Disclosure Statement

Disclosure Statement at Dec 31 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

China BOCOM Insurance Company Limited

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

CBIC is authorized by the Insurance Authority of Hong Kong to carry on general insurance business, covering 17 classed of business mainly including accident and health, property damage, general liability, etc. Based in Hong Kong, CBIC develops its business through diversified distribution channels including bancassurance, insurance brokers and agents.

(c) Description of corporate structure

- China BOCOM Insurance Co., Ltd. was established in Hong Kong in November 2000 as a wholly-owned subsidiary of Bank of Communications Co., Ltd. (the ultimate controlling shareholder of the Company, hereinafter referred to as "BOCOM"), with the approvals of the People's Bank of China, the China Insurance Regulatory Commission (now the National Financial Regulatory Administration) and the then Office of the Commissioner of Insurance of Hong Kong (now the Insurance Authority). The Company formally commenced business in March 2001.
- BOCOM is a long-established large state-owned banking group headquartered in Shanghai. It was listed on HKEX(3328.HK) in June 2005 and on the SSE(601328.SS) in May 2007. It was designated as a Global Systemically Important Bank in 2023. As at 8 July 2026, BOCOM ranked 7th among global banks by Tier 1 capital in The Banker magazine's "Top 1000 World Banks", rising two places from the previous year. This marks the fifth consecutive year that BOCOM has ranked among the world's top ten banks.
- During the reporting period, there was no material change in the Company's business model or principal activities. As at the end of the reporting period, the Company had not established any subsidiaries.

2 Corporate governance framework

- The Board of Directors of China BOCOM Insurance Company is responsible for leading and overseeing the Company. Subject to compliance with the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and the Company's Articles of Association, the

Board, together with the senior management, collectively assumes responsibility for the overall supervision of the Company's affairs to ensure that its business is conducted in a sound and prudent manner. The Board also adheres to the policies and procedures under the overall governance framework established by the shareholder as a group. It is responsible for establishing a robust organisational structure with clearly defined roles and responsibilities, thereby ensuring the smooth and effective operation of the Board as a whole.

- A In accordance with the Companies Ordinance (Cap. 622), the Insurance Ordinance (Cap. 41) and Guideline 10, and taking into account the shareholder's governance requirements, the Board has established three committees pursuant to the principles set out in the Corporate Governance Manual to assist it in discharging its functions. These committees are: (i) the Audit Committee; (ii) the Risk Management Committee; and (iii)the Strategy Committee.
- (i)The primary function of the Audit Committee is to conduct independent reviews of the effectiveness of the Company's financial reporting processes and internal control systems, thereby assisting the Directors in the performance of their duties. The Audit Committee is also responsible for making recommendations on the appointment, re-appointment and removal of the external auditor.
- (ii) The Risk Management Committee is responsible for independently monitoring the establishment and operation of the Company's risk management system. Its duties include providing advice to the Board on the Company's risk appetite; regularly reviewing the adequacy and effectiveness of the risk management policies applicable to material risks (including premium, capital management, market, liquidity, operational and compliance risks); and ensuring that adequate resources are available for risk management activities.
- (iii) The Strategy Committee is primarily responsible for reviewing the Company's strategic development. It formulates the Company's operational and management objectives as well as its medium- and long-term development strategies, and supervises and monitors the implementation of the annual business plan. In addition, the Committee reviews and evaluates the implementation of the Company's corporate governance systems, and continuously enhances the compliance and effectiveness of the corporate governance framework.

