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## **AIA Group Limited**

**友邦保險控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**Stock Code: 1299**

### **VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ADOPTION OF IFRS 9 AND IFRS 17**

**HONG KONG, 15 June 2023** – AIA Group Limited and its subsidiaries (collectively "AIA"; or the "Group") adopted the new accounting standards of International Financial Reporting Standards (IFRS) 9 and IFRS 17 from 1 January 2023. For comparative purposes, AIA Group Limited (the "Company") today voluntarily discloses the Group's consolidated financial information for the first half and full year of 2022 restated under IFRS 9 and IFRS 17.

#### **Key messages:**

- IFRS 9 and IFRS 17 are new accounting standards that do not impact the underlying economics of AIA's business, with no material changes to value of new business (VONB), embedded value, solvency, capital and cash generation
- All key IFRS metrics for the year ended 31 December 2022 improved under IFRS 9 and IFRS 17, compared with the results previously reported under the old accounting standards of International Accounting Standards (IAS) 39 and IFRS 4
- Operating profit after tax (OPAT) for 2022 of US\$6.4 billion increased by 1 per cent following the adoption of the new accounting standards
- Contractual service margin (CSM) of US\$50.2 billion (net of reinsurance) as at 31 December 2022 represents the discounted value of expected future profits
- New business CSM (net of reinsurance) of US\$6.0 billion was added during 2022

- Net profit for the full year 2022 increased by US\$3.0 billion to US\$3.3 billion following the adoption of the new accounting standards, mainly as a result of the elimination of short-term fluctuations on equities and real estate and non-operating movements on derivative financial instruments for the participating funds and other participating business with distinct portfolios
- As a result of the adoption of the new accounting standards, both shareholders' allocated equity and shareholders' equity as at 31 December 2022 increased
- Leverage ratio was 11.4 per cent as at 31 December 2022 with the inclusion of CSM (net of reinsurance and taxes) in the calculation under IFRS 17
- VONB, embedded value and free surplus remain the key measures of shareholder value creation

The consolidated financial information does not constitute the Group's statutory consolidated financial statements for the financial periods. The consolidated financial information for the full year 2022 has been audited by the Company's external auditor, PricewaterhouseCoopers.

The consolidated financial information and an explanatory video presentation along with accompanying slides and transcript will be available on AIA's website later today.

<https://www.aia.com/en/investor-relations/overview/investor-presentations>

## Contacts

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### Investment Community

Lance Burbidge	+852 2832 1398
Evelyn Lam	+852 2832 1633
Feon Lee	+852 2832 4704
Ismar Tuzovic	+852 2832 1777
Rachel Poon	+852 2832 4792

### News Media

Cecilia Ma Zecha	+852 2832 5666
Duke Malan	+852 2832 4726
Kitty Liu	+852 2832 1742

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*This announcement 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", "should", "continue", "future", "expect", "anticipate", "believe" 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.*

By Order of the Board  
**Lee Yuan Siong**  
*Executive Director,  
Group Chief Executive and President*

Hong Kong, 15 June 2023

As at the date of this announcement, the board of directors of the Company comprises:

*Independent Non-executive Chairman and Independent Non-executive Director:*

Mr. Edmund Sze-Wing TSE

*Executive Director, Group Chief Executive and President:*

Mr. LEE Yuan Siong

*Independent Non-executive Directors:*

Mr. Jack Chak-Kwong SO, Mr. Chung-Kong CHOW, Mr. John Barrie HARRISON, Mr. George Yong-Boon YEO, Professor Lawrence Juen-Yee LAU, Ms. Swee-Lian TEO, Dr. Narongchai AKRASANE, Mr. Cesar Velasquez PURISIMA and Ms. SUN Jie (Jane)