



HEALTHIER, LONGER,
BETTER LIVES

First Quarter 2024 Update

29 April 2024

Disclaimer



This document (“document”) has been prepared by AIA Group Limited (the “Company”, and together with its subsidiaries, “AIA”, the “Group” or “AIA Group”) solely for use at the presentation held in connection with the announcement of the Company’s financial results (the “Presentation”). References to “document” in this disclaimer shall be construed to include any oral commentary, statements, questions, answers and responses at the Presentation.

No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information and opinions contained herein are subject to change without notice. The accuracy of the information and opinions contained in this document is not guaranteed. None of the Company nor any of its affiliates or any of their directors, officers, employees, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any information contained or presented in this document or otherwise arising in connection with this document.

This document contains certain forward-looking statements relating to the Company that are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the Company’s management. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. When used in this document, the words “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “going forward”, “intend”, “may”, “ought”, “target”, “should”, “will” and similar expressions, as they relate to the Company or the Company’s management, are intended to identify forward-looking statements. These forward-looking statements reflect the Company’s views as of the date of the Presentation with respect to future events and are not a guarantee of future performance or developments. 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. The Company assumes no obligation to update or otherwise revise these forward-looking statements for new information, events or circumstances that occur subsequent to the date of the Presentation.

Certain statements relating to the capital management policy in this Presentation may constitute forward-looking statements, including but not limited to statements that are predictions of or indicate future events, plans or objectives of the Company. Please take caution that a number of factors may influence actual dividends payable or share buy-back amounts in any given year, including but not limited to the Group’s actual earnings, capital and solvency requirements applicable to the Group, prevailing economic and financial market conditions, as well as unforeseen requirements imposed upon the Company affecting its ability to execute various capital management initiatives, including those initiatives referenced in this Presentation. In addition, the determination of the amount of future dividends or share buy-backs is subject to approval by the Board and the shareholders of the Company. No statement in this Presentation is intended to be a profit forecast or to imply that the earnings of the Group will necessarily match or exceed any target set out in this Presentation.

This document does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. No securities of the Company may be sold in the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended. In Hong Kong, no shares of the Company may be offered by the Company to the public unless a prospectus in connection with the offering for sale or subscription of such shares has been authorised by The Stock Exchange of Hong Kong Limited for registration by the Registrar of Companies under the provisions of the Companies Ordinance and has been so registered.

The information herein is given to you solely for your own use and information, and no part of this document may be copied or reproduced, or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organisation/firm) in any manner or published, in whole or in part, for any purpose. The distribution of this document may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Throughout this document, in the context of our reportable segments, Hong Kong refers to operations in the Hong Kong Special Administrative Region and the Macau Special Administrative Region; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia, Cambodia, India, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China) and Vietnam.

Excellent New Business Growth, Increased Capital Returns



- **First quarter 2024 VONB up 31%**
 - Highest ever quarterly VONB at \$1.3b
 - Double-digit VONB growth from all reportable segments
 - Increase in VONB margin to 54.2%

