

# 2014 RESULTS PRESENTATION

26 February 2015



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A photograph of three children riding bicycles down a paved path at sunset. The child in the foreground is wearing a light blue shirt and dark pants. The child in the middle is wearing a light green shirt and blue jeans. The child in the background is wearing a white shirt and dark pants. The path is paved and has a white line on the left side. The background shows a fence and some trees. The sun is low on the horizon, creating a warm, golden light.

# REAL **LIFE** NEVER STOPS

**Mark Tucker**  
GROUP CHIEF EXECUTIVE



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# Excellent Financial Results

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- **Value of new business up 24% to \$1,845m**
- **Operating profit up 16% to \$2,910m**
- **EV Equity up 12% to \$39.0b**
- **Free surplus generation up 16% to \$4.4b**
- **Final dividend increase of 19%**

# Agenda



Presenter	Position	Topic
Mark Tucker	Group Chief Executive	2014 Group Review
Garth Jones	Group Chief Financial Officer	2014 Financial Results
Gordon Watson	Regional Chief Executive	Hong Kong, Korea, Other Markets, Citibank
Ng Keng Hooi	Regional Chief Executive	Singapore, Malaysia, Thailand, China
Mark Tucker	Group Chief Executive	Closing Remarks
All Presenters	ExCo Members	Q&A

# Aligned Growth Platforms and Priorities

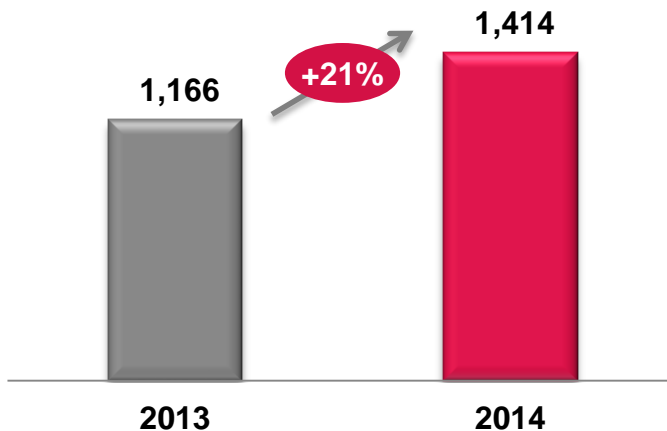


Growth Drivers	Growth Platforms	Growth Priorities
Large Population Growth	Premier Agency	<ul style="list-style-type: none"> <li>Sustain competitive advantages in Premier Agency</li> <li>Recruit, develop and promote next generation of agents</li> <li>Enhance productivity and service through iPoS technology</li> </ul>
Rapid Urbanisation	Profitable Partnerships	<ul style="list-style-type: none"> <li>Expand distribution platform reach</li> <li>Optimise new and existing partnerships</li> <li>Generate additional sources of profitable growth</li> </ul>
Rising Income & Wealth	Protection & Savings	<ul style="list-style-type: none"> <li>Maintain protection-focused portfolio</li> <li>Expand integrated savings and protection covers</li> <li>Capture incremental high-quality savings opportunities</li> </ul>
Low Social Welfare	Brand & Marketing	<ul style="list-style-type: none"> <li>Transform customer experience</li> <li>Increase existing customer engagement levels</li> <li>Enhance analytics and segmentation</li> </ul>
Low Private Cover	Financial Strength	<ul style="list-style-type: none"> <li>Support strong new business growth and returns</li> <li>Maintain strong capital and cash flow</li> <li>Deliver prudent, sustainable and progressive dividend</li> </ul>

# Delivering Distribution Quality and Expansion



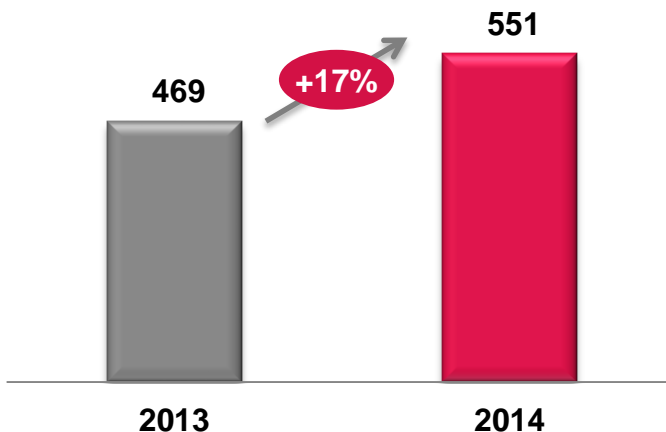
## Premier Agency VONB (\$m)



## Premier Agency Delivery

- VONB up 21%
- Quality recruitment focus
- Expanding AIA Premier Academy training
- Active new agents up 14%
- iPoS in 11 markets; ANP trebled in 12 months
- No. 2 MDRT worldwide; up 24%

## Partnership Distribution VONB (\$m)



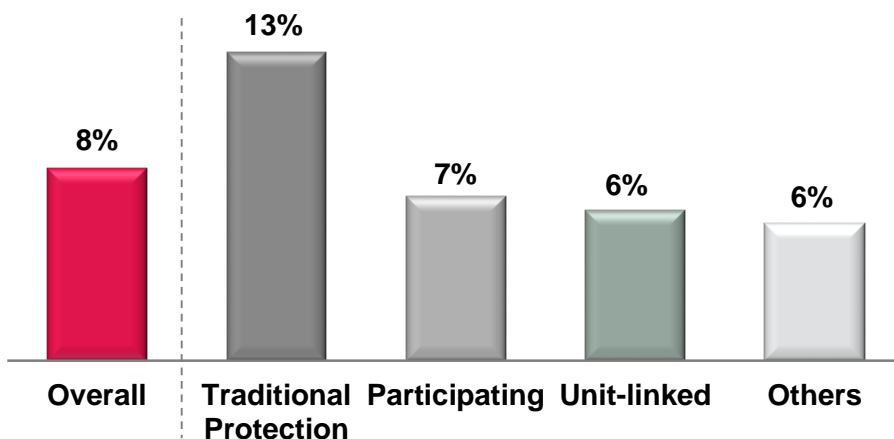
## Profitable Partnership Expansion

- VONB up 17%
- DM affected by Korean industry suspension
- VONB up over 30% ex Korea DM on CER
- Citibank launched in 11 markets
- Expanded relationships with IFAs

# Product and Customer Growth Drivers



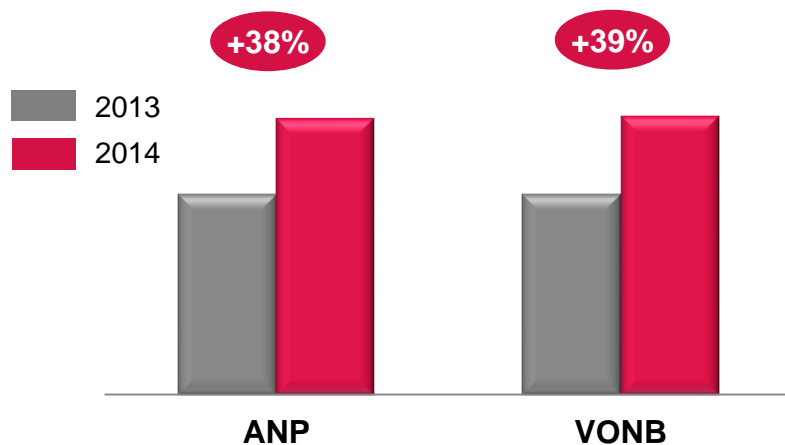
## 2014 Margin by Product<sup>(1)</sup>



## Diversified, Value-oriented Portfolio

- Diversified protection and long-term savings focused portfolio
- High levels of protection embedded within and across product categories
- Comprehensive product range aligned with customer needs
- Resilient portfolio through market cycles

## Existing Customer Marketing Results



## Significant Growth Opportunity

- Substantially enhanced value from new and existing customers
- Over 28m individual policies in-force and over 16m group members
- Active marketing initiatives targeting existing customers across the region
- Large-scale and growing existing customer base – a significant source of future growth

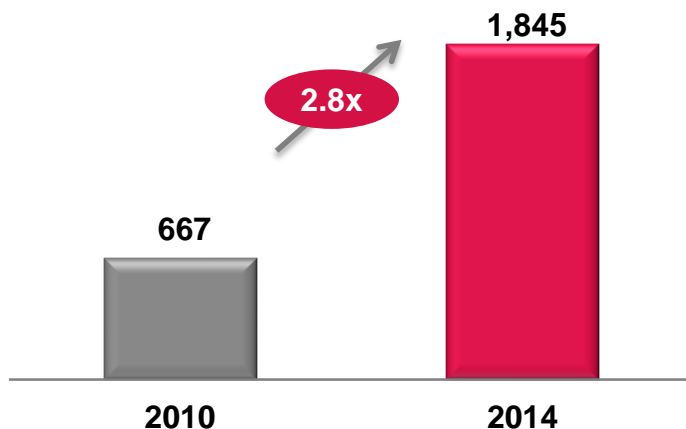
Note:  
(1) Margin on a present value of new premium basis



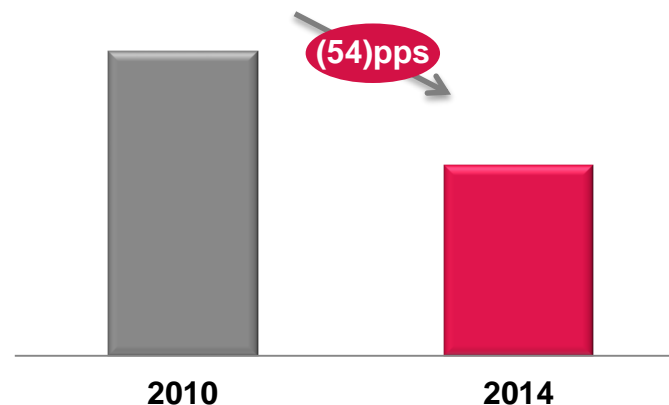
# New Business Growth with Increasing Returns



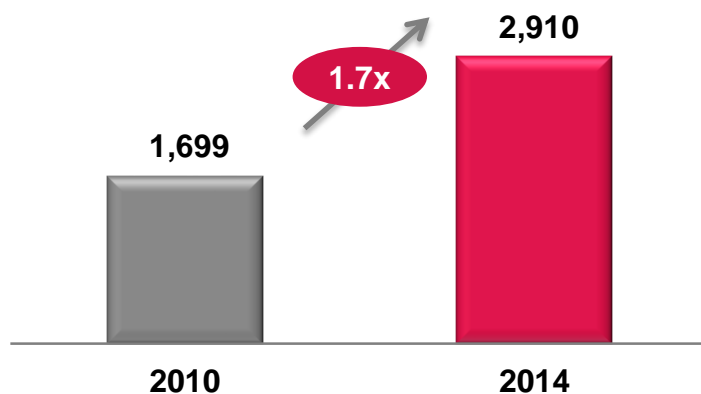
VONB (\$m)



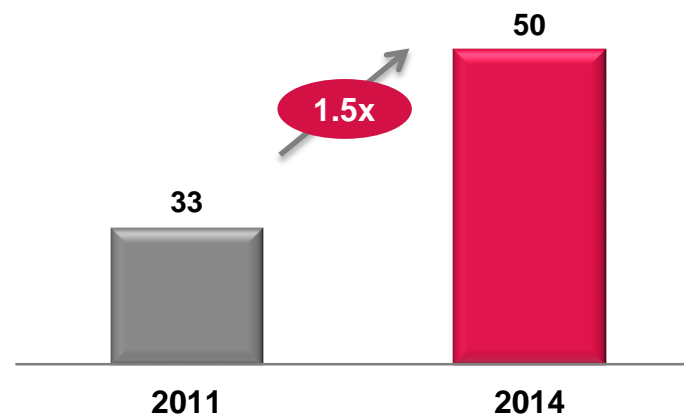
New Business Strain as % of VONB



OPAT (\$m)



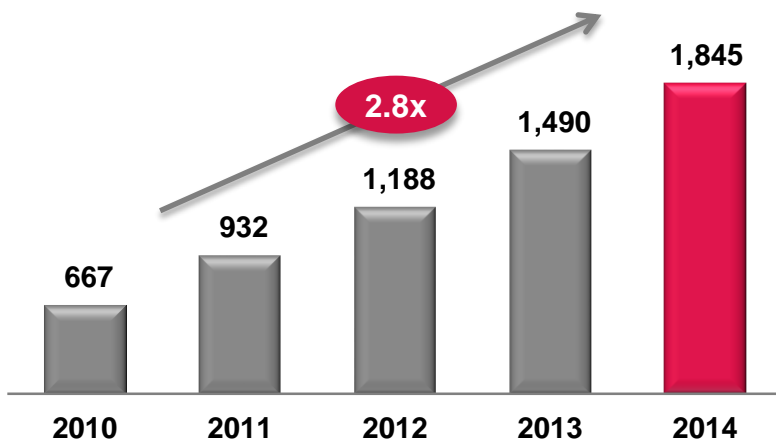
Total Dividend Per Share (HK cents)



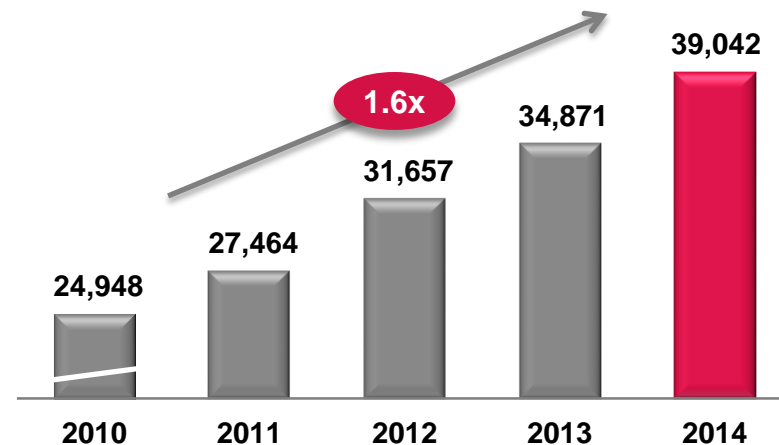
# Sustained Growth Momentum



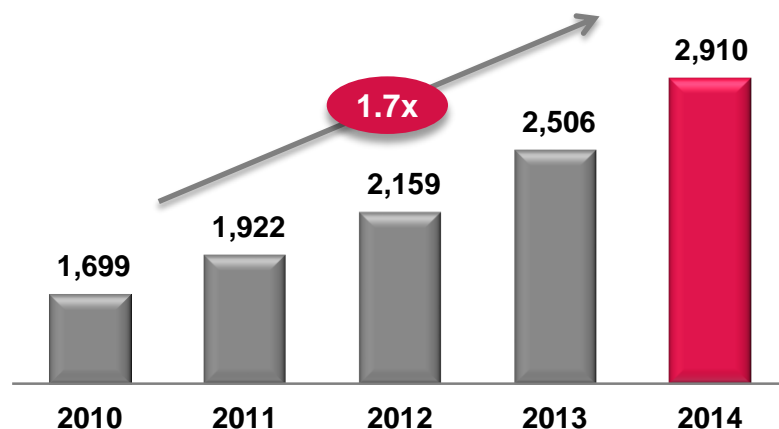
## VONB (\$m)



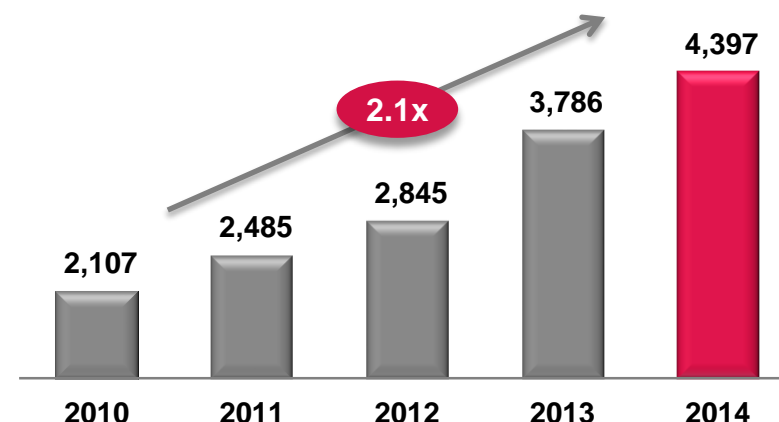
## EV Equity (\$m)



## OPAT (\$m)



## Free Surplus Generation (\$m)



A photograph of two young girls with long dark hair, seen from behind, holding hands and looking towards a large Ferris wheel at dusk. The girl on the left is wearing a light-colored dress with a small floral pattern, and the girl on the right is wearing a red long-sleeved shirt and a dark skirt with a floral pattern. The Ferris wheel is illuminated with blue and green lights, and its colorful capsules are visible against the twilight sky. The text 'REAL LIFE NEVER STOPS' is overlaid on the right side of the image in a large, white, sans-serif font. The word 'LIFE' is partially obscured by a red rectangular graphic element.

REAL  
LIFE  
NEVER  
STOPS

**Garth Jones**

GROUP CHIEF FINANCIAL OFFICER



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# Excellent Financial Results – Across All Key Metrics



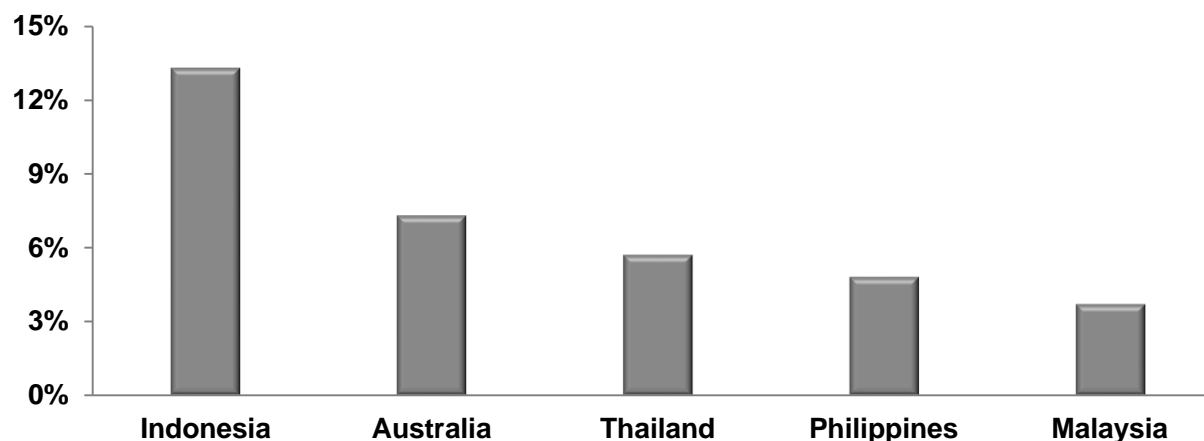
	(\$m)	2014	2013	GROWTH
<b>Growth</b>	VONB	1,845	1,490	24% ↑
	VONB Margin	49.1%	44.1%	5.0 pps ↑
	ANP	3,700	3,341	11% ↑
	EV Equity	39,042	34,871	12% ↑
<b>Earnings</b>	Operating Profit After Tax	2,910	2,506	16% ↑
	TWPI	19,211	17,808	8% ↑
	Operating Margin	18.2%	17.3%	0.9 pps ↑
<b>Capital &amp; Dividends</b>	Free Surplus Generation	4,397	3,786	16% ↑
	AIA Co. HKICO Solvency Ratio	427%	433%	(6) pps
	Final Dividend per Share (HK cents)	34.00	28.62	19% ↑
	Total Dividend per Share (HK cents)	50.00	42.55	18% ↑

# Key Metrics on Constant Exchange Rates



	(\$m)	2014	2013	AER Growth	CER Growth
VONB		1,845	1,490	24% ↑	27% ↑
ANP		3,700	3,341	11% ↑	14% ↑
Operating Profit After Tax		2,910	2,506	16% ↑	18% ↑
EV Equity		39,042	34,871	12% ↑	14% ↑

