



**THE REAL LIFE
COMPANY**

友邦保險控股有限公司

香港中環干諾道中一號
友邦金融中心三十五樓

AIA Group Limited

35/F, AIA Central
1 Connaught Road Central
Hong Kong
T: (852) 2832 6166
F: (852) 2838 2005
AIA.COM

Media Release

AIA Announces Record Quarterly Results

Value of New Business up 26 per cent

HONG KONG, 18 October 2013 – AIA Group Limited (stock code: 1299) today announced a record value of new business (VONB) for the third quarter ended 31 August 2013.

AIA's successful profitable growth strategy continued to deliver:

- 26 per cent increase in value of new business (VONB) to US\$379 million
- 21 per cent growth in annualised new premium (ANP) to US\$839 million
- 44.7 per cent VONB margin, an increase of 2.1 percentage points (pps)
- Total weighted premium income (TWPI) growth of 14 per cent to US\$4,409 million

Key Financial Summary

US\$ millions, unless otherwise stated	Three months ended 31 August			Nine months ended 31 August		
	2013	2012	YoY	2013	2012	YoY
Value of New Business (VONB)	379	300	26%	1,024	812	26%
VONB Margin	44.7%	42.6%	2.1 pps	42.7%	42.6%	0.1 pps
Annualised New Premium (ANP)	839	696	21%	2,366	1,883	26%
Total Weighted Premium Income (TWPI)	4,409	3,852	14%	12,904	11,157	16%

Commenting on the strong results, Mark Tucker, AIA's Group Chief Executive and President, said:

"We are pleased to report that AIA has delivered another excellent set of results in the third quarter with our highest-ever value of new business at US\$379 million. The outstanding increase of 26 per cent is a direct result of our ability to execute our proven growth strategy and builds on the very strong results we achieved in the first half of 2013. This performance reflects the consistent growth momentum AIA has delivered since IPO."

"Our third quarter figures again demonstrate the powerful combination of AIA's advantaged position as the largest independent pan-Asian life insurance company and the substantial progress we are making as a standalone, dynamic Asian company; a journey that began three years ago."

"We will continue to capitalise on AIA's key competitive advantages by improving the productivity and quality of our distribution platforms, launching innovative new products, and leveraging our financial strength and leading regional brand position to meet the vast and growing savings and protection needs of our customers. We are confident that AIA's significant

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future growth opportunities combined with the successful execution of our strategy will continue to generate sustainable value for our shareholders."

SUMMARY FOR THE THIRD QUARTER

VONB increased by 26 per cent to US\$379 million compared with the third quarter of 2012, as we continued to optimise both new business volume and margin to deliver sustainable growth.

Each of our geographic market segments delivered double-digit growth in VONB over the quarter building on the very strong performance in the first half of the year. Highlights of the quarter include the ongoing positive momentum achieved by AIA in Hong Kong and China, the excellent growth from our Philippine and Indonesian businesses and sustained improvements in our Korean operation.

AIA delivered a strong increase of 21 per cent in ANP to US\$839 million in the third quarter. VONB margin improved by 2.1 percentage points to 44.7 per cent compared with 42.6 per cent in the third quarter of 2012. Margin expansion was achieved mainly through a positive improvement in product mix.

AIA's proprietary agency channel accounted for 71 per cent of VONB in the third quarter and was a key driver of the overall VONB growth. The successful delivery of our Premier Agency strategy continued with growth in both the number of active agents and agent productivity in the third quarter. We continued to review our agency compensation structure in Thailand, as previously highlighted in our interim results announcement. Partnership distribution also reported solid growth, benefiting from strong bancassurance and group insurance results and the ongoing restructuring of our direct marketing channel in Korea.

TWPI increased by 14 per cent to US\$4,409 million, compared with the third quarter of 2012.

OUTLOOK

Macroeconomic fundamentals in Asia remain robust. Debate over the timing of supportive U.S. monetary policy caused capital market volatility in the third quarter and tested those countries running current account deficits. Asian central banks responded appropriately, as they have the ability and resolve to continue to respond proactively to global liquidity challenges. The larger Asian economies continue to benefit from rebalancing toward domestic sources of growth, while more trade-dependent economies should benefit from a pick-up in global trade emanating from a more positive economic outlook in China and Japan.

Demographic drivers remain strong and we are confident in the immense growth potential for life insurance in Asia. The substantial upside from low insurance penetration, rapid urbanisation, increasing household incomes and the opportunity to reduce the substantial savings and protection gaps across the region will continue to provide AIA with significant growth opportunities. AIA's strong performance since the IPO in 2010 demonstrates the success of our strategy and our advantaged position in the region. We are exceptionally well-positioned to benefit from the expanding demand for our products and services to create sustainable value for our shareholders.

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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 operations in 17 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.

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\$147 billion as of 31 May 2013.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement savings plans, 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 27 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 Depository Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

Contacts

Investment Community

Paul Lloyd	+852 2832 6160
Angela Chang	+852 2832 5480
Feon Lee	+852 2832 4704

News Media

Stephen Thomas	+852 2832 6178
Sonia Tsang	+852 2832 1868
Emerald Ng	+852 2832 4720

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

Notes:

1. The third fiscal quarter of 2013 ended on 31 August 2013.
2. Change is shown on a year-on-year basis unless otherwise stated.
3. All figures are presented in actual reported currency (US dollar) and based on actual average exchange rates unless otherwise stated.
4. VONB is calculated based on assumptions applicable at the point of sale and before deducting the amount attributable to non-controlling interests. The amount of VONB attributable to non-controlling interests in the three months ended 31 August 2013 was US\$3 million (three months ended 31 August 2012: US\$3 million).
5. Economic assumptions are materially unchanged from those shown as at 30 November 2012 in the 2012 annual results preliminary announcement published on 27 February 2013. Non-economic assumptions used are based on those at 30 November 2012 updated to reflect the latest experience observed.
6. AIA's previously-announced acquisitions of ING Management Holdings (Malaysia) Sdn. Bhd. (ING Malaysia) and Aviva NDB Insurance completed in December 2012. The financial results of the two newly-acquired businesses are accounted for in the Group's third quarter 2013 results.
7. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.
8. TWPI consists of 100 per cent of renewal premiums, 100 per cent of first year premiums and 10 per cent of single premiums.
9. ANP and VONB margin exclude pension business.

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", "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.

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