2014 INTERIM RESULTS PRESENTATION
STRONG PERFORMANCE, CONSISTENT EXECUTION
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Financial Highlights

- Value of new business up 23% to $792m
- Operating profit up 15% to $1,457m
- EV Equity up by $2b to $36.9b
- Free surplus generation up 9% to $2.1b
- Solvency ratio of 448%, up 15 pps
- Interim dividend increase of 15%
## 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>1H2014 Group Review</td>
</tr>
<tr>
<td>Garth Jones</td>
<td>Group Chief Financial Officer</td>
<td>1H2014 Financial Results</td>
</tr>
<tr>
<td>Gordon Watson</td>
<td>Regional Chief Executive</td>
<td>Hong Kong, Korea, Other Markets, Citibank</td>
</tr>
<tr>
<td>Ng Keng Hooi</td>
<td>Regional Chief Executive</td>
<td>Singapore, Malaysia, Thailand, China</td>
</tr>
<tr>
<td>Mark Tucker</td>
<td>Group Chief Executive</td>
<td>Strong Performance, Consistent Execution</td>
</tr>
<tr>
<td><strong>All Presenters</strong></td>
<td><strong>ExCo Members</strong></td>
<td><strong>Q&amp;A</strong></td>
</tr>
</tbody>
</table>
### Right Growth Strategy Executed Well

#### 2010

<table>
<thead>
<tr>
<th><strong>A New Beginning</strong></th>
<th><strong>Since IPO</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate strengthening and reorientation</td>
<td>Premier Agency strategy delivery</td>
</tr>
<tr>
<td>Building blocks of sustained value creation</td>
<td>Profitable partnership expansion</td>
</tr>
<tr>
<td>Largest-ever insurance IPO</td>
<td>Integrating savings and protection</td>
</tr>
<tr>
<td>VONB $667m</td>
<td>Transforming customer experience</td>
</tr>
<tr>
<td>OPAT $1.7b</td>
<td>AIA fully independent</td>
</tr>
<tr>
<td>FS Generated $2.1b</td>
<td>Transformational acquisitions (Malaysia, Sri Lanka)</td>
</tr>
<tr>
<td>EV Equity $24.9b</td>
<td>Inaugural Global MTN programme</td>
</tr>
</tbody>
</table>

#### Financial Outcomes

- VONB generated $4.4b to date
- OPAT delivered $8.0b to date
- FS Generation of $11.2b to date
- EV Equity added $12.0b to date
# Right Priorities for 2014

| Distribution          |  ▪ Sustain competitive advantages in Premier Agency  
|                       |  ▪ Recruit, develop and promote next generation of agents  
|                       |  ▪ Deliver profitable partnership growth  
| Product               |  ▪ Maintain protection-focused portfolio  
|                       |  ▪ Expand integrated savings and protection cover  
|                       |  ▪ Capture incremental high-quality savings opportunities  
| Customer              |  ▪ Transform customer experience  
|                       |  ▪ Increase existing customer engagement levels  
|                       |  ▪ Enhance analytics and segmentation  
| Financials            |  ▪ Support strong new business growth and returns  
|                       |  ▪ Maintain strong capital and cash flow  
|                       |  ▪ Prudent, sustainable and progressive dividend  

Delivering Distribution Quality and Expansion

**Premier Agency VONB ($m)**

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premier Agency</td>
<td>490</td>
<td>623</td>
</tr>
<tr>
<td>VONB up</td>
<td>+27%</td>
<td></td>
</tr>
</tbody>
</table>

**Partnership Distribution VONB ($m)**

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
<td>212</td>
<td>237</td>
</tr>
<tr>
<td>VONB up</td>
<td>+12%</td>
<td></td>
</tr>
</tbody>
</table>

**Premier Agency Delivery**

- VONB up 27%
- Quality recruitment focus
- AIA Premier Academy training
- Active new agents up 18%
- iPoS in 10 markets; new submissions up 4x
- No. 2 MDRT worldwide; up 35%

**Profitable Partnership Expansion**

- VONB up 12%
- DM affected by Korean industry suspension
- VONB up over 30% ex Korea DM on CER
- Citibank launched in 7 markets
- Expanded relationships with IFAs
Product and Customer Growth Drivers

1H2014 Product Mix\(^{(1)}\)

<table>
<thead>
<tr>
<th>Product Category</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>17%</td>
</tr>
<tr>
<td>Unit-linked</td>
<td>18%</td>
</tr>
<tr>
<td>Participating</td>
<td>26%</td>
</tr>
<tr>
<td>Traditional</td>
<td>39%</td>
</tr>
</tbody>
</table>

Diversified, Value-oriented Portfolio

- Product mix driving margin improvement
- Protection focused across the portfolio
- Significant margin enhancement within each product category
- 90% of ANP from regular premium

Existing Customer Marketing Results

- ANP: +48%
- VONB: +62%

Note:
(1) Mix based on 1H2014 ANP

Significant Growth Opportunity

- Over 28m individual policies in-force and over 16m group members
- Active marketing initiatives targeting existing customers across the region
- More than 400,000 additional policies sold to existing customers in the first half
- Large-scale, and growing existing customer base – a significant source of future growth
New Business Growth with Increasing Returns

**Increasing IRRs**
Consistently above 20%

- **2010**
- **1H2014**

**Decreasing Payback Periods (Years)**

- **2010**: 5.0
- **1H2014**: 4.0

**Solvency Ratio**
HKICO Basis for AIA Co.

- **2013**: 433%
- **1H2014**: 448%

**Interim Dividend Per Share (HK cents)**

- **1H2013**: 13.93
- **1H2014**: 16.00

Increasing IRRs: Consistently above 20%

- **2010**: +18%
- **1H2014**: +15pps

Decreasing Payback Periods: (Years)

- **2010**: 5.0 (1.0)
- **1H2014**: 4.0

Solvency Ratio: HKICO Basis for AIA Co.

