Zurich Insurance Company Ltd
(Hong Kong Branch)
(a company incorporated in Switzerland 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 Insurance Company Ltd

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

Zurich Insurance Company Ltd is incorporated in Switzerland and is licensed to carry on general insurance business in Hong Kong through its Hong Kong Branch (the "Branch") with major lines of business comprising of Employee's Compensation (EC), Motor, Property and Accident and Health (A&H).

(c) Description of corporate structure

Zurich Insurance Company Ltd ("Company", "ZIC") is incorporated as a corporation as defined in articles 620 et seq. of the Swiss Code of Obligations and domiciled in Switzerland. The Company is a wholly owned subsidiary of Zurich Insurance Group Ltd ("ZIG").

ZIG is the sole shareholder and ultimate holding company of the Company. ZIG is incorporated in Switzerland, having its registered office in Zurich, Switzerland, and is listed on the SIX Swiss Exchange. As a listed company and the sole shareholder of the Company, ZIG is considered the material shareholder controller of the 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 acts as the holding company for the majority of subsidiaries of ZIG. The significant subsidiaries of the Company are listed under "Interest in subsidiaries" in the Company's annual report 2025 available on Zurich's website (Other subsidiary reports | Zurich Insurance).

The Company in Hong Kong

The Company operates in Hong Kong through its Hong Kong Branch ("Branch"). The Branch provides a wide range of general insurance solutions for commercial, corporate and individual customers.

2 Corporate governance framework

Governance at the Group and Company Level

The Group, including the Company, is committed to effective corporate governance for the benefit of their shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency and accountability. Structures, rules and processes are designed to enable proper conduct of business by defining the powers and responsibilities of corporate bodies and employees. The Group's structures provide for checks and balances and institutional separation between the ZIG/ZIC Board of Directors and the Group Chief Executive Officer as well as the ZIG/ZIC Executive Committee, which together are responsible for managing the Group on a day-to-day basis.

Further information on the Group's corporate governance framework, including that of the Company, is available in the Company's annual report 2025 available on Zurich's website (Other subsidiary reports | Zurich Insurance).

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	**Total**
Total assets	*9,209,110*	*8,408,843*
Cash and deposits	*126,840*	*145,387*
Debt securities	*4,851,439*	*4,192,335*
Equities (including portfolio investments)	*359,664*	*338,865*
Derivative financial instruments	-	*145*
Other financial assets	*784,607*	*717,174*
Reinsurance assets	*2,955,416*	*2,864,120*
Tax assets	-	*9,982*
Other assets	*131,144*	*140,835*
Total liabilities	*7,125,650*	*6,610,516*
Insurance liabilities	*6,491,172*	*5,951,986*
Derivative financial instruments	*404*	-
Other financial liabilities	*484,239*	*534,409*
Tax liabilities	*21,960*	-
Other liabilities	*127,875*	*124,122*
Net assets	*2,083,460*	*1,798,327*

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

Debt securities have increased by HKD 659m due to the combined effect of investment of accumulated profit and market value increase of investment assets over the year.

Insurance liabilities have increased by HKD 539m as the business grows, and a drop in interest rates further reduces the discounting effect.

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)

No material changes in assumptions and methods.

5 Insurance liabilities

(a) Total insurance liabilities determined under the Insurance (Valuation and Capital) Rules

Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at 31-Dec-2025									
	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	
Total general insurance liabilities (gross of reinsurance)	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*6,491,172*
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	*218,259*	*679,157*	*68,392*	*542,852*	*2,504,708*	*1,151,274*	*56,107*	*1,270,425*	-	*6,491,172*
Outstanding claims liabilities	*92,337*	*491,632*	*60,768*	*356,243*	*2,149,623*	*1,008,104*	*42,294*	*1,167,407*	-	*5,368,408*
Premium liabilities	*121,984*	*175,996*	*6,198*	*173,303*	*310,891*	*122,038*	*11,710*	*96,788*	-	*1,018,909*
Margin over current estimate for outstanding claims liabilities	*2,478*	*8,888*	*1,419*	*7,946*	*38,129*	*18,204*	*2,050*	*3,733*	-	*82,847*
Margin over current estimate for premium liabilities	*1,460*	*2,640*	*6*	*5,359*	*6,064*	*2,928*	*53*	*2,497*	-	*21,008*
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	*164,313*	*488,119*	*48,957*	*284,394*	*1,771,799*	*589,318*	*32,708*	*156,149*	-	*3,535,756*

(Unit: in HKD thousands)	As at 31-Dec-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	
Total general insurance liabilities (gross of reinsurance)	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*5,951,986*
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	*188,025*	*596,559*	*88,336*	*411,948*	*2,377,837*	*1,130,444*	*50,993*	*1,107,844*	-	*5,951,986*
Outstanding claims liabilities	*73,987*	*435,003*	*79,911*	*260,032*	*2,028,011*	*976,676*	*37,588*	*1,039,490*	-	*4,930,699*
Premium liabilities	*110,172*	*151,622*	*5,605*	*142,884*	*305,322*	*134,681*	*11,525*	*63,725*	-	*925,536*
Margin over current estimate for outstanding claims liabilities	*2,241*	*7,792*	*2,666*	*5,948*	*37,644*	*15,917*	*1,825*	*3,390*	-	*77,421*
Margin over current estimate for premium liabilities	*1,625*	*2,141*	*153*	*3,084*	*6,860*	*3,170*	*56*	*1,239*	-	*18,329*
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	*144,011*	*416,183*	*63,443*	*200,710*	*1,624,250*	*487,859*	*27,838*	*116,911*	-	*3,081,205*

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

A range of industry standard actuarial methods, combined with expert actuarial judgement, are applied to value insurance liabilities. The valuation takes into account current and past data; the Branch's strategy; on-going changes in the market, regulatory, claims and industry environment; and known sensitivities. The discount rates applied are published by the IA.

