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## Media Release

### AIA Delivers Excellent Results

#### **VONB up 25 per cent on constant exchange rates Strong IFRS earnings growth and progressive dividend**

**HONG KONG, 24 July 2015** – The Board of Directors of AIA Group Limited (stock code: 1299) is pleased to announce that AIA delivered another strong set of results for the six months ended 31 May 2015.

The main highlights of the results are:

#### **Excellent growth in value of new business (VONB)**

- VONB of US\$959 million, up 21 per cent; up 25 per cent on constant exchange rates (CER)
- Annualised new premiums (ANP) of US\$1,878 million, up 11 per cent; up 15 per cent on CER
- VONB margin of 50.2 per cent, up 4.0 pps

#### **Strong increase in IFRS operating profit**

- IFRS operating profit after tax (OPAT) of US\$1,630 million, up 12 per cent; up 15 per cent on CER
- Net profit up 41 per cent to US\$2,180 million; up 45 per cent on CER

#### **Sustainable value creation and robust capital position**

- Free surplus of US\$8.3 billion, up 7 per cent over the first half
- Free surplus generation of US\$2.1 billion
- 30 per cent increase in net remittances to US\$1.0 billion
- EV Equity of US\$40.5 billion, up 4 per cent over the first half
- EV of US\$38.6 billion, up 4 per cent over the first half
- Solvency ratio for AIA Co. increased by 26 pps to 453 per cent on the HKICO basis

#### **Increased interim dividend**

- 17 per cent increase in interim dividend to 18.72 Hong Kong cents per share

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

“AIA has delivered another strong performance in the first half of 2015. VONB growth is 25 per cent on a constant exchange rate basis, which more clearly reflects the underlying performance of the business during the recent period of foreign exchange volatility.

“Our disciplined approach to the management of our in-force business has enabled us to achieve a strong increase in IFRS operating profit and maintain our resilient solvency position. Our financial results continue to demonstrate the value of the consistent execution of our well-established growth strategy and our exclusive focus on the Asia-Pacific region.

“The region continues to present enormous growth opportunities for AIA. Ongoing urbanisation and rising disposable incomes, coupled with low provision of social welfare benefits, will continue to fuel the substantial and growing need for healthcare, protection and long-term savings products. AIA is exceptionally well-positioned to make the most of these opportunities.

“The Board has declared a 17 per cent increase in the interim dividend, a clear reflection of the health of AIA’s business, our strong financial results and our confidence in the future prospects for the Group. The power of AIA’s franchise, the breadth of our product range, our trusted brand and unrivalled financial strength will enable us to continue to generate sustainable value for our customers and shareholders.”

**Tan Hak Leh, AIA Singapore’s Chief Executive Officer, said:**

“AIA Singapore is pleased to report another strong set of financial results, sustaining the growth momentum in recent years. This strong performance was achieved against a relatively flat industry environment.

“In the first half of 2015, on a constant exchange rate basis, AIA Singapore achieved a 19% increase in Value of New Business (VONB), 13% increase in Annualised New Premium (ANP) and a steady increase in Operating Profit After Tax (OPAT) of 10%, compared to the first half of 2014.

“The strong business performance has been driven by growth across all distribution channels, including AIA’s market leading agency force, intermediated distribution via banks and financial advisers, and corporate business lines.

“We are heartened by the efforts from our agency force, business partners and staff, who contributed to our broad-based growth in the first half of 2015, despite the challenging environment.

“AIA Singapore continues to invest in Singapore’s future, pro-actively contributing to the health and financial well-being of individuals and families through their different life stages. In line with this, AIA Singapore has introduced a slew of initiatives to celebrate our nation’s 50<sup>th</sup> birthday including providing free insurance coverage, complimentary AIA Vitality and gym memberships, and raising S\$250,000 for families from the Asian Women’s Welfare Association (AWWA).

“As part of our efforts to meeting the evolving needs of individuals and families in Singapore, we continually review our products to provide easier access to protection and greater peace of mind among families in Singapore so that they can focus on achieving their dreams and aspirations in life.

“An example of this is the recent enhancement of our retirement plan, AIA Retirement Saver (II), which offers the option for major cancer coverage, given the rising incidence of cancer in Singapore<sup>1</sup>. Singaporeans need to be able to protect themselves into retirement without being thrown off course by the unexpected.

“While more can be done, we are heartened to note that our efforts continue to help narrow the protection gap in Singapore. Our efforts have also contributed to strong business performance for the first half of this financial year amidst a challenging period for the industry.”

