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Media Release

ENJOY YOUR CURRENT LIFESTYLE WHEN YOU RETIRE, WITH AIA RETIREMENT SAVER: THE PLAN THAT PROVIDES SINGAPORE'S HIGHEST¹ LUMP SUM GUARANTEED BENEFIT PAYOUT AT RETIREMENT AGE OF 24 TIMES YOUR SELECTED GUARANTEED MONTHLY RETIREMENT INCOME

Endowment plan dispels notion that Singaporeans cannot retire comfortably and have to downgrade their lifestyle²

Singapore, 14 January 2013 AIA Singapore today launched AIA Retirement Saver, adding to its comprehensive suite of products and further reinforcing its commitment to continually protect generations of Singaporeans so that they can lead healthier and fuller lives with their family. This is a retirement plan for risk-averse customers who seek stability amid uncertainties in the market today.

AIA Retirement Saver is an endowment plan which helps ensure that you do not have to compromise your current lifestyle even after retirement. This is because, AIA Retirement Saver, guarantees you a monthly retirement income, payable from age 65, based on your choice of payout period either for 15 or 20 years. You can look forward to celebrating the next chapter of your life with confidence, as AIA Retirement Saver provides you with guaranteed retirement rewards of 24 times your selected guaranteed monthly retirement income when you reach the age of 65. Ideal for individuals aged 40 to 60, AIA Retirement Saver provides you with relatively more certainty to complement other sources of income such as payouts from Central Provident Fund (CPF) Life.

AIA Retirement Saver was developed based on consumer insights among Singaporeans, with many feeling that they will not be able to retire comfortably in Singapore³ and would have to work beyond the usual retirement age to fund their retirement⁴. Studies also show a greying population where approximately 1 of 3 Singaporeans aged above 65 by 2050⁵.

(A You retire only from work and not from your life. Planning for retirement should be a priority when considering your financial planning needs, so that you can continue to enjoy your current lifestyle, even after retirement.

Singapore has among the highest life expectancy in the world and together with the increasing cost of living, there is a need to close the retirement income gap faced by families in Singapore and provide them with financial protection to enjoy their golden years.

¹ Information is correct as at 7 January 2013

² 'S'pore's emigration conundrum', *The Business Times*, 6-7 October 2012 - Mindshare survey where 2,000 respondents were selected from various income levels and weighted to represent the Singapore population

³ 'S'pore's emigration conundrum', *The Business Times*, 6-7 October 2012 - Mindshare survey where 2,000 respondents were selected from various income levels and weighted to represent the Singapore population

⁴ 'Concern over retirement woes', *The Business Times*, 4 October 2012

⁵ 'Bridging S'pore's 2025 public expenditure gap', *The Business Times*, 28 November 2012

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priority is to protect generations of Singaporeans, so that you can lead fuller lives with your family. We will continue to take a pro-active role in developing innovative products and services to meet the evolving protection needs of families.

The life expectancy in Singapore continues to increase, with an average of 82 in 2011⁶, and you could outlive your retirement funds just to maintain your lifestyle after you retire. Based on a Consumer Attitudes to Saving (CAS) survey, 92 per cent of respondents from Singapore confirmed that they have some form of savings and 65 per cent have put their money into investments. However, 57 per cent of them were worried that they will not have enough money when they retire to provide an adequate standard of living⁷.

Also according to a study by the Nielsen Company, which issued the Global Ageing Report in February 2011, only 14 per cent of Singapore consumers surveyed felt that they were financially ready for retirement. This is lower than the Asia Pacific and global averages of 22 per cent and 18 per cent respectively⁸.

A key aspect now is for families in Singapore to prioritise the accumulation of sufficient savings and work towards securing their income for retirement.

AIA Retirement Saver complements

Singapore with adequate savings, health and protection at different stages of their lives. Key features of the plan include:

- Provides you with the highest lump sum benefit payout in Singapore with guaranteed retirement reward of 24 times your selected guaranteed monthly retirement income at retirement age of 65. This is to reward policyholders with a guaranteed lump sum for them to spend and celebrate retirement.
- Capital guaranteed by retirement age of 65.
- Guarantees you with a monthly retirement income payable from age 65, based on your choice of payout period either for 15 or 20 years. Helps to ensure that you do not need to compromise your current lifestyle after your retirement and provides policyholders a choice of payout period to better match needs.
- Provides you with potential annual cash dividend to enhance your retirement income stream and also helps to cushion annual inflation which is expected to be 3.5-4.5 per cent in 2013⁹.
- Provides certainty of coverage as no medical underwriting is required.
- Choice of premium payment term of single payment, or over 5 or 10 years.

