TRANSCRIPT

AIA Group Limited 2023 Annual Results

Analyst Briefing Presentation

Business Highlights by Lee Yuan Siong – *Group Chief Executive and President*

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Good morning from Hong Kong and a warm welcome to AIA's annual results presentation for 2023.

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Today, AIA has announced a return to very strong profitable new business growth with VONB up 33 per cent to over 4 billion dollars and ANP at a record high. New business growth is the key driver of the 37 per cent increase in EV operating profit per share and a 350 basis point uplift in operating return on EV to 12.9 per cent.

Operating profit after tax was up 7 per cent per share on an underlying basis. We grew our CSM, the stock of future OPAT, by 8.4 per cent on an underlying basis and operating return on equity was up by 50 basis points to 13.5 per cent.

Strong capital generation saw free surplus increase by 25 per cent before capital returns of 2.3 billion dollars in dividends and 3.6 billion dollars through the buy-back. Net of these returns to shareholders, our capital position remains very strong with free surplus of 16.3 billion dollars.

Total dividend per share is up 5 per cent and we have returned 7.2 billion dollars through our ongoing share buy-back programme.

These results again demonstrate the power of AIA's business model that enables us to capture the growth opportunities across Asia and deliver cash returns to shareholders.

Let me explain how we have achieved these strong results before Garth provides more detail on the financials.

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We have four key growth engines, which together generate 95 per cent of the Group's VONB and each of them reported double-digit growth in 2023.

ASEAN, our largest engine, delivered over 1.5 billion dollars, which is more than one-third of the Group's total. Excluding Vietnam, where industry-wide issues have impacted new business sales, ASEAN was up 14 per cent, driven by increased productivity from both agency and partnerships alongside our focus on protection and unit-linked sales.

When Hong Kong fully reopened in February, we were ready to capture the return in demand from Mainland Chinese visitors for our high-quality comprehensive suite of products through our multi-channel distribution. Sales to the domestic customer segment also increased, resulting in an overall growth of 82 per cent for AIA Hong Kong. This excellent performance confirmed AIA as the overall market leader, as well as number one in agency and the retail IFA channels and our leading agency is an attractive career choice, with new recruits up by 59 per cent.

AIA China grew by 28 per cent from February to December following the removal of pandemic restrictions. Our high-quality Premier Agency generated over 90 per cent of China's VONB with margins exceeding 60 per cent in the second half and agent productivity more than double that of our peers.

Our joint venture in India, Tata AIA Life, ranked as the third largest private life insurer in 2023 and continued its track record across all channels with VONB up 37 per cent.

AIA's excellent new business performance was broad-based across our high-quality growth engines, which are powered by an unrivalled distribution platform.

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Premier Agency is at the heart of AIA's distribution and a key competitive advantage, generating over 75 per cent of new business in 2023. VONB grew by 23 per cent, driven by an increase in active agent numbers and higher productivity.

Full adoption of digital tools across the entire Premier Agency value chain has delivered a material improvement in productivity, recruitment and retention. This ensures that we are able to provide highly attractive opportunities for our career agents with incomes up 17 per cent and accelerating momentum in recruitment, up 26 per cent in the second half of the year.

We have the world's most professional agency that has been number one MDRT globally for the last nine years. We are also individually the number one in Mainland China, Hong Kong, ASEAN and India and we have grown MDRT qualifiers by a further 20 per cent in 2023, proving the success of our high-quality model.

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Strategic partnerships expand our distribution reach by bringing complementary access to large customer pools across our markets. Overall performance in 2023 was excellent, with VONB growing by 58 per cent.

Bancassurance was up 42 per cent, powered by ASEAN where we have long-standing relationships with leading banks including Bangkok Bank in Thailand, Citibank in Singapore and Public Bank in Malaysia. We reported equally impressive results from AIA's other growth engines.

Our IFA and broker channel more than doubled VONB in 2023. We regained the number one market position in Hong Kong, achieved excellent growth in Singapore and held the largest share of wallet across our partners in India.

