

Disclosure Statement at 31 December 2024

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the draft Insurance (Public Disclosure) Rules. For any discrepancy between the Chinese and English versions of this document, the English version shall prevail.

1 Company profile

(a) Authorized insurer's name

Hang Seng Insurance Company Limited

2 Financial position

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

(Unit: in HKD thousands)	As at 31 December 2024		
	Total ¹	Long term business	Of which belongs to: long term business – participating business
Total assets	206,694,751	198,091,372	146,652,099
Cash and deposits	9,940,670	8,993,215	7,783,142
Debt securities	123,255,254	115,951,000	75,011,079
Equities (including portfolio investments)	50,011,763	49,911,576	45,146,840
Derivative financial instruments	161,568	161,037	159,259
Properties	2,751,000	2,751,000	2,751,000
Loans and advances	2,100,523	2,100,523	2,078,474
Reverse repurchase agreement	-	-	-
Other financial assets	1,078,695	1,078,469	943,151
Policyholder's account assets in respect of unit linked products or retirement scheme	316,299	316,299	-
Reinsurance assets	14,751,023	14,751,023	12,466,936
Tax assets	-	-	-
Other assets	2,327,956	2,077,230	312,218

¹ The differences between “Total” and “Long term business” were due to i) shareholders' fund being excluded from the table; and ii) other assets and/or liabilities for “Long term business” column having included inter-fund balances between long term business and shareholders' fund, while the “Total” column has eliminated such inter-fund balances.

(Unit: in HKD thousands)	As at 31 December 2024		
	Total¹	Long term business	Of which belongs to: long term business – participating business
Total liabilities	176,303,835	177,058,763	124,875,329
Insurance liabilities	169,242,219	169,242,219	120,493,257
Reinsurance liabilities	1,799,617	1,799,617	1,585,018
Repurchase agreement	-	-	-
Derivative financial instruments	160,745	160,745	143,265
Other financial liabilities	2,127,320	790,416	739,494
Tax liabilities	2,562,236	-	-
Other liabilities	411,698	5,065,766	1,914,295
Net assets	30,390,916	21,032,609	21,776,770

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					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	
Total insurance liabilities (gross of reinsurance)	120,493,257	53,455	202,108	46,596	48,446,803	169,242,219
Of which: long term insurance liabilities	120,493,257	53,455	202,108	46,596	48,446,803	169,242,219
Outstanding claims	510,951	82	-	3,304	81,799	596,136
Current estimate ²	118,116,492	53,084	202,108	43,292	47,965,098	166,380,074
Margin over current estimate	338,000	289	-	-	146,825	485,114
Prepaid premiums	1,527,814	-	-	-	253,081	1,780,895
Other long term insurance liabilities	-	-	-	-	-	-
Of which: general insurance liabilities	-	-	-	-	-	-
Reinsurance assets	12,466,936	2	-	-	2,284,085	14,751,023
Reinsurance liabilities	1,585,018	9	-	-	214,590	1,799,617

² Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

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)	13,988,037
Interest rate risk RCA	2,866,103
Credit spread risk RCA	5,753,225
Equity risk RCA	5,911,394
Property risk RCA	436,799
Currency risk RCA	2,819,364
Diversification benefits within market risk	(3,798,848)
Life Insurance Risk (diversified RCA)	2,001,450
Mortality risk RCA	222,879
Longevity risk RCA	1,596
Life catastrophe risk RCA	15,000
Morbidity risk RCA	50,900
Expense risk RCA	400,345
Lapse risk RCA	1,734,471
Diversification benefits within life insurance risk	(423,741)
General Insurance Risk (diversified RCA)	-
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	-
Diversification benefits within general insurance risk	-
Counterparty default and other risk RCA	242,544
Diversification benefits among risk modules	(1,546,423)
Operational risk RCA	1,725,709
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(2,521,161)
Any other items which the IA may specify to adjust	-
Prescribed capital amount	13,890,156

- (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	30,390,916
Limited Tier 1 capital	-
Tier 2 capital	1,045,000
Capital base	31,435,916

(c) Ratio of capital base to prescribed capital amount

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	226%

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 Hang Seng Insurance Company 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 draft Insurance (Public Disclosure) Rules (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 Hang Seng Insurance Company 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 Hang Seng Insurance 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:	Lee Wah Lun Rannie
Position:	Director
Company Name:	Hang Seng Insurance Company Limited