2016 ANNUAL RESULTS PRESENTATION
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Value of New Business
$2,750m  +28%

Operating Profit After Tax
$3,981m  +15%

Final Dividend per Share
63.75 HK cents  +25%

Mark Tucker
Group Chief Executive
2016 Excellent Performance Across All Key Metrics

- Value of new business up 28% to $2,750m
- Operating profit up 15% to $3,981m
- Underlying free surplus generation up 11% to $4,024m
- EV Equity up 11% to $43.7b
- AIA Co. solvency ratio of 404%
- Final dividend per share up 25%
## 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>
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<td></td>
<td></td>
<td>▪ Enhance productivity and service through technology</td>
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<tr>
<td>Rapid Urbanisation</td>
<td>Profitable Partnerships</td>
<td>▪ Expand distribution platform reach</td>
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<td></td>
<td></td>
<td>▪ Optimise new and existing partnerships</td>
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<td></td>
<td></td>
<td>▪ Generate additional sources of profitable growth</td>
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<tr>
<td>Rising Income &amp; Wealth</td>
<td>Protection &amp; Savings</td>
<td>▪ Maintain protection-focused portfolio</td>
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<td></td>
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<td>▪ Expand integrated savings and protection covers</td>
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<td></td>
<td></td>
<td>▪ Capture incremental high-quality savings opportunities</td>
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<tr>
<td>Low Social Welfare</td>
<td>Brand &amp; Marketing</td>
<td>▪ Transform customer experience</td>
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<tr>
<td></td>
<td></td>
<td>▪ Increase existing customer engagement levels</td>
</tr>
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<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>
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<td></td>
<td></td>
<td>▪ Deliver prudent, sustainable and progressive dividend</td>
</tr>
</tbody>
</table>
Asia’s Macroeconomic Advantage

Unprecedented Growth Potential

Strong & Stable Growth Outlook

- GDP Growth rate (constant price)
- Asia ex-Japan
- G7

Unprecedented New Economic Activity

US

Asia ex-Japan

Cumulative GDP Growth 2015-2020E

+$4trn

+$21trn

Unconventional Fiscal Policy

Sources: IMF, World Bank, Government websites

Structural Resilience

Domestic Demand Driven Growth

- GDP growth contribution%
- 2014-15

High Levels of Regional Demand

- Exports to GDP%
- 2015

- Asia ex-Japan

- Rest of the world

Monetary & Fiscal Flexibility

Robust Traditional Monetary Policy

- Central bank policy rate%

Capacity to Stimulate Domestic Demand

- Fiscal balance to GDP%

- 2015

- Asia ex-Japan

- G7
Asia’s Unprecedented Growth Opportunity

Compounding Growth – Growing GDP and Penetration

Penetration Rate 2015

- 7%
- 0%

$10,000 $30,000 $50,000 GDP/Capita 2015

Asia Life Potential = $10trn
7x the G7 today

G7

Thailand
India
Malaysia
Philippines
Indonesia
China

Large and Growing Mortality Protection Gap

Asia ex-Japan

$73trn

Mortality Protection Gap

2.2x

China Potential and U.S. Historical Penetration Rates

Penetration Rate

- 7%
- 2%
- 0%

US 50+ years

1930 1938 1993 2015 2020 2030

2015 China
2020 China Target
2030 China Potential
US Historical Penetration

US Historical Penetration Rates

China Potential = $34trn

Sources: China State Council, IMF, World Bank, ACLI, A.M. Best, McKinsey, Swiss Re, and Company estimates
AIA is in the Right Place at the Right Time

Gross Premium by Region ($b)

- 2015:
  - Asia ex-Japan: 1,555
  - Europe: 1,074
  - North America: 680
  - Latin America: 201
  - Africa: 122

ANP by Region ($b)

- 2015:
  - Asia ex-Japan: 32%
  - Rest of the world: 68%

- 2020E:
  - Asia ex-Japan: 43%
  - Rest of the world: 57%

- 2025E:
  - Asia ex-Japan: 54%
  - Rest of the world: 46%

Asia vs G7 Growth and Profitability

- Canada
- France
- US
- UK
- Japan
- Germany
- Italy

Strategic Market Participation

- Market Leading
  - Hong Kong
  - Singapore
  - Indonesia
  - Thailand
  - Malaysia
  - Australia
  - China
  - Korea
  - India
  - Taiwan
  - Philippines

- Differentiated Strategy

Sources: McKinsey, Company estimates
Note: (1) Y-axis: Average profitability defined by 2010-2015 OPAT / 2010-2015 GWP; X-axis: Compound Annual Growth 2010-2015 GWP
Clear Strategy, Advantaged Growth Platform

### Distribution Mix

<table>
<thead>
<tr>
<th>Year</th>
<th>Partnerships</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>70%</td>
<td></td>
</tr>
</tbody>
</table>

### Product Mix

<table>
<thead>
<tr>
<th>Year</th>
<th>Participating</th>
<th>Traditional Protection</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>35%</td>
<td>47%</td>
<td>8%</td>
</tr>
<tr>
<td>2016</td>
<td>18%</td>
<td>13%</td>
<td>11%</td>
</tr>
</tbody>
</table>

### Geographical Mix

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>Singapore</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Other Markets</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

Note:
Distribution mix is based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and excluding pension business; Product and geographical mix are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses.
Consistent Execution, Sustained Delivery

**VONB ($m)**

- 2010: 667
- 2011: 932
- 2012: 1,188
- 2013: 1,490
- 2014: 1,845
- 2015: 2,198
- 2016: 2,750

**OPAT ($m)**

- 2010: 1,900
- 2011: 2,244
- 2012: 2,441
- 2013: 2,839
- 2014: 3,248
- 2015: 3,556
- 2016: 3,981

**EV Equity ($m)**

- 2010: 24,948
- 2011: 27,464
- 2012: 31,657
- 2013: 34,871
- 2014: 39,042
- 2015: 39,818
- 2016: 43,650

