ANNUAL REPORT 2024

Peak Re

About Peak Re

Purpose

Our mission is to modernise reinsurance and address the needs of communities, particularly the emerging middle class in Asia and beyond. We build long-term relationships with our clients, offering stability and delivering value in a dynamic and constantly evolving world.

Peak Reinsurance Company Limited ("Peak Re" or the "Company") is a Hong Kong-based global reinsurance company. Since commencing operations in 2012, the Company has grown steadily to rank 27th among global reinsurance groups in terms of net reinsurance premiums written.[1] For the year ended 31 December 2024, Peak Re reported a reinsurance revenue of USD1.16 billion and a net profit of USD187 million. With net assets of USD1.43 billion as of 31 December 2024, Peak Re is rated A- by AM Best.

Peak Re is authorised by the Insurance Authority of Hong Kong under the Insurance Ordinance (Cap. 41). The Company offers both Property & Casualty ("P&C") and Life & Health ("L&H") reinsurance. It provides innovative and tailored reinsurance, risk and capital management solutions to clients around the world.

Fosun International Limited (00656.HK) and Prudential Financial, Inc. own approximately 87% and 13% of Peak Re, respectively, through Peak Reinsurance Holdings Limited.

1. S&P Global Ratings' Top 40 Global Reinsurers In 2024 And Reinsurers By Country; 2024, S&P Global, 2024

At a Glance

This summary presents an overview of Peak Re's performance and key financial figures for 2024, highlighting financial stability, profitability, and strategic growth areas.[1]

Key Messages

Peak Re maintained stable **gross written premiums** ("GWP") of USD1.76 billion for the year end 31 December 2024, close to the levels in 2023.

The **Return on Average Shareholders' Equity** ("ROAE"), excluding the value of perpetual subordinated guaranteed capital securities issued in 2020, was 15.7% in 2024, down from 19.7% in 2023.

Net Asset Value ("NAV") increased to USD1.43 billion in 2024, up from USD1.28 billion in 2023. Peak Re continues to be rated A- by AM Best.

Asset Under Management ("AUM") grew to USD3.33 billion as of 31 December 2024, up from USD3.12 billion at year-end 2023. Investment yield stood at 3.6% in 2024.

1. All figures are based on IFRS 9 and IFRS 17 except gross written premiums which are based on IFRS 4

Key Financial Metrics

Gross Written Premiums

USD1.76 B (2024)

USD1.76 B (2023)

Reinsurance Revenue

USD1.16 B (2024)

USD1.56 B (2023)

Reinsurance Service Results

USD144 M (2024)

USD189 M (2023)

Net Profit After Tax ("NPAT")

USD187 M (2024)

USD200 M (2023)

Contractual Service Margin ("CSM")

USD147 M (2024)

USD172 M (2023)

Property & Casualty ("P&C") Combined Ratio

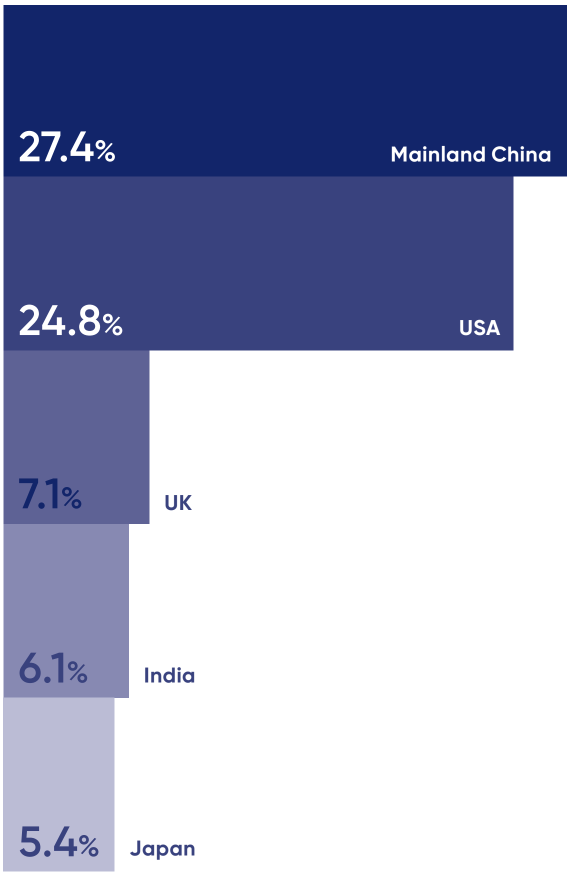
84.0% (2024)

