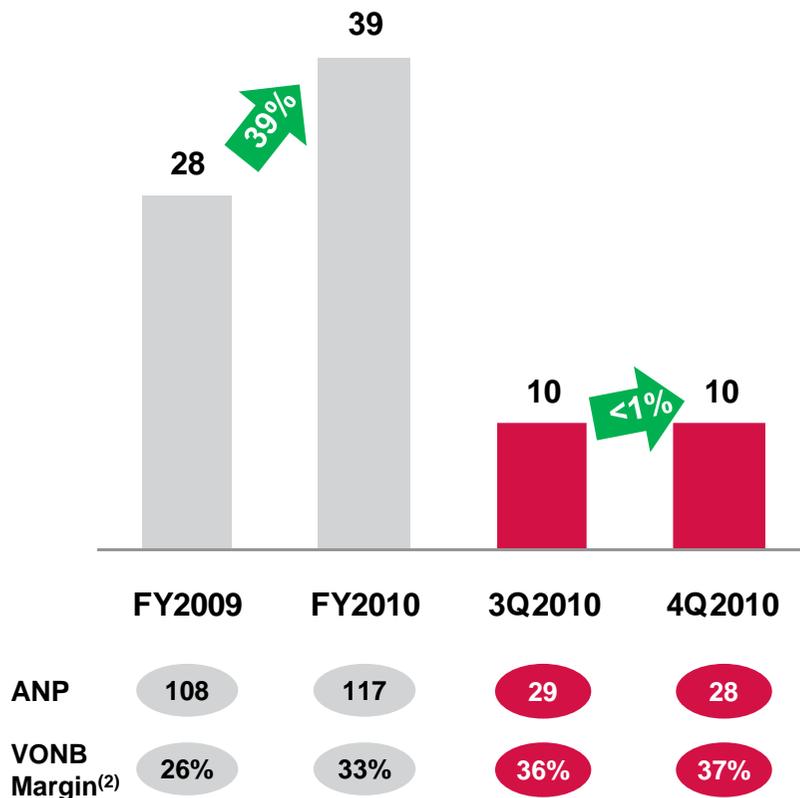
(1) Includes Brunei.

Malaysia 2010: Significant Profitability Improvement



VONB (1)

(\$m)



Recovery in 2010

- Grew absolute VONB level by improving **product pricing and portfolio mix**
- **Grew agency recruitment** through Generation Next programme
- Made significant **progress in partnership channels**; DM sales up 29%
- Secured approval to operate **Family Takaful business** (commenced operations in January 2011)

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

Growth Focus in 2011

Vietnam

- 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

- 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

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

- 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

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

- Implement Premier Agency model to boost agent activity and productivity
- Improve VONB margin by changing product mix and focusing on protection and A&H
- Further improve operational efficiency to deliver cost effective sales and services