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

- 2010: 22.00
- 2011: 24.67
- 2012: 28.62
- 2013: 34.00
- 2014: 51.00
- 2015: 63.75
- 2016: 63.75

**Summary Statistics**

- **VONB ($m)**: 4.1x growth
- **OPAT ($m)**: 2.1x growth
- **EV Equity ($m)**: 1.7x growth
- **Final Dividend Per Share (HK cents)**: 2.9x growth
**Excellent Financial Results – Across All Key Metrics**

<table>
<thead>
<tr>
<th></th>
<th>($m)</th>
<th></th>
<th>CER</th>
<th>AER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VONB</td>
<td>2,750</td>
<td>2,198</td>
<td>28%</td>
<td>25%</td>
</tr>
<tr>
<td>EV Operating Profit</td>
<td>5,887</td>
<td>5,068</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>EV Equity</td>
<td>43,650</td>
<td>39,818</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>IFRS Earnings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Profit After Tax</td>
<td>3,981</td>
<td>3,556</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Operating Margin After Tax</td>
<td>18.1%</td>
<td>18.0%</td>
<td>0.1 pps</td>
<td>0.1 pps</td>
</tr>
<tr>
<td>Shareholders’ Allocated Equity</td>
<td>29,632</td>
<td>26,705</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Capital &amp; Dividends</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying Free Surplus Generation</td>
<td>4,024</td>
<td>3,719</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>AIA Co. HKICO Solvency Ratio</td>
<td>404%</td>
<td>428%</td>
<td>n/a</td>
<td>(24) pps</td>
</tr>
<tr>
<td>Final Dividend per Share (HK cents)</td>
<td>63.75</td>
<td>51.00</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Growth

Earnings

Capital and Dividends
Sustained VONB Growth

Note:
Comparatives are shown on a constant exchange rate basis
Delivering High-quality Distribution

Premier Agency VONB ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,652</td>
<td>+21%</td>
</tr>
<tr>
<td>2016</td>
<td>1,995</td>
<td></td>
</tr>
</tbody>
</table>

Partnership Distribution VONB ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>648</td>
<td>+35%</td>
</tr>
<tr>
<td>2016</td>
<td>875</td>
<td></td>
</tr>
</tbody>
</table>

Premier Agency Delivery

- VONB up 21%
- Segmented recruiting and training programmes across the region
- Active new agents up 20%
- #1 in MDRT worldwide for 2 consecutive years

Profitable Partnership Expansion

- VONB up 35%
- 30% of Group VONB
- Double-digit bancassurance VONB growth
- Excellent performance in IFA channel

Note:
VONB comparatives are shown on a constant exchange rate basis
Investing Capital at Attractive Returns

**IRR**s Consistently Above 20%

<table>
<thead>
<tr>
<th>Year</th>
<th>Overall</th>
<th>Traditional Protection</th>
<th>Participating</th>
<th>Unit-linked</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9%</td>
<td>14%</td>
<td>8%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>2016</td>
<td>15%</td>
<td>15%</td>
<td>7%</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Decreasing Payback Periods (Years)

- **2010**: 5 years
- **2016**: 4 years

**PVNBP Margin Movement by Product**

<table>
<thead>
<tr>
<th>Product</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Traditional Protection</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Participating</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Unit-linked</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Others</td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**VONB Margin Movement**

- **2015 VONB Margin**: 54.0%
- **2016 VONB Margin**: 52.8%

Changes:
- **Product Mix**: +1.7 pps
- **Geographical Mix**: +2.3 pps
- **Channel Mix and Others**: +0.6 pps
Strong and Resilient Growth Portfolio

VONB ($m)

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>2015</th>
<th>2016</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>820</td>
<td>1,161</td>
<td>+42%</td>
</tr>
<tr>
<td>China</td>
<td>347</td>
<td>536</td>
<td>+54%</td>
</tr>
<tr>
<td>Thailand</td>
<td>382</td>
<td>384</td>
<td>+1%</td>
</tr>
<tr>
<td>Other Markets</td>
<td>291</td>
<td>321</td>
<td>+10%</td>
</tr>
<tr>
<td>2H: +15% (1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>340</td>
<td>316</td>
<td>(7)%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>161</td>
<td>198</td>
<td>+23%</td>
</tr>
</tbody>
</table>

2016 VONB by Market Segment

- Hong Kong: 40%
- China: 18%
- Thailand: 13%
- Other Markets: 11%
- Singapore: 11%
- Malaysia: 7%

Notes:
Comparatives are shown on a constant exchange rate basis
(1) Other Markets include AIA’s operations in Australia, Indonesia, Korea, New Zealand, the Philippines, Sri Lanka, Taiwan and Vietnam; Other Markets including Korea 1H2016 VONB was $136m
Strong Operating Performance Driving Positive Returns

Persistency Rate

Mortality and Morbidity
Claims Experience Variances ($m)

Cumulative EV Operating Variances ($m)
EV Operating Profit up 19% – EV Equity of $43.7b

2016 EV Equity Movement ($m)

EV Operating Profit of $5.9b

+19%(1)

Note:
(1) On a constant exchange rate basis
Interest Rates and EV Sensitivity

AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography (1)

<table>
<thead>
<tr>
<th></th>
<th>2.0%</th>
<th>2.5%</th>
<th>3.0%</th>
<th>3.5%</th>
<th>4.0%</th>
<th>4.5%</th>
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</thead>
<tbody>
<tr>
<td>Nov-10</td>
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<td>Nov-11</td>
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<td>Nov-12</td>
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<td>Nov-13</td>
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<td>Nov-14</td>
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<td>Nov-15</td>
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<td>Nov-16</td>
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<tr>
<td>Dec-16</td>
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</tbody>
</table>

10 Year Market Forward (10-year Govt Bond)  AIA Long Term Assumption (10-year Govt Bond)

Sensitivity of EV

As at 30 Nov 2016

- Interest rates + 50 bps: 0.4%
- Interest rates - 50 bps: (0.9)%
- Equity prices + 10%: 1.7%
- Equity prices - 10%: (1.7)%

