



AIA Group Limited

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Media Release

AIA Announces Record Results Value of New Business Up 26 Per Cent

HONG KONG, 26 July 2013 – The Board of Directors of AIA Group Limited (stock code: 1299) is pleased to announce record results for the six months ended 31 May 2013.

The highlights of AIA's performance in the first half of 2013 include:

Record value of new business (VONB) – AIA's key performance measure

- 26 per cent growth in VONB to US\$645 million
- 29 per cent increase in annualised new premium (ANP) to US\$1,527 million
- VONB margin of 41.6 per cent

Sustained focus on value creation

- 15 per cent growth in embedded value (EV) operating profit to US\$1,907 million
- EV Equity up 5 per cent to US\$33.3 billion, including goodwill and other intangibles

Strong IFRS operating profit and capital position

- IFRS operating profit after tax (OPAT) up 17 per cent to US\$1,268 million
- Net profit up 34 per cent to US\$1,934 million
- Solvency ratio of 427 per cent on the Hong Kong Insurance Companies Ordinance basis

The Board of Directors has declared an interim dividend of 13.93 Hong Kong cents per share, representing an increase of 13 per cent over the previous year and reflecting AIA's prudent, sustainable and progressive dividend policy.

Commenting on the results, Mark Tucker, AIA's Group Chief Executive and President, said:

"AIA has delivered another excellent set of results over the first half of the year with a 26 per cent increase in value of new business – our key performance measure. The strong financial performance reflects our continuing growth momentum and demonstrates AIA's consistency in our ability to deliver outstanding results through the relentless execution of our proven growth strategy.

"AIA operates from an advantaged position through our long-standing scale and exclusive focus on the dynamic Asia-Pacific region. We continue to see the power of our Premier Agency strategy improving both the recruitment and productivity of our high-quality agents. At the same time, our partnership and group insurance businesses made a strong contribution to the Group's profitability. During the first half, we also launched a range of exciting new products across our markets designed to help our customers address their regular savings and protection needs.

AIA Announces Record Results

Page 2

“We remain confident in AIA’s significant future growth opportunities. We will continue to capitalise on our competitive advantages, including our distribution franchise, product innovation and trusted brand position as well as the strength of our balance sheet, to meet customers’ needs throughout the Asia-Pacific region and to generate sustainable value for our shareholders.”

– End –

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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 operations in 17 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 a representative office in Myanmar.

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\$147 billion as of 31 May 2013.

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 27 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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APPENDIX

Financial Summary

Key Performance Highlights

US\$ millions, unless otherwise stated	Six months ended 31 May 2013	Six months ended 31 May 2012	YoY
New Business Value			
Value of new business (VONB)	645	512	26%
VONB margin	41.6%	42.6%	(1.0) pps
Annualised new premium (ANP)	1,527	1,187	29%
EV Equity⁽¹⁾⁽²⁾	33,296	31,657	5%
IFRS			
Operating profit after tax (OPAT)	1,268	1,080	17%
Dividend per share (HK cents)	13.93	12.33	13%

(1) Comparatives for balance sheet items are shown at 30 November 2012.

(2) Includes goodwill and other intangibles.

New Business Performance by Segment

US\$ millions, unless otherwise stated	Six months ended 31 May 2013			Six months ended 31 May 2012⁽³⁾			VONB Change
	VONB	VONB Margin	ANP	VONB	VONB Margin	ANP	
Hong Kong	168	48.7%	326	140	55.1%	243	20%
Thailand	146	55.1%	265	131	53.6%	244	11%
Singapore	110	74.8%	147	97	63.5%	152	13%
Malaysia	54	35.3%	152	32	42.3%	76	69%
China	76	63.7%	120	60	55.9%	108	27%
Korea	45	24.9%	182	33	32.0%	104	36%
Other Markets	112	33.3%	335	67	25.9%	260	67%
Subtotal	711	46.0%	1,527	560	46.7%	1,187	27%
Adjustment to reflect additional Hong Kong reserving and capital requirements	(30)	n/m	n/m	(16)	n/m	n/m	n/m
After-tax value of unallocated Group Office expenses	(36)	n/m	n/m	(32)	n/m	n/m	n/m
Total	645	41.6%	1,527	512	42.6%	1,187	26%

(3) Certain segmental reclassifications have been made in the prior period VONB and VONB margin results to conform to current period presentation. The reclassification has no impact on the total VONB and VONB margin of the Group for the six months ended 31 May 2012.

Notes:

- (1) The results of our joint venture in India are accounted for using the equity method. For clarity, TWPI, ANP and VONB exclude any contribution from India.
- (2) AIA's previously-announced acquisitions of ING Management Holdings (Malaysia) Sdn. Bhd. (ING Malaysia) and Aviva NDB Insurance (ANI) completed in December 2012. The financial results of the two newly-acquired businesses are accounted for in the Group's 2013 interim results from the respective dates of completion.
- (3) ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.
- (4) ANP and VONB margin exclude pension business.
- (5) VONB includes pension business.
- (6) All figures are presented in actual reported currency (US dollar) unless otherwise stated.

AIA Announces Record Results

Page 4

- (7) Change is shown on a year-on-year basis unless otherwise stated.
- (8) Hong Kong refers to operations in Hong Kong and Macau; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia, the Philippines, Indonesia, Vietnam, Taiwan, New Zealand and Sri Lanka.
- (9) VONB is calculated based on assumptions applicable at the point of sale and before deducting the amount attributable to non-controlling interests. The amounts of VONB attributable to non-controlling interests in the first half of 2013 and the first half of 2012 were US\$6 million and US\$5 million respectively.
- (10) Economic assumptions are the same as those shown as at 30 November 2012 in our 2012 annual results preliminary announcement published on 27 February 2013. Non-economic assumptions used are based on those at 30 November 2012 updated to reflect the latest experience observed.

This document contains forward-looking statements relating to the Group that are based on the beliefs of its management as well as assumptions made by and information currently available to its management. These forward-looking statements are, by their nature, subject to significant risks. 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.