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**THE REAL LIFE
COMPANY**

AIA Group Limited

友邦保險控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 1299

FIRST QUARTER 2017 NEW BUSINESS HIGHLIGHTS



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Media Release

AIA Delivers Record New Business Performance for First Quarter 2017

VONB growth of 55 per cent on constant exchange rates

HONG KONG, 27 April 2017 – AIA Group Limited (stock code: 1299) today announces record growth of 55 per cent in value of new business (VONB) on constant exchange rates (CER) for the first quarter ended 28 February 2017.

Highlights of the first quarter on constant exchange rates:

- 55 per cent growth in VONB to US\$884 million
- 62 per cent increase in annualised new premiums (ANP) to US\$1,779 million
- VONB margin of 49.2 per cent
- Total weighted premium income (TWPI) up 24 per cent to US\$6,247 million

KEY FINANCIAL SUMMARY

US\$ millions, unless otherwise stated	1Q 2017	1Q 2016	YoY CER	YoY AER
Value of new business (VONB)	884	578	55%	53%
VONB margin	49.2%	51.6%	(2.0) pps	(2.4) pps
Annualised new premiums (ANP)	1,779	1,103	62%	61%
Total weighted premium income (TWPI)	6,247	5,040	24%	24%

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

"We are pleased to report that AIA has made an excellent start to the year with record VONB growth of 55 per cent to US\$884 million. This is also the highest quarterly VONB result since our IPO in 2010.

"AIA continues to deliver a strong track record of year-on-year growth and our dedicated teams remain highly focused on building a high-quality, sustainable business for the long term. Today's headline figures reflect our robust operating performance and the consistent execution of our growth strategy over time.

"I have said many times that the powerful and structural economic, social and demographic changes taking place across Asia present an unparalleled opportunity for AIA. The alignment of AIA's significant competitive advantages developed over its long history in the region with these long-term structural trends means that the Group is exceptionally well-placed to help customers meet their substantial needs for financial protection, long-term savings and private healthcare provision through insurance.

"We were delighted to announce on 13 March that Keng Hooi will succeed me as Group Chief Executive and President upon my retirement from the Group. Keng Hooi has an outstanding track record of operational execution and strong leadership throughout his extensive experience in Asia.

AIA Delivers Record New Business Performance for First Quarter 2017

“Since the announcement, Keng Hooi and I have been working very closely together to ensure a smooth and orderly transition and I am pleased to report that this process will be completed ahead of plan. As a result, we have announced today that Keng Hooi will formally assume his new role effective from 1 June 2017. I will remain a director of AIA Group Limited, in a non-executive capacity, from then until 31 August 2017.

“It has been a great privilege to lead AIA and I am enormously proud of the Group’s achievements since IPO. AIA is an extraordinary business and I am highly confident that the Group will continue its success under Keng Hooi’s leadership.”

SUMMARY FOR THE FIRST QUARTER

VONB increased by 55 per cent to US\$884 million with strong double-digit growth across the significant majority of our individual markets.

AIA’s wholly-owned operation in China was our fastest growing business in the first quarter. Our focus on the sustained execution of our differentiated strategy through developing full-time professional agents who provide high-quality advice on comprehensive protection and long-term savings products continued to deliver excellent growth. Our consistent approach sets AIA apart in the industry and we continue to build on our strong track record with higher average agent productivity levels and excellent growth in the number of active agents compared with the first quarter of 2016.

In Hong Kong, we delivered another exceptional quarter with excellent VONB growth across a number of different customer segments and distribution channels, in particular from our partnership business and from the continuing strong execution of our Premier Agency strategy. We continued to benefit from a significant increase in agent productivity levels and growth in the number of active agents as well as stronger sales through the retail IFA channel.

Malaysia maintained its growth momentum with very strong VONB growth across both agency and partnership distribution channels and increased sales of regular premium unit-linked business. In Singapore, growth in regular premium protection business in the first quarter was offset by a continued reduction in single premium sales through the broker channel. This reflects our disciplined approach to managing our product mix through proactive pricing actions, as previously highlighted in our Annual Report 2016.