Note:
(1) Weighted average interest rates by VIF of Hong Kong, Thailand, Singapore, China, Malaysia and Korea
Currency Sensitivity

<table>
<thead>
<tr>
<th>EV ($m)</th>
<th>VONB ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2016</td>
</tr>
<tr>
<td>1,081</td>
<td>82</td>
</tr>
<tr>
<td>42,114</td>
<td>2,750</td>
</tr>
<tr>
<td>(2.6)% 5% fall in local market currencies vs US dollar</td>
<td>(3.0)% 5% fall in local market currencies vs US dollar</td>
</tr>
<tr>
<td>2.6% 5% rise in local market currencies vs US dollar</td>
<td>3.0% 5% rise in local market currencies vs US dollar</td>
</tr>
</tbody>
</table>

Note: The currency sensitivities shown assume a constant Hong Kong dollar to US dollar exchange rate.
Strong & Sustained Growth in Profitable New Business

VONB ($m)

303 364 399 533 512 676 645 845 792 1,053 959 1,239 1,260 1,490 1,845 2,198 2,750


4.1x
Growth

Earnings

Capital and Dividends
IFRS Operating Profit up 15%

Operating Profit After Tax ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit After Tax ($m)</td>
<td>3,469</td>
<td>3,981</td>
</tr>
</tbody>
</table>

Operating Margin After Tax

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin After Tax</td>
<td>18.0%</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

Expense Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Ratio</td>
<td>8.2%</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

Note:
IFRS operating profit includes the expected long-term investment returns for equities and real estate. Operating profit after tax comparative is shown on a constant exchange rate basis.
Resilient and Diversified Earnings

2016 Sources of IFRS Operating Profit\(^{(1)}\)

- **Insurance and Fee-based**: 63%
- **Participating and Spread**: 24%
- **Return on Net Worth**: 13%

High-quality Business

- Balanced sources of earnings
- Majority insurance and fee-based profits
- Profitable new business mix
- Underpinned by focus on regular premiums and protection business
- Resilient across cycles

Note:
(1) Before Group Corporate Centre expenses; IFRS operating profit includes the expected long-term investment returns for equities and real estate
### Profitable Growth – Delivered with Scale

#### OPAT ($m)

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>1,334</td>
<td>1,147</td>
<td>+16%</td>
</tr>
<tr>
<td>Thailand</td>
<td>768</td>
<td>656</td>
<td>+17%</td>
</tr>
<tr>
<td>Other Markets</td>
<td>662</td>
<td>564</td>
<td>+17%</td>
</tr>
<tr>
<td>China</td>
<td>469</td>
<td>363</td>
<td>+29%</td>
</tr>
<tr>
<td>Singapore</td>
<td>453</td>
<td>426</td>
<td>+6%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>265</td>
<td>249</td>
<td>+6%</td>
</tr>
</tbody>
</table>

Note: Comparatives are shown on a constant exchange rate basis.

Other Markets include AIA’s operations in Australia, Indonesia, Korea, New Zealand, the Philippines, Sri Lanka, Taiwan, Vietnam and India; Other Markets including Korea 1H2016 OPAT was $324m.

#### 2016 IFRS OPAT by Market Segment

- **Hong Kong**: 34%
- **Thailand**: 19%
- **Other Markets**: 17%
- **China**: 12%
- **Singapore**: 11%
- **Malaysia**: 7%

Note: Comparatives are shown on a constant exchange rate basis.
Strong ROEV and ROE Progression

**Profitable New Business Driving ROEV**

**EV Operating Profit ($m)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ROEV</td>
<td>2,412</td>
<td>3,105</td>
<td>3,491</td>
<td>3,975</td>
<td>4,535</td>
<td>5,068</td>
<td>5,887</td>
</tr>
</tbody>
</table>

**ROE**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11.5%</td>
<td>12.5%</td>
<td>12.8%</td>
<td>12.7%</td>
<td>13.4%</td>
<td>13.6%</td>
<td>15.4%</td>
<td></td>
</tr>
</tbody>
</table>

**Generating Earnings & ROE Progression**

**OPAT ($m)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>1,900</td>
<td>2,244</td>
<td>2,441</td>
<td>2,839</td>
<td>3,248</td>
<td>3,556</td>
<td>3,981</td>
</tr>
</tbody>
</table>

**ROE**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12.0%</td>
<td>12.2%</td>
<td>11.9%</td>
<td>12.4%</td>
<td>12.9%</td>
<td>13.4%</td>
<td>14.1%</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- Profitable New Business Driving ROEV
- Generating Earnings & ROE Progression
- ROEV: 2.4x increase from 2010 to 2016
- ROE: +390 bps from 2010 to 2016
- OPAT: 2.1x increase from 2010 to 2016
- ROE: +210 bps from 2010 to 2016
Allocated Equity Movement

IFRS Shareholders’ Allocated Equity Movement ($m)

- Adjusted Opening Allocated Equity: 26,964
- Operating Profit After Tax: 3,981
- Short-term Fluctuations in Investment Return for Equities and Real Estate: 97
- Other Non-operating Items: 86
- Other Capital Movements and Others: (1,124)
- Dividend Paid: (372)
- Allocated Equity End of 2016: 29,632

Total increase: +15%
Strong and Sustained Earnings Growth

OPAT ($m)


969 1,900 1,119 2,244 1,220 2,441 1,428 2,839 3,248 3,556 3,981
931 2,244 1,125 2,441 1,221 2,839 1,411 3,248 1,615 1,633 1,798 1,758 1,956 2,025

2.1x
Growth

Earnings

Capital and Dividends
Solvency Ratio of 404% for AIA Co.

Solvency Ratio on HKICO Basis for AIA Co.

