Mark Tucker, Group Chief Executive and President:

Good morning everyone and let’s begin. A very warm welcome to our full year results presentation. Our continued strong operating performance and financially disciplined execution have led to another excellent set of results and our most successful year yet. Let me take you through the highlights.

In 2016, VONB was up by 28 per cent to close to 2.8 billion dollars. IFRS operating profit increased by 15 per cent to 4 billion dollars and underlying free surplus generation was up 11 per cent, also to 4 billion dollars. In addition, EV Equity increased to 43.7 billion dollars and we maintained our robust solvency position. The Board has recommended a further 25 per cent step up in the final dividend from the higher base we set in 2015.

As you can see, we continue to deliver superior profitable growth which is driving both strong earnings and cash flow generation. This is the direct outcome of successfully and consistently executing our growth strategy for the sixth year running. Through aligning our strategy with the fundamental social and economic needs of the region, we are embedding our activities ever more deeply into the economic growth and prosperity of Asia. Our significant competitive advantages developed over our long history – from our unequalled distribution and product platforms to our brand and financial strength – place us in a highly-advantaged position, a position where we can benefit from and contribute to demographic, social, and economic progress across the region.

As you can see on these charts, Asian economic growth remains strong and stable, structurally resilient and with significant monetary and fiscal flexibility. The high levels of economic growth in Asia are creating substantial and indeed unprecedented levels of new economic activity. By 2020 the cumulative new GDP in Asia will be five times larger than the new growth in the US and in total will be larger than the entire US economy is today.

And as you can see in the middle charts, this comes with increasing structural resilience and ever-higher quality. Domestic demand has replaced traditional industrial output and exports as the primary driver of growth across the region. Indeed, exports are an increasingly smaller contributor to growth, with intra-regional demand continuing to grow rapidly.

And lastly, as you can see on the right-hand side, Asian policymakers have significantly greater monetary and fiscal flexibility to promote domestic sources of growth than their western counterparts, and have demonstrated their ability and commitment to take action. Our business is very strongly supported by these major economic drivers of growth, as demonstrated by our track record of 28 per cent compound annual growth rate in VONB since IPO.

The compounding nature of growing economies and increasing life penetration rates leads to unprecedented potential for Asia’s life insurance markets, and within Asia, particularly for AIA. On a regional basis, these levels of economic expansion and accelerating insurance penetration lead to a 10 trillion dollar life insurance market, 17 times the size of Asia today, seven times larger than the G7 and greater than the whole of the current global life industry.

Let’s take China as an example. China’s life penetration is equal to the US’s in 1938. It has doubled since 2000 and is set to nearly double again by 2020 in line with the State Council’s targets. On this trajectory, China’s life penetration will reach 7 per cent in 2030, on a par with the US today, at which point China will have achieved in just 15 years what took the US more than 50 years to accomplish. And this is beginning to happen right across Asia, which in turn is driving up the protection gap figures we often quote, reaching
73 trillion dollars by 2020. This speaks to both the resilience of the life insurance markets in Asia and to the industry's potential being far in excess of the level of GDP growth.

AIA is exceptionally well-placed at exactly the right time to capture this opportunity today and well into the future. We are in the right region and we are in the right markets. Asia will account for more than half of global ANP by 2025 and we have the right approach to each market, with the balance of leading and highly-differentiated strategies driving stronger levels of profitability and far superior profit margins. This portfolio effect allows us significant flexibility in how we manage the Group across a number of dynamics, including growth, capital allocation, and value creation.

As you know, we do not manage the business for the short term; rather, we optimise performance across the portfolios as opportunities emerge on the ground, from the macro to the micro. We actively assess channel, product, and financial dynamics, and deploy capital based on the ability to create value for shareholders over the long term.

To capture these opportunities, we are uniquely placed across the region to grow year after year. Our track record illustrates this well. Overall VONB has increased more than four times in six years, and this has come from a diverse and balanced mix of sources across distribution, product and geography. We have the right balance of high-quality agents and partners, we have the right products in the right mix and we have a diverse and strong portfolio of growth markets.

