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Media Release

AIA REPORTS FINANCIAL RESULTS FOR 2022

**STRONG VONB GROWTH MOMENTUM, UP 6 PER CENT IN THE SECOND HALF
FREE SURPLUS UP TO US\$23.7 BILLION BEFORE CAPITAL RETURNS OF US\$5.8
BILLION TO SHAREHOLDERS
OPAT PER SHARE UP 5 PER CENT;
TOTAL DIVIDEND PER SHARE UP 5.3 PER CENT**

Hong Kong, 10 March 2023 – The Board of AIA Group Limited (the “Company”; stock code: 1299) is pleased to announce the Group’s financial results for the year ended 31 December 2022.

Growth rates are shown on a constant exchange rate basis:

New business performance

- Value of new business (VONB) was US\$3,092 million for the full-year 2022
- VONB grew by 6 per cent in the second half as the effects of the initial Omicron wave subsided
- AIA China delivered positive VONB growth in the second half and into the first two months of 2023
- All five of the largest operating segments delivered positive VONB growth in the second half

Earnings and capital

- Free surplus increased to US\$23.7 billion before returning US\$5.8 billion in dividends and share buy-back
- Underlying free surplus generation (UFSG) of US\$6,039 million, up 7 per cent⁽¹⁾ per share
- Operating profit after tax (OPAT) of US\$6,370 million, up 5 per cent per share
- EV Equity of US\$77.0 billion before dividends and share buy-back
- Very strong Group LCSM cover ratio⁽²⁾ of 283 per cent on the new PCR basis (552 per cent on MCR basis)

Overall expected positive impact of IFRS 9 and IFRS 17 compared with IAS 39 and IFRS 4⁽³⁾

- No material change to OPAT for the full-year 2022
- Net profit for the full-year 2022 to be at least US\$2.0 billion higher
- Shareholders’ allocated equity and shareholders’ equity as at 31 December 2022 to be above the IFRS 4 levels
- Significant reduction in leverage ratio

Dividends and share buy-back programme

- Final dividend of 113.40 Hong Kong cents per share
- Total dividend of 153.68 Hong Kong cents per share, up 5.3 per cent
- US\$10.0 billion share buy-back programme announced in March 2022 remains on track
- US\$3.6 billion returned to shareholders through the share buy-back programme in 2022

AIA Group Limited is incorporated in Hong Kong with limited liability. 友邦保險控股有限公司是於香港註冊成立之有限公司。

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

“Our resilient financial results in an unprecedented market environment demonstrate the strengths of AIA's robust operating model, which is built on our differentiated distribution and personalised propositions. New business momentum improved strongly in the second half of 2022 as the effects of the initial Omicron wave subsided and normal activities resumed. While VONB of US\$3,092 million was lower by 5 per cent for the full year, we delivered 6 per cent growth in the second half with all five of our largest operating segments achieving positive VONB growth.

“Our consistent financial discipline and focus on growing AIA's high-quality in-force business supported an increase in both OPAT and UFSG⁽¹⁾. The Group's financial position remained very strong despite significant capital market volatility in 2022, with free surplus increasing to US\$23.7 billion before capital returns to shareholders and a Group LCSM cover ratio⁽²⁾ of 283 per cent. EV Equity increased by 6 per cent in 2022 to US\$77.0 billion before the return of US\$5.8 billion to shareholders through the share buy-back programme and dividends.

“The Board has recommended a final dividend of 113.40 Hong Kong cents per share which brings the total dividend to 153.68 Hong Kong cents per share, up 5.3 per cent. This follows AIA's established prudent, sustainable and progressive dividend policy, allowing for future growth opportunities and the financial flexibility of the Group.

“AIA China returned to positive growth in the second half of 2022 with VONB up by 3 per cent. VONB was lower in the first half compared with the record result in 2021, as most of our geographies were subject to stringent pandemic movement restrictions. In the second half, VONB recovered strongly with double-digit year-on-year growth up to the end of November before the rapid increase in COVID-19 infections in December disrupted new business sales activities. Following the reopening of Mainland China, we have seen our new business momentum recover swiftly and return to positive VONB growth in the first two months of 2023.