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Combined with professional advice from our unrivalled distribution, our compelling propositions are difficult to replicate. Powered by our technology, digital and analytics capabilities, AIA's integrated product ecosystems offer greater relevance in meeting each of our customer's evolving needs.

We motivate and reward customers for taking actions that positively improve their physical and financial health, help them seek the best treatment and encourage them to save more effectively to meet their evolving needs.

In 2023, we broadened our customer propositions with targeted solutions including dedicated loyalty programmes in Hong Kong and Singapore, tax-deductible private pensions in Mainland China, and comprehensive health and wellness solutions in ASEAN and India.

AIA Vitality is at the core of our ecosystem, helping our customers improve their wellbeing, while delivering greater engagement and shared value generation.

Our holistic approach has resulted in us acquiring more than 1.5 million new customers in 2023, up 10 per cent on last year. AIA's customers are increasingly loyal with very strong growth in repeat sales and very high persistency.

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Our performance in 2023 could not have been delivered without the significant investments we have made in Technology, Digital and Analytics.

When I joined AIA in 2020, I said that a step change in how we use TDA was at the heart of our new strategy and we set out ambitious transformation goals to enhance every aspect of our business. Since then, we have invested around 800 million dollars in TDA to secure our future success.

We have met or exceeded most of our transformation targets, achieving our goal of being a simpler, faster, more connected organisation and a world leader in the use of TDA. Today, 90 per cent of our technology infrastructure is hosted in the cloud and our end-to-end STP rate has more than doubled to 85 per cent of all buy, service and claims journeys. Cost per transaction has reduced by 32 per cent and we have already achieved recurring expense and claims efficiencies of more than 150 million dollars per year.

Our strategy is not just aimed at transforming back-office capabilities but enables a leading customer experience. With 85 per cent of all customer transactions completed within a single day and highly-rated digital apps, AIA ranks first by NPS in seven of our markets. 100 per cent digital enablement has delivered significant improvements in productivity across our unrivalled distribution platform.

With our TDA transformation complete, we have the essential foundation to deploy Generative AI across our business at scale.

Today we have shared on our website a separate TDA presentation. This takes you through our journey so far and our future plans to expand distribution reach and productivity, continuously enhance customer experience and grow shareholder value.

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In summary, today's strong results executed across multiple growth engines and combined with our unmatched financial flexibility, underscores my confidence that AIA is exceptionally well placed for profitable growth.

Now over to Garth.

Financial Results by Garth Jones – *Group Chief Financial Officer*

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Thanks Yuan Siong, and good morning, everyone.

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I will now take you through the financial results in more detail across growth, earnings and capital and Dividends

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An excellent VONB performance for the Group was driven by significant increases in each of our five largest markets and double-digit growth in 10 of our markets. Amongst these, Yuan Siong has already covered our very strong results in Hong Kong and Mainland China.

Breaking out our key ASEAN businesses. AIA Thailand delivered another impressive performance, up 21 per cent, reflecting very strong growth from both our market-leading agency and partnership channels. AIA Singapore grew by 10 per cent, with growth from our core agency and an excellent performance in our partnership channel, while AIA Malaysia delivered another good year building on its excellent growth in 2022, with VONB exceeding 300 million dollars.

Excluding Vietnam, VONB from Other Markets increased by 15 per cent, with the majority of the growth coming from India.

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AIA's unique portfolio of businesses, diverse products and high-quality distribution enable us to deploy capital in high-quality profitable new business that drives long-term shareholder value creation.

You have heard me say many times before that we focus on growing total VONB rather than volume or margin alone, given the strong IRRs we achieve above 20 per cent and short payback periods. While reported margins may vary, if the return on capital of business is attractive, we look to write it, and in this way we optimise total value creation for shareholders.

Our priority is growing the total dollar value of VONB. In 2023, VONB increased by one billion dollars. Hong Kong and Mainland China saw very strong demand for profitable long-term savings products, which drove VONB growth and a modestly lower VONB margin for the Group over the year. In the second half, a more favourable product mix gave rise to an increase in the Group's VONB margin to 54.5 per cent.