Today's headline figures and our strong and consistent track record over time are further evidence of our success in capturing the enormous opportunities in the region. In executing our strategy, we have delivered significant growth in profitable new business which has driven earnings to a substantial 4 billion dollars in 2016. This has created a very high-quality source of earnings for AIA, which is in turn driving higher shareholder dividends. Today's 25 per cent further step up in the final dividend builds on the higher base established last year and is the direct outcome of the successful execution of our profitable growth strategy.

We have achieved a great deal over the past six years, but as I have said many times before, we are still at a very early stage in a long, long journey as we continue to realise AIA's full potential in Asia for many, many years to come.

Let me now hand over to Garth.

**Garth Jones, Group Chief Financial Officer:**

Thanks Mark and good morning everyone.

AIA has delivered another year of excellent results with double-digit growth across all of our key metrics. As Mark just said, 2016 was AIA's most successful year yet. VONB grew by 28 per cent to close to 2.8 billion dollars. We have also delivered strong operating profit performances on both EV and IFRS reporting bases. EV operating profit increased by 19 per cent to 5.9 billion dollars, driven by profitable new business growth and the prudent management of our in-force portfolio. This in turn has generated broad-based IFRS earnings growth with OPAT up by 15 per cent and translated into increased underlying free surplus generation of over 4 billion dollars.

The Board has recommended a significant step up of 25 per cent in the final dividend from our higher base established in 2015. This represents an 88 per cent increase over the last two years and reflects both the strength of our financial results and confidence in our future prospects.

Today's excellent set of results continues our strong and sustained track record of growth since IPO, again demonstrating AIA's ability to deliver consistent performances throughout market cycles by focusing on high-quality profitable new business that generates strong and stable earnings and cash flows.

Let me now take you through the results in more detail. VONB growth was 28 per cent, reflecting our focus on total value creation. ANP was up by 31 per cent to 5.1 billion dollars and VONB margin remained strong
at 52.8 per cent. These results demonstrate the quality of our new business, with regular premium sales up by 37 per cent, representing over 90 per cent of ANP.

We wrote 4.7 billion dollars of new regular premiums in 2016, and this adds a significant further layer of premium revenue to our growing in-force renewal book of more than 17 billion dollars. When combined with our high persistency levels, the compounding of regular premiums further drives the scale and quality of our earnings and cash flows over time.

Our strong profitable new business growth is the direct result of the quality, breadth and scale of our multi-channel distribution platform. AIA pioneered the development of agency distribution in Asia and our agency channel remains an important competitive advantage. Agency VONB grew by 21 per cent, accounting for 70 per cent of the Group’s total. Our Premier Agency strategy emphasises the quality of our new hires and our recruitment efforts have increased active new agents by 20 per cent over the year. In 2016, AIA also became the only company ever to be ranked number one globally for Million Dollar Round Table registered members for two consecutive years.

Our Partnership business delivered 35 per cent VONB growth through the successful execution of our strategic bancassurance partnerships across the region, together with a significant contribution from our broker channel.

We continue to see significant opportunities to invest capital in organic growth at attractive returns for shareholders. We do this by following our disciplined approach of optimising value creation rather than purely chasing top line revenues. You can see this reflected in the strong IRRs we achieve and the reduction in payback periods on invested capital.

Margin on a PVNBP basis was stable over the year and VONB margin remained strong at 52.8 per cent from positive shifts in country mix, channel mix and other items. As we highlighted at the half year, the change in product mix was due to increased sales of participating products that balance lower VONB margin with improved new business strain. Although reported margins may vary, we will continue to write new business if risk adjusted returns on capital are attractive in order to drive absolute economic profit. This is what optimises value for our shareholders.