87.3% (2023)

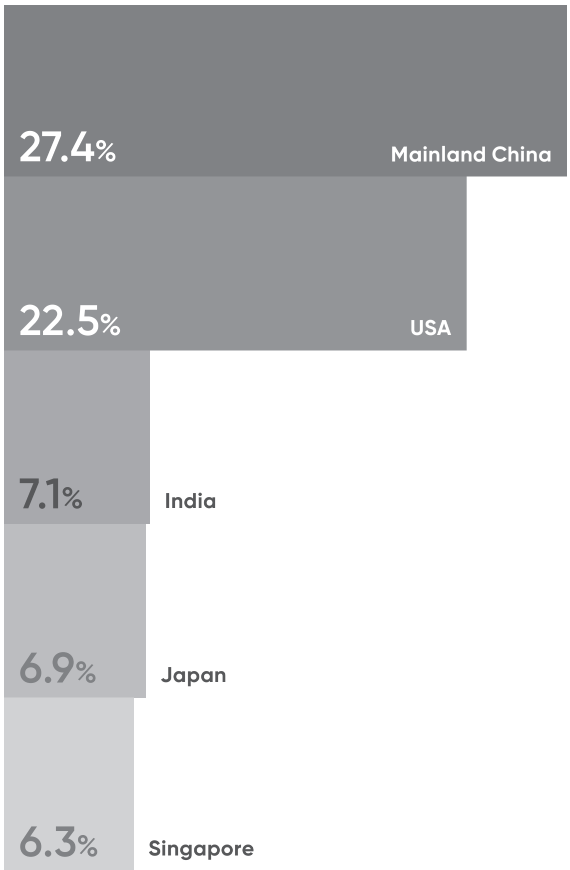
Top 5 Markets

Based on gross written premiums ("GWP") in USD[2]

2024



2023



Solvency & Additional Information

Solvency Ratio (unaudited)[3]

186%

Financial Strength Rating by AM Best

A–

(Excellent)

Claims Service[4]

80%

of claims settled within 10 days.

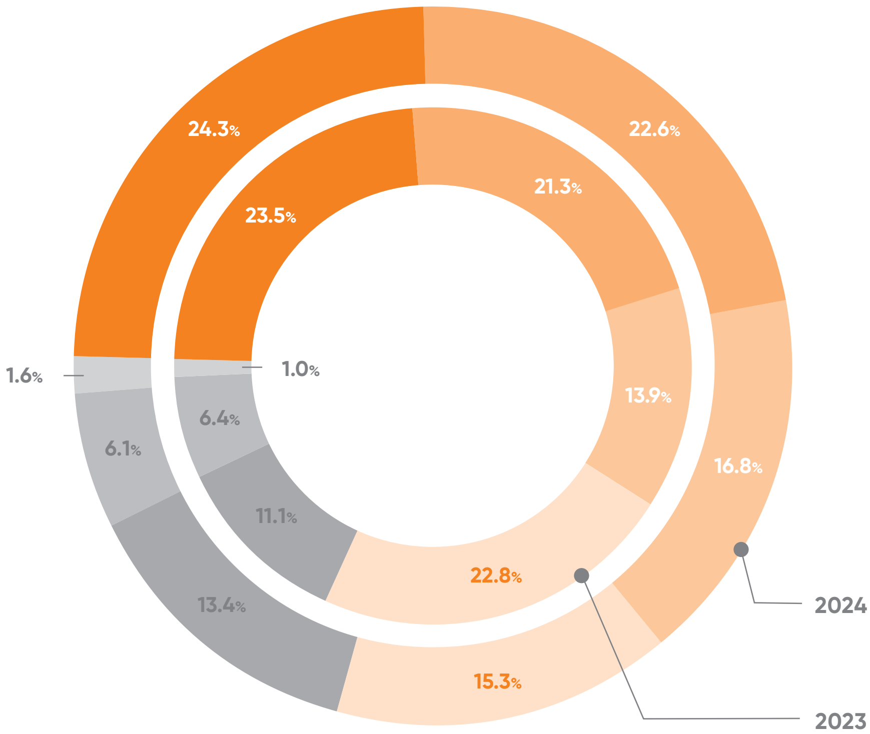
We handled 67% more claims between 2022 and 2024.