Average Currency Depreciation Against USD in 2014



**Growth**

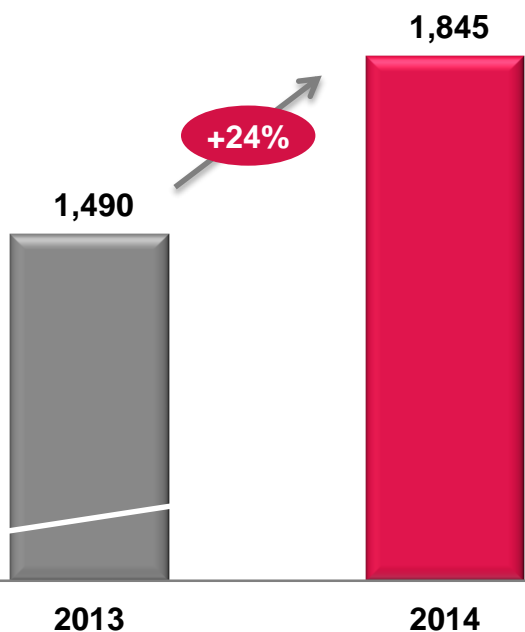
**Earnings**

**Capital and Dividends**

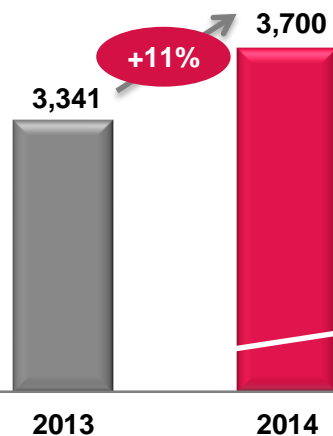
# Sustained VONB Growth



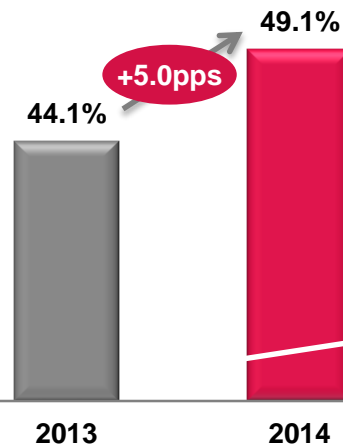
VONB (\$m)



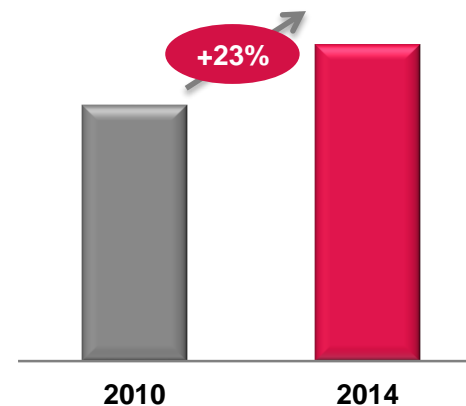
ANP (\$m)



VONB Margin



Increasing IRRs  
Consistently above 20%

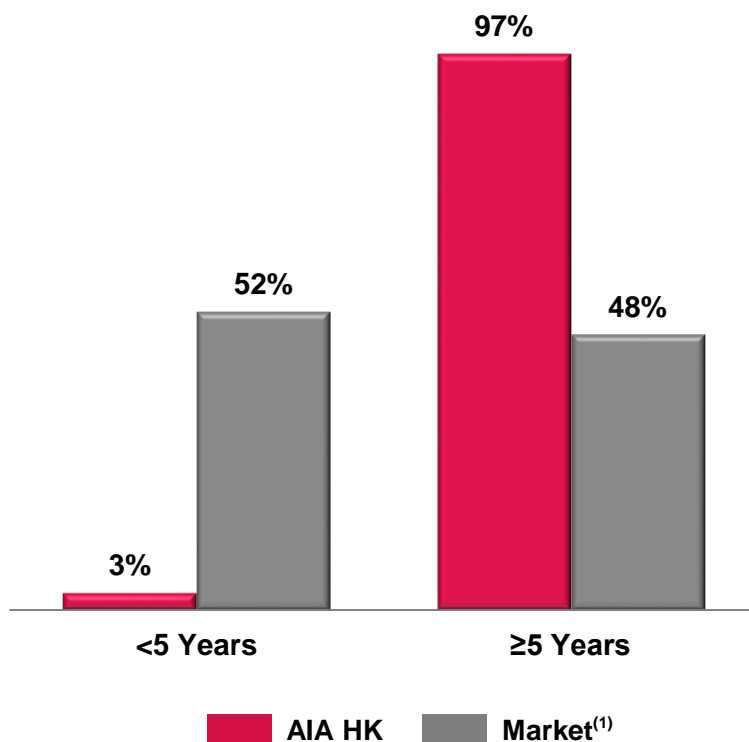


# High Quality New Business



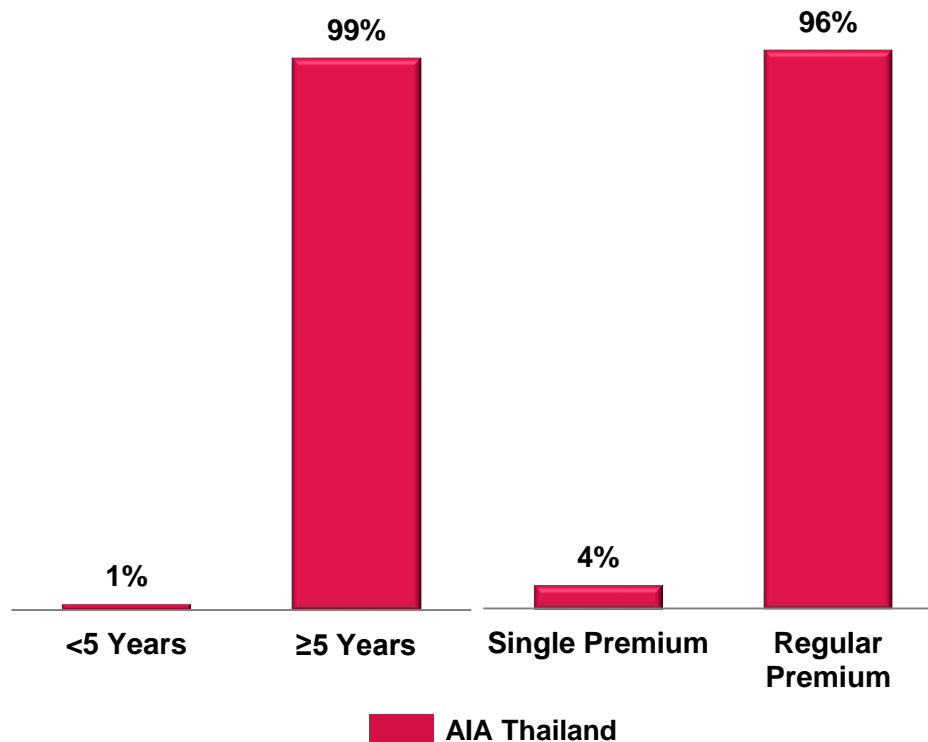
## AIA Hong Kong

### New Regular Premium by Payment Term

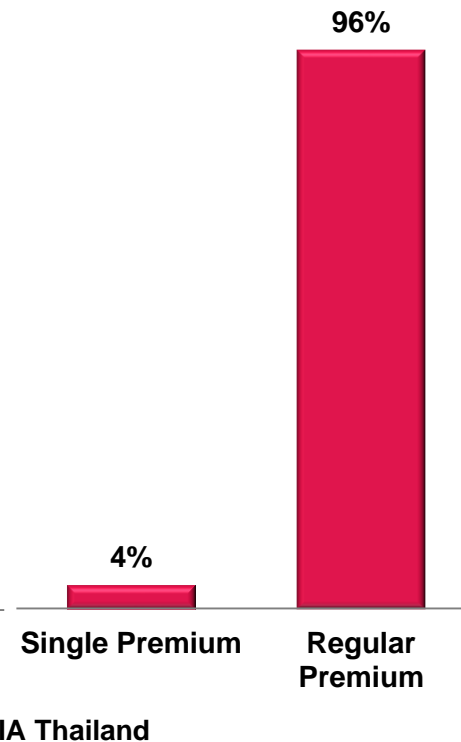


## AIA Thailand

### New Regular Premium by Payment Term



### ANP Split



Note:

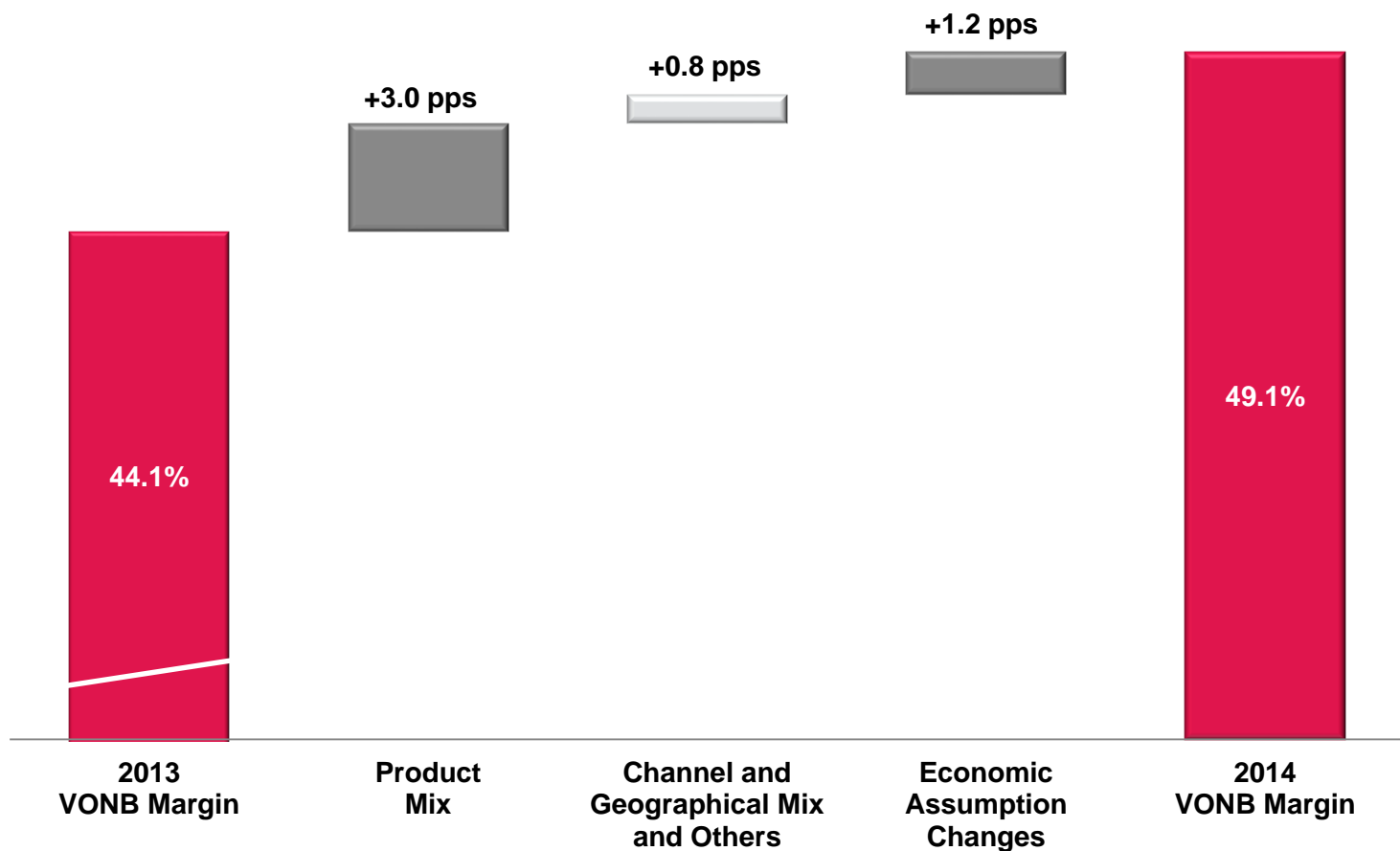
(1) Source: HKOCI; 3Q2014 annualised new regular premium



# Product Mix Driving Margin



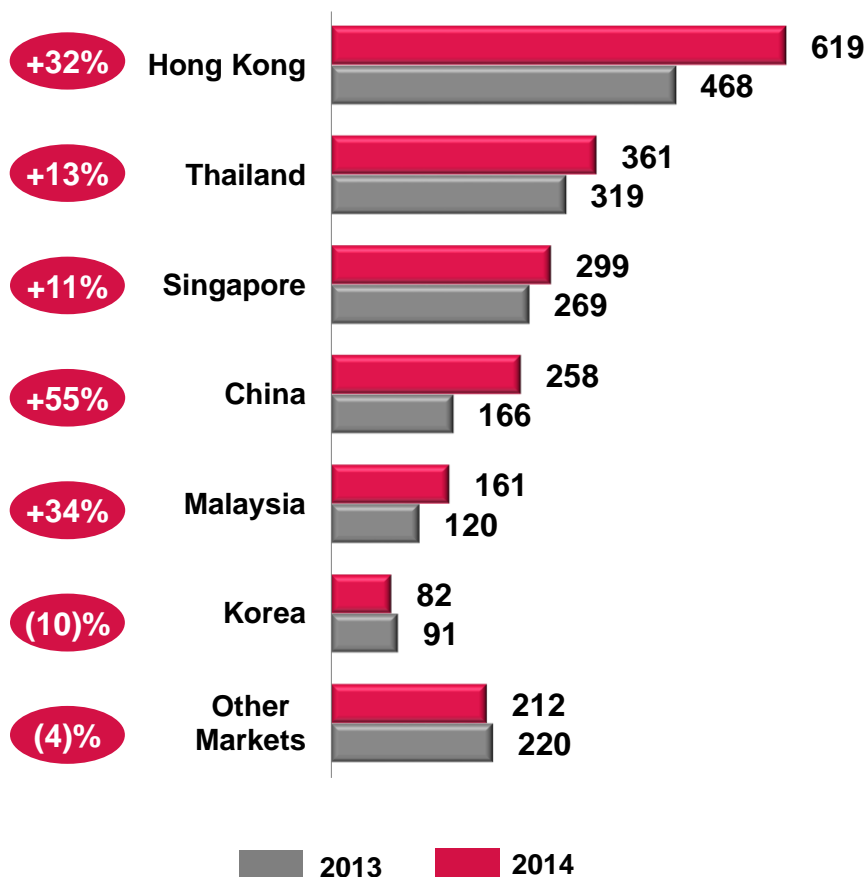
## 5.0 pps Increase in VONB Margin



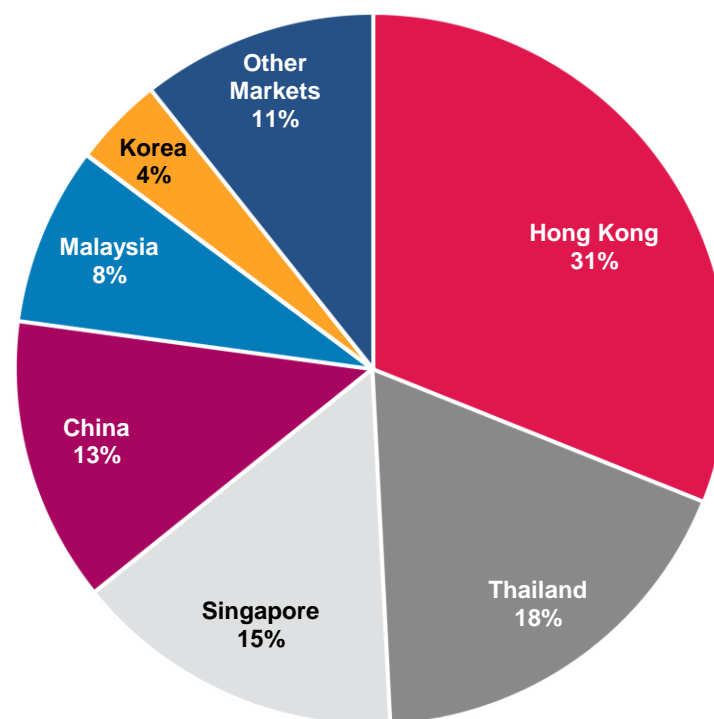
# Diversified Growth Portfolio



VONB (\$m)



