



AIA Group Limited

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Media Release

AIA Group Limited – First Quarter 2013 New Business Highlights

AIA Delivers Record First Quarter

HONG KONG, 26 April 2013 – AIA Group Limited (stock code: 1299) is pleased to announce a record first quarter value of new business (VONB) of US\$291 million for the quarter ended 28 February 2013.

AIA's successful profitable growth strategy continued to deliver:

- 25 per cent increase in value of new business (VONB) to US\$291 million
- 37 per cent growth in annualised new premium (ANP) to US\$745 million
- VONB margin of 38.4 per cent
- Total weighted premium income (TWPI) growth of 16 per cent to US\$4,177 million

Key Financial Summary

US\$ millions, unless otherwise stated	1Q 2013	1Q 2012	YoY
Value of new business (VONB)	291	232	25%
VONB margin	38.4%	42.1%	(3.7) pps
Annualised new premium (ANP)	745	543	37%
Total weighted premium income (TWPI)	4,177	3,599	16%

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

"AIA has made a very positive start to 2013 with another excellent performance that builds upon the record results we achieved in 2012. The strong growth in value of new business of 25 per cent to our highest ever first-quarter figure demonstrates the successful execution of our proven growth strategy and our continuing momentum.

"AIA holds an advantaged position as the world's leading independent pan-Asian insurer solely focused on the Asia-Pacific region. Our local expertise provides us with a deep understanding of the rapidly growing savings and protection needs of our customers across the region and we are exceptionally well-positioned to benefit from the expanding demand for our products in Asia Pacific.

"We will continue to deliver our sustainable growth strategy by improving the quality and expanding the reach of our proprietary agency distribution and partnership platform, launching innovative new products to broaden our product range and leveraging our trusted brand and strong balance sheet. We remain very confident about AIA's future growth opportunities to create strong and sustainable returns for our customers and shareholders."

SUMMARY FOR THE FIRST QUARTER

Our strategic focus continues to be on creating shareholder value and returns for our policyholders. We achieve this by optimising our volume and margin mix to deliver sustainable growth in VONB, which is our primary performance measure for the Group. As a consequence, VONB grew by 25 per cent to US\$291 million compared with the first quarter of 2012.

Each of our markets reported positive growth in VONB, building on the record results from the prior year. Highlights of the quarter include the continued positive momentum in Hong Kong; the strong improvement in the performance of our agency operations in Korea as we continue to reposition the business; and the excellent growth witnessed in our Other Markets, in particular Indonesia, Australia and the Philippines. Our operations in Malaysia received a positive contribution from the consolidation of the newly-acquired ING business that completed part way through December.

The overall Group VONB margin was 38.4 per cent. The change in margin compared with the first quarter of 2012 was mainly due to changes in the geographical mix arising from the strong volume growth achieved in our operations in Korea and Other Markets, as well as the consolidation of the newly-acquired business from ING Malaysia and, as stated in our 2012 annual results announcement in February, our prudent assumption that the corporate tax rate in Thailand will return to 30 per cent for assessment year 2015 and onwards.

ANP grew strongly, up 37 per cent to US\$745 million compared with the first quarter of 2012. This excellent performance has been driven by the powerful combination of AIA's proprietary tied agency distribution and our profitable partnerships strategy. Agency is our primary distribution channel and a major source of competitive advantage for the Group. During the first quarter of 2013, we continued to see improvements in both the productivity and activity of our agents as a result of our Premier Agency strategy. Our profitable partnerships continue to perform well with excellent growth in VONB building on the strong results produced in 2012. TWPI has increased by 16 per cent to US\$4,177 million.

OUTLOOK

Major equity markets have continued their positive momentum in the first quarter of the year reflecting on-going liquidity support from central banks and signs of economic improvement in the United States. However, early signs of recovery in the United States have yet to be replicated in other Western economies, particularly Europe and the position remains fragile. The clear disparity between the economies in Asia and the West continues to emerge and the outlook for the global economy continues to be one of low growth and uncertainty in 2013.

Asian economies continue to present AIA with more resilient fundamentals than other parts of the world and the demographic drivers of the life insurance industry remain robust. The significant potential from the rapid growth in the urban population, increasing household disposable incomes, the lack of social security support and the significant levels of underinsurance provide opportunities for profitable expansion across the region. Our business is strongly supported by these major drivers of growth and AIA's leading pan-Asian platform is uniquely placed to capture these opportunities.

AIA remains solely focused on this attractive region and we are very confident about the Group's ongoing growth prospects. AIA's strong business performance in the first quarter demonstrates the continued execution of our clear strategy of delivering quality new business growth and our ability to generate strong and sustainable returns for 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 16 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 92 per cent subsidiary in Sri Lanka and a 26 per cent joint venture in India.

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\$134,439 million as of 30 November 2012.

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 25 million individual policies and over 13 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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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 first fiscal quarter of 2013 ended on 28 February 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 28 February 2013 was US\$2 million (three months ended 29 February 2012: US\$2 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 Malaysia 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 first quarter 2013 results from the respective dates of completion.
7. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding corporate 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 corporate 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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