



AIA International Limited

Disclosure Statement

At 31 December 2024



Table of Contents

1	Company profile	3
2	Financial position	4
3	Insurance liabilities	6
4	Capital adequacy	7
5	Statement of Compliance	9



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 International Limited (the “Company”)

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

The Company is incorporated in Bermuda. It is licensed by the Bermuda Monetary Authority to carry on insurance business. The Company has been designated by the Hong Kong Insurance Authority as a designated insurer with effect from 1 July 2024.

The Company also has branches in Hong Kong SAR, Macau SAR and Taiwan (China) which are all licensed by the respective local insurance regulators to conduct insurance business in those jurisdictions.

Sections 2, 3 and 4 of this disclosure statement show the financial position, insurance liabilities and capital adequacy of the Company by consolidating the Company’s assets, liabilities and capital resources, together with those of its subsidiaries which are not ‘regulated financial entities’. The Company’s investments in subsidiaries which are regulated financial entities, including, in particular, investments in insurance subsidiaries, are reported, in accordance with the Rules, at cost, as shown in Section 2. The Company’s insurance subsidiaries carry on insurance business in jurisdictions including Indonesia, South Korea and Vietnam.



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	General business	Shareholders' fund and non-insurance operations
Total assets⁽¹⁾	840,765,164	802,110,011	541,636,754	2,280,350	39,944,140
Cash and deposits ⁽²⁾	22,155,115	21,097,833	4,809,456	574,648	482,634
Debt securities ⁽³⁾	384,687,954	384,055,659	265,313,159	632,295	-
Equities (including portfolio investments)	286,458,285	286,458,285	233,971,769	-	-
Derivative financial instruments	1,127,327	1,127,327	1,127,327	-	-
Properties ⁽⁴⁾	22,277,481	22,277,481	16,439,340	-	-
Loans and advances ⁽⁵⁾	9,741,356	9,741,356	8,669,492	-	-
Other financial assets ⁽⁶⁾	8,244,810	7,510,592	5,035,376	671,540	62,678
Policyholder's account assets in respect of unit linked products	58,600,420	58,600,420	-	-	-
Reinsurance assets ⁽⁷⁾	2,910,354	2,718,732	2,118,299	191,622	-
Tax assets	59,704	13,324	326	-	46,380
Other assets ⁽¹⁾⁽⁸⁾	44,502,358	8,509,002	4,152,210	210,245	39,352,448
Total liabilities⁽¹⁾	620,118,994	621,979,268	461,389,779	1,529,879	179,184
Insurance liabilities	515,509,998	514,467,743	383,434,440	1,042,255	-
Reinsurance liabilities ⁽⁷⁾	8,235,452	8,235,452	4,347,238	-	-
Repurchase agreement	5,687,051	5,687,051	869,822	-	-
Derivative financial instruments	63,653,324	63,653,324	63,527,593	-	-
Other financial liabilities ⁽⁹⁾	13,240,549	12,759,835	5,028,686	477,326	3,388
Tax liabilities / (assets)	4,495,614	4,499,467	1,919,793	(850)	(3,003)
Other liabilities ⁽¹⁾⁽¹⁰⁾	9,297,006	12,676,396	2,262,207	11,148	178,799
Net assets	220,646,170	180,130,743	80,246,975	750,471	39,764,956

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, statutory deposits and deposits with original maturity more than three months.
- (3) Debt securities are reported at fair value with accrued interest.
- (4) Properties represent investment properties and own-occupied properties. The balances also include the properties held by property-holding subsidiaries which are consolidated under the Rules.
- (5) Loans and advances primarily represent policy loans.
- (6) Other financial assets primarily represent receivables from policyholders, intermediaries and reinsurers, and amounts due from fellow subsidiaries and holding company, at the company level and, to the extent applicable, at the fund level.
- (7) 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.



