



**THE REAL LIFE
COMPANY**

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Media Release

AIA Hong Kong Launches “Bonus Power Plan (Enhanced Protection)” with the Dual Benefits of Protection and Savings to Help Customers Achieve Their Life’s Dreams

Hong Kong, 23 September 2015 – AIA Hong Kong today announced the launch of its “Bonus Power Plan (Enhanced Protection)” to meet customers’ needs in planning for the future. The new plan follows the overwhelming market response to the protection plan “Bonus Power Plan” introduced last month. While sharing the same unique features of “Bonus Power Plan” in providing attractive potential returns over time to enable customers to realise their saving goals, “Bonus Power Plan (Enhanced Protection)” offers additional comprehensive protection on top of life coverage.

Mr. Jacky Chan, Chief Executive Officer of AIA Hong Kong and Macau, said, “Realising our dreams requires comprehensive planning in advance for capital growth and all-round protection. As The Real Life Company, we understand the needs of our customers. This brand new enhanced protection version of our ‘Bonus Power Plan’ is available with a relatively short 5-year premium payment term and the 12-year and 18-year options, giving customers greater flexibility in wealth management. This enhanced version also features comprehensive lifelong and other superior coverage to provide customers and their families with peace of mind even when life presents unexpected challenges. Combining the dual benefits of saving and lifelong protection, this life insurance solution enables our customers to focus on making their dreams come true.”

Key features of AIA’s “Bonus Power Plan (Enhanced Protection)” include:

➤ **Assured peace of mind with enhanced protection**

- The plan provides Total and Permanent Disability Benefits^{1, 4}. If the Insured has an accident and is diagnosed with Total and Permanent Disability² or Presumptive Disability² before the age of 65, he/she will receive the Face Amount, and the non-guaranteed face values of the Reversionary Bonus and Extra Bonus in advance to protect his/her quality of life and that of his/her family members.
- If the Insured is diagnosed with Total and Permanent Disability, Presumptive Disability or any Specified Disease³ on the due date of the premium while the Policy is in force, the premiums of the basic plan will be waived⁴ and the Policy will remain in force to help his/her family ride through the tough times;
- In the unfortunate event that the Insured passes away, the Beneficiary will receive a Death Benefit⁵ consisting of the Face Amount of his/her basic plan in addition to the non-guaranteed face values of the Reversionary Bonus and Extra Bonus to ensure that the future of his/her beloved family is well protected;

- As more people are being diagnosed with disease and illness that affect daily living at a younger age, the plan provides Caring Benefits^{1, 4} which are unique in the market for people diagnosed with Alzheimer's disease, Parkinson's disease, or Loss of Independent Existence before the age of 85. The plan allows the Insured to take the Face Amount and the non-guaranteed face values of the Reversionary Bonus and Extra Bonus in advance to relieve the financial burden on his/her family.

- **Attractive potential returns over time to accumulate wealth**
 - Customers can choose from three premium payment periods, i.e. 5, 12 or 18 years, to enjoy greater financial flexibility at different stages of life;
 - In addition to a guaranteed cash value, customers can enjoy potential long-term attractive returns with the non-guaranteed Reversionary Bonus and non-guaranteed Extra Bonus starting from the third Policy Anniversary:
 - Reversionary Bonus – customers can accrue the face value of the Reversionary Bonus throughout the duration of the Policy, allowing their Policy value to grow with time. Once declared, the face value of the Reversionary Bonus forms a permanent addition to the Policy;
 - Extra Bonus – a non-guaranteed bonus provides customers with additional growth potential of their assets.

To celebrate AIA's 5-year milestone as a listed company, from now till 29 September 2015⁶, customers who successfully apply for a new basic plan of specified products⁷ with specific annualised premium will enjoy the following refund offers⁸:

- Offer 1: Premium refund up to HK\$150,000
- Offer 2: Extra 5% of annualised premium refund on any application for specially selected products (including "Bonus Power Plan (Enhanced Protection)"⁹)

Moreover, from now till 29 October 2015¹⁰, customers who successfully apply for a 5-year premium payment period plan of a Promotion Product (including "Bonus Power Plan (Enhanced Protection)"¹¹ and pay the full premium payment upon application¹² will enjoy a guaranteed preferential interest rate of 4.0% per annum for USD Policy or 3.5% per annum for HKD Policy for the relevant prepaid premium^{13, 14}.

Case illustration

AIA’s “Bonus Power Plan (Enhanced Protection)” is specially designed for individuals who have reached a certain stage in their career and are starting to plan for the next chapter of their lives with comprehensive wealth management and protection. Let’s take 48-year-old architect Raymond, who is married, as an example. Raymond hopes to grow his wealth over a relatively shorter period and to start preparing for a good retirement life while ensuring the financial security of his family and loved ones. He therefore purchases AIA’s “Bonus Power Plan (Enhanced Protection)” with a Face Amount of US\$364,804¹⁵. The annual premium is US\$50,000 and the total premium paid in the 5-year premium payment period is US\$250,000.