2010 Group Review

Mark Tucker

2010 Financial Results

Marc de Cure

**Country Review:
Recovery and Growth**

Regional MDs

2011 Focus and Priorities

Mark Tucker

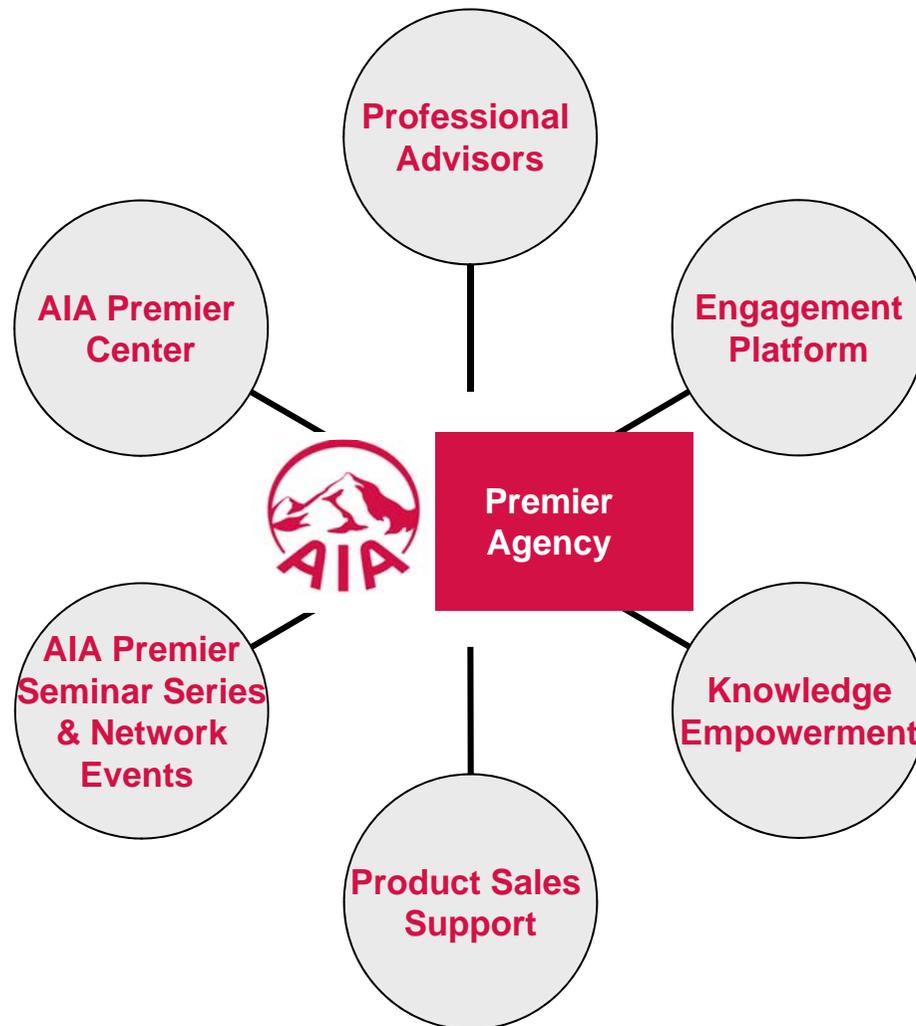
Q&A

2011: Relentless Focus on Value Generation



| | Strategic Themes | Initiatives Underway |
|--------------|---|--|
| Distribution | <ul style="list-style-type: none"> Growing distribution scale and quality | <ul style="list-style-type: none"> Premier Agency strategy Profitable Bancassurance Profitable Direct Marketing |
| Product | <ul style="list-style-type: none"> Optimising product mix for VONB delivery | <ul style="list-style-type: none"> Protection and A&H focus Group Insurance expansion |
| Customer | <ul style="list-style-type: none"> Enhancing customer access, experience and retention | <ul style="list-style-type: none"> Customer marketing priorities Takaful customer proposition |
| Organisation | <ul style="list-style-type: none"> Developing capabilities whilst driving operating efficiencies | <ul style="list-style-type: none"> Competency development Shared services expansion Group functional review |
| Financial | <ul style="list-style-type: none"> Strengthening capital and risk management | <ul style="list-style-type: none"> Optimising capital-efficient returns on capital |

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 | 2011 Country Focus |
|--|---|---|
| Raise Unit VONB Margins | <ul style="list-style-type: none"> ▪ Re-price low-margin products and re-launch with higher protection component ▪ Avoid low-margin short-pay deposit substitute products | <ul style="list-style-type: none"> ▪ All markets ▪ Singapore, Hong Kong |
| Proactively Manage Product Mix | <ul style="list-style-type: none"> ▪ Adjust sales incentives to migrate mix to more profitable products and boost riders ▪ Maximize re-use of successful high VONB product to other suitable markets | <ul style="list-style-type: none"> ▪ All markets ▪ All markets |
| Refocus Product Mix on Higher-Margin Categories | <ul style="list-style-type: none"> ▪ Roll out Next Generation ILP and UL propositions ▪ Enhance A&H / protection portfolio to reinforce AIA's leadership position ▪ Reinforce and expand leadership position in Group Insurance | <ul style="list-style-type: none"> ▪ Singapore, HK, China, Indonesia, Thailand, Vietnam ▪ Singapore, HK, Thailand, Malaysia, Korea ▪ All markets |

