



ALLIANZ TRADE IN HONG KONG

Euler Hermes (Hong Kong Branch) Public Disclosure
For the Financial Year Ended 31 December 2024

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

Euler Hermes (Hong Kong Branch)

2 Financial position

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

(Unit: in HKD thousands)	As at 31 December 2024
	Total
Total assets	2,351,869
Cash and deposits	486,573
Debt securities	664,921
Other financial assets	219,610
Reinsurance assets	936,989
Tax assets	629
Other assets	43,147
Total liabilities	1,693,601
Insurance liabilities	1,488,181
Reinsurance liabilities	74,301
Other financial liabilities	90,847
Other liabilities	40,272
Net assets	658,268

3 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 December 2024		
	Direct insurance	Reinsurance	Total general business
	Pecuniary loss	Proportional	
Total general insurance liabilities (<u>gross</u> of reinsurance)			1,488,181
Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)	335,773	1,152,408	1,488,181
Outstanding claims liabilities	243,191	947,645	1,190,836
Premium liabilities	58,997	115,758	174,755
Margin over current estimate for outstanding claims liabilities	15,049	49,438	64,487
Margin over current estimate for premium liabilities	18,536	39,567	58,103
Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)	161,668	389,524	551,192

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)	17,879
Interest rate risk RCA	6,296
Credit spread risk RCA	5,079
Currency risk RCA	13,352
Diversification benefits within market risk	(6,848)
General Insurance Risk (diversified RCA)	86,139
Reserve and premium risk RCA	58,167
Man-made non-systemic catastrophe risk RCA	2,088
Man-made systemic catastrophe risk RCA	50,592
Diversification benefits within general insurance risk	(24,708)
Counterparty default and other risk RCA	18,508
Diversification benefits among risk modules	(23,457)
Operational risk RCA	8,310
Prescribed capital amount	107,379

- (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	647,056
Tier 2 capital	11,212
Capital base	658,268

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

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	613%

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 Euler Hermes (Hong Kong Branch);
- (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 Euler Hermes (Hong Kong Branch)'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 Euler Hermes (Hong Kong Branch) 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:	Paul Flanagan
Position:	Chief Executive
Company Name:	Euler Hermes (Hong Kong Branch)