Zurich Life Insurance (Hong Kong) Limited

(a company incorporated in Hong Kong with limited liability)

Disclosure Statement

For the financial year ended 31 December 2025

Publication Date: August 2026

Disclosure Statement at 31 December 2025

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the Insurance (Public Disclosure) Rules.

1 Company profile

(a) Authorized insurer's name

Zurich Life Insurance (Hong Kong) Limited

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

Zurich Life Insurance (Hong Kong) Limited (ZLIHK) is a Hong Kong incorporated insurer carrying on life insurance business. Its major lines of business include Investment-linked Assurance Scheme (ILAS), Participating Whole of Life, Universal Life, Term Life, Critical Illness, Accident and Health, and other protection products.

The Company's principal place of business and operations is in Hong Kong. Business is distributed mainly through independent financial advisers and direct/digital channels.

During 2025, there were no material changes to the nature of the Company's business. ZLIHK continued to expand its product offerings and distribution capabilities in line with its growth strategy.

(c) Description of corporate structure

Zurich Life Insurance (Hong Kong) Limited ("Company") is incorporated and domiciled in Hong Kong.

The Company is a wholly owned subsidiary of Zurich Insurance Holdings (Hong Kong) Limited ("ZIH") incorporated in Hong Kong.

ZIH is a wholly owned subsidiary of Zurich Insurance Company Ltd ("ZIC"), which in turn is a wholly owned subsidiary of Zurich Insurance Group Ltd ("ZIG"), the ultimate holding company of the Company. ZIG is considered a material shareholder controller of the Company by virtue of its position as the Company's ultimate holding company.

ZIG is the parent company of the Zurich Insurance Group of companies ("Group", "Zurich"), a leading global multi-line insurer founded more than 150 years ago. The Group serves more than 82 million customers in over 200 countries and territories, has more than 65,000 employees, and is headquartered in Zurich, Switzerland. The Group provides property and casualty insurance, life insurance, and related services globally.

The Company does not have any material subsidiaries. There were no material changes to the corporate structure of the Company during the financial year ended 31 December 2025.

2 Corporate governance framework

The Board

The Board of the Company has overall responsibility for the direction, supervision and control of the Company and oversees the Company's business and affairs. The Board oversees the Company's strategy, financial position, risk management and regulatory obligations, and may delegate responsibilities and authorities as appropriate.

As of 31 December 2025, the Board comprises six directors, including four executive directors and two independent non-executive directors.

The Board delegates certain responsibilities and authorities to the following Board Committees and Senior Management:

Board Committees

Audit Committee

The Audit Committee supports the Board by overseeing financial reporting, internal control, compliance and related audit activities of the Company. The Audit Committee reviews the integrity of the Company's financial statements, the effectiveness of its internal control framework, and the adequacy, effectiveness and independence of the internal and external audit functions. The Audit Committee also supports the Board in matters relating to the oversight of the external auditor and in maintaining a reliable and transparent financial reporting system.

Risk Committee

The Risk Committee supports the Board by overseeing the Company's risk management framework and risk governance arrangements. The Risk Committee advises the Board on risk appetite, reviews the adequacy and effectiveness of risk management policies for material risks and the enterprise risk management framework, and oversees material risk exposures, compliance matters and the operation of the Company's risk management system.

Participating Business Advisor (PBA)

The Company has established governance arrangements for its participating business in accordance with the Insurance Authority's Guideline on Governance and Management of Fund(s) of Participating Business (GL34). The Board is supported by a PBA, who provides independent advice on matters affecting participating policyholders, including bonus recommendations, surplus distribution and policyholder fairness. The Board

considers the PBA's advice to help ensure the participating fund is managed fairly and sustainably.

Senior Management

The senior management of the Company is responsible for the day-to-day management of the Company's business and operations and for implementing the strategies, policies and procedures approved by the Board.