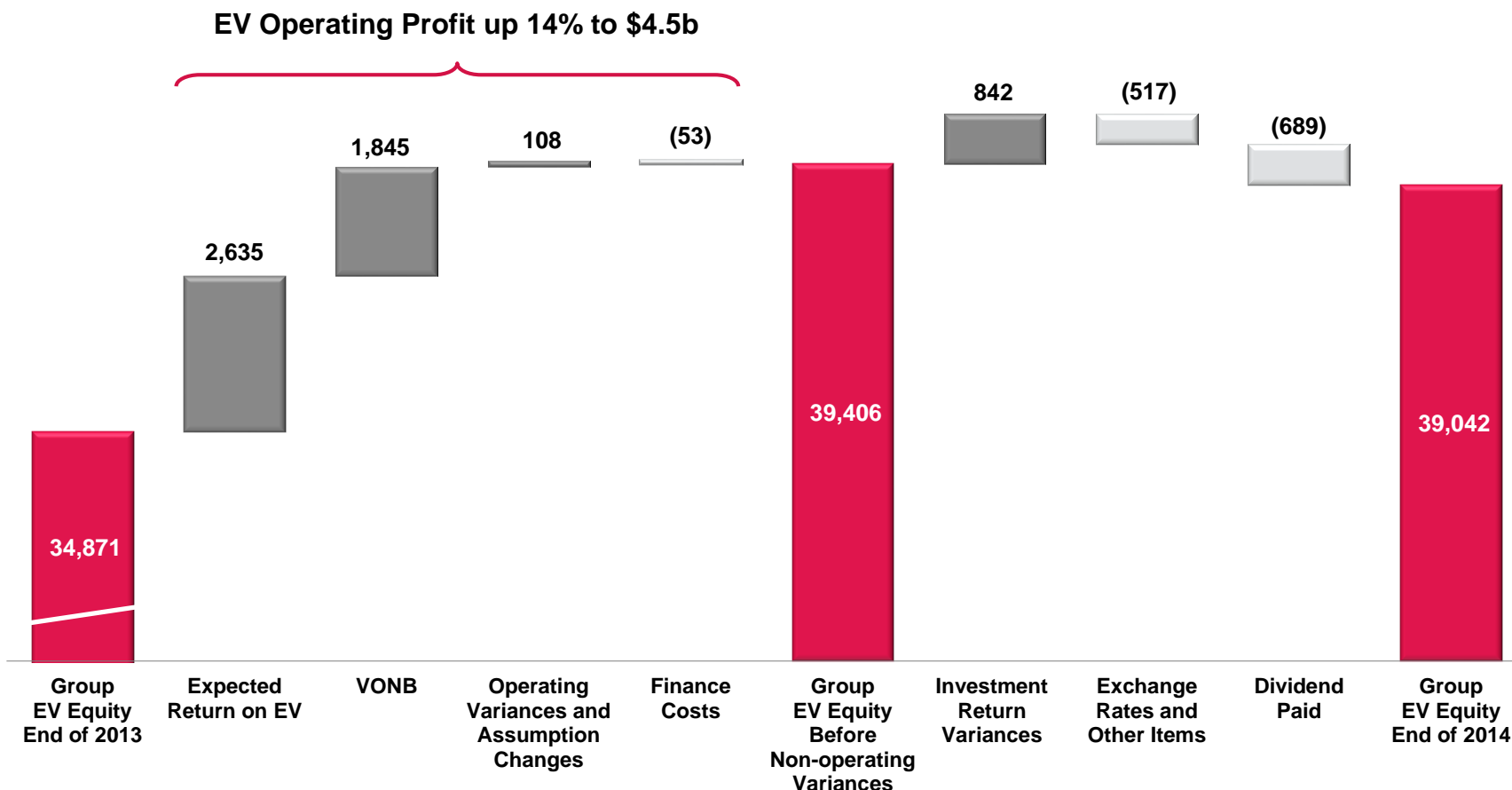
2014 VONB by Market Segment



# EV Equity of \$39.0b – Strong Operating Performance



## 2014 EV Equity Movement (\$m)

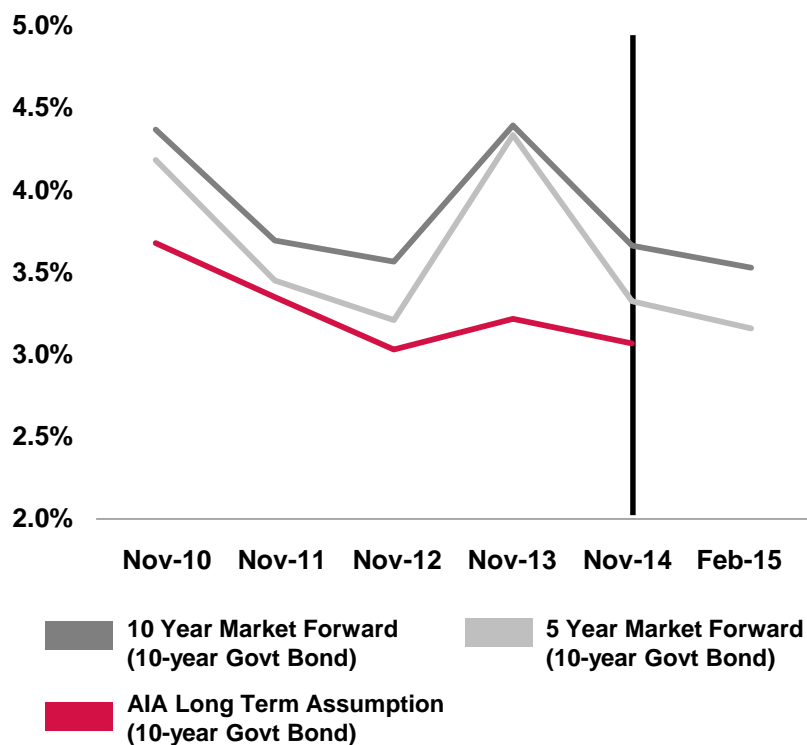


# Interest Rates and Sensitivity

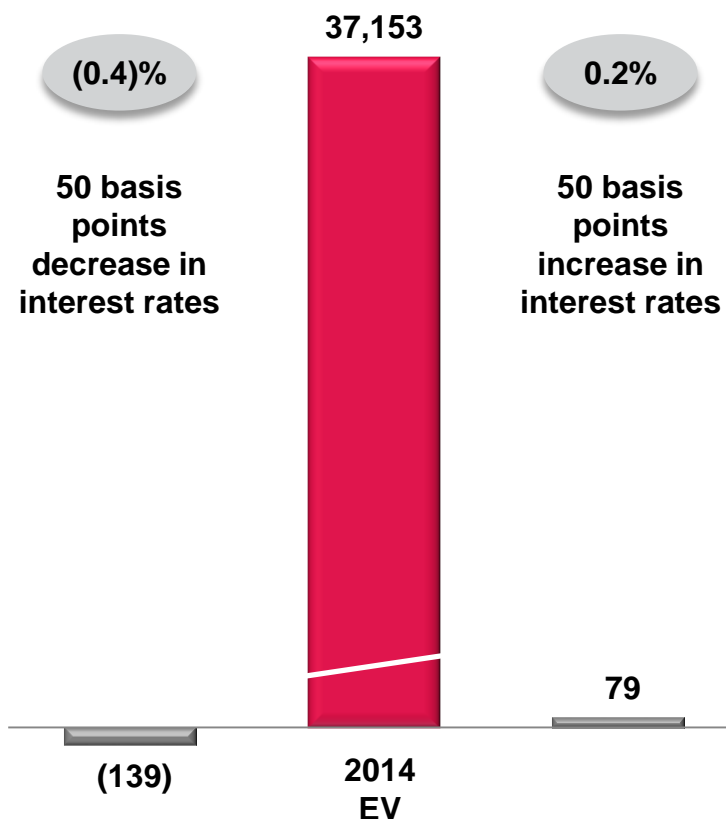


## AIA Long-term Assumptions vs Market Rates

Weighted Average by Geography<sup>(1)</sup>



## EV Sensitivity to Interest Rates (\$m)



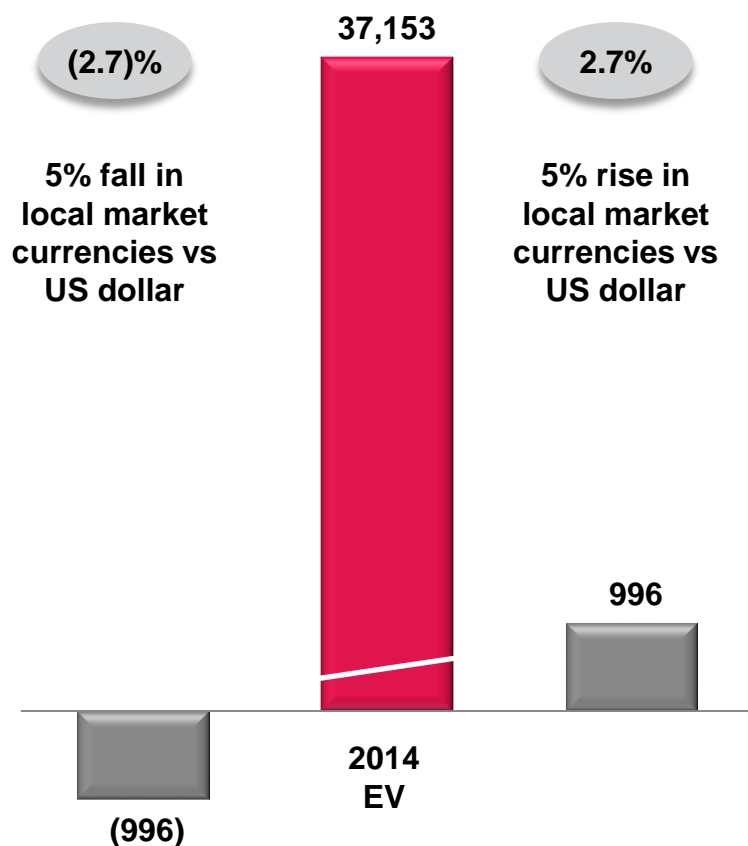
Note:

(1) Weighted average interest rates by EV for largest markets of Hong Kong, Thailand, Singapore, China, Malaysia and Korea; Data as of 30 November in 2010 to 2014 and 20 February 2015

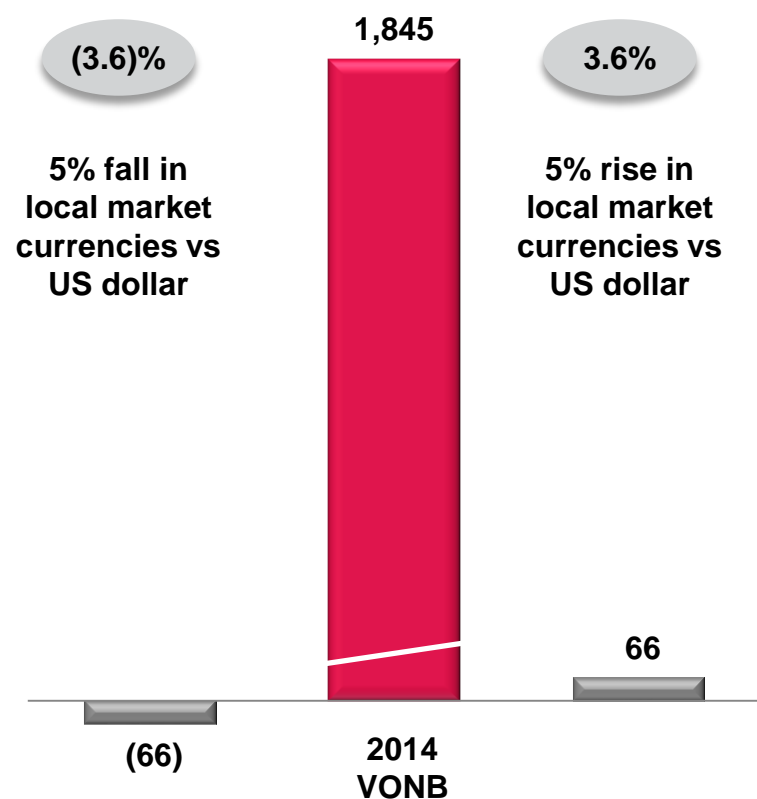
# Currency Sensitivity



## EV (\$m)

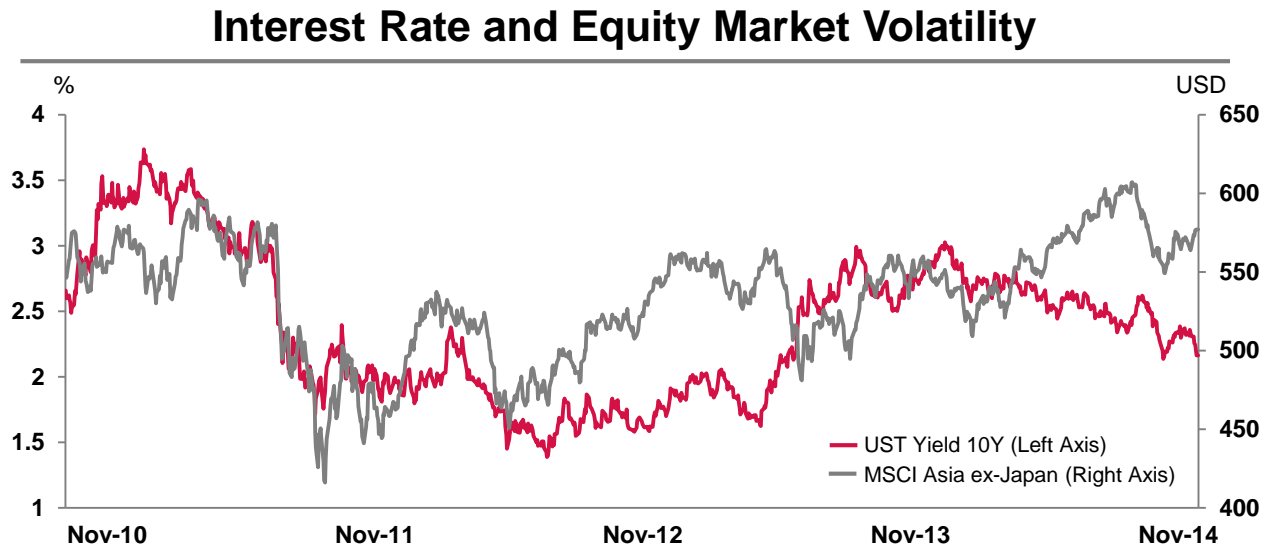
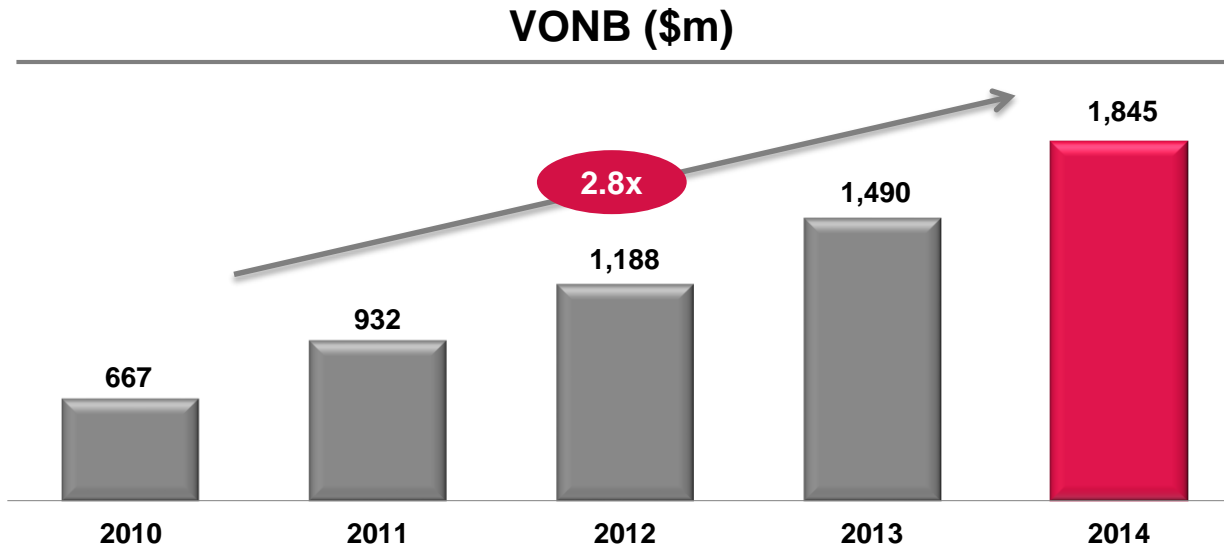


## VONB (\$m)



Note: The translation sensitivities shown assume a constant Hong Kong dollar and US dollar exchange rate.

# Delivering Through Market Cycles



**Growth**

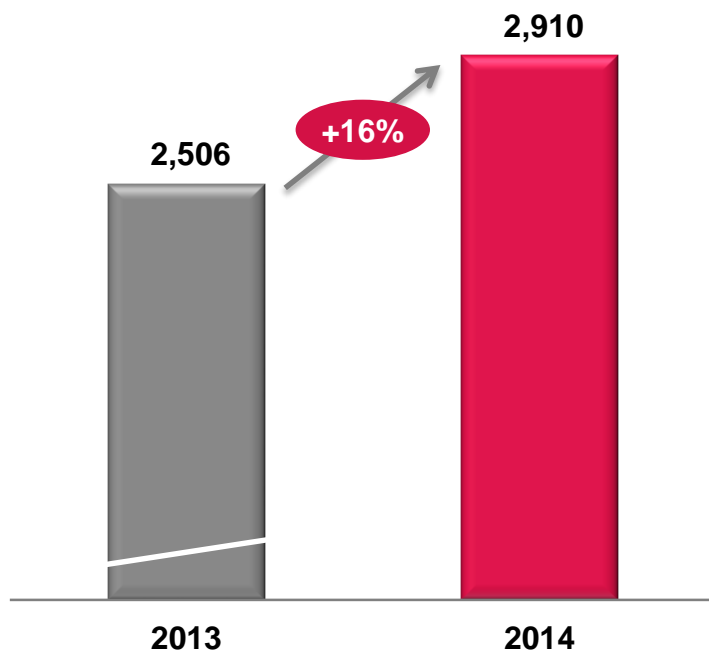
**Earnings**

**Capital and Dividends**

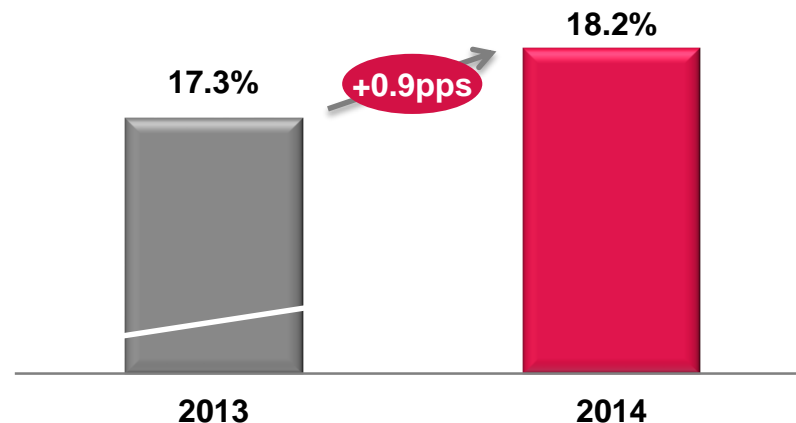
# IFRS Operating Profit up 16%



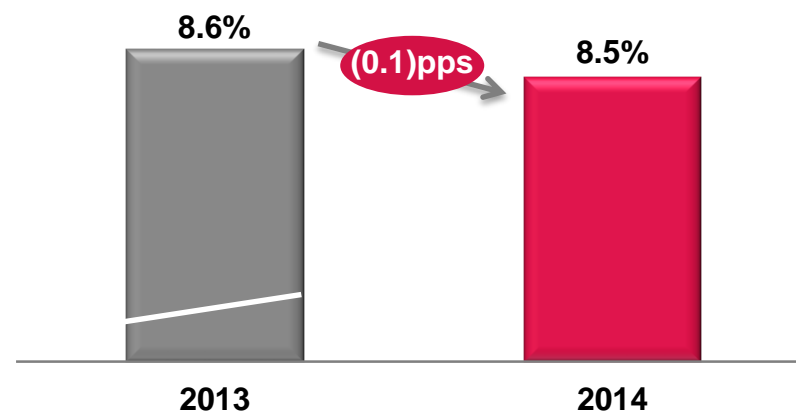
## Operating Profit After Tax (\$m)



## Operating Margin



## Expense Ratio

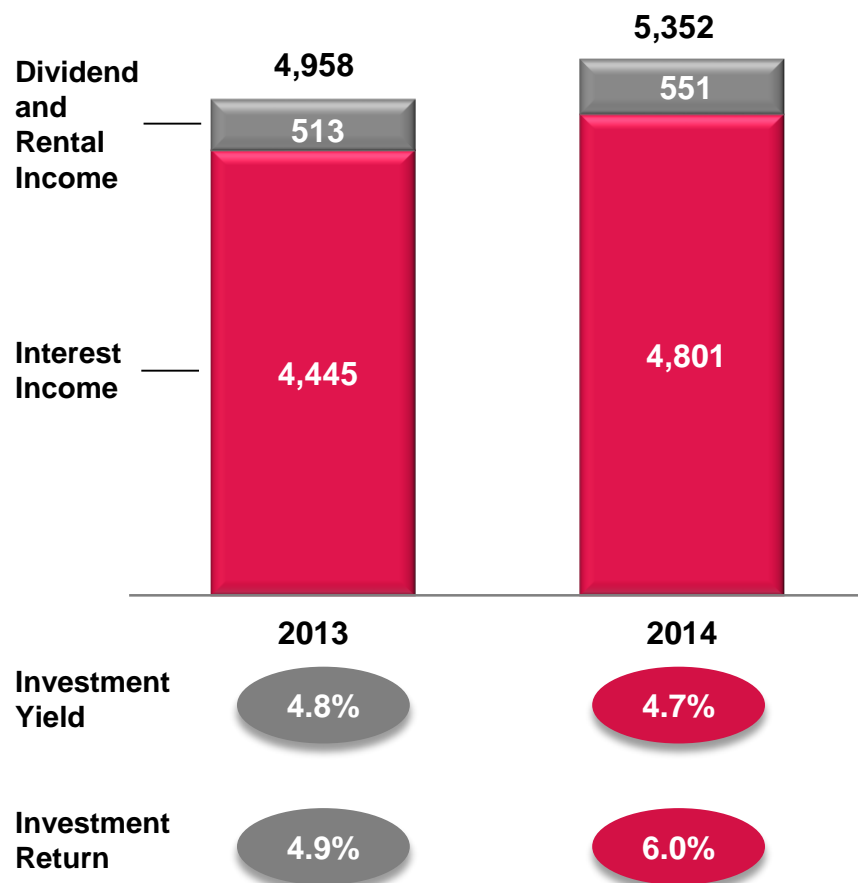




# Stable Investment Yield

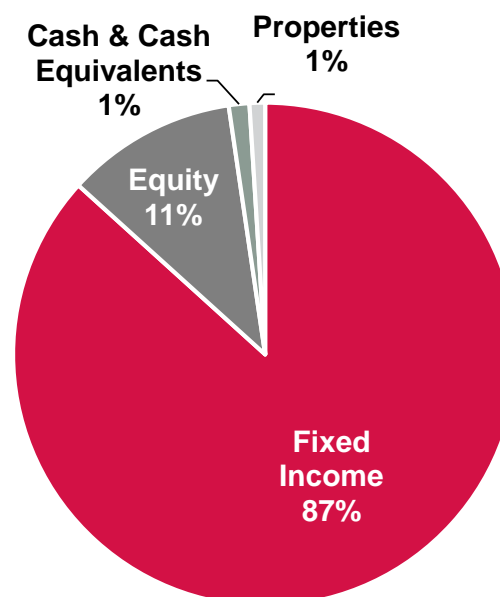


## Investment Income (\$m)



## Total Invested Assets of \$121b

% of Total in 2014



Note:

(1) Includes debt securities, loans and term deposits.

