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## Media Release

### AIA DELIVERS RECORD THIRD QUARTER VALUE OF NEW BUSINESS

#### VONB UP 16 PER CENT IN THE THIRD QUARTER OF 2024 VONB GROWTH FROM ALL REPORTABLE SEGMENTS

**Hong Kong, 31 October 2024** – AIA Group Limited (the Company) announces 16 per cent growth in value of new business (VONB) on constant exchange rates (CER) for the third quarter ended 30 September 2024.

Growth rates are shown on a constant exchange rate basis.

- VONB up 16 per cent to a record US\$1,161 million with growth from all reportable segments
- Annualised new premiums (ANP) growth of 14 per cent to US\$2,212 million
- Regulatory approvals to prepare new provincial branches in Anhui and Shandong

US\$ millions, unless otherwise stated	Three months ended 30 September				Nine months ended 30 September			
	2024	2023	YoY CER	YoY AER	2024	2023	YoY CER	YoY AER
VONB	1,161	994	16%	17%	3,616	3,023	22%	20%
VONB margin	52.2%	51.2%	0.8 pps	1.0 pps	53.3%	50.9%	2.4 pps	2.4 pps
ANP	2,212	1,938	14%	14%	6,758	5,922	16%	14%

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

“AIA has delivered another strong performance with VONB up 16 per cent to US\$1,161 million and growth from all reportable segments in the third quarter of 2024. We have achieved a record VONB for each of the first three quarters of 2024, highlighting the strength and diversification of our business.

“Our continued focus on executing our strategic priorities has further enhanced AIA's competitive advantages, supporting double-digit VONB growth from both our agency and partnership distribution channels. The compounding of successive layers of profitable new business drives growth in earnings and cash generation, and underpins our confidence in delivering our financial targets.

“In Mainland China, we are making excellent progress as we expand and deepen our presence in new geographies. I am delighted that we have received regulatory approvals to prepare new provincial branches in Anhui and Shandong.

“AIA operates in the most attractive region in the world for life and health insurance. I remain very confident that the consistent execution of our growth strategy will continue to deliver long-term sustainable value for all of our stakeholders.”

## **SUMMARY FOR THE THIRD QUARTER**

AIA delivered VONB of US\$1,161 million for the third quarter of 2024, an increase of 16 per cent compared with the previous year and with growth from 15 of our 18 markets. Our Premier Agency achieved 15 per cent VONB growth, supported by higher agent activity and productivity. Recruitment remains strong with a double-digit increase in new agents and active agent numbers for the Group were up 9 per cent compared with the third quarter of 2023. VONB from our partnership distribution was up 16 per cent, supported by very strong growth from our bancassurance channel.

**AIA China** achieved 9 per cent VONB growth, with increases from both our agency and bancassurance channels. This was achieved despite our early withdrawal of some products ahead of an industry-wide repricing during the quarter and a very strong comparative in the third quarter of 2023, as previously highlighted. We further grew our differentiated professional Premier Agency, supported by continued strong recruitment momentum in the third quarter. The combination of higher active agent numbers and increased agent productivity delivered agency VONB growth of 10 per cent.

AIA China continues to make encouraging progress with geographical expansion, delivering excellent VONB growth as we drive quality recruitment and active agent numbers. We have recently received regulatory approvals to begin preparations to establish new provincial branches in Anhui and Shandong.

For clarity, VONB growth is on a constant exchange rate basis with no recalculation of the 2023 comparatives using 2024 economic assumptions. Such a “like-for-like” basis would have significantly increased the reported growth rate for AIA China.

**AIA Hong Kong** delivered 24 per cent VONB growth, driven by increases of 28 per cent from our domestic customer segment and 20 per cent from the Mainland Chinese visitor (MCV) customer segment. We achieved excellent growth from our Premier Agency channel. While VONB through the retail independent financial adviser (IFA) and broker channel declined as a result of intense competition, our bancassurance channel delivered excellent growth. Continued strong agency recruitment enabled us to capture the increasing demand for our comprehensive products from both domestic and MCV customers. In the third quarter, our agency channel delivered its highest quarterly VONB from MCV customers since the full resumption of normal travel in February 2023.