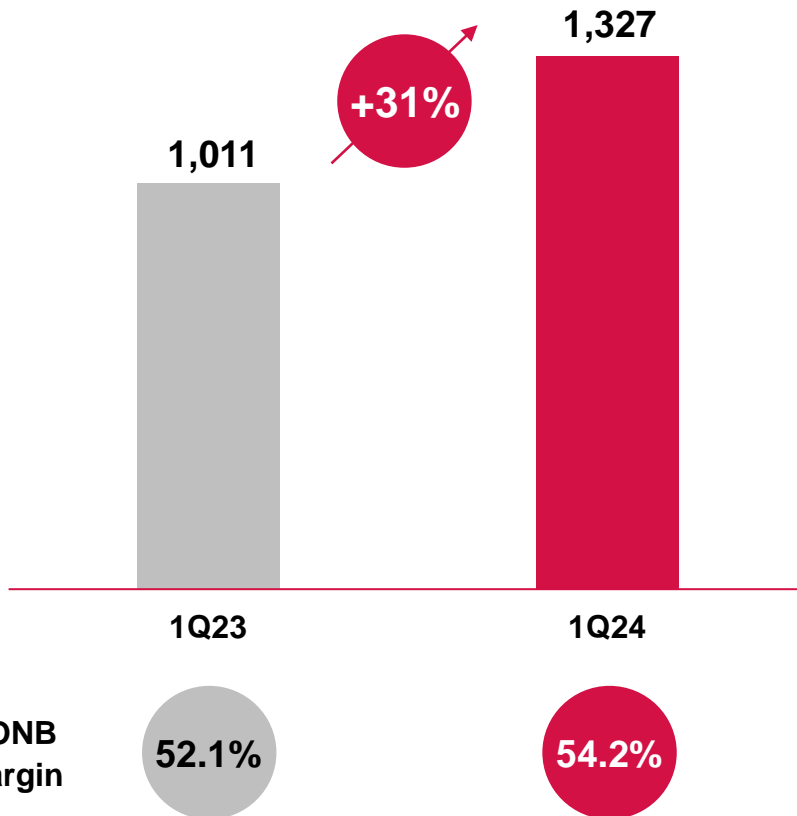
- **Enhanced Capital Management Policy**
 - Higher annual capital returns to shareholders
 - Regular review of capital position, returning excess to shareholders
 - \$2.0b added to existing share buy-back programme; bringing total to \$12.0b since 2022

- **Confident on outlook for 2024**

1Q24: Highest Ever Quarterly VONB with 31% Growth



Group VONB (\$m)



Double-Digit VONB Growth From All Reportable Segments

MAINLAND CHINA

+38%
VONB Growth

- **Very strong double-digit** growth from agency with **~60% VONB margin**
- Incremental growth from bancassurance with **~40% VONB margin**

HONG KONG

+43%
VONB Growth

- **Very strong double-digit** growth from **both** domestic and MCV segments
- 1Q24 MCV momentum continued with **VONB above 4Q23**

THAILAND | SINGAPORE | MALAYSIA

+16%
Combined VONB Growth

- TH: **double-digit** growth with strong VONB margin at **>90%**
- SG: **excellent** growth with strong momentum
- MY: **double-digit** increase with growth in both agency and partnerships

OTHER MARKETS

+10%
VONB Growth

- **Excellent** growth from India, the largest VONB contributor to Other Markets
- **Strong double-digit** growth from Australia, the Philippines and South Korea

Enhanced Capital Management Policy



1 Payout ratio target of 75% of annual net free surplus generation (net FSG)

- Prudent, sustainable and progressive regular dividend policy
- Share buy-backs to deliver balance of 75% payout ratio target