3 Financial position

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

(Unit: in HKD thousands)	As at 31-Dec-2025				As at 31-Dec-2024			
	Total	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)	**Total**	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)
Total assets	*6,485,229*	*6,386,061*	*720,891*	*99,168*	*4,751,654*	*4,544,656*	*659,355*	*206,998*
Cash and deposits	*300,277*	*284,425*	*7,072*	*15,852*	*102,776*	*92,686*	*1,191*	*10,090*
Debt securities	*1,992,810*	*1,962,436*	*652,449*	*30,374*	*1,996,456*	*1,843,760*	*617,984*	*152,696*
Equities (including portfolio investments)	*188,677*	*172,185*	*51,684*	*16,492*	*112,331*	*40,873*	*36,693*	*71,458*
Derivative financial instruments	-	-	-	-	*394*	-	-	*394*
Properties	-	-	-	-	-	-	-	-
Loans and advances	*32,135*	*32,135*	*3,631*	-	*30,352*	*30,352*	*2,525*	-
Reverse repurchase agreement	-	-	-	-	-	-	-	-
Other financial assets	*30,922*	*26,848*	*5,245*	*4,074*	*37,891*	*22,001*	*6,950*	*15,890*
Policyholder's account assets in respect of unit linked products or retirement scheme	*3,510,689*	*3,510,689*	-	-	*2,097,546*	*2,097,546*	-	-

(Unit: in HKD thousands)	As at 31-Dec-2025				As at 31-Dec-2024			
	Total	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)	**Total**	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)
Reinsurance assets	*405,443*	*405,443*	-	-	*362,490*	*362,490*	-	-
Tax assets	-	-	-	-	-	-	-	-
Other assets	*24,276*	*(8,100)*	*810*	*32,376*	*11,418*	*54,948*	*(5,988)*	*(43,530)*
Total liabilities	*5,441,335*	*5,391,665*	*573,675*	*49,670*	*3,848,343*	*3,763,326*	*534,922*	*85,017*
Insurance liabilities	*5,271,205*	*5,271,205*	*542,453*	-	*3,670,893*	*3,670,893*	*499,279*	-
Reinsurance liabilities	*23,929*	*23,929*	*18,509*	-	*31,745*	*31,745*	*19,269*	-
Repurchase agreement	-	-	-	-	-	-	-	-
Derivative financial instruments	*811*	-	-	*811*	-	-	-	-
Other financial liabilities	*65,153*	*36,936*	*12,506*	*28,217*	*107,039*	*39,523*	*16,265*	*67,516*
Tax liabilities	*6,544*	*6,544*	*207*	-	*2,489*	*2,489*	*109*	-
Other liabilities	*73,693*	*53,051*	-	*20,642*	*36,177*	*18,676*	-	*17,501*
Net assets	*1,043,894*	*994,396*	*147,216*	*49,498*	*903,311*	*781,330*	*124,433*	*121,981*

(b) Material change or other commentary on balance sheet items (if any)

- The Company's financial position remained robust during the year. The increase in total assets and liabilities was primarily driven by growth in unit-linked business, reflecting the inflows of premium income, favorable investment performance, and the corresponding increase in policyholder account balances. Net assets also increased during the year, mainly due to value of new business written and positive investment performance from financial market.
- Equities reported in the Long term business included the portfolio investment of private debt fund supporting the target asset allocation of new product sales, which contributed to the major increase in the exposures during 2025.

4 Investments

(a) Assumptions and methods used for valuation of investments

To measure fair value, the Group gives the highest priority to quoted and unadjusted prices in active markets. In the absence of quoted prices, fair values are calculated through valuation techniques, making the maximum use of relevant observable market data inputs. Whenever observable parameters are not available, the inputs used to derive the fair value are based on common market assumptions that market participants would use when pricing assets and liabilities.

(b) Material change in assumptions and methods, or other commentary on investments (if any)

There is no material change in assumptions and methods.

5 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-Dec-2025			
	HK insurers: all long term business			Total long term business
	Participating business	Linked long term (Class C)	Other long term business	
Total insurance liabilities (gross of reinsurance)	*542,453*	*2,982,334*	*1,746,418*	*5,271,205*
Of which: long term insurance liabilities	*542,453*	*2,982,334*	*1,746,418*	*5,271,205*
Outstanding claims	*1,312*	*9,158*	*7,079*	*17,549*
Current estimate[1]	*534,356*	*2,857,256*	*1,119,348*	*4,510,960*
Margin over current estimate	*6,760*	*48,630*	*33,172*	*88,562*
Prepaid premiums	*25*	*67,290*	*226,074*	*293,389*
Other long term insurance liabilities	-	-	*360,745*	*360,745*
Reinsurance assets	-	-	*405,443*	*405,443*
Reinsurance liabilities	*18,509*	*3,729*	*1,691*	*23,929*