The case below assumes Raymond does not withdraw cash on or before age 65 and accrues the total cash value in the Policy. When Raymond reaches age 60, his projected total Death Benefit¹⁶ would be US\$679,419 (roughly equivalent to 2.7 times the total premiums paid). For savings, the projected total cash value¹⁷ of his Policy would be US\$367,158. At this stage, he can either withdraw the total amount for daily expenses, or simply continue to save it. At age 65, his projected total Death Benefit¹⁶ would be US\$857,730 (roughly equivalent to 3.4 times the total premiums paid) and the total projected cash value¹⁷ of his savings would be US\$524,902. He could withdraw the cash at the time for a better retirement life with his wife, or simply continue saving.

Assume that Raymond is diagnosed with Parkinson’s disease at the age of 65¹⁸. With the Caring Benefit¹⁹ in the Policy, he would receive a Monthly Advance Payment as well as a Lump Sum Advance Payment. This would give him enough financial reserves for long-term treatment and care while, at the same time, minimising the financial burden on his family. The projected Monthly Advance Payment²⁰ for the 1st month of the 18th Policy Anniversary would be US\$8,577^{18, 19} and the projected Lump Sum Advance Payment would be US\$667,960^{18, 19}.

Important Note:

“Bonus Power Plan (Enhanced Protection)” is designed for individuals with protection and long-term savings, rather than short-term gains, as their goal. Customers should not apply for this plan if they intend to surrender the Policy early in the Policy Term. Early surrender of the Policy may result in losses in that customers may get back considerably less than the premiums they have paid.

The Company seeks to optimise the total non-guaranteed returns of bonuses through more investment in assets and markets of higher volatility (including but not limited to equity and real estate) for this product, subject to investment risks and market fluctuations.

The actual Reversionary Bonus and Extra Bonus paid may change with the values being higher or lower than those illustrated. The Company will review the actual experience of the product (including but not limited to investment returns, expenses, claims and terminations) and determine whether the bonuses payable for the year need to be adjusted. Such review shall be performed at least annually and bonuses may be adjusted more frequently than annually upon any changes in economic and other related factors.

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1. (i) The Company will not pay Total and Permanent Disability Benefit and Caring Benefit at the same time.
(ii) According to the Company's rules, the total amount payable under Total and Permanent Disability Benefit or Caring Benefit will not exceed the respective aggregate limit of US\$1.25 million per life (calculated over certain products issued covering the same Insured).
(iii) The Face Amount, the non-guaranteed face value of the Reversionary Bonus and the non-guaranteed face value of the Extra Bonus will decrease by the amount of any advance payment received. The total of the advance payment (excluding any face value of the Reversionary Bonus and any face value of the Extra Bonus) will not exceed the Face Amount.
(iv) The Company will deduct any Policy Debt before any advance payment.
2. Total and Permanent Disability means complete and continuous inability due to injury or sickness to perform or engage in any gainful work, occupation or business for which the Insured is reasonably qualified or fitted by knowledge, training or experience. Presumptive Disability means the occurrence of any of the following: (1) Total or irrecoverable loss of sight of BOTH eyes; (2) Severance of TWO limbs at or above wrist or ankle; or (3) Total or irrecoverable loss of sight of ONE eye and loss by severance of ONE limb at or above wrist or ankle. The offer of Total and Permanent Disability Benefit will be subject to the underwriting's decision of the Company. The Total and Permanent Disability Benefit only applies to a Policy which offers such benefit.
3. Specific Disease includes Alzheimer's Disease/Irreversible Organic Degenerative Brain Disorders, Parkinson's Disease and Loss of Independent Existence.
4. The Disability or Specific Disease should be ongoing at the due date of each payment of premium.
5. The Death Benefit payable will be reduced by any Total and Permanent Disability Benefit paid, any Caring Benefit paid and any Policy Debt.
6. The promotion period starts from now to 29 September 2015, both dates inclusive ("Promotion Period").
7. Specified Products are all insurance new basic plans excluding Single Premium Plan, Premium Refundable Plan, Investment-linked Assurance Scheme and Universal Life plan.
8. For details, terms and conditions of the promotion offer, please refer to the respective promotional leaflets. In the event of any disputes, The Company's decision shall be final and conclusive.
9. "Specially selected products" refer to Bonus Power Plan (Enhanced Protection), Bonus Power Plan, Simply Love Encore 2 (excluding Single Premium Plan) and Proactive Insurance Plan. Bonus Power Plan (Enhanced Protection), Bonus Power Plan, Simply Love Encore 2 and Proactive Insurance Plan have different dividend and bonus features; please refer to the relevant product brochures for specific features and important notes.
10. The promotion period starts from now till 29 October 2015 (based on application date), both dates inclusive and the Policy should be issued on or before 31 December 2015.
11. "Promotion Products" are Bonus Power Plan (Enhanced Protection), Bonus Power Plan or Proactive Insurance Plan with 5-year premium payment period only. Bonus Power Plan (Enhanced Protection), Bonus Power Plan and Proactive Insurance Plan have different dividend and bonus features; please refer to the relevant product brochures for specific features and important notes.
12. The annual premium is a minimum US\$100,000 / HK\$800,000 or above. Customers should select annual payment mode at the time of policy application (other premium payment modes, such as monthly, quarterly or semi-annually, are not applicable to this promotion), such payment mode cannot be changed on or before the 4th Policy Anniversary. Customers should select 5-year premium payment period upon policy application (other premium payment periods are not applicable to this promotion).
13. The full 5 years' premium for the basic plan after deducting first year premium payment (excluding any rider premium) (i.e. "Prepaid Premium") is deposited into Future Premium Deposit Account (FPDA), and this will be used to settle the outstanding premium when due. The remaining balance of FPDA should be at least equal to the outstanding total premium of basic plan for the remaining years, otherwise the guaranteed preferential interest rate does not apply; the Prepaid Premium will then accumulate at the current prevailing interest rate only. If the policy is wholly or partially surrendered on or before the 4th Policy Anniversary, the guaranteed preferential interest rate will not apply; the Prepaid Premium will then accumulate at the current prevailing interest rate only.
14. The preferential interest is based on the Prepaid Premium after deducting the premium due for the basic plan from the date of Policy delivery to the 4th Policy Anniversary. The extra interest (i.e. the difference between preferential interest and the prevailing interest for the corresponding Policy Anniversary) will be credited to the FPDA at the 4th Policy Anniversary. The prevailing interest per year will be credited to the FPDA on the corresponding Policy Anniversary. After the 4th Policy Anniversary, any amount left in the FPDA will accumulate at the prevailing interest rate only, the interest rate is non-guaranteed. The Company reserves the right to change any terms and conditions of this promotion without advance notice. In the event of any disputes, The Company's decision shall be final and conclusive.
15. The above case assumes the Insured is a 48-year-old non-smoking male who takes up a Bonus Power Plan (Enhanced Protection) with an annual premium of US\$50,000, a premium payment period of 5 years and a Face Amount of US\$364,804.
16. The amount of total Death Benefit illustrated in the above case is hypothetical and not guaranteed. The total Death Benefit is the Face Amount plus any non-guaranteed face values of Reversionary Bonus and Extra Bonus.
17. The "total cash value" illustrated in this case is hypothetical and not guaranteed. "Total cash value" means the guaranteed cash value plus non-guaranteed cash values of Reversionary Bonus and Extra Bonus. The figures in this case are calculated based on the current surrender value and non-guaranteed bonus scales. The actual Reversionary Bonus and Extra Bonus payable throughout the duration of the Policy can be more or less than the listed value as illustrated. This case also assumes that no cash withdrawal or policy loans were taken throughout the term of the Policy and that all premiums are paid in full when due. The Insured must surrender the Policy at the relevant Policy Anniversary in order to get this amount of money. This Policy will be terminated when the total cash value has been withdrawn.

