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Media Release

AIA Delivers Excellent Results

VONB up 25 per cent on constant exchange rates Strong IFRS earnings growth and progressive dividend

HONG KONG, 24 July 2015 – The Board of Directors of AIA Group Limited (stock code: 1299) is pleased to announce that AIA delivered another strong set of results for the six months ended 31 May 2015.

The main highlights of the results are:

Excellent growth in value of new business (VONB)

- VONB of US\$959 million, up 21 per cent; up 25 per cent on constant exchange rates (CER)
- Annualised new premiums (ANP) of US\$1,878 million, up 11 per cent; up 15 per cent on CER
- VONB margin of 50.2 per cent, up 4.0 pps

Strong increase in IFRS operating profit

- IFRS operating profit after tax (OPAT) of US\$1,630 million, up 12 per cent; up 15 per cent on CER
- Net profit up 41 per cent to US\$2,180 million; up 45 per cent on CER

Sustainable value creation and robust capital position

- Free surplus of US\$8.3 billion, up 7 per cent over the first half
- Free surplus generation of US\$2.1 billion
- 30 per cent increase in net remittances to US\$1.0 billion
- EV Equity of US\$40.5 billion, up 4 per cent over the first half
- EV of US\$38.6 billion, up 4 per cent over the first half
- Solvency ratio for AIA Co. increased by 26 pps to 453 per cent on the HKICO basis

Increased interim dividend

- 17 per cent increase in interim dividend to 18.72 Hong Kong cents per share

Mark Tucker, AIA's Group Chief Executive and President, said:

“AIA has delivered another strong performance in the first half of 2015. VONB growth is 25 per cent on a constant exchange rate basis, which more clearly reflects the underlying performance of the business during the recent period of foreign exchange volatility.

“Our disciplined approach to the management of our in-force business has enabled us to achieve a strong increase in IFRS operating profit and maintain our resilient solvency position. Our financial results continue to demonstrate the value of the consistent execution of our well-established growth strategy and our exclusive focus on the Asia-Pacific region.

“The region continues to present enormous growth opportunities for AIA. Ongoing urbanisation and rising disposable incomes, coupled with low provision of social welfare benefits, will continue to fuel the substantial and growing need for healthcare, protection and long-term savings products. AIA is exceptionally well-positioned to make the most of these opportunities.

“The Board has declared a 17 per cent increase in the interim dividend, a clear reflection of the health of AIA’s business, our strong financial results and our confidence in the future prospects for the Group. The power of AIA’s franchise, the breadth of our product range, our trusted brand and unrivalled financial strength will enable us to continue to generate sustainable value for our customers and 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. It has a presence in 18 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 representative offices in Myanmar and Cambodia.

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\$172 billion as of 31 May 2015.

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 29 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 2015 | Six months ended 31 May 2014 | YoY |
|---|---|---------------------------------|---------|
| New Business Value | | | |
| Value of new business (VONB) | 959 | 792 | 21% |
| VONB margin | 50.2% | 46.2% | 4.0 pps |
| Annualised new premiums (ANP) | 1,878 | 1,690 | 11% |
| Embedded value (EV) Equity⁽¹⁾ | 40,478 | 39,042 | 4% |
| IFRS | | | |
| Operating profit after tax (OPAT) | 1,630 | 1,457 | 12% |
| Dividend per share (HK cents) | 18.72 | 16.00 | 17% |

(1) Comparatives for balance sheet items are shown at 30 November 2014.

New Business Performance by Segment

| US\$ millions, unless otherwise stated | Six months ended 31 May 2015 | | | Six months ended 31 May 2014 | | | VONB Change | |
|---|---|----------------|--------------|---------------------------------|----------------|-------|----------------|------------|
| | VONB | VONB Margin | ANP | VONB | VONB Margin | ANP | YoY AER | YoY CER |
| Hong Kong | 335 | 59.6% | 540 | 260 | 62.4% | 401 | 29% | 29% |
| Thailand | 183 | 71.5% | 256 | 162 | 63.3% | 256 | 13% | 14% |
| Singapore | 142 | 62.9% | 225 | 127 | 59.3% | 214 | 12% | 19% |
| Malaysia | 78 | 55.4% | 138 | 70 | 43.9% | 161 | 11% | 22% |
| China | 187 | 84.8% | 220 | 120 | 78.7% | 152 | 56% | 58% |
| Korea | 23 | 17.5% | 132 | 35 | 18.6% | 189 | (34)% | (32)% |
| Other Markets | 115 | 31.2% | 367 | 96 | 29.9% | 317 | 20% | 31% |
| Subtotal | 1,063 | 55.8% | 1,878 | 870 | 50.8% | 1,690 | 22% | 26% |
| Adjustment to reflect additional Hong Kong reserving and capital requirements | (48) | n/m | n/m | (24) | n/m | n/m | n/m | n/m |
| After-tax value of unallocated Group Office expenses | (56) | n/m | n/m | (54) | n/m | n/m | n/m | n/m |
| Total | 959 | 50.2% | 1,878 | 792 | 46.2% | 1,690 | 21% | 25% |

Notes:

1. All figures are presented in actual reporting currency (US dollar) and based on actual exchange rates (AER) unless otherwise stated. Change on constant exchange rates (CER) is calculated using constant average exchange rates for the first half of 2015 and the first half of 2014.
2. Change is shown on a year-on-year basis unless otherwise stated.
3. Economic assumptions are the same as those shown as at 30 November 2014 in our 2014 annual results preliminary announcement published on 26 February 2015. Non-economic assumptions used are based on those at 30 November 2014 updated to reflect AIA's view of the latest experience observed.
4. 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 2015 and in the first half of 2014 were US\$11 million and US\$4 million respectively.

5. VONB includes pension business. ANP and VONB margin exclude pension business.
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. TWPI consists of 100 per cent of renewal premiums, 100 per cent of first year premiums and 10 per cent of single premiums, before reinsurance ceded.
8. IFRS operating profit after tax, net profit and operating earnings per share are shown after non-controlling interests unless otherwise stated.
9. EV Equity includes goodwill and other intangible assets.
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, Indonesia, New Zealand, the Philippines, Sri Lanka, Taiwan and Vietnam.
11. The results of our joint venture in India are accounted for using the equity method. For clarity, TWPI, ANP and VONB exclude any contribution from India.
12. AIA's financial information in this announcement is based on the unaudited interim condensed consolidated financial statements and supplementary embedded value information for the first half of 2015.

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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