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BETTER LIVES**

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## Media Release

### **AIA DELIVERS EXCELLENT VONB GROWTH IN 2023**

***VONB UP 33 PER CENT WITH DOUBLE-DIGIT GROWTH IN 10 MARKETS  
EV EQUITY UP 7 PER CENT BEFORE CAPITAL RETURNS OF US\$5.9 BILLION TO SHAREHOLDERS  
OPAT PER SHARE UP 2 PER CENT; TOTAL DIVIDEND PER SHARE UP 5 PER CENT***

**Hong Kong, 14 March 2024** – The Board of AIA Group Limited (the “Company”) is pleased to announce the Group’s financial results for the year ended 31 December 2023.

Growth rates are shown on a constant exchange rate basis:

#### **New business performance**

- Value of new business (VONB) grew by 33 per cent to US\$4,034 million
- Mainland China, Hong Kong, ASEAN<sup>(2)</sup> ex-Vietnam and India all delivered double-digit VONB growth
- Annualised new premiums (ANP) increased by 45 per cent to a record high of US\$7,650 million
- VONB margin of 52.6 per cent for the year with an increase in the second half compared with the first half

#### **Earnings and capital**

- Embedded value (EV) operating profit of US\$8,890 million, up 37 per cent per share
- Operating return on EV (ROEV) of 12.9 per cent, up significantly from 9.4 per cent in 2022
- Operating profit after tax (OPAT) of US\$6,213 million, up 2 per cent per share and underlying growth<sup>(3)</sup> of 7 per cent per share
- Underlying free surplus generation (UFSG) of US\$6,041 million, up 5 per cent per share
- EV Equity up 7 per cent before returning US\$5.9 billion in dividends and share buy-back; EV Equity of US\$70.2 billion after capital returns to shareholders, up 2 per cent per share
- Free surplus of US\$16.3 billion at 31 December 2023
- Very strong Group LCSM coverage ratio<sup>(4)</sup> of 275 per cent on the GWS basis and 335 per cent on the shareholder basis

#### **Dividends and share buy-back programme**

- Final dividend of 119.07 Hong Kong cents per share
- Total dividend of 161.36 Hong Kong cents per share, up 5 per cent
- US\$3.6 billion returned to shareholders through the share buy-back programme in 2023

#### **Lee Yuan Siong, AIA’s Group Chief Executive and President, said:**

"AIA has delivered excellent VONB growth and a strong financial performance overall. With continued strong business momentum post the pandemic across the Group, we grew ANP by 45 per cent to a record high and VONB was up 33 per cent to more than US\$4 billion. Our diversified business portfolio and unrivalled distribution platform have enabled us to generate higher VONB from our key growth engines of ASEAN, Hong Kong, Mainland China and India as well as double-digit growth from 10 markets.

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“Our consistent financial discipline and focus on growing AIA’s high-quality in-force business supported growth in all our other key financial metrics with increases in EV operating profit, EV Equity, OPAT and UFSG on a per share basis. EV Equity increased by 7 per cent to US\$76.1 billion before the return of US\$5.9 billion to shareholders through dividends and share buy-back. AIA’s capital position remained very strong with free surplus of US\$16.3 billion and a Group LCSM coverage ratio<sup>(4)</sup> of 275 per cent.

“The Board has recommended a final dividend of 119.07 Hong Kong cents per share, which brings the total dividend to 161.36 Hong Kong cents per share, an increase of 5 per cent from 2022. This follows AIA’s established prudent, sustainable and progressive dividend policy, allowing for future growth opportunities and the financial flexibility of the Group.

“AIA’s excellent new business performance was underpinned by our powerful and unrivalled distribution platform. Our differentiated Premier Agency is a key competitive advantage for AIA and delivered excellent VONB growth of 23 per cent, driven by an increase in the number of active agents and increased productivity. Our extensive network of strategic distribution partners helps us extend our market reach and generated a 58 per cent increase in VONB, supported by excellent performances in both the bancassurance and retail independent financial adviser (IFA) channels.

“AIA China delivered VONB growth of 20 per cent across the whole of 2023. We saw excellent new business momentum once the disruptive effects of the pandemic subsided with a 28 per cent increase in VONB from February to December. Supported by a favourable shift in product mix within our long-term savings business and product repricing, VONB margin increased in the second half compared with the first half of 2023.

“AIA China’s Premier Agency achieved double-digit VONB growth across both our established operations and new branches<sup>(5)</sup>, driven by the commitment to our Premier Agency strategy with a continued focus on quality recruitment and new agent development. Since we began our geographical expansion in 2019, we have now doubled AIA China’s footprint to 10 geographies following the launch of our new operation in Zhengzhou, Henan in May 2023. By replicating our effective and scalable model, our new branches delivered a 55 per cent increase in VONB in 2023 and their contribution exceeded 5 per cent of AIA China’s total agency VONB in the second half.