Overall, our product mix remains well balanced between traditional protection and long-term savings products.

The equivalent new business PVNBP margin was strong and stable at 10 per cent, reflecting the quality and long-term nature of our business.

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Each of our reportable segments saw a sequential increase in margin in the second half. Product mix drove an increased margin in Hong Kong and Mainland China. AIA China's Premier Agency continued to generate industry-leading productivity, product mix and profitability with a margin over 60 per cent. Across the rest of the Group, a more favourable product mix caused VONB margins to increase in ASEAN.

Our ability to meet the full range of customer needs across protection, high-quality long-term savings and retirement products is a key differentiator for AIA and a major factor in our confidence in the Group's ability to deliver future VONB growth.

We actively assess channel, product, and financial dynamics and seek to improve these further, while deploying capital in a disciplined way to create optimal value for shareholders over the long term. This approach has not changed since IPO.

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EV operating profit was up 33 per cent to 8.9 billion dollars, driven by VONB growth and an increase in the expected return, reflecting higher interest rates and risk discount rates. As a result, operating return on EV stepped up to 12.9 per cent, an increase of 350 basis points.

Our focus on delivering sustainable VONB growth is a key driver of higher embedded value and increasing operating ROEV.

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Within EV operating profit, operating variances once again were a small positive. In line with global trends, we have seen an increase in medical claims post the pandemic. The overall prudence within our EV Equity assumptions has absorbed this negative experience, which we expect to be temporary as we re-price our annually renewable health products. To provide context, our consistently favourable operating variances have added 3.9 billion dollars to EV Equity since IPO.

Non-operating movements mainly related to changes in the value of Chinese and Thai equities as well as interest rate movements over the year. Net of these, EV Equity increased to 76.1 billion dollars before shareholder returns, an increase of 7 per cent.

After returning 5.9 billion to shareholders through dividends and the ongoing share buy-back programme, EV Equity was 70.2 billion at the end of 2023.

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Our EV methodology uses spot market yields and trends over time to our long-term assumptions, which aims to smooth out short-term market volatility.

At year end we updated our long-term investment return assumptions with a reduction in Mainland China and increases across the rest of the Group. Whilst in aggregate these changes have a positive effect on future distributable cash flows, reflecting higher interest rates, they were offset by corresponding changes in risk discount rates.

As a reminder, we have a substantial allowance for risk in our discount rates with a risk premium of close to 5 per cent for the Group, consistent with the levels used since IPO. The net impact of changes to our economic assumptions was less than 1 per cent of EV Equity. Our EV remains highly resilient to short-term market volatility from both interest rate and equity market movements.

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Now moving to IFRS earnings.

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CSM growth is a key driver of future OPAT. In 2023 CSM grew by 17 per cent to 58.4 billion before release into profit. The key growth drivers were the 7 billion from new business added in the year and 2.6 billion from the expected return on in-force business. Variances and others of negative 1 billion mainly related to capital market movements.

The CSM release rate remained stable at 9.5 per cent, as 5.3 billion dollars was released into OPAT, up 6 per cent on last year. Net of release, underlying growth in CSM was strong at 8.4 per cent. Growing the new business CSM faster than the CSM release rate will drive higher CSM releases and accelerate OPAT growth.

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OPAT per share grew by 7 per cent on an underlying basis and our operating margin remained strong at 16.4 per cent.

Whilst CSM release was higher, we have seen increased medical claims since the end of the pandemic, in line with global trends. You can see that OPAT was affected by 221 million of medical claims variances compared with last year. Our health insurance portfolio is comprised of annual renewable policies, in response, we are increasing premium rates as policies renew.

Adjusting for these temporary variances and minor IFRS model refinements, OPAT increased by 7 per cent per share.

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AIA's sources of earnings are high-quality with 70 per cent from insurance services.

