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Media Release

AIA Acquires Leading Sri Lankan Insurance Company

Sri Lanka becomes AIA's 16th Market; Further Strengthens Pan-Asian Reach

HONG KONG, 27 September 2012 – AIA Group Limited (“AIA” or the “Group”) has agreed to acquire a 92.3 per cent stake⁽¹⁾ in Sri Lankan insurer Aviva NDB Insurance (“ANI” or the “Company”) from British insurer Aviva and Sri Lanka’s National Development Bank (“NDB”). In addition, AIA has entered into an exclusive 20 year bancassurance agreement with NDB, one of Sri Lanka’s largest financial conglomerates with a nationwide bank branch network. AIA has also agreed to sell to NDB the 83.9 per cent stake in NDB Aviva Wealth Management Limited (“NAWM”) which will be acquired as part of the proposed transaction.

The remaining 7.7 per cent of ANI not acquired represents the shares publicly held and traded on the Colombo Stock Exchange of Sri Lanka (“CSE”). As required by local regulations, ANI’s listing on the CSE will be retained and therefore no offer will be made for the remaining shares.

Mark Tucker, AIA’s Group Chief Executive and President, said, “We are delighted to be entering Sri Lanka, a country with a compelling combination of strong economic growth prospects and low existing levels of insurance penetration. This acquisition will immediately establish AIA as the second largest life insurance company in Sri Lanka. ANI, with its experienced management team, high quality employees and agents and an attractive long-term bancassurance relationship, represents an excellent platform from which to participate and grow in the highly attractive Sri Lankan market. We look forward to playing a leading role in the development of Sri Lanka’s insurance sector as we meet the long-term savings and protection needs of increasing numbers of Sri Lankan individuals and families.”

Sri Lanka will be AIA’s 16th market in Asia Pacific and further strengthens the Group’s position as the leading Pan-Asian insurer. ANI has a composite insurance licence and is Sri Lanka’s second largest life insurer⁽²⁾ with more than 780 employees and a high-quality tied agency force of 3,000 agents⁽³⁾ aligned with AIA’s Premier Agency strategy. In the year ended 31 December 2011, ANI recorded gross written premiums of US\$81 million with life premiums accounting for approximately 75 per cent and non-life premiums 25 per cent of the total premiums. The Company’s existing market-leading agency force accounted for 84 per cent of life written premiums⁽³⁾ over the period. Total net consideration payable by AIA with respect to the transaction including the exclusive bancassurance agreement with NDB and the sale of the NAWM stake is US\$109 million, financed from AIA’s existing cash resources.

“We are pleased to continue to expand our leading insurance presence in Asia Pacific. Our exclusive focus on, and breadth of reach across the world’s most dynamic insurance markets places us in an advantaged position to generate sustainable value for our shareholders. The Sri Lankan business, complete with an outstanding bancassurance partner, represents an excellent opportunity for AIA to apply its strategy for sustainable profitable growth from a position of leadership in a market we view as having great potential,” Mark Tucker said.

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The transaction is subject to the approval of the Department of Exchange Control in Sri Lanka whose review is expected to be completed by the end of 2012. The sale of NAWM is subject to the approval of Securities and Exchange Commission of Sri Lanka. On completion, the Company will be renamed and rebranded as AIA.

The addition of the Sri Lankan insurance market to AIA's footprint complements AIA's focus on achieving strong profitable growth. For the first half of 2012, AIA reported another record set of results with value of new business ("VONB"), AIA's key performance measure, up 28 per cent for that period.

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About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or "the Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has wholly-owned main operating subsidiaries or branches in 14 markets in Asia Pacific – Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei and a 26 per cent joint venture shareholding in India.

The business that is now AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$119,494 million as of 31 May 2012.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement savings plans, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents and employees across Asia Pacific, AIA serves the holders of more than 24 million individual policies and over 10 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

About NDB

Established in 1979, National Development Bank PLC ("NDB") is a licensed commercial bank headquartered in Colombo. NDB's mission is to be a dominant provider in the financial services sector, creating superior long-term shareholder value and contributing to economic development in Sri Lanka by exploiting regional opportunities and delivering innovative solutions with "best in industry" service excellence.

NDB offers a range of products and services including personal, corporate and SME banking services through its online and island-wide branch network.

NDB is listed on the CSE under the stock code "NDB: N0000".

About ANI

Established in 1987, ANI has a composite insurance license and is Sri Lanka's second largest life insurer⁽²⁾ with more than 780 employees and a high-quality tied agency force of 3,000 agents⁽³⁾. In the year ended 31 December 2011, ANI recorded gross written premiums of US\$81 million with life premiums accounting for approximately 75 per cent and non-life premiums 25 per cent of the total premiums.

ANI is listed on the CSE under the stock code "CTCE: N0000".

About the Sri Lankan Insurance Market

Sri Lanka has one of the lowest levels of poverty in South Asia and is classified by the IMF as a middle-income country. With a population of 21 million⁽⁴⁾ Sri Lanka's economy recorded GDP growth of 8 per cent⁽⁴⁾ in 2011 and GDP is forecast to grow by 6.7 per cent per annum⁽⁵⁾ between 2011 and 2017.

In 2010, only 11 per cent⁽²⁾ of the population had insurance coverage. Sri Lanka's life insurance sector has achieved a CAGR of 16.2 per cent⁽²⁾ between 2006 and 2010 by gross written premium. A key driver of this growth has been the development of life insurance unit-linked products.

The combination of strong economic growth prospects and low existing levels of insurance penetration offers a significant opportunity for the future development and growth of Sri Lanka's insurance sector.

Notes

1. Aviva owns 58.4 per cent and NDB owns 41.6 per cent of Aviva NDB Holdings Lanka (Private) Limited ("ANHL"), a holding company that owns 87.3 per cent of ANI. NDB also owns 5 per cent of ANI directly. AIA is acquiring the interests of both Aviva and NDB in ANHL as well as NDB's direct ownership in ANI. AIA will therefore hold upon completion directly and indirectly (through ANHL) effective ownership of 92.3 per cent of ANI
2. Source: Institute of Bankers of Sri Lanka ("IBSL") annual report 2010
3. Source: ANI
4. Source: Economic and Social Statistics of Sri Lanka 2012 by Central Bank of Sri Lanka
5. Source: IMF
6. All figures are presented in US dollars based on the foreign exchange rate LKR131.0:US\$1 or GBP 0.6188: US\$1

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Deutsche Bank has been appointed as financial adviser to AIA on the proposed transaction.

This document contains forward looking statements relating to AIA Group Limited that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. These forward looking statements are, by their nature, subject to significant risks and uncertainties. When used in this document, the words "will", "plan", "should" and similar expressions are intended to identify forward looking statements. You are strongly cautioned that reliance on any forward looking statements involves known and unknown risks and uncertainties. Actual results and events may differ materially from information contained in the forward looking statements.