3 Financial position

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

(Unit: in HKD thousands)	As at 2025/12/31					As at 2024/12/31				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	**Total**	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
Total assets	*1,288,700*	-	-	*1,288,700*	-	*1,248,841*	-	-	*1,248,841*	-
Cash and deposits	*144,126*	-	-	*144,126*	-	*151,869*	-	-	*151,869*	-

(Unit: in HKD thousands)	As at 2025/12/31					As at 2024/12/31				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	**Total**	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
Debt securities	*427,955*	-	-	*427,955*	-	*299,592*	-	-	*299,592*	-
Equities (including portfolio investments)	*201,324*	-	-	*201,324*	-	*189,915*	-	-	*189,915*	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Properties	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Reverse repurchase agreement	-	-	-	-	-	-	-	-	-	-
Other financial assets	*204,671*	-	-	*204,671*	-	*275,876*	-	-	*275,876*	-
Policyholder's account assets in respect of unit linked products or retirement scheme	-	-	-	-	-	-	-	-	-	-
Reinsurance assets	*276,674*	-	-	*276,674*	-	*283,713*	-	-	*283,713*	-
Tax assets	*13,531*	-	-	*13,531*	-	*12,739*	-	-	*12,739*	-
Other assets	*20,418*	-	-	*20,418*	-	*35,137*	-	-	*35,137*	-
Total liabilities	*707,819*	-	-	*707,819*	-	*686,486*	-	-	*686,486*	-
Insurance liabilities	*372,370*	-	-	*372,370*	-	*367,010*	-	-	*367,010*	-
Reinsurance liabilities	-	-	-	-	-	-	-	-	-	-
Repurchase agreement	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	*295,685*	-	-	*295,685*	-	*287,474*	-	-	*287,474*	-
Tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	*39,764*	-	-	*39,764*	-	*32,002*	-	-	*32,002*	-
Net assets	*580,880*	-	-	*580,880*	-	*562,355*	-	-	*562,355*	-

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

4 Investments

(a) Assumptions and methods used for valuation of investments

- Major assumptions used in the valuation of investments

Bond investments are valued using market prices as at the reporting date, sourced from open market price sources. Equity fund investments are valued using the net asset value per unit as at the reporting date provided by the fund managers. Unlisted equity investments are valued by an independent third-party valuation firm, which determines the appraised value using a combination of methods including the discounted cash flow approach and the adjusted net asset approach. Key assumptions include cash flow projections, discount rates and long-term growth rates.

- Methodology for deriving assumptions
  For investments with market quotes, the market quotes as at the reporting date are used as the basis for valuation. For fund investments, valuation is based on the net asset value provided by the fund managers. For unlisted equity investments, the relevant valuation assumptions are derived by the independent third-party valuation firm based on the investee's business operations, financial information and industry outlook, and the Company adopts the valuation conclusions after reviewing the valuation reports.

(b) Material change in assumptions and methods (if any)

The assumptions and methods adopted for the reporting year are not materially different from those adopted in the previous year.

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 2025/12/31									
	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*	*372,370*
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	*26,405*	*1,593*	*2,268*	*141,105*	*30,638*	*36,928*	*94*	*131,882*	*1,457*	*372,370*
Outstanding claims liabilities	*21,523*	*1,076*	*1,817*	*127,918*	*26,532*	*33,793*	*8*	*102,555*	*240*	*315,463*
Premium liabilities	*4,593*	*319*	*367*	*11,605*	*1,847*	*2,109*	*75*	*24,322*	*1,072*	*46,309*
Margin over current estimate for outstanding claims liabilities	*227*	*127*	*70*	*1,092*	*1,915*	*729*	*3*	*3,439*	*19*	*7,621*
Margin over current estimate for premium liabilities	*62*	*70*	*13*	*490*	*344*	*297*	*8*	*1,566*	*127*	*2,978*
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	*3,333*	*1,335*	*482*	*17,939*	*15,388*	*5,699*	*57*	*49,961*	*1,502*	*95,696*

