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# Agenda

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Position</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Tucker</td>
<td>Group Chief Executive</td>
<td>2012 Group Review</td>
</tr>
<tr>
<td>Garth Jones</td>
<td>Group Chief Financial Officer</td>
<td>2012 Financial Results</td>
</tr>
<tr>
<td>Gordon Watson</td>
<td>Regional Chief Executive</td>
<td>Hong Kong, Korea &amp; Group Insurance</td>
</tr>
<tr>
<td>Ng Keng Hooi</td>
<td>Regional Chief Executive</td>
<td>Singapore, Malaysia &amp; China</td>
</tr>
<tr>
<td>Huynh Thanh Phong</td>
<td>Regional Chief Executive</td>
<td>Thailand &amp; Other Markets</td>
</tr>
<tr>
<td>Mark Tucker</td>
<td>Group Chief Executive</td>
<td>Creating Sustainable Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Q&amp;A</td>
</tr>
</tbody>
</table>
2012: Another Year of Delivery

- Delivered record results – again
- Executed clear priorities
- Continued proven growth strategy
- Extended leadership position
- Engaged in value enhancing initiatives
### 2012: Excellent Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2011</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>1,188</td>
<td>932</td>
<td>27%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>43.6%</td>
<td>37.2%</td>
<td>6.4 pps</td>
</tr>
<tr>
<td>ANP</td>
<td>2,696</td>
<td>2,472</td>
<td>9%</td>
</tr>
<tr>
<td>Embedded Value</td>
<td>31,408</td>
<td>27,239</td>
<td>15%</td>
</tr>
<tr>
<td><strong>IFRS Results</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TWPI</td>
<td>15,360</td>
<td>14,442</td>
<td>6%</td>
</tr>
<tr>
<td>Expense Ratio</td>
<td>8.7%</td>
<td>8.7%</td>
<td>-</td>
</tr>
<tr>
<td>Operating Profit After Tax</td>
<td>2,159</td>
<td>1,922</td>
<td>12%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>3,019</td>
<td>1,600</td>
<td>89%</td>
</tr>
<tr>
<td><strong>Capital &amp; Dividend</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>26,697</td>
<td>21,313</td>
<td>25%</td>
</tr>
<tr>
<td>HKICO Solvency Ratio</td>
<td>353%</td>
<td>311%</td>
<td>42 pps</td>
</tr>
<tr>
<td>Dividend per Share (HK cents)</td>
<td>37.00</td>
<td>33.00</td>
<td>12%</td>
</tr>
</tbody>
</table>
2012: Clear Strategy – Well Executed

**Distribution**
- Expanded Premier Agency and partnership engagement

**Product**
- Broadened product range and enhanced profitability

**Customer**
- Improved customer targeting and sales to existing customers

**Organisation**
- Ongoing local empowerment and launched innovative technology

**Financial**
- Sustained profitable growth momentum and strong capital position
## Distribution: Premier Agency Delivery

<table>
<thead>
<tr>
<th>VONB(^{(1)}) ($m)</th>
<th>VONB Margin(^{(1)})</th>
<th>Premier Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2011: 811</td>
<td>FY2012: 939</td>
<td>Key competitive advantage</td>
</tr>
<tr>
<td>FY2011: 49.4%</td>
<td>FY2012: 54.0%</td>
<td>Quality recruitment focus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AIA Premier Academy expansion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic partnership with LIMRA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agency leadership development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of active agents up 7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MDRT growth of 11%</td>
</tr>
</tbody>
</table>

Note: VONB and VONB margin by distribution are shown based on the local statutory basis and exclude unallocated Group Office expenses and corporate pension business.

