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## Media Release

### **AIA Delivers Strong Growth in 2015** **VONB up 26 per cent on constant exchange rates** **Operating profit up 16 per cent and final dividend up 50 per cent**

**HONG KONG, 25 February 2016** – The Board of Directors of AIA Group Limited (“AIA”; or the “Company”; stock code: 1299) is pleased to announce that AIA has delivered excellent results for the year ended 30 November 2015.

#### **Strong growth in value of new business (VONB) (on a constant exchange rate basis)**

- 26 per cent growth in VONB to US\$2,198 million
- Annualised new premiums (ANP) of US\$3,991 million, up 14 per cent
- 4.6 pps increase in VONB margin to 54.0 per cent

#### **Robust operating profit growth (on a constant exchange rate basis)**

- IFRS operating profit after tax (OPAT) up 16 per cent to US\$3,209 million
- IFRS operating earnings per share up 16 per cent to 26.81 US cents
- Embedded value (EV) operating profit up 17 per cent to US\$5,068 million

#### **Strong cash flow and capital position**

- Underlying free surplus generation of US\$3,719 million, up 10 per cent on constant exchange rates
- Net remittances up 28 per cent to US\$2,195 million
- EV Equity of US\$39.8 billion; EV up to US\$38.2 billion
- Solvency ratio for AIA Co. of 428 per cent on the HKICO basis

#### **Significant increase in recommended final dividend**

- 50 per cent uplift in final dividend to 51.00 Hong Kong cents per share
- Total dividend of 69.72 Hong Kong cents per share, an increase of 39 per cent

#### **Mark Tucker, AIA’s Group Chief Executive and President, said:**

“We are delighted to have delivered another excellent performance in 2015, with VONB growth of 26 per cent on a constant exchange rate basis, which provides the clearest picture of our operating performance during periods of exchange rate volatility. Our strong results are once again the outcome of our robust and highly diversified business model with the right distribution platforms and product portfolios in the right markets, backed by our market-leading brand and financial strength.

“The Board has recommended an upward rebasing of the final dividend by 50 per cent to 51.00 Hong Kong cents per share, bringing the total dividend for 2015 to 69.72 Hong Kong cents per share. This significant dividend uplift is a direct result of the sustained success of our strategy to deliver strong profitable growth, through investing capital at attractive returns in quality new business with increased capital efficiency. It also demonstrates our tremendous confidence in AIA’s future growth prospects.

“Despite the recent volatility and uncertainty in global financial markets, Asia remains the most attractive and dynamic region for life insurance in the world. The life insurance industry continues to benefit from significant structural economic and demographic trends, rapid urbanisation and growth in disposable incomes across the region. We are confident that AIA’s leading businesses across Asia provide us with an

advantaged position as we help millions of people around the region to live longer, healthier lives and plan for a brighter future.

“We enter 2016 with strong momentum and well placed to continue achieving our ambitions. The growth opportunities ahead of us are significant and our focus is on executing our proven strategy by providing quality products and services to our customers and generating sustainable value for our shareholders.”

**Patrick Teow, AIA Singapore’s Chief Executive Officer, said:**

“AIA Singapore achieved a strong set of financial results for 2015, sustaining the growth momentum in recent years and continuing to drive the life insurance industry’s progress.

“Based on a constant exchange rate basis, AIA Singapore achieved a 24% increase in Value of New Business (VONB), 5% increase in Annualised New Premiums (ANP) and a steady increase in Operating Profit After Tax (OPAT) of 9%, for 2015 as compared to 2014.

“The strong business performance is attributed to our continuous focus on increasing the financial services consultants’ productivity via the Premier Agency strategy, expanded partnerships with banks and brokers, and leadership in the group insurance business through both broker and agency channels.

“AIA Singapore’s strong performance in 2015 provides a springboard for us to do more and achieve even greater success in 2016. A key priority is in reinforcing our focus and commitment to serving policyholders and the larger community with innovations that enable them to live healthier and better lives. Putting our customers at the center of everything we do will be integral in AIA Singapore’s efforts to become the pre-eminent life insurer in Singapore.

“AIA Singapore is committed to playing an active role in driving the nation’s social and economic development, continuously investing in Singapore’s future by contributing to the health and financial well-being of Singaporeans through their different life stages. We are focused on providing a comprehensive range of innovative financial solutions, giving them easier access to protection, greater peace of mind and helping to narrow their insurance gap. Concurrently, we also pro-actively engage in their health through AIA Vitality, a transformational science-backed wellness programme, and other health-related community events, such as The Music Run™ by AIA.

“Emphasis is also being placed on innovation and leveraging technology to make insurance more accessible for customers. In October 2015, AIA Singapore launched the industry’s first fully mobile and secure digital underwriter, which allows on-the-spot underwriting with simplified and personalised questions. This revolutionised underwriting tool not only made the insurance purchase process easier and quicker, it also won AIA Singapore the “Innovator of the Year” award at the Singapore Business Review Management Excellence Awards 2015.”