- Resilient solvency position
- Prudent HKICO reserves and capital
- Strong retained earnings
- Including the payment for the increased shareholding in Tata AIA in the first half
- AIA Co. S&P Rating of AA- and Moody’s Rating of Aa3
Conservative Investment Portfolio – Stable Yield

IFRS Operating Profit Investment Return ($m)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Return for Equities and Real Estate</td>
<td>1,260</td>
<td>1,343</td>
</tr>
<tr>
<td>Interest Income</td>
<td>4,724</td>
<td>5,081</td>
</tr>
<tr>
<td>Total Investments</td>
<td>5,984</td>
<td>6,424</td>
</tr>
</tbody>
</table>

Total Investments of $137b\(^{(2)}\)

- Real Estate: 4%
- Cash & Cash Equivalents: 1%
- Equities: 11%
- Fixed Income: 84%

Total Bond Portfolio of $109b\(^{(2)}\)

- Fixed Income: 84%
- Equities: 11%
- Real Estate: 4%
- Cash & Cash Equivalents: 1%
- Government & Government Agency Bonds: 44%
- Corporate Bonds: 55%
- Structured Securities: 1%

Notes:
IFRS operating profit investment return comparatives are shown on a constant exchange rate basis.
(1) Interest income from fixed income investments, as a percentage of average fixed income investments measured at amortised cost over the period. This excludes unit-linked contracts and consolidated investment funds.
(2) As of 30 November 2016.
Self-financed Growth at Attractive Returns

Free Surplus of $9.8b on the HKICO Basis ($m)

- **Free Surplus End of 2015**: $7,528
- **Underlying Free Surplus Generated**: $4,024
- **New Business Investment**: $(1,374)
- **Unallocated Group Office Expenses**: $(161)
- **Finance Cost and Others**: $(116)
- **Free Surplus before Investment Return Variances and Dividend Paid**: $9,901
- **Investment Return Variances and Other Non-operating Items**: $1,005
- **Dividend Paid**: $(1,124)
- **Free Surplus End of 2016**: $9,782

+$2.4b

Self-financed Growth at Attractive Returns

Free Surplus of $9.8b on the HKICO Basis ($m)
Increased Returns and Capital Efficiency Since IPO

**VONB ($m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>667</td>
<td>2,750</td>
</tr>
</tbody>
</table>

- Increase: 4.1x

**New Business Strain as % of VONB**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>144%</td>
<td>50%</td>
</tr>
</tbody>
</table>

- Decrease: (94)pps

**IRRs Consistently Above 20%**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>+37%</td>
<td>+37%</td>
</tr>
</tbody>
</table>

**Decreasing Payback Periods (Years)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

- Decrease: 1 year
Disciplined Financial Management

VONB ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (m)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>667</td>
<td>1.4x</td>
</tr>
<tr>
<td>2016</td>
<td>2,750</td>
<td>4.1x</td>
</tr>
</tbody>
</table>

Free Surplus ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (m)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4,992</td>
<td>2.0x</td>
</tr>
<tr>
<td>2016</td>
<td>9,782</td>
<td></td>
</tr>
</tbody>
</table>

New Business Investment ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (m)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>958</td>
<td>1.4x</td>
</tr>
<tr>
<td>2016</td>
<td>1,374</td>
<td></td>
</tr>
</tbody>
</table>

Final Dividend Per Share (HK cents)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (HK cents)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>22.00</td>
<td>2.9x</td>
</tr>
<tr>
<td>2016</td>
<td>63.75</td>
<td></td>
</tr>
</tbody>
</table>
Step Up in Final Dividend Per Share by 25%

Final Dividend Per Share (HK cents)

- 2011: 22.00
- 2012: 24.67
- 2013: 28.62
- 2014: 34.00
- 2015: 51.00
- 2016: 63.75

Step up by 25%
2016 Financial Results Summary

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

Growth

- Strong growth in IFRS operating profit
- Increased ROE over time
- Diversified and large-scale sources of earnings

Earnings

- Substantial cash and capital generation
- Resilient solvency position
- Further step up in final dividend

Capital & Dividends
Hong Kong: Another Excellent Performance

- **Premier Agency**
  - Delivered excellent VONB growth
  - New recruits up 21%
  - Two-thirds of new recruits aged 35 or below
  - Registered MDRT members up over 60%

- **Profitable Partnerships**
  - Significant VONB growth
  - Strong contribution from IFA channel
  - VONB from Citibank doubled

- **Products and Customers**
  - More than 90% of ANP from regular premium
  - Take-up of AIA Vitality integrated products exceeded 75%
Other Markets: Delivered Solid Overall Growth

- Double-digit VONB growth
- #1 ranked in IFA individual life market
- Continued strong growth in group insurance

**Australia**

- Double-digit agency VONB growth
- Focus on quality recruitment and agency activity
- Positive product mix shift in bancassurance

**Indonesia**

- 2H VONB up more than 20% over 1H
- Launched new agency branch model
- #1 ranked in bancassurance market

**Philippines**

- Excellent VONB growth
- Expanded innovative agency branch model
- Active agents up more than 20%

**Vietnam**

- 2H: +15%

Note:
Comparatives are shown on a constant exchange rate basis; Other Markets include AIA’s operations in Australia, Indonesia, Korea, New Zealand, the Philippines, Sri Lanka, Taiwan and Vietnam; Other Markets including Korea 1H2016 VONB was $136m.
Malaysia: Delivering Excellent Growth

- **Premier Agency**
  - Quality recruitment and agency development
  - Active new agents up 25%
  - Active agent productivity up more than 20%
  - 90% of new business submissions via iPoS
  - Agency Takaful ANP up 90%

- **Profitable Partnerships**
  - Double-digit VONB growth from Public Bank

- **Products and Customers**
  - New mobile underwriting technology
  - Launched **AIA Vitality** in June

---

Note:
Comparatives are shown on a constant exchange rate basis
Other Markets: Delivered Solid Overall Growth

- Positive VONB momentum over 2H
- Clear focus on strengthening quality distribution and provision of protection products
- OPAT up 10%

Korea
- Excellent VONB growth
- Implementation of Premier Agency strategy and e-payment platform
- New long-term exclusive bancassurance partnership with DFCC Bank