(1)
Distribution: Profitable Partnerships Expansion

- Profitable channel diversification
- Bancassurance execution
  - Disciplined pricing
  - VONB more than doubled
- New long-term bank agreements
- Direct marketing expansion
- Focused approach to IFA channel with VONB up by more than 50%

Note (1) VONB and VONB margin by distribution are shown based on the local statutory basis and exclude unallocated Group Office expenses and corporate pension business.
Product: Quality VONB Growth

Note
(1) VONB movement excludes the effect of a single large Australian group insurance scheme which came into effect in 3Q 2011. The VONB movement splits shown are rounded and multiplicative.
Customer Experience: Creating Sustainable Value

- Customer Experience programme expanded to cover 10 markets

- Focus on areas that make a material difference to profitability and experience

- Sustainable revenue growth from new business referrals and cross sales

- Additional 500,000 policies sold to existing customers in 2012

Highly Engaged Customers Buy Significantly More

Uplift in additional new premium sales by level of engagement

- Low
- Medium
- Low
- High

Level of Customer Engagement

2X

2.3X
Financial: Sustained Momentum Across All Metrics

<table>
<thead>
<tr>
<th></th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB ($m)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2010</td>
<td>667</td>
<td>932</td>
<td>1,188</td>
</tr>
<tr>
<td>EV ($m)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2010</td>
<td>24,748</td>
<td>27,239</td>
<td>31,408</td>
</tr>
<tr>
<td>OPAT ($m)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2010</td>
<td>1,699</td>
<td>1,922</td>
<td>2,159</td>
</tr>
<tr>
<td>Free Surplus Generated ($m)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2010</td>
<td>2,107</td>
<td>2,485</td>
<td>2,845</td>
</tr>
</tbody>
</table>

Financial: Sustained Momentum Across All Metrics

OPAT ($m)  VONB ($m)  EV ($m)  Free Surplus Generated ($m)

2012 Financial Results

Value Creation

IFRS Results

Capital and Dividends
2012: Record New Business Performance

VONB ($m)

- FY2011: 932 (932 + 27% = 1,188)
- FY2012: 1,188

ANP ($m)

- FY2011: 2,472
- FY2012: 2,696 (+9%)

VONB Margin

- FY2011: 37.2%
- FY2012: 43.6% (+6.4 pps)

FY2011: 2,472, 37.2%
FY2012: 2,696, 43.6%
2012: Record ANP

Annualised New Premium (ANP) ($m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ANP ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>437</td>
</tr>
<tr>
<td>2Q10</td>
<td>450</td>
</tr>
<tr>
<td>3Q10</td>
<td>503</td>
</tr>
<tr>
<td>4Q10</td>
<td>635</td>
</tr>
<tr>
<td>1Q11</td>
<td>512</td>
</tr>
<tr>
<td>2Q11</td>
<td>582</td>
</tr>
<tr>
<td>3Q11</td>
<td>594</td>
</tr>
<tr>
<td>4Q11</td>
<td>612</td>
</tr>
<tr>
<td>1Q12</td>
<td>543</td>
</tr>
<tr>
<td>2Q12</td>
<td>644</td>
</tr>
<tr>
<td>3Q12</td>
<td>696</td>
</tr>
<tr>
<td>4Q12</td>
<td>813</td>
</tr>
</tbody>
</table>

Growth Rates: FY2012 v FY2011 +9%

Note
(1) Including ANP from a single large Australian group insurance scheme which came into effect in 3Q 2011.
2012: Record Margin

VONB Margin

Margi

FY2012 v FY2011 +6.4 pps
VONB Margin: Positive Actions on Mix and Pricing

VONB Margin Increase 6.4 pps

- Product and Portfolio Mix: 6.2%
- Geographical Mix: 1.1%
- Assumption Changes and Other Items: (0.9)%

FY2011 VONB Margin: 37.2%
FY2012 VONB Margin: 43.6%

VONB Margin Increase: 6.4 pps
2012: Record VONB

VONB ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H09</th>
<th>2H09</th>
<th>1H10</th>
<th>2H10</th>
<th>1H11</th>
<th>2H11</th>
<th>1H12</th>
<th>2H12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Rates</td>
<td>231</td>
<td>314</td>
<td>303</td>
<td>364</td>
<td>399</td>
<td>533</td>
<td>512</td>
<td>676</td>
</tr>
</tbody>
</table>

