Disclosure Statement at 31 December 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

Atradius Crédito y Caución S.A. de Seguros y Reaseguros ("ACyC" or the "Company")

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

ACyC is a specialist insurer and reinsurer conducting credit insurance, surety insurance and related reinsurance business. The Company operates internationally through branches and offices across Europe, Asia-Pacific and the Americas, including Hong Kong, Singapore, Japan, Australia and the United Kingdom. There were no material changes to its core business activities during 2025.

(c) Description of corporate structure

ACyC is incorporated in Madrid, Spain. Its immediate parent company is Atradius Insurance Holding N.V. (Netherlands), while the ultimate controlling shareholder is Grupo Catalana Occidente, S.A. ("GCO"), Spain. The Company forms part of the Atradius Group and owns subsidiaries engaged in information services, real estate and insurance-related activities in Spain and Brazil. No material changes to the corporate structure occurred during 2025.

2. Corporate governance framework

ACyC maintains a corporate governance framework designed to promote effective oversight, sound risk management and regulatory compliance. The governance structure comprises the Board of Directors, Management Board and senior management, supported by established risk management and control functions.

Key Committees and Responsibilities:

- Risk Strategy Management Board – oversight of risk management and risk reporting;
- Operational Risk Committee – oversight of operational risk and internal controls;
- Investment Committee – oversight of investment activities and investment risk;
- Quantitative Model Committee – approval and monitoring of pricing and risk models.

These committees support compliance with regulatory requirements and the Company's risk appetite framework.

3. Financial position

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

(Unit: in HKD thousands)	As at 31 December 2025	As at 31 December 2024
	Total	**Total**
Total assets	1,950,899	1,731,425
Cash and deposits	638,975	432,408
Other financial assets	951,896	817,036
Reinsurance assets	299,060	266,686
Tax assets	9,105	21,627
Other assets	51,863	193,668
Total liabilities	1,233,659	1,130,261
Insurance liabilities	924,827	811,544
Reinsurance liabilities	84,494	79,170
Other financial liabilities	127,935	143,996
Tax liabilities	32,368	26,961
Other liabilities	64,035	68,590
Net assets	717,240	601,164

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

Total assets increased from HKD 1,731.4 million to HKD 1,950.9 million in 2025, mainly due to higher cash and deposits maintained in Hong Kong and growth in other financial assets and reinsurance assets. Insurance liabilities increased in line with business growth. Net assets increased from HKD 601.2 million to HKD 717.2 million, reflecting the Branch's profitable performance and strong capital position during the year.

4. Investments

(a) Assumptions and methods used for valuation of investments

For the Hong Kong Branch, investments are conservatively managed and are primarily placed in time deposits with authorized banks in Hong Kong. Such investments are maintained to support the Branch's liquidity management objectives and to ensure compliance with applicable local asset maintenance and regulatory requirements.

(b) Material change in assumptions and methods, or other commentary on investments

There were no material changes during 2025 to the valuation methodologies or assumptions used for measuring investment assets. The Hong Kong Branch continued to maintain its investments primarily in time deposits with authorized banks in Hong Kong to support liquidity management and comply with local asset maintenance requirements.

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 31 December 2025		
	Direct insurance	Reinsurance	Total general business
	Pecuniary loss	Proportional	
Total general insurance liabilities (gross of reinsurance)	Not applicable	Not applicable	924,827
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	172,379	752,448	924,827
Outstanding claims liabilities	60,618	364,063	424,681
Premium liabilities	95,424	336,741	432,165
Margin over current estimate for outstanding claims liabilities	6,346	26,839	33,185
Margin over current estimate for premium liabilities	9,991	24,805	34,796
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	118,336	507,431	625,767

(Unit: in HKD thousands)	As at 31 December 2024		
	Direct insurance	Reinsurance	Total general business
	Pecuniary loss	Proportional	
Total general insurance liabilities (gross of reinsurance)	Not applicable	Not applicable	811,543
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	147,078	664,465	811,543
Outstanding claims liabilities	55,052	294,352	349,404
Premium liabilities	79,081	320,303	399,384
Margin over current estimate for outstanding claims liabilities	5,313	23,853	29,166
Margin over current estimate for premium liabilities	7,632	25,957	33,589
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	99,893	444,965	544,858

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

Insurance liabilities are determined in accordance with the Insurance (Valuation and Capital) Rules using actuarial valuation techniques for outstanding claims liabilities and premium liabilities. The valuation is based on historical claims experience, premium earning patterns and expected future claims costs. For claim liabilities, the Expected Loss Ratio and Bornhuetter-Ferguson methods are applied to estimate ultimate claims and IBNR. Appropriate allowances are also made for claims handling expenses, premium administration expenses, risk margins and discounting using HKRBC risk-free yield curves. The assumptions and methodologies are reviewed annually by the appointed actuary.

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

There were no material changes in 2025 to the actuarial methodologies or key assumptions used in valuing insurance liabilities. The appointed actuary concluded that the insurance liabilities were appropriately valued in accordance with the Insurance (Valuation and Capital) Rules. Gross insurance liabilities increased from HKD 811.5 million in 2024 to HKD 924.8 million in 2025, primarily reflecting growth in the underlying business portfolio. The Branch continues to adopt a prudent reserving approach, and prior-year reserves have generally developed favourably.

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 31 December 2025	For the financial year ended 31 December 2024
	Total	**Total**
Gross premiums[1]	680,483	648,359
Net premiums	411,648	376,200
Gross claims paid	110,471	187,127
Net claims paid	67,476	111,988

Performance Analysis on Investment Returns

(Unit: in HKD thousands)	For the financial year ended 31 December 2025	For the financial year ended 31 December 2024
	Total	**Total**
Investment returns	32,142	30,194

[1] For general business, it refers to written premiums.

