

Headline	AIA posts record 24pc new business growth		
MediaTitle	New Straits Times		
Date	27 Feb 2015	Color	Black/white
Section	Business Times	Circulation	74,711
Page No	B7	Readership	240,000
Language	English	ArticleSize	146 cm ²
Journalist	N/A	AdValue	MYR 2,640
Frequency	Daily		



AIA posts record 24pc new business growth

HONG KONG: AIA Group Ltd, Asia's third-largest life insurer by market capitalisation, reported a record 24 per cent annual rise in the value of new business as it reaped the rewards of an expanded China sales force and strong growth in Hong Kong.

AIA said the company's value of new business, which measures expected profits from new premiums and is a key yardstick for growth, rose to US\$1.85 billion (RM6.63 billion) in the year ended November 30 2014, up from last year's record US\$1.49 billion.

The insurer's operating profit grew 38 per cent in China, the biggest rise among its markets, after it increased its sales force of active new agents by 42 per cent.

Net profit appreciated 22 per cent

to a record US\$3.45 billion, above analysts' expectations of US\$3.2 billion, according to Thomson Reuters data.

AIA was the first foreign player to be granted a licence in China, and the results show the success of the agency strategy it pioneered as regulatory restrictions have curbed selling via banking channels.

Under chief executive officer Mark Tucker, the former Asian business of United States insurer AIG that listed in 2010 has created the region's largest life insurance network, signed a 15-year distribution deal with Citigroup, and become the biggest foreign life insurance player in mainland China.

Supportive government policy and increasing awareness of insur-

ance products have created a favourable environment for life insurers in China, Jefferies analyst Baron Nie said in a note published before the earnings.

Analysts had predicted a strong set of results thanks to strong growth in sales in China, and the impact of the distribution deal with Citi that came into effect last year in AIA's main markets of Hong Kong and Singapore.

The 15-year bancassurance deal meant AIA became the exclusive provider of life insurance products to Citi in those markets, decreasing its reliance on sales agents in Asia.

Such deals have become an important tool for insurers in Asia, allowing them to tap banks' vast branch networks when demand for insurance products is booming. **Reuters**