- **2013**: 433%
- **1H2014**: +15%

Interim Dividend Per Share: (HK cents)

- **1H2013**: 13.93
- **1H2014**: +15%
Sustained Growth Momentum

VONB ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>1H2010</th>
<th>1H2011</th>
<th>1H2012</th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>303</td>
<td>399</td>
<td>512</td>
<td>645</td>
<td>792</td>
</tr>
</tbody>
</table>

2.6x

EV Equity ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>1H2010</th>
<th>1H2011</th>
<th>1H2012</th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>22,178</td>
<td>27,612</td>
<td>29,091</td>
<td>33,277</td>
<td>36,915</td>
</tr>
</tbody>
</table>

1.7x

OPAT ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>1H2010</th>
<th>1H2011</th>
<th>1H2012</th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>899</td>
<td>967</td>
<td>1,080</td>
<td>1,269</td>
<td>1,457</td>
</tr>
</tbody>
</table>

1.6x
Garth Jones
GROUP CHIEF FINANCIAL OFFICER

No matter what happens in life, we believe in never giving up on what’s important to you.
## Excellent Financial Results – Across All Key Metrics

<table>
<thead>
<tr>
<th>Category</th>
<th>1H2014</th>
<th>1H2013</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>792</td>
<td>645</td>
<td>23%</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>46.2%</td>
<td>41.6%</td>
<td>4.6 pps</td>
</tr>
<tr>
<td>ANP</td>
<td>1,690</td>
<td>1,527</td>
<td>11%</td>
</tr>
<tr>
<td>EV Equity(^1)</td>
<td>36,915</td>
<td>34,871</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit After Tax</td>
<td>1,457</td>
<td>1,269</td>
<td>15%</td>
</tr>
<tr>
<td>TWPI</td>
<td>9,004</td>
<td>8,495</td>
<td>6%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>19.5%</td>
<td>18.4%</td>
<td>1.1 pps</td>
</tr>
<tr>
<td><strong>Capital &amp; Dividends</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Surplus Generation</td>
<td>2,117</td>
<td>1,940</td>
<td>9%</td>
</tr>
<tr>
<td>AIA Co. HKICO Solvency Ratio(^1)</td>
<td>448%</td>
<td>433%</td>
<td>15 pps</td>
</tr>
<tr>
<td>Dividend per Share (HK cents)</td>
<td>16.00</td>
<td>13.93</td>
<td>15%</td>
</tr>
</tbody>
</table>

Note:
(1) Comparison for balance sheet items are shown against the position as at the end of the 2013 financial year
## Key Metrics on Constant Exchange Rates

<table>
<thead>
<tr>
<th>Metric</th>
<th>1H2014 ($m)</th>
<th>1H2013 ($m)</th>
<th>AER Growth</th>
<th>CER Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>VONB</td>
<td>792</td>
<td>645</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>ANP</td>
<td>1,690</td>
<td>1,527</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Operating Profit After Tax</td>
<td>1,457</td>
<td>1,269</td>
<td>15%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Growth

Earnings

Capital and Dividends
Sustained Growth, Optimising Volume & Margin

VONB ($m)

1H2013: 645
1H2014: 792

+23%

ANP ($m)

1H2013: 1,527
1H2014: 1,690

+11%

VONB Margin

1H2013: 41.6%
1H2014: 46.2%

+4.6pps
High Quality New Business – AIA Hong Kong

New Regular Premium Split by Payment Term\(^{(1)}\)

<table>
<thead>
<tr>
<th>Duration</th>
<th>AIA HK</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5 years</td>
<td>2%</td>
<td>57%</td>
</tr>
<tr>
<td>≥5 years</td>
<td>98%</td>
<td>43%</td>
</tr>
</tbody>
</table>

Single Premium Split by Benefit Term

<table>
<thead>
<tr>
<th>Duration</th>
<th>AIA HK</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;10 Years</td>
<td>4%</td>
<td>96%</td>
</tr>
<tr>
<td>≥10 Years</td>
<td></td>
<td>96%</td>
</tr>
</tbody>
</table>

Note:
\(^{(1)}\) Source: HK OCI; 1Q2014 annualised new regular premium
1H2014: Margin Movement

4.6 pps Increase in VONB Margin

- 41.6% (1H2013 VONB Margin)
- +3.8 pps
- (0.1) pps
- +0.9 pps
- 46.2% (1H2014 VONB Margin)
Product Mix Driving Margin Improvement

12.5 pps Increase in VONB Margin since IPO

1H2010 VONB Margin

Product Mix

Channel and Geographical Mix

Assumption Changes and Others

1H2014 VONB Margin

33.7%

+15.3 pps

(1.5) pps

(1.3) pps

46.2%

12.5 pps Increase in VONB Margin since IPO

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Diversified Growth Portfolio

VONB ($m)