“We continue to execute AIA China's expansion strategy, capturing new growth opportunities by replicating our high-quality differentiated Premier Agency in new geographies and deepening our presence within our existing footprint. We made excellent progress with 50 per cent growth in agency VONB and 31 per cent increase in the number of active agents in Tianjin, Shijiazhuang, Sichuan and Hubei. In January 2022, we launched an additional operation in Hubei and we are also at an advanced stage in preparing for our new provincial branch in Henan. AIA China's new bancassurance partnership with the Postal Savings Bank of China continued to make good progress.

“AIA Hong Kong recorded an increase in VONB of 4 per cent in 2022, supported by growth in both our agency and partnership channels. Our Macau branch continued to benefit from the resumption of the Individual Visit Scheme with Mainland China. VONB from sales to Mainland Chinese visitors tripled in 2022, accounting for just over 10 per cent of total VONB of AIA Hong Kong for the year, and strong momentum has continued into the first two months of 2023.

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“AIA Thailand delivered 5 per cent growth in VONB for the full year, supported by 19 per cent growth in the second half of 2022. We saw higher sales activity levels in both agency and bancassurance channels as new business momentum returned in the second half. Our agency remained the market leader in 2022 and we achieved very strong recruitment, contributing to an increase in the number of active agents compared with 2021.

“AIA Singapore reported higher VONB for 2022 as the 7 per cent VONB growth in the second half more than offset the first half performance, reflecting a recovery in sales momentum. AIA Malaysia delivered 15 per cent VONB growth for 2022 with year-on-year growth of 26 per cent in the second half of the year. Our very strong performances from both agency and partnership distribution channels were supported by the adoption of digital tools and the generation of new digital leads.

“VONB of our Other Markets segment was lower by 12 per cent for 2022 as strong double-digit growth in India, New Zealand, the Philippines, Sri Lanka and Taiwan (China) in the second half was offset by a decline mainly in Australia, South Korea and Vietnam. Tata AIA Life, our joint venture in India, delivered 52 per cent VONB growth across all distribution channels and ranked as the number three private life insurer in the country as at the end of December 2022.

“As our markets recover rapidly from the effects of the pandemic, the resilience and professionalism of our agents ensure that our Premier Agency is in a prime position to capitalise on the substantial growth opportunities ahead. In the second half of the year, our agency business regained strong momentum with 8 per cent growth in VONB supported by higher active agent productivity and an increase in the total number of agents compared with 2021.

“In 2022, AIA’s long-term strategic partnerships with leading banks generated a 10 per cent increase in bancassurance VONB, driven by growth from Public Bank in Malaysia, Bank Central Asia in Indonesia, ASB Bank in New Zealand and across all key domestic partnerships in India. The Bank of East Asia in Hong Kong and Mainland China delivered excellent VONB growth in 2022. Overall our partnership distribution delivered positive VONB growth for the year.

“I am pleased to see the accelerated delivery of our key strategic priorities in 2022, enabled by our significant investments in technology, digital and analytics (TDA), has supported increased distribution productivity, enhanced customer experience and more personalised propositions for consumers. We have an unrelenting focus on leveraging our substantial competitive advantages, which enable us to enhance our operations and capture new opportunities for additional growth across each of our 18 markets.

“AIA operates in the most attractive region in the world for life and health insurance. Now more than ever, Asian consumers are acutely aware of the importance of financial security and the need to protect the well-being of their families. I firmly believe that the long-term prospects for AIA’s business remain exceptional. Our dedicated teams will continue to focus on helping people live Healthier, Longer, Better Lives as we execute our strategic priorities to generate long-term sustainable value for all our stakeholders.”

AIA Singapore's Business Results in 2022:

Sales activity recovered strongly in the second half of the year following the lifting of pandemic-related restrictions that affected the first half.

- AIA Singapore delivered 7 per cent Value of New Business (VONB) growth in the second half of the year. Overall VONB was up by 1 per cent over the full year to US\$349 million.
- Operating Profit After Tax (OPAT) increased by 6 per cent, driven by growth in our in-force portfolio, increased operating investment returns and favourable claims experience in the first half. Growth in the second half was moderated by increased medical claims compared with the same period last year.
- Total Weighted Premium Income (TWPI) achieved 7 per cent growth buoyed by strong renewal growth.
- Annualised New Premium (ANP) reduced slightly to US\$531 million and VONB margin remained strong at 65.7 per cent.