FY2012 v FY2011 +27%
2012: Broad-based VONB Uplift over 2011

VONB ($m)

- **Hong Kong**: +20% 366
- **Thailand**: +26% 287
- **Singapore**: +38% 226
- **China**: +22% 124
- **Korea**: -8% 68
- **Malaysia**: +17% 68
- **Other Markets**: +45% 162

**Markets**: Hong Kong, Thailand, Singapore, China, Korea, Malaysia, Other

**2011**: Hong Kong 305, Thailand 227, Singapore 164, China 102, Korea 74, Malaysia 58, Other Markets 112
**2012**: Hong Kong 366, Thailand 287, Singapore 226, China 124, Korea 68, Malaysia 68, Other Markets 162
Record EV up 15% to $31.4b; Increase of $4.2b

2012 Embedded Value Movement ($m)

EV Operating Profit $3.5b

27,239
2,192
1,188
111
30,730
828
380
(530)
31,408

FY2011 Group EV
Expected Return on EV
Value of New Business
Operating Experience Variances and Assumption Changes
Group EV Before Non-operating Variances
Investment Variances and Economic Assumption Changes
Exchange Rates and Other Items
Dividend Paid
FY2012 Group EV

Note
(1) Other items include other non-operating variances and other capital movements over the year
EV Sensitivity to Capital Market Movements

**Interest Rates ($m)**
- (1.3)\% decrease in interest rates
- 50 basis points decrease in interest rates
- 31,408
- 0.6\%
- 50 basis points increase in interest rates
- 197
- FY2012 Group EV

**Equities ($m)**
- (1.8)\% rise in equity prices
- 10% rise in equity prices
- 31,408
- (1.8)\%
- 10% fall in equity prices
- 553
- FY2012 Group EV

(401)
(562)
Strong Cash Flow Generation

Undiscounted Net Cash Flows\(^{(1)}\) ($b)

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Net Cash Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-17</td>
<td>11.9</td>
</tr>
<tr>
<td>2018-22</td>
<td>10.8</td>
</tr>
<tr>
<td>2023-27</td>
<td>10.1</td>
</tr>
<tr>
<td>2028-32</td>
<td>9.1</td>
</tr>
<tr>
<td>&gt;2032</td>
<td>37.4</td>
</tr>
</tbody>
</table>

% of Total 15% 14% 13% 11% 47%

Note
(1) Undiscounted net cash flows are defined as the after-tax surplus generated from the assets backing the statutory reserves and required capital of the in-force business of AIA on the Embedded Value basis.
2012 Financial Results

Value Creation

IFRS Results

Capital and Dividends
Operating Profit Up to $2.7b; Diversified Earnings

Operating Profit Before Tax ($m)

<table>
<thead>
<tr>
<th></th>
<th>FY2009</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,781</td>
<td>2,102</td>
<td>2,381</td>
<td>2,651</td>
</tr>
</tbody>
</table>

Operating Profit Before Tax by Segment ($m)

- **Hong Kong**: 796
- **Thailand**: 604
- **Singapore**: 393
- **Malaysia**: 186
- **China**: 180
- **Korea**: 164
- **Other Markets**: 283
- **Corporate**: 45

Operating Profit Up to $2.7b; Diversified Earnings

- FY2009: 1,781
- FY2010: 2,102
- FY2011: 2,381
- FY2012: 2,651
Investment Income Up to $4.3b; Stable Yield

Investment Income ($m)

<table>
<thead>
<tr>
<th></th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend and Rental</td>
<td>3,946</td>
<td>4,277</td>
</tr>
<tr>
<td>Income</td>
<td>372</td>
<td>413</td>
</tr>
<tr>
<td>Interest Income</td>
<td>3,574</td>
<td>3,864</td>
</tr>
</tbody>
</table>

Invested Assets Composition ($m)