Regular premiums make up 99 per cent of our total weighted premium Income, providing very strong future cash flows and ample liquidity on our large in-force book.

Taken together with our geographically diverse portfolio of businesses, balanced across the growth engines of Hong Kong, Mainland China and ASEAN, this underpins the resilience of the Group's earnings and balance sheet.

Our disciplined strategy of focusing on value and quality has helped deliver consistent growth in OPAT per share with a CAGR of 10 per cent since IPO.

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Shareholders' allocated equity provides a clearer reflection of the underlying drivers of the change in equity by excluding the mark-to-market movements on assets and liabilities relating to non-participating business which are contained within other comprehensive income. As a reminder, under IFRS 17, virtually all mark-to-market movements from participating business flow to insurance contract liabilities and the CSM.

Before returns to shareholders, allocated equity increased to 50.7 billion dollars, driven by net profit of 3.8 billion. The combination of strong OPAT of 6.2 billion and the ongoing share buy-back helped drive operating ROE up by 50 basis points to 13.5 per cent.

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Comparing IFRS new business CSM and comprehensive equity to VONB and EV Equity, clearly demonstrates the prudence of AIA's embedded value reporting. We believe that EV and VONB are more representative of shareholder value as they are based on distributable cash flows after tax, not accounting earnings. Importantly, all expenses as well as regulatory and group capital requirements and all taxes are fully captured within our EV and VONB with significant allowance for risk premiums in our risk discount rates.

Our EV Equity does not reflect an additional 0.9 billion if we marked to market our medium-term notes. In addition, our investment in China Post Life is included in EV Equity at IFRS net asset value, which is around 1.5 billion lower than China Post Life's own embedded value.

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Finally, capital and dividends.

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The LCSM coverage ratio is the Group's principal regulatory solvency measure, taking a fully consolidated view of local business requirements and is calculated on a prescribed capital requirement basis. While the LCSM is consistent with the capital requirements used to assess regulatory solvency. Free surplus continues to be more representative of the capital position for shareholders.

The LCSM coverage ratio increased 14 percentage points before shareholder returns, supported by strong capital generation from our in-force business. After returns to shareholders, AIA's solvency position remained very strong with a coverage ratio of 275 per cent at the end of 2023. For comparability, we have shown a shareholder view excluding participating business. On this basis, the coverage ratio was higher at 335 per cent.

The sensitivity of our LCSM coverage ratio to mark-to-market movements on equities and interest rates is small, reflecting the strength of our balance sheet and our robust risk management.

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Our high-quality investment portfolio is constructed to match our insurance liabilities as closely as possible. As a result, 80 per cent of non-par and surplus assets are fixed income, with the vast majority either government and government agency bonds or investment grade corporate bonds. Within this, the 30 billion dollar corporate bond portfolio is well diversified across sectors and geographies with more than 17 hundred issuers. The average credit rating of our corporate bond portfolio is at A minus and our expected credit loss provision at the end of the year was 0.5 per cent of the portfolio.

In Mainland China, the Group's total exposure to real estate bonds, equities and local government financing vehicles is small, and almost all of AIA China's fixed income assets are government and government agency bonds.

In summary, we have strong asset-liability management and a high-quality diversified investment portfolio.

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The Group's financial position remained very strong with free surplus increasing by 25 per cent to 22.3 billion dollars before returns to shareholders. The increase was driven by underlying free surplus generation of 6 billion dollars, and reinvestment of 1.3 billion in new business at attractive long-term returns. After 5.9 billion dollars returned to shareholders, free surplus closed the year at a very strong 16.3 billion dollars.

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The Board has recommended an increase of 5 per cent in the final dividend, bringing the total dividend for the year to 161.36 Hong Kong cents per share, up 5 per cent. The Board continues to follow AIA's established prudent, sustainable and progressive dividend policy, allowing for future growth opportunities and the financial flexibility of the Group.

In addition to regular dividends, our ongoing 10 billion dollar buy-back programme returned 3.6 billion to shareholders over the year. A total of 24.8 billion has now been returned to shareholders since IPO.