AIA benefits from our broad regional presence and our long-established, market-leading positions. Together with the quality of our multi-channel distribution and our comprehensive product range, our strong platform has enabled us to consistently deliver an outstanding track record of growth and is a major factor in our confidence in the sustainability and resilience of the Group’s overall future performance.

Our positive operating experience benefits from the quality of our distribution and the regular premium, long-term nature of our business. Persistency has remained strong since IPO and was around 95 per cent in 2016. Mortality and morbidity claims variances were once again positive at 200 million dollars, demonstrating the disciplined management of our in-force book.

We continue to focus on prudent expense management and have reduced our Group operating expense ratio by a further 30 basis points to just under 8 per cent, which we believe is one of the lowest operating expense ratios globally in the life insurance industry. Overall operating variances now total more than 1.1 billion dollars in aggregate since IPO.

EV Equity increased from 39.8 billion to 45.7 billion dollars before capital market movements and dividends. The combination of our excellent VONB growth and strong operating performance has generated a 19 per cent increase in EV operating profit to 5.9 billion dollars. VONB of 2.8 billion was close to the figure for the expected return on EV Equity, reflecting the significantly higher contribution to EV operating profit growth from the value of new business. This growth has also driven the operating ROEV higher to 15.4 per cent; that’s up by 390 basis points from 11.5 per cent in 2010. I will talk more about this later. Our closing EV Equity of 43.7 billion dollars is after a deduction of 4.1 billion for additional capital and reserves under the Hong Kong basis and the present value of future Group Office expenses.
As you know, we manage the business for the long term and our EV methodology and long-term assumptions reflect this. In the calculation of the EV, we use spot market interest rates and then trend over time to our long-term assumptions, which reflect market forward rates. You can see on the left-hand side our long-term assumptions have remained prudent over time. Cumulative investment variances from 2010 were positive at around 900 million dollars in total. Finally, we also have an independent actuarial firm assess our EV on a market consistent basis, and they confirm that the results are not materially different to our reported EV.

All of this demonstrates the prudence in our overall EV economic assumptions and calculation methodology. While AIA is not immune to capital market movements, you can see from the sensitivities on the right-hand side here and from the sources of earnings chart later that we are resilient against short-term market volatility.

As I have said in previous presentations, we continue to match our assets and liabilities in local currencies to minimise the economic effects of foreign exchange movements. The sensitivity on this slide shows the translation effect into reported currency. Our sensitivity is reduced because close to 90 per cent of our business in Hong Kong is written in US dollars and backed by US dollar assets, and over 90 per cent of the working capital held at the Group Corporate Centre is invested in US dollars.

Our strong performance has continued through capital market volatility and foreign exchange depreciation. The high absolute level of growth and the compounding effect of consistent year-on-year performance means that the VONB in 2016 is over four times the amount generated in 2010 and is greater than the whole of 2012 and 2013 combined.

Turning now to our IFRS results. Operating profit after tax grew by 15 per cent to close to 4 billion dollars. Operating margin after tax has continued to be very strong due to the quality of the new business we write, the active management of our in-force book and our disciplined management of expenses.

As I said at the beginning, our strategy has consistently focused on growth in long-term, regular premium business. As a result, our earnings have a high proportion of insurance and fee-based profits, which are less dependent on interest rates and overall investment returns and therefore more resilient through market cycles.

Each market segment contributed more than a quarter of a billion dollars of OPAT in 2016. Our largest businesses continue to provide significant growth at scale. Thailand’s earnings have more than doubled since 2010 to three-quarters of a billion dollars. Our emerging markets are also providing an increasing contribution. Other Markets had a very strong year with OPAT up by 17 per cent. China’s OPAT increased by 29 per cent and is now more than five times the 2010 figure. Overall, 13 of our 16 operating businesses reported double-digit OPAT growth compared with 2015.

You saw AIA’s high-quality sources of profit on the previous slide, and this together with our geographically diverse portfolio underpins the resilience and quality of our earnings. This is a distinct advantage for AIA and differentiates us both in the region and globally. The next slide shows how this is driving improvements in ROE.