Sri Lanka
- Focus on protection gap opportunity
- Strong and selective agency platform
- Market-leading persistency
- Profitable bancassurance

India

Note:
Comparatives are shown on a constant exchange rate basis; Other Markets include AIA’s operations in Australia, Indonesia, Korea, New Zealand, the Philippines, Sri Lanka, Taiwan and Vietnam; Other Markets including Korea 1H2016 VONB was $136m
Singapore: Strong Agency VONB Growth

- **Premier Agency**
  - Double-digit agency VONB growth
  - #1 MDRT in Singapore
  - MDRT qualifiers up 30%
  - 80% of new business submissions via iPoS

- **Profitable Partnerships**
  - Solid progress from Citibank
  - Lower single premium broker sales

- **Products and Customers**
  - VONB from regular premium up 16%
  - #1 in protection market
  - AIA Vitality integrated product VONB up 70%

Note: Comparatives are shown on a constant exchange rate basis
### Thailand: Stable Results

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB ($m)</th>
<th>ANP ($m)</th>
<th>VONB Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>382</td>
<td>502</td>
<td>76.1%</td>
</tr>
<tr>
<td>2016</td>
<td>384</td>
<td>471</td>
<td>81.5%</td>
</tr>
</tbody>
</table>

**VONB** ($m) has increased by +1% from 2015 to 2016.

<table>
<thead>
<tr>
<th><strong>Premier Agency</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment and training programmes targeting young, highly-educated candidates</td>
</tr>
<tr>
<td>Financial Adviser programme recruits up 35%</td>
</tr>
<tr>
<td>Unit-linked licensed agents up 43%</td>
</tr>
<tr>
<td>Around 90% share of unit-linked market</td>
</tr>
<tr>
<td>#1 MDRT in Thailand</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Products and Customers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader in the protection market</td>
</tr>
<tr>
<td>97% of ANP from regular premium</td>
</tr>
<tr>
<td>Launched <strong>AIA Vitality</strong> in June</td>
</tr>
</tbody>
</table>

Note: Comparatives are shown on a constant exchange rate basis
China: Sustained Outperformance

- **Premier Agency**
  - Differentiated distribution strategy
  - Focus on quality recruitment, training and leadership development
  - New recruits up more than 50%
  - New agent productivity up over 20%
  - Active agents up more than 50%

- **Products and Customers**
  - Vast majority of earnings from insurance profits
  - Launched high-end protection products targeting rapidly growing affluent segment
  - Positioned as the protection provider of choice

<table>
<thead>
<tr>
<th>Year</th>
<th>VONB ($m)</th>
<th>ANP ($m)</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>347</td>
<td>416</td>
<td>83.5%</td>
</tr>
<tr>
<td>2016</td>
<td>536</td>
<td>621</td>
<td>86.4%</td>
</tr>
</tbody>
</table>

Note: Comparatives are shown on a constant exchange rate basis
China’s Unprecedented Growth Potential

Rapidly Rising GDP per Capita

(USD, 2016 Current Prices)

China’s Increasing Penetration Rate

(China vs US Historical Penetration Rates)

AIA China’s Unprecedented Growth Potential

- China GDP per capita set to reach $10,000 in 2019
- Rising wealth and disposable incomes are driving increasing insurance penetration – led by Guangdong and Jiangsu
- Insurance penetration doubled since 2000 and is set to nearly double again by 2020 – to reach 7% by 2030
- There will be 87m new affluent consumers in AIA China’s footprint by 2030 – reaching a total of 225m

Sources: IMF, China State Council, World Bank, ACLI, A.M. Best, McKinsey, Swiss Re, and Company estimates
AIA China: Guangdong Example

AIA Guangdong Agency VONB Growth

- Guangzhou
- Foshan
- All Other Cities

AIA Guangdong’s Significant Potential

- Guangdong is the largest economy in China at $1.2trn – with GDP per capita of $11,000
- AIA Guangdong currently covers 14 cities
- Life insurance growth has been led by the largest urban centres of Guangzhou and Foshan
- Other cities are now seeing significant take up – 12 are growing sales faster than Foshan in 2013

Note:
AIA Guangdong is shown excluding AIA’s presence in Shenzhen

AIA Guangdong VONB by City
AIA China: Differentiated Strategy and Execution

**Differentiated Distribution & Product Strategy**

VONB per Agent\(^{(1)}\)

<table>
<thead>
<tr>
<th>Industry</th>
<th>AIA China</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="3.2x" alt="3.2x" /></td>
</tr>
</tbody>
</table>

Note of IFRS Operating Profit

- Return on Net Worth 15%
- Participating and Spread 12%
- Insurance and Fee-based 73%

**Sustained Outperformance**

VONB ($m)

<table>
<thead>
<tr>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>536</td>
</tr>
</tbody>
</table>

OPAT ($m)

<table>
<thead>
<tr>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>86</td>
<td>469</td>
</tr>
</tbody>
</table>

Note:

(1) For the period 1H2016; Industry statistics based on company reports
Mark Tucker
Group Chief Executive
Sustained Delivery Through Market Cycles

- **2010**
  - Anaemic GFC recovery
  - Deepening Eurozone sovereign debt crisis
  - China becomes 2nd largest economy
  - Rising interest rates
  - Equity market volatility
  - Thai protests

- **2011**
  - US sovereign downgrade
  - Continued Eurozone sovereign debt crisis
  - **China slowdown fears**
  - Interest rate & equity market volatility; HSI down 22%
  - Thai RBC and floods

- **2012**
  - Expansionary policy; US QE3
  - European double-dip recession
  - Strong equity markets
  - Singapore FAIR review
  - Falling interest rates

- **2013**
  - Strengthening US recovery
  - Taper tantrum affecting Asian currency
  - **China slowdown fears**
  - Rising interest rates

- **2014**
  - Lower for longer interest rates
  - Oil price depreciation
  - Asian currency headwinds
  - Thai Government changes

- **2015**
  - US interest rate increase
  - Oil price collapse
  - **China slowdown fears**
  - Asian currency depreciation

- **2016**
  - Brexit
  - Lower for longer interest rates
  - US election

Note:
Chart shows VONB ($m); Year-on-year growth is shown on a constant exchange rate basis
AIA Group – Creating Sustainable Shareholder Value

- Unprecedented long-term structural growth drivers
- Advantaged platform and clear strategy
- Experienced and proven management team
- Strong financial discipline
- Consistent, sustainable execution
Actual investment return is the interest income from fixed income investments and actual investment returns of equities and real estate, as a percentage of average fixed income investments, equities and real estate over the period. This excludes unit-linked contracts and consolidated investment funds.

