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Media Release

AIA Delivers Strong Results for Third Quarter 2015

VONB growth of 25 per cent on constant exchange rates

HONG KONG, 16 October 2015 – AIA Group Limited (stock code: 1299) today announces 25 per cent growth in value of new business (VONB) on constant exchange rates (CER) for the third quarter ended 31 August 2015.

Highlights of the third quarter on constant exchange rates:

- 25 per cent growth in VONB to US\$552 million
- VONB margin up 8.4 percentage points (pps) to 57.6 per cent
- Annualised new premiums (ANP) of US\$936 million, up 7 per cent
- Total weighted premium income (TWPI) of US\$4,846 million, up 7 per cent

KEY FINANCIAL SUMMARY

US\$ millions, unless otherwise stated	Three months ended 31 August				Nine months ended 31 August			
	2015	2014	YoY AER	YoY CER	2015	2014	YoY AER	YoY CER
VONB	552	468	18%	25%	1,511	1,260	20%	25%
VONB margin	57.6%	48.7%	8.9 pps	8.4 pps	52.7%	47.1%	5.6 pps	5.3 pps
ANP	936	944	(1)%	7%	2,814	2,634	7%	12%
TWPI	4,846	4,935	(2)%	7%	14,479	13,939	4%	10%

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

“AIA has delivered a strong performance in the third quarter of 2015. VONB growth was 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. The consistent execution of our proven growth strategy and the resilience of AIA's operating model has enabled the Group to maintain the strong momentum achieved in the first half of the year.

“The Asia-Pacific region is one of the most attractive regions in the world for life insurance and, despite the uncertainty in the current global macro-economic climate, the substantial long-term structural growth drivers of our life insurance markets remain fully intact. The alignment of AIA's protection and savings products, brand positioning and proprietary distribution platforms with these long-term structural trends has enabled us to build and sustain our long and successful history in the region and ensures we are very well-placed to meet the substantial and growing needs of our customers in the future.

“October marks the fifth anniversary of AIA's IPO. VONB has more than trebled over this period and this strong performance reflects the value of our focus on sustainable growth with financial discipline. We will continue to execute our key strategic priorities and deliver large-scale profitable growth by providing quality products and services to our customers and generating sustainable value for our shareholders.”

SUMMARY FOR THE THIRD QUARTER

VONB increased by 25 per cent on constant exchange rates maintaining the strong momentum achieved in the first half of 2015. VONB growth was 18 per cent in reporting currency. Each of our geographical market segments, except for Korea, delivered strong double-digit VONB growth on constant exchange rates compared with the third quarter of 2014.

AIA's business in China continued to deliver excellent VONB growth driven by a combination of increased active agent numbers, higher agent productivity levels and a high-quality product mix. The consistent execution of our Premier Agency strategy differentiates the quality of AIA's product and service offering and enables us to access the substantial growth opportunities in the significantly under-penetrated protection and long-term savings markets in China.

Other highlights of the quarter included another strong performance in Hong Kong with VONB growth benefiting from a double-digit increase in the number of active agents and continued strong growth momentum in Thailand and Singapore, driven by further margin expansion, again maintaining the positive trend established in the first half of the year.

Malaysia achieved excellent VONB growth on constant exchange rates from higher agent productivity driving strong ANP growth and the result of our strategy of focusing on regular premium products with protection riders. Korea reported lower VONB compared with the third quarter of 2014 following continued challenging market conditions, as noted in the first half results.

Other Markets delivered excellent VONB growth compared with the third quarter of 2014 due to strong performances across our markets, in particular Australia, Indonesia, the Philippines and Vietnam.

VONB margin increased by 5.3 pps to 52.7 per cent for the first nine months of the year and 8.4 pps to 57.6 per cent in the third quarter on constant exchange rates. The main reason for the margin movement in the quarter was a positive product mix shift, with smaller contributions from geographical mix, channel mix and others. Economic assumptions remain unchanged for the quarter from those shown in our Annual Report 2014. Margin on a present value of new business premium (PVNBP) basis was 9 per cent for the first nine months of the year compared with 8 per cent in the prior year period. ANP increased by 7 per cent on constant exchange rates to US\$936 million in the third quarter of 2015 with strong growth in regular premium business partially offset by lower single premium volumes.

TWPI increased by 7 per cent to US\$4,846 million compared with the third quarter of 2014 on constant exchange rates.

FOREIGN EXCHANGE VOLATILITY

AIA receives the vast majority of its premiums in local currencies and we closely match our assets and liabilities to reduce the economic effects of foreign exchange movements. When reporting the Group's consolidated figures, there is a translation effect as we report in US dollars. We have provided comparisons of growth rates on constant exchange rates to provide a clearer picture when assessing the year-on-year performance of the underlying businesses during the recent period of foreign exchange volatility.

OUTLOOK

Asian economies have proved resilient through recent economic cycles and policymakers continue to manage both domestic long-term growth drivers and external volatility well, despite the uncertain near-term global macro-economic climate and the current volatility in global capital markets. The recent interest rate cuts in China and currency devaluation are consistent with the efforts to reflate the domestic economy and are supportive of the long-term economic transition toward a more consumption-led, service-based economy.

The life insurance markets in which AIA operates will continue to benefit from the significant structural economic and demographic trends, rapid urbanisation and increases in disposable incomes across the region which together drive a growing and important need for our products. Combined with low levels of social welfare support and private insurance cover, these structural drivers provide a very strong foundation for the attractive and resilient long-term growth outlook of our markets.

We are confident that AIA's market-leading businesses across the region, the quality of our proprietary distribution, our financial strength and the strong execution of our proven strategy, will continue to place AIA in an advantaged position to meet the substantial and growing protection, savings and healthcare needs of our customers over the long term.

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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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As for all quarterly new business highlights announcements, there will not be a conference call for media or investors and your usual contact will be available to answer queries.

Notes:

1. AIA's third fiscal quarter of 2015 ended on 31 August 2015.
2. 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 2015 and 2014.
3. Change is shown on a year-on-year basis unless otherwise stated.
4. Economic assumptions are the same as those shown as at 30 November 2014 in Section 5.2 of the Supplementary Embedded Value Information in our Annual Report 2014. Non-economic assumptions used are based on those at 30 November 2014 updated to reflect the latest experience observed.
5. 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 three months ended 31 August 2015 and in the three months ended 31 August 2014 were US\$5 million and US\$4 million respectively.
6. VONB includes pension business. ANP and VONB margin exclude pension business.
7. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding 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, before reinsurance ceded.

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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