# Net Profit up 22%



## Net Profit (\$m)

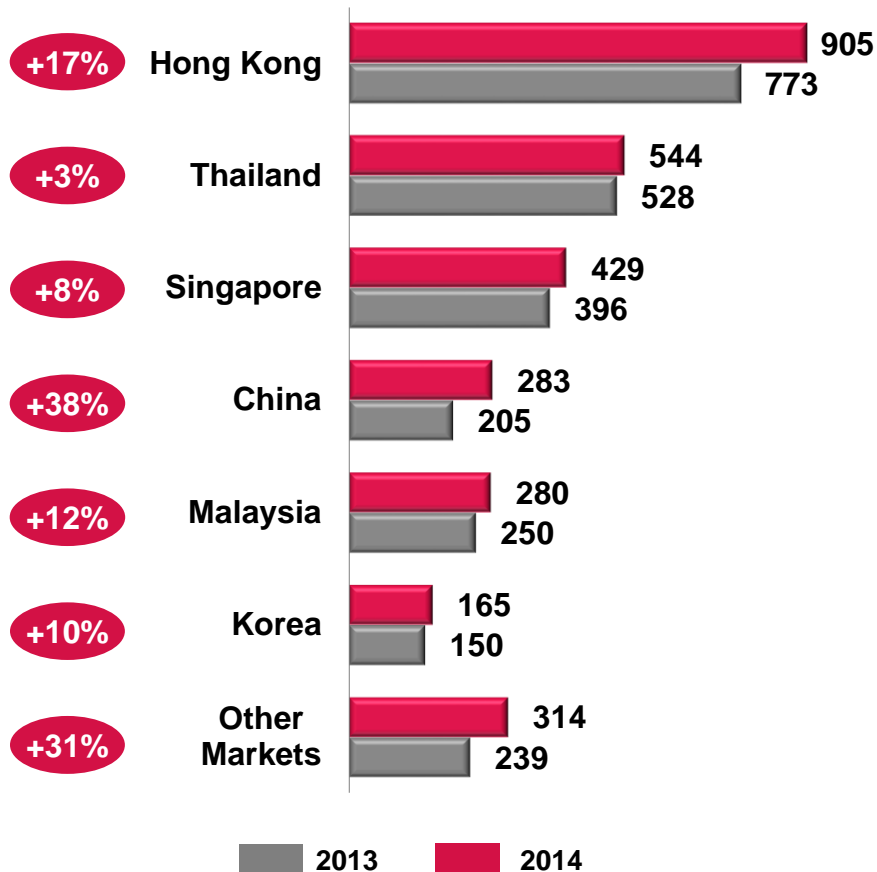
	<u>2014</u>	<u>2013</u>
Operating Profit After Tax	<b>2,910</b>	2,506
<b>Net gains from equities</b>	<b>508</b>	<b>424</b>
Other non-operating items	<b>32</b>	(106)
<b>Net Profit</b>	<b>3,450</b>	2,824

- Net profit includes mark-to-market of equities
- Operating profit excludes any actual or assumed gains
- Average non-operating gains of \$473m for past five full financial years
- Net profit excludes unrealised gains and losses on AFS bonds

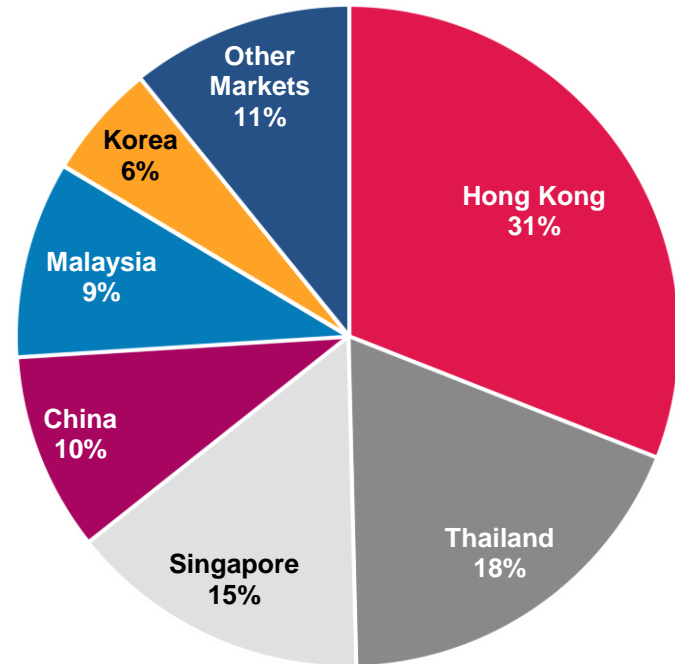
# Diversified Earnings



OPAT (\$m)



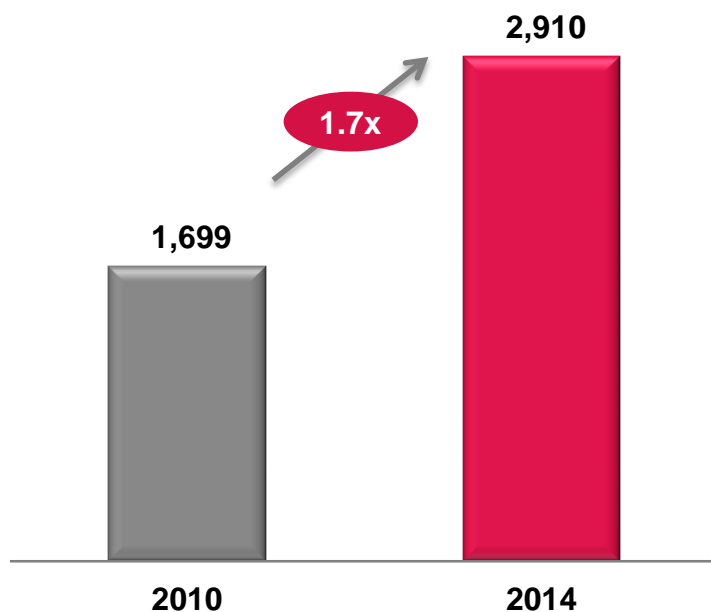
2014 OPAT by Market Segment



# Profitable Earnings Growth – Delivered with Scale



Operating Profit After Tax (\$m)

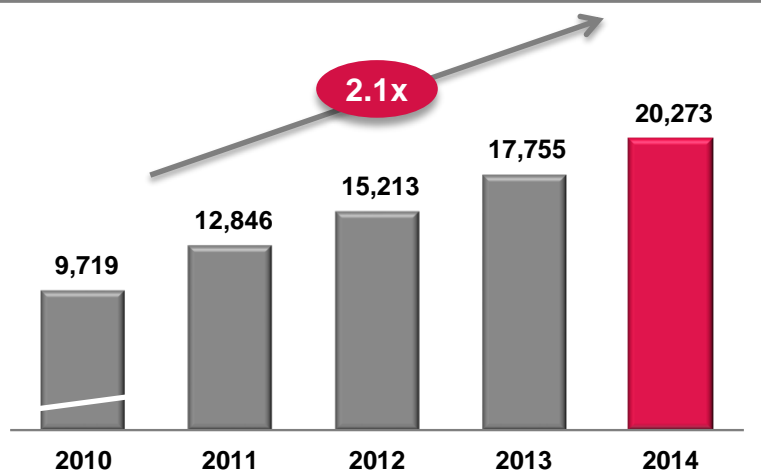


OPAT	2010	2014
>\$800m		Hong Kong
\$600–800m	Hong Kong	
\$400–600m		Thailand Singapore
\$200–400m	Thailand Singapore	Malaysia China Other Markets
<\$200m	Malaysia China Korea Other Markets	Korea

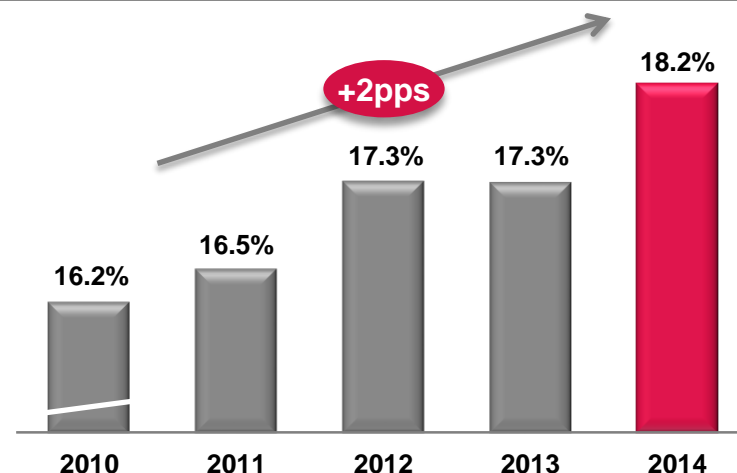
# Asian Scale and Quality Driving Earnings



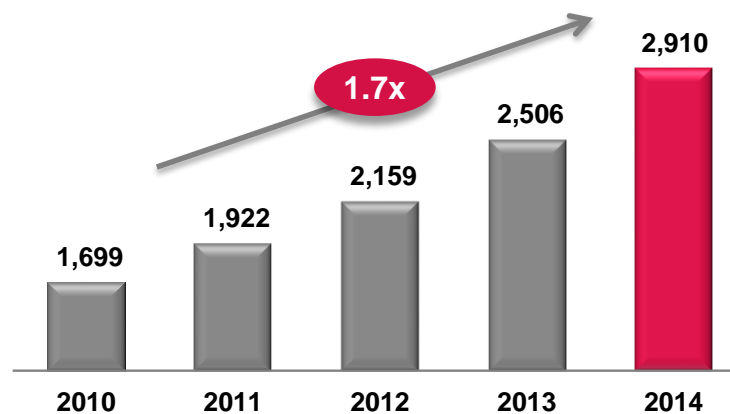
## Gross Inflows (\$m)<sup>(1)</sup>



## Operating Margin



## OPAT (\$m)



Note:  
(1) Excludes investment contract liabilities

**Growth**

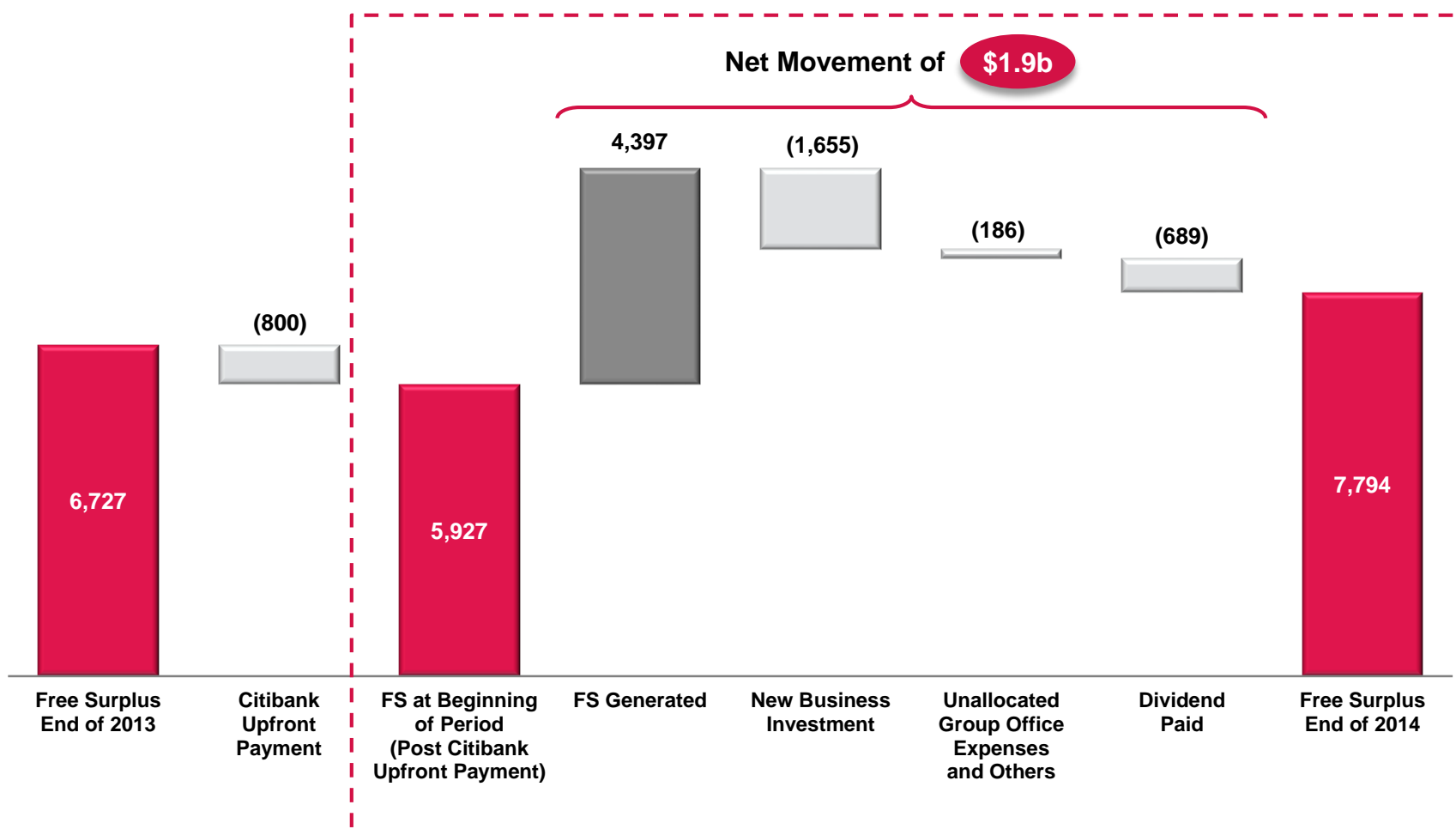
**Earnings**

**Capital and Dividends**

# Self-financed Growth at High Returns



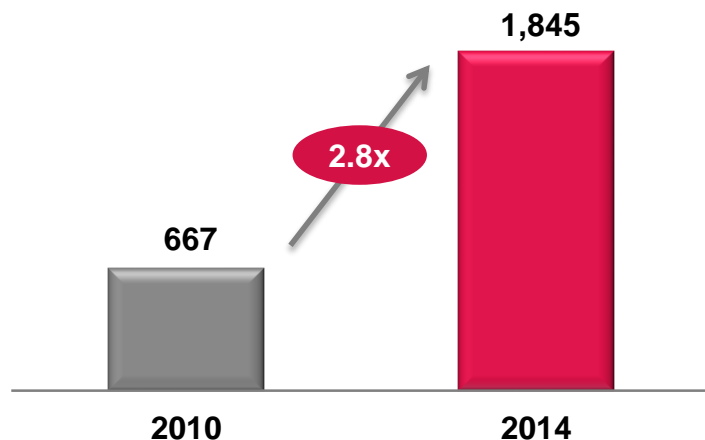
## Free Surplus on the HKICO Solvency Basis (\$m)



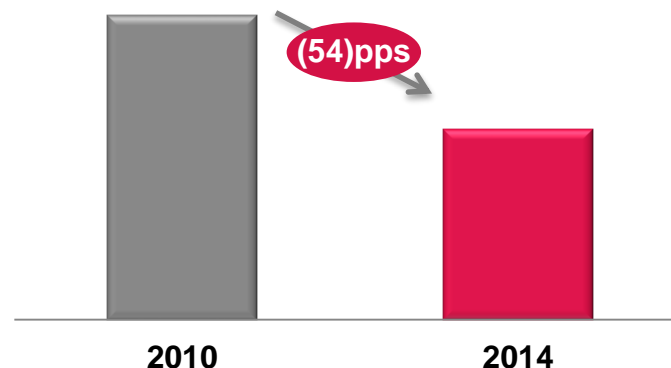
# Increasing Returns and Capital Efficiency



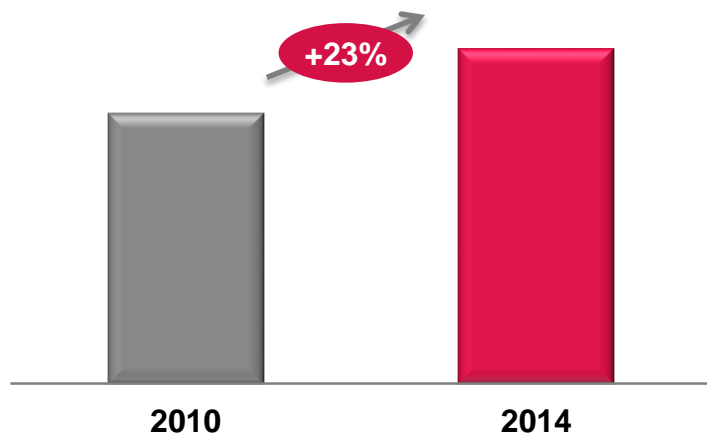
## VONB Growth



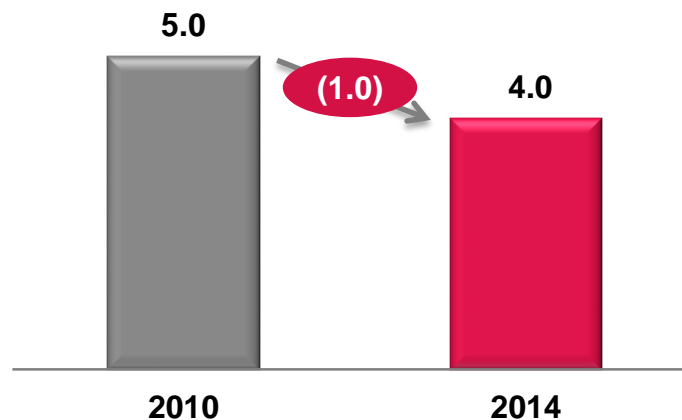
## New Business Strain as % of VONB



## Increasing IRRs Consistently above 20%



## Decreasing Payback Periods (Years)

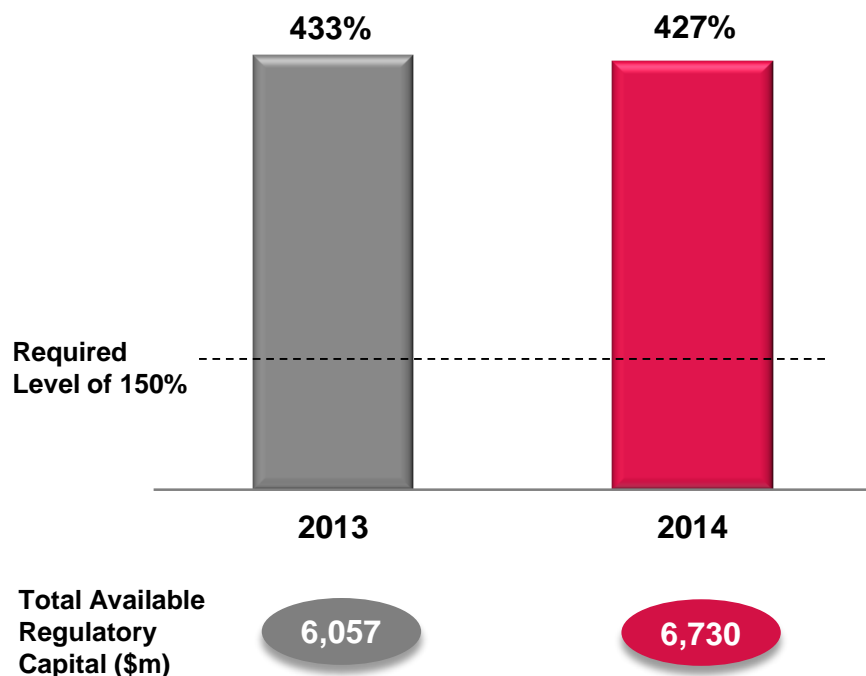




# Regulatory Solvency Ratio of 427%



## Solvency Ratio on HKICO Basis for AIA Co.



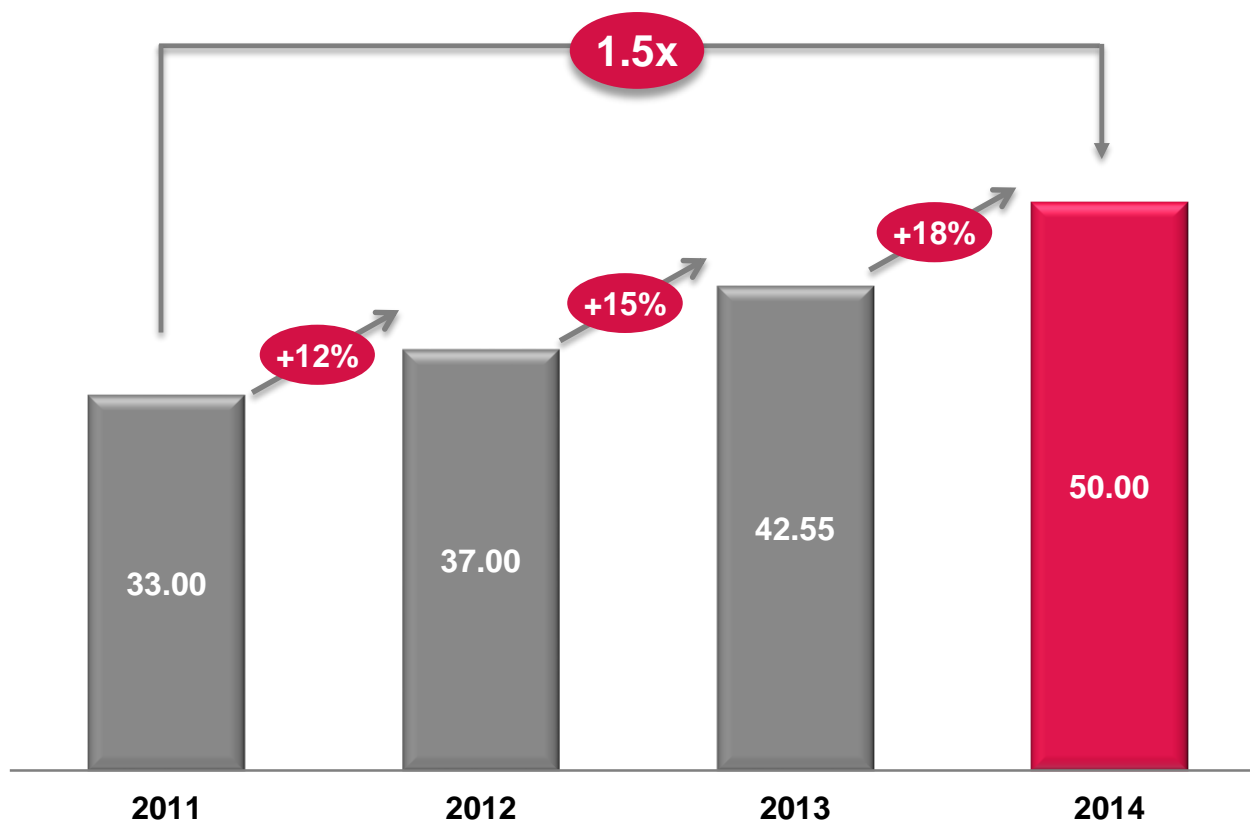
## Ongoing Capital Strength

- Resilient solvency position
- Prudent HKICO reserves and capital
- Strong retained earnings
- After Citibank upfront payment
- AIA Co. S&P Rating of AA- and Moody's Rating of Aa3
- Completed \$1b senior debt offering in March 2014