2. Gross written premiums are based on the accounting standard IFRS 4 and are provided as a reference
3. Solvency ratios under the new Hong Kong RBC regime, effective as of 1 July 2024 following the commencement of the Insurance (Amendment) Ordinance 2023, are not comparable to previously reported solvency ratios under Hong Kong Insurance Ordinance (Cap.41)
4. This represents the average for the period 2022–2024

Line of Business Breakdown

Based on gross written premiums ("GWP") in USD[2]

We adjusted our reinsurance portfolio in 2024 based on market conditions and our business strategy, while continuing to maintain a balanced and diversified book of business.



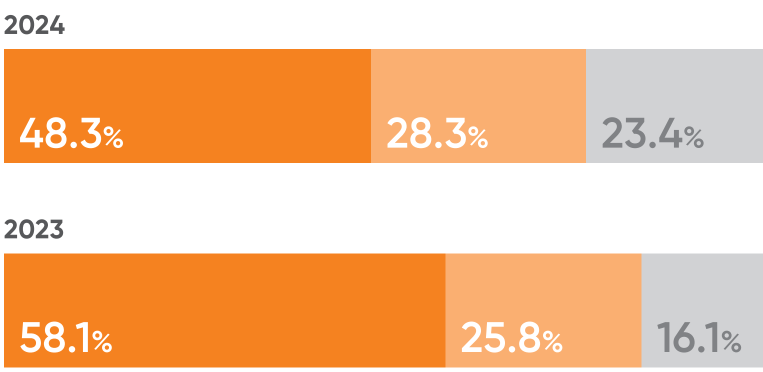
- **General Liability 24.3%** 23.5% (2023)
- **Property 22.6%** 21.3% (2023)
- **Motor 16.8%** 13.9% (2023)
- **Accident & Health 15.3%** 22.8% (2023)
- **Life Insurance[5] 13.4%** 11.1% (2023)
- **Pecuniary 6.1%** 6.4% (2023)
- **Others 1.6%** 1.0% (2023)

Regional Breakdown

Based on GWP in USD

While maintaining our strong franchise in Asia-Pacific, we endeavoured to achieve further regional diversification.

- **Asia-Pacific**
- **Americas**
- **EMEA**



5. Without short-term health

Message from Chairman

We take great pride in Peak Re's performance in 2024 and the strategic actions the management implemented throughout the year. Despite the challenging macroeconomic and reinsurance market environment, the Company has strengthened its position as a leading reinsurer in the Asia-Pacific region, cementing closer collaboration with clients, regulators, and other stakeholders. Importantly, Peak Re continues to deliver consistently on its mission – supporting the growth of emerging Asia's middle class and contributing to the modernisation of the reinsurance industry.

LI Tao
Chairman

As of 31 December 2024, Peak Re delivered strong results with a net profit of USD187 million, close to last year's record of USD200 million. All operations contributed to this success. In gross written premiums ("GWP"),[1] our top-line remained largely unchanged at USD1.76 billion. The Company's net asset value increased to USD1.43 billion in 2024, up from USD1.28 billion in 2023.[2]

Navigating global uncertainties

2024 was again a year defined by divergent growth trajectories among major economies, declining but still stubborn inflation, volatile financial markets, an uncertain geopolitical outlook, and high natural catastrophe losses. In short, the risk landscape is becoming more diverse, more volatile, and harder to predict.