- **Hong Kong**: +55% 260
  - 1H2013: 168
  - 1H2014: 260
- **Thailand**: +11% 162
  - 1H2013: 146
  - 1H2014: 162
- **Singapore**: +15% 127
  - 1H2013: 110
  - 1H2014: 127
- **Malaysia**: +30% 70
  - 1H2013: 54
  - 1H2014: 70
- **China**: +58% 120
  - 1H2013: 76
  - 1H2014: 120
- **Korea**: (22)% 35
  - 1H2013: 45
  - 1H2014: 35
- **Other Markets**: (14)% 96
  - 1H2013: 112
  - 1H2014: 96

1H2014 VONB by Market Segment

- **Hong Kong**: 30%
- **Thailand**: 19%
- **Singapore**: 14%
- **China**: 14%
- **Malaysia**: 8%
- **Korea**: 4%
- **Other Markets**: 11%
EV Equity of $36.9b – Strong Operating Performance

1H2014 EV Equity Movement ($m)

EV Operating Profit $2.1b

Group EV Equity End of 2013: 34,871
Event: EV Equity of $36.9b – Strong Operating Performance

- Expected Return on EV: 1,289
- VONB: 792
- Operating Variances and Assumption Changes: 60
- Interest Costs: (22)
- Group EV Equity Before Non-operating Variances: 36,990
- Investment Return Variances: 612
- Exchange Rates and Other Items: (245)
- Cost of Dividend Paid: (442)
- Group EV Equity End of 1H2014: 36,915

EV Operating Profit: $2.1b

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EV Sensitivity to Capital Market Movements

Interest Rates ($m)

<table>
<thead>
<tr>
<th>Movement</th>
<th>EV 1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(0.8)% decrease in interest rates</td>
<td>(280)</td>
</tr>
<tr>
<td>50 basis points decrease in interest rates</td>
<td>35,070</td>
</tr>
<tr>
<td>0.5% increase in interest rates</td>
<td>162</td>
</tr>
</tbody>
</table>

Equities ($m)

<table>
<thead>
<tr>
<th>Movement</th>
<th>EV 1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2.0)% fall in equity prices</td>
<td>(697)</td>
</tr>
<tr>
<td>10% decrease in interest rates</td>
<td>35,070</td>
</tr>
<tr>
<td>2.0% rise in equity prices</td>
<td>686</td>
</tr>
</tbody>
</table>

Interest Rates: 50% increase in interest rates
Equities: 10% fall in equity prices
Sensitivity to Currency Translation

**EV ($m)**

- 5% fall in local market currencies vs US dollar: (2.8)%
- 5% rise in local market currencies vs US dollar: 2.8%

- 1H2014 EV: 35,070
- 975

**VONB ($m)**

- 5% fall in local market currencies vs US dollar: (3.8)%
- 5% rise in local market currencies vs US dollar: 3.8%

- 1H2014 VONB: 792
- 30

Note: The translation sensitivities shown assume a constant Hong Kong dollar and US dollar exchange rate.
IFRS Operating Profit up 15%

Operating Profit After Tax ($m)

- **1H2013**: 1,269
- **1H2014**: 1,457

Operating Margin

- **1H2013**: 18.4%
- **1H2014**: 19.5%

Expense Ratio

- **1H2013**: 8.7%
- **1H2014**: 8.5%
Diversified Earnings

1H2014 OPAT by Market Segment

<table>
<thead>
<tr>
<th>Market</th>
<th>OPAT (1H2013)</th>
<th>OPAT (1H2014)</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>399</td>
<td>460</td>
<td>+15%</td>
<td>15%</td>
</tr>
<tr>
<td>Thailand</td>
<td>260</td>
<td>279</td>
<td>+7%</td>
<td>7%</td>
</tr>
<tr>
<td>Singapore</td>
<td>183</td>
<td>203</td>
<td>+11%</td>
<td>11%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>128</td>
<td>140</td>
<td>+9%</td>
<td>9%</td>
</tr>
<tr>
<td>China</td>
<td>104</td>
<td>132</td>
<td>+27%</td>
<td>27%</td>
</tr>
<tr>
<td>Korea</td>
<td>78</td>
<td>78</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Other Markets</td>
<td>131</td>
<td>158</td>
<td>+21%</td>
<td>21%</td>
</tr>
</tbody>
</table>

OPAT ($m)

- **Hong Kong**: +15%
- **Thailand**: +7%
- **Singapore**: +11%
- **Malaysia**: +9%
- **China**: +27%
- **Korea**: -1%
- **Other Markets**: +21%
Stable Investment Yield

Investment Income ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend and Rental Income</td>
<td>2,465</td>
<td>2,617</td>
</tr>
<tr>
<td>Interest Income</td>
<td>2,196</td>
<td>2,342</td>
</tr>
</tbody>
</table>

Invested Assets Composition

- Fixed Income: 88%
- Equity: 10%
- Cash & Cash Equivalents: 1%
- Properties: 1%

1H2014 Total Invested Assets: $113.6b

Investment Yield:
- 1H2013: 4.8%
- 1H2014: 4.8%
- (FY13: 4.8%)

Investment Return:
- 1H2013: 7.1%
- 1H2014: 5.5%

Note:
(1) Includes debt securities, loans and term deposits.
**Net Profit of $1.5b**

<table>
<thead>
<tr>
<th>Net Profit ($m)</th>
<th>1H2014</th>
<th>1H2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit After Tax</td>
<td>1,457</td>
<td>1,269</td>
</tr>
<tr>
<td>Net gains from equities</td>
<td>47</td>
<td>659</td>
</tr>
<tr>
<td>Other non-operating items</td>
<td>42</td>
<td>7</td>
</tr>
<tr>
<td>Net Profit</td>
<td>1,546</td>
<td>1,935</td>
</tr>
</tbody>
</table>