# Prudent, Sustainable and Progressive Dividend



Total Dividend Per Share (HK cents)



# 2014 Financial Results Summary



## Growth

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

## Earnings

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

## Capital & Dividends

- Substantial cash and capital generation
- Resilient solvency position
- Prudent, sustainable and progressive dividend



# REAL LIFE NEVER STOPS

**Gordon Watson**

REGIONAL CHIEF EXECUTIVE

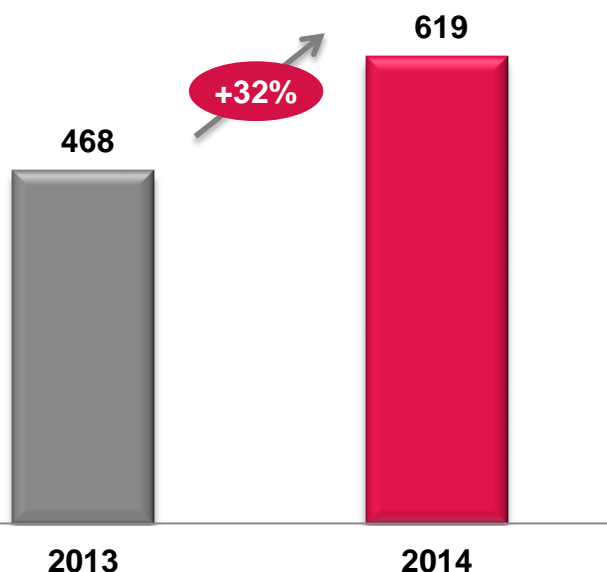


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# Hong Kong: Delivering Excellent Growth



VONB (\$m)



ANP (\$m)

781

952

VONB  
Margin

57.6%

62.3%

## ■ Premier Agency

- Delivered excellent VONB growth
- Active new agents up 15%
- Increased active agent productivity
- MDRT qualifiers up 18%

## ■ Profitable Partnerships

- Strong growth in bancassurance and IFA
- Enhanced segmentation and protection focus

## ■ Group Insurance VONB up 26%

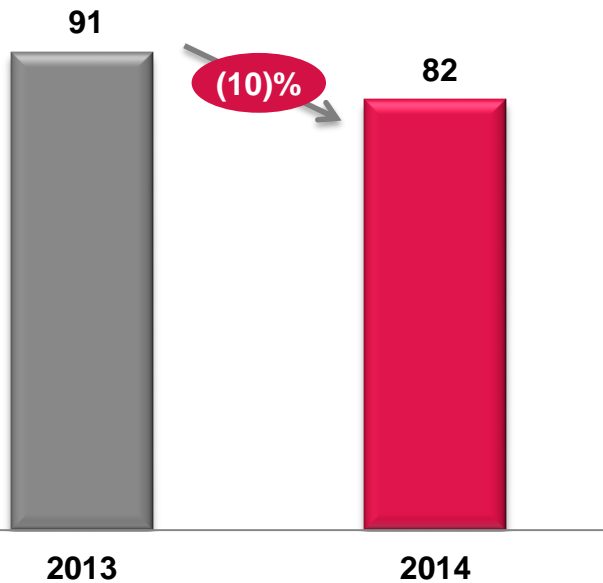
## ■ Products and Customers

- Expanded critical illness product range
- Raised awareness on retirement planning

# Korea: Outperforming the Market



VONB (\$m)



ANP (\$m)

338

380

VONB  
Margin

26.8%

21.7%

## ■ Direct Marketing

- Industry-wide temporary suspension
- Timely management response
- Costs incurred included in VONB
- Adapting to ongoing regulatory changes

## ■ Premier Agency

- Captured profitable market share

## ■ Bancassurance

- Opportunistic VONB growth
- Selective new products launched

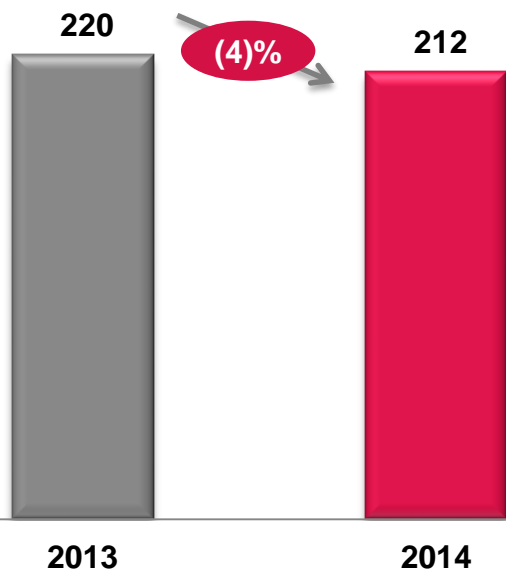
## ■ Products and Customers

- Marketing campaigns targeting young customers

# Other Markets: Improving Fundamentals



VONB (\$m)



ANP (\$m)

689

676

VONB  
Margin

32.0%

31.3%

## Australia

- #1 ranked in IFA individual risk market
- New platform partnerships
- AIA Vitality** well received

## Indonesia





- Double-digit underlying VONB growth in 2H
- #3 ranked in full year and #2 in 4Q 2014
- Strong performance in group insurance

## Philippines

- Strong underlying VONB growth
- Double-digit growth in active new agents
- Active bancassurance specialists up 49%

# Citibank Partnership: Delivering on Key Priorities



Key Priorities	Achievement
 Obtain regulatory approval and implement partnership across all markets	<u>All 11 Markets</u> launched
 Train bank staff and embed dedicated insurance specialists in Citibank's broad distribution platform	<u>&gt;2,000 Sales Staff</u> engaged
 Launch call centers for Direct Marketing offers to high potential Citibank customers	<u>&gt;150,000 Customer Contacts</u> referred per month
 Develop comprehensive suite of long-term protection and savings products	<u>&gt;80 Products</u> launched

Supported by close collaboration on enhancing customer segmentation





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**Ng Keng Hooi**  
REGIONAL CHIEF EXECUTIVE

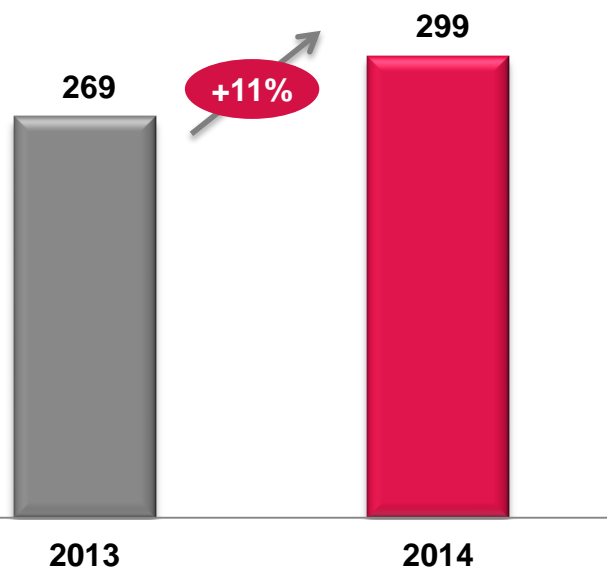


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# Singapore: Continued Solid Performance



VONB (\$m)



ANP (\$m)

400

489

VONB  
Margin

67.3%

61.2%

- **Premier Agency**

- Market-leading agency position
- Active agents up 16%
- Strong iPoS take up

- **Profitable Partnerships**

- Solid VONB growth

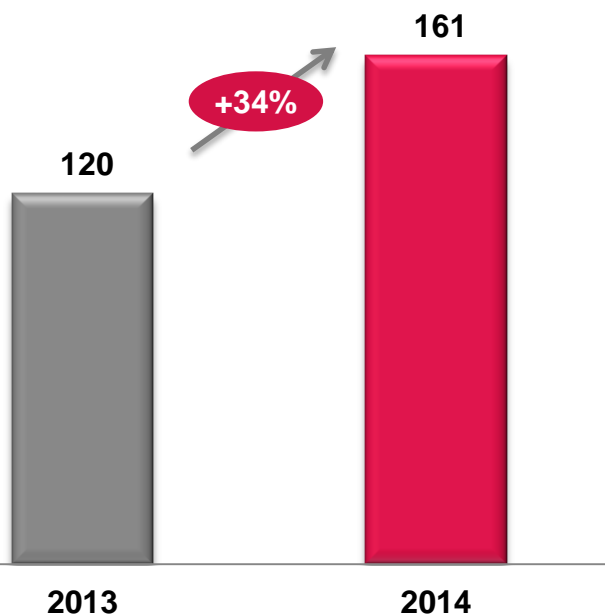
- **Products and Customers**

- Very strong unit-linked VONB growth
- More balanced product mix between protection and savings
- HealthShield upgrade phased out in 1Q14
- *AIA Vitality* gaining traction

# Malaysia: Strengthening our Growth Platform



VONB (\$m)



ANP (\$m)

319

320

VONB  
Margin

37.8%

50.1%

## ■ Premier Agency

- Delivered excellent VONB growth
- Recruitment programme targeting young agents
- Strong iPoS take up
- Unified agency compensation structure
- Active new agents up 29%

## ■ Profitable Partnerships

- Excellent performance with Public Bank

## ■ Group Insurance VONB up 35%

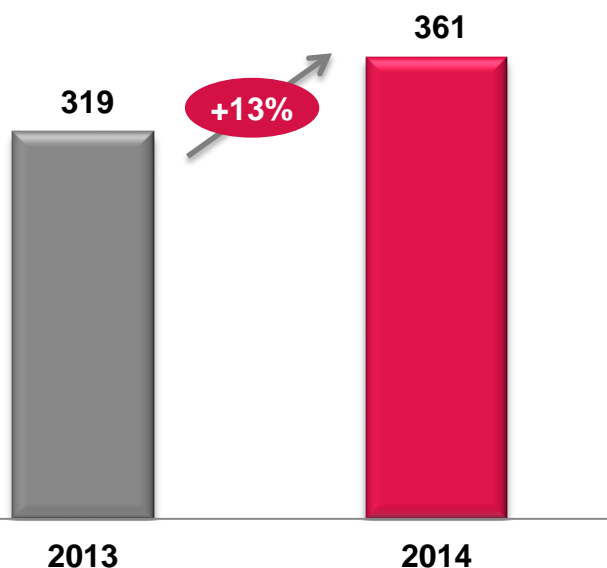
## ■ Products and Customers

- Unit-linked VONB up 38%
- Takaful VONB up over 50%

# Thailand: Resilient Growth



## VONB (\$m)



ANP (\$m)

565

572

VONB  
Margin

56.3%

63.2%

### ■ Premier Agency

- Agency VONB up over 20% on CER
- Unit-linked licensed agents up 60%
- MDRT qualifiers up 45%

### ■ Profitable Partnerships

- Solid progress in direct marketing

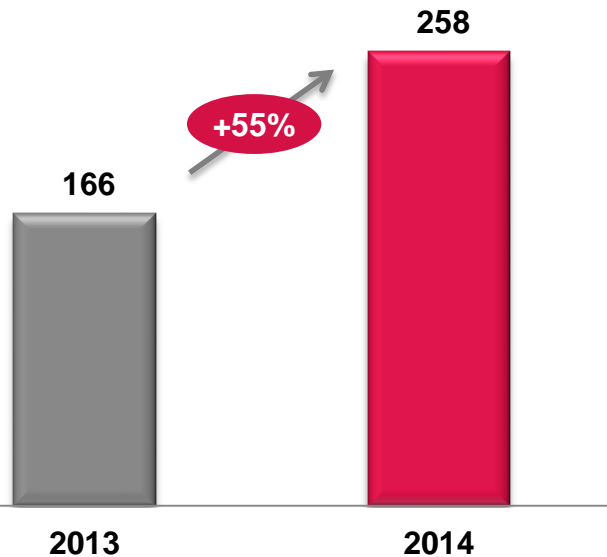
### ■ Products and Customers

- Higher rider attachment ratio
- Strong comprehensive health product sales
- Unit-linked VONB doubled

# China: Sustained Outperformance



VONB (\$m)



ANP (\$m)

249

311

VONB  
Margin

66.4%

83.1%

## ■ Premier Agency

- Focus on superior recruitment, best-in-class training and leadership development
- MDRT qualifiers up 58%
- Active new agents up 42%
- Active agent productivity up 9%
- Increased average agent income

## ■ Products and Customers

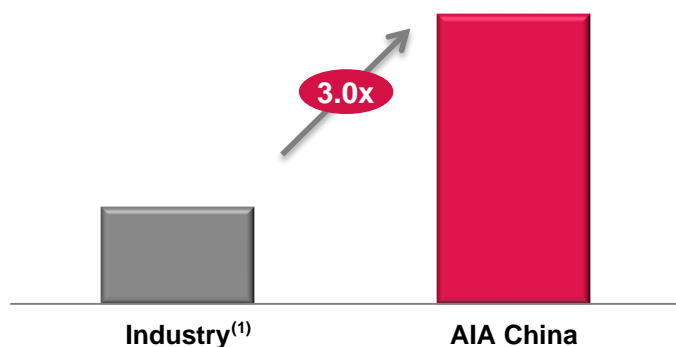
- Positive shift towards longer-term savings and protection products
- Strong sales of new protection and savings products targeting young family segment

# China: Differentiated Strategy

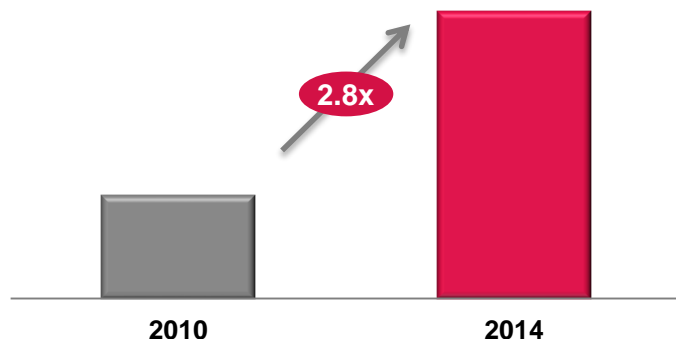


## Premier Agency Strategy

### 2014 VONB per Agent

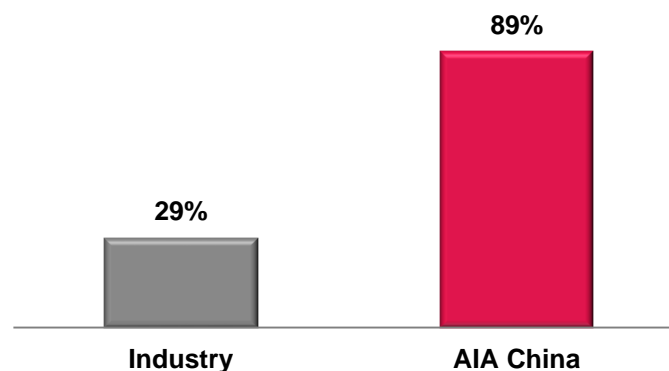


### Monthly Average Agent Income

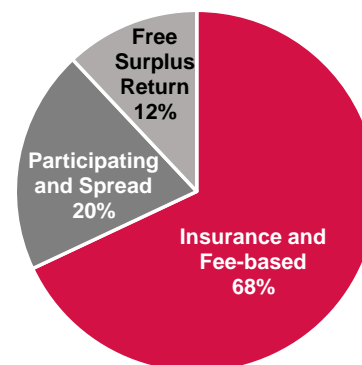


## High Quality Product Portfolio

### Regular Premium as % of New Premium<sup>(2)</sup>



### AIA China 2014 Source of Statutory Earnings



Notes:

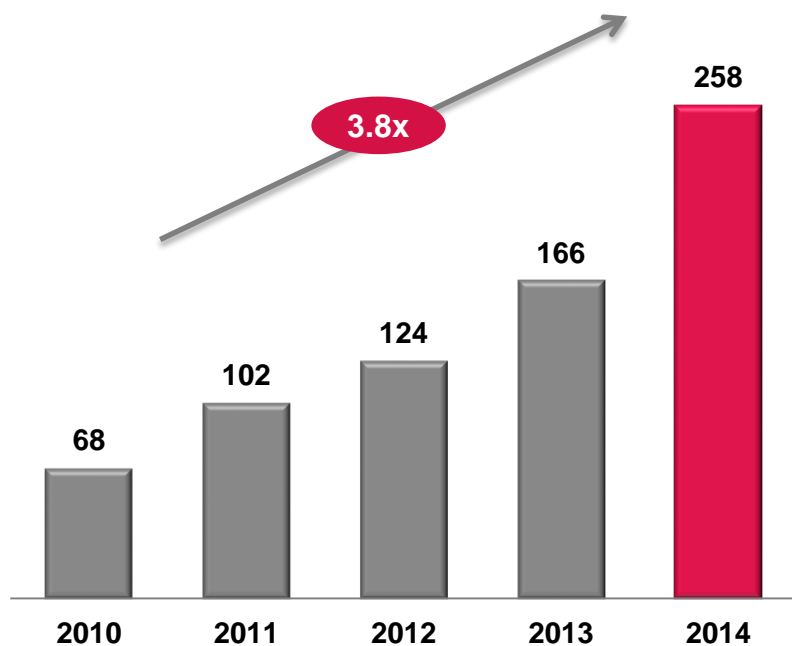
(1) Source: 2014E VONB consensus from broker research and latest reported agency numbers