Illustration on how AIA Retirement Saver works :

Steve Tan is a 50-year-old, non-smoking marketing manager who is married with 2 children. To be able to maintain a comfortable lifestyle after his retirement, Steve takes up AIA Retirement Saver to give himself a retirement income of S\$2,000 per month to complement his CPF Life payouts of approximately S\$1,000¹⁰.

⁶ Department of Statistics Singapore, Key Annual Indicators, Births and Deaths 2011

⁷ Concern over retirement woes | Survey cites lack of financial planning among S'poreans, The Business Times, 4 October 2012

⁸ <http://www.sg.nielsen.com/news/NewsReleaseFebruary212011.shtml>

⁹ Inflation dips to 4% in October, but set to stay high into 2013, The Business Times, 24 November 2012

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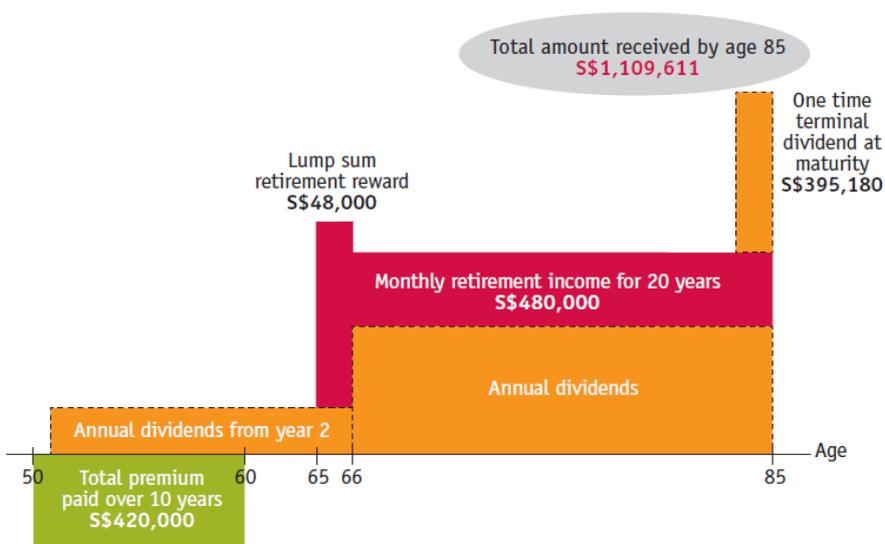
As Steve wants to complete his premium payments while he is still working, he chooses the 10-year premium payment option.

till he is 85 years old. So he chooses to receive the retirement income over 20 years.

At 65 years old, Steve will receive a guaranteed retirement reward of S\$48,000, to celebrate the start of his retirement, and a guaranteed S\$2,000 retirement income per month.

Every year, starting from the end of the first policy year, Steve can also potentially receive an annual dividend from AIA Retirement Saver which he chooses to accumulate with the company at the prevailing interest rate.

How AIA Retirement Saver works



Steve pays: S\$42,000 for 10 years = S\$420,000

By age 85, Steve will receive	
Accumulated annual dividends	S\$186,431
Retirement reward (24 times of S\$2,000)	S\$48,000
Retirement income (20 years of S\$2,000 monthly)	S\$480,000
Terminal dividend at age 85	S\$395,180
Total	S\$1,109,611

Notes:

Diagram in the example is not drawn to scale. Figures quoted in the example are based on the projections at 5.00% investment returns and are for illustration purposes only. Annual dividends and terminal dividend payable (if any) are non-guaranteed. Once credited to the policy, annual dividend (if any) forms part of the guaranteed benefits of the policy. A terminal dividend is a one-time, non-guaranteed, discretionary dividend that may be payable upon surrender, claim or maturity.

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¹⁰ www.cpf.gov.sg/cpf_trans/ssl/financial_model/lifecal/Life_EstResultDetails.asp. Computed as at 19 December 2012. Illustration is based on a Singaporean male, born on 10 January 1962, with a retirement account balance of S\$139,000, an annual value of property of more than S\$7,000 and up to S\$13,000 and an annual assessable income of more than S\$27,000 and up to S\$60,000, which gives him an approximate monthly payout of S\$1,000 from age 65 if he chooses LIFE Standard plan under the CPF Life Scheme.

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About the AIA Group

Asian life insurance group. It has operations in 16 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 92 per cent subsidiary in Sri Lanka and a 26 per cent joint-venture 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 Li American Depositary Receipts (Level 1) traded on the over-the-

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