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

- 
- The background of the slide features a large, light gray watermark of the AIA logo. The logo consists of a stylized globe with a hand holding a torch, and the letters 'AIA' prominently displayed below it.
- **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



2010 Group Review

Mark Tucker

2010 Financial Results

Marc de Cure

**Country Review:
Recovery and Growth**

Regional MDs

2011 Focus and Priorities

Mark Tucker

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 |
| ▪ TAA | 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)

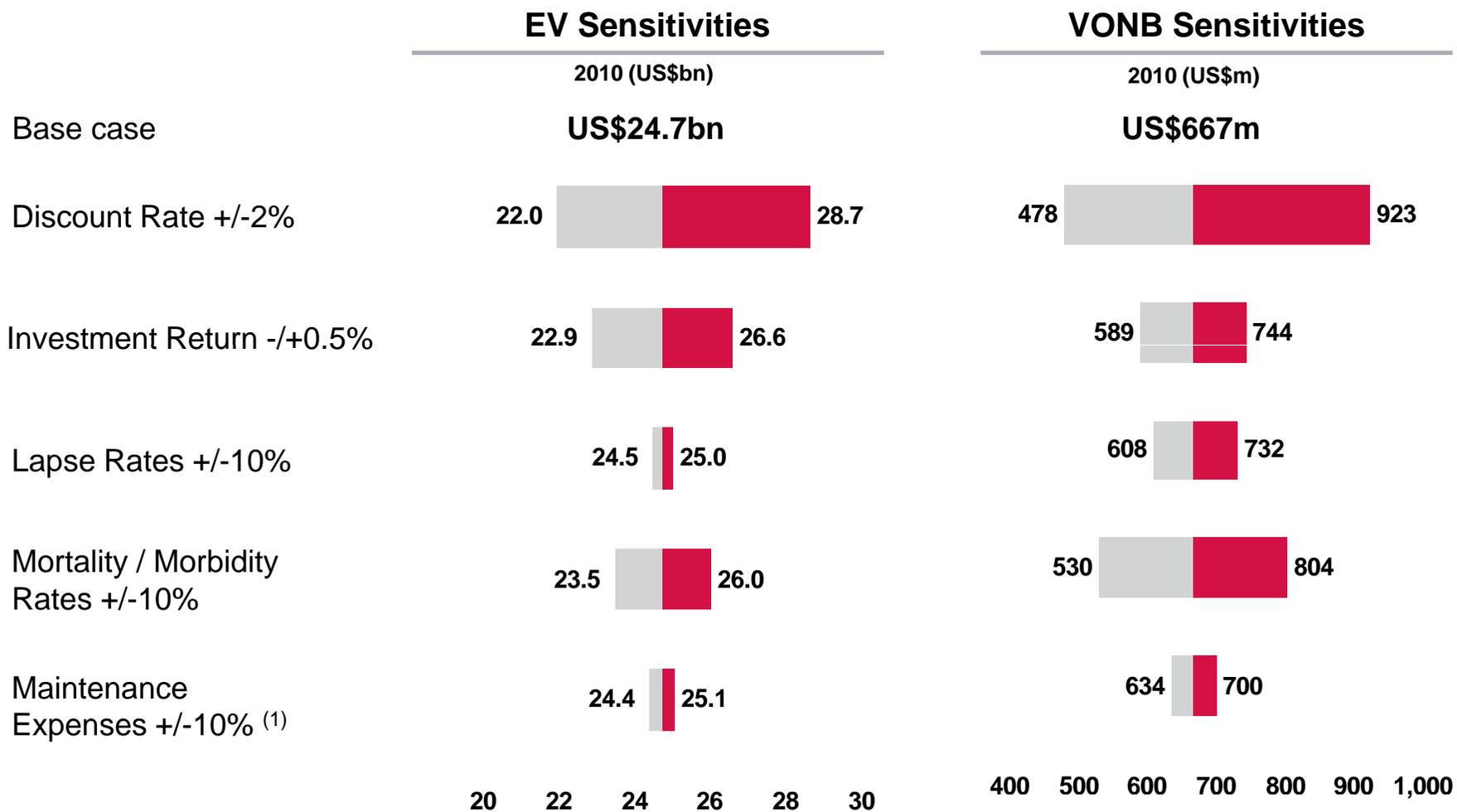
| | Hong Kong | Thailand | Singapore ⁽³⁾ | Malaysia | China | Korea |
|--|---|------------------|--------------------------|----------------|------------------|------------------|
| Discount Rate | 8.0% (8.0%) | 9.5% (10.0%) | 7.75% (7.75%) | 9.0% (9.0%) | 10.0% (10.0%) | 10.5% (11.0%) |
| Investment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