2 Ongoing commitment to regularly return excess capital

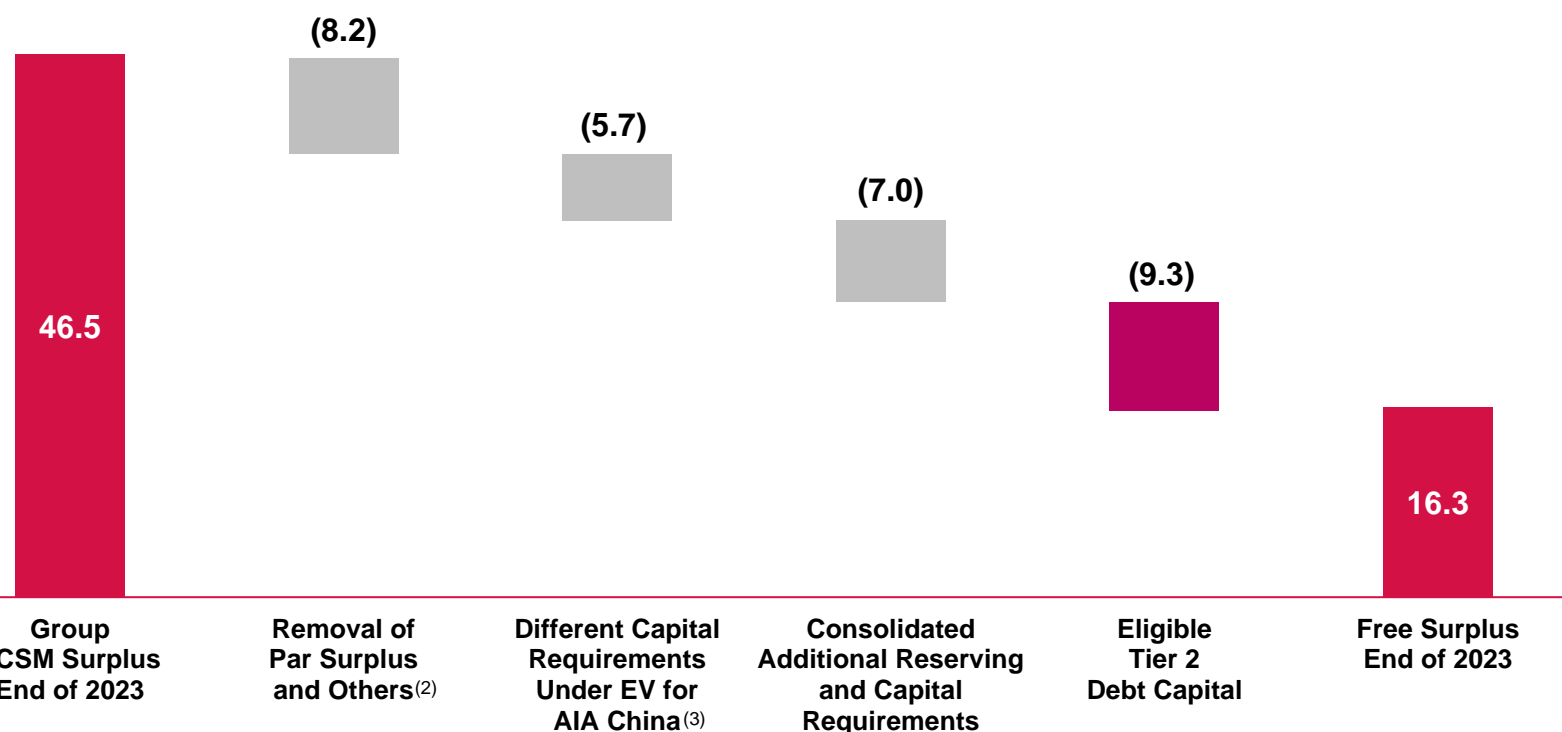
- \$2.0b additional share buy-back to complete in around 12 months

Shareholders' View of Group Capital Position

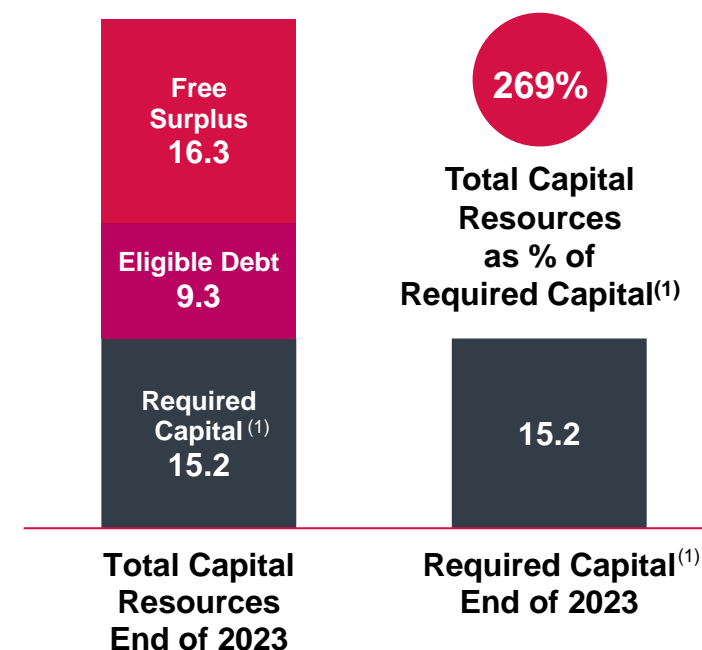


- Group LCSM surplus is the principal regulatory solvency measure for the Group
- Free Surplus is more representative of the capital position for shareholders (Shareholders' View)
- The reconciliation between the two measures are shown in our interim and annual results