In the face of these challenges, the global reinsurance market continued to perform strongly, benefiting from stringent underwriting discipline and the restructuring of reinsurance programmes that started in 2022. We successfully navigated the evolving, yet favourable, market conditions to further broaden and solidify the fundamentals of Peak Re, elevating the Company's position as a global reinsurer with an Asian origin and a unique understanding of the region's risk landscape.

Building a strong foundation for the future

Peak Re is not a purely transactional reinsurer, based on capacity provisions. Our agenda is different – we aim to advance and strengthen the resilience of our clients, their policyholders and the markets we operate in. We have accordingly invested heavily in platforms to provide support to our cedants on a broader and more coherent basis.

For example, in property reinsurance, we extended our collaboration with academia, cedants, and vendors of risk models to improve the transparency regarding natural catastrophe risks. In 2024, we recruited additional talent to strengthen our research in natural catastrophe risks and set up a dedicated unit to expand access to third-party capital to underwrite these risks. Our efforts and leadership in this regard align with the aspiration of the Hong Kong Special Administration Region Government to become a global risk management centre and regional insurance hub.[3]

> **Peak Re is committed to deepening the understanding of natural catastrophe risks through collaboration with academia, industry partners and other stakeholders, including the leveraging of third-party capital to support risk transfer.**

The insurance and reinsurance risk landscape is also shaped by changing demographics and the challenges that pose to governments. As populations age, change their lifestyle and confront diseases that were less common in the past, public systems can benefit from the services of private medical insurance. While expanding its footprint, Peak Re supports many emerging Asian and Middle Eastern markets in providing health and life protection reinsurance products. We are also investing heavily in understanding and communicating the dynamics of Asia's growing life and health markets.

While we strengthen our presence in emerging Asia, we also build our franchise in mature markets like the US and Europe, including growing our US casualty portfolio with the small and medium-sized enterprise ("SME") segment where smaller, heterogeneous groups of cedants seek dedicated protection.

Commitment to future success

There are more accomplishments worth mentioning, which are presented in Peak Re's 2024 Annual Report. The Board of Directors is impressed by the Company's steady and resolute progress. We will continue to lend our support and advice where we are convinced that we can make a difference.

We expect 2025 to be another momentous year for the global reinsurance industry, and we are confident the Company is fully prepared for it. Peak Re stands firm as a risk carrier with a clear vision and purpose, ready to navigate market volatility and uncertainties.

On behalf of the Board of Directors, I would like to extend our deepest gratitude to our clients for their unwavering confidence and trust in Peak Re – they are the foundation of our success. We also sincerely thank Peak Re's Executive Committee and employees for their dedication, expertise, and outstanding performance in delivering yet another remarkable year.

LI Tao
Chairman

1. All figures are based on IFRS 9 and IFRS 17 except gross written premiums which are based on IFRS 4
2. Net Asset Value includes proceeds from perpetual subordinated guaranteed capital securities issued in 2020
3. See "Insurance Authority welcomes the introduction of amendment bills to strengthen Hong Kong 's position as a global risk management centre and regional insurance hub", Hong Kong Insurance Authority, 20 March 2020

Message from CEO

Our 2024 achievements are foremost due to the steadfast loyalty of and support by our clients and business partners. We are particularly encouraged by the mutually supportive relationships that we have built since Peak Re's establishment. We would like to thank all our clients for their trust and commitment to Peak Re.

Franz-Josef HAHN
Chief Executive Officer

In 2024, we successfully built on Peak Re's strong business franchise to position for further growth. Throughout the year, we further diversified our reinsurance portfolio both geographically and across different lines of business. We strengthened our robust network of client relationships through regular, transparent and timely engagements. Importantly, we demonstrated our leadership ambitions by further investing in our IT systems and business processes, thereby enhancing our capabilities to support our clients in navigating today's fast evolving risk landscape, particularly the mounting risk of extreme weather events globally.

These achievements occurred in a year when Peak Re delivered impressive results, with earnings of USD187 million for the year ended 31 December 2024,[1] driven by contributions from all business units. Our return on adjusted equity ("ROAE") stood at 15.7%, after the hybrid bond interest and excluding the hybrid bond in capital.[2] In line with our prudent underwriting approach, our gross written premiums ("GWP") remained stable at USD1.76 billion. Our reinsurance revenues stood at USD1.16 billion in 2024, compared to USD1.56 billion in 2023. This reflects, in part, larger premiums earned from previous underwriting years in the financial year 2023 than in 2024.