(b) Material change or other commentary on financial performance

Gross premiums increased from HKD 648.4 million in 2024 to HKD 680.5 million in 2025, while net premiums increased from HKD 376.2 million to HKD 411.6 million, reflecting continued growth in the Branch's business portfolio. Net claims paid decreased from HKD 112 million to HKD 67.5 million due to a more favourable claims experience during the year. Investment income increased slightly to HKD 32.1 million, supported by higher deposit balances and interest income.

(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 31 December 2025		
	Direct insurance	Reinsurance	Total general business
	Pecuniary loss	Proportional	
Gross premium	121,875	558,608	680,483
Net premium	70,097	341,551	411,648
Net undiscounted best estimate combined business results, relating to current year	6,902	17,845	24,747
Net undiscounted best estimate combined business results, relating to prior year	6,293	65,476	71,769
Undiscounted underwriting results - profit / (loss)	12,161	80,336	92,497

(Unit: in HKD thousands)	For the financial year ended 31 December 2024		
	Direct insurance	Reinsurance	Total general business
	Pecuniary loss	Proportional	
Gross premium	118,309	530,050	648,359
Net premium	41,579	334,621	376,200
Net undiscounted best estimate combined business results, relating to current year	67,871	75,285	143,156
Net undiscounted best estimate combined business results, relating to prior year	35,694	21,801	57,495
Undiscounted underwriting results - profit / (loss)	107,910	87,546	195,456

(d) Material change or other commentary on underwriting results

Total underwriting profit decreased from HKD 195.5 million in 2024 to HKD 92.5 million in 2025, mainly due to lower reserve releases compared with the prior year. Despite the decrease, underwriting results remained profitable for both direct insurance and inward reinsurance business, reflecting prudent underwriting and risk management practices.

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 31 December 2025	As at 31 December 2024
Market risk (diversified RCA)	14,853	14,519
Interest rate risk RCA	13,630	13,650
Currency risk RCA	3,409	2,599
Diversification benefits within market risk	(2,185)	(1,729)
General Insurance Risk (diversified RCA)	89,811	94,142
Reserve and premium risk RCA	34,815	37,998
Man-made systemic catastrophe risk RCA	74,541	77,156
Diversification benefits within general insurance risk	(19,545)	(21,011)
Counterparty default and other risk RCA	10,069	15,344
Diversification benefits among risk modules	(16,846)	(19,957)
Operational risk RCA	3,895	3,692
Adjustment for tax effect	(8,397)	(8,889)
Prescribed capital amount	93,385	98,851

(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 2025	As at 31 December 2024
Unlimited Tier 1 capital	713,407	238,658
Tier 2 capital	3,833	-
Capital base	717,240	238,658

(c) Ratio of capital base to prescribed capital amount

	As at 31 December 2025	As at 31 December 2024
Ratio of capital base to prescribed capital amount	**768%**	**241%**

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

The prescribed capital amount decreased from HKD 98.9 million in 2024 to HKD 93.4 million in 2025. The capital base increased from HKD 238.7 million to HKD 717.2 million, resulting in an increase in the ratio of capital base to prescribed capital amount from 241% to 768%. The increase was mainly due to the inclusion of net assets attributable to both the onshore and offshore reinsurance business in the 2025 capital base, whereas the 2024 capital base reflected only the onshore business. The Branch remained well capitalised and complied with all applicable regulatory capital requirements throughout the year.

8. Risk Management

(a) Risk appetite and risk governance framework

ACyC maintains an enterprise-wide risk management framework designed to identify, assess, monitor and manage material risks arising from its insurance, investment and operational activities. Risk oversight is provided by the Board of Directors and Management Board, supported by Group Risk Management, the Risk Strategy Management Board, the Operational Risk Committee and the Investment Committee. The Company manages its business within a defined risk appetite and maintains adequate solvency and liquidity in line with Solvency II requirements.

(b) Insurance risk management

The Company's principal insurance risks arise from credit insurance, surety insurance and assumed reinsurance business. Insurance risk is managed through disciplined underwriting standards, delegated authority limits, continuous monitoring of exposures and diversification across countries, industries and counterparties. Reinsurance protection is a key risk mitigation tool, with quota-share and excess-of-loss treaties placed with highly rated reinsurers.

(c) Investment risk management

The Company's investment objective is to preserve capital, maintain liquidity and achieve appropriate risk-adjusted returns. Investment risks, including market, credit and liquidity risks, are managed through a diversified investment portfolio, minimum credit quality requirements, issuer concentration limits and regular monitoring by the Investment Committee. For the Hong Kong Branch, investments are primarily maintained in time deposits with authorized banks in Hong Kong to support liquidity management and local asset maintenance requirements.

(d) Other risk management

ACyC manages operational, legal, compliance, cyber security, financial crime and fraud risks through an established internal control framework, regular risk assessments, business continuity planning, employee training and compliance monitoring. Operational risks are reviewed through dedicated governance committees and escalated to senior management and the Board where appropriate.

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 Atradius Crédito y Caución S.A. de Seguros y Reaseguros;

(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 Atradius Crédito y Caución S.A. de Seguros y Reaseguros’ 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 Atradius Crédito y Caución S.A. de Seguros y Reaseguros 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:	Ku Shun
Position:	Chief Executive
Company Name:	Atradius Crédito y Caución S.A. de Seguros y Reaseguros