- Net profit includes mark-to-market of equities
- Operating profit excludes any actual or assumed gains
- Average non-operating gains of $465m from past four full financial years
- Net profit excludes unrealised gains and losses on AFS bonds
Free Surplus on the HKICO Solvency Basis ($m)

Net Movement of $0.8b

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Surplus End of 2013</td>
<td>6,727</td>
</tr>
<tr>
<td>Citibank Upfront Payment</td>
<td>(800)</td>
</tr>
<tr>
<td>FS at Beginning of Period (Post Citibank Upfront Payment)</td>
<td>5,927</td>
</tr>
<tr>
<td>FS Generated</td>
<td>2,117</td>
</tr>
<tr>
<td>New Business Investment</td>
<td>(781)</td>
</tr>
<tr>
<td>Unallocated Group Office Expenses and Others</td>
<td>(117)</td>
</tr>
<tr>
<td>Cost of Dividend Paid</td>
<td>(442)</td>
</tr>
<tr>
<td>Free Surplus End of 1H2014</td>
<td>6,704</td>
</tr>
</tbody>
</table>
Increasing Returns and Capital Efficiency

**VONB Growth**

- **1H2010**: 303
- **1H2014**: 792
- **Increase**: 2.6x

**New Business Strain as % of VONB**

- **1H2010**: (37)pps
- **1H2014**:

**Increasing IRRs**

- **Consistently above 20%**

**Decreasing Payback Periods (Years)**

- **2010**: 5.0
- **1H2014**: 4.0
- **Decrease**: (1.0)
Substantial Cash Flow Generation

Undiscounted Net Cash Flows ($b)

<table>
<thead>
<tr>
<th>Period</th>
<th>Net Cash Flow ($b)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2H14-18</td>
<td>12.6</td>
<td>14%</td>
</tr>
<tr>
<td>2019-23</td>
<td>12.6</td>
<td>14%</td>
</tr>
<tr>
<td>2024-28</td>
<td>11.4</td>
<td>13%</td>
</tr>
<tr>
<td>2029-33</td>
<td>10.2</td>
<td>11%</td>
</tr>
<tr>
<td>2034+</td>
<td>43.9</td>
<td>48%</td>
</tr>
</tbody>
</table>

Total undiscounted net cash flow = $129.5 billion
Regulatory Solvency Ratio of 448%

**Solvency Ratio on HKICO Basis for AIA Co.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Solvency Ratio</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>433%</td>
<td></td>
</tr>
<tr>
<td>1H2014</td>
<td>448%</td>
<td>+15pps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required Level of 150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013: 6,057</td>
</tr>
<tr>
<td>1H2014: 6,452</td>
</tr>
</tbody>
</table>

**Ongoing Capital Strength**

- Rigorous approach to capital management
- Resilient solvency position
- Prudent HKICO reserves and capital
- Growth driven by retained earnings
- Includes Citibank upfront payment
- AIA Co. S&P Rating of AA- (Very Strong)
- Completed $1b senior debt offering in March 2014
Prudent, Sustainable and Progressive Dividend

Interim Dividend Per Share (HK cents)

- 1H2011: 11.00 (12% increase)
- 1H2012: 12.33 (13% increase)
- 1H2013: 13.93 (15% increase)
- 1H2014: 16.00

The dividend per share has increased progressively each year, indicating a sustainable and progressive dividend policy.
1H2014 Financial Results Summary

- Considerable growth in profitable new business
- Significant capital investment at high returns
- Improvement in new business capital efficiency

- Strong increase in IFRS operating profit
- Consistent growth across the region
- Diversified and scale source of earnings

- Substantial cash and capital generation
- Resilient solvency position
- Prudent, sustainable and progressive dividend
no matter what happens in life, we believe in never giving up on what’s important to you.
Hong Kong: Delivering Excellent Growth

- **Premier Agency**
  - Delivered excellent VONB growth
  - Active new agents up 23%
  - Increased productivity levels
  - Strong growth in MDRT qualifiers

- **Profitable Partnerships**
  - Strong performance in IFA market

- **Group Insurance VONB up 25%**

- **Products and Customers**
  - Expanded critical illness product range
  - Launched retirement planning campaigns

### VONB ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP ($m)</td>
<td>326</td>
<td>401</td>
</tr>
<tr>
<td>Margin</td>
<td>48.7%</td>
<td>62.4%</td>
</tr>
</tbody>
</table>

### 1H2013 vs. 1H2014

- **VONB**
  - 168 to 260
  - +55%

### ANP and Margin

- **ANP**
  - 326 to 401
- **Margin**
  - 48.7% to 62.4%
Korea: Stabilising DM, Strong Agency Growth

- **Direct Marketing**
  - Industry-wide temporary suspension
  - Positive and timely management response
  - Costs incurred included in VONB
  - Production returned to pre-suspension levels

- **Premier Agency**
  - Strong VONB growth
  - Focus on recruitment and productivity

- **Bancassurance**
  - Solid VONB growth

<table>
<thead>
<tr>
<th></th>
<th>ANP ($m)</th>
<th>VONB ($m)</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H2013</td>
<td>182</td>
<td>45</td>
<td>24.9%</td>
</tr>
<tr>
<td>1H2014</td>
<td>189</td>
<td>35</td>
<td>18.6%</td>
</tr>
</tbody>
</table>
Other Markets: Challenging Macro Environment