- (8) Other assets mainly include investments in non-consolidated subsidiaries at cost, investments in associates accounted for using the equity method, right-of-use assets, prepayments, and other receivables at the company level and, to the extent applicable, at the fund level. Non-consolidated subsidiaries primarily represent insurance subsidiaries. Interfund balances are also included at the fund level.
 - (9) Other financial liabilities primarily represent payables to policyholders, intermediaries and reinsurers, and amounts due to fellow subsidiaries and holding company, at the company level and, to the extent applicable, at the fund level.
 - (10) Other liabilities primarily include trade and other payables at the company level and the fund level. Interfund balances are also included at the fund level.
- (b) Other than investments in non-consolidated subsidiaries and associates, assets are measured at market value. Investment in non-consolidated subsidiaries is stated at cost and investment in associates is measured using the equity method of accounting. 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	Linked long term (Class C)	Other long term business	Total long term business
Total insurance liabilities (<u>gross of reinsurance</u>)	383,434,440	56,054,880	74,978,423	514,467,743
Of which: long term insurance liabilities	383,434,440	56,053,287	74,863,016	514,350,743
Outstanding claims	1,956,645	194,631	2,150,602	4,301,878
Current estimate ⁽¹⁾	378,340,875	54,130,351	41,660,068	474,131,294
Margin over current estimate ⁽²⁾	2,594,742	694,218	5,803,445	9,092,405
Prepaid premiums	542,178	1,034,087	25,248,901	26,825,166
Of which: general insurance liabilities	-	1,593	115,407	117,000
Reinsurance assets	2,118,299	20,943	579,490	2,718,732
Reinsurance liabilities	4,347,238	20,234	3,867,980	8,235,452

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".

Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at 31 December 2024		
	Direct insurance Accident and health	Reinsurance Proportional	Total general business
Total general insurance liabilities (<u>gross of reinsurance</u>)	1,039,389	2,866	1,042,255
Total general insurance liabilities excluding other general insurance liabilities (<u>gross of reinsurance</u>)	1,039,389	2,866	1,042,255
Outstanding claims liabilities	428,181	2,866	431,047
Premium liabilities	533,101	-	533,101
Margin over current estimate for outstanding claims liabilities	31,746	-	31,746
Margin over current estimate for premium liabilities	46,361	-	46,361
Total general insurance liabilities excluding other general insurance liabilities (<u>net of reinsurance</u>)	859,182	-	859,182



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)	50,355,722
Interest rate risk RCA	19,034,892
Credit spread risk RCA	18,659,488
Equity risk RCA	22,759,282
Property risk RCA	8,403,474
Currency risk RCA	6,191,849
Diversification benefits within market risk	(24,693,263)
Life Insurance Risk (diversified RCA)	56,142,025
Mortality risk RCA	2,931,602
Longevity risk RCA	169,706
Life catastrophe risk RCA	1,302,895
Morbidity risk RCA	14,687,132
Expense risk RCA	2,859,491
Lapse risk RCA	51,492,801
Diversification benefits within life insurance risk	(17,301,602)
General Insurance Risk (diversified RCA)	314,075
Reserve and premium risk RCA	314,075
Natural catastrophe risk RCA	-
Man-made non-systemic catastrophe risk RCA	-
Man-made systemic catastrophe risk RCA	-
Mortgage insurance risk RCA	-
Diversification benefits within general insurance risk	-
Counterparty default and other risk RCA	864,224
Diversification benefits among risk modules	(23,082,490)
Operational risk RCA	4,124,974
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(2,049,907)
Any other items which the IA may specify to adjust	-
Prescribed capital amount	86,668,623



- (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	159,585,935
Limited Tier 1 capital	-
Tier 2 capital	24,186,458
Capital base	183,772,393

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

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	212%

- (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 International 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 International 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 International 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: Garth Brian Jones

Position: Director

Company Name: AIA International Limited

Hong Kong, 30 September 2025



羅兵咸永道

Independent practitioner's reasonable assurance report

To the Board of Directors of AIA International Limited

We have been engaged to perform a reasonable assurance engagement on the attached disclosure statement of AIA International Limited (the "Company") as at 31 December 2024 as set out on pages 1 to 8 ("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:



羅兵咸永道

Independent practitioner's reasonable assurance report
To the Board of Directors of AIA International 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