As you can see from the left-hand charts, growth in new business profitability has been an important driver of EV operating profit which is up 2.4 times since IPO. This has generated a higher Return on Embedded Value, up by 390 basis points to 15.4 per cent. Over time, this supports strong IFRS earnings growth and has begun to translate into an increased ROE, which currently stands at 14.1 per cent. You can see the lagged effect of this coming through since 2012 on the bottom right-hand chart. It is important to remember AIA is a growth company and this progress is therefore ongoing as we deploy capital to fund increasing levels of profitable new business growth driving earnings higher and increasing ROE.

Shareholders’ allocated equity provides a clearer reflection of the underlying drivers of the change in equity before the IFRS accounting treatment of AFS bonds. The increase in shareholders’ allocated equity to 29.6 billion dollars was mainly driven by higher operating profit after tax, less the increased payment for
shareholder dividends at 1.1 billion dollars. IFRS total equity stood at 35 billion, up 12 per cent.

As I said earlier, the high-quality sources of earnings that AIA generates, together with our geographically diverse portfolio, underpins the resilience and sustainability of our earnings growth. Our disciplined strategy of focusing on value and consistently looking to improve the quality of our portfolio has delivered a strong track record of sustained growth in earnings over the past six years. This in turn has begun to translate into higher ROEs.

Moving on to capital and dividends. The Hong Kong ICO solvency ratio for AIA Co, our principal regulated operating company, has remained strong at 404 per cent. This is a result of growth in retained earnings offset by the net effect of short-term capital market movements, dividends to the holding company AIA Group Limited, and the cash payment for our increased shareholding in Tata AIA in the first half.

As well as a strong ICO solvency position, we have a conservative investment portfolio. The investment mix and the credit quality of our bond portfolio has remained stable over time with an average credit rating of around single A. Taken together, this demonstrates the high-quality nature of our investment portfolio.

We ensure that we maintain a prudent balance sheet, taking into consideration the financial flexibility needed to fund our significant new business growth opportunities and support our progressive dividend policy through capital market stress conditions. We generated just over 4 billion dollars of underlying free surplus in 2016 and from this we invested 1.4 billion dollars into profitable new business. Investment variances, exchange rates and other items in total were positive in 2016 and amounted to just over 1 billion dollars, while the payment for shareholder dividends was 1.1 billion. Our stock of free surplus increased to 9.8 billion dollars. As with our VONB and EV numbers, it is worth noting that all of the figures shown here are after allowing for the prudent Hong Kong reserving and capital basis.

AIA has significant opportunities to invest capital in organic growth at attractive returns for shareholders. We have demonstrated this consistently over the past six years. We reduced new business strain as a percentage of VONB, at the same time as achieving strong growth. While new business strain reduction by itself is not our objective, we are disciplined in how we choose to deploy capital. With such attractive reinvestment economics, our ability to invest in new business growth remains an important priority and a differentiator for AIA.

Over time, this investment in profitable new business growth supports the generation of increasing amounts of free surplus and cash, which in turn allows us to finance further attractive new business growth, maintain a prudent balance sheet and pay progressive dividends. This has been clearly demonstrated in our results.

This dynamic has enabled the Board to recommend a step up in the final dividend to 63.75 Hong Kong cents per share, which is a further increase of 25 per cent from our higher base established in 2015. This means we have rebased our final dividend by 88 per cent over the last two years. At 2.9 times the final dividend we declared in 2011, the significantly increased level in 2016 is the result of continuing to execute our growth strategy. Today’s significant step up reflects both the strength of our excellent financial results and our confidence in the future prospects of the Group. The Board intends to follow AIA’s prudent, sustainable and progressive dividend policy from this higher base, allowing for the funding of future growth opportunities and the financial flexibility of the Group.

