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## Media Release

### **AIA Group Announces Strong Financial Results For 2010 Building Momentum into 2011**

**HONG KONG, 25 FEBRUARY 2011** – The Board of Directors of AIA Group Limited, (“AIA” or the “Group”; stock code: 1299), is pleased to announce the Group’s audited consolidated financial results for the year ended 30 November 2010.

**The main highlights are:-**

- IFRS Net Profit<sup>1</sup> up 54% year-on-year to US\$2.7 billion (2009: US\$1.8 billion)
- Strong growth in Value of New Business (VONB), up 22% in 2010 to US\$667 million (2009: US\$545 million)
- Embedded value up 18% to US\$24.7 billion (2009: US\$21.0 billion)
- IFRS Operating Profit Before Tax up 18% to US\$2.1 billion (2009: US\$1.8 billion)
- Shareholders’ equity<sup>2</sup> grew US\$4.7 billion to US\$19.6 billion (2009: US\$14.9 billion)
- Total assets increased to US\$107.9 billion (2009: US\$90.7 billion)
- Strong capital position with solvency ratio<sup>3</sup> of 337%, and an increase in total available capital<sup>3</sup> of 29% from US\$4.8 billion to US\$6.2 billion
- Free Surplus<sup>4</sup>, a distinguishing feature of AIA, increased 24% to US\$5.0 billion at the end of 2010 (2009: US\$4.0 billion)

**Commenting on the results, Mark Tucker, AIA Group Chief Executive and President,** said: “2010 was a very successful year for the AIA Group notwithstanding some notable distractions. Our 2010 results are a significant improvement over 2009 on all key measures, with excellent growth in profitability, driven by a strong existing in-force book of business and a material uplift in new business growth, particularly in the fourth quarter.

“Our very successful IPO marked a new beginning for AIA which, together with changes we implemented in the second half of 2010, has helped to unleash the potential of our business and create strong growth momentum going into 2011.

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“Our focus for 2011 will be on the key strategic priorities that will deliver sustainable profitable growth and create value for our shareholders. These include strengthening our agency and partnership distribution channels, increasing their productivity, enhancing our products and customer experience and transforming our organisation to be more nimble and customer focused.

“The AIA Group’s outstanding customer franchise, well-respected brand, 100% ownership in 14 of our 15 markets, very strong financial profile, product expertise and distribution reach combine to give us a unique and advantaged platform for future growth.

“We will pursue these growth opportunities with a strengthened leadership team, and more efficient organisational structure in place. As the only pan-Asian listed insurance group focused 100% on this fast-growing region, AIA is very well positioned to win.”

### **Some market highlights**

In China (VONB<sup>5</sup> up 43% over 2009), the Group has secured approval to open eight new sales and services centres in Jiangsu and Guangdong provinces and signed a long term partnership agreement with ICBC, one of China’s largest banks.

In Malaysia (VONB up 39% over 2009), the Group received approval to operate a Family Takaful business, catering to the needs of the majority Muslim community in Malaysia.

AIA built renewed momentum in Hong Kong, which experienced a rapid recovery towards the end of the year (VONB up 56% from Q3 to Q4 2010) supported by a combination of improved operational efficiency and higher new business sales.

AIA Singapore (VONB up 18% from Q3 to Q4 2010) re-energised its agency force, diversified its product portfolio and re-oriented its sales focus towards profitable growth.

We continued to lead the market in Thailand, enhancing VONB (up 44% over 2009) and introducing pioneer products (e.g., the market’s first investment-linked product).

In Korea (VONB up 7% over 2009) we implemented new strategies to refine product offerings and enhance agency productivity, and launched Martassurance, an innovative partnership with Tesco, to diversify channel mix and increase market reach.

In the Group’s Other Markets (Australia, Indonesia, New Zealand, the Philippines, Taiwan and Vietnam), we delivered a strong VONB growth of 28%, demonstrating AIA’s strong position and diversified footprint across the region.

## **About the AIA Group**

AIA Group Limited and its subsidiaries (collectively “the AIA Group” or “the Group”) comprise the largest independent publicly listed pan-Asian life insurance group in the world, with a broad footprint spanning 15 markets in Asia Pacific. The Group traces its roots in the region back more than 90 years and has total assets of US\$107.9 billion.

The AIA Group meets the protection, savings and investment needs of individuals by offering a comprehensive suite of products and services covering accident and health insurance, life insurance and retirement planning. It also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of more than 260,000 agents and over 21,000 employees across Asia Pacific, AIA serves the holders of over 23 million individual policies and over 10 million participating members of group policies.

The Group has operations in Hong Kong, Thailand, Singapore, China, Malaysia, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei and India.

The AIA Group is a market leader in the Asia Pacific region based on life insurance premiums, and holds number one positions in six of its geographical markets. Due to its historical roots in Asia, the AIA Group has built a network of mainly wholly-owned businesses operating as branches or subsidiaries. Only in India, where legislation restricts foreign ownership of insurance companies to 26%, is the Group’s main operating unit a joint venture.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code ‘1299’.

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### **Footnotes**

<sup>1</sup> IFRS Net Profit is Net Profit attributable to shareholders of AIA Group Limited.

<sup>2</sup> Shareholders’ equity is total equity attributable to shareholders of AIA Group Limited.

<sup>3</sup> The solvency ratio is calculated based on 100% of the minimum solvency margin required by the Hong Kong Insurance Companies Ordinance (“HKICO”). The total available capital is the excess of assets over liabilities calculated based on the HKICO.

<sup>4</sup> Free Surplus is the adjusted net worth in excess of required capital calculated after reflecting applicable Hong Kong reserving and capital requirements at 150% HKICO required minimum solvency margin.

<sup>5</sup> VONB by geographical market is based on a local statutory basis.

*This document contains forward looking statements relating to AIA Group Limited that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. These forward looking statements are, by their nature, subject to significant risks. 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.*