(Unit: in HKD thousands)	As at 2024/12/31									
	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*	*367,010*
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	*11,787*	*2,020*	*3,944*	*171,972*	*33,784*	*33,262*	*398*	*108,505*	*1,338*	*367,010*
Outstanding claims liabilities	*8,660*	*1,573*	*3,495*	*156,551*	*29,859*	*30,869*	*313*	*95,430*	*69*	*326,819*
Premium liabilities	*2,895*	*236*	*322*	*14,363*	*1,468*	*1,806*	*57*	*9,340*	*1,173*	*31,660*
Margin over current estimate for outstanding claims liabilities	*198*	*179*	*125*	*870*	*2,227*	*499*	*27*	*3,491*	*7*	*7,622*
Margin over current estimate for premium liabilities	*33*	*32*	*2*	*189*	*230*	*88*	*2*	*244*	*89*	*908*
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	*2,801*	*1,531*	*745*	*14,551*	*17,433*	*3,564*	*180*	*41,508*	*984*	*83,298*

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

- The major assumptions used in the valuation of insurance liabilities include the estimate method of ultimate losses, expected loss ratios, unallocated loss adjustment expense ratios, maintenance expense ratios and risk margins.
- For different accident years and lines of business, the Company applies appropriate actuarial methodologies, including the Bornhuetter-Ferguson method, Chain Ladder method and Loss Ratio method, to estimate ultimate losses based on the characteristics of each line of business and historical experience.
- The expected loss ratio assumptions are determined based on the ratio of ultimate losses to earned premiums, reflecting the expected future loss experience of different lines of business.
- The unallocated loss adjustment expense ratios assumptions are determined based on the ratio of claims expenses to actual claims paid, using the average ratio over the most recent three years as the valuation assumption.
- The maintenance expense ratio assumptions are determined based on the Company's historical operating expense levels, with 50% of operating expenses as a proportion of written premiums adopted as the valuation assumption.
- As there were no significant changes in the business during the year, the risk margin assumptions remain consistent with the assumptions derived using the Bootstrap method adopted in the previous year.
- CBIC assumes that the unallocated loss adjustment expense and the risk margin are the same on both gross and net.
- The relevant assumptions are primarily derived based on the Company's historical business experience, past claims data and actuarial analysis. The Company regularly reviews the differences between actual experience and valuation assumptions and makes appropriate adjustments to the assumptions based on the latest experience data and future business developments, ensuring that the valuation assumptions reflect the latest business experience and expected risk levels.
- CBIC assumes that future cash flows relating to insurance liabilities are paid evenly throughout each year and applies a mid-year discounting approach for valuation purposes. Discount rates are determined based on the 2025-12-31 risk-free yield curves under the Base Scenario published by the Insurance Authority. The Company calculates the discount factors for future periods using the corresponding currency-specific risk-free yield curves and applies weighting based on the currency composition of each line of business to derive the discount rate assumptions for future periods.

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

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 2025/12/31				For the financial year ended 2024/12/31			
	Total	Long term business	Of which belongs to: long term business – participating business	General business	**Total**	Long term business	Of which belongs to: long term business – participating business	General business
Gross premiums[1]	*306,562*	-	-	*306,562*	*300,535*	-	-	*300,535*
Regular premiums	*Not applicable*	-	-	*Not applicable*	*Not applicable*	-	-	*Not applicable*
Single premiums	*Not applicable*	-	-	*Not applicable*	*Not applicable*	-	-	*Not applicable*
Net premiums	*122,992*	-	-	*122,992*	*94,635*	-	-	*94,635*
Regular premiums	*Not applicable*	-	-	*Not applicable*	*Not applicable*	-	-	*Not applicable*
Single premiums	*Not applicable*	-	-	*Not applicable*	*Not applicable*	-	-	*Not applicable*
Gross claims paid	*172,735*	-	-	*172,735*	*188,048*	-	-	*188,048*
Net claims paid	*20,145*	-	-	*20,145*	*20,515*	-	-	*20,515*

Performance Analysis on investment returns

(Unit: in HKD thousands)	For the financial year ended 2025/12/31					For the financial year ended 2024/12/31[2]				
	Total	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)	**Total**	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
Investment returns	*44,146*	-	-	*44,146*	-	*Not applicable*	-	-	*Not applicable*	-

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

[1] it refers to written premiums.
[2] As no opening-balance data exists, this part is not applicable.