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AIA follows a clearly defined and robust capital management framework that is the foundation for superior shareholder value generation.

Over the last two years, through our disciplined approach, we have deployed 14.8 billion into business growth and significant capital returns to shareholders. We invested 2.6 billion in organic new business at highly attractive returns, generating 9.7 billion of additional shareholder value, which will come through as free surplus generation over time. Our prudent, sustainable and progressive dividend policy has returned 4.6 billion to shareholders and we have deployed 0.4 billion into acquisitions.

By the end of 2023, the buy-back had returned 7.2 billion in excess capital to shareholders, enhancing per share financial metrics and supporting higher ROE. The programme is on-going with 2.8 billion remaining. Our free surplus position, while remaining very strong, has reduced to 16.3 billion, mainly driven by the return of excess capital through the share buy-back.

We believe that our strong balance sheet, financial flexibility, highly attractive new business growth and strong cash returns to shareholders set us apart from our competitors.

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In conclusion, the Group has delivered a strong financial performance in 2023 across growth, earnings, and capital and dividends.

VONB grew by 33 per cent to over 4 billion dollars. This drove EV operating profit up 33 per cent, and Operating ROEV increased to 12.9 per cent. On an underlying basis, OPAT per share grew by 7 per cent and CSM increased by 8.4 per cent. Free surplus increased 25 per cent before shareholder returns. Total dividend per share was up 5 per cent and we returned a total of 5.9 billion to shareholders in 2023. Our 10 billion dollar buy-back programme is ongoing, enhancing shareholder returns and we remain disciplined in our future capital deployment.

AIA's robust balance sheet is a key competitive advantage, ensuring we retain our unmatched financial flexibility to invest in the enormous potential for profitable new business growth in the region, fully harnessing the exceptional qualities of AIA.

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I will now hand back to Yuan Siong.

Strategic Priorities: Accelerating AIA's Multiple Growth Engines
by Lee Yuan Siong – *Group Chief Executive and President*

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Thanks, Garth. Let me now remind you why AIA is exceptionally well-placed to deliver profitable growth well into the future.

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First of all, we are one hundred per cent focused on Asia, which is the most attractive market for life and health insurance in the world.

Asian consumers continue to amass high levels of private savings at a rate faster than anywhere else globally. Populations are growing, yet ageing and with significantly low levels of insurance penetration and limited welfare coverage, there is an urgent need for the personalised products and high-quality advice that only AIA provides.

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The potential for our business is immense, and our strategy is aligned to these long-term structural trends.

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I will now take you through how we are capturing the opportunity across our multiple growth engines. Starting with Mainland China.

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The core of AIA China is our full-time professional Premier Agency that is the clear market leader in Mainland China.

AIA's agents are even more productive than their pre-pandemic peak and outpace the industry with VONB per agent more than double that of peers. Our success is driven by young, dynamic and entrepreneurial agency leaders who ensure sustainable growth by attracting, developing and retaining the best agents. Universal adoption of our advanced digital platforms drives higher productivity and efficiency while ensuring our strict quality standards are maintained. 93 per cent of AIA's new agents are college graduates or above and we saw accelerating recruitment momentum in the second half with new recruits up 16 per cent.

In contrast to many competitors, our agency is growing and becoming more productive, resulting in VONB growth above 20 per cent from February to December.

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Our Premier Agents are equipped with the skills, tools and products to successfully target the sophisticated needs of Mainland China's growing middle-class consumers where demand for AIA's insurance propositions remains robust. More than 80 per cent of ANP comes from this segment and each customer holds on average 6 AIA policies, helping them achieve their protection and long-term savings goals. We saw excellent growth in new customers in the second half of the year, providing us with significant additional opportunities as our agents grow these relationships over time.