Reconciliation of Group LCSM Surplus to Free Surplus (\$b)



Total Capital Resources Shareholders' View (\$b)



Notes:

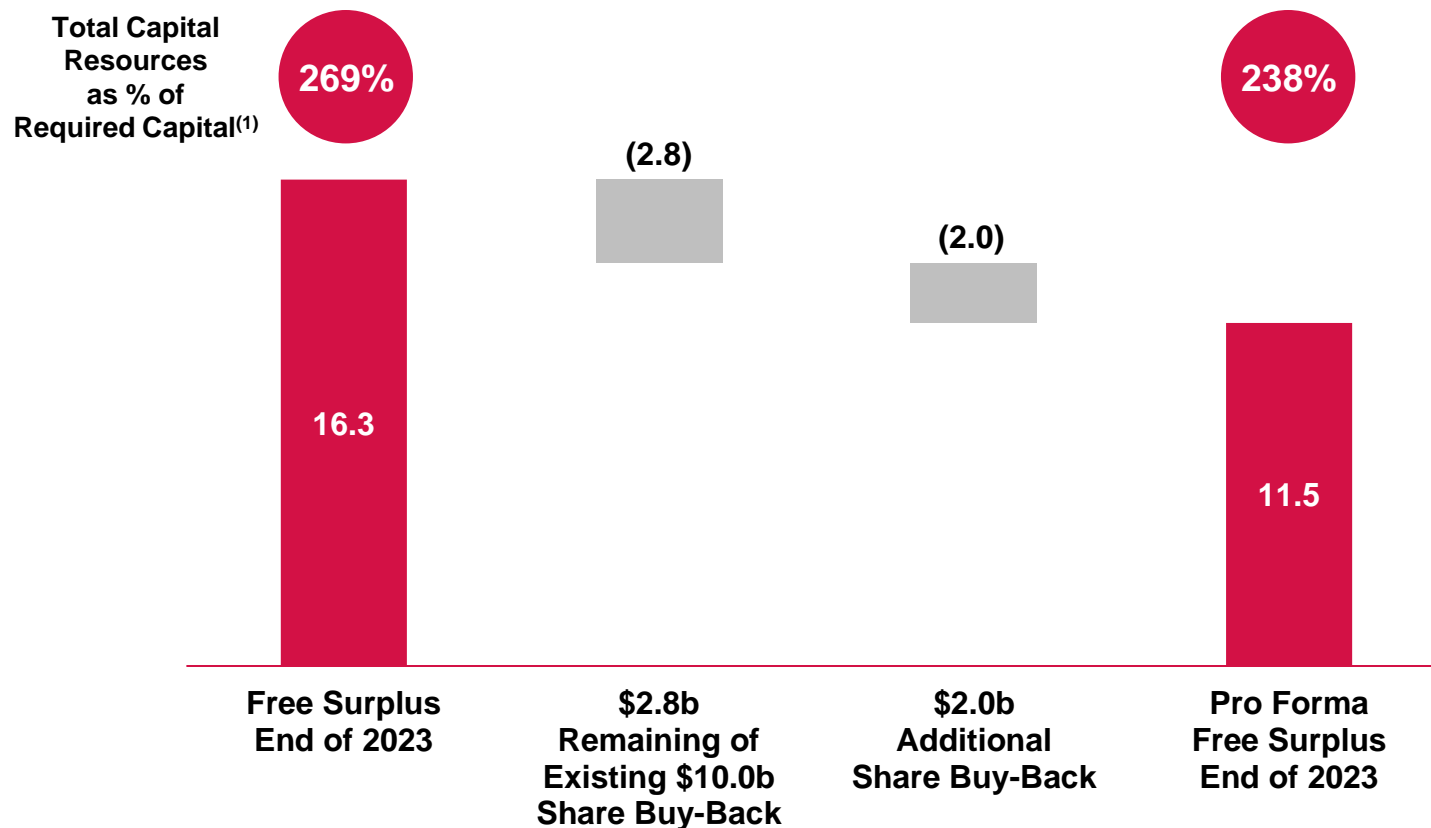
- Required capital as used in our embedded value calculations
- Mainly reflects the removal of surplus of participating funds and other participating business with distinct portfolios
- Adjustment from C-ROSS solvency basis to China Association of Actuaries (CAA) EV basis in line with local requirements

Shareholders' View of Group Capital Position (Cont.)



