

Disclosure Statement at 31st December 2024

The 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

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| Allied World Assurance Company, Ltd |
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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 st December 2024 | | | | |
|---|--------------------------------------|--------------------|--|------------------|------------------------------------|
| | Total | Long term business | Of which belongs to: long term business – participating business | General business | Shareholders' fund (if applicable) |
| Total assets | 2,851,145 | - | - | 2,851,145 | - |
| Cash and deposits | 120,361 | - | - | 120,361 | - |
| Debt securities | 2,231,915 | - | - | 2,231,915 | - |
| Equities (including portfolio investments) | 528 | - | - | 528 | - |
| Derivative financial instruments | - | - | - | - | - |
| Properties | - | - | - | - | - |
| Loans and advances | - | - | - | - | - |
| Reverse repurchase agreement | - | - | - | - | - |
| Other financial assets | - | - | - | - | - |
| Policyholder's account assets in respect of unit linked products or retirement scheme | - | - | - | - | - |
| Reinsurance assets | 243,857 | - | - | 243,857 | - |
| Tax assets | - | - | - | - | - |
| Other assets | 254,484 | - | - | 254,484 | - |

| (Unit: in HKD thousands) | As at 31 st December 2024 | | | | |
|----------------------------------|--------------------------------------|--------------------|--|------------------|------------------------------------|
| | Total | Long term business | Of which belongs to: long term business – participating business | General business | Shareholders' fund (if applicable) |
| Total liabilities | 1,650,342 | - | - | 1,650,342 | - |
| Insurance liabilities | 1,388,684 | - | - | 1,388,684 | - |
| Reinsurance liabilities | - | - | - | - | - |
| Repurchase agreement | - | - | - | - | - |
| Derivative financial instruments | - | - | - | - | - |
| Other financial liabilities | 167,654 | - | - | 167,654 | - |
| Tax liabilities | - | - | - | - | - |
| Other liabilities | 94,004 | - | - | 94,004 | - |
| Net assets | 1,200,803 | - | - | 1,200,803 | - |

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 st December 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 | 1,388,684 |
| Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance) | 19,165 | 263,361 | 3,539 | 223,845 | 381,494 | 322,230 | 13,096 | 161,954 | - | 1,388,684 |
| Outstanding claims liabilities | 10,993 | 189,406 | 2,937 | 162,172 | 289,978 | 253,819 | 9,384 | 137,062 | - | 1,055,751 |
| Premium liabilities | 5,856 | 53,432 | 246 | 48,896 | 53,223 | 36,370 | 2,411 | 12,033 | - | 212,467 |
| Margin over current estimate for outstanding claims liabilities | 1,329 | 14,886 | 320 | 8,524 | 30,099 | 26,168 | 937 | 12,018 | - | 94,281 |
| Margin over current estimate for premium liabilities | 987 | 5,637 | 36 | 4,253 | 8,194 | 5,873 | 364 | 841 | - | 26,185 |
| Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance) | 18,707 | 212,934 | 3,472 | 121,726 | 378,377 | 278,346 | 11,063 | 120,202 | - | 1,144,827 |

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 st December 2024 |
|--|--------------------------------------|
| Market risk (diversified RCA) | 144,318 |
| Interest rate risk RCA | 109,635 |
| Credit spread risk RCA | 82,464 |
| Equity risk RCA | - |
| Property risk RCA | - |
| Currency risk RCA | 17,655 |
| Diversification benefits within market risk | -65,436 |
| Life Insurance Risk (diversified RCA) | - |
| Mortality risk RCA | - |
| Longevity risk RCA | - |
| Life catastrophe risk RCA | - |
| Morbidity risk RCA | - |
| Expense risk RCA | - |
| Lapse risk RCA | - |
| Diversification benefits within life insurance risk | - |
| General Insurance Risk (diversified RCA) | 345,391 |
| Reserve and premium risk RCA | 264,123 |
| Natural catastrophe risk RCA | 128,364 |
| Man-made non-systemic catastrophe risk RCA | 105,444 |
| Man-made systemic catastrophe risk RCA | - |
| Mortgage insurance risk RCA | - |
| Diversification benefits within general insurance risk | -152,540 |
| Counterparty default and other risk RCA | 15,515 |
| Diversification benefits among risk modules | -94,024 |
| Operational risk RCA | 34,876 |
| Adjustment for loss absorbing capacity cap | - |
| Adjustment for tax effect | - |
| Any other items which the IA may specify to adjust | - |
| Prescribed capital amount | 446,076 |

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

Capital Base

| (Unit: in HKD thousands) | As at 31 st December 2024 |
|--------------------------|--------------------------------------|
| Unlimited Tier 1 capital | 1,200,803 |
| Limited Tier 1 capital | - |
| Tier 2 capital | - |
| Capital base | 1,200,803 |

(c) Ratio of capital base to prescribed capital amount

| | |
|---|--------------------------------------|
| | As at 31 st December 2024 |
| Ratio of capital base to prescribed capital amount | 269% |

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 Allied World Assurance Company, Ltd;
- (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 Allied World Assurance Company, Ltd'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 Allied World Assurance Company, Ltd 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.

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| Name: | Jota Shohtoku |
| Position: | Executive Vice President, Head of Asia Pacific Insurance Division |
| Company Name: | Allied World Assurance Company, Ltd |