In recent years, Peak Re has further progressed in strengthening its governance and risk management practices. Reflecting our robust fundamentals and sound risk management strategies, in August 2024, AM Best reaffirmed Peak Re's Financial Strength Rating of A-, revising its outlooks to stable from negative.

Another year characterised by high uncertainty

The heightened macroeconomic uncertainty observed since 2022 has largely persisted into 2024, while there was a growth picture that diverged across regions and between emerging and advanced markets. Globally, gross domestic product ("GDP") expanded by 3.2%, once again benefiting from higher growth in emerging markets, particularly emerging Asia; while advanced economies, except for the US, have entered a soft patch of growth. Inflation eased to 5.8% on a global basis, with Europe, the US and part of emerging Asia slowly approaching the targeted 2% benchmark. Nevertheless, in many markets, key drivers for inflation, such as rising wages and a tight labour market persisted.[3]

Perhaps more dramatic, from an insurance perspective, was that following 2023, which had set the record as the hottest year, 2024 surpassed that mark again and became the warmest year since 1850. It is thus no coincidence that insured losses amounted to USD154 billion in 2024, 27% above the ten-year average (2014–2024) of USD121 billion and the fifth consecutive year to exceed USD100 billion. Of this, USD151 billion in losses originated from weather and climate change related events. Going forward, insured losses are expected to approach USD150 billion per annum as the "new normal".[4]

Notwithstanding the heightened insured loss figures from natural catastrophes, global dedicated reinsurance capital grew to a record of USD607 billion in 2024, an increase of 7% compared to 2023. Both traditional capital, which stood at USD 500 billion, and alternative capital, amounting to USD 107 billion, contributed equally to the increase. The rise in dedicated reinsurance capital benefited from higher underwriting profitability, improved investment results and sustained interest in insurance-linked securities ("ILS") and catastrophe bonds ("cat bonds").[5]

1. All figures are based on IFRS 9 and IFRS 17 except gross written premiums ("GWP") which are based on IFRS 4 and provided as a reference
2. In 2020, Peak Re, via its BVI subsidiary, issued USD 250 million 5.35% Perpetual Subordinated Guaranteed Capital Securities
3. International Monetary Fund, World Economic Outlook Database, October 2024
4. Natural Catastrophe and Climate Report: 2024, Gallagher Re, January 2025
5. Guy Carpenter, Renewal Resource Center: Guy Carpenter, AM Best, January 2025

Reinsurance demand remains strong

The replenishment of reinsurers' capital through retained earnings reflects the drastic rate hardening and tightening of conditions that the market experienced in the past two years. However, as risks remained elevated, demand for reinsurance capacity stayed strong. Reinsurers reacted by holding firm on conditions while observing greater flexibility in rates. As a result, primary insurers' retentions remained elevated as reinsurers focused on risk layers with high attachment points.

Throughout 2024, the issuance of cat bonds and ILS hit a record of USD17.7 billion, as investors regained their confidence due to strong earnings and the market's sustained discipline.[6] In addition, the retrocession market opened up, providing additional capacity to the market. Traditional reinsurance capital, however, grew only through retained earnings, with little new capacity flowing in.

Strong results across all operations

Building on the momentum of 2023, Peak Re leveraged the persistent tight market conditions to further solidify its franchise by deepening its client relationship and positioning the Company for future growth. For the year 2024, Peak Re reported a net profit after tax of USD187 million, slightly trailing last year's record USD200 million.

Peak Re maintained its cautious underwriting approach, in particular concerning frequent and severe natural catastrophe risks. The Company further diversified its book by branching out into additional business lines, products and geographies. As mentioned above, the Company's GWP remained stable at USD1.76 billion, while reinsurance revenues declined to USD1.16 billion from USD1.56 billion in 2023 due to lower earned premiums in 2024 compared to previous underwriting years. In addition, Peak Re takes particular pride in building on its strong standing with cedants, as it regained most client relationships that had been disrupted by the abrupt hardening of market conditions in the previous two years.