In closing, the Group has delivered another set of excellent financial results in 2016. We have generated material growth in the value of new business by investing capital at attractive returns and with increased capital efficiency. Profitable new business growth, in turn, is driving strong increases in IFRS operating profit and has begun to translate into an increased ROE. We also generated increased capital and free surplus from the management of our in-force book, maintained our resilient solvency position, financed our growth and uplifted our dividends. Our results have once again demonstrated our ability to deliver strong and consistent performances through market cycles.

I will now hand over to Gordon, Bill and Keng Hooi, who will share with you the excellent progress we have made in our businesses in 2016.
Gordon Watson, Regional Chief Executive:

Thank you Garth and good morning everyone. As Mark mentioned, Bill, Keng Hooi, myself and our leadership teams throughout the region have focused on executing our strategic priorities to deliver the very strong overall financial performance that you see today. Let me start with our largest operation and home market, Hong Kong.

AIA Hong Kong continued its track record of delivering excellent growth, with VONB up 42 per cent. Importantly, this year also marks the first time AIA Hong Kong has generated over one billion dollars of VONB. ANP grew by 82 per cent as we benefited from strong growth in both domestic Hong Kong and Mainland Chinese customers. New business sold to mainland Chinese customers accounted for around half of AIA Hong Kong's VONB, reflecting the overall industry trend. VONB margin remained strong at around 49 per cent, with the change over the year showing increased sales of long-term participating products as I highlighted in the first half. Over 90 per cent of individual ANP came from regular premium long-term savings and protection products.

Agency delivered excellent VONB growth. We remain focused on recruiting high-calibre agents and attracting top young talent through our many initiatives, such as the Gen-Y Club and Road to MDRT programmes. These initiatives contributed to a 21 per cent increase in the number of new recruits in 2016 and close to two-thirds were aged 35 years or under. Registered MDRT members in Hong Kong increased by more than 60 per cent. This makes AIA Hong Kong on a stand-alone basis the third largest company globally.

AIA Hong Kong’s Partnership Distribution delivered significant VONB growth across both our retail IFA and bancassurance channels. Our strategic long-term bancassurance partnership with Citibank also delivered an excellent performance, with VONB doubling over the prior year.

Since its launch, AIA Vitality has further differentiated our protection proposition. The take-up rate of AIA Vitality on integrated products exceeded 75 per cent by the end of 2016, enhancing our engagement with customers in Hong Kong. In summary, our Hong Kong business delivered excellent results and high-quality growth.

Now moving on to Other Markets. Our Other Markets segment delivered VONB growth of 10 per cent in 2016, with a higher growth rate in the second half of 15 per cent. Turning to the key highlights, let me start with Australia.

Our Australian operation once again delivered excellent double-digit VONB growth, driven by outstanding performances in both our individual retail IFA and group insurance business. We maintained our leadership position in the individual life market, supported by our Premier IFA service model. AIA Vitality remains a critical component of our customer proposition in Australia. We expanded our programme by adding new rewards partners and new product features, resulting in the number of AIA Vitality members more than doubling compared with 2015. Our focus on the retention of major corporate clients during the year also enabled us to continue our strong growth in group insurance business.

Moving on to Indonesia. We continue to develop a high-quality Premier Agency distribution in Indonesia. In the second half, we launched our Financial Adviser Academy programme to drive quality recruitment and to embed a culture of high activity levels and professionalism in our agents. Our approach has delivered strong double-digit VONB growth in the agency channel in 2016.

I am delighted to update you that we have renewed our long-standing partnership with Bank Central Asia in Indonesia. AIA has been a close partner with BCA for over a decade and this week we extended our existing relationship for a further ten years. Our partnership aligns both parties’ interests in growing new business profitability, with revenues for BCA variable in nature and dependent on future levels of VONB. We look forward to continuing to support BCA's significant customer base to meet their evolving protection and savings needs through our comprehensive range of products and services.
In the Philippines, overall market conditions were challenging in the first half of 2016, as we highlighted at the interim results. Our VONB improved in the second half and was up by more than 20 per cent compared with the first half. We continued to strengthen our agency distribution through our new agency branch model and introduced several recruitment initiatives during the year to attract young professionals. Our joint venture with the Bank of the Philippine Islands continued to lead the bancassurance market, and we saw a significant increase in the proportion of new business coming from new unit-linked protection products during the year.

