



AIA Group Limited

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Media Release

AIA Group Limited – First Quarter 2012 New Business Highlights

AIA Delivers Strong Growth Momentum

HONG KONG, 20 April 2012 – AIA Group Limited (stock code: 1299) announces strong new business value growth of 27 per cent for the quarter ended 29 February 2012.

AIA's successful strategy of focusing on quality new business growth delivered:

- 27 per cent increase in value of new business (VONB) to US\$232 million
- 6.9 pps improvement in VONB margin to 42.1 per cent from 35.2 per cent
- Annualised new premium (ANP) up 6 per cent to US\$543 million
- Total weighted premium income (TWPI) up 9 per cent to US\$3,599 million

Key Financial Summary

US\$ millions, unless otherwise stated	1Q 2012	1Q 2011	YoY
Value of new business (VONB)	232	182	27%
VONB margin	42.1%	35.2%	6.9pps
Annualised new premium (ANP)	543	512	6%
Total weighted premium income (TWPI)	3,599	3,303	9%

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

"AIA has delivered a very positive start to 2012. The 27 per cent growth in VONB to our highest ever first-quarter figure of US\$232 million and a significant increase in margin reflect our clear strategy of pursuing quality new business opportunities to create sustained growth in shareholder value. This strong performance demonstrates the continued profitable growth momentum within the business and builds further on the record results we achieved in 2011.

"During the first quarter, we increased active agent numbers and profitability levels through the ongoing implementation of our Premier Agency strategy, while continuing to improve the quality of our product design and mix to deliver higher margins. We focused our sales efforts on addressing the considerable long-term savings, accident and health (A&H) cover and other protection needs of consumers across the region.

"We remain confident that our exclusive focus on Asia-Pacific markets combined with our exceptional financial strength, unmatched proprietary distribution platform and extensive brand reach put us in a very strong position to capitalise on opportunities for future growth."

SUMMARY FOR THE FIRST QUARTER

Value of New Business and VONB Margin

VONB grew by 27 per cent to US\$232 million compared with the first quarter of 2011.

All of our major markets demonstrated continued momentum and delivered strong double-digit growth over the prior year, with the exception of the repositioning of our Korean business. China, in particular, produced very strong growth in VONB driven by an increase in active agent numbers and our ongoing shift towards regular premium protection products.

VONB margin expanded substantially, up 6.9 percentage points to 42.1 per cent from 35.2 per cent in the first quarter of 2011.

The growth in margin during the first quarter was driven by our strategy of writing business that both meets our return targets and the increasing consumer demand for long-term savings, A&H and other protection covers. Volumes and margins of protection business increased over the quarter. The quality of non-protection business written also continued to improve with higher margins resulting from our ongoing repricing efforts and new product launches.

The agency channel accounted for 75 per cent of AIA's VONB in the first quarter. Both the number of active agents and profitability per active agent increased over the period, as we continued the deployment of our Premier Agency initiatives across the region with improved training and focus on recruitment of high-quality agents.

Annualised New Premium and Total Weighted Premium Income

In the first quarter, ANP increased by 6 per cent to US\$543 million. TWPI rose by 9 per cent to US\$3,599 million. We do not target overall ANP volume growth unrelated to VONB, and in order to optimise VONB we continued our shift towards higher-margin A&H covers and other protection business, which typically have lower average ANP case sizes.

The headline Group ANP growth rate was also negatively impacted by both the continued economic effect of the severe flooding in Bangkok in late 2011 on our Thai business and the ongoing repositioning of distribution and shift in product mix in Korea towards higher margin business. ANP growth in the first quarter was 16 per cent, excluding Thailand and Korea.

Outlook

Capital markets staged a recovery over the first three months of our financial year, reflecting the markets' views that the risk of significant tail events in the Eurozone economies had receded and the scale of liquidity support from central banks. More recently, concerns about Eurozone debt levels and the fragility of the recovery in non-Eurozone economies have resurfaced and further increased market volatility.

Notwithstanding the international outlook, Asian economies continue to present AIA with substantial opportunities for growth. The impact of wealth creation and rising disposable incomes, the lack of social security support networks and the significant underinsurance of mortality and accident and health risks provide opportunities for profitable expansion across the region. AIA is uniquely placed to capture these opportunities and to generate strong and sustainable returns for 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 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 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\$114,461 million as of 30 November 2011.

AIA meets the savings and protection needs of individuals by offering a range 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 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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As for all quarterly new business announcements, there will not be a conference call for media or investors but your usual contact will be available to answer queries.

Notes:

1. The first fiscal quarter of 2012 ended on 29 February 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 29 February 2012 was US\$2 million (three months ended 28 February 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.

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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