The Company's reinsurance service results, which is the measure for underwriting profitability under IFRS17, came in at USD144 million in 2024, following USD189 million in 2023. Our contractual service margin ("CSM") decreased to USD147 million, from USD172 million in 2023.

Peak Re's investment return for the full year 2024 came in at USD122 million, up from last year's USD114 million. This represents a slightly lower but still robust investment yield of 3.6%, compared to 3.8% in 2023. The Company's net assets value ("NAV") once again profited from retained earnings and increased to USD1.43 billion as of 31 December 2024, up from USD1.28 billion at year-end 2023. As a result, Peak Re's solvency ratio (on unaudited basis) came in at a strong 186% at the end of 2024.[7]

As a reflection of Peak Re's rising value, our economic value, a measure calculated by adding NAV and CSM, increased to USD1.58 billion by year-end 2024, up from USD1.45 billion at year end 2023.

For further information on our financial results and the year-on-year comparison, please see pages 20-23.

P&C strongly positioned for sustained growth

The market hardening that started two years ago with the dislocation of the retro market plateaued last year. The restructuring of the Company's Property & Casualty ("P&C") business portfolios we initiated in 2022, including the shift from proportionate into non-proportionate coverages as well as the move into higher excess-of-loss layers, sheltered Peak Re from the heavy natural catastrophe losses in 2024.

In 2024, we expanded this strategy, positioning our portfolio for future growth while protecting it against potential upcoming market softening. As a primary

6. Catastrophe bonds & ILS issued and outstanding by year, www.Artemis.bm
7 A new Hong Kong Risk-based Capital (RBC) regime took effect from 1 July 2024, following the commencement of the Insurance (Amendment) Ordinance 2023. As a result, the new solvency ratios are not directly comparable to previously reported ratios under Hong Kong Insurance Ordinance (Cap.41)

objective, we further globalised and diversified our book, strengthening the balance between our Property & Casualty ("P&C") and our Life & Health ("L&H") book. In the US, we increased our footprint by writing more casualty and cyber risk particularly in the SME segment through our growing Bermuda operations.

While these measures contributed to build our overall premium volume, in combination with our nimble expense management, we significantly lowered our combined ratio to 84.0% in 2024, down from 87.3%.

Please see pages 26-29 for more details on our 2024 P&C strategies and results.

Commitment to L&H growth

The potential for our Life & Health business remains substantial. Growth is expected to be driven by the rising needs for life and health products in emerging Asia and in the Middle East – Peak Re's current L&H markets – as people are keen to protect and enhance their wealth through life protection as well as health products, given the impact resulting from ageing populations, the rise in non-communicable diseases as well as the effects of changing lifestyles. In addition, the market is driven by changing regulations as well as strained public finances, trying to better engage the private sector in shouldering the rising health care cost.

Peak Re currently writes L&H risk in China, India, Vietnam, Indonesia and the Middle East. Although there are significant opportunities for growth, we take a measured approach, focusing on one market at a time, establishing local market expertise with experts on the ground and introducing a fleet of products that uniquely fit the market and support our clients with their market objectives. In 2024, L&H reported GWP, including short-term health, of USD405 million, compared to USD438 million in 2023.[8] This represents a 23% share of our total reinsurance portfolio.

Please see pages 32-33 for more details on our 2024 L&H strategies and results.

Providing more choice to our cedants via Structured Solutions

In 2024, we expanded our Structured Solutions offering to provide customised and capital-efficient solutions. Covering both P&C and L&H, this portfolio focuses on capturing niche opportunities for growth, benefiting by strong demand from clients in emerging markets and Europe. This new approach, centred on capital-efficient structuring, pricing, and treaty management, enables us to offer spread loss, solvency relief, and financial smoothing solutions.

Cedants warmly welcomed the expansion of our Structured Solutions offering. Since L&H structured solutions are commonly well accepted in the market, we see it as our long-term task to explore with our P&C clients the value of structured solutions.