Annualised new premiums (ANP) excludes pension business.

Change on constant exchange rates is calculated using constant average exchange rates for 2016 and for 2015 other than for balance sheet items that use constant exchange rates as at 30 November 2016 and as at 30 November 2015.

EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company.

Fixed income yield is the interest income from fixed income investments, as a percentage of average fixed income investments measured at amortised cost over the period. This excludes unit-linked contracts and consolidated investment funds.

Free surplus is the excess of the market value of AIA’s assets over the sum of the statutory liabilities and the minimum regulatory capital. For branches of AIA Co. and AIA International, the statutory liabilities are based on HKICO statutory accounting while the required capital is based on 100% of Hong Kong statutory minimum solvency margin for non-Hong Kong branches and 150% for the Hong Kong business of AIA Co. and AIA International respectively.

Hong Kong refers to operations in Hong Kong and Macau; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia, Indonesia, Korea, New Zealand, the Philippines, Sri Lanka, Taiwan, Vietnam and India. The results of our joint venture in India are accounted for using the equity method. For clarity, TWPI, ANP and VONB exclude any contribution from India.

IFRS operating profit after tax (OPAT), net profit and IFRS shareholders’ equity are shown post minorities.

IFRS operating profit includes the expected long-term investment returns for equities and real estate.

Investment return and composition of investments 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 investments excluding property held for own use.

Investments include financial investments, investment property, property held for own use, and cash and cash equivalents. Investment property and property held for own use are at fair value.

PVNBP margin stands for margin on a present value of new business premium basis.

Shareholders’ allocated equity is total equity attributable to shareholders of the Company less fair value reserve.

TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.

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.
APPENDIX
People – Our Sustainable Competitive Advantage

Our People

- Experienced management team with strong track record of execution
- Local leaders responsible for decisions on the ground
- Committed to attracting, developing and retaining the best people in Asia
- High engagement levels as measured by Gallup and Employee Share Purchase Plan (ESPP) participation
- **AIA Leadership Centre** in Thailand providing best-in-class development
- **#1 in MDRT worldwide** for two consecutive years
- Awarded ‘**Best Employer 2016**’ by Aon in the Asia-Pacific Region

Staff Engagement and Share Purchase Plan Take Up

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AIA Staff Engagement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee Share Purchase Plan Take Up</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**BEST EMPLOYERS**

ASIA PACIFIC | 2016
Capital Fungibility

### Net Funds Remitted to Group ($m)
- 2010: 1,521
- 2011: 2,143
- 2012: 1,583
- 2013: 1,733
- 2014: 1,718
- 2015: 2,195
- 2016: 2,021

### Group Working Capital ($m)
- 2010: 2,180
- 2011: 3,912
- 2012: 5,185
- 2013: 5,556
- 2014: 6,614
- 2015: 7,843
- 2016: 8,416
Working Capital Movement

Working Capital Movement ($m)

<table>
<thead>
<tr>
<th>Item</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital End of 2015</td>
<td>7,843</td>
<td>8,416</td>
</tr>
<tr>
<td>Net Funds Remitted</td>
<td>2,021</td>
<td></td>
</tr>
<tr>
<td>Increase in Borrowings</td>
<td>260</td>
<td></td>
</tr>
<tr>
<td>Payment for increased shareholding in Tata AIA</td>
<td>(310)</td>
<td></td>
</tr>
<tr>
<td>Purchase of Shares Held by Employee share-based Trusts</td>
<td>(86)</td>
<td></td>
</tr>
<tr>
<td>Cost of Dividend Paid</td>
<td>(1,124)</td>
<td></td>
</tr>
<tr>
<td>Change in Fair Value Reserve and Others</td>
<td>(188)</td>
<td></td>
</tr>
<tr>
<td>Working Capital End of 2016</td>
<td></td>
<td>8,416</td>
</tr>
</tbody>
</table>
2016 ANW Movement

ANW Movement ($m)

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANW End of 2015</td>
<td>15,189</td>
</tr>
<tr>
<td>Expected Return</td>
<td>3,440</td>
</tr>
<tr>
<td>Contribution to ANW from VONB</td>
<td>(695)</td>
</tr>
<tr>
<td>Operating Variances and Assumption Changes</td>
<td>329</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(111)</td>
</tr>
<tr>
<td>ANW Before Non-operating Variances and Assumption Changes</td>
<td>18,152</td>
</tr>
<tr>
<td>Investment Variances and Assumption Changes</td>
<td>(61)</td>
</tr>
<tr>
<td>Other Non-operating Variances</td>
<td>(142)</td>
</tr>
<tr>
<td>Exchange Rates and Other Items</td>
<td>(281)</td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>(1,124)</td>
</tr>
<tr>
<td>ANW End of 2016</td>
<td>16,544</td>
</tr>
</tbody>
</table>
2016 VIF Movement

VIF Movement ($m)

<table>
<thead>
<tr>
<th></th>
<th>VIF End of 2015</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 Variances and Assumption Changes</th>
<th>Other Non-operating Variances</th>
<th>Exchange Rates and Other Items</th>
<th>VIF End of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>VIF End of 2015</td>
<td>23,009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,570</td>
</tr>
<tr>
<td>Expected Return</td>
<td></td>
<td>3,445</td>
<td>65</td>
<td></td>
<td></td>
<td>(212)</td>
<td>120</td>
<td></td>
<td>(271)</td>
</tr>
<tr>
<td>Contribution to VIF from VONB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Variances and Assumption Changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIF Before Non-operating Variances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Variances and Assumption Changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-operating Variances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange Rates and Other Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VIF End of 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 2016 IFRS Shareholders’ Equity and ANW