Our overall product mix is high-quality, well balanced and profitable. VONB margin increased substantially in the second half to 63.4 percent following a favourable shift in product mix and re-pricing. In 2023, over 95 per cent of our agents sold protection products which accounted for more than 80 per cent of all policies from new customers. The majority of our long-term savings products were bought by existing customers, who already own AIA protection policies.

It is AIA's differentiated Premier Agency meeting the evolving demands of China's middle-class consumers that sets us apart in this market. And we have significant headroom to grow as we build on our track record of sustained value creation across both our established and new operations.

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With the pandemic behind us, we have ambitious plans to accelerate growth from our new operations. As you will recall, by deepening our presence in existing geographies and entering new provinces, we significantly enlarge our addressable market.

In 2023, we opened a new provincial branch in Zhengzhou, Henan and our Shijiazhuang sales and service centre in Hebei was also upgraded to provincial status, allowing us to expand more rapidly. AIA China has also been granted regulatory approvals to enter new major cities in Hubei and Sichuan provinces. Since 2019, our footprint has doubled to 10 geographies, adding more than 100 million potential new customers to AIA China and our expansion model is working well.

In 2023, agency VONB from our new branches grew by 55 per cent and exceeded 5 per cent of AIA China's agency VONB in the second half. Notably, VONB margin is at a similar level to our established operations as we replicate our proven strategy of targeting the middle class with highly relevant long-term savings and protection propositions. Recruitment for our newest branches is also very strong and accelerating, with more than 77 per cent growth compared to the previous year.

As we continue to execute our plans, the vast majority of Mainland China's growing middle-class population will be within our reach. I have no doubt in our ability to expand at scale whilst maintaining strict quality standards and our leading customer experience.

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We are also able to extend AIA China's customer reach through highly selective partnerships with banks that have aligned long-term ambitions and create value for both partners. While our partners are some of the largest players in the market, we are focused on meeting the holistic protection and long-term savings needs of only their most affluent customers.

Through our exclusive partnership with BEA and our strategic relationships with Bank of China and Shanghai Pudong Development Bank, our average case size exceeds 20,000 US dollars, higher than our average MCV case size in Hong Kong.

Bancassurance is a small part of AIA China's total VONB and we have seen steadily improving new business profitability that is complementary to our core strategy. AIA China is singularly positioned for growth in this dynamic market.

We have the unique combination of profitable products addressing the needs of a targeted, growing and affluent customer segment and a world-class distribution with significant head room for growth as we advance our geographical expansion plans.

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Next, moving to Hong Kong.

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AIA Hong Kong was the largest individual contributor to the Group's VONB with 82 per cent growth.

Our Premier Agency is the leader across Hong Kong and Macau and agency VONB was up 57 per cent. We are growing capacity and quality with 59 per cent growth in new recruits and more than 40 per cent growth in MDRT qualifiers. Our bank partnerships provide exclusive access to over 2 million customers, while our leading IFA proposition has seen us return to number one in this channel.

AIA Hong Kong's products and services have broad appeal to both domestic as well as MCV customers. We have the number one net promoter score. The launch of the AIA Wealth Management Centre in March provides an ecosystem of integrated health and wealth management services. And we are accelerating our health capabilities through more active medical network management, leveraging Amplify Health's powerful data and analytics.

As a result of our success, I am very proud that we were the overall market leader by new business in 2023.

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Now taking a closer look at the strong return of MCV business in 2023.

I am confident that the demand is sustainable. More than 70 per cent of VONB comes from customers new to AIA and around 60 per cent of policies were bought by customers who reside outside the Greater Bay Area. Our agency generated two thirds of MCV business and we saw growth in both VONB and the number of new policies in the second half. Following an initial surge of larger policies after the border reopened, average case size has stabilised in the second half.

As you know, we successfully retained the scale of our MCV-focused agency through the pandemic and we have progressively stepped up recruitment supporting very strong momentum in this growing customer segment.

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Now turning to our largest growth engine, AIA's ASEAN markets.

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We are the leading life and health insurer across the region. The combination of our powerful proprietary distribution channels and high-quality product mix allows us to deliver superior growth and profitability. VONB in 2023 was 20 per cent above pre-pandemic peak levels.