And finally, Vietnam. Our business in Vietnam delivered another year of excellent VONB growth. VONB margin increased significantly from an uplift in protection rider sales and expense efficiency improvements. We continued to expand our innovative agency branch model to a total of five cities throughout Vietnam. These branches also serve as regional centres for training and professional development aiming to attract younger and more productive agents. Along with other recruitment and training initiatives, these branches supported more than 20 per cent growth in the number of active agents.

In closing, our country CEOs and their teams remain highly focused on executing our key strategies to drive strong and sustainable results. Thank you very much and now let me hand over to Bill.

**Bill Lisle, Regional Chief Executive:**

Thank you Gordon and good morning everyone. I am very pleased to be here this morning to update you on our progress in Malaysia, Korea, Sri Lanka, India and Cambodia.

Malaysia delivered another year of excellent growth, with VONB up 23 per cent. ANP increased by 25 per cent while VONB margin remained strong at 57 per cent. Our Premier Agency strategy was an important driver of Malaysia’s strong performance over the year, as we continued our relentless focus on quality recruitment and increased productivity through rigorous training and the innovative use of technology. Our long-term career development programmes have helped us attract high-calibre people, leading to a 25 per cent increase in active new agents.

We also saw significant agency productivity improvements of over 20 per cent from the roll-out of activity management tools on our mobile office platform and new products targeted at the mass affluent segment. These initiatives have also led to a significant increase in the number of agency MDRT qualifiers, which grew 74 percent in 2016. It is also worth noting that more than 90 per cent of agency new business applications are now submitted digitally through iPoS.

Takaful business is an increasingly material contributor to our growth in Malaysia, with agency Takaful ANP up 90 per cent and the number of active Takaful-producing agents higher by more than 70 per cent. In 2016 we became the second largest player in the Family Takaful sector. Our strategic bancassurance partnership with Public Bank continued to make very good progress, with higher average case sizes leading to double-digit VONB growth. The launch of AIA Vitality in Malaysia provides our customers with the knowledge, tools and motivation to improve their health. As I said at the half year, AIA is the first company globally to integrate health and wellness benefits with unit-linked life insurance and Takaful solutions, and the initial response since the roll-out in June has been very positive.

In summary, our Malaysia team has continued to deliver excellent growth, building on the strong results from prior years.

Now let me take you through the main highlights of my other markets, beginning with Korea. Our Korean business has delivered positive VONB growth over the second half of 2016 and this momentum has continued into 2017. This has been achieved by the new leadership team’s continued focus on strengthening our distribution capabilities and developing products that meet our customers’ protection needs. VONB margin increased by five percentage points following a positive shift in product mix and the launch of new protection products in the second half. As a result of our disciplined approach in Korea we have continued to deliver solid earnings growth, with OPAT up by 10 per cent in 2016.
Now moving on to Sri Lanka. Our Sri Lankan business is the second largest life insurer in terms of first year premium and has continued to deliver excellent VONB growth from both agency and bancassurance channels during 2016. We remain committed to the implementation of our Premier Agency Strategy and have launched a number of initiatives, including new incentive schemes, recruitment and training programmes, as well as agency activity management tools. To further support agency, AIA is the first insurer to launch an e-payment platform in Sri Lanka, allowing payment of premiums via mobile phones and reducing our cash collection, which is prevalent in the market. In November, we expanded our bancassurance footprint by entering into a new long-term exclusive partnership with DFCC Bank, one of the largest private sector banks in Sri Lanka. In summary, AIA Sri Lanka has continued to demonstrate excellent performance through consistent execution.

