



AIA Group Limited

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Media Release

AIA Reports Record 2011 New Business Growth

HONG KONG, 24 February 2012 – AIA Group Limited today announces record new business results for the year ended 30 November 2011.

The highlights are:

- 40 per cent increase in Value of New Business (VONB) to US\$932 million

VONB is the Group's key performance measure, representing the shareholder value created from new business written during 2011

- 4.6 pps improvement in VONB margin to 37.2 per cent
- 22 per cent increase in Annualised New Premium (ANP) to US\$2,472 million
- Embedded Value (EV) of US\$27,239 million, up by US\$2,491 million from US\$24,748 million as at 30 November 2010
- 13 per cent increase in Operating Profit After Tax (OPAT) to US\$1,922 million
- 311 per cent solvency ratio on the Hong Kong Insurance Companies Ordinance (HKICO) basis, reflecting AIA's very strong capital position
- Final dividend of 22 Hong Kong cents per share recommended, bringing the total dividend in respect of the 2011 financial year to 33 Hong Kong cents per share

Commenting on the record performance, Mark Tucker, AIA's Group Chief Executive and President, said: "We are proud to have delivered an excellent set of results for our shareholders in 2011. This reflects the combined impact of our powerful distribution platform across Asia Pacific, our financial and technical strength and the consistency with which we are implementing our clear strategy of targeting sustained growth in shareholder value. We have continued to deliver strong growth in our key performance measures. These results demonstrate that the momentum in value creation which we generated in 2010 has been sustained throughout 2011."

"During 2011 we concentrated our efforts on building our Premier Agency sales force and boosting agency productivity to help meet the savings and protection needs of our customers across Asia Pacific, with a particular focus on promoting the take-up of accident and health cover. We have also taken steps to make further improvements in the persistency and additional sales achieved from our in-force book and to enhance our customer service experience. Outside the agency channel, we have focused on developing deeper and more profitable relationships with our distribution partners. We are confident that we have created a powerful base from which to deliver increasing future value for our shareholders."

The Board recommends a final dividend of 22 Hong Kong cents per share. This brings the total dividend in respect of the 2011 financial year to 33 Hong Kong cents per share, in line with the guidance given at the 2011 interim results announcement.

Mr Tucker further commented: "This year's level of dividend payment reflects our strong cash flow position and our commitment to reflect the value achieved for shareholders through dividend returns as well as capital growth. It remains the Board's intention to self-finance our new business growth whilst maintaining a prudent and progressive dividend policy."

Total shareholders' equity increased by 9 per cent in 2011 to US\$21,313 million. Net profit of US\$1,600 million includes the mark-to-market valuation of equity investments as required under the International Financial Reporting Standards. US\$500 million of investment gains on bonds, which are not included in net profit, are included in shareholders' equity.

Mr Tucker concluded: "AIA remains a very attractive growth story with an unmatched opportunity to benefit from strong economic growth, favourable demographic trends and latent demand for both savings and protection products in Asia. This remains the world's most dynamic region, which has been our home for over ninety years and is our sole area of operation. Our focus on Asia Pacific markets in which we have a leading position and depth of experience, combined with our financial strength and a highly motivated team, put us in a very strong position to optimise opportunities for further growth and generate strong and sustainable returns for our shareholders."

- End -

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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Appendix 1

FINANCIAL HIGHLIGHTS

KEY PERFORMANCE METRICS

US\$ millions, unless otherwise stated	2011	2010	YoY
New Business Value			
Value of new business (VONB)	932	667	40%
VONB margin	37.2%	32.6%	4.6 pps
Annualised new premium (ANP)	2,472	2,025	22%
Embedded Value	27,239	24,748	10%
IFRS			
Operating profit after tax ⁽¹⁾	1,922	1,699	13%
Dividends per Share (HK cents)	33	-	n/m

(1) Attributable to shareholders of AIA Group Limited

VALUE OF NEW BUSINESS (VONB) BY GEOGRAPHY

US\$ millions, unless otherwise stated	2011	2010	VONB Growth
	VONB	VONB	
Hong Kong	305	210	45%
Thailand	227	174	30%
Singapore	164	104	58%
Malaysia	58	39	49%
China	102	68	50%
Korea	74	64	16%
Other Markets	112	99	13%
Subtotal	1,042	758	37%
Adjustment to reflect additional Hong Kong reserving and capital requirements	(49)	(49)	n/m
After-tax value of unallocated group office expenses	(61)	(42)	n/m
Total	932	667	40%

Notes:

1. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded.
2. ANP and VONB margin exclude corporate pension business.
3. VONB includes corporate pension business.
4. All figures are presented in actual reported currency (US dollar) unless otherwise stated.
5. 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 and New Zealand.
6. The amounts of VONB attributable to non-controlling interests in 2011 and 2010 were US\$4 million and US\$2 million respectively.
7. IFRS operating profit after tax is shown after non-controlling interests unless otherwise stated.

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.