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Media Release

AIA DELIVERS HIGHEST EVER QUARTERLY NEW BUSINESS RESULTS VALUE OF NEW BUSINESS UP 31 PER CENT TO US$1.3 BILLION IN THE FIRST QUARTER OF 2024

AIA ANNOUNCES ENHANCED CAPITAL MANAGEMENT POLICY AND INCREASE TO SHARE BUY-BACK PROGRAMME

HONG KONG, 29 April 2024 – AIA Group Limited (the Company) announces 31 per cent growth in value of new business (VONB) on constant exchange rates (CER) for the first quarter ended 31 March 2024. AIA also announces details of an enhanced capital management policy including a US$2.0 billion addition to the existing US$10.0 billion share buy-back programme.

Growth rates are shown on a constant exchange rate basis.

- VONB grew 31 per cent to a record quarterly high of US$1,327 million
- Double-digit VONB growth across all reportable segments
- Increase in VONB margin to 54.2 per cent
- Annualised new premiums (ANP) increased by 26 per cent to US$2,449 million
- Enhanced capital management policy that will deliver greater clarity on capital returns to shareholders
- US$2.0 billion addition to existing share buy-back programme, bringing the total to US$12.0 billion

US$ millions, unless otherwise stated	**1Q 2024**	1Q 2023	**YoY CER**	YoY AER
Value of new business (VONB)	**1,327**	1,046	**31%**	27%
VONB margin	**54.2%**	52.3%	**2.1 pps**	1.9 pps
Annualised new premiums (ANP)	**2,449**	1,998	**26%**	23%

Lee Yuan Siong, AIA's Group Chief Executive and President, said:

"AIA's very strong VONB growth of 31 per cent in the first quarter of 2024 and increased capital returns to shareholders demonstrate the enduring power of our competitive advantages and financial discipline. We have delivered a record high quarterly VONB of US$1,327 million with double-digit VONB growth across all of our reportable segments, highlighting the strength and diversification of AIA's businesses.

"We are also announcing a new and more definitive capital management policy which will result in higher annual distributions to shareholders through a combination of dividends and share buy-backs. In view of AIA's very strong financial position and our confidence in our future operational and financial delivery, the Board has approved a US$2.0 billion addition to our existing share buy-back programme, which will bring the total to US$12.0 billion. These actions underscore our commitment to systematically return capital that is excess to our needs, whilst continuing to deliver organic new business growth at attractive returns.

"Today's announcement demonstrates that AIA has the right strategic priorities, and that consistent execution will deliver the right results for all our stakeholders. Our focus continues to be on driving profitable new business growth that will make a material difference in shaping AIA's financial future by delivering increased future earnings, free surplus generation and ever greater shareholder value."

ENHANCED CAPITAL MANAGEMENT POLICY WITH ENLARGED SHARE BUY-BACK PROGRAMME

We are announcing an enhanced capital management policy that will deliver greater clarity on capital returns to shareholders through:

(1) A payout ratio target of 75 per cent of annual net free surplus generation (net FSG) returned to shareholders each year through dividends and share buy-backs, starting from our 2024 annual results.

(2) In addition, regularly reviewing our capital position and returning capital that is in excess of our needs.

Within the first component, our established prudent, sustainable and progressive dividend policy is unchanged with positive annual growth in the total regular dividend per share. The balance of the 75 per cent payout ratio target of annual net FSG will be returned to shareholders by way of share buy-backs each year.

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 as shown in our annual results. For clarity, net FSG is calculated before the effect of investment return variances and other items. As a reference, net FSG in 2023 was US$3.9 billion. For illustrative purposes, the first component of the enhanced capital management policy would have generated capital returns to shareholders of US$2.9 billion, representing 75 per cent of net FSG, and comprising US$2.3 billion from dividends for the financial year 2023, together with US$0.6 billion through share buy-backs.

Under the second component and following a review of our capital position, the board of directors of the Company (the Board) has approved a US$2.0 billion addition to our existing share buy-back programme, which will increase the total to US$12.0 billion. The additional US$2.0 billion share buy-back is targeted to commence as soon as practicable and is expected to complete in around twelve months.