(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



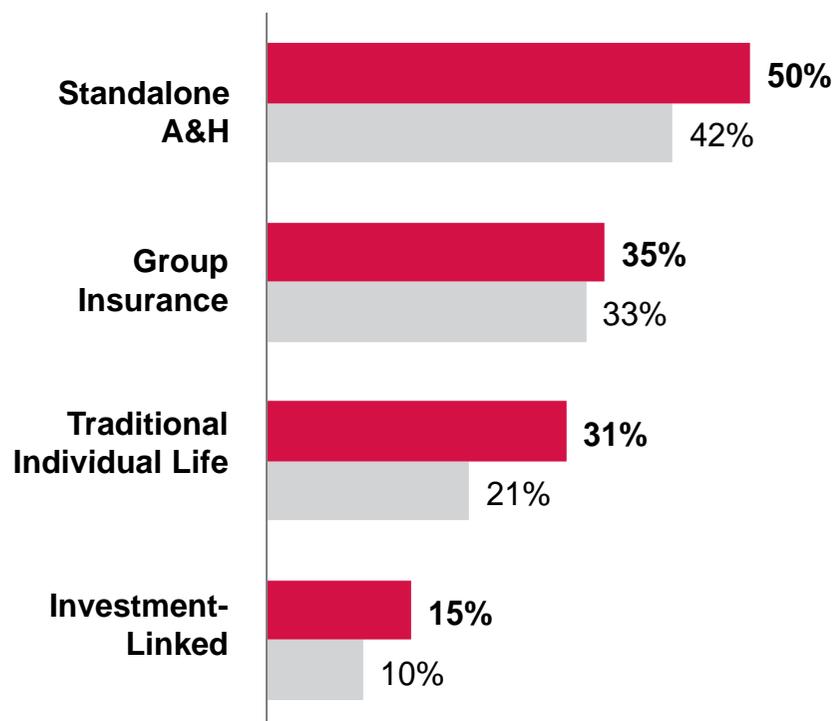
Source: AIA

(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

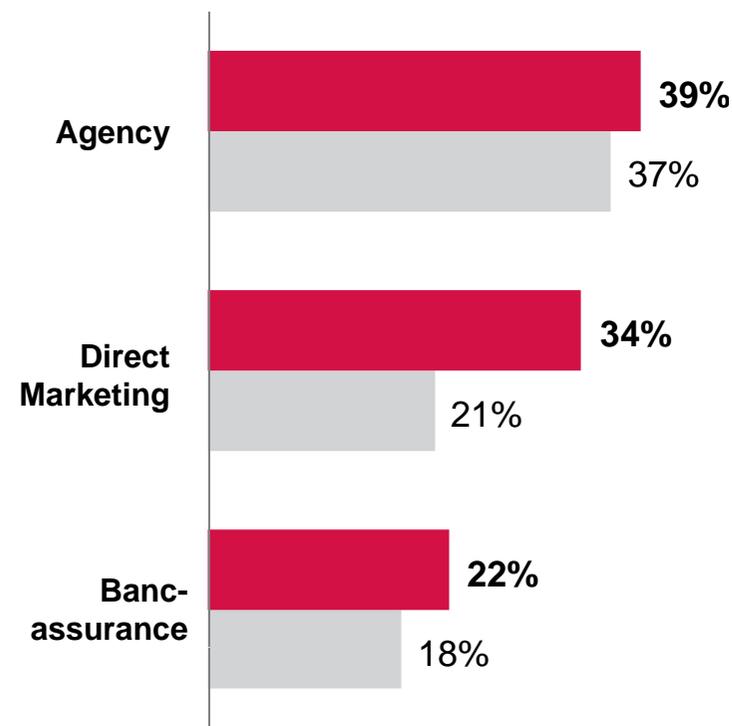
VONB Margins by Product and Channel



VONB Margin by Product



VONB Margin by Channel



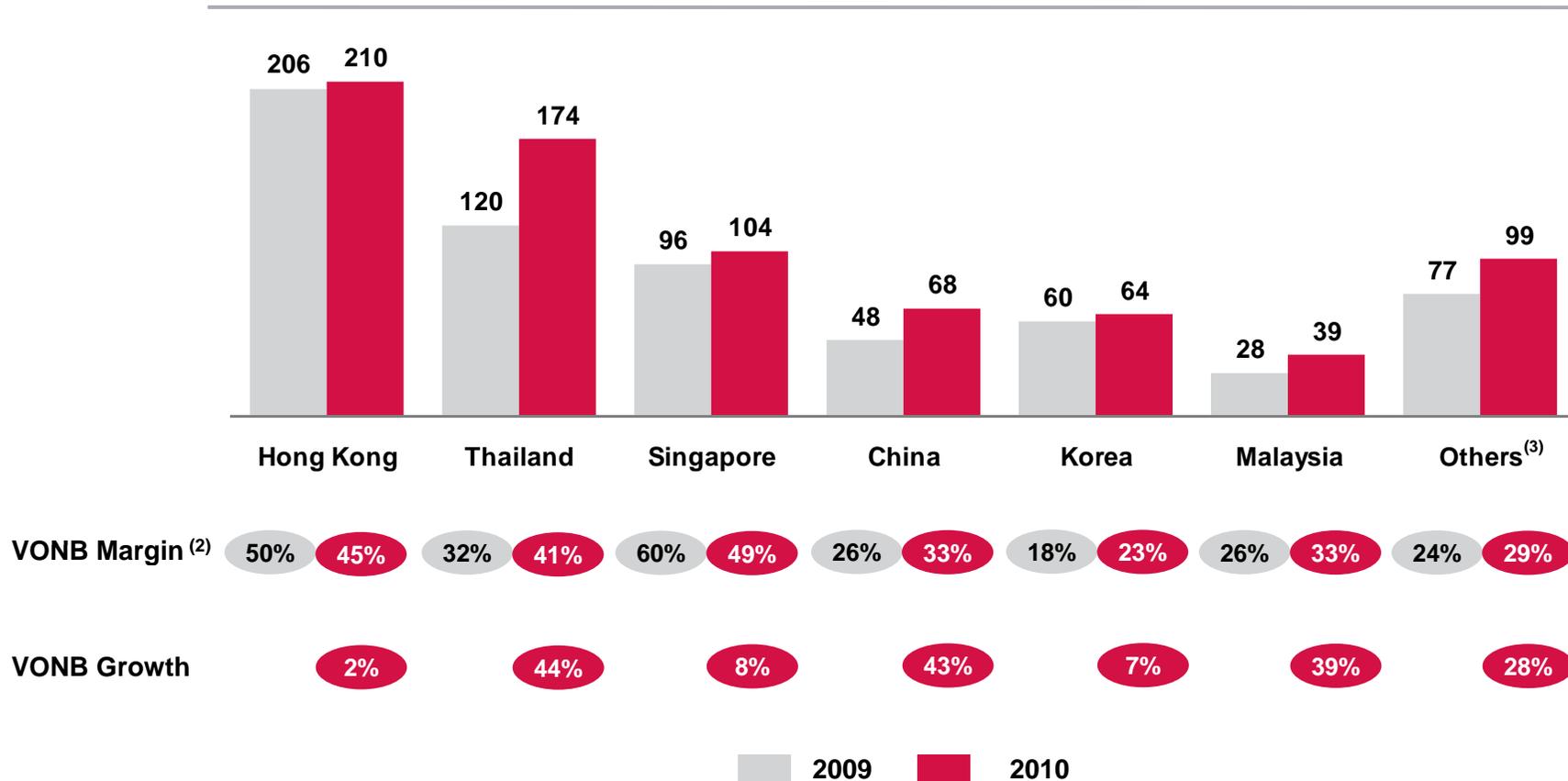
2009 2010

Source: AIA

VONB Contribution by Market