### Australia
- Expanded Premier IFA model
- Independent risk specialist
- Launched AIA Vitality

### Indonesia
- Significant local currency depreciation
- Bancassurance affected by macro conditions
- Active new agents more than doubled

### Philippines
- Solid underlying growth in agency
- Active new agents up 64%
- Bancassurance branch specialists up 28%

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP ($m)</td>
<td>335</td>
<td>317</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>33.3%</td>
<td>29.9%</td>
</tr>
</tbody>
</table>
Citibank Partnership: Laying the Foundations

Leveraging Two Iconic Brands

Progress to date

- Launched in 7 markets in the first half
- Regional and local joint governance committees overseeing implementation
- Mix of new and replacement products launched
- Smooth transition from existing Citi partners
- Second half work well underway
no matter what happens in life, we believe in never giving up on what’s important to you.
Singapore: Strong Execution

- **Premier Agency**
  - Execution of Premier Agency strategy
    - Active agents up 19%
    - Double-digit growth in productivity

- **Profitable Partnerships**
  - Strong bancassurance and IFA performance

- **Products and Customers**
  - HealthShield upgrade phased out in 1Q14
  - More balanced product mix between protection and savings
  - **AIA Vitality** gaining traction

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP ($m)</td>
<td>147</td>
<td>214</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>74.8%</td>
<td>59.3%</td>
</tr>
<tr>
<td>VONB ($m)</td>
<td>110</td>
<td>127</td>
</tr>
</tbody>
</table>

- **VONB ($m)**
  - **+15%**
Malaysia: Strengthening our Growth Platform

- **Premier Agency**
  - New unified agency compensation structure and targeted recruitment program
    - Active new agents up 54%
    - Active agent productivity up 15%
  - iPoS adoption of over 90%

- **Profitable Partnerships**
  - Solid ULP sales with Public Bank

- **Products and Customers**
  - Continue shift towards regular premium ULP
  - New unit-linked riders positioned to target two segments – women and young adults
  - Strong growth in individual Takaful business

- **VONB ($m)**
  - 1H2013: 54
    - 1H2014: 70 (+30%)

- **ANP ($m)**
  - 1H2013: 152
  - 1H2014: 161

- **VONB Margin**
  - 1H2013: 35.3%
  - 1H2014: 43.9%
Thailand: Resilient Growth

- **Premier Agency**
  - Strong VONB growth
  - Resilient nationwide agency network
  - Revised agency compensation
  - Increased productivity levels
  - ULP licensed agents up 33%

- **Products and Customers**
  - Large customer base for existing customer marketing campaigns
  - Upmarket comprehensive health plan driving margin expansion
  - Higher rider attachment ratio

<table>
<thead>
<tr>
<th></th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANP ($m)</td>
<td>265</td>
<td>256</td>
</tr>
<tr>
<td>VONB Margin</td>
<td>55.1%</td>
<td>63.3%</td>
</tr>
<tr>
<td>VONB ($m)</td>
<td>146</td>
<td>162</td>
</tr>
</tbody>
</table>

+11%
China: Sustained Outperformance

- **Premier Agency**
  - Focus on quality recruitment
  - Active new agents up 46%
  - Active agent productivity up 9%
  - Growth in agent incomes

- **Products and Customers**
  - Further success in product innovation
  - New protection and savings products targeting young family segment
  - Strong demand for new long-term savings product

**VONB ($m)**

- 1H2013: 76
- 1H2014: 120 (+58%)

**ANP ($m)**

- 1H2013: 120
- 1H2014: 152

**VONB Margin**

- 1H2013: 63.7%
- 1H2014: 78.7%
## Long-term Structural Growth Drivers

| Large Population Growth | ▪ **4.1 billion** people by 2020; increase of 700 million people since 2000  
  ▪ Youthful long-term demographics with 76% under the age of 40 in 2020 |
|-------------------------|---------------------------------------------------------------------|
| Rapid Urbanisation      | ▪ **1.7 billion** urban dwellers by 2020, an additional 720 million in 20 years  
  ▪ Accounting for only 49% of the population vs 84% in G7 countries |
| Rising Income & Wealth  | ▪ 464 million households by 2017 with disposable incomes >$10,000  
  ▪ **$3.8 trillion** of new spending power since 2000 |
| Low Social Welfare      | ▪ Social spending in Asia is only 15% of G7 countries  
  ▪ Government support for private insurance to provide social protection |
| Low Private Cover       | ▪ Private cover is 8% of the penetration level of western markets  
  ▪ Substantial and growing life protection gap of $33 trillion |

Sources: World Economic Outlook Database, BMI, EIU, Swiss Re, UN Population Division, Asian Development Bank, OECD
## Aligned Growth Platforms and Priorities