AIA Singapore’s success can primarily be attributed to:

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<sup>1</sup> 21 Jun 2015, The Straits Times, Sharp rise in number diagnosed with cancer.

- The high and increasing productivity of AIA Financial Services Consultants and distribution partners through the company's investment and commitment in talent development and training programmes.
- Introduction of innovative protection solutions to cater to the wealth management, retirement and legacy planning needs of the rapidly changing demographics in Singapore.
- Sustained leadership in Group Insurance business through continuous enhancement of brokers' engagement and targeting of the SME segment via AIA Singapore's agency force.
- Deep engagement in the well-being of individuals and families in Singapore through AIA Vitality, a transformational science-backed wellness programme, and other health-related community programmes.

Note to Editor: More information about AIA Singapore's SG50 efforts and AIA Vitality can be found at <http://www.aia.com.sg/sg50/> and <http://www.aiavitality.com.sg/> respectively.

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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 representative offices in Myanmar and Cambodia.

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\$172 billion as of 31 May 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>Six months ended 31 May 2015</b>	Six months ended 31 May 2014	YoY
<b>New Business Value</b>			
Value of new business (VONB)	<b>959</b>	792	21%
VONB margin	<b>50.2%</b>	46.2%	4.0 pps
Annualised new premiums (ANP)	<b>1,878</b>	1,690	11%
<b>Embedded value (EV) Equity<sup>(1)</sup></b>	<b>40,478</b>	39,042	4%
<b>IFRS</b>			
Operating profit after tax (OPAT)	<b>1,630</b>	1,457	12%
Dividend per share (HK cents)	<b>18.72</b>	16.00	17%

(1) Comparatives for balance sheet items are shown at 30 November 2014.

**New Business Performance by Segment**

<b>US\$ millions, unless otherwise stated</b>	<b>Six months ended 31 May 2015</b>			Six months ended 31 May 2014			VONB Change	
	VONB	VONB Margin	ANP	VONB	VONB Margin	ANP	YoY AER	YoY CER
Hong Kong	335	59.6%	540	260	62.4%	401	29%	29%
Thailand	183	71.5%	256	162	63.3%	256	13%	14%
Singapore	142	62.9%	225	127	59.3%	214	12%	19%
Malaysia	78	55.4%	138	70	43.9%	161	11%	22%
China	187	84.8%	220	120	78.7%	152	56%	58%
Korea	23	17.5%	132	35	18.6%	189	(34)%	(32)%
Other Markets	115	31.2%	367	96	29.9%	317	20%	31%
<b>Subtotal</b>	<b>1,063</b>	<b>55.8%</b>	<b>1,878</b>	870	50.8%	1,690	<b>22%</b>	<b>26%</b>
Adjustment to reflect additional Hong Kong reserving and capital requirements	(48)	n/m	n/m	(24)	n/m	n/m	n/m	n/m
After-tax value of unallocated Group Office expenses	(56)	n/m	n/m	(54)	n/m	n/m	n/m	n/m
<b>Total</b>	<b>959</b>	<b>50.2%</b>	<b>1,878</b>	792	46.2%	1,690	<b>21%</b>	<b>25%</b>

**Singapore**

<b>US\$ millions, unless otherwise stated</b>	<b>Six months ended 31 May 2015</b>	Six months ended 31 May 2014	YoY% AER	YoY% CER
VONB	<b>142</b>	127	12%	19%
VONB margin	<b>62.9%</b>	59.3%	3.6 pps	3.5 pps
ANP	<b>225</b>	214	5%	13%
TWPI	<b>1,141</b>	1,134	1%	7%
Operating profit after tax	<b>210</b>	203	3%	10%

**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 exchange rates for the first half of 2015 and the first half of 2014.
2. Change is shown on a year-on-year basis unless otherwise stated.

3. Economic assumptions are the same as those shown as at 30 November 2014 in our 2014 annual results preliminary announcement published on 26 February 2015. Non-economic assumptions used are based on those at 30 November 2014 updated to reflect AIA's view of 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 first half of 2015 and in the first half of 2014 were US\$11 million and US\$4 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. IFRS operating profit after tax, net profit and operating earnings per share are shown after non-controlling interests unless otherwise stated.
9. EV Equity includes goodwill and other intangible assets.
10. 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.
11. 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.
12. AIA's financial information in this announcement is based on the unaudited interim condensed consolidated financial statements and supplementary embedded value information for the first half of 2015.

*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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