Please see pages 34-35 for more details on our Structured Solutions strategies.

Healthy income from a high-quality investment portfolio

Our assets under management ("AUM") increased to USD3.33 billion as of 31 December 2024, up from USD3.12 billion at year-end 2023. The growth of AUM was primarily driven by strong recurring income from investments. We entered 2024 with a healthy investment portfolio. We had purposely kept durations short and credit quality high in our fixed income book and maintained high liquidity. From this position, we were able to seize opportunities by reinvesting at higher yields and increasing exposure in areas where we saw good upside.

Peak Re reported a strong investment result of USD122 million in 2024, up from USD114 million in 2023. This reflects an investment return of 3.6% for 2024, as compared to 3.8% in 2023. Our fixed income portfolio presents the anchor of our books.

8. Gross written premiums are based on the accounting standard IFRS 4 and are provided as a reference

Cost-efficiency maintained

In 2024 Peak Re's management expenses benefited from stringent cost management. Nevertheless, Peak Re invested substantially in people as well as technology. Our headcount increased to 164 people in 2024, with most of our employees located in Hong Kong, but also at our offices in Zurich, Bermuda and Japan.

Peak Re is a learning organisation. As we aim to provide additional value to our cedants, we seek to upgrade our corporate intelligence through the talents we hire. In addition, we are keen to diversify our organisation to mirror the diverse international origins of our cedants and their business. Furthermore, at Peak Re we nourish an agile and entrepreneurial mindset, where every employee is encouraged to contribute insights and expertise.

We also strengthened our technological capabilities in 2024, streamlining and automating our processes to enhance efficiency. By upgrading our IT and data processing capabilities we strengthened our ability to assess and understand complex risks for our cedants, such as the rising impact from secondary perils that are difficult to model but rising in frequency and severity.

Strong outlook for 2025

In 2024, global reinsurance capital increased to an estimated USD607 billion, adding pressures to reinsurers to deploy additional capacity.[9] There are, however, risks and uncertainties that remain prominent at the start of 2025 – such as heightened geopolitical tensions, diverging economic growth, and lingering inflation. Furthermore, the year started with the devastating California wildfires, which resulted in an economic loss burden of approximately USD250 billion.[10] While the insured loss is still under debated as we go to press with this report, 2025 is set to be another year heavily burdened with natural catastrophe losses.

We therefore see little room for rate reductions or a loosening in conditions. At the January 2025 renewals the market saw differentiated outcomes for clients, very much depending on the underlying risks, cedant geography and their loss record. Although reinsurers are better capitalised – having benefited from improved pricing as well as a higher interest rate – they reclined to the upper layers of their excess-of-loss programmes and often shifted business from proportional to non-proportional covers, where they have a greater lever on the risk.[11] As a result, retentions of primary insurers stayed high, although programmes were often over-subscribed.

In general, reinsurers' P&C business has undergone a continuous process of commoditisation. However, we do not see Peak Re as a pure capacity provider. Rather we aim to provide additional value to our clients, supporting them through innovative products as well as research, expertise and foresight to improve their risk management and risk mitigation. In the January 2025 renewals, we once again retained more than 80% of clients, a client base growing on each renewal. Cedants appreciated that Peak Re communicated and explained well the underlying reasons for a tightening in conditions and worked with them to find sustainable solutions for their need for coverage.

Geographic expansion

For 2025, Peak Re will continue to drive forward its global expansion, diversification and strengthen its independence from the reinsurance market's volatility.

9. Guy Carpenter, Renewal Resource Center: Guy Carpenter, January 2025
10. AccuWeather: AccuWeather estimates more than $250 billion in damages and economic loss from LA wildfires, 16 January 2025
11. Gallagher Re, 1st View: Differentiation rewarded, January 2025

For example, in February we obtained an IFSC Insurance Office ("IIO") license for Peak Re to establish a branch office in Gujarat International Finance Tec-City ("GIFT City") in India. Having been present in the Indian market for ten years, we will now transition from a cross-border reinsurer to a Category 2 IIO. As part of our commitment to India and our overall strategy for the Indian market, we are investing all retained premiums into the Indian market through a Foreign Portfolio license under the IIO. This places us on par with Branches of Foreign Reinsurer in terms of order of preference for placing reinsurance business. This will enable us to establish a local team, access and support more clients directly and gain stronger benefits from the growth of the Indian economy.