(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 2025/12/31									
	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	*39,785*	*1,525*	*1,514*	*60,261*	*9,946*	*18,335*	*1,468*	*167,518*	*6,212*	*306,562*
Net premium	*3,136*	*1,240*	*288*	*26,212*	*8,938*	*6,665*	*342*	*69,960*	*6,212*	*122,992*
Net undiscounted best estimate combined business results, relating to current year	*-3,390*	*250*	*128*	*-1,621*	*1,531*	*3,289*	*230*	*-15,087*	*3,503*	*-11,168*
Net undiscounted best estimate combined business results, relating to prior year	*534*	*617*	*308*	*1,879*	*4,089*	*424*	*122*	*7,908*	*789*	*16,670*
Undiscounted underwriting results - profit / (loss)	*-2,885*	*919*	*490*	*35*	*5,932*	*3,484*	*376*	*-7,719*	*4,242*	*4,874*

(Unit: in HKD thousands)	For the financial year ended 2024/12/31									
	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	*33,238*	*1,010*	*2,240*	*68,850*	*8,218*	*19,954*	*1,939*	*161,351*	*3,734*	*300,535*
Net premium	*2,888*	*690*	*150*	*26,376*	*8,375*	*4,154*	*377*	*47,891*	*3,734*	*94,635*
Net undiscounted best estimate combined business results, relating to current year	*-1,957*	*75*	*181*	*2,510*	*3,203*	*3,333*	*248*	*-21,813*	*1,585*	*-12,634*
Net undiscounted best estimate combined business results, relating to prior year	*1,375*	*-30*	*130*	*2,789*	*9,442*	*1,174*	*-26*	*3,454*	*618*	*18,926*
Undiscounted underwriting results – profit / (loss)	*-260*	*-45*	*290*	*5,505*	*12,975*	*4,551*	*218*	*-19,922*	*2,134*	*5,446*

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

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 2025/12/31	As at 2024/12/31
Market risk (diversified RCA)	162,350	114,931
Interest rate risk RCA	20,748	21,041
Credit spread risk RCA	23,493	24,714
Equity risk RCA	120,068	91,249
Property risk RCA	-	-
Currency risk RCA	50,656	5,994
Diversification benefits within market risk	-52,615	-28,067
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)	104,450	93,516
Reserve and premium risk RCA	27,775	27,682
Natural catastrophe risk RCA	78,210	70,189
Man-made non-systemic catastrophe risk RCA	50,751	42,142
Man-made systemic catastrophe risk RCA	-	-
Mortgage insurance risk RCA	2,766	2,906
Diversification benefits within general insurance risk	-55,052	-49,404
Counterparty default and other risk RCA	17,215	30,459
Diversification benefits among risk modules	-64,154	-61,619
Operational risk RCA	9,888	9,858
Adjustment for loss absorbing capacity cap	-	-
Adjustment for tax effect	-	-
Any other items which the IA may specify to adjust	-	-
Prescribed capital amount	229,749	187,144

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

Capital Base

(Unit: in HKD thousands)	As at 2025/12/31	As at 2024/12/31
Unlimited Tier 1 capital	*567,349*	*562,355*
Limited Tier 1 capital	-	-
Tier 2 capital	*13,531*	-
Capital base	*580,880*	*562,355*

(c) Ratio of capital base to prescribed capital amount

	As at 2025/12/31	As at 2024/12/31
Ratio of capital base to prescribed capital amount	*253%*	*300%*

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

- The Prescribed Capital Amount primarily comprises risk capital requirements arising from market risk, general insurance risk, counterparty default and other risks, and operational risk. During the financial year, the PCA increased from HK$187,144 thousand to HK$229,749 thousand, representing an increase of approximately 22.8%, mainly driven by the increase in market risk capital requirements. Market risk capital increased from HK$114,931 thousand to HK$162,350 thousand, primarily due to the new investments in funds and bonds denominated in Euro during the year, which resulted in an increase in currency risk capital requirements. General insurance risk capital also increased from HK$93,516 thousand to HK$104,450 thousand, mainly attributable to the increase in risk capital requirements for natural catastrophe risk and man-made non-systemic catastrophe risk. On the other hand, counterparty default and other risk capital decreased compared with the previous financial year, mainly due to a significant reduction in direct insurance premium receivables that had been overdue for more than one year.
- The ratio of capital base to PCA decreased from 300% to 253%, primarily because higher risk capital requirements arising from market risk and general insurance risk during the financial year.

