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Media Release

AIA Delivers Another Excellent Set of Results Value of New Business Increases 23 Per Cent

HONG KONG, 25 July 2014 – The Board of Directors of AIA Group Limited (stock code: 1299) is pleased to announce that AIA delivered another excellent set of results for the six months ended 31 May 2014.

The main highlights of the results are:

Record value of new business (VONB)

- 23 per cent growth in VONB to US\$792 million
- Annualised new premium (ANP) up 11 per cent to US\$1,690 million
- 4.6 pps increase in VONB margin to 46.2 per cent

Strong and sustainable value creation

- 11 per cent growth in embedded value (EV) operating profit to US\$2,119 million
- US\$2 billion increase in EV Equity to US\$36.9 billion, up 6 per cent over the first half

Outstanding IFRS operating profit growth and robust capital position

- 15 per cent growth in IFRS operating profit after tax (OPAT) to US\$1,457 million
- Solvency ratio for AIA Co. increased by 15 pps to 448 per cent on the HKICO basis

The Board of Directors has declared an interim dividend of 16.00 Hong Kong cents per share, representing an increase of 15 per cent over the previous year and reflecting our strong performance and our 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 financial results in the first half of 2014. We have achieved significant growth across all our key performance metrics including VONB up 23 per cent. Our strong performance is the direct result of the consistent execution of our growth strategy, the prudent management of our balance sheet and the resilience of our portfolio of life insurance operations in diversified markets across the Asia-Pacific region.

“The Asia-Pacific region offers one of the most attractive and resilient life insurance markets in the world. A young and upwardly mobile population is driving rapid urbanisation and significant growth in disposable incomes across the region. Combined with low levels of social welfare support and existing private provision, these long-term structural trends provide the foundation for the large and growing need for AIA's products and services in the region.

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“AIA remains exceptionally well-placed to benefit from these structural drivers through the quality and scale of our distribution, our trusted brand position established through our long history in Asia, the breadth of our product range and our financial strength. The execution of our clear strategy and rigorous financial discipline will enable us to continue to deliver large-scale profitable growth at attractive returns and we look forward to continuing to deliver value to our customers and for our shareholders.”

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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\$159 billion as of 31 May 2014.

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 28 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 2014	Six months ended 31 May 2013	YoY
New Business Value			
Value of new business (VONB)	792	645	23%
VONB margin	46.2%	41.6%	4.6 pps
Annualised new premium (ANP)	1,690	1,527	11%
EV Equity^{(1) (2)}	36,915	34,871	6%
IFRS			
Operating profit after tax (OPAT)	1,457	1,269	15%
Dividend per share (HK cents)	16.00	13.93	15%

(1) Comparative for balance sheet item is shown at 30 November 2013.

(2) Includes goodwill and other intangible assets.

New Business Performance by Segment

VALUE OF NEW BUSINESS (VONB) and ANNUALISED NEW PREMIUM BY GEOGRAPHY

US\$ millions, unless otherwise stated	Six months ended 31 May 2014			Six months ended 31 May 2013			VONB Change
	VONB	VONB Margin	ANP	VONB	VONB Margin	ANP	
Hong Kong	260	62.4%	401	168	48.7%	326	55%
Thailand	162	63.3%	256	146	55.1%	265	11%
Singapore	127	59.3%	214	110	74.8%	147	15%
Malaysia	70	43.9%	161	54	35.3%	152	30%
China	120	78.7%	152	76	63.7%	120	58%
Korea	35	18.6%	189	45	24.9%	182	(22)%
Other Markets	96	29.9%	317	112	33.3%	335	(14)%
Subtotal	870	50.8%	1,690	711	46.0%	1,527	22%
Adjustment to reflect additional Hong Kong reserving and capital requirements	(24)	n/m	n/m	(30)	n/m	n/m	n/m
After-tax value of unallocated Group Office expenses	(54)	n/m	n/m	(36)	n/m	n/m	n/m
Total	792	46.2%	1,690	645	41.6%	1,527	23%

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Notes:

- (1) All figures are presented in actual reporting currency (US dollar) unless otherwise stated.
- (2) 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 2014 and the first half of 2013 were US\$4 million and US\$6 million respectively.
- (3) The results of our joint venture in India are accounted for using the equity method. For clarity, ANP and VONB exclude any contribution from India.
- (4) IFRS operating profit after tax (OPAT) is shown after non-controlling interests unless otherwise stated.
- (5) 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 these two newly-acquired businesses are accounted for in the Group's 2013 results from the respective dates of completion.
- (6) ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.
- (7) VONB includes pension business.
- (8) ANP and VONB margin exclude pension business.
- (9) Change is shown on a year-on-year basis unless otherwise stated.
- (10) 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.
- (11) Certain prior year figures have been restated due to the Group's adoption of IFRS 10 and IAS 19 (revised) standards. Further details are disclosed in note 27 to the interim financial statements and Section 2 of the Supplementary Embedded Value Information in our 2014 interim results preliminary announcement published today.

This document contains forward-looking statements relating to AIA Group Limited that are based on the beliefs of the Group's management as well as assumptions made by and information currently available to the Group's management. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. When used in this document, the words "will", "future" 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.

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