Now let me move on to India. Following the increase in our shareholding in Tata AIA Life to 49 per cent in the first half, our joint venture has continued to deliver strong results. We remain focused on capturing the protection gap opportunity through our multi-channel distribution platform. Our agency strategy focuses on selective recruitment and high-quality training. In 2016 our average case size increased by 24 per cent with market-leading persistency. We continued to work closely with our strategic bank partners, both Citibank and Indusind Bank, and initial results have been very strong. Bancassurance has grown to account for around half of our total ANP. I am excited about the progress we have made so far and believe that our efforts are positioning Tata AIA Life well to capture the significant long-term growth opportunity in India.

And finally, I would like to update you on Cambodia. I am pleased to announce that our preparations to launch the business in Cambodia are well underway and based on our discussions with the regulator we expect to begin writing business later this year. Cambodia will represent AIA's first greenfield launch in a new market since IPO. Our strategy will be to bring “the Best of AIA” to Cambodia, including full time Premier Agency, a focus on protection, health and wellness, and a digitally-led operating model for customers, distribution and staff. We are confident this will strongly differentiate AIA in the market.

Thank you very much and let me now hand over to Keng Hooi.

**Ng Keng Hooi, Regional Chief Executive:**

Thank you Bill and good morning everyone. Let me now share with you the progress we have made in my three largest markets, beginning with Singapore.

AIA Singapore delivered VONB of 316 million dollars in 2016. As reported in the first half, strong growth in regular premium business was offset by lower single premium sales through the broker channel. This reflected a combination of our deliberate approach to managing our product mix through proactive pricing actions and lower market sales. Regular premium VONB grew by 16 per cent.

Our agency business delivered a solid performance, with double-digit VONB growth from increased active agent numbers and higher productivity. AIA continued to rank first in Singapore for registered MDRT members with a 30 per cent increase in the number of qualifiers. Our strategic partnership with Citibank also delivered solid progress, including the expansion of our telemarketing operations to capture the opportunities from Citibank’s credit card customers. AIA is the leader in Singapore’s protection market and our comprehensive wellness programme, AIA Vitality, continued to gain good traction with VONB from integrated products up by 70 per cent.

Moving now to Thailand. AIA Thailand reported VONB of 384 million dollars. VONB margin was up by five percentage points to 81 per cent, offset by lower new business volumes including a period of reduced activity during the mourning period following the passing of the Thai King. Our Financial Advisers programme offers high-quality induction training to new agents with high potential; new recruits through this programme increased by 35 per cent in 2016. The number of AIA agents qualified to sell unit-linked products increased by 43 per cent, building on the significant growth achieved in the prior year. This has enabled us to capture around 90 per cent of the unit-linked life insurance market. We also ranked first in terms of registered MDRT members.
AIA continued to lead the protection market, with regular premium business accounting for 97 per cent of ANP in the year. Our AIA Vitality programme, launched in June, is the first comprehensive wellness programme in Thailand and it will help further differentiate our protection proposition in the market.

Now turning to China. AIA China had another outstanding year in 2016, with VONB up by 54 per cent, achieving more than half a billion dollars of VONB for the first time. VONB has more than doubled over the last two years and is close to eight times the amount at IPO. Importantly, earnings have tracked VONB growth with OPAT five and a half times higher over the same period.

The excellent performance of AIA China is the direct result of the consistent and sustained execution of our strategy by John Cai, our CEO, and his team. John spoke to you two years ago, and given the business is now double the size it was then, we thought it was a good time to update you on AIA's unique position and enormous potential in China. John.

John Cai, Chief Executive Officer AIA China:

Thank you Keng Hooi and good morning. It's good to be here with you again.

As you know, we began AIA China's transformation around seven years ago. At the heart of our differentiated strategy is Premier Agency, developing full-time, professional agents that provide high-quality advice on sophisticated protection and long-term savings products. This sets AIA apart in the industry both to our customers and to our new recruits, enabling us to access the significant opportunities for growth in the Chinese life insurance market.