(2) 2013 CIRC industry data and company data

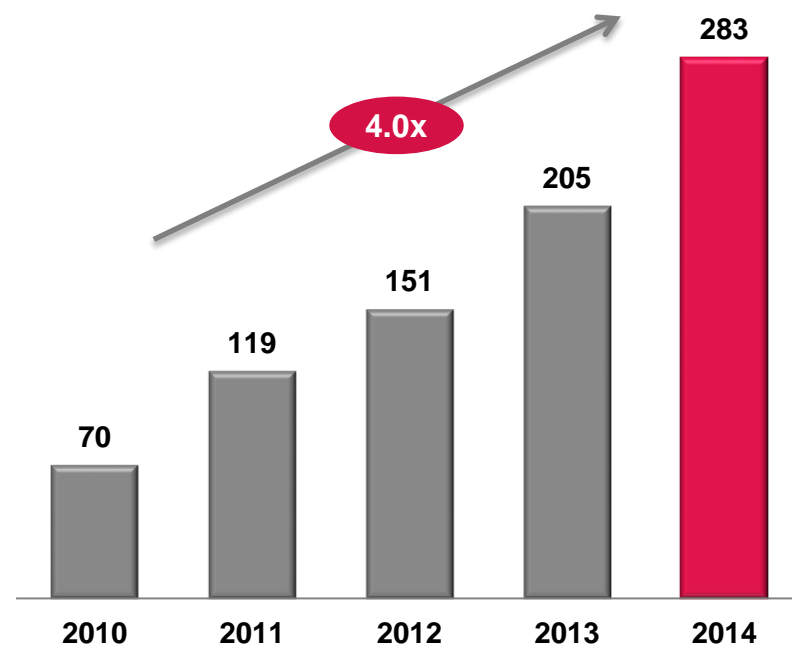
# China: Differentiated Outperformance



VONB (\$m)



OPAT (\$m)







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**Mark Tucker**  
GROUP CHIEF EXECUTIVE



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# Long-term Structural Growth Drivers



Large Population Growth	<ul style="list-style-type: none"><li>4.1 billion people by 2020; increase of 700 million people since 2000</li><li><b><u>4x</u></b> the population of the G7 in 2020</li></ul>
Rapid Urbanisation	<ul style="list-style-type: none"><li>1.7 billion urban dwellers by 2020, an additional 720 million in 20 years</li><li><b><u>2x</u></b> the urban population of the G7 by 2020</li></ul>
Rising Income & Wealth	<ul style="list-style-type: none"><li>464 million households by 2017 with disposable incomes &gt;\$10,000</li><li><b><u>8x</u></b> the new spending power created by the G7 at \$3.8 trillion</li></ul>
Low Social Welfare	<ul style="list-style-type: none"><li>Low social spending in Asia at \$1.1 trillion</li><li><b><u>1/6<sup>th</sup></u></b> the spending of the G7</li></ul>
Low Private Cover	<ul style="list-style-type: none"><li>Low private cover with substantial life protection gap of \$33 trillion</li><li><b><u>1/17<sup>th</sup></u></b> of the penetration of the G7</li></ul>

# Right Growth Strategy Executed Well



	2010	Since IPO
	A New Beginning	Strong Performance, Consistent Execution
<b>Strategic Progress</b>	<ul style="list-style-type: none"> <li>Corporate strengthening and reorientation</li> <li>Building blocks of sustained value creation</li> </ul>	<ul style="list-style-type: none"> <li>Premier Agency strategy delivery</li> <li>Profitable partnership expansion</li> <li>Integrating savings and protection</li> <li>Transforming customer experience</li> </ul>
<b>Corporate Actions</b>	<ul style="list-style-type: none"> <li>Largest-ever insurance IPO</li> </ul>	<ul style="list-style-type: none"> <li>AIA fully independent</li> <li>Transformational acquisitions</li> <li>Inaugural Global MTN programme</li> <li>Landmark regional bancassurance agreement</li> </ul>
<b>Financial Outcomes</b>	<ul style="list-style-type: none"> <li>VONB \$667m</li> <li>OPAT \$1.7b</li> <li>FS Generated \$2.1b</li> <li>EV Equity \$24.9b</li> </ul>	<ul style="list-style-type: none"> <li>VONB generated <b><u>\$5.5b</u></b> to date</li> <li>OPAT delivered <b><u>\$9.5b</u></b> to date</li> <li>FS Generation of <b><u>\$13.5b</u></b> to date</li> <li>EV Equity added <b><u>\$14.1b</u></b> to date</li> </ul>

# Excellent Financial Results

---



- **Value of new business up 24% to \$1,845m**
- **Operating profit up 16% to \$2,910m**
- **EV Equity up 12% to \$39.0b**
- **Free surplus generation up 16% to \$4.4b**
- **Final dividend increase of 19%**

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# Definitions and Notes



- 2013 financial information as well as EV and EV Equity have been adjusted to reflect the adoption of new and revised accounting standards by AIA in 2014. For a description of the new and revised accounting standards and a reconciliation of the adjustments made to the 2013 financial information as previously reported, please refer to our 2014 audited consolidated financial statements.
- 2013 and 2014 figures include the financial and operational results of AIA's acquisitions from the respective dates of completion.
- Annualised new premium (ANP) excludes pension business.
- EV Equity is the total of embedded value, goodwill and other intangible assets attributable to shareholders of the Company.
- Free surplus is the excess of the market value of AIA's assets over the sum of the statutory liabilities and the minimum regulatory capital. For branches of AIA Co. and AIA International, the statutory liabilities are based on HKICO statutory accounting and the required capital based on 150% HKICO minimum solvency margin.
- Hong Kong market includes Macau; Singapore market includes Brunei; Other Markets includes Australia, Indonesia, New Zealand, the Philippines, Sri Lanka, Taiwan and Vietnam.
- Investment income and invested assets composition exclude unit-linked contracts and consolidated investment funds.
- Investment return is defined as investment income with the addition of realised and unrealised gains and losses as a percentage of average invested assets.
- Investment yield is defined as net investment income as a percentage of average policyholder and shareholder invested assets for the relevant periods (i.e. excluding unit-linked investments and consolidated investment funds); AIA's net investment income does not include realised or unrealised gains and losses.
- IFRS operating profit after tax (OPAT), net profit and IFRS shareholders' equity are shown post minorities.
- Operating profit before tax excludes non-operating items such as investment experience, investment income and investment management expenses related to unit-linked contracts and consolidated investment funds, corresponding changes in insurance and investment contract liabilities in respect of unit-linked contracts and consolidated investment funds and participating funds and other significant items considered to be non-operating income and expenses.
- TWPI consists of 100% of renewal premiums, 100% of first year premiums and 10% of single premiums, before reinsurance ceded.
- 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



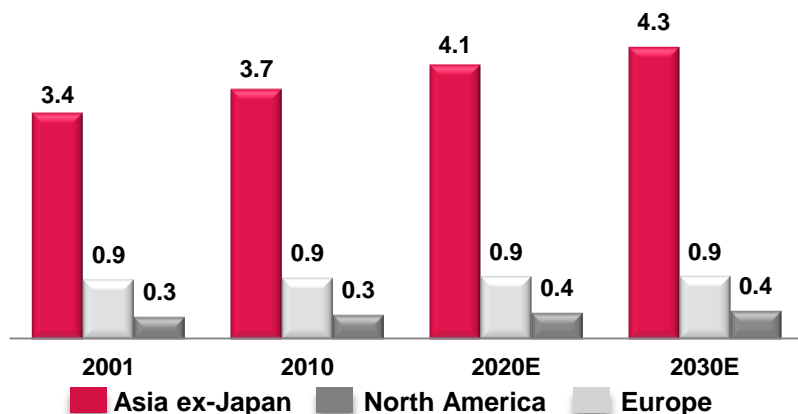
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# Asia's Significant Growth Opportunity



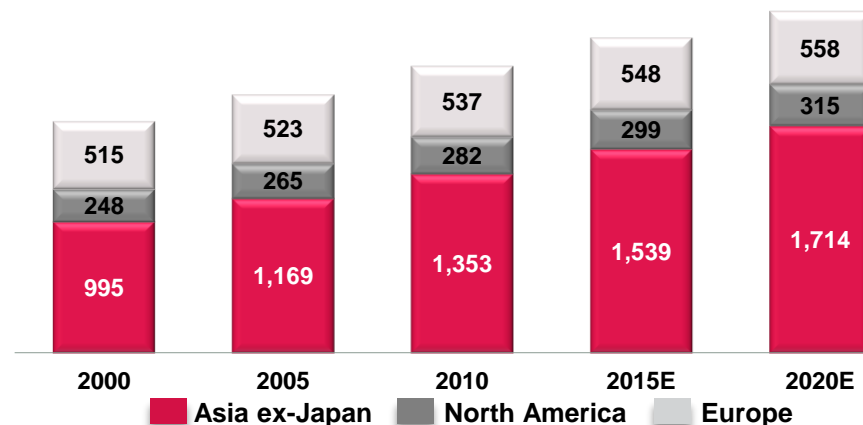
## Population by Region

(Billions)



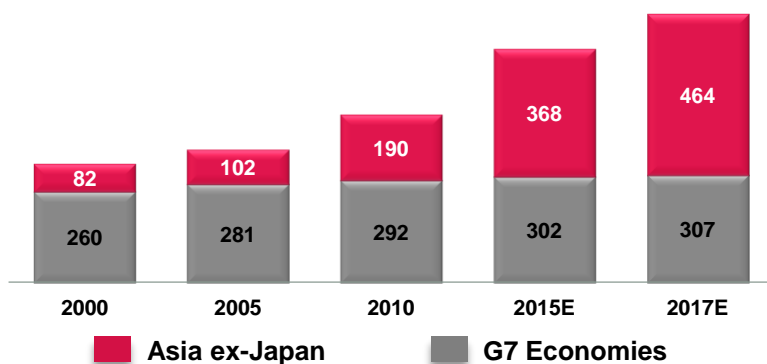
## Rapid Urbanisation

Urban population (Millions)



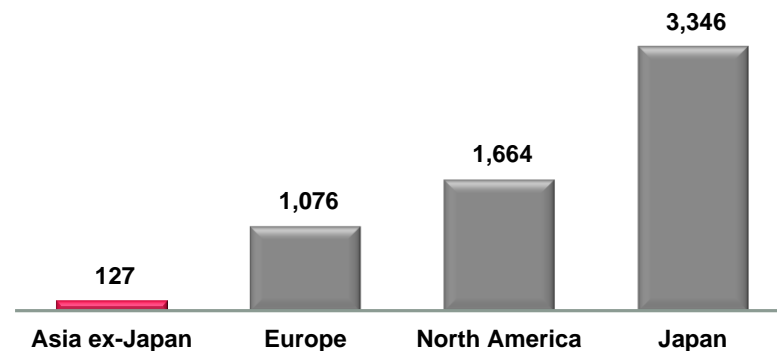
## Growth in Disposable Incomes

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



## Underpenetrated Asian Life Insurance

2013 Density Rate (US\$)

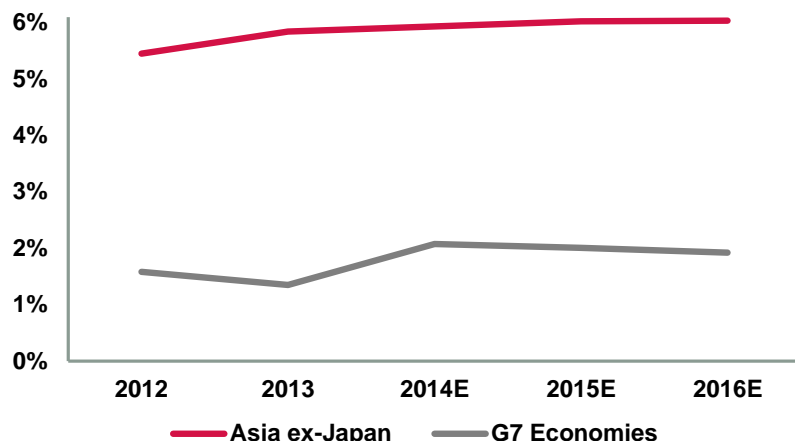


# Asia's Macroeconomic Stability



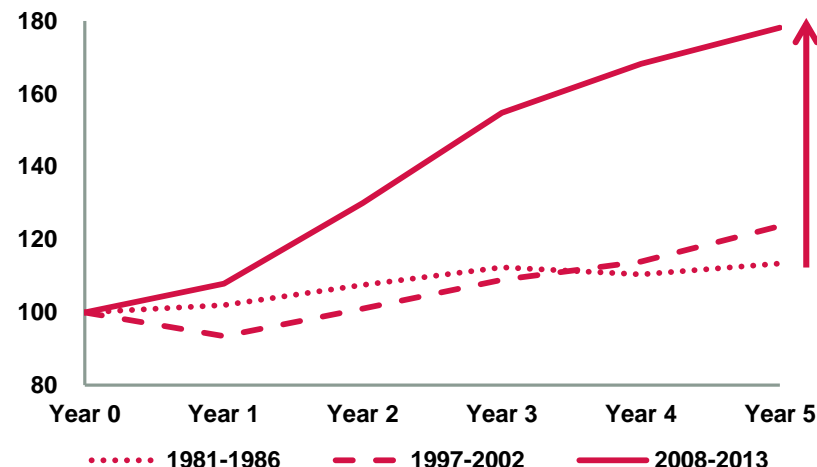
## Asia's Stable Growth Outlook

Real GDP Growth Rates



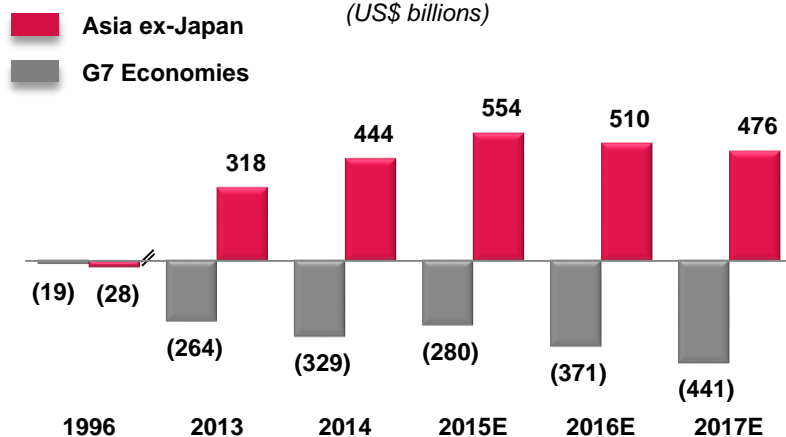
## Asia ex-Japan Macroeconomic Resilience

GDP at Current Prices (Rebased to 100)



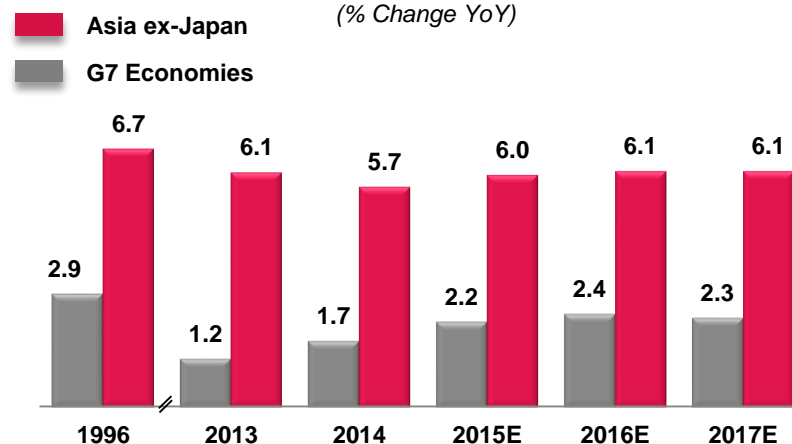
## Current Accounts<sup>(1)</sup>

(US\$ billions)



## Domestic Demand<sup>(1)</sup>

(% Change YoY)

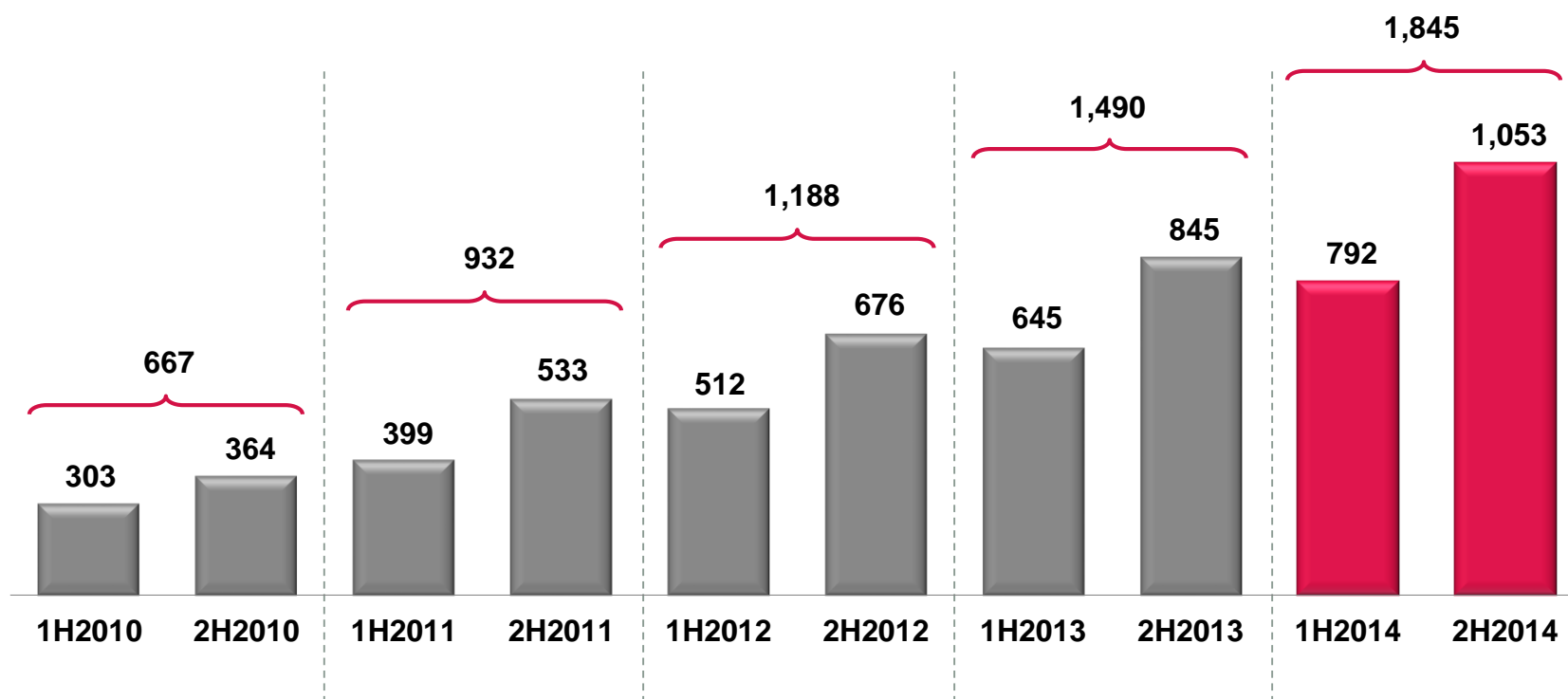




# Sustained Growth in New Business Profitability



VONB (\$m)