8 Risk Management

(a) Risk appetite and risk governance framework

- CBIC strictly implements the risk appetite of "Prudence, Balance, Compliance and Innovation". Upholding the prudent and balanced operating philosophy and supported by mature management techniques, CBIC strives to realize dynamic balance between risk and return, while driving coordinated development across scale, quality and profitability.
- CBIC sets up a risk appetite framework which provides the principles and rules that CBIC shall follow when making decisions and managing the exposures of material risks. The Board of Directors is ultimately responsible for the risk appetite framework.
- The risk appetite framework comprises risk appetite statement metrics (risk limits and tolerances) as well as roles and responsibilities to oversee the implementation and monitor of the risk appetite framework.
- The Board of Directors is responsible for establishing and overseeing an effective enterprise risk management framework. The Risk Management Committee is under Board of Directors and independently supervise the establishment and operation of the risk management system. The senior management is responsible for carrying out day-to-day risk management activities in accordance with approved risk policies, procedures and the risk appetite statement.

(b) Insurance risk management

- A tiered insurance risk governance framework is established, with clearly defined responsibilities for the Board of Directors, Underwriting and Reinsurance Committee and senior management. CBIC regularly reviews underwriting and reinsurance policies to continuously refine its insurance risk management system.

- CBIC maintains end-to-end risk control over insurance risks. It rigorously manages all links including underwriting, pricing, claims handling and reinsurance administration. CBIC conducts identification and assessment of material insurance risks, and monitors and controls core risks such as catastrophe, pricing and reserve risks by business line and geography.
- CBIC carries out regular concentration assessments of insurance risks, monitors risk exposures by type of cover, customer, region and reinsurance counterparty, and sets monitoring thresholds to prevent excessive risk concentration.
- CBIC adopts a comprehensive approach using admissibility controls, scientifically determined retention limits, reinsurance arrangements and other core risk control and risk transfer strategies. It optimizes the management of reinsurance partners to effectively diversify material underwriting risks.

(c) Investment risk management

- Adhering to a prudent asset allocation philosophy, CBIC’ s investment management aims to match liability characteristics and maintain adequate solvency capacity. Within the risk appetite framework, it seeks reasonable risk-adjusted returns and strives to balance investment risks and return volatility.
- A robust investment risk governance structure is established: the Board approves strategic asset allocation and senior management conducts day-to-day investment risk management work in compliance with relevant requirements.
- CBIC strictly implements investment strategies and risk appetite approved by the Board, defines allocation limits for each asset class, and comprehensively manages market, credit, liquidity and other investment risks.
- Comprehensive risk surveys are conducted for new or proposed investment products to fully identify potential risks of each category, with strict compliance with internal approval procedures.
- CBIC conducts ongoing concentration risk assessments of investment portfolios to monitor exposure levels by asset class, industry and single counterparty, and mitigates concentration risks via limit management and diversified allocation.
- Full lifecycle investment risk monitoring is implemented, featuring pre-investment appraisal, ongoing surveillance and post-event review mechanisms. Diversification and hedging tools are deployed appropriately to mitigate investment risks.

(d) Other risk management (if any)

For risks outside the preceding categories including liquidity, operational,

compliance and reputational risks, CBIC has established mechanisms for risk identification, assessment, control and ongoing monitoring.

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 China BOCOM Insurance Company Limited;

(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 China BOCOM Insurance Company Limited'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 China BOCOM Insurance Company Limited 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:	**ZHU BIN**
Position:	**Director (Controller), Chief Executive**
Company Name:	**China BOCOM Insurance Company Limited**