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

Assumptions and methodologies were broadly consistent in the current year vs. the prior year, with changes reflecting actual claims experience, or updated knowledge of the factors mentioned in box (b) above.

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	For the financial year ended 31-Dec-2024
	Total	**Total**
Gross premiums[1]	*3,258,889*	*3,154,606*
Net premiums	*2,005,899*	*1,955,459*
Gross claims paid	*1,199,295*	*1,075,692*
Net claims paid	*678,871*	*638,944*

[1] For general business, it refers to written premiums

Performance Analysis on Investment Returns

(Unit: in HKD thousands)	For the financial year ended 31-Dec-2025
	Total
Investment returns	*368,139*

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

No material change year-on-year. Premiums and claims grow steadily with business size.

(c) Underwriting Results for general business (for pricing adequacy disclosure purposes)

Underwriting Results of General Business

(Unit: in HKD thousands)	For the financial year ended 31-Dec-2025									
	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	
Gross premium	*586,177*	*511,426*	*32,717*	*462,183*	*959,248*	*483,556*	*51,593*	*171,989*	-	*3,258,889*
Net premium	*394,691*	*334,241*	*15,284*	*259,207*	*660,576*	*243,199*	*17,738*	*80,963*	-	*2,005,899*
Net undiscounted best estimate combined business results, relating to current year	*4,557*	*(3,444)*	*5,113*	*(63,904)*	*80,168*	*85,127*	*4,779*	*12,422*	-	*124,818*
Net undiscounted best estimate combined business results, relating to prior year	*4,641*	*1,801*	*15,815*	*(6,971)*	*19,458*	*(29,347)*	*393*	*9,847*	-	*15,637*
Undiscounted underwriting results - profit / (loss)	*8,961*	*(2,739)*	*22,174*	*(72,873)*	*99,140*	*53,493*	*4,947*	*21,926*	-	*135,029*

(Unit: in HKD thousands)	For the financial year ended 31-Dec-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	
Gross premium	*566,823*	*447,746*	*34,713*	*419,596*	*976,656*	*521,562*	*49,401*	*138,109*	-	*3,154,606*
Net premium	*373,938*	*290,238*	*17,112*	*232,012*	*679,476*	*270,958*	*19,374*	*72,352*	-	*1,955,459*
Net undiscounted best estimate combined business results, relating to current year	*(30,916)*	*(18,506)*	*5,075*	*(8,482)*	*19,698*	*87,814*	*3,887*	*23,229*	-	*81,800*
Net undiscounted best estimate combined business results, relating to prior year	*(2,660)*	*27,761*	*5,525*	*13,387*	*17,417*	*(1,630)*	*2,564*	*5,424*	-	*67,790*
Undiscounted underwriting results – profit / (loss)	*(33,576)*	*9,255*	*10,600*	*4,905*	*37,115*	*86,184*	*6,451*	*28,654*	-	*149,590*

(d) Material change or other commentary on underwriting results (if any)

The premium level is generally adequate to cover the claims, with stable total underwriting result, and reasonable fluctuation across lines of business. The adverse result in Direct Property Damage in 2025 is mainly due to multiple weather events and a set of above-average sized claims.

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)	*294,979*	*233,147*
Interest rate risk RCA	*88,856*	*85,343*
Credit spread risk RCA	*92,994*	*80,802*
Equity risk RCA	*202,441*	*146,762*
Property risk RCA	-	-
Currency risk RCA	*6,291*	*7,430*
Diversification benefits within market risk	*(95,603)*	*(87,191)*
General Insurance Risk (diversified RCA)	*745,174*	*689,549*
Reserve and premium risk RCA	*728,000*	*665,806*
Natural catastrophe risk RCA	*51,698*	*70,795*
Man-made non-systemic catastrophe risk RCA	*29,876*	*33,371*
Man-made systemic catastrophe risk RCA	-	-
Mortgage insurance risk RCA	-	-
Diversification benefits within general insurance risk	*(64,400)*	*(80,423)*
Counterparty default and other risk RCA	*111,344*	*60,672*
Diversification benefits among risk modules	*(244,575)*	*(182,187)*
Operational risk RCA	*165,915*	*161,046*
Adjustment for loss absorbing capacity cap	-	-
Adjustment for tax effect	*(97,656)*	*(84,488)*
Any other items which the IA may specify to adjust	-	-
Prescribed capital amount	*975,180*	*877,739*

(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	*1,960,064*	*1,664,948*
Limited Tier 1 capital	-	-
Tier 2 capital	-	*9,982*
Capital base	*1,960,064*	*1,674,931*

(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	*201%*	*191%*

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

Prescribed Capital Amount increased steadily with the growth of the business. Growth of Capital Base exceeds the growth in Prescribed Capital Amount due to retention of profit over the year, resulting in a slightly higher ratio of Capital Base to Prescribed Capital Amount.

8 Risk Management

(a) Risk appetite and risk governance framework

Refer to the Risk Management section of the audited financial statements.

(b) Insurance risk management

Refer to the insurance risk analysis section of the audited financial statements.

(c) Investment risk management

Refer to the market risk analysis section of the audited financial statement.

(d) Other risk management (if any)

The Branch's Risk Management Framework (RMF) is aligned with the Group Enterprise Risk Management Framework, 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 Insurance Company Ltd;

(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 Insurance Company Ltd'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 Insurance Company Ltd 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:	Controller
Company Name:	Zurich Insurance Company Ltd

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