AIA Singapore’s success can primarily be attributed to:

- The high competency and increasing productivity of AIA Financial Services Consultants and distribution partners through the company’s investment and commitment in talent development and training programmes.
- Sustained leadership in Group Insurance business through deepening of brokers’ engagement and targeting of the SME segment via AIA Singapore’s agency force. AIA Singapore’s Corporate Solutions has also been recognised with the Best Employee Insurance Vendor award for 10 consecutive years from 2006 to 2015, nominated by Human Resources professionals.
- Introduction of innovative protection solutions, such as the highly popular enhanced AIA Guaranteed Protect Plus and the enhanced AIA Retirement Saver (II), to cater to the wealth management, retirement and legacy planning needs of the rapidly changing demographics in Singapore.

As AIA Singapore celebrates our 85<sup>th</sup> birthday this year, we thank our customers, partners and the community for trusting us to be part of their lives throughout the years. We stand committed to actively

engaging in the lives of our customers and helping them secure and achieve their financial aspirations in the years ahead.

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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 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”).

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**APPENDIX  
Financial Summary**

**Key Performance Highlights**

<b>US\$ millions, unless otherwise stated</b>	<b>2015</b>	<b>2014</b>	<b>YoY CER</b>	<b>YoY AER</b>
<b>New Business Value</b>				
Value of new business (VONB)	<b>2,198</b>	1,845	<b>26%</b>	19%
VONB margin	<b>54.0%</b>	49.1%	<b>4.6 pps</b>	4.9 pps
Annualised new premiums (ANP)	<b>3,991</b>	3,700	<b>14%</b>	8%
<b>Embedded value (EV) Equity</b>	<b>39,818</b>	39,042	<b>8%</b>	2%
<b>IFRS</b>				
Operating profit after tax (OPAT)	<b>3,209</b>	2,910	<b>16%</b>	10%
<b>Dividend per share (HK cents)</b>				
Final	<b>51.00</b>	34.00	<b>n/a</b>	50%
Total	<b>69.72</b>	50.00	<b>n/a</b>	39%

**New Business Performance by Segment**

<b>US\$ millions, unless otherwise stated</b>	<b>2015</b>			<b>2014</b>			<b>VONB Change</b>	
	<b>VONB</b>	<b>VONB Margin</b>	<b>ANP</b>	<b>VONB</b>	<b>VONB Margin</b>	<b>ANP</b>	<b>YoY CER</b>	<b>YoY AER</b>
Hong Kong	<b>820</b>	<b>62.0%</b>	<b>1,263</b>	619	62.3%	952	<b>32%</b>	32%
Thailand	<b>395</b>	<b>75.8%</b>	<b>520</b>	361	63.2%	572	<b>15%</b>	9%
Singapore	<b>341</b>	<b>72.4%</b>	<b>471</b>	299	61.2%	489	<b>24%</b>	14%
Malaysia	<b>172</b>	<b>57.9%</b>	<b>292</b>	161	50.1%	320	<b>27%</b>	7%
China	<b>366</b>	<b>83.5%</b>	<b>438</b>	258	83.1%	311	<b>45%</b>	42%
Korea	<b>46</b>	<b>18.8%</b>	<b>248</b>	82	21.7%	380	<b>(39)%</b>	(44)%
Other Markets	<b>250</b>	<b>32.9%</b>	<b>759</b>	212	31.3%	676	<b>32%</b>	18%
<b>Subtotal</b>	<b>2,390</b>	<b>58.9%</b>	<b>3,991</b>	1,992	53.1%	3,700	<b>26%</b>	<b>20%</b>
Adjustment to reflect additional Hong Kong reserving and capital requirements	<b>(72)</b>	<b>n/m</b>	<b>n/m</b>	(50)	n/m	n/m	<b>n/m</b>	n/m
After-tax value of unallocated Group Office expenses	<b>(120)</b>	<b>n/m</b>	<b>n/m</b>	(97)	n/m	n/m	<b>n/m</b>	n/m
<b>Total</b>	<b>2,198</b>	<b>54.0%</b>	<b>3,991</b>	1,845	49.1%	3,700	<b>26%</b>	<b>19%</b>

**Singapore**

<b>US\$ millions, unless otherwise stated</b>	<b>2015</b>	<b>2014</b>	<b>YoY CER</b>	<b>YoY AER</b>
VONB	341	299	24%	14%
VONB margin	72.4%	61.2%	11.1pps	11.2pps
ANP	471	489	5%	(4)%
TWPI	2,283	2,339	6%	(2)%
Operating profit after tax	430	429	9%	-

**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 exchanges rates for 2015 and 2014.
- (2) Change is shown on a year-on-year basis unless otherwise stated.

- (3) 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 2015 and 2014 were US\$21 million and US\$13 million respectively.
- (4) VONB includes pension business. ANP and VONB margin exclude pension business.
- (5) ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.
- (6) IFRS operating profit after tax, net profit and operating earnings per share are shown after non-controlling interests unless otherwise stated.
- (7) EV Equity includes goodwill and other intangible assets.
- (8) 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.
- (9) 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.
- (10) AIA's financial information in this document is based on the audited consolidated financial statements and supplementary embedded value information for the year.

*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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