While the Group LCSM surplus is our principal regulatory solvency measure, we believe that free surplus provides a more representative view of the capital position for shareholders. We are providing broad guidance in relation to the level of free surplus that we will target as a Group going forward. We will do this based on the shareholders' view of total capital resources, which comprises free surplus, eligible Tier 2 debt capital and required capital (as used in our embedded value calculations). Based on our assessment of the capital needs of our business, we target for the shareholders' view of total capital resources to comfortably exceed 200 per cent of required capital.

Further details of the enhanced capital management policy are provided in the accompanying presentation slides which will be available from 6:00 am Hong Kong time on AIA's website:

http://www.aia.com/en/investor-relations/results-presentations.html

SUMMARY OF NEW BUSINESS PERFORMANCE IN THE FIRST QUARTER OF 2024

US$ millions, unless otherwise stated	1Q 2024	1Q 2023	YoY CER	YoY AER
Value of new business (VONB)	**1,327**	1,046	**31%**	27%
VONB margin	**54.2%**	52.3%	**2.1 pps**	1.9 pps
Annualised new premiums (ANP)	**2,449**	1,998	**26%**	23%

AIA delivered a 31 per cent increase in VONB to US$1,327 million in the first quarter of 2024, with double-digit growth from all our reportable segments. Premier Agency achieved 20 per cent growth in VONB, driven by an increase in the number of active agents and higher productivity. VONB for our partnership distribution grew by 70 per cent with strong performances from both bancassurance and retail independent financial adviser (IFA) channels.

AIA China achieved VONB growth of 38 per cent. This was driven by a very strong double-digit increase in VONB from Premier Agency and continued growth in bancassurance. We also delivered broad-based VONB growth across both our established operations and new branches. VONB margin increased further to 54.6 per cent from 52.7 per cent in the second half of 2023. For clarity, VONB growth is shown on a constant exchange rate basis, with no recalculation of the comparative 2023 VONB results for economic assumptions used in the first quarter of 2024, which would otherwise have further increased the reported VONB growth rate on a like-for-like basis.

Our differentiated Premier Agency model in Mainland China achieved excellent results in the first quarter of 2024 with over 20 per cent growth in both the number of new recruits and active new agents. Our compelling propositions, in particular our tax-deductible private pension products, supported a very strong increase in the number of new customers. Agency VONB margin was stable at around 60 per cent, supported by very strong double-digit growth in VONB from traditional protection and continued customer demand for our long-term savings products.

AIA China continued to deliver incremental VONB growth through its highly selective bancassurance partnerships, driven by both strong sales momentum and improving profitability with VONB margin around 40 per cent in the first quarter of 2024.

AIA Hong Kong delivered 43 per cent VONB growth and VONB margin increased to 64.3 per cent from 58.1 per cent in the second half of 2023. Our domestic and Mainland Chinese visitor (MCV) customer segments contributed broadly similar VONB and both achieved double-digit growth. VONB from MCV customers continued to build momentum and exceeded the fourth quarter of 2023. More than 60 per cent of VONB from the MCV customer segment came through our agency channel in the first quarter. Overall, our Premier Agency delivered very strong growth in the number of new recruits. In March 2024, AIA Hong Kong achieved its highest monthly VONB since the full resumption of normal travel in February 2023.

AIA Thailand delivered double-digit VONB growth from both agency and bancassurance channels. In agency, growth was supported by an increase in the number of active agents as well as higher productivity, and we continued to deliver very strong recruitment momentum. VONB margin remained strong at over 90 per cent, benefitting from a high contribution from both traditional protection and unit-linked products.

AIA Singapore's strong momentum in the second half of 2023 continued into the first quarter with excellent VONB growth. Our market-leading Premier Agency was supported by growth in new agent recruitment of 14 per cent and more than 20 per cent increase in active new agents.

Our business in **Malaysia** reported a double-digit increase in VONB with growth in both agency and partnership distribution. Our partnership with Public Bank continued to benefit from our increased focus on the bank's high net worth customer segment.

We delivered double-digit VONB growth in our **Other Markets** segment, mainly driven by an excellent performance from Tata AIA Life, our joint venture in India and strong double-digit growth from our businesses in Australia, the Philippines and South Korea in the first quarter of 2024. The results in the second quarter of 2023 for India benefitted from very strong sales ahead of the introduction of limitations on personal taxation benefit of large policies, particularly through our partnership channels.