<table>
<thead>
<tr>
<th>Growth Drivers</th>
<th>Growth Platforms</th>
<th>Growth Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Population Growth</td>
<td>Premier Agency</td>
<td>- Sustain competitive advantages in Premier Agency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Recruit, develop and promote next generation of agents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Enhanced productivity and service through technology</td>
</tr>
<tr>
<td>Rapid Urbanisation</td>
<td>Profitable Partnerships</td>
<td>- Expand distribution platform reach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Optimise new and existing partnerships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Additional sources of profitable and sustainable growth</td>
</tr>
<tr>
<td>Rising Income &amp; Wealth</td>
<td>Protection &amp; Savings</td>
<td>- Maintain protection-focused portfolio</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Expand integrated savings and protection cover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Capture incremental high-quality savings opportunities</td>
</tr>
<tr>
<td>Low Social Welfare</td>
<td>Brand &amp; Marketing</td>
<td>- Transform customer experience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Increase existing customer engagement levels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Enhance analytics and segmentation</td>
</tr>
<tr>
<td>Low Private Cover</td>
<td>Financial Strength</td>
<td>- Support strong new business growth and returns</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Maintain strong capital and cash flow</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Prudent, sustainable and progressive dividend</td>
</tr>
</tbody>
</table>
Strong Performance, Consistent Execution

- Value of new business up 23% to $792m
- Operating profit up 15% to $1,457m
- EV Equity up by $2b to $36.9b
- Free surplus generation up 9% to $2.1b
- Solvency ratio of 448%, up 15 pps
- Interim dividend increase of 15%
REAL LIFENEVER STOPS

No matter what happens in life, we believe in never giving up on what’s important to you.
Definitions and Notes

- 2013 figures include the financial and operational results of AIA’s acquisitions from the respective dates of completion.
- Annualised new premium (ANP) excludes pension business.
- Certain prior year figures have been restated due to the Group’s adoption of IFRS 10 and IAS 19 (revised) standards. Further details are disclosed in note 27 to the interim financial statements and Section 2 of the Supplementary Embedded Value Information in our 2014 interim results preliminary announcement published on 25 July 2014.
- Comparison for balance sheet items are shown against the position as at the end of the 2013 financial year.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company.
- 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 International, the statutory liabilities are based on HKICO statutory accounting and the required capital based on 150% HKICO minimum solvency margin.
- Hong Kong market includes Macau; Singapore market includes Brunei; Other Markets includes Australia, the Philippines, Indonesia, Vietnam, Taiwan, New Zealand and Sri Lanka.
- Investment income and invested assets composition exclude unit-linked contracts and consolidated investment funds.
- 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 and consolidated investment funds); AIA’s net investment income does not include realised or unrealised gains and losses.
- IFRS operating profit after tax (OPAT), net profit and IFRS 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 and consolidated investment funds, corresponding changes in insurance and investment contract liabilities in respect of unit-linked contracts and consolidated investment funds and participating funds and other significant items considered to be non-operating income and expenses.
- TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.
- 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.
- VONB is after unallocated Group Office expenses and adjustment to reflect additional Hong Kong reserving and capital requirements; includes pension business and is shown before minorities.
- VONB margin = VONB / ANP. VONB for the margin calculations exclude pension business to be consistent with the definition of ANP.
- VONB and VONB margin by distribution channel are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and exclude pension business.
- VONB and VONB margin by geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses.
Asia’s Significant Growth Opportunity

### Population by Region

**Population (Billions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Asia ex-Japan</th>
<th>North America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3.4</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>2010</td>
<td>3.7</td>
<td>0.9</td>
<td>0.3</td>
</tr>
<tr>
<td>2020E</td>
<td>4.1</td>
<td>0.9</td>
<td>0.4</td>
</tr>
<tr>
<td>2030E</td>
<td>4.3</td>
<td>0.9</td>
<td>0.4</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 ex-Japan</th>
<th>G7 Economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>260</td>
<td>82</td>
</tr>
<tr>
<td>2005</td>
<td>281</td>
<td>102</td>
</tr>
<tr>
<td>2010</td>
<td>292</td>
<td>190</td>
</tr>
<tr>
<td>2015E</td>
<td>302</td>
<td>368</td>
</tr>
<tr>
<td>2017E</td>
<td>307</td>
<td>464</td>
</tr>
</tbody>
</table>

### Rapid Urbanisation

**Urban population (Millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Asia ex-Japan</th>
<th>North America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>248</td>
<td>995</td>
<td>515</td>
</tr>
<tr>
<td>2005</td>
<td>265</td>
<td>1,169</td>
<td>523</td>
</tr>
<tr>
<td>2010</td>
<td>282</td>
<td>1,353</td>
<td>537</td>
</tr>
<tr>
<td>2015E</td>
<td>299</td>
<td>1,539</td>
<td>548</td>
</tr>
<tr>
<td>2020E</td>
<td>315</td>
<td>1,714</td>
<td>558</td>
</tr>
</tbody>
</table>

### Underpenetrated Asian Life Insurance

**2013 Density Rate (US$)**

<table>
<thead>
<tr>
<th>Region</th>
<th>2001</th>
<th>2010E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia ex-Japan</td>
<td>127</td>
<td>1,076</td>
<td>1,664</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td>3,346</td>
</tr>
</tbody>
</table>

Sources: World Economic Outlook Database, BMI, EIU, Swiss Re
Asia’s Macroeconomic Stability

Asia’s Stable Growth Outlook

Real GDP Growth Rates

![Graph showing real GDP growth rates for Asia ex-Japan and G7 Economies.]

Current Accounts (1)

(US$ billions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia ex-Japan</td>
<td>(19)</td>
<td>318</td>
<td>365</td>
<td>412</td>
<td>445</td>
<td>434</td>
</tr>
<tr>
<td>G7 Economies</td>
<td>(264)</td>
<td>(239)</td>
<td>(289)</td>
<td>(343)</td>
<td>(410)</td>
<td></td>
</tr>
</tbody>
</table>

Asia ex-Japan Macroeconomic Resilience

GDP at Current Prices (Rebased to 100)

![Graph showing GDP growth for Asia ex-Japan and G7 Economies.]