AIA Singapore's Premier Agency strategy delivered growth in the number of active agents and productivity improvements in the second half of the year compared with the same period in 2021. We continued to enhance our agency business productivity tool, with an embedded social media integrated leads management platform which offers a powerful way to generate new customer leads. This continued to be an important contributor to new business sales in Singapore.

Our partnership channel recorded strong performance in 2022, driven by the performance of our bancassurance partnership with Citibank which benefited from improved new business sales processes and easing of border controls.

AIA Singapore's Corporate Solutions achieved outstanding business performance, as we continued to maintain our position as the number one Employee Benefits insurer in Singapore. We were also awarded the Best Employee Insurance Provider of the Year (GOLD) for 17 consecutive years at the HR Vendors of the Year 2022, a testament to our long-standing leadership in the group insurance business in Singapore.

Wong Sze Keed, Chief Executive Officer of AIA Singapore, said:

"AIA Singapore delivered resilient business performance with growth in Value of New Business (VONB), Operating Profit After Tax (OPAT) and Total Weighted Premium Income (TWPI).

In 2022, we achieved a ground-breaking record by attaining the #1 Million Dollar Round Table (MDRT) Company in Singapore for the eighth time and topped the charts for having the highest retention rate of MDRT members worldwide. Our digital-first strategy has also equipped our distribution channels with innovative tools to empower our AIA insurance representatives to continue journeying with our customers as life-time partners while helping them achieve their financial goals.

We took a holistic approach in helping Singaporeans prepare for a well-rounded golden retirement and launched the [AIA Elite Secure Income](#), the first-in-market capital guaranteed investment-linked plan that provides a steady stream of monthly retirement income with 100% of the total premiums guaranteed upon retirement. To cater to the growing demand for funds that focuses on impacting the environment and society in a positive manner, we introduced the [AIA Sustainable Multi-Thematic Fund](#) in partnership with Robeco, to bring in the first bespoke sustainable thematic fund in Singapore for investment-linked products (ILPs).

With the constant drive in Technology, Digital and Analytics (TDA), we remain focused in strengthening our digital platform capabilities and delivering a seamless digital experience for our customers and distribution partners. Customer Satisfaction Score has achieved 91 per cent for policy purchases and 90 per cent for claims in 2022. We continued to drive agency productivity through various lead generation activities via the iSMART mobile application which saw increased adoptions. The integration of Performance Modules and New Business Dashboards empowered AIA insurance representatives with more timely access to their performance and New Business Submissions.

AIA Singapore endeavours to be the insurance partner of choice and a lifelong partner for generations of Singaporeans. We achieved significant milestones including being the first insurer to be awarded the Reader's Digest Trusted Brand Platinum Award for three consecutive years. We were also conferred as one of the Top 15 Companies in Singapore by LinkedIn and Domestic Life Insurer of the Year for the 6th consecutive year at the Insurance Asia Awards 2022. As a leading life insurer in Singapore, we are committed to continually enhancing our capabilities to provide compelling propositions and initiatives to enable people to live Healthier, Longer, Better Lives."

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About AIA Group

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⁽⁴⁾, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR⁽⁵⁾, and a 49 per cent joint venture in India.

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\$303 billion as of 31 December 2022.

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 41 million individual policies and over 17 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 code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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Notes:

- (1) Growth on a comparable basis for UFSG and UFSG per share refers to the exclusion of the effects on the growth rates of the early adoption of the Hong Kong Risk-based Capital (HKRBC) regime from 1 January 2022 and the release of additional resilience margins held by the Group at 1 January 2022 under the previous Hong Kong Insurance Ordinance (HKIO) basis.
- (2) AIA's group available capital, group prescribed capital requirement (GPCR) and group minimum capital requirement (GMCR) are calculated based on the Local Capital Summation Method (LCSM). From 1 January 2022, the Group LCSM cover ratio is calculated as the ratio of group available capital to GPCR on the new prescribed capital requirement (PCR) basis. Prior to 1 January 2022, the Group LCSM cover ratio was calculated using the GMCR on the previously reported minimum capital requirement (MCR) basis. Please refer to note 36 to the audited consolidated financial statements for 2022 for details.
- (3) The Group's 2022 annual results have been calculated and reported before the adoption of International Financial Reporting Standards (IFRS) 9 and IFRS 17 which will take effect from 1 January 2023.
- (4) Hong Kong SAR refers to the Hong Kong Special Administrative Region.
- (5) Macau SAR refers to the Macau Special Administrative Region.