

## 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.

### 1 Company profile

(a) Authorized insurer's name

Principal Insurance Company (Hong Kong) 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	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
<b>Total assets</b>	<b>2,211,149</b>	<b>1,542,089</b>	-	-	<b>669,060</b>
Cash and deposits	206,138	49	-	-	206,089
Debt securities	366,511	1,951	-	-	364,559
Equities (including portfolio investments)	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Properties	-	-	-	-	-
Loans and advances	-	-	-	-	-
Reverse repurchase agreement	-	-	-	-	-
Other financial assets	40,589	-	-	-	40,589
Policyholder's account assets in respect of unit linked products or retirement scheme	1,540,089	1,540,089	-	-	-
Reinsurance assets	-	-	-	-	-

(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)
Tax assets	-	-	-	-	-
Other assets	57,822	-	-	-	57,822
<b>Total liabilities</b>	<b>1,497,237</b>	<b>1,352,249</b>	-	-	<b>144,989</b>
Insurance liabilities	1,352,249	1,352,249	-	-	-
Reinsurance liabilities	-	-	-	-	-
Repurchase agreement	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other financial liabilities	93,687	-	-	-	93,687
Tax liabilities	-	-	-	-	-
Other liabilities	51,302	-	-	-	51,302
<b>Net assets</b>	<b>713,911</b>	<b>189,840</b>	-	-	<b>524,071</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						
	Long term business					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>	-	-	<b>1,064,279</b>	<b>285,970</b>	<b>2,000</b>	-	<b>1,352,249</b>
Of which: long term insurance liabilities	-	-	1,064,279	285,970	2,000	-	1,352,249
Outstanding claims	-	-	-	-	-	-	-
Current estimate <sup>1</sup>	-	-	1,062,813	285,970	2,000	-	1,350,783
Margin over current estimate	-	-	1,466	-	-	-	1,466
Prepaid premiums	-	-	-	-	-	-	-
Other long term insurance liabilities	-	-	-	-	-	-	-
Of which: general insurance liabilities	-	-	-	-	-	-	-
<b>Reinsurance assets</b>	-	-	-	-	-	-	-
<b>Reinsurance liabilities</b>	-	-	-	-	-	-	-

<sup>1</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>	-	-	-	-	-	-	-	-	-	-
<b>Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)</b>	-	-	-	-	-	-	-	-	-	-
Outstanding claims liabilities	-	-	-	-	-	-	-	-	-	-
Premium liabilities	-	-	-	-	-	-	-	-	-	-
Margin over current estimate for outstanding claims liabilities	-	-	-	-	-	-	-	-	-	-
Margin over current estimate for premium liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)</b>	-	-	-	-	-	-	-	-	-	-

#### 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>	<b>14,353</b>
Interest rate risk RCA	13,196
Credit spread risk RCA	5,637
Equity risk RCA	-
Property risk RCA	-
Currency risk RCA	10
Diversification benefits within market risk	-4,490
<b>Life Insurance Risk (diversified RCA)</b>	<b>5,599</b>
Mortality risk RCA	-
Longevity risk RCA	-
Life catastrophe risk RCA	-
Morbidity risk RCA	-
Expense risk RCA	4,766
Lapse risk RCA	1,401
Diversification benefits within life insurance risk	-567
<b>General Insurance Risk (diversified RCA)</b>	<b>-</b>
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	-
<b>Counterparty default and other risk RCA</b>	<b>8,537</b>
Diversification benefits among risk modules	-7,618
<b>Operational risk RCA</b>	<b>6,261</b>
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	-
Any other items which the IA may specify to adjust	-
<b>Prescribed capital amount</b>	<b>27,131</b>

- (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	713,911
Limited Tier 1 capital	-
Tier 2 capital	-
<b>Capital base</b>	<b>713,911</b>

(c) Ratio of capital base to prescribed capital amount

	As at As at 31 December 2024
<b>Ratio of capital base to prescribed capital amount</b>	<b>2,631%</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 Principal Insurance Company (Hong Kong) Limited (the “Company”);
- (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 the Company’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 the Company has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name:	<b>Lau Martin Kin Yeung</b>
Position:	<b>Director</b>
Company Name:	<b>Principal Insurance Company (Hong Kong) Limited</b>