“Mainland China continues to offer tremendous opportunities for life and health insurance. In 2023, AIA China deepened its cooperation with strategic bank partners and VONB from its bancassurance channel more than trebled. Our 24.99 per cent investment in China Post Life enables us to capture the significant value available from additional customer segments that are highly complementary to AIA China’s strategy. While not included in our VONB result, China Post Life reported 17 per cent year-on-year growth in VONB<sup>(6)</sup> in 2023.

“AIA Hong Kong achieved an excellent performance with VONB up by 82 per cent, supported by growth in both our domestic and Mainland Chinese visitor (MCV) businesses and across our agency and partnership distribution channels. The Hong Kong business was the largest contributor to the Group’s VONB in 2023 as we captured the very strong demand of the MCV segment following the full resumption of normal travel in February 2023. We continued to increase the number of active agents and work closely with our distribution partners to leverage the sustainable and growing opportunities from the MCV segment, which contributed around half of AIA Hong Kong’s VONB in 2023.

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“Our largest operation in the ASEAN markets, AIA Thailand, continued its strong track record with a further 21 per cent increase in VONB. The excellent new business performance was driven by growth from both our market-leading agency and strategic partnership with Bangkok Bank. The consistent execution of our Premier Agency strategy drove excellent growth in the number of new recruits and double-digit increases in both the number of active agents and agent productivity.

“In Singapore, AIA generated a 10 per cent increase in VONB for 2023. Our focus on agent recruitment and productivity uplift enabled us to deliver a strong increase in the number of new recruits and higher agent productivity. AIA Singapore also recorded excellent VONB growth in our partnership channels, supported by a strong performance from Citibank, N.A. and new business from other partners, which are focused on affluent and high net worth customers.

“AIA Malaysia reported solid VONB growth of 7 per cent with increases from both agency and partnership distribution channels. Our enhanced propositions that meet the evolving protection needs of our customers have helped deliver higher agent activity and productivity in our Premier Agency. Our bancassurance partnership with Public Bank delivered double-digit VONB growth in 2023, as we collaborated to increase penetration of the bank’s high net worth banking customer segment and increased the number of insurance specialists.

“VONB of our Other Markets segment was stable in 2023 compared with 2022. Strong underlying growth of the segment was offset by lower VONB from Vietnam. As previously reported, negative consumer sentiment continued to impact the life insurance industry in Vietnam through the year. Excluding Vietnam, Other Markets grew VONB by 15 per cent in 2023. Tata AIA Life delivered another year of excellent VONB growth across all distribution channels and ranked as the third largest private life insurer in India for 2023.

“Asia is the most attractive region in the world for life and health insurance, where the strong fundamental drivers of demand and major demographic trends provide powerful support for the long-term prospects of our businesses across the region. I am confident that the need for AIA’s insurance products will continue to grow strongly and that our clear competitive advantages, multiple growth engines and unmatched financial flexibility will enable AIA to generate long-term sustainable value for all our stakeholders while we help people live Healthier, Longer, Better Lives.”

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**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 – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>(7)</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR<sup>(8)</sup>, and a 49 per cent joint venture in India. In addition, AIA has a 24.99 per cent shareholding in China Post Life Insurance Co., Ltd.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$286 billion as of 31 December 2023.

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, AIA serves the holders of more than 42 million individual policies and over 18 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 codes “1299” for HKD counter and “81299” for RMB counter with American Depositary Receipts (Level 1) traded on the over-the-counter market under the ticker symbol “AAGIY”.

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## Notes:

- (1) The Group’s 2023 annual results have been calculated and reported after the adoption of IFRS 9 and IFRS 17 from 1 January 2023.
- (2) ASEAN, officially the Association of Southeast Asian Nations, refers to operations in Thailand, Singapore, Malaysia, Brunei, Cambodia, Indonesia, Myanmar, the Philippines and Vietnam.
- (3) Excluding the effect of higher medical claims in 2023 compared with 2022 and minor IFRS model refinements.

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- (4) 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 coverage ratio on the GWS basis is referred to as the "eligible group capital resources coverage ratio" in the group-wide supervision (GWS) framework and is calculated as the ratio of the eligible group capital resources to the GPCR on the prescribed capital requirement (PCR) basis.

Group LCSM coverage ratio on the shareholder basis is defined as the Group LCSM coverage ratio excluding the contribution from participating funds and other participating business with distinct portfolios on the PCR basis, except for Brunei and the Macau SAR. Participating businesses in Brunei and the Macau SAR are not considered as participating funds or other participating business with distinct portfolios under applicable local regulatory regimes in our LCSM reporting.

- (5) Our established operations in Mainland China refer to our businesses in Beijing, Shanghai, Shenzhen, Guangdong and Jiangsu. Our new branches in Mainland China refer to our operations in Tianjin, Hebei, Sichuan, Hubei and Henan.
- (6) VONB is calculated by China Post Life based on its principles and methodology in accordance with the China Association of Actuaries embedded value assessment guidance (CAA basis), consistent with the industry practice in Mainland China. China Post Life's VONB for the twelve-month period ended 31 December 2023 reflects its latest economic assumptions used at 31 December 2023.
- (7) Hong Kong SAR refers to the Hong Kong Special Administrative Region.
- (8) Macau SAR refers to the Macau Special Administrative Region.