<table>
<thead>
<tr>
<th></th>
<th>As at 30 Nov 2011</th>
<th>As at 30 Nov 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income(1)</td>
<td>86%</td>
<td>87%</td>
</tr>
<tr>
<td>Equity</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Fixed Income &amp; Equity</td>
<td>95%</td>
<td>97%</td>
</tr>
<tr>
<td>Cash</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Properties</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Total Invested Assets</td>
<td>82,284</td>
<td>98,240</td>
</tr>
</tbody>
</table>

Note
(1) Includes debt securities, loans, term deposits and derivatives.
Operating and Expense Efficiency

Operating Margin\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2010</td>
<td>20.9%</td>
<td>20.9%</td>
<td>20.9%</td>
<td>20.9%</td>
<td>20.9%</td>
</tr>
<tr>
<td>FY2011</td>
<td>16.8%</td>
<td>16.8%</td>
<td>16.8%</td>
<td>16.8%</td>
<td>16.8%</td>
</tr>
<tr>
<td>FY2012</td>
<td>13.4%</td>
<td>13.4%</td>
<td>13.4%</td>
<td>13.4%</td>
<td>13.4%</td>
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<tr>
<td></td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
<td>13.1%</td>
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<tr>
<td></td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td></td>
<td>6.2%</td>
<td>6.2%</td>
<td>6.2%</td>
<td>6.2%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Expense Ratio Regional Comparison

Reported Operating Expenses / Reported Premium Income\(^{(2)}\)

Notes
(1) Operating margin is shown gross of tax.
(2) For the companies shown in the chart other than AIA, accounting standards are as per each company’s 1H2012 reporting period.
## OPAT Up 12% and Net Profit Up to $3b

<table>
<thead>
<tr>
<th>Net Profit ($m)</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit After Tax</td>
<td>1,922</td>
<td>2,159</td>
</tr>
<tr>
<td>Net (losses) / gains from equities securities, net of tax</td>
<td>(207)</td>
<td>787</td>
</tr>
<tr>
<td>Other non-operating investment experience and other items, net of tax</td>
<td>(115)</td>
<td>73</td>
</tr>
<tr>
<td>Net Profit</td>
<td>1,600</td>
<td>3,019</td>
</tr>
</tbody>
</table>

- Operating profit excludes any actual or assumed gains
- Average annual non-operating gains over the past four years were $460 million
- Net profit includes the mark-to-market of our equity portfolio
Shareholders’ Equity Up 25% to $26.7b

Shareholder Equity Movement ($m)

<table>
<thead>
<tr>
<th></th>
<th>Equity End of FY2011</th>
<th>Operating Profit After Tax</th>
<th>Net Gains from Equity Market Movements</th>
<th>Other Non-operating Investment Experience and Other Items</th>
<th>Net Gains from Bonds</th>
<th>FX and Other Items</th>
<th>Dividend Paid</th>
<th>Equity End of FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity End of FY2011</td>
<td>21,313</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,697</td>
</tr>
<tr>
<td>Operating Profit After</td>
<td>2,159</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Gains from Equity</td>
<td>787</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Movements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-operating</td>
<td>73</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Experience</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Other Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Gains from Bonds</td>
<td>2,565</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX and Other Items</td>
<td>330</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>(530)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity End of FY2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,697</td>
</tr>
</tbody>
</table>
2012 Financial Results

Value Creation

IFRS Results

Capital and Dividends
HKICO Solvency Ratio at 353%

- Ongoing capital strength
- Prudent approach to investment and capital management
- Positive impact on solvency ratio from retained earnings generation and Singapore subsidiarisation
- Net reduction in solvency surplus of $424m due to dividends and the acquisition
- Finance growth and absorb capital market volatility

HKICO Solvency Ratio

FY2011: 311%  
FY2012: 353%
Self-financed New Business Growth and Dividends

Free Surplus Generation ($m)

Movement in FS net of fully allocated Group Office expenses, interest costs and dividends