(Unit: in HKD thousands)	As at 31-Dec-2024			
	HK insurers: all long term business			Total long term business
	Participating business	Linked long term (Class C)	Other long term business	
Total insurance liabilities (gross of reinsurance)	*499,279*	*1,736,696*	*1,434,918*	*3,670,893*
Of which: long term insurance liabilities	*499,279*	*1,736,696*	*1,434,918*	*3,670,893*
Outstanding claims	*898*	*8,049*	*2,332*	*11,279*
Current estimate[1]	*488,648*	*1,680,967*	*989,692*	*3,159,307*
Margin over current estimate	*8,208*	*39,945*	*27,922*	*76,075*
Prepaid premiums	*1,525*	*7,735*	*71,128*	*80,388*
Other long term insurance liabilities	-	-	*343,844*	*343,844*
Reinsurance assets	-	-	*362,490*	*362,490*
Reinsurance liabilities	*19,269*	*2,583*	*9,893*	*31,745*

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

(b) Assumptions and method used to derive the assumptions for determining insurance liabilities

- Insurance liabilities are determined in accordance with the Insurance (Valuation and Capital) Rules. The valuation reflects expected future obligations arising from insurance contracts and incorporates non-economic assumptions relating to future best-estimates of policy experience and the discount rates applied are published by the IA. These assumptions are based on the Company's experience studies, prevailing financial market information, and regulatory requirements, and are subject to regular review through established governance processes.

(c) Material change in assumptions and methods used to derive the assumptions, or other commentary on insurance liabilities (if any)

- The methodology used to determine insurance liabilities remained broadly consistent with the previous reporting period. Assumptions were reviewed and updated to reflect the latest available company experience and future expectations. Assumptions for participating business and actively marketed products remained broadly stable during the year.

6 Financial performance

(a) Financial performance in total and at a segmented level, including premiums, investment returns and claims

Performance Analysis on Premiums and Claims

(Unit: in HKD thousands)	For the financial year ended 31-Dec-2025		
	Total	Long term business	Of which belongs to: long term business – participating business
Gross premiums[2]	*1,646,338*	*1,646,338*	*30,790*
Regular premiums	*840,924*	*840,924*	*30,790*
Single premiums	*805,414*	*805,414*	-
Net premiums	*1,617,710*	*1,617,710*	*25,113*
Regular premiums	*812,296*	*812,296*	*25,113*
Single premiums	*805,414*	*805,414*	-
Gross claims paid	*268,807*	*268,807*	*16,339*
Net claims paid	*241,546*	*241,546*	*12,149*

Performance Analysis on Investment Returns

(Unit: in HKD thousands)	For the financial year ended 31-Dec-2025			
	Total	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)
Investment returns	*519,527*	*495,145*	*59,809*	*24,382*

(b) Material change or other commentary on financial performance (if any)

- Majority of the investment earnings reported in Long term business is sourced from the unrealized gains/losses of unit assets backing the linked business during 2025.

[2] For long term business, it refers to premiums received and receivable during the financial year.

7 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-Dec-2025	As at 31-Dec-2024
Market risk (diversified RCA)	*418,433*	*284,105*
Interest rate risk RCA	*38,886*	*45,659*
Credit spread risk RCA	*195,285*	*156,104*
Equity risk RCA	*243,308*	*135,916*
Property risk RCA	-	-
Currency risk RCA	*19,254*	*20,892*
Diversification benefits within market risk	*(78,300)*	*(74,465)*
Life Insurance Risk (diversified RCA)	*341,581*	*294,330*
Mortality risk RCA	*15,075*	*13,512*
Longevity risk RCA	*477*	*527*
Life catastrophe risk RCA	*10,537*	*11,701*
Morbidity risk RCA	*18,556*	*21,426*
Expense risk RCA	*202,292*	*184,573*
Lapse risk RCA	*177,458*	*137,463*
Diversification benefits within life insurance risk	*(82,814)*	*(74,872)*
Counterparty default and other risk RCA	*9,954*	*2,937*
Diversification benefits among risk modules	*(164,072)*	*(123,099)*
Operational risk RCA	*26,902*	*15,645*
Adjustment for loss absorbing capacity cap	*24,379*	*13,984*
Adjustment for tax effect	-	-
Any other items which the IA may specify to adjust	-	-
Prescribed capital amount	*657,177*	*487,902*

(b) Composition of capital base determined in accordance with the Insurance (Valuation and Capital) Rules

Capital Base

(Unit: in HKD thousands)	As at 31-Dec-2025	As at 31-Dec-2024
Unlimited Tier 1 capital	*1,043,894*	*903,311*
Limited Tier 1 capital	-	-
Tier 2 capital	-	-
Capital base	*1,043,894*	*903,311*

