

## Disclosure Statement at 31 December 2024

This disclosure statement<sup>1</sup> is prepared<sup>2</sup> in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025.

### 1 Company profile

(a) Authorized insurer's name

HKMC INSURANCE LIMITED
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### 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 (if applicable)
<b>Total assets</b>	24,107,280	-	-	7,983,353	16,123,927
Cash and deposits	6,074,561	-	-	5,741,201	333,360
Debt securities	17,569,270	-	-	1,778,703	15,790,567
Equities (including portfolio investments)	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Properties	-	-	-	-	-
Loans and advances	-	-	-	-	-
Reverse repurchase agreement	-	-	-	-	-
Other financial	-	-	-	-	-

<sup>1</sup> The Company is an authorised insurer under the Insurance Ordinance carrying on general insurance business. Accordingly, those fields in relation to the financial position and insurance liabilities of long term business in this Disclosure Statement which is in standard format are not applicable to the Company with nil amount disclosed.

<sup>2</sup> The basis of preparation is different from that under HKFRS Accounting Standards. Accordingly, the financial numbers presented in this Disclosure Statement may not be reconciled to the audited financial statements.

(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 (if applicable)
assets					
Policyholder's account assets in respect of unit linked products or retirement scheme	-	-	-	-	-
Reinsurance assets	463,161	-	-	463,161	-
Tax assets	-	-	-	-	-
Other assets	288	-	-	288	-
<b>Total liabilities</b>	<b>4,486,356</b>	<b>-</b>	<b>-</b>	<b>4,152,996</b>	<b>333,360</b>
Insurance liabilities	3,525,322	-	-	3,525,322	-
Reinsurance liabilities	-	-	-	-	-
Repurchase agreement	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other financial liabilities	11,711	-	-	11,711	-
Tax liabilities	608,070	-	-	608,070	-
Other liabilities	341,253	-	-	7,893	333,360
<b>Net assets</b>	<b>19,620,924</b>	<b>-</b>	<b>-</b>	<b>3,830,357</b>	<b>15,790,567</b>

### 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						
	HK insurers or designated insurers: all long term business / Hong Kong branches of non-HK insurers: all long term business of Hong Kong branches, other than fund of reinsurance business with offshore risk if established					Applicable to Hong Kong branches of non- HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
<b>Total insurance liabilities (gross of reinsurance)</b>	-	-	-	-	-	-	-
Of which: long term insurance liabilities	-	-	-	-	-	-	-
Outstanding claims	-	-	-	-	-	-	-
Current estimate <sup>3</sup>	-	-	-	-	-	-	-
Margin over current estimate	-	-	-	-	-	-	-
Prepaid premiums	-	-	-	-	-	-	-
Other long term insurance liabilities	-	-	-	-	-	-	-
Of which: general insurance liabilities	-	-	-	-	-	-	-
<b>Reinsurance assets</b>	-	-	-	-	-	-	-
<b>Reinsurance liabilities</b>	-	-	-	-	-	-	-

<sup>3</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

## Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at 31 December 2024									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
<b>Total general insurance liabilities (<u>gross</u> of reinsurance)</b>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	3,525,322
<b>Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)</b>	-	-	-	-	-	-	3,525,322	-	-	3,525,322
Outstanding claims liabilities	-	-	-	-	-	-	64,083	-	-	64,083
Premium liabilities	-	-	-	-	-	-	1,888,671	-	-	1,888,671
Margin over current estimate for outstanding claims liabilities	-	-	-	-	-	-	41,200	-	-	41,200
Margin over current estimate for premium liabilities	-	-	-	-	-	-	1,531,368	-	-	1,531,368
<b>Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)</b>	-	-	-	-	-	-	3,062,161	-	-	3,062,161

#### 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
<b>Market risk (diversified RCA)</b>	3,433,136
Interest rate risk RCA	664,328
Credit spread risk RCA	58,386
Equity risk RCA	-
Property risk RCA	3,338,121
Currency risk RCA	1,837
Diversification benefits within market risk	(629,536)
<b>Life Insurance Risk (diversified RCA)</b>	469,339
Mortality risk RCA	-
Longevity risk RCA	466,184
Life catastrophe risk RCA	-
Morbidity risk RCA	-
Expense risk RCA	-
Lapse risk RCA	12,040
Diversification benefits within life insurance risk	(8,885)
<b>General Insurance Risk (diversified RCA)</b>	3,804,146
Reserve and premium risk RCA	-
Natural catastrophe risk RCA	-
Man-made non-systemic catastrophe risk RCA	-
Man-made systemic catastrophe risk RCA	-
Mortgage insurance risk RCA	3,804,146
Diversification benefits within general insurance risk	-
<b>Counterparty default and other risk RCA</b>	226,358
Diversification benefits among risk modules	(2,039,133)
<b>Operational risk RCA</b>	53,701
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(981,345)
Any other items which the IA may specify to adjust	-
<b>Prescribed capital amount</b>	4,966,202

- (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	19,620,924
Limited Tier 1 capital	0.00
Tier 2 capital	0.00
<b>Capital base</b>	<b>19,620,924</b>

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

	As at 31 December 2024
<b>Ratio of capital base to prescribed capital amount</b>	<b>395%</b>

## 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 HKMC INSURANCE LIMITED;
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025 (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the audited specified annual forms of HKMC INSURANCE LIMITED's annual returns 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 HKMC INSURANCE 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:	Chan Ling Hang
Position:	Controller (as defined in the Insurance Ordinance) (by virtue of being the Chief Executive Officer of the Company)
Company Name:	HKMC Insurance Limited