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity End of 2016</td>
<td>34,984</td>
<td>(9,252)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,977</td>
<td>(9,433)</td>
<td>16,544</td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
<td>336</td>
<td>1,602</td>
<td>(1,743)</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Equity
End of 2016
Difference
Between IFRS
and Local
Statutory Policy
Liabilities
Mark-to-market
Adjustment for
Property and
Mortgage Loan
Investments
Deferred Tax
Impacts
Elimination of
Intangible
Assets
Non-controlling
Interests
Impacts
Group ANW
(Local Stat)
End of 2016
Adjustment to
Reflect
Additional HK
Reserving
Requirements,
Net of Tax
Group ANW
(HK Stat)
End of 2016
Robust Capital Structure

AIA Capital Structure

2016 Leverage Ratio\(^{(1)}\) 8.9%

Borrowings $3,460m

Total Equity $35,310m

Solvency Ratio on HKICO Basis for AIA Co.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>337%</td>
<td>311%</td>
<td>353%</td>
<td>433%</td>
<td>427%</td>
<td>428%</td>
<td>404%</td>
</tr>
</tbody>
</table>

Solvency Ratio on HKICO Basis for AIA International

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>321%</td>
<td>297%</td>
<td>220%</td>
<td>334%</td>
<td>385%</td>
<td>356%</td>
<td>301%</td>
</tr>
</tbody>
</table>

Note:

(1) Leverage ratio defined as Borrowings / (Borrowings + Total Equity)
# Total Invested Assets

## Total Invested Assets by Type

**Total $137.5b**

<table>
<thead>
<tr>
<th></th>
<th>Participating Funds</th>
<th>Other Policyholder and Shareholder</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>20,537</td>
<td>95,491</td>
<td>116,028</td>
</tr>
<tr>
<td>Equities</td>
<td>5,451</td>
<td>9,262</td>
<td>14,713</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>179</td>
<td>959</td>
<td>1,138</td>
</tr>
<tr>
<td>Derivatives</td>
<td>17</td>
<td>87</td>
<td>104</td>
</tr>
<tr>
<td>Investment property and property held for own use</td>
<td>434</td>
<td>5,062</td>
<td>5,496</td>
</tr>
<tr>
<td><strong>Total Invested Assets</strong></td>
<td><strong>26,618</strong></td>
<td><strong>110,861</strong></td>
<td><strong>137,479</strong></td>
</tr>
</tbody>
</table>

**Note:**
As of 30 November 2016
Conservative and High-quality Fixed Income Portfolio

**Total Fixed Income by Type**

- Total $116.0b
  - Government & Government Agency Bonds: 41%
  - Corporate Bonds: 52%
  - Structured Securities: 1%
  - Loans and deposits: 6%

**Total Fixed Income by Maturity**

- Total $116.0b
  - >10 Years & No Fixed Maturity: 57%
  - 5 - 10 Years: 25%
  - 1 - 5 Years: 15%
  - ≤1 Year: 3%

Note: As of 30 November 2016
Conservative and High-quality Fixed Income Portfolio

Total Bonds by Accounting Classification

- Other Policyholder & Shareholder (AFS) 82%
- Participating Funds (FVTPL) 17%
- Other Policyholder & Shareholder (FVTPL) 1%

Total $109.2b

Total Bonds by Rating (1)

- AAA 4%
- AA 24%
- A 39%
- BBB 28%
- BB & Below (2) 5%

Average Rating A

Total $109.2b

Notes:
As of 30 November 2016
(1) For government bonds and government agency bonds, ratings for local currency and foreign currency securities for the same issuer are included separately
(2) Including not rated bonds
Government Bond Portfolio

Government and Agency Bonds by Rating\(^{(1)}\)

- Total $47.8b

  - AAA: 9%
  - AA: 44%
  - A: 33%
  - BBB: 10%
  - BB & Below: 4%

Government and Agency Bonds by Geography

- Total $47.8b

  - Thailand: 25%
  - China: 25%
  - Korea: 17%
  - Singapore: 10%
  - Malaysia: 6%
  - Philippines: 6%
  - Others: 11%

Notes:
As of 30 November 2016
(1) For government bonds and government agency bonds, ratings for local currency and foreign currency securities for the same issuer are included separately
# Government Agency Bond Portfolio

## Government Agency Bonds by Rating

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>1,889</td>
</tr>
<tr>
<td>AA</td>
<td>6,272</td>
</tr>
<tr>
<td>A</td>
<td>2,146</td>
</tr>
<tr>
<td>BBB</td>
<td>1,474</td>
</tr>
<tr>
<td>BB and below</td>
<td>151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,932</strong></td>
</tr>
</tbody>
</table>

**Total $11.9b**

**Average Rating AA-**

- AAA: 16%
- AA: 53%
- A: 18%
- BBB: 12%
- BB and below: 1%

*Note: As of 30 November 2016*
Corporate Bond Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>285</td>
</tr>
<tr>
<td>AA</td>
<td>4,682</td>
</tr>
<tr>
<td>A</td>
<td>26,530</td>
</tr>
<tr>
<td>BBB</td>
<td>24,758</td>
</tr>
<tr>
<td>BB and below(1)</td>
<td>3,929</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60,184</strong></td>
</tr>
</tbody>
</table>

Corporate Bonds by Rating

- **Total $60.2b**
- **Average Rating A-**
  - AAA 1%
  - AA 8%
  - A 43%
  - BBB 41%
  - BB and below(1) 7%

Notes:
- As of 30 November 2016
- (1) Including not rated bonds
Structured Security Portfolio