(c) Ratio of capital base to prescribed capital amount

	As at 31-Dec-2025	As at 31-Dec-2024
Ratio of capital base to prescribed capital amount	*159%*	*185%*

(d) Material change or other commentary on prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount (if any)

- The Company maintained capital resources in excess of its target solvency capital throughout the reporting period. Both the prescribed capital amount and capital resources increased during the year, reflecting continued business growth.
- The capital base ratio decreased compared with the prior year, in line with expectations, due to business growth.
- The Company continues to maintain capital resources above its target capital amount and monitors its capital position on an ongoing basis.
- For the Prescribed Capital Amount, the large increase in Equity RCA compared to prior year reflected the rise in the equity exposure for unit-linked funds from market rally and new business sales.

8 Risk Management

(a) Risk appetite and risk governance framework

The Company maintains a Risk Management Framework (RMF) to identify, assess, manage, monitor and report material risks, ensuring it operates within its defined Risk Appetite Statements (RAS). There were no material changes to the RMF or risk appetite during the year ended 31 December 2025. The RMF and RAS are reviewed and approved by the Company's Board of Directors on at least an annual basis.

Asset and liability management (ALM) is a key part of the RMF and is overseen by the Asset Liability Management & Investment Committee (ALMIC). Assets are managed following the Company's Investment Policy, which sets the investment strategy taking into account asset/liability risk profile and appetite, liquidity needs and key market and economic factors (such as interest rates, equity prices and foreign exchange rates).

Risk governance is supported by defined risk processes, regular monitoring and reporting, and structured committee oversight. Governance is exercised by the Company Board or its board committees with support from specialized management forums including the Hong Kong Executive Committee (ExCo), the Risk and Control Committee (RCC) and ALMIC. These bodies oversee adherence to risk appetite, management of material risks, execution of investment and ALM strategies and the ongoing effectiveness of the Company's risk management and control environment.

(b) Insurance risk management

The Company's insurance risks include but not limited to mortality, morbidity, lapse, expense, longevity and life catastrophe risks. Material risks are managed at total portfolio, statutory classes and product types and, where relevant, taking into account claims experience, policyholder behaviour, underwriting excellence and reinsurance strategy.

Concentrations of risk and insurance risks are managed and monitored following the Company's RMF and relevant supporting documents, including but not limited to adherence to the Group Insurance Risk Policies and the Company's Corporate Policies.

Governance and risk management oversight are provided through established underwriting and risk management processes, business management forums, the Risk and Control Committee (RCC) and the Company Board or its board committees.

(c) Investment risk management

The Company's investment objective is to generate returns that meet current and future liabilities while optimizing the risk/return profile of its assets, in line with regulatory requirements, the Risk Appetite Statement (RAS) and the Zurich Risk Policy (ZRP).

Investments are managed at the total portfolio level and, where relevant, by statutory class and product type through strategic and tactical asset

allocation, asset-liability management, portfolio management and asset manager oversight. Investment risks, including concentration, market, credit, liquidity and operational risks are regularly monitored against internal policies, limits and regulatory requirements. As noted in section 3(b), the Company's investment portfolio included exposure to an additional asset class during the year. Investment activities, including asset allocation and any introduction of new asset classes, are managed in accordance with the Company's Investment Policy and established governance processes.

(d) Other risk management (if any)

The Company's Risk Management Framework (RMF) complies with Hong Kong Insurance Authority's GL21 - Guideline on Enterprise Risk Management and its effectiveness is independently assessed each year.

9 Statement of Compliance

(i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of Zurich Life Insurance (Hong Kong) Limited;

(ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Public Disclosure) Rules and the Insurance (Valuation and Capital) Rules (subject to any variation or relaxation applied thereto);

(iii) I am satisfied that the information in this disclosure statement can be reconciled with the relevant specified annual forms, on each of which an auditor's report is provided, of Zurich Life Insurance (Hong Kong) Limited's annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4(1) of the Insurance (Submission of Statements, Reports and Information) Rules; and

(iv) I am satisfied that Zurich Life Insurance (Hong Kong) Limited has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules (as relaxed or varied, if applicable), during the financial year to which this disclosure statement relates.

Name:	Jim Qin
Position:	Chief Executive Officer
Company Name:	Zurich Life Insurance (Hong Kong) Limited

Remarks: In case of any discrepancy between the English and Chinese versions of this document, the English version shall prevail.