

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.”

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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

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

New Business Performance by Segment

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

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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