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Media Release

AIA Delivers Strong Growth for Third Quarter 2014

Value of New Business up 23 per cent

HONG KONG, 17 October 2014 – AIA Group Limited (stock code: 1299) today announces a record value of new business (VONB) result for the third quarter ended 31 August 2014.

Highlights of the third quarter:

- 23 per cent growth in VONB to US\$468 million
- 48.7 per cent VONB margin, an increase of 4.0 percentage points (pps)
- Annualised new premium (ANP) of US\$944 million, up 13 per cent
- Total weighted premium income (TWPI) of US\$4,935 million, up 12 per cent

Key Financial Summary

US\$ millions, unless otherwise stated	Three months ended 31 August				Nine months ended 31 August			
	2014	2013	YoY AER	YoY CER	2014	2013	YoY AER	YoY CER
VONB	468	379	23%	24%	1,260	1,024	23%	27%
VONB margin	48.7%	44.7%	4.0 pps	4.1 pps	47.1%	42.7%	4.4 pps	4.3 pps
ANP	944	839	13%	13%	2,634	2,366	11%	15%
TWPI	4,935	4,409	12%	11%	13,939	12,904	8%	11%

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

“2014 continues to be a very strong year for AIA with 23 per cent growth in VONB and delivery of our highest-ever quarter at US\$468 million.

“AIA is exceptionally well-placed to capitalise on the considerable long-term structural growth trends across the Asia-Pacific region through the quality and scale of our distribution and product franchise. Substantial growth in disposable incomes combined with low levels of both social welfare and private insurance cover drive enormous potential for the sale of savings and protection products across our markets.

“We will maintain our strategic focus on further developing the quality and scale of our core agency and bancassurance distribution, and leveraging our financial strength and leading brand position across the region to meet our customers' protection needs and long-term wealth aspirations.

“Our third-quarter results build on the excellent performance achieved in the first half of the year and demonstrate our focus on delivering sustained and large-scale profitable growth.”

SUMMARY FOR THE THIRD QUARTER

VONB increased by 23 per cent based on actual exchange rates compared with the third quarter of 2013 to US\$468 million.

China was again one of our strongest performing businesses with the consistent execution of our Premier Agency strategy delivering excellent VONB growth from a combination of increased active agent numbers, higher agency productivity levels and a positive product mix.

Other highlights of the quarter include excellent growth in Hong Kong and Malaysia with continued momentum in Singapore and another solid performance in Thailand. Each of these markets delivered double-digit VONB growth in the third quarter.

Our operation in Korea delivered positive VONB growth in the third quarter notwithstanding lower margins in the direct marketing business following the industry-wide suspension of outbound telesales earlier in the year. Other Markets continued to be affected by unfavourable exchange rate movements in the third quarter in Indonesia and from liquidity tightening in the banking sector, as previously disclosed.

VONB margin increased by 4.0 percentage points to 48.7 per cent compared with the third quarter of 2013. Margin expansion was mainly driven by product mix improvements continuing the trend from the first half. Economic assumptions remain unchanged for the quarter from those shown in our Annual Report 2013. ANP increased by 13 per cent to US\$944 million compared with the third quarter of 2013.

TWPI increased by 12 per cent to US\$4,935 million compared with the third quarter of 2013.

OUTLOOK

The fundamental drivers of Asian economies are unchanged and we remain positive about the long-term outlook for economic growth in the region. China's deliberate policy move towards more stable, high-quality growth will be positive for the region over the long term.

Asian economies have demonstrated resilience through economic cycles and remain well-positioned. Domestic drivers of growth will continue to be supplemented by increased demand from advanced economies and from the continuation of relatively loose monetary policy, particularly in the Eurozone and Japan.

AIA has a leading position across the growth markets of the Asia-Pacific region and our business is very strongly supported by the major economic and demographic drivers of growth. We remain well-placed to capture the significant growth opportunities that the region offers.

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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 17 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.

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\$159 billion as of 31 May 2014.

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 28 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 2014 ended on 31 August 2014.
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 (AER) unless otherwise stated. Change in constant exchange rates (CER) is calculated using constant average exchange rates for 2014 and 2013.
4. Economic assumptions are the same as those shown as at 30 November 2013 in our 2013 annual results preliminary announcement published on 21 February 2014. Non-economic assumptions used are based on those at 30 November 2013 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 2014 and in the three months ended 31 August 2013 were US\$4 million and US\$3 million respectively.
6. 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.
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. VONB includes pension business.
9. ANP and VONB margin exclude 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", "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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