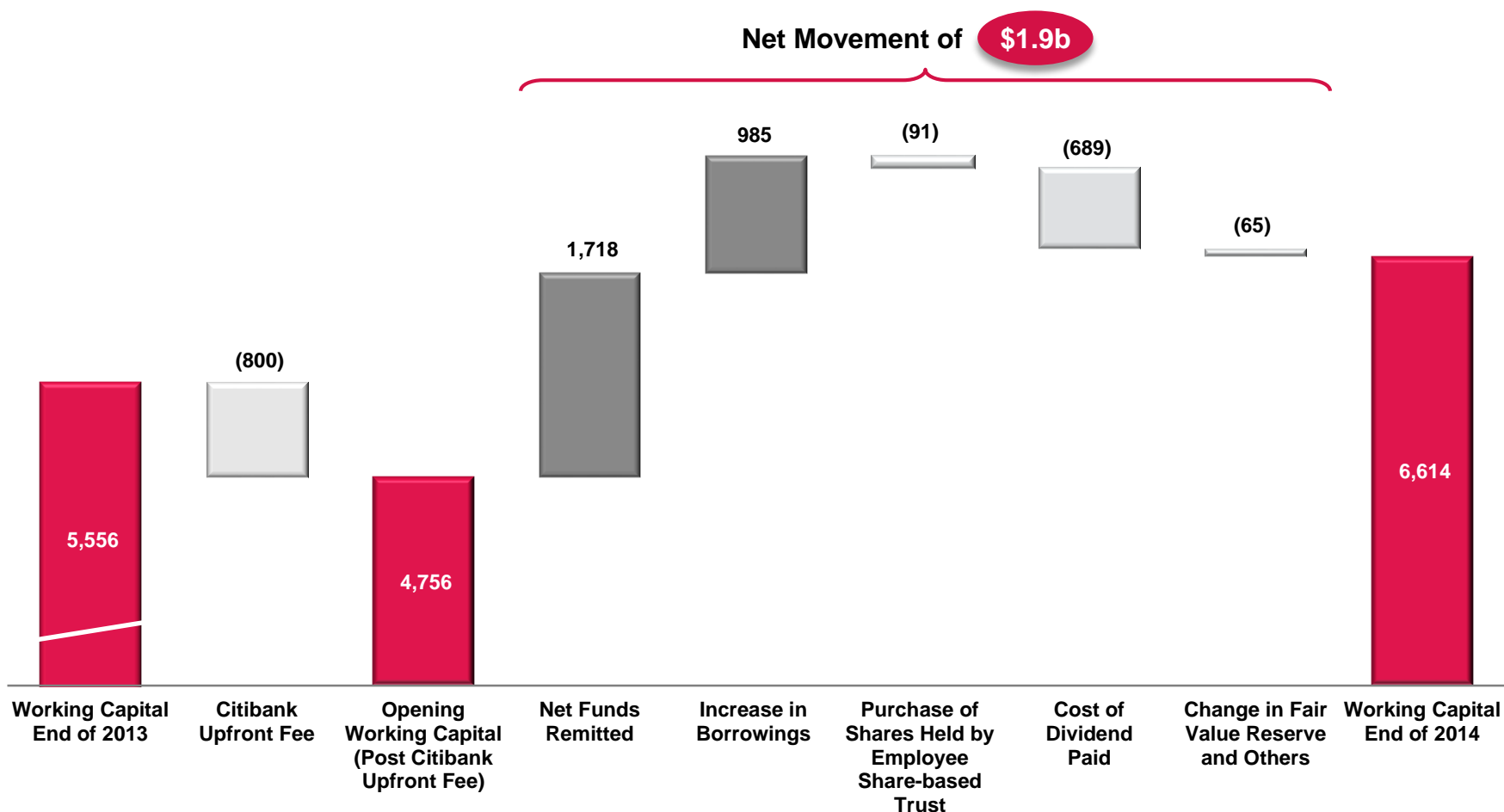
2014 vs 2013

**+24%**

# 2014 Working Capital Movement



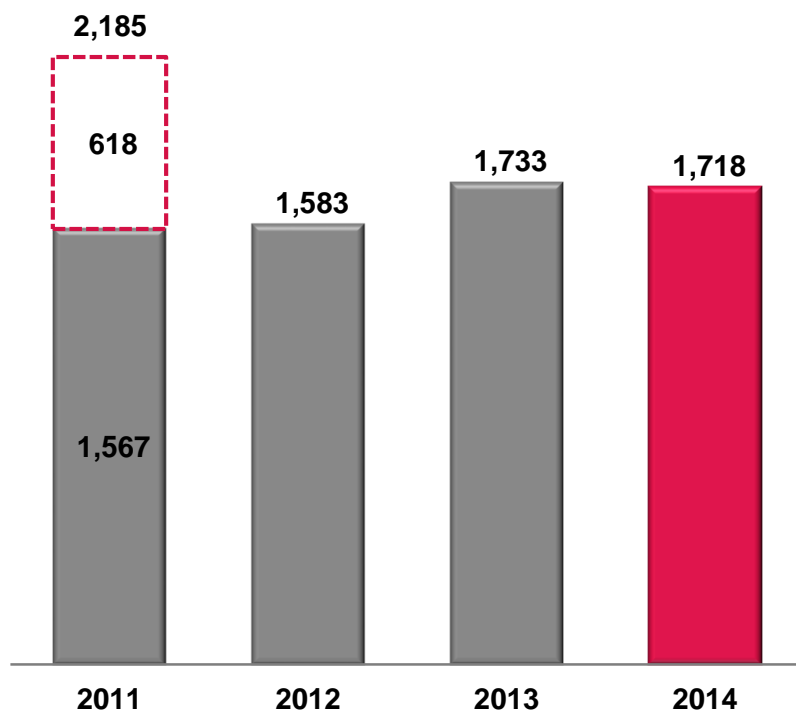
## Working Capital Movement (\$m)



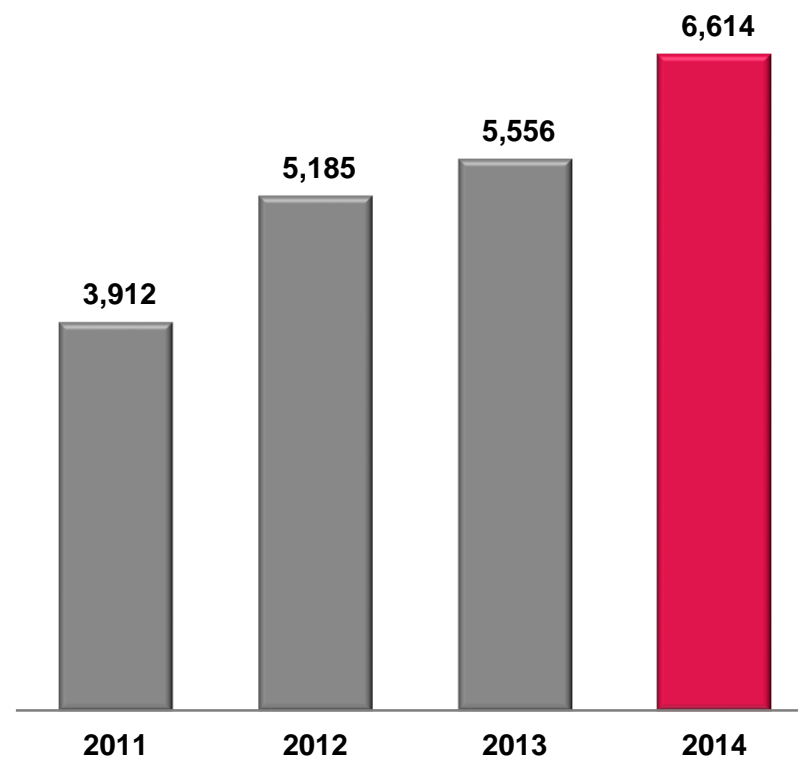
# Capital Fungibility



## Net Funds Remitted to Group (\$m)



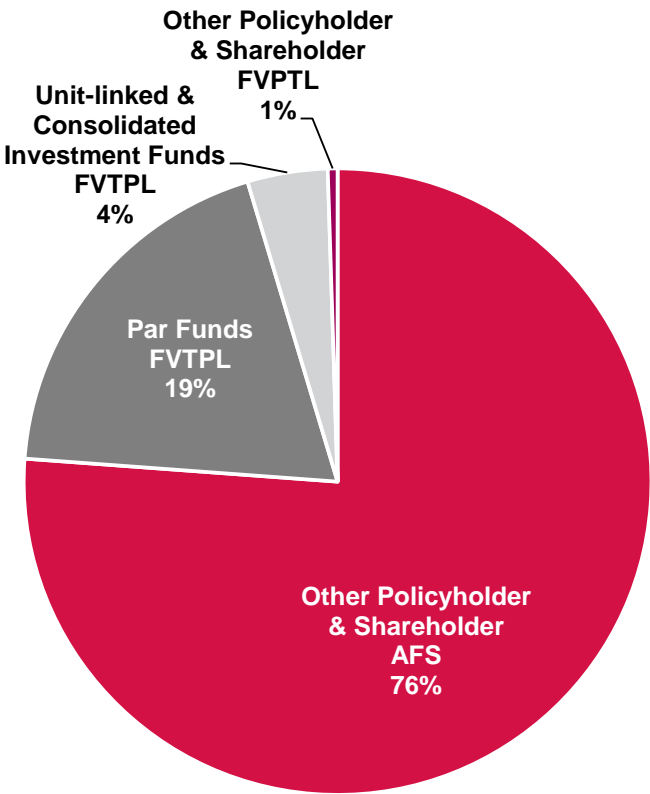
## Group Working Capital (\$m)



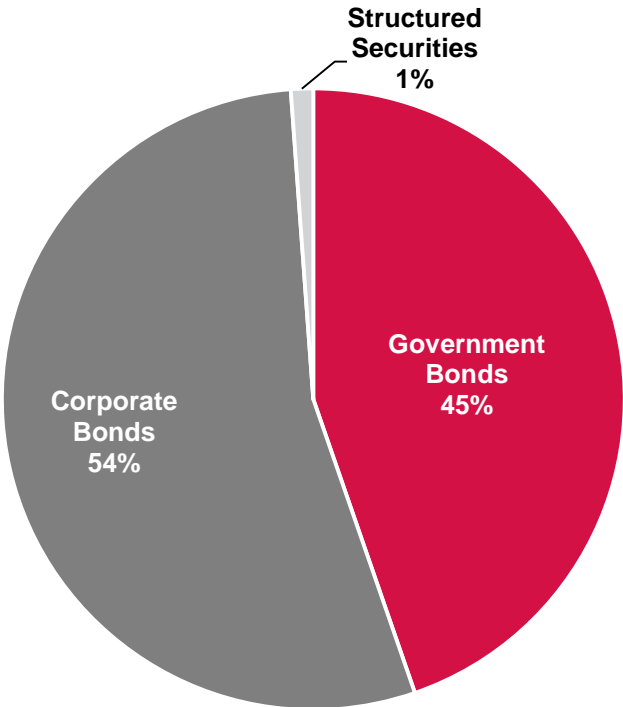
# Fixed Income Portfolio



**Debt Securities  
by Accounting Classification**



**Debt Securities by Type**

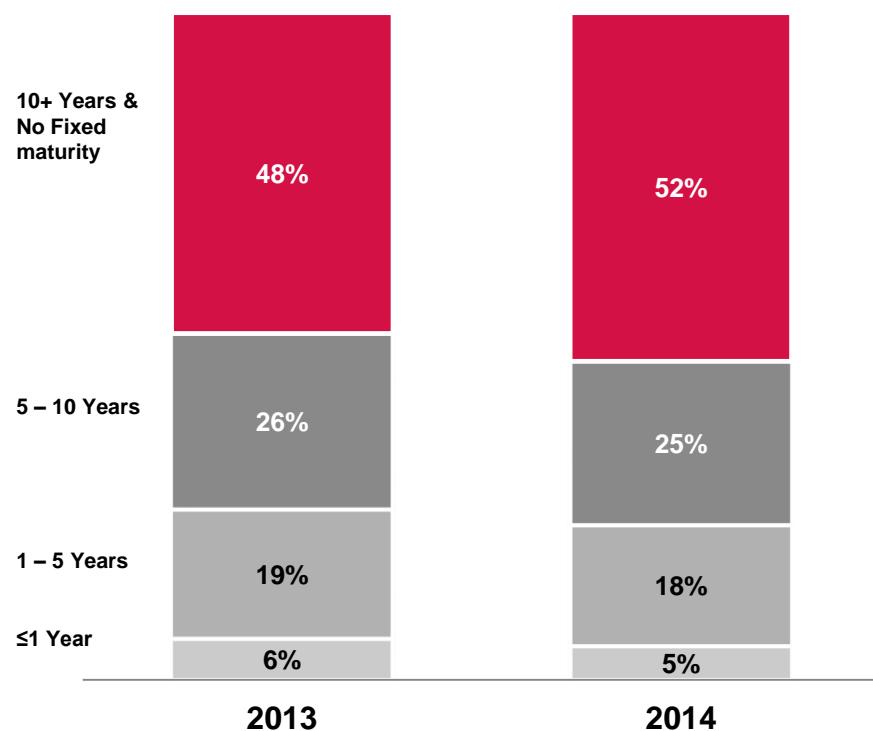


(1) AFS refers to available for sale; FVTPL refers to fair value through profit or loss

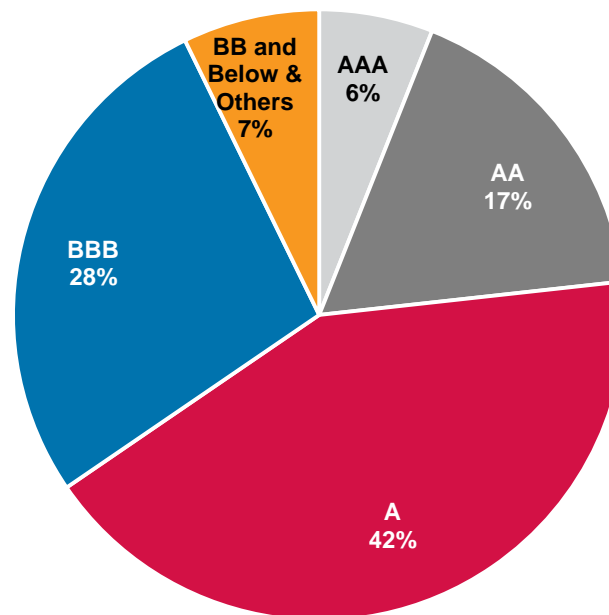
# High-Quality and Long-Duration Asset Base



## Fixed Income Portfolio Duration



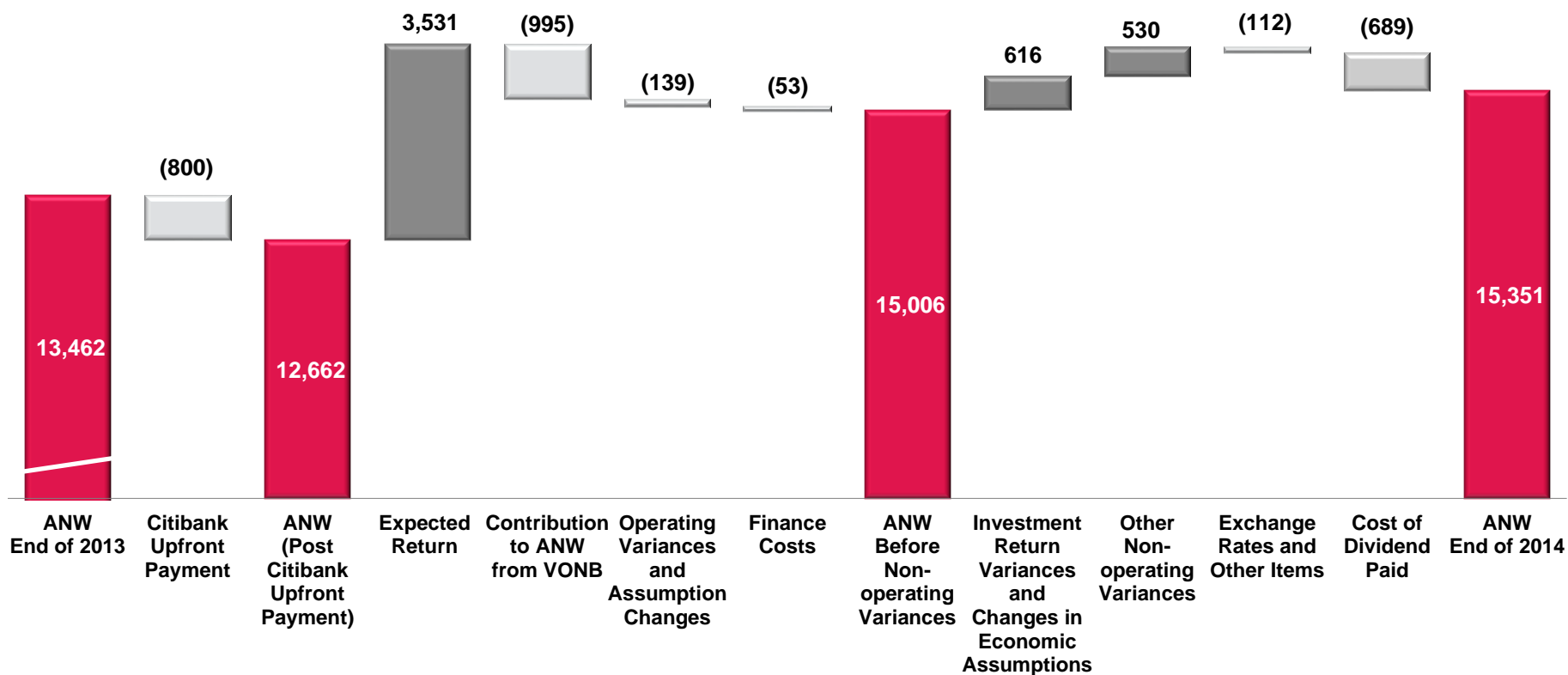
## Fixed Income Portfolio by Rating



# 2014 ANW Movement



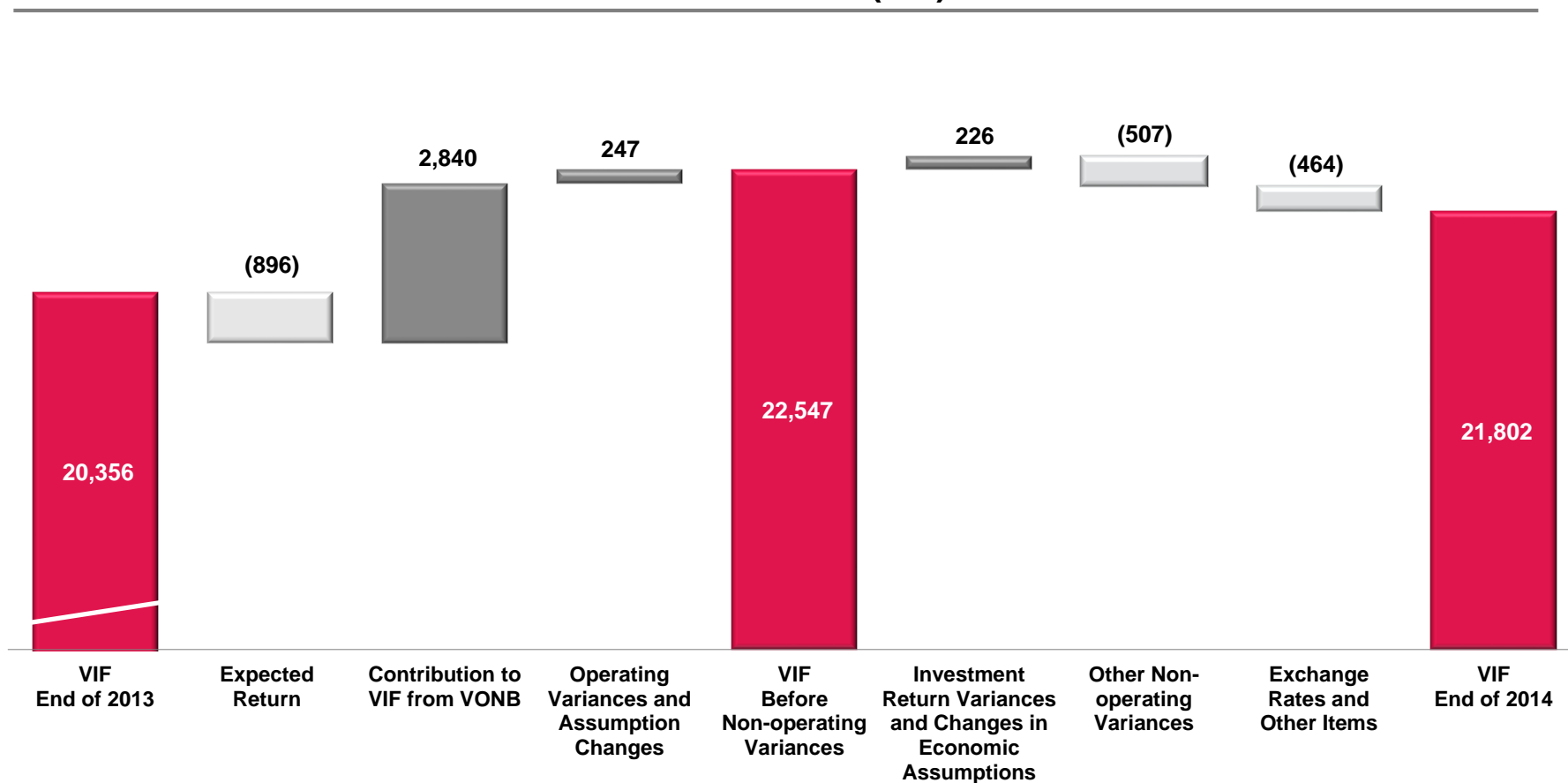
## ANW Movement (\$m)