Domestic Demand (1)

(% Change YoY)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia ex-Japan</td>
<td>2.9</td>
<td>6.7</td>
<td>6.1</td>
<td>6.1</td>
<td>6.6</td>
<td>6.7</td>
</tr>
<tr>
<td>G7 Economies</td>
<td>1.2</td>
<td>2.2</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Sources: EIU, IMF, Broker estimate
Note: (1) As of 1 January

54
1H2014 Working Capital Movement

Working Capital Movement ($m)

Net Movement of $1.2b

- Opening Working Capital: 5,556
- Citibank Upfront Fee: (800)
- Opening Working Capital (Post Citibank Upfront Fee): 4,756
- Net Funds Remitted: 782
- Increase in Borrowings: 984
- Cost of Dividend Paid: (442)
- Purchase of Shares Held by Employee Share-based Trust: (89)
- Others: (83)

Working Capital End of 1H2014: 5,908

Net Movement of $1.2b
Fixed Income Portfolio

Debt Securities by Accounting Classification\(^{(1)}\)

- Par Funds: FVTPL 20%
- Other Policyholder & Shareholder: AFS 75%
- Unit-linked & Consolidated Investment Funds: FVTPL 4%
- Structured Securities: 1%

Debt Securities by Type

- Government Bonds 45%
- Corporate Bonds 54%
- Other Policyholder & Shareholder 1%

Note: As of 31 May 2014

\(^{(1)}\) AFS refers to available for sale; FVTPL refers to fair value through profit or loss
High-Quality and Long Duration Asset Base

Fixed Income Portfolio Duration

<table>
<thead>
<tr>
<th>Duration</th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>10+ Years &amp; No Fixed maturity</td>
<td>48%</td>
<td>51%</td>
</tr>
<tr>
<td>5 – 10 Years</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>1 – 5 Years</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>≤1 Year</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Fixed Income Portfolio by Rating (1)

- AAA: 7%
- AA: 13%
- A: 46%
- BBB: 27%
- BB and Below & Others: 7%

Note:
(1) As of 30 November 2013
1H2014 ANW Movement

ANW Movement ($m)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANW End of 2013</td>
<td>13,462</td>
</tr>
<tr>
<td>Citibank Upfront Payment</td>
<td>(800)</td>
</tr>
<tr>
<td>ANW (Post Citibank Upfront Payment)</td>
<td>12,662</td>
</tr>
<tr>
<td>Expected Return</td>
<td>1,814</td>
</tr>
<tr>
<td>Contribution to ANW from VONB</td>
<td>(489)</td>
</tr>
<tr>
<td>Operating Variances and Assumption Changes</td>
<td>(38)</td>
</tr>
<tr>
<td>Interest Costs</td>
<td>(22)</td>
</tr>
<tr>
<td>ANW Before Non-operating Variances</td>
<td>595</td>
</tr>
<tr>
<td>Investment Return Variances</td>
<td>(182)</td>
</tr>
<tr>
<td>Exchange Rates and Other Items</td>
<td>(442)</td>
</tr>
<tr>
<td>Cost of Dividend Paid</td>
<td>-</td>
</tr>
<tr>
<td>ANW End of 1H2014</td>
<td>13,898</td>
</tr>
</tbody>
</table>
1H2014 VIF Movement

VIF Movement ($m)

<table>
<thead>
<tr>
<th>VIF End of 2013</th>
<th>Expected Return</th>
<th>Contribution to VIF from VONB</th>
<th>Operating Variances and Assumption Changes</th>
<th>VIF Before Non-operating Variances</th>
<th>Investment Return Variances</th>
<th>Exchange Rates and Other Items</th>
<th>VIF End of 1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,356</td>
<td>(525)</td>
<td>1,281</td>
<td>98</td>
<td>21,210</td>
<td>17</td>
<td>(55)</td>
<td>21,172</td>
</tr>
</tbody>
</table>

VIF Movement ($m)
Shareholders’ Equity Movement ($m)

- Net Profit: $1.5b
- Equity End of 2013: 24,682
- Operating Profit After Tax: 1,457
- Net Movement from Equity Market: 47
- Other Non-operating Investment Experience and Other Items: 42
- Equity before Other Comprehensive Income: 26,228
- Net Movement from Bonds: 2,321
- FX and Other Items: (77)
- Cost of Dividend Paid: (442)
- Equity End of 1H2014: 28,030

Shareholders’ Equity Movement:
- Net Profit
- Equity End of 2013
- Operating Profit After Tax
- Net Movement from Equity Market
- Other Non-operating Investment Experience and Other Items
- Equity before Other Comprehensive Income
- Net Movement from Bonds
- FX and Other Items
- Cost of Dividend Paid
- Equity End of 1H2014

Equity Movement ($m):
- 1H2014 Shareholders’ Equity Movement
- Net Profit: $1.5b
- Equity End of 2013: 24,682
- Operating Profit After Tax: 1,457
- Net Movement from Equity Market: 47
- Other Non-operating Investment Experience and Other Items: 42
- Equity before Other Comprehensive Income: 26,228
- Net Movement from Bonds: 2,321
- FX and Other Items: (77)
- Cost of Dividend Paid: (442)
- Equity End of 1H2014: 28,030

