



HEALTHIER, LONGER,  
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## Media Release

### AIA Delivers Strong New Business Growth for the First Quarter of 2019 Value of New Business up 18 per cent on constant exchange rates

**HONG KONG, 10 May 2019** – AIA Group Limited (the “Company”; stock code: 1299) today announces 18 per cent growth in value of new business (VONB) on constant exchange rates (CER) for the first quarter ended 31 March 2019.

Growth rates are shown on a constant exchange rate basis below:

- 18 per cent growth in VONB to US\$1,169 million
- 11 per cent increase in annualised new premiums (ANP) to US\$1,827 million
- VONB margin up 4.1 pps to 63.6 per cent
- Total weighted premium income (TWPI) up 18 per cent to US\$8,276 million

#### KEY FINANCIAL SUMMARY

US\$ millions, unless otherwise stated	1Q 2019	1Q 2018	YoY CER	YoY AER
Value of new business (VONB)	1,169	1,021	18%	14%
VONB margin	63.6%	59.7%	4.1 pps	3.9 pps
Annualised new premiums (ANP)	1,827	1,696	11%	8%
Total weighted premium income (TWPI)	8,276	7,219	18%	15%

#### Ng Keng Hooi, AIA’s Group Chief Executive and President, said:

“AIA has made a good start to the year with an 18 per cent increase in VONB to US\$1,169 million for the first quarter of 2019. Our highest ever quarterly VONB result continues our consistent track record of year-on-year growth.

“The strong headline figures reflect our continued focus on executing our strategic priorities as we help to meet the evolving needs of our customers for protection and long-term savings across our markets. AIA’s high-quality financial advice and our transition towards being a lifelong partner to customers are critical success factors in meeting these needs.

“AIA’s competitive advantages in distribution and product innovation, developed over many years, are aligned with the unprecedented structural drivers of life insurance growth across the Asia-Pacific region. We are exceptionally well-placed to capture these enormous opportunities, deliver long-term, sustainable shareholder value and help our customers live Healthier, Longer, Better Lives.”

## **SUMMARY FOR THE FIRST QUARTER**

VONB increased by 18 per cent to US\$1,169 million with strong growth from both agency and partnership distribution compared to the first quarter of 2018.

AIA's wholly-owned operation in China was our fastest growing reportable market segment and delivered excellent VONB growth in the first quarter of 2019. The consistent execution of our differentiated Premier Agency strategy has delivered a further strong increase in both active agents and productivity as we continue to focus on the financial needs of consumers. We have also begun preparatory work on the new sales and service centres in Tianjin and Shijiazhuang, Hebei.

Hong Kong generated strong double-digit VONB growth in the first quarter of 2019, driven by both our agency and partnership distribution channels. Agency growth was supported by an increase in the number of active agents. VONB grew for both domestic and Mainland Chinese visitor customer segments.

VONB growth at AIA Thailand was supported by encouraging progress from our partnership with Bangkok Bank Public Company Limited where we have seen strong momentum from recruitment and enhanced productivity of insurance specialists. Continued progress with our agency transformation delivered a further increase in active agent productivity.

AIA Singapore reported lower VONB compared to the first quarter of 2018 as higher VONB margin was offset by the reduction in single premium unit-linked business compared to the previous year, following a regulatory change in October 2018.

VONB in Malaysia was flat with market conditions remaining challenging. In agency, targeted recruitment and training delivered growth in active new agents while bancassurance reported VONB growth.

Other Markets reported very strong VONB growth in the first quarter of 2019 led by excellent performances from our businesses in the Philippines, Taiwan, Vietnam and Australia (which includes New Zealand). Australia's VONB growth was supported by the inclusion of Sovereign in New Zealand and the renewal of a large group scheme in Australia.

Overall, ANP increased by 11 per cent compared with the first quarter of 2018 to US\$1,827 million. VONB margin improved to 63.6 per cent, up from 59.7 per cent, mainly driven by positive changes in geographical mix and operating assumption changes reflecting sustained positive experience. Margin reported on a present value of new business premium (PVNBP) basis increased to 11 per cent from 10 per cent in the first quarter of 2018. Long-term economic assumptions remain unchanged from those shown in our Annual Report 2018, following the same approach that we have applied consistently for quarterly new business highlights. TWPI increased by 18 per cent to US\$8,276 million, compared with the first quarter of 2018, reflecting the continuing effect of adding high-quality new business to our large in-force portfolio.

## **OUTLOOK**

Asia's macroeconomic fundamentals remain resilient and policymakers have taken proactive actions to support their economies in response to challenges in the global environment. The strong domestic drivers of growth and major demographic trends continue to provide positive structural support for the long-term prospects of AIA's businesses. We remain confident that consistent focus on executing our strategic priorities will deliver long-term, sustainable value for our shareholders.

## **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 year-on-year performance of the underlying businesses.

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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 in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Cambodia, a 97 per cent subsidiary in Sri Lanka, a 49 per cent joint venture in India and a representative office in Myanmar.

The business that is now AIA was first established in Shanghai a century ago in 1919. It is a market leader in the Asia-Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$230 billion as of 31 December 2018.

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-Pacific, AIA serves the holders of more than 33 million individual policies and over 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 code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

## **Contacts**

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

Notes:

1. AIA's first quarter of 2019 ended on 31 March 2019 and comparatives for 2018 relate to the three-month period ended on 31 March 2018.
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 2019 and 2018.
3. Long-term economic assumptions are the same as those shown as at 31 December 2018 in Section 5.2 of the Supplementary Embedded Value Information in our 2018 annual results preliminary announcement published on 15 March 2019. Non-economic assumptions are based on those used at 31 December 2018 updated to reflect the latest experience observed.
4. VONB is calculated based on assumptions applicable at the point of sale and before deducting the amount attributable to non-controlling interests. The amounts of VONB attributable to non-controlling interests in the three months ended 31 March 2019 and in the three months ended 31 March 2018 were US\$8 million and US\$7 million respectively.
5. VONB includes pension business. ANP and VONB margin exclude pension business.
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. Sovereign refers to AIA Sovereign Limited (formerly ASB Group (Life) Limited) and its subsidiaries, including Sovereign Assurance Company Limited, a licensed insurer in New Zealand.

*This document 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", "future" 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.*

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