**AIA Thailand** reported positive VONB growth for the third quarter of 2024. We remain the clear market leader and maintained a favourable product mix despite slower demand for our repriced medical products. In **Singapore**, our unit-linked long-term savings product powered by the AIA Regional Funds Platform, which provides exclusive access to leading global fund managers, continued to be a key driver of our double-digit growth in VONB. **AIA Malaysia's** focus on both traditional protection and unit-linked products helped to deliver double-digit VONB growth, while VONB margin increased compared with the first half of the year. In aggregate, our ASEAN businesses achieved 8 per cent VONB growth.

Our **Other Markets** segment delivered excellent VONB growth, driven by increases in 9 of the 11 markets. We achieved excellent growth from our businesses in Indonesia, South Korea and Taiwan (China) and our Vietnam business delivered a very strong year-on-year increase from its low base. Tata AIA Life, our joint venture in India, returned to positive VONB growth, as previously highlighted, and maintained its number one industry ranking in retail protection by sum assured.

## ***AIA delivers record third quarter value of new business***

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Overall, ANP for the Group grew by 14 per cent to US\$2,212 million in the third quarter of 2024. VONB margin improved by 0.8 pps year-on-year and remained strong at 52.2 per cent. Margin reported on a present value of new business premium (PVNBP) basis remained stable compared with the first half of 2024 while total weighted premium income (TWPI) increased by 9 per cent to US\$10,301 million in the third quarter.

### **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 30 September 2024 held in respect of policyholders and shareholders remained stable compared with the position as at 30 June 2024, at A. The corporate bond portfolio is well diversified with over 1,700 issuers and an average holding size of US\$43 million.

As at 30 September 2024, 2 per cent of the total bond portfolio was rated below investment grade or not rated, representing approximately US\$3.6 billion in value, similar to the amount as at 30 June 2024. Approximately US\$72 million of bonds, representing 0.04 per cent of our total bond portfolio, were downgraded to below investment grade in the third quarter of 2024.

### **OUTLOOK**

Asia offers an exceptional structural and growing demand for AIA's insurance products given the backdrop of high levels of private savings, expanding yet ageing populations, low insurance penetration and limited welfare coverage across the region. Our substantial competitive advantages enable us to leverage this demand to generate sustainable long-term growth despite the near-term geopolitical and macroeconomic uncertainty.

We are confident that the continued execution of our strategic priorities uniquely positions AIA to capture the enormous long-term opportunities in the Asian life and health insurance market 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.

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#### Notes:

1. AIA's third fiscal quarter of 2024 and 2023 ended on 30 September 2024 and 30 September 2023, respectively.
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 2024 and 2023.
3. Long-term investment return assumptions as disclosed in Section 5.2 of the Supplementary Embedded Value Information in our Annual Report 2023 are unchanged in the embedded value (EV) basis for the third quarter 2024 results. 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.
4. VONB for the Group excludes VONB attributable to non-controlling interests.
5. 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.
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.
8. 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.  
  
AIA China's geographical expansion refers to our operations in Tianjin, Hebei, Sichuan, Hubei and Henan.  
  
ASEAN, officially the Association of Southeast Asian Nations, refers to operations in Thailand, Singapore, Malaysia, Brunei, Cambodia, Indonesia, Myanmar, the Philippines and Vietnam.
9. 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.
10. The results of Tata AIA Life are accounted for using the three-month period ended 30 June 2024 and the three-month period ended 30 June 2023 in AIA's consolidated results for the third quarter ended 30 September 2024 and the third quarter ended 30 September 2023, respectively.

## **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\$289 billion as of 30 June 2024.

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 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 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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For this quarterly new business highlights announcement, there will not be a conference call for media or investors and your usual contact will be available to answer queries.

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