2010 VONB (\$m) By Market ⁽¹⁾



Source: AIA

(1) VONB by market is based on local statutory basis; includes corporate pension businesses.

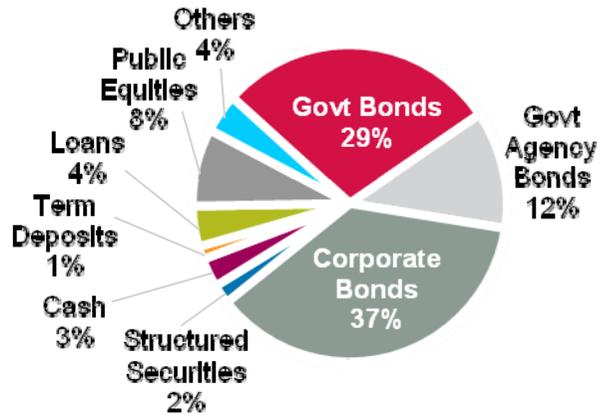
(2) VONB from corporate pension businesses is excluded from VONB Margin calculation to be consistent with the definition of ANP

(3) 'Others' includes Australia, New Zealand, Philippines, Indonesia, Vietnam and Taiwan. Hong Kong includes Macau and AIAPT. Singapore includes Brunei.

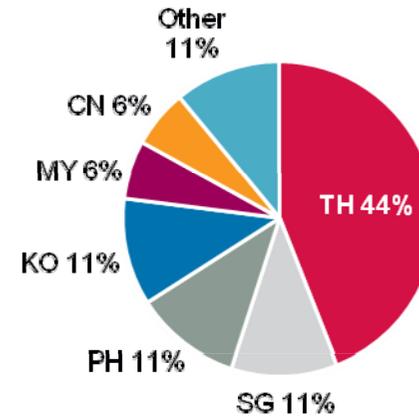
Invested Asset Mix Optimised to Match Liabilities



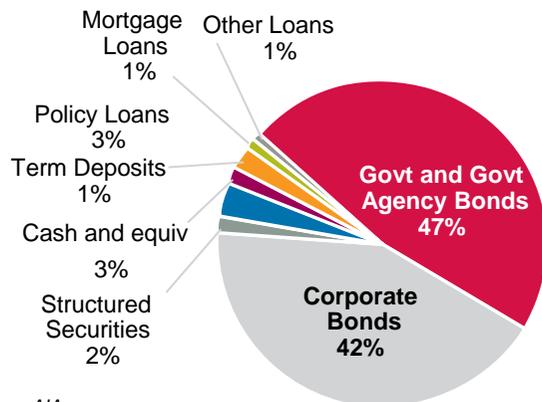
Investments by Asset Class (1)



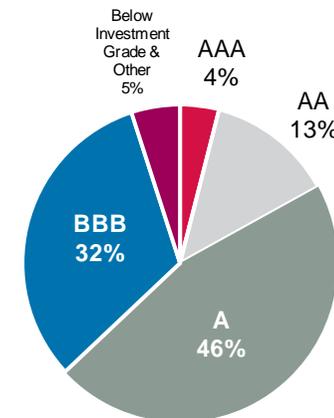
Government Bonds by Market (2)



Fixed Income Portfolio (2)



Corporate Bonds by Rating (3)



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