Overall, ANP for the Group grew by 26 per cent to US$2,449 million in the first quarter of 2024 and VONB margin increased to 54.2 per cent, benefitting from a positive shift in product mix. Following our usual practice, long-term investment return assumptions remained unchanged from those shown in our Annual Report 2023. Compared with the first quarter of 2023, margin reported on a present value of new business premium (PVNBP) basis increased from 10 per cent to 11 per cent while total weighted premium income (TWPI) increased by 13 per cent to US$11,223 million.

UPDATE ON INVESTMENT PORTFOLIO

AIA's very strong and resilient financial position is an important differentiator and competitive advantage, underpinned by our in-force portfolio management and liability-driven investment approach.

The average credit rating of the fixed income portfolio as at 31 March 2024 remained stable at A, compared with the position as at 31 December 2023. The corporate bond portfolio is well diversified with over 2,000 issuers and an average holding size of US$39 million.

As at 31 March 2024, 2 per cent of the total bond portfolio was rated below investment grade or not rated, representing approximately US$3.9 billion in value, compared with approximately US$4.0 billion as at 31 December 2023. Approximately US$132 million of bonds, representing 0.1 per cent of our total bond portfolio, were downgraded to below investment grade in the first quarter of 2024. The expected credit loss (ECL) provision for our bond portfolio was unchanged in the first quarter of 2024. The ECL provision of US$485 million represented 0.5 per cent of the bond portfolio at 31 March 2024, reflecting AIA's overall high-quality investment portfolio.

OUTLOOK

Asia offers the most attractive long-term prospects in the world for life and health insurance. High levels of private savings, growing yet ageing populations, low insurance penetration and limited welfare coverage continue to create substantial demand for AIA's products. Our strategic priorities leverage the significant opportunities ahead to drive profitable new business growth that delivers increased future earnings, free surplus generation and greater shareholder value.

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 CER unless otherwise stated, since this provides a clearer picture of the underlying performance of the businesses.

- End -

Notes:

1. A presentation for analysts and investors, hosted by Lee Yuan Siong, Group Chief Executive and President, is scheduled at 9:00 a.m. Hong Kong time today via live webcast.

   The presentation slides will be available from 6:00 a.m. Hong Kong time while the presentation replay along with accompanying transcript will be available later today on AIA's website:

   http://www.aia.com/en/investor-relations/results-presentations.html

2. Certain statements relating to the capital management policy in this announcement and in the 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 announcement. 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 announcement 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 announcement.

3. AIA's first fiscal quarter of 2024 and 2023 ended on 31 March 2024 and 31 March 2023, respectively.

4. 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.

5. Long-term investment return assumptions used in the embedded value (EV) basis for the first quarter 2024 results are the same as at 31 December 2023 shown in the supplementary embedded value information in our Annual Report 2023. Non-economic assumptions used in the EV basis are based on those as at 31 December 2023, updated to reflect AIA's latest view of expected future experience.

6. VONB for the Group excludes VONB attributable to non-controlling interests.

7. VONB is calculated based on assumptions applicable at the point of sale.

   VONB includes pension business. ANP and VONB margin exclude pension business and are reported before deduction of non-controlling interests.

8. ANP represents 100 per cent of annualised first year premiums and 10 per cent of single premiums, before reinsurance ceded and excluding pension business.

9. 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.

10. 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.

    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.

11. ANP and VONB for Other Markets include the results from our 49 per cent shareholding in Tata AIA Life Insurance Company Limited (Tata AIA Life). ANP and VONB do not include any contribution from our 24.99 per cent shareholding in China Post Life Insurance Co., Ltd. (China Post Life).

    For clarity, TWPI does not include any contribution from Tata AIA Life and China Post Life.

12. 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.

13. 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.

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, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR, 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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This announcement may contain certain forward-looking statements relating to the Group 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", "should", "continue", "future", "expect", "anticipate", "target", "believe" 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.

This announcement is for information purposes only and does not constitute an invitation or offer by any person to acquire, purchase or subscribe for securities. This announcement is not, and is not intended to be, an offer of securities of the Company for sale in the United States. The securities of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements under the U.S. Securities Act. There is not, and is not intended to be, any public offering of the securities of the Company in the United States.