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18. The date of diagnosis of the above case is assumed to be at the end of Policy Year 17, i.e. the Policy Anniversary immediately following the 65th birthday of the Insured. Therefore, the monthly advance payment starts at the beginning of Policy Year 18.
19. The projected monthly advance payment in this case is different in each Policy Year because the non-guaranteed Extra Bonus rate will be varied. The actual monthly advance payment(s) and lump sum advance payment are based on non-guaranteed face values of Reversionary Bonus and Extra Bonus, which can be more or less than those listed in the above illustration. The lump sum advance payment includes the face value of Reversionary Bonus declared within the claiming period. For details on Caring Benefit and other benefits, please refer to the product brochure, Policy proposals and Policy contract.
20. The Monthly Advance Payment would be 1% of the sum of the Face Amount and the non-guaranteed face value of the Reversionary Bonus, plus the corresponding non-guaranteed face value of any Extra Bonus (as at the date of the Diagnosis, up to 30 months). The Lump Sum Advance Payment: the remaining balance of the Face Amount and the non-guaranteed face values of Reversionary Bonus and Extra Bonus (if any) will be paid in a lump sum at the end of the 30th month after the date of the Diagnosis.

The above information, case illustration and figures are for reference only. For the details of the product features, content and conditions, please refer to the product brochure and the terms & conditions of the Policy contract.

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About AIA Hong Kong and AIA Macau

AIA Hong Kong and AIA Macau are subsidiaries of AIA Group Limited. AIA Group Limited established its operations in Hong Kong in 1931. We have the largest team of financial planners in Hong Kong and Macau*, now over 11,000, as well as an extensive network of brokerage and bancassurance partners who serve more than 1.8 million customers. Our products range from individual life, group life, accident, medical and health, personal lines insurance to investment-linked products with numerous investment options. We are also dedicated to providing superb product solutions to meet the financial needs of high net worth customers.

* As of 31 May 2015

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 a presence in 18 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, a 97 per cent subsidiary in Sri Lanka, a 26 per cent joint venture in India and representative offices in Myanmar and Cambodia.

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\$172 billion as of 31 May 2015.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia-Pacific, AIA serves the holders of more than 29 million individual policies and over 16 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”).

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“AIA Hong Kong” or “the Company” herein refers to AIA International Limited (Incorporated in Bermuda with limited liability).