



**THE REAL LIFE
COMPANY**

Media Release

AIA Posts 27% Rise in New Business Profit

- *Third consecutive year of strong growth across all business lines post-merger*
 - *Geared to address Malaysia's protection gap & health deficit*

KUALA LUMPUR, 24 March 2016 – Malaysia's leading life insurer, AIA Bhd. (AIA), recorded yet another sterling financial performance with an increase of 27 per cent in its value of new business (VONB) to RM673 million for the financial year ended 30 November 2015.

This marks the third consecutive year AIA has posted a large increase in VONB, which has grown at a compounded annual rate of 43.6 per cent since 2013. VONB is a key indicator of future profitability for insurers. AIA's operating profit after tax rose by 8 per cent to more than RM1.0 billion.

The Company outperformed the industry by recording a 10.7 per cent growth in annualised new premiums as compared to the 6 per cent growth achieved by the combined Life Insurance and Takaful segments. This was once again the result of AIA's focused multi-distribution strategy which saw each of its main business lines post strong growth during the period under review.

Speaking at the media briefing today, Ms. Anusha Thavarajah, Chief Executive Officer of AIA said, "Our excellent results are a clear reflection of our operating ability and strength during times of market uncertainty and short-term volatility. They are testimony to the solid foundation we have carefully built since the launch of our transformation strategy three years ago."

AIA's commendable results were attributed to increased productivity among its agency force and higher recruitment of quality full-time new Life Planners. In the second half of the financial year, the number of active new Life Planners increased by 20 per cent, while active agents selling AIA's Takaful solutions rose by 40 per cent.

AIA's Partnership Distribution and Corporate Solutions channels also contributed excellent VONB growth of 33 per cent and 20 per cent, respectively. "We also emerged as the fastest growing player in the Family Takaful and Investment-linked segments, where AIA grew by 34 per cent and 19.7 per cent respectively," Anusha added.

Using VONB as the benchmark, Malaysia was AIA Group's third largest growth market in the 2015 financial year. Currently, AIA Group is the largest independent publicly listed pan-Asian life insurance group. It operates in 18 markets and serves holders of more than 29 million individual policies and over 16 million participating members of group insurance schemes.

"We enter 2016 with strong momentum and we are well positioned to address Malaysia's huge protection gap and health deficit. Short-term volatility will not deter us from our purpose which is to partner with our customers as they journey through life," Anusha said.

She commented that AIA was confident on the life insurance industry's long term growth prospects which will continue to benefit from the country's younger demographic, growing middle class population and rapid urbanisation, factors which have contributed to Malaysia's wide protection gap which is valued at over RM1 trillion. Currently, the average sum assured per person in Malaysia is less than RM40,000 whereas it should be in the region of RM200,000.

Apart from that, Anusha said that although Malaysians are living longer, many are facing a serious health deficit. As the leading provider of private health insurance, AIA has witnessed the deteriorating health trends in the country on the back of the rising incidence of lifestyle-related diseases.

"To better meet the needs of our customers today and in the future, AIA is moving away from the traditional life insurance model of being there for our customers when an unfortunate event occurs to a model of helping Malaysians lead healthier, longer and better lives. We want to be a life insurer and a passionate health advocate.

"This sharper focus on health is a natural progression for our company which is the largest private healthcare provider in Malaysia. We will play an active role in empowering and incentivising Malaysians to take charge of their health by making simple yet sustained changes to their lifestyles on a daily basis," Anusha explained.

AIA's concerted efforts in the health space started in 2013 when it launched an innovative portable personal medical plan for employees who were already part of its group insurance scheme. The plan is designed to safeguard the healthcare needs of employees in their retirement years or after leaving their employer's group scheme.

Last year, the Company enhanced its product offering with two industry-leading health solutions namely A-Plus Med Booster and a comprehensive cancer-specific plan A-Life Cancer360 that have been very well received by customers. The launch of these products were underpinned by integrated marketing campaigns to drive a higher awareness among individuals about their health statuses and cancer-associated risks.

This year, AIA is reinforcing those health messages with the continuation of its popular Health Report Card campaign to reach out to more Malaysians, encouraging them to make a commitment to lead healthier lives.

“We are excited about the enormous opportunities ahead of us and intend to fully leverage our multi-distribution capabilities to strengthen our position in the health space while unearthing the potential in this market,” Anusha said.

About AIA Bhd.

AIA Bhd. is a leading insurer in Malaysia, where we have been privileged to do business since 1948. We offer a suite of financial solutions including Protection, Health, Personal Accident, Employee Benefits, General Insurance, Mortgage, Retirement and Family Takaful products to meet our customers’ protection and financial security needs at every life stage. Through our wide and diverse distribution footprint which comprises a 14,000-strong Life Planner force, our exclusive bank partner’s branches nationwide as well as corporate sales teams and brokers, we give our customers the choice of deciding how, when and where they connect with us.

Part of the AIA Group, the largest independent publicly listed pan-Asian life insurance group, AIA Bhd. has the financial strength, experience, service centre network and a well-trained team of more than 2,000 staff to serve our 3 million customers nationwide. As at 30 November 2015, AIA Bhd.’s total asset worth was RM47 billion, with a paid-up capital of RM767 million.

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 a representative office in Myanmar and Cambodia.

The business that is now AIA was first established in Shanghai almost a century 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\$168 billion as of 30 November 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”).

Media Contacts

Darshini M. Nathan
Head, Corporate Communications
Tel: 03-2056 1280
Email: Darshini.Mahendranathan@aia.com

Tunku Faradiana
Manager, Corporate Communications
Tel: 03-2056 1215
Email: TunkuFaradiana.TunkuZainal@aia.com