

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

Factory Mutual Insurance Company, Hong Kong Branch
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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	658,832
Cash and deposits	573,661
Other financial assets	17,773
Reinsurance assets	53,292
Tax assets	9,730
Other assets	4,376
Total liabilities	276,869
Insurance liabilities	243,925
Other financial liabilities	26,026
Tax liabilities	-
Other liabilities	6,918
Net assets	381,963

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		Total general business
	Marine, aviation, and transport	Property damage	
Total general insurance liabilities (<u>gross</u> of reinsurance)	<i>Not applicable</i>	<i>Not applicable</i>	243,925
Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)	25,909	218,016	243,925
Outstanding claims liabilities	19,345	181,467	200,812
Premium liabilities	5,049	29,964	35,013
Margin over current estimate for outstanding claims liabilities	-	-	-
Margin over current estimate for premium liabilities	1,515	6,585	8,100
Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)	25,471	165,162	190,633

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)	4,186
Interest rate risk RCA	3,030
Credit spread risk RCA	-
Equity risk RCA	-
Property risk RCA	-
Currency risk RCA	2,229
Diversification benefits within market risk	(1,072)
General Insurance Risk (diversified RCA)	232,290
Reserve and premium risk RCA	72,569
Natural catastrophe risk RCA	107,264
Man-made non-systemic catastrophe risk RCA	172,659
Man-made systemic catastrophe risk RCA	-
Mortgage insurance risk RCA	-
Diversification benefits within general insurance risk	(120,203)
Counterparty default and other risk RCA	4,757
Diversification benefits among risk modules	(6,611)
Operational risk RCA	6,664
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(19,906)
Any other items which the IA may specify to adjust	-
Prescribed capital amount	221,380

- (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	380,007
Limited Tier 1 capital	-
Tier 2 capital	1,956
Capital base	381,963

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

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	173 %

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 Factory Mutual Insurance Company, 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 Factory Mutual Insurance Company, 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 Factory Mutual Insurance Company, 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:	Martin Au-Yeung
Position:	Chief Executive Officer
Company Name:	Factory Mutual Insurance Company, Hong Kong Branch