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FS at Beginning of Year</td>
<td>5,930</td>
</tr>
<tr>
<td>FS Generated During the Year</td>
<td>2,845</td>
</tr>
<tr>
<td>FS Used to Fund New Business</td>
<td>(1,412)</td>
</tr>
<tr>
<td>Unallocated Group Office Expenses and Other Items</td>
<td>(190)</td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>(530)</td>
</tr>
<tr>
<td>FS Available at End of Year</td>
<td>6,643</td>
</tr>
</tbody>
</table>

FS at Beginning of Year: 5,930
FS Generated During the Year: 2,845
FS Used to Fund New Business: (1,412)
Unallocated Group Office Expenses and Other Items: (190)
Dividend Paid: (530)
FS Available at End of Year: 6,643
Final dividend of HK24.67 cents per share recommended

Total dividend for 2012 of HK37.00 cents per share

Ex-dividend date: 14 May 2013

Payment date: 30 May 2013
2012 Group Review
Mark Tucker

2012 Financial Results
Garth Jones

2012 Business Review
Gordon Watson
Ng Keng Hooi
Huynh Thanh Phong

Creating Sustainable Value
Mark Tucker
Business Review: Creating Sustainable Value

Gordon Watson  Hong Kong Korea Group Insurance

Ng Keng Hooi  Singapore Malaysia China

Huynh Thanh Phong  Thailand Other Markets
2012: Focus for RCEs and Country CEOs

- Profitable Growth
- Premier Distribution
- Product and Service Innovation
Creating Sustainable Value in Hong Kong

- **Premier Agency**
  - Focus on quality recruitment, effective reactivation and increased productivity
  - 24 Month retention up 20%
  - AIA Premier Academy advantage
  - MDRT Qualifiers up 9%
  - Agents selling group cases up 44%

- **Profitable Partnerships**
  - VONB from bank & IFA channels doubled
  - Group cases from brokers grew by 90%

- **Market Segmentation**
  - Existing Customer Management

---

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB ($m)</th>
<th>VONB Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2010</td>
<td>210</td>
<td>45.1%</td>
</tr>
<tr>
<td>FY2011</td>
<td>305</td>
<td>+2.4 pps to 56.1%</td>
</tr>
<tr>
<td>FY2012</td>
<td>366</td>
<td>+20% to 58.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2010</td>
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<tr>
<td>FY2011</td>
<td>56.1%</td>
</tr>
<tr>
<td>FY2012</td>
<td>58.5%</td>
</tr>
</tbody>
</table>
Repositioning in Progress in Korea

- Positive Signs from 2H growth
  - ANP up 10% in 2H12 vs 2H11
  - VONB up 9% in 2H12 vs 2H11
  - First positive growth in agency since 2008

- Premier Agency
  - New active agents up 61%
  - MDRT qualifiers up 40%

- Direct Marketing
  - Building “Premier DM”

- Brand
  - Successful digital campaigns generated over 1 million views on YouTube
Group Insurance: A Growing Opportunity in Asia

- An Underpenetrated Market
  - 1.5 billion people employed in the region\(^{(2)}\)
  - $17 billion in Group Premiums in 2012\(^{(3)}\)

- A Strong Market Presence
  - Market leader in Asia
  - More than 100,000 corporate clients
  - More than 13 million members

- Leveraging our Key Distribution Channels
  - Large group cases sold through brokers
  - Group cases through brokers up 27%
  - SME packaged cases via Premier Agency
  - Agents selling group cases up 38%

<table>
<thead>
<tr>
<th>VONB(^{(1)}) ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2011: 103</td>
</tr>
<tr>
<td>FY2012: 129 (+25%)</td>
</tr>
</tbody>
</table>

Notes
(1) VONB growth in 2012 is reduced by the effect of a single large Australian group insurance scheme which came into effect in 3Q 2011.
(2) Source: Economist Intelligence Unit
(3) Source: Estimate based on published data in Asia-Pacific, Ernst & Young market research and AIA market research
Business Review: Creating Sustainable Value