<table>
<thead>
<tr>
<th>Rating</th>
<th>Total ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>20</td>
</tr>
<tr>
<td>AA</td>
<td>92</td>
</tr>
<tr>
<td>A</td>
<td>421</td>
</tr>
<tr>
<td>BBB</td>
<td>493</td>
</tr>
<tr>
<td>BB and below</td>
<td>109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,135</strong></td>
</tr>
</tbody>
</table>

Structured Securities by Rating

- **Total $1.1b**
- **Average Rating BBB+**
  - AAA: 2%
  - AA: 8%
  - A: 37%
  - BBB: 43%
  - BB and below: 10%

Notes:
As of 30 November 2016
(1) Including not rated bonds
## Impairment Experience During Global Financial Crisis

### AIA Impairments on Invested Assets ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>142</td>
<td>67</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

### 2008 Impairment Charges as % of Invested Assets

<table>
<thead>
<tr>
<th>Co.</th>
<th>Impairment Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>5.6%</td>
</tr>
<tr>
<td>B</td>
<td>1.8%</td>
</tr>
<tr>
<td>C</td>
<td>1.5%</td>
</tr>
<tr>
<td>D</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

## Risk Discount Rate and Risk Premium

<table>
<thead>
<tr>
<th>%</th>
<th>As at 30 November 2010</th>
<th></th>
<th></th>
<th></th>
<th>As at 30 November 2016</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>8.75</td>
<td>5.65</td>
<td>3.10</td>
<td></td>
<td>7.35</td>
<td>3.00</td>
<td>4.35</td>
</tr>
<tr>
<td>China</td>
<td>10.00</td>
<td>3.74</td>
<td>6.26</td>
<td></td>
<td>9.55</td>
<td>3.50</td>
<td>6.05</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>8.00</td>
<td>3.53</td>
<td>4.47</td>
<td></td>
<td>7.00</td>
<td>2.50</td>
<td>4.50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15.00</td>
<td>7.90</td>
<td>7.10</td>
<td></td>
<td>13.50</td>
<td>8.00</td>
<td>5.50</td>
</tr>
<tr>
<td>Korea</td>
<td>10.50</td>
<td>4.82</td>
<td>5.68</td>
<td></td>
<td>8.60</td>
<td>2.70</td>
<td>5.90</td>
</tr>
<tr>
<td>Malaysia</td>
<td>9.00</td>
<td>4.45</td>
<td>4.55</td>
<td></td>
<td>8.75</td>
<td>4.20</td>
<td>4.55</td>
</tr>
<tr>
<td>New Zealand</td>
<td>9.00</td>
<td>6.13</td>
<td>2.87</td>
<td></td>
<td>7.75</td>
<td>3.50</td>
<td>4.25</td>
</tr>
<tr>
<td>Philippines</td>
<td>13.00</td>
<td>6.00</td>
<td>7.00</td>
<td></td>
<td>11.00</td>
<td>4.50</td>
<td>6.50</td>
</tr>
<tr>
<td>Singapore</td>
<td>7.75</td>
<td>2.93</td>
<td>4.82</td>
<td></td>
<td>6.90</td>
<td>2.50</td>
<td>4.40</td>
</tr>
<tr>
<td>Sri Lanka&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>15.70</td>
<td>10.00</td>
<td>5.70</td>
</tr>
<tr>
<td>Taiwan</td>
<td>8.00</td>
<td>1.73</td>
<td>6.27</td>
<td></td>
<td>7.85</td>
<td>1.60</td>
<td>6.25</td>
</tr>
<tr>
<td>Thailand</td>
<td>9.50</td>
<td>3.87</td>
<td>5.63</td>
<td></td>
<td>8.60</td>
<td>3.20</td>
<td>5.40</td>
</tr>
<tr>
<td>Vietnam</td>
<td>16.00</td>
<td>10.20</td>
<td>5.80</td>
<td></td>
<td>12.80</td>
<td>7.00</td>
<td>5.80</td>
</tr>
<tr>
<td><strong>Weighted Average</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td><strong>8.95</strong></td>
<td><strong>3.85</strong></td>
<td><strong>5.10</strong></td>
<td></td>
<td><strong>8.13</strong></td>
<td><strong>3.04</strong></td>
<td><strong>5.09</strong></td>
</tr>
</tbody>
</table>

**Notes:**  
(1) Sri Lanka is included since the acquisition completion date of 5 December 2012  
(2) Weighted average by VIF contribution
Sensitivity Analysis – Allocated Equity

**Interest Rates ($m)**
- 0.7% decrease in interest rates
- (0.7)% increase in interest rates

2016 Allocated Equity: 29,632

**Equities ($m)**
- (3.4)% fall in equity prices
- 3.4% rise in equity prices

2016 Allocated Equity: 29,632

50 basis points decrease in interest rates
50 basis points increase in interest rates
10% fall in equity prices
10% rise in equity prices
Sensitivity Analysis – EV

Sensitivity of EV as at 30 November 2016

- Equity prices + 10%: 1.7%
- Equity prices - 10%: -1.7%
- Interest rates + 50 bps: 0.4%
- Interest rates - 50 bps: -0.9%
- Presentation currency 5% appreciation: -2.6%
- Presentation currency 5% depreciation: 2.6%
- Lapse/discontinuance rates + 10%: -1.6%
- Lapse/discontinuance rates - 10%: 1.9%
- Mortality/morbidity rates + 10%: -8.2%
- Mortality/morbidity rates - 10%: 8.2%
- Maintenance expenses - 10%: 1.2%
- Expense inflation set to 0%: 1.3%
Sensitivity Analysis – VONB

Sensitivity of VONB as at 30 November 2016

Interest rates + 50 bps  6.4%
Interest rates - 50 bps -8.2%
Presentation currency 5% appreciation -3.0%
Presentation currency 5% depreciation 3.0%
Lapse rates + 10% -4.9%
Lapse rates - 10% 5.5%
Mortality/morbidity rates + 10% -12.2%
Mortality/morbidity rates - 10% 11.9%
Maintenance expenses - 10% 3.1%
Expense inflation set to 0% 2.0%