Pro Forma Free Surplus (\$b)

Total Capital Resources as % of Required Capital⁽¹⁾



Shareholder total capital resources to **comfortably exceed 200%** of Required Capital⁽¹⁾

- Free Surplus is shareholder capital above required capital⁽¹⁾ that is available to absorb stresses and fund new business growth
- Allow for a range of extreme but plausible stress scenarios when determining excess capital that can be returned to shareholders

Note:

(1) Required capital as used in our embedded value calculations



Payout Ratio Target of

75% of Annual Net Free Surplus Generation

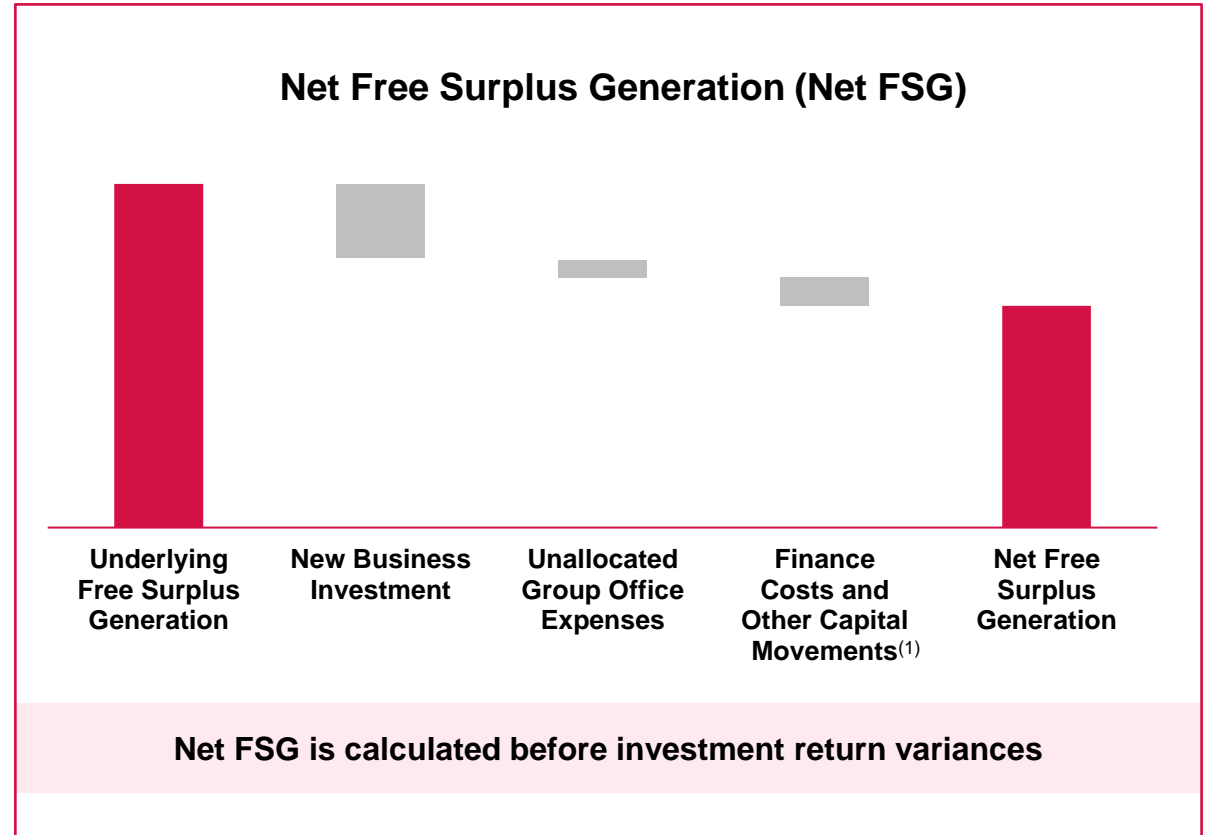
Starting from 2024 Annual Results

Dividends



Share Buy-Backs

- Unchanged prudent, sustainable and progressive dividend policy
- Growth in total dividend per share
- Balance of 75% payout ratio target
- Based on annual net FSG
- Announced at annual results