Gordon Watson
Hong Kong
Korea
Group Insurance

Ng Keng Hooi
Singapore
Malaysia
China

Huynh Thanh Phong
Thailand
Other Markets
Creating Sustainable Value in Singapore

- **Premier Agency**
  - Focus on agency leader development
  - New recruits up 12%
  - Technological innovation – iPoS
  - Awarded ‘Life Company of the Year’

- **Profitable Partnerships**
  - Growth in private bank & IFA channels

- **Product Alignment**
  - VONB of flagship Term, Critical Illness and HealthShield plans up 60%
  - Market leadership in group insurance
    - Group insurance VONB up 62%
Creating Sustainable Value in Malaysia

- **Premier Agency**
  - New recruitment programmes
  - Premier Academy to develop agency leaders and Premier Agents

- **Profitable Partnerships**
  - VONB from banks and DM more than doubled
  - Awarded Private Retirement Scheme (PRS) Provider licence

- **Product Alignment**
  - Strong unit-linked growth – VONB up 31%

- **Takaful**
  - Material Takaful contribution in first full year
ING Malaysia Integration Progressing Well

**Transaction Closure**
- Transaction closed on 18 December 2012
- Regulatory approval to merge both life and Takaful companies

**Experienced Leadership In Place**
- Bill Lisle appointed new CEO
- Management team in place comprising AIA and ex-ING staff
- Complemented by extensive Group support

**Active Stakeholder Engagement**
- Active engagement with staff, agency and partners
- Extensive communication programme ongoing
- Strong start to relationship with Public Bank

**Focused Execution**
- Teams in place and integrated business plans completed
- Establishing single new business platform, product range, brand
- Integrating agency with a single agency compensation
Creating Sustainable Value in China

- **Premier Agency**
  - Quality recruitment training for leaders
  - Agent training focused on advice skills to close protection gap
  - Increased professionalism to sustain increase in average agent incomes
  - Quality growth with MDRT qualifiers up 19%

- **Product Alignment**
  - Reinforce protection leadership
  - Launched new version of All-in-One
  - New products to address long-term savings needs
# Business Review: Creating Sustainable Value

| Gordon Watson | Hong Kong  
|               | Korea     
|               | Group Insurance |
| Ng Keng Hooi  | Singapore  
|               | Malaysia  
|               | China     |
| Huynh Thanh Phong | Thailand  
|                   | Other Markets |
Creating Sustainable Value in Thailand

- **Premier Agency**
  - Upgraded recruitment and training
  - Agency productivity improvements
  - Number one MDRT with qualifiers up 26%

- **Product Alignment**
  - Reinforced leadership in life and health
    - Launched AIA Health Lifetime
  - Focus on 7 million in-force customers
    - Promoted “Double Sum Assured” campaign to existing customers
  - Protection business VONB up 30%
  - Group insurance VONB growth over 90%
Creating Sustainable Value in Other Markets

### Australia
- Fastest growing life company in 2012
- Premier IFA VONB grew by 78%
- Established independent risk specialist
- Awarded ‘Life Company of the Year’

### Indonesia
- Strong sales of protection and unit-linked business driving VONB growth
- Enhanced training programme for agents
- Active agents up 37%
- Excellent performance from BCA, CIMB and other bank partners

### Philippines
- Outstanding VONB growth
- Active agents up by 16%
- MDRT qualifiers up 59%
- BPI partnership VONB trebled
Asian Growth Opportunity
Advantaged Platform
Right Priorities
Proven Execution
Enormous Asian Growth Opportunity

Rapid Urbanisation

Urban population (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Asia(1)</th>
<th>North America(2)</th>
<th>Europe(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>515</td>
<td>248</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>523</td>
<td>265</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>537</td>
<td>282</td>
<td>1,169</td>
</tr>
<tr>
<td>2015E</td>
<td>548</td>
<td>299</td>
<td>1,353</td>
</tr>
<tr>
<td>2020E</td>
<td>558</td>
<td>315</td>
<td>1,539</td>
</tr>
</tbody>
</table>