We have the largest and most professional agency in the region and our long-term strategic partnerships with leading banks are a key asset for the Group. Our propositions are focused on long-term protection and unit-linked products which, in turn, drove strong VONB margin of around 70 per cent in 2023, making this a highly profitable growth engine for the Group.

Our positions and performances across ASEAN are solid and consistent. Let me take you through the three reportable segments, starting with our largest business, Thailand.

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We are the undisputed leader and have an excellent track record of consistent execution, with VONB 60 per cent higher than pre-pandemic peak levels.

With a 41 per cent market share, our agency is the largest and most professional in Thailand by far. We continue to uplift quality and standards every year and our highly productive financial adviser programme increased headcount by 28 per cent in 2023. In bancassurance, productivity was up 31 per cent and we are working closely with Bangkok Bank to unlock the significant headroom for growth from its large retail customer base.

As a growing market, there is immense potential for AIA in Thailand. Our focus on traditional protection and unit-linked products ensures our market dominance and differentiates the quality of our growth.

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In Singapore, we have outperformed the market through our focus on protection-led, regular premium business.

Our agency is the most professional, most productive and largest tied distribution force in the market. A quarter of our agents are MDRT and we ranked the clear number one in Singapore. We are continuing to scale the agency with expansion of both our agency leaders and onboarding new recruits. In the partnership channel we have strong momentum through Citibank, selected high-net worth brokers and we lead the market in employee benefits business.

We offer differentiated health and wellness solutions, leveraging AIA's leading Regional Funds Platform and our market leadership in health insurance. We see strong potential for growth from AIA Singapore as we can tap into growing domestic demand as well as Singapore's position as a regional hub.

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AIA Malaysia has grown significantly over the last four years and 2023 was another strong year with VONB exceeding 300 million dollars.

Targeted investments in technology, digital and analytics have enabled us to simultaneously increase manpower and productivity across our leading Premier Agency and exclusive partnership with Public Bank.

Our strong focus on protection, both traditional and unit-linked, delivers a high-quality profitable product mix. We are the market leader in health insurance and AIA Vitality has been a key differentiator with very strong uptake by both agents and our customers.

I am very proud of our success in Malaysia and am confident that we can extend our track record for many years to come.

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Finally, India.

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Our joint venture, Tata AIA Life, provides us with an exceptional platform to capture the tremendous opportunity for life and health insurance. By 2030 the middle-class population will reach one billion and protection coverage remains very low.

Tata AIA Life continued its strong track record with VONB up by more than 30 per cent in 2023, driven by an excellent performance in Premier Agency and strong growth in our partnership channel. In eight years, we have advanced from number seventeen in the market to the number three private life insurer in 2023. We are the market leader in retail protection and we have a balanced multi-channel distribution platform. Our differentiated agency strategy has made us the number one MDRT life insurer and our focus on growing and enhancing our agency has delivered consistent growth and outperformance against the industry.

Our key priority is to build the most professional distribution force at scale that is on par with AIA's leading Premier Agency. Our protection-focused strategy, quality distribution and proven execution ensure that Tata AIA Life is well on its way to capturing India's massive potential.

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To summarise, we have multiple growth engines to leverage the enormous opportunities for life and health insurance across Asia. We target a resilient middle-class and affluent customer base through our market-leading proprietary distribution and superior strategic execution. Combined with AIA's unmatched financial flexibility, we are in a unique position. I am certain that we can capture the full economics of growth in the region.

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In closing, 2023 was a strong year for the Group. VONB was up 33 per cent to more than 4 billion dollars and we achieved growth in all key financial metrics. We also returned 5.9 billion dollars to shareholders through dividends and the ongoing share buy-back programme. It is AIA's capacity to deliver growth, earnings and cash that sets us apart from our competitors.

I have every confidence that AIA will extend its strong track record of creating value for all our shareholders well into the future. Thank you.