

## 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 Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025.

### 1 COMPANY PROFILE

#### a) Authorized insurer's name

Utmost International Isle of Man 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>	14,574,435	14,574,435	-	-	454,567
Cash and deposits	109,072	109,072	-	-	-
Debt securities	-	-	-	-	-
Equities (including portfolio investments)	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Properties	2,079	2,079	-	-	-
Loans and advances	-	-	-	-	-
Reverse repurchase agreement	-	-	-	-	-
Other financial assets	39,503	39,503	-	-	-
Policyholder's account assets in respect of unit linked products or retirement scheme	14,423,781	14,423,781	-	-	-
Reinsurance assets	-	-	-	-	-
Tax assets	-	-	-	-	-
Other assets	-	-	-	-	454,567
<b>Total liabilities</b>	14,119,868	14,574,435	-	-	-
Insurance liabilities	14,063,525	14,063,525	-	-	-
Reinsurance liabilities	1,771	1,771	-	-	-
Repurchase agreement	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Tax liabilities	52,667	52,667	-	-	-
Other liabilities	1,905	456,472	-	-	-
<b>Net assets</b>	454,567	-	-	-	454,567

(continued)

## b) Commentary of balance sheet items

The investments linked with the unit-linked products are selected by policyholders, or where applicable, the advisers and parties appointed by the policyholders. The value of assets under management is affected by new business, asset and currency performance, fee deductions and policies maturing or surrendering each year. The financial investments of the Hong Kong branch (Branch) of Utmost International Isle of Man Limited (UIIOM) are primarily in cash and money market funds.

Other assets and liabilities include inter-fund balances between long term business and shareholders' funds, while the "total" column has eliminated such inter-fund balances.

## 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						
	HONG KONG BRANCHES OF NON-HK INSURERS: ALL LONG TERM BUSINESS OF HONG KONG BRANCHES, OTHER THAN FUND OF REINSURANCE BUSINESS WITH OFFSHORE RISK IF ESTABLISHED					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>	-	14,063,525	-	-	-	-	14,063,525
Of which: long term insurance liabilities	-	14,063,525	-	-	-	-	14,063,525
Outstanding claims	-	-	-	-	-	-	-
Current estimate <sup>1</sup>	-	14,041,352	-	-	-	-	14,041,352
Margin over current estimate	-	22,173	-	-	-	-	22,173
Prepaid premiums	-	-	-	-	-	-	-
Other long term insurance liabilities	-	-	-	-	-	-	-
Of which: general insurance liabilities	-	-	-	-	-	-	-
<b>Reinsurance assets</b>	-	-	-	-	-	-	-
<b>Reinsurance liabilities</b>	-	1,771	-	-	-	-	1,771

(continued)

<sup>1</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

## b) Commentary on the insurance liabilities

- › The Current estimate (CE) for Class C business is made up of unit and non-unit reserves. The unit reserves are valued as the value of the assets backing the units relating to the contract of insurance. The non-unit reserves are based on projecting and discounting on a market consistent basis all expected future cash flows to policyholders considering all potential cash in-and-out flows required to settle the insurance obligations over their lifetime, within the appropriate contract boundaries.
- › The reinsurance liabilities are the reinsurers' share of the insurance contract liability for the Branch and are set equal to the CE liability as determined by UIIOM.
- › The margin over CE represents a prudency margin for unavoidable uncertainty. The risks considered are mortality, longevity, morbidity, expense and lapse risk.

## 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>	158,682
Interest rate risk RCA	24,210
Credit spread risk RCA	4,249
Equity risk RCA	116,437
Property risk RCA	789
Currency risk RCA	56,183
Diversification benefits within market risk	(43,186)
<b>Life Insurance Risk (diversified RCA)</b>	165,655
Mortality risk RCA	3,095
Longevity risk RCA	-
Life catastrophe risk RCA	674
Morbidity risk RCA	-
Expense risk RCA	45,716
Lapse risk RCA	137,549
Diversification benefits within life insurance risk	(21,380)
<b>General Insurance Risk (diversified RCA)</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>	1,474
Diversification benefits among risk modules	(68,895)
<b>Operational risk RCA</b>	56,165
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(51,658)
Any other items which the IA may specify to adjust	-
<b>Prescribed capital amount</b>	261,423

(continued)

**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	454,567
Limited Tier 1 capital	-
Tier 2 capital	-
<b>Capital base</b>	<b>454,567</b>

**c) Ratio of capital base to prescribed capital amount**

	AS AT 31 DECEMBER 2024
Ratio of capital base to prescribed capital amount	173.882%

**d) Commentary of prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount**

- › UIIOM is exposed to market risk because of adverse market movements on underlying policyholder assets. UIIOM typically invests the premiums collected in financial instruments but does not bear the market risk directly. However, UIIOM is exposed to adverse market movements, as income to shareholders is calculated as a percentage of asset values and therefore decreases in market values reduce UIIOM's fee income.
- › Life Insurance Risk relates to the risk of unfavourable underwriting and expense experience, relative to assumptions, resulting in reduced profitability for UIIOM. The key life risks for UIIOM are:
  - lapse risk: this arises from customers lapsing their policies earlier than expected through either partial or full surrenders. This also includes a catastrophic event resulting in a mass lapse event.
  - expense risk: defined as the change in the value of liabilities resulting from changes in the expenses incurred in servicing insurance contracts.
- › UIIOM is exposed to the risk of incurring losses due to the inability of counterparties to honour their financial obligations. UIIOM's direct credit risk exposure includes both credit and counterparty default risks. The Branch's key default risk is from the counterparty default exposure of cash deposits.
- › Operational Risk is the risk of loss arising from inadequate or failed internal processes, personnel, or systems, or from external events. UIIOM is exposed to operational risk as part of its day-to-day operations. An operational risk management framework has been implemented to identify, assess, manage, monitor and report on operational risks.
- › UIIOM maintains an efficient capital structure to meet its regulatory requirements. The solvency coverage ratio on a Hong Kong Risk-based Capital (RBC) basis at 2024 Year End is 174%.

## 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 Utmost International Isle of Man Limited;
- ii. I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025 (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 Utmost International Isle of Man Limited'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 Utmost International Isle of Man Limited 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: **Joly Hemuss**  
Position: **Chief Financial Officer**  
Company Name: **Utmost International Isle of Man Limited**