



AIA Everest Life Company Limited
Disclosure Statement
At 31 December 2024



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This disclosure statement is prepared in accordance with the requirements of the Insurance Ordinance (Cap. 41), the Insurance (Valuation and Capital) Rules (Cap. 41R) (the “Rules”) and the ‘Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime’ issued by the Hong Kong Insurance Authority dated 8 August 2025.

1 Company profile

(a) Authorised insurer’s name

AIA Everest Life Company Limited (the “Company”)

(b) Nature of the business, and places of business operations

The Company is an authorised insurer under the Insurance Ordinance (Cap. 41) with authorisation to carry on the following classes of long term business in or from Hong Kong SAR:

- Class A (Life and annuity);
- Class C (Linked long term);
- Class D (Permanent health); and
- Class I (Retirement scheme management category III).

Sections 2, 3 and 4 of this disclosure statement show the financial position, insurance liabilities and capital adequacy of the Company.



2 Financial position

(a) Balance sheet determined under the Insurance (Valuation and Capital) Rules

(Unit: in HKD thousands)	As at 31 December 2024		
	Total	Long term business	Of which belongs to: long term business – participating business
Total assets⁽¹⁾	19,445,246	19,466,416	9,582,983
Cash and deposits ⁽²⁾	629,355	629,355	100,605
Debt securities ⁽³⁾	18,504,179	18,504,179	9,200,085
Equities (including portfolio investments)	205,120	205,120	205,120
Loans and advances ⁽⁴⁾	88,404	88,404	71,949
Other financial assets ⁽⁵⁾	13,287	13,287	5,224
Reinsurance assets ⁽⁶⁾	1,995	1,995	-
Other assets ⁽¹⁾⁽⁷⁾	2,906	24,076	-
Total liabilities⁽¹⁾	16,281,523	16,302,693	9,407,502
Insurance liabilities	16,100,345	16,100,345	9,345,796
Reinsurance liabilities ⁽⁶⁾	41,415	41,415	15,660
Other financial liabilities ⁽⁸⁾	15,017	15,017	5,020
Tax liabilities	-	-	964
Other liabilities ⁽¹⁾⁽⁹⁾	124,746	145,916	40,062
Net assets	3,163,723	3,163,723	175,481

Notes:

- (1) Interfund balances, if applicable, are included in respective funds. These interfund balances are eliminated at the company level.
- (2) Cash and deposits represent cash and cash equivalents and deposits with original maturity more than three months.
- (3) Debt securities are reported at fair value with accrued interest.
- (4) Loans and advances primarily represent policy loans.
- (5) Other financial assets primarily represent receivables from policyholders and reinsurers, at the company level and, to the extent applicable, at the fund level.
- (6) Reinsurance assets and liabilities primarily represent reinsurance recoverables, which are classified as assets or liabilities on a contract-by-contract basis, with no offsetting between reinsurance contracts.
- (7) Other assets mainly include prepayments. Interfund balances are also included at the fund level.
- (8) Other financial liabilities primarily represent payables to reinsurers and amounts due to fellow subsidiaries, at the company level and, to the extent applicable, at the fund level.
- (9) Other liabilities primarily include unpresented cheque and other payables at the company level and the fund level. Interfund balances are also included at the fund level.

(b) Assets are measured at market value. Please refer to Section 3 for further details on insurance liabilities.



3 Insurance liabilities

- (a) Total insurance liabilities determined under the Insurance (Valuation and Capital) Rules

Insurance Liabilities of Long Term Business

(Unit: in HKD thousands)	As at 31 December 2024		
	Participating business	Other long term business	Total long term business
Total insurance liabilities (<u>gross</u> of reinsurance)	9,345,796	6,754,549	16,100,345
Of which: long term insurance liabilities	9,345,796	6,754,549	16,100,345
Outstanding claims	9,990	20,353	30,343
Current estimate ⁽¹⁾	9,331,340	6,605,542	15,936,882
Margin over current estimate ⁽²⁾	4,279	10,254	14,533
Prepaid premiums	187	118,400	118,587
Reinsurance assets	-	1,995	1,995
Reinsurance liabilities	15,660	25,755	41,415

Notes:

- (1) 'Current estimate' refers to the long term insurance liability determined under the Rules as the "probability-weighted average of the present values of the future cash flows required to settle the obligations". It excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.
- (2) 'Margin over current estimate' is the additional amount required under the Rules which "reflects the uncertainty of liability cash flows related to the following life insurance sub-risk modules – (a) mortality risk; (b) longevity risk; (c) morbidity risk; (d) expense risk; and (e) the level and trend lapse component of lapse risk".