Growth in Disposable Incomes

No of households with disposable income above US$10k (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Asia(1)</th>
<th>North America(2)</th>
<th>G7 Economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>260</td>
<td>36</td>
<td>301</td>
</tr>
<tr>
<td>2005</td>
<td>280</td>
<td>51</td>
<td>340</td>
</tr>
<tr>
<td>2010</td>
<td>293</td>
<td>121</td>
<td>458</td>
</tr>
<tr>
<td>2015E</td>
<td></td>
<td></td>
<td>305</td>
</tr>
<tr>
<td>2017E</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rising Demand for A&H

Health Protection Gap (CAGR 2011 to 2020E)

Total: US$169bn
CAGR: 41%

Notes:
(1) Asia excludes Japan
(2) North America includes U.S. and Canada
(3) Europe includes Eurozone countries, Norway, Switzerland and UK
Advantaged Platform to Capture Growth

- Only pure play pan-Asian life insurance company
- Advantaged scale and franchise with the market-leading brand
- Proprietary distribution with direct access to the Asian consumer
- Broad, diversified and innovative products and customer services
- Exceptional financial strength and cash flow to capture opportunities
Right Priorities for 2013

Distribution Effectiveness
- Premier Agency implementation
- Recruit next generation
- Expand bancassurance relationships
- Group insurance opportunity

Product Targeting
- Tailored by channel, market and segment
- Integrated savings and protection
- Comprehensive protection products
- Easier to sell and to understand

Customer Engagement
- Customer experience transformation
- Existing Customer Management focus
- Better analytics and segmentation
- iPoS roll-out

Asian Growth Opportunity
Advantaged Platform
Right Priorities
Proven Execution
Record of Delivery

**Doubled VONB ($m)**

- **FY2009**: 545
- **FY2012**: 1,188

2.2x

**EV up 50% ($m)**

- **FY2009**: 20,966
- **FY2012**: 31,408

+50%
AIA – Creating Sustainable Value

- Significant growth opportunities
- Asia-based and Asia-focused
- Advantaged platform
- Execute relentlessly on priorities
- Ideally positioned to capture growth
2012 Results Presentation
CREATING SUSTAINABLE VALUE
Definitions and Notes

- Hong Kong market includes Macau; Singapore market includes Brunei; Other Markets includes Australia, New Zealand, the Philippines, Indonesia, Vietnam and Taiwan
- ANP excludes corporate pension business
- VONB is after unallocated Group Office expenses and adjustment to reflect additional Hong Kong reserving and capital requirements; includes corporate pension business and is shown before minorities
- VONB Margin = VONB / ANP. VONB for the margin calculations excludes corporate pension business to be consistent with the definition of ANP.
- VONB and VONB Margin by market are based on local statutory basis and exclude unallocated Group Office expenses
- VONB and VONB Margin by distribution are based on local statutory basis and exclude unallocated Group Office expenses and corporate pension business
- Free surplus is the excess of the market value of AIA’s assets over the sum of the statutory liabilities and the minimum regulatory required capital. 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 minimum solvency margin
- Investment income and invested assets composition exclude unit-linked contracts
- Investment return is defined as investment income with the addition of realised and unrealised gains and losses as a percentage of average invested assets
- Investment yield is defined as net investment income as a percentage of average policyholder and shareholder invested assets for the relevant periods (i.e. excluding unit-linked investments); AIA’s net investment income does not include realised or unrealised gains and losses
- Operating expense and expense ratio exclude restructuring costs
- Operating margin defined as Operating profit before tax as a percentage of Total Weighted Premium Income
- Operating profit after tax, net profit and shareholders’ equity are shown post minorities
- Operating profit before tax excludes non-operating items such as investment experience, investment income and investment management expenses related to unit-linked contracts, corresponding changes in insurance and investment contract liabilities in respect of unit-linked contracts and participating funds and other significant items considered to be non-operating income and expenses