# 2014 VIF Movement



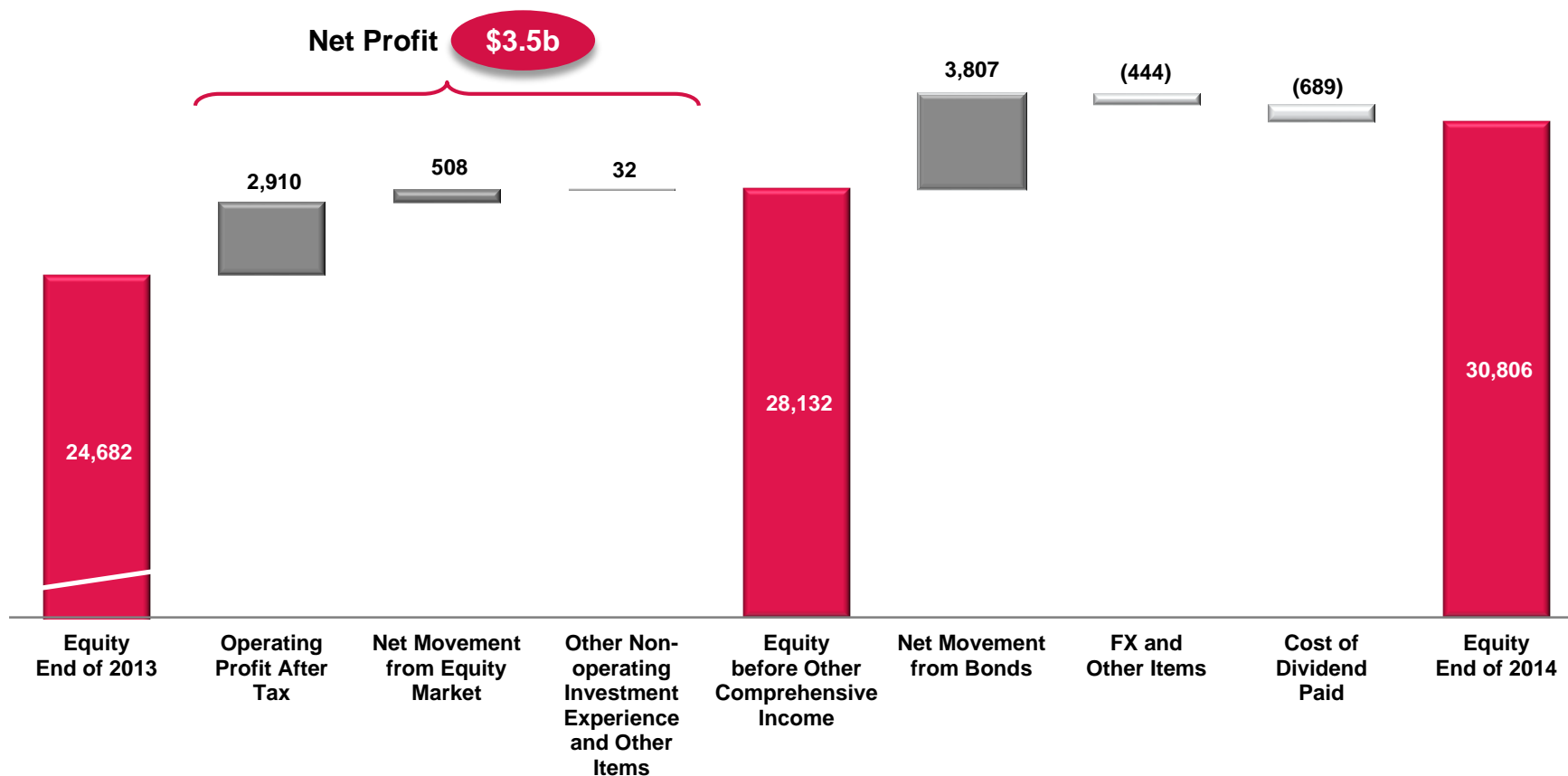
## VIF Movement (\$m)



# 2014 Shareholders' Equity Movement



## Shareholders' Equity Movement (\$m)

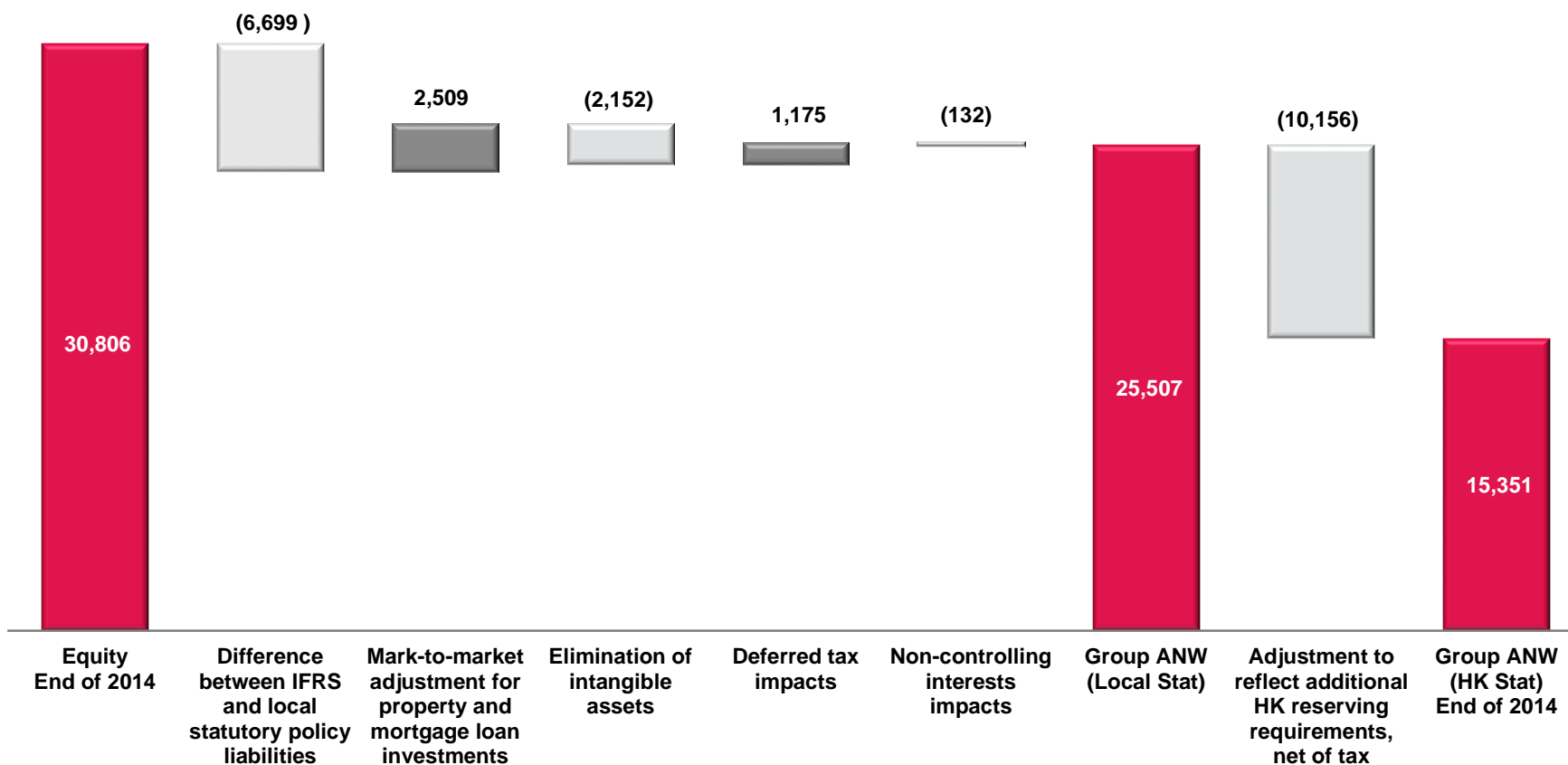




# IFRS Shareholders' Equity and ANW



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

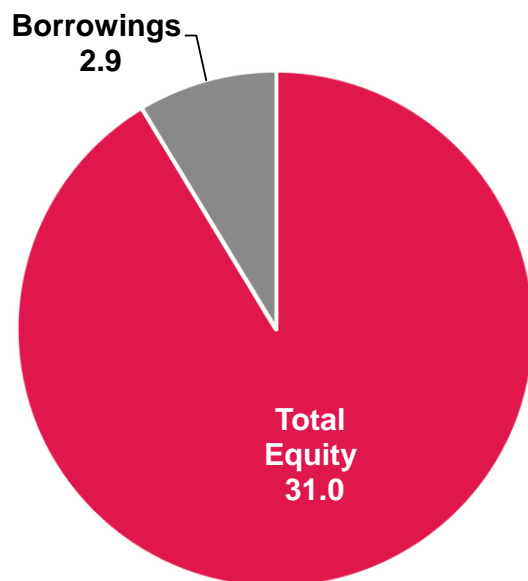


# Robust Capital Structure

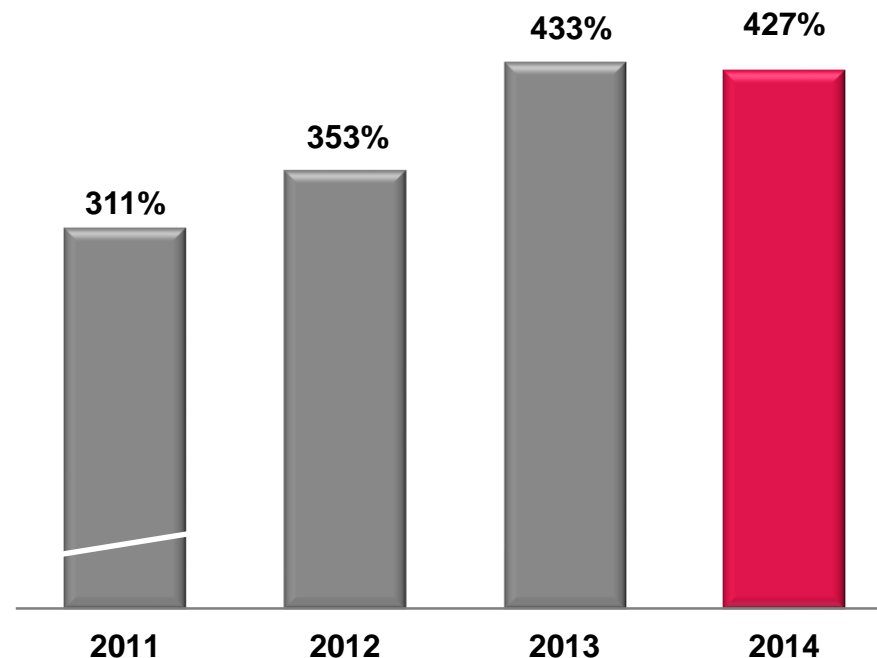


## AIA Capital Structure (\$b)

2014 Leverage Ratio<sup>(1)</sup> **8.7%**



## Solvency Ratio on HKICO Basis for AIA Co.



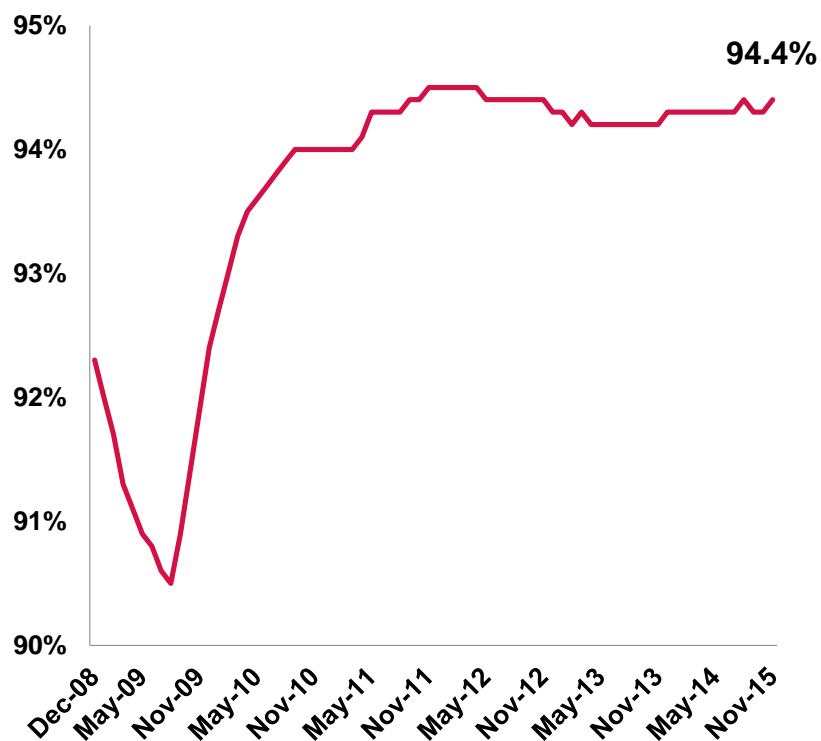
Note:

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

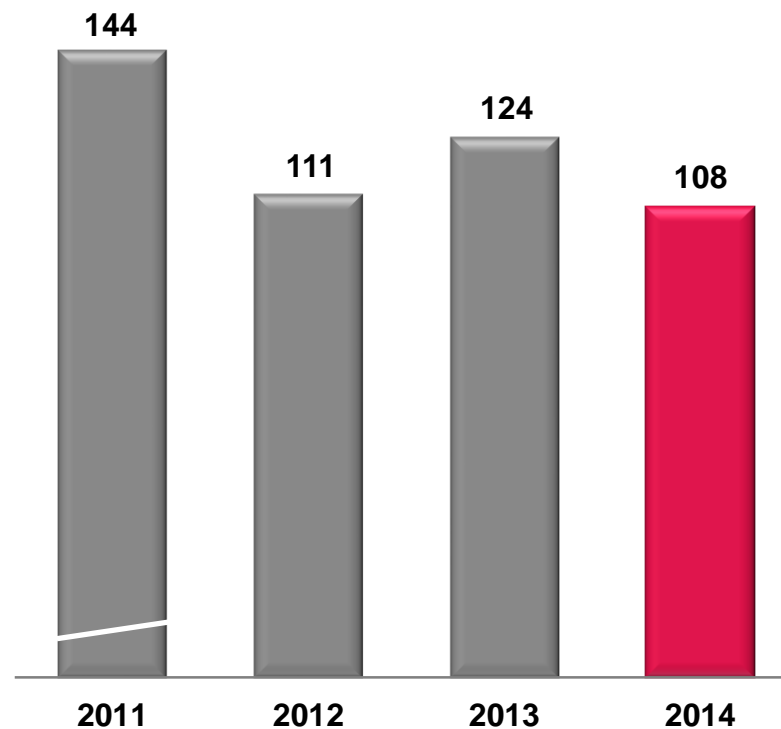
# Operational Efficiency



## Persistency Rate



## Operating Variances & Assumption Changes (\$m)



# Risk Discount Rate and Risk Premium



	2010			2014		
	Risk Discount Rates	10-year Govt Bonds	Risk Premium	Risk Discount Rates	10-year Govt Bonds	Risk Premium
<b>Australia</b>	8.75	5.65	3.10	7.75	3.37	4.38
<b>China</b>	10.00	3.74	6.26	9.75	3.74	6.01
<b>Hong Kong</b>	8.00	3.53	4.47	7.00	2.50	4.50
<b>Indonesia</b>	15.00	7.90	7.10	13.00	7.50	5.50
<b>Korea</b>	10.50	4.82	5.68	9.50	3.60	5.90
<b>Malaysia</b>	9.00	4.45	4.55	8.75	4.20	4.55
<b>New Zealand<sup>(1)</sup></b>	9.00	6.13	2.87	8.25	3.99	4.26
<b>Philippines</b>	13.00	6.00	7.00	10.50	4.00	6.50
<b>Singapore</b>	7.75	2.93	4.82	6.75	2.23	4.52
<b>Sri Lanka<sup>(2)</sup></b>	-	-	-	18.00	12.33	5.67
<b>Taiwan</b>	8.00	1.73	6.27	7.75	1.48	6.27
<b>Thailand</b>	9.50	3.87	5.63	9.00	3.62	5.38
<b>Vietnam<sup>(1)</sup></b>	16.00	10.20	5.80	13.80	8.00	5.80
<b>Weighted Average<sup>(3)</sup></b>	<b>8.95</b>	<b>3.85</b>	<b>5.10</b>	<b>8.35</b>	<b>3.25</b>	<b>5.10</b>

Notes:

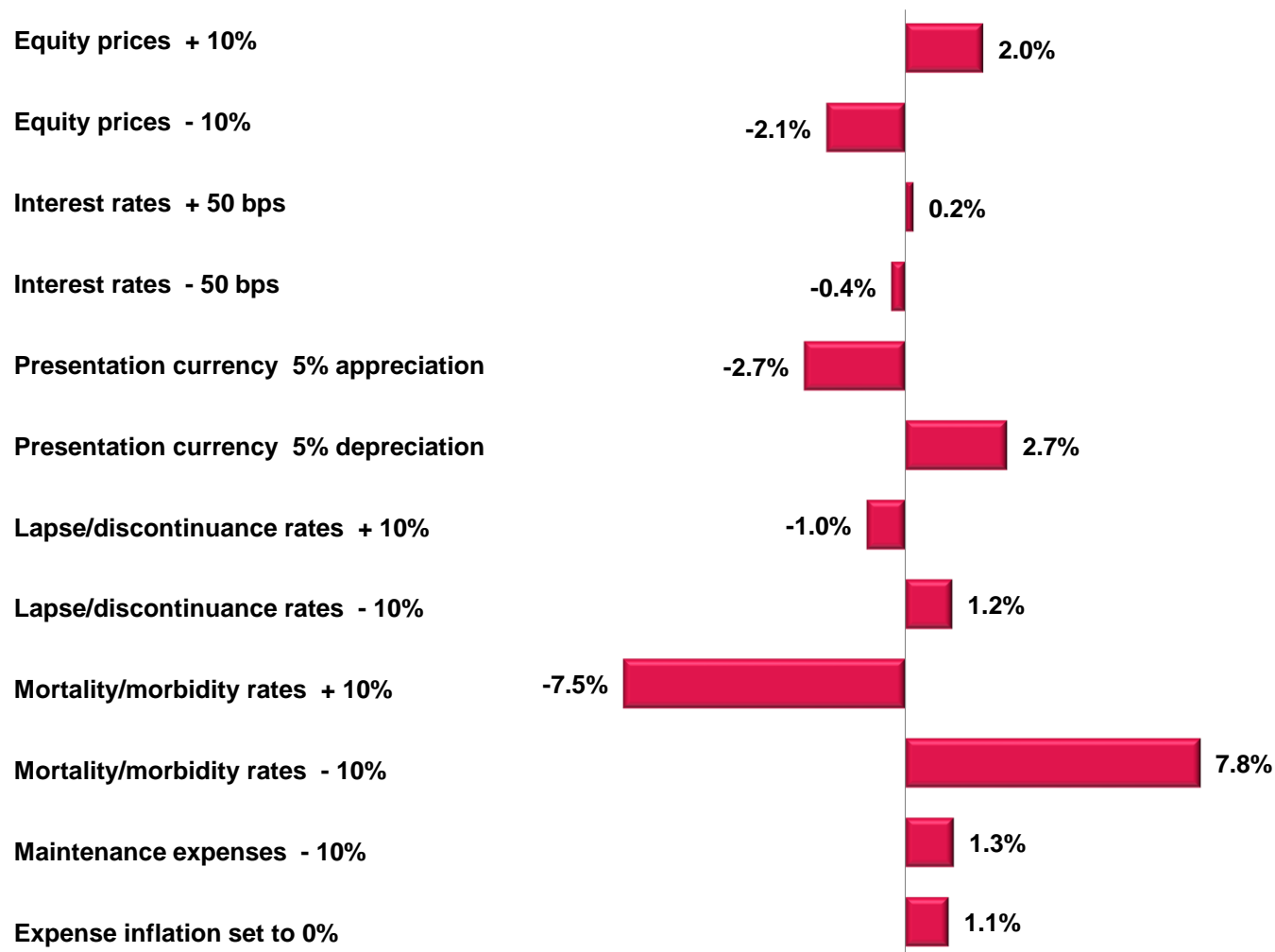
(1) For New Zealand in 2010-14 and for Vietnam in 2010-11, the assumed asset allocations do not include equities.

(2) Sri Lanka is included since the acquisition completion date of 5 December 2012.

(3) Weighted average by EV contribution

# Sensitivity Analysis – EV

## Sensitivity of EV as at 30 November 2014



# Sensitivity Analysis – VONB

## Sensitivity of VONB as at 30 November 2014

