



AIA Group Limited

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Media Release

AIA Group Limited – Third Quarter 2012 New Business Highlights

AIA Delivers Record Value of New Business

HONG KONG, 11 October 2012 – AIA Group Limited (stock code: 1299) is pleased to announce record value of new business of US\$300 million for the quarter ended 31 August 2012.

AIA continues to achieve record new business growth:

- 22 per cent increase in value of new business (VONB) to US\$300 million
- VONB margin increased by 11.0 percentage points (pps) to 42.6 per cent
- Underlying annualised new premium (ANP) growth of 17 per cent to US\$696 million
- Total weighted premium income (TWPI) increased by 3 per cent to US\$3,852 million

For comparative purposes, the year-on-year growth in ANP is shown excluding the contribution from the previously announced single large Australian group scheme written in the third quarter of 2011.

The announcement of AIA's record third quarter results coincides with the news today that AIA has agreed to acquire, subject to regulatory approval, ING's Malaysian life insurance business. This acquisition represents an excellent fit with AIA's strategic strengths and priorities and will establish AIA as the Number One life insurance company in the fast growing and highly profitable Malaysian insurance market (see our separate press release for details).

Key Financial Summary

US\$ millions, unless otherwise stated	Three months ended 31 August			Nine months ended 31 August		
	2012	2011	YoY	2012	2011	YoY
Value of New Business (VONB)	300	245	22%	812	644	26%
VONB Margin	42.6%	31.6%	11.0 pps	42.6%	34.2%	8.4 pps
Annualised New Premium (ANP)*	696	594	17%	1,883	1,688	12%
Total Weighted Premium Income (TWPI)	3,852	3,752	3%	11,157	10,517	6%

* Excluding a single large Australian group scheme in 2011 for comparison.

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

"AIA continues to have an outstanding year, with the delivery of an excellent third quarter performance that builds upon our record first half results. The achievement of our highest ever quarterly value of new business figure of US\$300 million is indicative of the strong momentum we have established and the significant progress we continue to make in the execution of our sustainable growth strategy.

"As the largest independent pan-Asian insurance company, we are incredibly well placed to continue to benefit from expanding demand for long-term savings and protection products in Asia Pacific, as our strong performance in the third quarter has shown. The combination of our highly committed employees,

proprietary distribution platform, extensive brand reach, broad product range and balance sheet strength puts us in an excellent position to capture the significant growth opportunities available from our markets and to generate sustainable value for our shareholders.”

Summary for the Third Quarter

VONB increased by 22 per cent to US\$300 million compared with the third quarter of 2011. Our strategic focus is on writing business that meets our profitability targets, while providing customers with innovative products that satisfy their increasing long-term savings and protection needs. The strong growth in VONB is the result of our balanced approach to optimising both new business margins and business volumes to maximise sustainable shareholder value creation.

In the third quarter, ANP increased to US\$696 million, representing an underlying year-on-year growth of 17 per cent excluding the contribution from a single large Australian group scheme written in 2011. VONB margin expanded by 11.0 percentage points to 42.6 per cent from 31.6 per cent in the third quarter of 2011.

Highlights of the quarter include strong contributions to ANP growth from Singapore, Indonesia and the Philippines and significant margin improvements in Hong Kong, Thailand and Malaysia. Consistent margin improvements were seen across both agency and partnership channels, as we continued to focus on the ongoing review of our product portfolio and the planned shift towards more profitable products.

TWPI increased by 3 per cent to US\$3,852 million. The growth rate reduced in the third quarter compared with the first half of the year as a result of foreign exchange movements, the continued repositioning of our Korean business and lower-margin, shorter duration products sold in the second half of 2010, as previously reported, reaching the end of their premium payment periods.

AIA's tied agency remains our primary distribution channel and a major source of competitive advantage for the Group. During the third quarter, the number of active agents and their profitability continued to improve through successful recruitment initiatives and strengthening the effectiveness of our training programmes. Our efforts in deepening our existing partner relationships also delivered very positive results with strong growth in VONB, building on the excellent growth reported in the first half of 2012.

Outlook

The global macroeconomic outlook remains uncertain in the second half of 2012 as global growth rates continue to be sluggish and fiscal uncertainty continues in the United States and Europe. Government monetary policy measures in the United States, the Eurozone countries and Japan mean that capital markets will continue to be volatile, but the fundamentals of Asian economies, where AIA operates exclusively, remain strong and we continue to be optimistic about the significant growth opportunities presented by the inherent demand for long-term savings, A&H and other protection products.

AIA's strong business performance in the third quarter represents consistent execution of our clear strategy of delivering quality new business growth for shareholders. We will remain focused on capturing the enormous growth opportunities in the region with our broad product range offered through our Premier Agency and profitable partnership distribution channels.

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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 wholly-owned main operating subsidiaries or branches in 14 markets in Asia Pacific – Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei and a 26 per cent joint venture shareholding 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 saving 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 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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Notes:

1. The third fiscal quarter of 2012 ended on 31 August 2012.
2. Growth is shown on a year-on-year basis unless otherwise stated.
3. All figures are presented in actual reported currency (US dollar) and based on actual average exchange rates unless otherwise stated.
4. VONB is calculated based on assumptions applicable at the point of sale and before deducting the amount attributable to non-controlling interests. The amount of VONB attributable to non-controlling interests in the three months ended 31 August 2012 was US\$3 million (three months ended 31 August 2011: US\$1 million).
5. Economic assumptions are materially unchanged from those shown as at 30 November 2011 in the 2011 annual results preliminary announcement published on 24 February 2012. Non-economic assumptions used are based on those at 30 November 2011 updated to reflect the latest experience observed.
6. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding corporate pensions business.
7. TWPI consists of 100 per cent of renewal premiums, 100 per cent of first year premiums and 10 per cent of single premiums.
8. VONB margin excludes corporate pensions business.
9. For comparative purposes, the year-on-year growth in ANP is shown excluding the contribution from the previously announced single large Australian group scheme written in the third quarter of 2011. ANP for this scheme was A\$160 million. The Group's ANP for the third quarter 2012 was 9 per cent lower than the corresponding quarter in the previous year including the effect of this single scheme.

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

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