



## AIA Singapore

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# Media Release

## AIA Announces Record Results Value of New Business Up 26 Per Cent

**SINGAPORE, 26 July 2013** – The Board of Directors of AIA Group Limited (stock code: 1299) is pleased to announce record results for the six months ended 31 May 2013.

The highlights of AIA's performance in the first half of 2013 include:

### **Record value of new business (VONB) – AIA's key performance measure**

- 26 per cent growth in VONB to US\$645 million
- 29 per cent increase in annualised new premium (ANP) to US\$1,527 million
- VONB margin of 41.6 per cent

### **Sustained focus on value creation**

- 15 per cent growth in embedded value (EV) operating profit to US\$1,907 million
- EV Equity up 5 per cent to US\$33.3 billion, including goodwill and other intangibles

### **Strong IFRS operating profit and capital position**

- IFRS operating profit after tax (OPAT) up 17 per cent to US\$1,268 million
- Net profit up 34 per cent to US\$1,934 million
- Solvency ratio of 427 per cent on the Hong Kong Insurance Companies Ordinance basis

The Board of Directors has declared an interim dividend of 13.93 Hong Kong cents per share, representing an increase of 13 per cent over the previous year and reflecting AIA's prudent, sustainable and progressive dividend policy.

### **Commenting on the results, Mark Tucker, AIA's Group Chief Executive and President, said:**

"AIA has delivered another excellent set of results over the first half of the year with a 26 per cent increase in value of new business – our key performance measure. The strong financial performance reflects our continuing growth momentum and demonstrates AIA's consistency in our ability to deliver outstanding results through the relentless execution of our proven growth strategy.

"AIA operates from an advantaged position through our long-standing scale and exclusive focus on the dynamic Asia-Pacific region. We continue to see the power of our Premier Agency strategy improving both the recruitment and productivity of our high-quality agents. At the same time, our partnership and group insurance businesses made a strong contribution to the Group's profitability. During the first half, we also launched a range of exciting new products across our markets designed to help our customers address their regular savings and protection needs.

"We remain confident in AIA's significant future growth opportunities. We will continue to capitalise on our competitive advantages, including our distribution franchise, product innovation and trusted brand position as well as the strength of our balance sheet, to meet customers' needs throughout

the Asia-Pacific region and to generate sustainable value for our shareholders.”

**Commenting on the results for AIA Singapore, Mr Tan Hak Leh, Chief Executive Officer, AIA Singapore said,** “Singapore continued to build on the past two years’ strong performances, and delivered a 13% increase in Value of New Business (VONB) compared with the first half of 2012 to US\$110 million. This solid performance is attributed to increase uptake of higher-margin protection products which increased our VONB margin by 11.3pps to 74.8% compared to first half of 2012, but their relatively small average premium size led to a minimal decrease of 3% in Annualised New Premium (ANP).

Overall, AIA Singapore achieved a significant increase of 5% in Operating Profit After Tax (OPAT) to US\$183 million because of an increase in Net Investment Income (NII) and growth in renewal premiums.

AIA Singapore’s continued growth for the first half financial year 2013 is attributed to our continued commitment and success in narrowing the protection gap in Singapore.

This is reflected in our conscious shift in product mix towards protection business evidenced in a boost in the uptake of critical illness, protection riders and individual medical plans, including the enhanced AIA HealthShield Gold Max launched in January 2013.

Our agency force continues to play a key role in growing our business and corporate solutions remains a-leading position in both in-force and new business gained.

Moving forward, we continue to build on the business growth momentum in 2013 by providing real solutions to meet our customers’ evolving health and protection needs.

The recently launched AIA Vitality programme is an example of our investment in Singapore’s health. This FIRST-IN-MARKET science-backed, wellness programme encourages and rewards healthy living and preventive care for families in Singapore. We have created a nationwide network, together with our partners to make AIA Vitality accessible to all Singaporeans. AIA is also the FIRST INSURER in Singapore to offer a premium discount for the duration of a customer’s policy as they get healthier. AIA is The Real Life Company, serving our customers’ protection needs and helping them lead healthier and fuller lives with their families.”

– 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 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\$147 billion as of 31 May 2013.

AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement savings plans, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents and employees across Asia-Pacific, AIA serves the holders of more than 27 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**

<b>US\$ millions, unless otherwise stated</b>	<b>Six months ended 31 May 2013</b>	<b>Six months ended 31 May 2012</b>	<b>YoY</b>
<b>New Business Value</b>			
Value of new business (VONB)	<b>645</b>	512	26%
VONB margin	<b>41.6%</b>	42.6%	(1.0) pps
Annualised new premium (ANP)	<b>1,527</b>	1,187	29%
<b>EV Equity<sup>(1)(2)</sup></b>	<b>33,296</b>	31,657	5%
<b>IFRS</b>			
Operating profit after tax (OPAT)	<b>1,268</b>	1,080	17%
Dividend per share (HK cents)	<b>13.93</b>	12.33	13%

(1) Comparatives for balance sheet items are shown at 30 November 2012.

(2) Includes goodwill and other intangibles.

**New Business Performance by Segment**

<b>US\$ millions, unless otherwise stated</b>	<b>Six months ended 31 May 2013</b>			<b>Six months ended 31 May 2012<sup>(3)</sup></b>			<b>VONB Change</b>
	<b>VONB</b>	<b>VONB Margin</b>	<b>ANP</b>	<b>VONB</b>	<b>VONB Margin</b>	<b>ANP</b>	
Hong Kong	<b>168</b>	<b>48.7%</b>	<b>326</b>	140	55.1%	243	20%
Thailand	<b>146</b>	<b>55.1%</b>	<b>265</b>	131	53.6%	244	11%
Singapore	<b>110</b>	<b>74.8%</b>	<b>147</b>	97	63.5%	152	13%
Malaysia	<b>54</b>	<b>35.3%</b>	<b>152</b>	32	42.3%	76	69%
China	<b>76</b>	<b>63.7%</b>	<b>120</b>	60	55.9%	108	27%
Korea	<b>45</b>	<b>24.9%</b>	<b>182</b>	33	32.0%	104	36%
Other Markets	<b>112</b>	<b>33.3%</b>	<b>335</b>	67	25.9%	260	67%
<b>Subtotal</b>	<b>711</b>	<b>46.0%</b>	<b>1,527</b>	560	46.7%	1,187	27%
Adjustment to reflect additional Hong Kong reserving and capital requirements	<b>(30)</b>	n/m	n/m	(16)	n/m	n/m	n/m
After-tax value of unallocated Group Office expenses	<b>(36)</b>	n/m	n/m	(32)	n/m	n/m	n/m
<b>Total</b>	<b>645</b>	<b>41.6%</b>	<b>1,527</b>	512	42.6%	1,187	26%

(3) Certain segmental reclassifications have been made in the prior period VONB and VONB margin results to conform to current period presentation. The reclassification has no impact on the total VONB and VONB margin of the Group for the six months ended 31 May 2012.

**AIA Singapore Business Results**

<b>US\$ millions, unless otherwise stated</b>	<b>Six months ended 31 May 2013</b>	<b>Six months ended 31 May 2012</b>	<b>YoY%</b>
VONB	110	97	13%
VONB margin	74.8%	63.5%	11.3pps
ANP	147	152	(3)%
TWPI	1,044	998	5%
Operating profit after tax	183	174	5%

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#### Notes:

- (1) 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.
- (2) AIA's previously-announced acquisitions of ING Management Holdings (Malaysia) Sdn. Bhd. (ING Malaysia) and Aviva NDB Insurance (ANI) completed in December 2012. The financial results of the two newly-acquired businesses are accounted for in the Group's 2013 interim results from the respective dates of completion.
- (3) ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.
- (4) ANP and VONB margin exclude pension business.
- (5) VONB includes pension business.
- (6) All figures are presented in actual reported currency (US dollar) unless otherwise stated.
- (7) Change is shown on a year-on-year basis unless otherwise stated.
- (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, the Philippines, Indonesia, Vietnam, Taiwan, New Zealand and Sri Lanka.
- (9) 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 2013 and the first half of 2012 were US\$6 million and US\$5 million respectively.
- (10) Economic assumptions are the same as those shown as at 30 November 2012 in our 2012 annual results preliminary announcement published on 27 February 2013. Non-economic assumptions used are based on those at 30 November 2012 updated to reflect the latest experience observed.

*This document contains forward-looking statements relating to the Group that are based on the beliefs of its management as well as assumptions made by and information currently available to its 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.*