Equity
End of 2013
Operating
Profit After
Tax
Net Movement
from Equity
Market
Other Non-
operating
Investment
Experience
and Other
Items
Equity
before Other
Comprehensive
Income
Net Movement
from Bonds
FX and
Other Items
Cost of
Dividend
Paid
Equity
End of 1H2014

Net Profit $1.5b
1,457
47
42
26,228
2,321
(77)
(442)
28,030

1H2014 Shareholders’ Equity Movement
## IFRS Shareholders’ Equity and ANW

### Reconciliation of IFRS Shareholders’ Equity to ANW ($m)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity End of 1H2014</td>
<td>28,030</td>
</tr>
<tr>
<td>Difference between IFRS and local statutory policy liabilities</td>
<td>(6,308)</td>
</tr>
<tr>
<td>Mark-to-market adjustment for property and mortgage loan investments</td>
<td>2,305</td>
</tr>
<tr>
<td>Elimination of intangible assets</td>
<td>(2,115)</td>
</tr>
<tr>
<td>Deferred tax impacts</td>
<td>1,161</td>
</tr>
<tr>
<td>Non-controlling interests impacts</td>
<td>(133)</td>
</tr>
<tr>
<td>Group ANW (Local Stat)</td>
<td>22,940</td>
</tr>
<tr>
<td>Adjustment to reflect additional HK reserving requirements, net of tax</td>
<td>(9,042)</td>
</tr>
<tr>
<td>Group ANW (HK Stat)</td>
<td>13,898</td>
</tr>
</tbody>
</table>
Robust Capital Structure

AIA Capital Structure ($b)

1H2014 Leverage Ratio\(^{(1)}\) 9.4%

Borrowings 2.9

Total Equity 28.2

Solvency Ratio on HKICO Basis for AIA Co.

2011 311%
2012 353%
2013 433%
1H2014 448%

Note:
(1) Leverage ratio defined as Borrowings / (Borrowings + Total Equity)
Operational Efficiency

Persistency Since IPO

Operating Variances & Assumption Changes ($m)

<table>
<thead>
<tr>
<th></th>
<th>1H2011</th>
<th>1H2012</th>
<th>1H2013</th>
<th>1H2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>78</td>
<td>69</td>
<td>76</td>
<td>60</td>
</tr>
</tbody>
</table>

94.3%
## Risk Discount Rate and Risk Premium

<table>
<thead>
<tr>
<th>Country</th>
<th>Risk Premium&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>As at 30 Nov 2010</th>
<th>As at 30 Nov 2013</th>
<th>As at 31 May 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td></td>
<td>3.10</td>
<td>4.38</td>
<td>4.38</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>6.26</td>
<td>6.01</td>
<td>6.01</td>
</tr>
<tr>
<td>Hong Kong&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td></td>
<td>4.47</td>
<td>4.57</td>
<td>4.57</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td>7.10</td>
<td>6.50</td>
<td>6.50</td>
</tr>
<tr>
<td>Korea</td>
<td></td>
<td>5.68</td>
<td>5.90</td>
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<tr>
<td>Malaysia</td>
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<td>4.55</td>
<td>4.55</td>
<td>4.55</td>
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<tr>
<td>New Zealand</td>
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<td>2.87</td>
<td>4.26</td>
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<tr>
<td>Philam Life</td>
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<td>7.00</td>
<td>7.50</td>
<td>7.50</td>
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<tr>
<td>Singapore</td>
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<td>4.82</td>
<td>4.52</td>
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<tr>
<td>Sri Lanka</td>
<td></td>
<td>n/a</td>
<td>5.67</td>
<td>5.67</td>
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<tr>
<td>Taiwan</td>
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<td>6.27</td>
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<tr>
<td>Thailand</td>
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<td>5.63</td>
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<tr>
<td>Vietnam</td>
<td></td>
<td>5.80</td>
<td>5.80</td>
<td>5.80</td>
</tr>
</tbody>
</table>

### Notes:

<sup>(1)</sup> Risk premium refers to the difference between risk discount rate and investment return assumption for 10-year government bond of respective periods.

<sup>(2)</sup> The majority of AIA Hong Kong’s assets and liabilities are denominated in US dollars. The 10-year government bond assumption is for US dollar-denominated bonds.
Sensitivity Analysis – EV

Sensitivity of EV as at 31 May 2014

- Equity prices + 10%: 2.0%
- Equity prices - 10%: -2.0%
- Interest rates + 50 bps: 0.5%
- Interest rates - 50 bps: -0.8%
- Presentation currency 5% appreciation: -2.8%
- Presentation currency 5% depreciation: 2.8%
- Lapse/discontinuance rates + 10%: -1.1%
- Lapse/discontinuance rates - 10%: 1.3%
- Mortality/morbidity rates + 10%: -7.9%
- Mortality/morbidity rates - 10%: 7.9%
- Maintenance expenses - 10%: 1.4%
- Expense inflation set to 0%: 1.2%
Sensitivity Analysis – VONB

Sensitivity of VONB as at 31 May 2014

- Interest rates + 50 bps: 5.2%
- Interest rates - 50 bps: -4.7%
- Presentation currency 5% appreciation: -3.8%
- Presentation currency 5% depreciation: 3.8%
- Lapse rates + 10%: -7.3%
- Lapse rates - 10%: 8.1%
- Mortality/morbidity rates + 10%: -17.2%
- Mortality/morbidity rates - 10%: 17.2%
- Maintenance expenses - 10%: 3.9%
- Expense inflation set to 0%: 2.7%