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Media Release

AIA Delivers Excellent Results in the First Half of 2017

VONB up 42 per cent on constant exchange rates Operating profit up 16 per cent — Interim dividend up 17 per cent

HONG KONG, 28 July 2017 – The Board of Directors of AIA Group Limited (stock code: 1299) is pleased to announce the Group's unaudited consolidated results for the six months ended 31 May 2017. Highlights are shown on a constant exchange rate basis:

Record growth in value of new business (VONB)

- 42 per cent growth in VONB to US\$1,753 million
- 37 per cent increase in annualised new premiums (ANP) to US\$3,196 million
- VONB margin up 1.8 pps to 54.2 per cent

Strong operating profit generation and increased returns

- IFRS operating profit after tax (OPAT) up 16 per cent to US\$2,262 million
- IFRS operating earnings per share up 16 per cent to 18.87 US cents
- Embedded value (EV) operating profit up 21 per cent to US\$3,456 million
- Operating return on EV (operating ROEV) increased to 17.1 per cent

Robust cash flow and resilient capital position

- Underlying free surplus generation of US\$2,307 million, up 13 per cent
- Free surplus of US\$11.0 billion
- EV Equity of US\$47.8 billion; EV of US\$46.3 billion, up US\$4.2 billion in the first half
- Solvency ratio for AIA Co., our principal operating company, of 427 per cent on the HKIO basis

Significant increase in interim dividend

- 17 per cent increase in interim dividend to 25.62 Hong Kong cents per share

Ng Keng Hooi, AIA's Group Chief Executive and President, commenting on the results, said:

"AIA has delivered an excellent set of results in the first half of 2017 with record VONB growth of 42 per cent to US\$1,753 million. As a result of our financial discipline and commitment to delivering high-quality, sustainable growth, we have also achieved significant increases in IFRS operating profit and free surplus generation. Our performance is a clear reflection of the strength of AIA's businesses and the consistent execution of our strategy.

"The Board has declared a 17 per cent increase in the interim dividend for 2017. This reflects AIA's excellent financial results in the first half as well as our confidence in the outlook for the Group.

"AIA has significant competitive advantages created over our long history in Asia. We have a clear strategy that is working well and is fully aligned with the substantial opportunities presented by the extraordinary social changes and substantial economic growth taking place across the region. Our strong track record of value creation is the direct outcome of our many experienced teams working collectively to deliver our strategic priorities. We will continue to challenge ourselves and our strategy to ensure we capture the many significant opportunities that the region presents – well into the future.

"Today's announcement is the first time I have reported our financial results since I assumed the role of Group Chief Executive at the beginning of June and I am delighted that we have delivered a very strong performance. AIA is an exceptional company with outstanding people and a unique franchise. I look to the future with great enthusiasm as we continue to realise AIA's full potential in Asia and generate sustainable value for our customers and shareholders."

- End -

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, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.

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\$200 billion as of 31 May 2017.

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 30 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

US\$ millions, unless otherwise stated	Six months ended 31 May 2017	Six months ended 31 May 2016	YoY CER	YoY AER
New Business Value				
Value of new business (VONB)	1,753	1,260	42%	39%
VONB margin	54.2%	52.7%	1.8 pps	1.5 pps
Annualised new premiums (ANP)	3,196	2,355	37%	36%
Embedded value (EV) Equity⁽¹⁾	47,832	43,650	8%	10%
IFRS				
Operating profit after tax (OPAT)	2,262	1,956	16%	16%
Dividend per share (HK cents)	25.62	21.90	n/a	17%

(1) Comparatives for balance sheet items are shown at 30 November 2016.

New Business Performance by Segment

US\$ millions, unless otherwise stated	Six months ended 31 May 2017			Six months ended 31 May 2016			VONB Change	
	VONB	Margin	ANP	VONB	Margin	ANP	YoY CER	YoY AER
Hong Kong	828	47.9%	1,696	537	52.9%	988	54%	54%
Thailand	173	74.7%	232	175	80.9%	216	(3)%	(1)%
Singapore	135	72.0%	187	152	71.1%	214	(10)%	(11)%
Malaysia	104	61.8%	167	90	55.7%	159	24%	16%
China	434	91.7%	474	278	86.8%	321	65%	56%
Other Markets	184	41.1%	440	136	29.2%	457	36%	35%
Subtotal	1,858	57.5%	3,196	1,368	57.3%	2,355	38%	36%
Adjustment to reflect consolidated reserving and capital requirements	(27)	n/m	n/m	(35)	n/m	n/m	n/m	n/m
After-tax value of unallocated Group Office expenses	(78)	n/m	n/m	(73)	n/m	n/m	n/m	n/m
Total	1,753	54.2%	3,196	1,260	52.7%	2,355	42%	39%

Notes:

- 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 2017 and for the first half of 2016 other than for balance sheet items that use CER as at 31 May 2017 and as at 30 November 2016.
- Change is shown on a year-on-year basis unless otherwise stated.
- Long-term economic assumptions used in the EV basis for the interim results are the same as those shown as at 30 November 2016 in our 2016 annual results preliminary announcement published on 24 February 2017. Non-economic assumptions used in the EV basis are based on those at 30 November 2016 updated to reflect AIA's view of the latest experience observed.
- 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 2017 and in the first half of 2016 were US\$10 million and US\$9 million respectively.
- VONB includes pension business. ANP and VONB margin exclude pension business.
- IFRS operating profit after tax and operating earnings per share are shown after non-controlling interests unless otherwise stated.
- Operating ROEV is measured on an annualised basis.

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- (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 (including New Zealand), Cambodia, Indonesia, Korea, the Philippines, Sri Lanka, Taiwan, Vietnam and India. The results of our joint venture in India are accounted for using the equity method. For clarity, ANP and VONB exclude any contribution from India.
- (9) Korea has been included as part of the Other Markets segment, as previously disclosed in our Annual Report 2016. Prior period comparatives have been adjusted accordingly to conform to current period presentation.
- (10) AIA's financial information in this document is based on the unaudited interim condensed consolidated financial statements and supplementary embedded value information for the first half of 2017.

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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