4 Capital adequacy

- (a) Prescribed capital amount at total level and risk capital amount (“RCA”) by sub-risk, determined in accordance with the Insurance (Valuation and Capital) Rules (without applying the transitional arrangement under Part 7 of the Insurance (Valuation and Capital) Rules)

Prescribed Capital Amount

(Unit: in HKD thousands)	As at 31 December 2024
Market risk (diversified RCA)	603,320
Interest rate risk RCA	152,850
Credit spread risk RCA	418,052
Equity risk RCA	46,746
Property risk RCA	-
Currency risk RCA	140,825
Diversification benefits within market risk	(155,153)
Life Insurance Risk (diversified RCA)	57,045
Mortality risk RCA	17,347
Longevity risk RCA	750
Life catastrophe risk RCA	4,144
Morbidity risk RCA	3,940
Expense risk RCA	34,939
Lapse risk RCA	19,394
Diversification benefits within life insurance risk	(23,469)
Counterparty default and other risk RCA	4,214
Diversification benefits among risk modules	(43,397)
Operational risk RCA	71,716
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	-
Any other items which the IA may specify to adjust	-
Prescribed capital amount	692,898



- (b) Composition of capital base determined in accordance with the Insurance (Valuation and Capital) Rules

Capital Base

(Unit: in HKD thousands)	As at 31 December 2024
Unlimited Tier 1 capital	3,163,723
Limited Tier 1 capital	-
Tier 2 capital	-
Capital base	3,163,723

- (c) Ratio of capital base to prescribed capital amount

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	457%

- (d) Commentary of prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount

- The prescribed capital amount is the amount of capital required to be held for an extreme 1-in-200 year event affecting assets and liabilities over a one-year period.
- The 'net assets', i.e. the assets in excess of the liabilities presented in Section 2 of this disclosure statement, are assessed to determine their eligibility to be counted as 'capital base'. The capital base is further categorised into tiers based on the extent to which it can absorb losses on a going-concern basis and in winding-up.



5 Statement of Compliance

- (i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of AIA Everest Life Company Limited;
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the requirements of the Insurance Ordinance (Cap. 41), the Insurance (Valuation and Capital) Rules (Cap. 41R) and the 'Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime' issued by the Hong Kong Insurance Authority dated 8 August 2025 (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the specified annual forms of AIA Everest Life Company Limited's annual returns, on which its auditor provided an auditor's report with reasonable assurance, for the financial year to which this disclosure statement relates, as submitted under rule 4 of the Insurance (Submission of Statements, Reports and Information) Rules; and
- (iv) I am satisfied that AIA Everest Life Company Limited has complied with the capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name: Ka Wai Lo

Position: Director

Company Name: AIA Everest Life Company Limited

Hong Kong, 30 September 2025

Independent practitioner's reasonable assurance report

To the Board of Directors of AIA Everest Life Company Limited

We have been engaged to perform a reasonable assurance engagement on the attached disclosure statement of AIA Everest Life Company Limited (the "Company") as at 31 December 2024 as set out on pages 1 to 7 ("Disclosure Statement").

Directors' Responsibilities

The directors of the Company are responsible for the preparation of the Disclosure Statement in accordance with the requirements of the Insurance (Valuation and Capital) Rules and the requirements relevant for the Disclosure Statement as set out in the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025 as issued by the Insurance Authority (the "Circular"). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Disclosure Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express an opinion on the Disclosure Statement based on our work performed and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to form the opinion.

A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence as to whether the Disclosure Statement of the Company has been prepared, in all material respects, in accordance with the requirements of the Insurance (Valuation and Capital) Rules and the requirements relevant for the Disclosure Statement as set out in the Circular. The extent of procedures selected depends on the practitioner's judgment and our assessment of the engagement risk. Within the scope of our work, we performed amongst others the following procedures, including:

Independent practitioner's reasonable assurance report
To the Board of Directors of AIA Everest Life Company Limited
(Continued)

Practitioner's Responsibilities (Continued)

- Understanding management's process and internal controls of compiling the Disclosure Statement;
- Reconciling the Disclosure Statement with the specified annual forms of the Company's annual returns for the year ended 31 December 2024, as submitted under rule 4 of the Insurance (Submission of Statements, Reports and Information) Rules; and
- Checking that the information presented in the Disclosure Statement is in accordance with the requirements of the Insurance (Valuation and Capital) Rules and the requirements relevant for the Disclosure Statement as set out in the Circular.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent Limitations

Internal control systems designed to address specific control objectives are subject to inherent limitations of any internal control structure, and accordingly, errors or irregularities may occur and not be detected. Our procedures cannot guarantee protection against fraud or misrepresentation by management. The historic evaluation of effectiveness is not relevant to future periods due to the risk that internal control may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Disclosure Statement of the Company as at 31 December 2024 has been prepared, in all material respects, in accordance with the requirements of the Insurance (Valuation and Capital) Rules and the requirements relevant for the Disclosure Statement as set out in the Circular.

Purpose and Restriction on Use

We draw attention to the fact that this report was prepared for the use of the Board of Directors of the Company. As a result, this report may not be suitable for another purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 September 2025