



AIA Group Limited

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Media Release

AIA Reports Record First Half Results

HONG KONG, 29 July 2011 – AIA Group Limited (“AIA” or “the Group”; stock code: 1299), the leading pan-Asian life insurance group, is pleased to announce a record performance for the six months ended 31 May 2011, with Value of New Business (VONB) rising 32 per cent compared with the same period last year to US\$399 million.

Embedded Value (EV) increased 11 per cent to US\$27,394 million and Annualised New Premium (ANP) for the period rose 23 per cent to US\$1,094 million. VONB margin rose 2.3 percentage points to 36 per cent.

Under International Financial Reporting Standards (IFRS), the Group reported Net Profit of US\$1,314 million for the period, an increase of 24 per cent compared with the same period in the previous year. Operating profit after tax rose 8 per cent to US\$967 million.

Commenting on these positive results, Mr. Mark Tucker, AIA’s Group Chief Executive and President, said: “AIA’s strong performance across all of our key financial performance measures demonstrates the excellent progress we have made in executing our growth strategy. There is much more to come.”

AIA’s record-breaking performance reflects the Group’s success across the region in building its Premier Agency sales force and boosting agent productivity, focusing on helping meet the savings and protection needs of its customers, improving customer experience and retention and on developing new and deepening existing relationships with bank partners.

AIA also declared its first dividend since listing, an interim dividend of 11 Hong Kong cents per share.

“We are pleased to declare our first dividend since our listing last October – an interim dividend of 11 Hong Kong cents per share. This dividend payment reflects the strong cash flow inherent in AIA’s business,” said Mr. Tucker. “We are confident in our ability to maintain a prudent and progressive dividend, in addition to being able to self-finance our strong new business growth.”

As well as generating record new business, the first half of 2011 saw AIA become a constituent stock in Hong Kong’s benchmark Hang Seng Index, making it one of the city’s blue chip stocks just over 6 months after its record breaking initial public offering.

“AIA is a story of growth in the most dynamic region of the world. Asia has been our home for over ninety years and it remains the most attractive place in the world to do business given the long term economic outlook and demographic trends which fuel the region’s savings and protection needs.

“The scale of our franchise, our financial strength, our motivated staff and agents, our product innovation and pan-regional expertise are some of the competitive strengths we can deploy to create value from this Asian opportunity. We are highly confident about AIA’s ongoing growth in Asia,” said Mr. Tucker.

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For more information please refer to our announcement today on the Hong Kong Stock Exchange, the Investor Relations section of our web site www.AIA.com or contact us on the numbers provided.

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About the AIA Group

AIA Group Limited and its subsidiaries comprise the largest independent publicly listed pan-Asian life insurance group in the world. 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% 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 has total assets of US\$115,782 million as of 31 May 2011.

AIA meets the savings and protection needs of individuals by offering a comprehensive suite of products and services including retirement planning, 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 more than 230,000 agents and approximately 20,000 employees across Asia Pacific, AIA serves the holders of over 23 million individual policies and over 10 million participating members of group schemes.

AIA 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) being traded on the OTC market (ticker symbol: "AAGIY").

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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. 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.

Appendix 1

FINANCIAL HIGHLIGHTS

KEY PERFORMANCE METRICS

<i>US\$ millions, unless otherwise stated</i>	Six months ended 31 May 2011	Six months ended 31 May 2010	YoY%
New business value			
Value of new business (VONB)	399	303	32%
VONB margin	36.0%	33.7%	2.3 pps
Annualised new premium (ANP)	1,094	887	23%
Embedded Value			
EV operating profit	1,515	1,209	25%
Non-operating items	638	(251)	n/m
Total EV profit	2,153	958	125%
Value of in-force ⁽¹⁾	16,753	15,224	10%
Adjusted net worth ⁽¹⁾	10,641	9,524	12%
Embedded value ⁽¹⁾	27,394	24,748	11%
Basic EV earnings per share (US cents)	17.9	8.0	125%
EV per share (US cents)	227	205	11%
IFRS			
Total Weighted Premium Income (TWPI)	6,765	6,022	12%
Operating profit before tax	1,210	1,134	7%
Operating profit after tax ⁽²⁾	967	899	8%
Net profit	1,314	1,057	24%
Shareholders' equity ⁽¹⁾⁽²⁾	21,141	19,555	8%
IFRS Earnings per Share			
– Basic (US cents per share)	11	9	24%
– Diluted (US cents per share)	11	9	24%
– Dividends (Hong Kong cents per share)	11	-	n/m
ICO Solvency Ratio ⁽¹⁾	356%	337%	19 pps

(1) Comparatives for balance sheet items are shown at 30 November 2010

(2) Attributable to shareholders of AIA Group Limited

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VALUE OF NEW BUSINESS (VONB) BY GEOGRAPHY

US\$ millions, unless otherwise stated

	Six months ended 31 May 2011		Six months ended 31 May 2010		
	VONB	VONB Margin (%)	VONB	VONB Margin (%)	VONB growth (%)
Hong Kong	121	52.2%	95	54.6%	27%
Thailand	101	45.4%	67	37.1%	51%
Singapore	78	65.1%	49	59.3%	59%
Malaysia	22	32.5%	19	30.4%	16%
China	44	40.6%	30	33.1%	47%
Korea	42	28.0%	39	26.9%	8%
Other Markets	44	21.7%	46	28.9%	-4%
Sub total	452	40.9%	345	38.4%	31%
Adjustment to reflect HK reserving and capital requirements	(24)	n/m	(21)	n/m	n/m
After-tax value of unallocated group office expenses	(29)	n/m	(21)	n/m	n/m
Total	399	36.0%	303	33.7%	32%

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