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Media Release

AIA Delivers Strong New Business Growth for the Third Quarter of 2018

Value of New Business up 17 per cent on constant exchange rates

HONG KONG, 9 November 2018 – AIA Group Limited (the “Company”; stock code: 1299) today announces 17 per cent growth in value of new business (VONB) on constant exchange rates (CER) for the third quarter ended 30 September 2018.

Highlights of the third quarter on constant exchange rates:

- 17 per cent growth in VONB to US\$979 million
- 12 per cent increase in annualised new premiums (ANP) to US\$1,582 million
- VONB margin up 2.6 pps to 61.1 per cent
- Total weighted premium income (TWPI) up 16 per cent to US\$7,610 million

KEY FINANCIAL SUMMARY

| US\$ millions, unless otherwise stated | Three months ended 30 September | | | | Nine months ended 30 September | | | |
|--|---------------------------------|-------|---------|---------|--------------------------------|--------|---------|---------|
| | 2018 | 2017 | YoY CER | YoY AER | 2018 | 2017 | YoY CER | YoY AER |
| VONB | 979 | 846 | 17% | 16% | 2,933 | 2,451 | 17% | 20% |
| VONB margin | 61.1% | 58.4% | 2.6 pps | 2.7 pps | 60.0% | 55.8% | 3.8 pps | 4.2 pps |
| ANP | 1,582 | 1,422 | 12% | 11% | 4,834 | 4,328 | 10% | 12% |
| TWPI | 7,610 | 6,611 | 16% | 15% | 22,039 | 18,785 | 15% | 17% |

Ng Keng Hooi, AIA’s Group Chief Executive and President, said:

“AIA delivered a strong performance in the third quarter with 17 per cent growth in value of new business to US\$979 million. Today’s results and our consistent track record of growth are the direct outcome of the quality of AIA’s exceptional businesses and our disciplined approach to delivering our strategic objectives.

“The needs and expectations of Asian consumers are changing rapidly. Personal health, wellness and the need for financial protection are increasingly front of mind. Combined with rising affluence, this will drive increasing demand for our protection and long-term savings products across our markets.

“The powerful combination of AIA’s competitive advantages in distribution and product innovation, empowered by our increasing use of technology, places us in an exceptional position to help meet these rapidly-evolving needs. Our brand promise to help millions of people to live healthier, longer, better lives provides a strong basis for developing deep, long-term relationships with our customers and differentiates AIA. I remain confident that our teams will continue to focus on delivering high-quality growth and generating long-term returns for our shareholders.”

SUMMARY FOR THE THIRD QUARTER

AIA Hong Kong generated strong double-digit growth in VONB in the third quarter of 2018 with broad-based growth from both agency and partnership channels and across both domestic customer and Mainland Chinese visitor segments.

AIA's wholly-owned operation in China delivered a strong performance with double-digit VONB growth in the third quarter, benefiting from a further increase in active agents. Our commitment to the execution of our Premier Agency strategy and providing needs-based advice and value-added services continues to differentiate AIA's customer proposition in China.

Our business in Thailand delivered double-digit VONB growth, driven by continuing improvement in agent productivity as we make further progress with our ongoing agency transformation. VONB in Malaysia was lower year-on-year although we saw a sequential improvement in VONB growth in the third quarter compared to the second quarter of 2018.

In Singapore, strong ANP growth was offset by a lower VONB margin as a result of large volumes of single premium unit-linked business. Our number of active agents grew at a double-digit rate and our partnership with Citibank, N.A. delivered very strong growth in the third quarter.

Other Markets reported strong double-digit VONB growth with particularly strong contributions to growth from our businesses in Australia, Korea, the Philippines and Taiwan.

ANP increased by 12 per cent compared with the third quarter of 2017 to US\$1,582 million. VONB margin improved to 61.1 per cent, compared with 58.4 per cent in the third quarter of 2017, mainly driven by positive changes in product mix, channel mix and others. Margin reported on a present value of new business premium (PVNBP) basis was stable at 10 per cent. Long-term economic assumptions remain unchanged from those shown in our Annual Report 2017, following the same approach that we have applied consistently for quarterly new business highlights. TWPI increased by 16 per cent to US\$7,610 million, compared with the third quarter of 2017, as we continue to layer new business onto our large in-force portfolio.

OUTLOOK

Asia's macroeconomic fundamentals remain resilient despite recent volatility in financial markets, increased international trade tensions and softening consumer and business sentiment. The strong domestic drivers of growth and major demographic trends provide positive structural support for the long-term prospects of AIA's business in Asia. Against the backdrop of an uncertain global macroeconomic and geopolitical environment, we remain focused on executing our strategic priorities and we are confident in delivering long-term, sustainable value for our shareholders.

FOREIGN EXCHANGE VOLATILITY

AIA receives the vast majority of its premiums in local currencies and we closely match our local assets and liabilities to minimise the economic effects of foreign exchange movements. When reporting the Group's consolidated figures, there is a currency translation effect as we report in US dollars. We have provided growth rates and commentaries on CER unless otherwise stated, since this provides a clearer picture of the year-on-year performance of the underlying businesses.

- 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, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai almost a century ago in 1919. 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\$221 billion as of 30 June 2018.

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 32 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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As for all quarterly new business highlights announcements, there will not be a conference call for media or investors and your usual contact will be available to answer queries.

Notes:

1. AIA's third fiscal quarter of 2018 ended on 30 September 2018 and comparatives for 2017 relate to the three-month period ended on 30 September 2017.
2. All figures are presented in actual reporting currency (US dollars) and based on actual exchange rates (AER) unless otherwise stated. Change is shown on a year-on-year basis and based on constant exchange rates (CER) unless otherwise stated. Change on CER is calculated using constant average exchange rates for 2018 and 2017.
3. Long-term economic assumptions are the same as those shown as at 30 November 2017 in Section 5.2 of the Supplementary Embedded Value Information in our 2017 annual results preliminary announcement published on 27 February 2018. Non-economic assumptions are based on those used at 30 November 2017 updated to reflect 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 three months ended 30 September 2018 and in the three months ended 30 September 2017 were US\$7 million and US\$5 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. AIA's third quarter results of 2018 include the contribution from Sovereign Assurance Company Limited in New Zealand upon the completion of our acquisition on 2 July 2018.

This document may contain certain forward-looking statements relating to the Group 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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