China's economic progress has created and is continuing to create a vast middle class with a significant protection gap. GDP per capita has risen dramatically since 1980 and is about to reach 10,000 dollars. This is very important as it is the historical inflection point for insurance take-up. As Mark showed you earlier, insurance penetration remains very low at less than 2 per cent, despite doubling since 2000. This is set to nearly double again by 2020 and is on course to reach 7 per cent by 2030.

We, AIA China is uniquely and ideally positioned to capture this potential. We operate in five geographies, representing more than 3 trillion dollars of GDP. Our regional footprint covers the largest and wealthiest of China's middle class, which is set to increase by 87 million to a total of 225 million people by 2030, nearly three quarters of the total US population today. AIA is in the right place at the right time and we have the right strategy.

You can get a real sense of this by looking at AIA's track record from one of the provinces we operate in – Guangdong. At more than 1.2 trillion dollars, Guangdong has the largest economy of all the provinces in China. It is larger than Indonesia, and stand-alone, it is the 10th largest economy in the world. However, this economic growth and prosperity isn't happening in every city at the same time; first it was Guangzhou and Foshan, and now cities like Dongguan and Zhongshan are also becoming wealthier, and this progress will continue across the province.

AIA's strategy in Guangdong is initially focused on the 14 cities that are aligned with this economic development. You can see that Guangzhou and Foshan generated nearly all of our VONB in Guangdong in 2010. Guangzhou's VONB has grown to be four times larger and Foshan's eight times larger since IPO. The other cities have begun to follow a similar pattern, now contributing around one-third of Guangdong's VONB in 2016 and helping to drive our overall VONB growth in the province of 7.6 times over this period. You can see from the chart the sheer potential these cities will have on our future VONB growth as they become the size of Guangzhou and Foshan and beyond.

This wealth effect isn't just happening in Guangdong province, but right across our footprint in China. For example, the same dynamics are happening in Jiangsu, which has the second largest economy in China. The 11 cities we are currently in show a similar growth pattern as those in Guangdong.
As we have shown you today, the scale and power of China’s compounding economic growth and increased life insurance penetration is unprecedented. And when this is combined with AIA China’s differentiated strategy and successful execution, you can see the power of the results. The tremendous growth potential that China offers AIA Group is very clear, and with our very productive agency force and high-quality source of earnings driving our significant track record of VONB and OPAT growth since IPO, we are confident that we will continue to build on our track record of success in China for many, many years to come.

Thank you for listening and I will now hand back to Keng Hooi.

Ng Keng Hooi, Regional Chief Executive:

Thanks John. In closing, Gordon, Bill and I remain confident that across our businesses we will continue to build on our track record of profitable new business growth. The potential is unlimited and our track record of delivery is excellent.

Let me now hand back to Mark.

Mark Tucker, Group Chief Executive and President:

Thank you Keng Hooi.

2016 has been another year of strong execution and we have delivered an excellent set of results despite economic, political and financial market volatility. You can clearly see here that there have been many, many significant macroeconomic challenges over the last six years, from changes in US monetary policy, concerns over growth in China, the continuing uncertainty over the future of the Eurozone, Brexit and the recent US election, to only name a few.

Throughout all of this time we have remained focused on managing the business and executing effectively. We have access to the most attractive markets in the world for life insurance, driven by strong fundamentals, with high growth and superior margins. We have aligned our businesses’ scale, position, and competitive advantages with these fundamentals, and as a result we have delivered consistent and sustainable results.

And so, in closing, we continue to do what we have always said we would. Our objective is to achieve large-scale and profitable growth, generating superior and sustainable value and increasing returns for our shareholders. I continue to believe that we are in the right place at the right time and with the right strategy to sustain the delivery of attractive financial returns to our shareholders for a long time to come. We are just at the very beginning of this journey. We had an excellent start to 2017 and we remain as confident by the opportunities for our business today as we have ever been.

Thank you for listening this morning and happy now to hand over to you for questions.