Note:

(1) Other capital movements mainly comprise share-based compensation related movements

Delivering Strong Capital Returns to Shareholders



Enhanced Capital Management Policy

1

**Payout Ratio Target of
75% of Annual Net FSG**



2

**Ongoing Regular Review and
Return of Excess Capital**



Illustration Based on FY23 Net FSG of \$3.9b⁽¹⁾

Total payout (75% of net FSG)	\$2.9b
--	---------------

Total dividend declared	\$2.3b
-------------------------	--------

Share buy-back (balance of the 75% of net FSG)	\$0.6b
---	--------



Additional share buy-back (to complete in around 12 months)	\$2.0b
--	---------------

Note:

(1) Calculation for illustration only; enhanced capital management policy to take effect starting from 2024 Annual Results

Excellent New Business Growth, Increased Capital Returns



- **First quarter 2024 VONB up 31%**
 - Highest ever quarterly VONB at \$1.3b
 - Double-digit VONB growth from all reportable segments
 - Increase in VONB margin to 54.2%
- **Enhanced Capital Management Policy**
 - Higher annual capital returns to shareholders
 - Regular review of capital position, returning excess to shareholders
 - \$2.0b added to existing share buy-back programme; bringing total to \$12.0b since 2022
- **Confident on outlook for 2024**

Definitions and Notes



- In the context of our reportable segments, Hong Kong refers to operations in the Hong Kong Special Administrative Region (SAR) and the Macau SAR; Singapore refers to operations in Singapore and Brunei; and Other Markets refers to operations in Australia, Cambodia, India, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China) and Vietnam.
- ANP and VONB for Other Markets include the results from our 49% shareholding in Tata AIA Life Insurance Company Limited (Tata AIA Life). ANP and VONB do not include any contribution from our 24.99% shareholding in China Post Life Insurance Co., Ltd. (China Post Life).
- The results of Tata AIA Life are accounted for using the three-month period ended 31 December 2023 and the three-month period ended 31 December 2022 in AIA's consolidated results for the first quarter ended 31 March 2024 and the first quarter ended 31 March 2023, respectively.
- All figures are presented in actual reporting currency (US dollar) 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 2024 and 2023.
- AIA's eligible group capital resources and group prescribed capital requirement (GPCR) are calculated based on the Local Capital Summation Method (LCSM). The Group LCSM surplus is defined as the excess of the eligible group capital resources over the GPCR.
- Free surplus is ANW in excess of the required capital adjusted for certain assets that are not eligible for regulatory capital purposes. Free surplus for AIA is stated after adjustment to reflect consolidated reserving and capital requirements.
- Net free surplus generation (net FSG) is calculated as underlying free surplus generation (UFSG) less free surplus used to fund new business, unallocated Group Office expenses, finance costs and other capital movements.
- Total capital resources (shareholders' view) comprises free surplus, eligible Tier 2 debt capital and required capital (as used in our embedded value calculations).
- Underlying free surplus generation (UFSG) represents free surplus generated from the in-force business, adjusted for certain non-recurring items, and before free surplus used to fund new business, unallocated Group Office expenses, finance costs, investment return variances and other non-operating items. The underlying free surplus generation is also calculated after reflecting consolidated reserving and capital requirements.
- VONB for the Group is after unallocated Group Office expenses and the adjustment to reflect consolidated reserving and capital requirements. The total reported VONB for the Group excludes VONB attributable to non-controlling interests.
- VONB and VONB margin by distribution channel are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests and exclude pension business.
- VONB and VONB margin by product mix and geographical market are based on local statutory reserving and capital requirements, before the deduction of unallocated Group Office expenses and non-controlling interests.
- VONB includes pension business. ANP and VONB margin exclude pension business and are before the deduction of non-controlling interests.
- VONB margin is calculated as VONB divided by ANP. VONB for the margin calculations excludes pension business and is before the deduction of non-controlling interests to be consistent with the definition of ANP.