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## Media Release

### **AIA Completes its Product Suite with PRS Funds**

*Vast Market potential of 2 million working adults without EPF in Malaysia*

**Kuala Lumpur, May 16, 2013** – American International Assurance Bhd (AIA) today rolled out its Private Retirement Scheme (PRS), further augmenting its comprehensive suite of products, which aims to address the protection, savings and retirement needs of its over 2.6 million policyholders.

“The retirement funding market in Malaysia is at an early stage, and remains fairly untapped. As at February this year, only 24,000 Malaysians had signed up for this retirement fund option. In terms of market potential, Malaysia also has over 2 million working adults who are self-employed and not covered under the Employees Provident Fund (EPF) scheme. Our PRS can also complement a person’s existing retirement savings in EPF, and potentially offer higher returns,” said Tan Jin Teik, Head of PRS, AIA Pension and Asset Management Sdn Bhd (AIA PAM).

AIA PAM is the fund management arm of AIA Malaysia, which is one of the two life insurance companies to be awarded the PRS license by the Securities Commission in 2012. AIA PAM will also be managing the PRS funds.

AIA has four PRS funds that cater to different age groups – the Growth Fund for those below 40 years of age, the Moderate Fund for those between 40 to 49 years of age, the Conservative Fund which is tailored to those above 50 years of age and the Islamic Moderate Fund, a Shariah-compliant fund. The funds are invested in equities as well as fixed income instruments, in varied percentages according to the different risk profiles.

“Retirement planning is not just for the elderly. We will be leveraging on AIA’s tied agency force of close to 17,000 Life Planners who are trained to help consumers plan their protection, savings and retirement needs in a holistic manner to market our PRS funds and educate our customers on the benefits of PRS, Tan said, referencing AIA’s customer base in Malaysia of over 2.6 million policyholders following AIA Company Ltd’s acquisition of ING Group’s insurance businesses in Malaysia last December.

“It is essential that consumers plan early to achieve their desired retirement lifestyle. With the Group’s sound track record in terms of fund management, we aim to deliver commendable returns through our PRS products,” added Tan.

PRS is part of Malaysia’s Economic Transformation Programme (ETP) to address the country’s need to provide adequate retirement funding in the future. Currently, the country’s gross replacement rate (a person’s gross income after retirement divided by gross income before retirement) is at 30%. This is far behind the 66% replacement income recommended by the World Bank for adequacy and sufficiency of retirement income. According to ETP, by 2020, the private pension industry in Malaysia is expected to grow to RM73 billion, with more than 2.7 million participants.

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## **About AIA Bhd.**

AIA Bhd. is a leading insurer in Malaysia, where we have been fortunate to do business since 1948. We offer a suite of high quality products including Protection, Health, Personal Accident, General Insurance, Employee Benefits and Family Takaful options to meet our customers’ protection and financial security needs at every juncture of their lives. Through our wide and diverse distribution footprint which comprises a tied agency force of over 16,000 members, our exclusive bank partner’s branches nationwide as well as corporate sales teams and brokers, we give our customers the choice of deciding how, when and where they connect with us.

Part of the AIA Group, the largest independent publicly listed pan-Asian life insurance group, AIA in Malaysia has the financial strength, experience, service centre network as well as a well-trained team of more than 2,000 staff to serve its over 2.6 million customers nationwide. As at end 2011, AIA Bhd.’s total asset worth was RM21 billion, with a paid-up capital of RM242 million.

## **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 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\$134,439 million as of 30 November 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 25 million individual policies and over 13 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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