VONB in Thailand was lower as we continued to enforce the validation of agency contracts, which is an important part of our Premier Agency strategy to enhance the professional development standards of our market-leading agency distribution. Our Other Markets segment delivered excellent VONB growth in the first quarter with particularly strong performances across a large number of our individual markets including Australia, Korea, the Philippines and Vietnam.

ANP increased by 62 per cent compared with the first quarter of 2016 to US\$1,779 million, driven by strong improvements in active agent productivity levels, increased active agent numbers and excellent growth in our partnership distribution channel. VONB margin was 49.2 per cent, compared with 51.6 per cent in the first quarter of 2016, mainly due to increased sales of participating business within the product mix. Margin reported on a present value of new business premium (PVNBP) basis remained strong at 9 per cent for the first quarter of 2017. Long-term economic assumptions remain unchanged from those shown in our Annual Report 2016, following the same approach that we have applied consistently for quarterly new business highlights.

TWPI increased by 24 per cent to US\$6,247 million, compared with the first quarter of 2016.

OUTLOOK

Asian economic growth remains strong and structurally resilient. At both the individual country and regional levels, solid macroeconomic fundamentals, sound monetary and fiscal policies and favourable demographic trends continue to drive economic growth. Domestic demand is the primary driver of growth across the region, with intra-regional demand for exports continuing to increase rapidly. While political uncertainty in the US and Europe continues, Asian policymakers have significant monetary and fiscal flexibility to respond proactively over time to sustain domestic sources of growth.

The compounding benefits of economic growth and increasing wealth are leading to higher life insurance penetration rates, highlighting the material future growth potential for AIA. We remain highly confident in the Group's prospects and our ability to deliver long-term sustainable value creation for our shareholders.

FOREIGN EXCHANGE VOLATILITY

AIA receives the vast majority of its premiums in local currencies and we closely match our local assets and liabilities to minimise the economic effects of foreign exchange movements. When reporting the Group's consolidated figures, there is a currency translation effect as we report in US dollars. We have provided growth rates and commentaries on constant exchange rates unless otherwise stated, since this provides a clearer picture of the year-on-year performance of the underlying businesses.

– 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 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, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.

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\$185 billion as of 30 November 2016.

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 30 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.

AIA Delivers Record New Business Performance for First Quarter 2017

Notes:

1. AIA's first fiscal quarter of 2017 ended on 28 February 2017.
2. All figures are presented in actual reporting currency (US dollars) and based on actual exchange rates (AER) unless otherwise stated. Change is shown on a year-on-year basis and based on constant exchange rates (CER) unless otherwise stated. Change on CER is calculated using constant average exchange rates for 2017 and 2016.
3. Long-term economic assumptions are the same as those shown as at 30 November 2016 in Section 5.2 of the Supplementary Embedded Value Information in our 2016 annual results preliminary announcement published on 24 February 2017. Non-economic assumptions are based on those used at 30 November 2016 updated to reflect the latest experience observed.
4. 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 28 February 2017 and in the three months ended 29 February 2016 were US\$5 million and US\$4 million respectively.
5. VONB includes pension business. ANP and VONB margin exclude pension business.
6. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.
7. 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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By Order of the Board
Mark Edward Tucker
Executive Director
Group Chief Executive and President

Hong Kong, 27 April 2017

As at the date of this announcement, the Board of Directors of AIA Group Limited comprises:

Independent Non-executive Chairman and Independent Non-executive Director:

Mr. Edmund Sze-Wing Tse

Executive Director, Group Chief Executive and President:

Mr. Mark Edward Tucker

Independent Non-executive Directors:

Mr. Jack Chak-Kwong So, Mr. Chung-Kong Chow, Mr. John Barrie Harrison, Mr. George Yong-Boon Yeo, Mr. Mohamed Azman Yahya, Professor Lawrence Juen-Yee Lau, Ms. Swee-Lian Teo and Dr. Narongchai Akrasanee