India plays a vital role in our overall mission of addressing the protection gaps of the emerging middle class in Emerging Asia. We see enormous potential across all lines of business, particularly as the country continues to advance rapidly with new technologies, its financial inclusion improves and as India continues to upgrade its regulatory framework. In particular, India has a significant and growing need for protection on their exposures to natural catastrophes and climate change.

In the Americas, Peak Re has recently obtained a subsidiary license from the Bermuda Monetary Authority ("BMA"). We have been active in Bermuda for years, using our presence to build up a sizable US casualty business, for which we continue to see ample opportunities going forward. Currently, our total casualty portfolio accounts for 30% of our P&C written premium on an underwriting year basis.[12] Peak Re focuses on the small and medium-sized enterprises ("SME") business in the market, which we write with specialised cedants.

As a leader in bringing alternative capital to the Asia-Pacific region, Peak Re recognises the strong potential for securitising certain natural catastrophe risks, such as Japanese windstorms. In 2024, we established a dedicated ILS function in Hong Kong, in addition to Peak Capital in Bermuda, which will have the mandate to facilitate Peak Re's access to alternative capital. This is in line with the local regulator's aspiration to develop Hong Kong into a global risk management centre.[13]

Client centricity at the heart of all we do

Peak Re's client centricity forms the basis and starting point of our value proposition. Our successful strategic approach to globalise Peak Re's book and to build a platform resilient against future market volatilities rests on this foundation. We provide security to our clients and support them in expanding their franchise.

Our ambition of supporting the narrowing of the protection gap and encouraging the growth and prosperity of Asia's emerging middle class belongs to this approach, as with the success of our cedants, consumers will benefit as well.

We are particularly proud that once again in 2024 our cedants entrusted Peak Re with their risks and confided in us to counsel them on how to best protect themselves and their clients against potential loss and disaster. Without the trust by our clients, Peak Re would not have been able to succeed, as we have done in 2024.

And finally, we deeply appreciate the steadfast support and invaluable guidance of our Chairman and the Board of Directors, as well as the dedication and commitment of our employees. Their contributions have been instrumental to our success, and we look forward to working together for a prosperous 2025.

Franz-Josef HAHN
Chief Executive Officer

12. For the underwriting year 2024
13. Artemis; Hong Kong: Protection gaps, Chinese municipalities a key focus for ILS ambitions, April 2024

Corporate Milestones

Celebrating employees and achievements

2012

Peak Re was granted a license to underwrite general reinsurance business in Hong Kong and obtained an AM Best A- rating.

Headquartered in Hong Kong, at the centre of dynamic markets of Asia, we gained the confidence to dream big with our founding year's license and A- rating from AM Best, marking the first step in our ongoing journey.

Maggie Leung
Finance

2013

In its first full underwriting year, Peak Re achieved its first profit, surpassed the USD100 million mark in premiums, and continued its expansion in the Asia Pacific region.

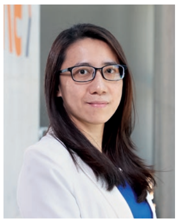
Our first profit, USD100 million in gross written premiums, and an expanding footprint in the Asia Pacific, marked a year of demonstrating to ourselves and the market that Peak Re is on the right path.

Jasmine Miow
P&C – Markets

2014

Peak Re expanded into non-Asian markets and received a license to underwrite long-term reinsurance business in Hong Kong.

Expanding beyond Asia was a bold decision, highlighting our strategic foresight and the assembly of a team of visionaries. Achieving the milestone of obtaining a long-term reinsurance license in Hong Kong not only solidifies our dedication to our clients but also establishes our lasting foothold in the region.



Clara Xie
Investment

2018

Peak Re established a representative office in Tokyo, Japan, and launched Lion Rock Re Ltd., marking the first Asian reinsurance sidecar transaction.

Opening a Tokyo Representative office was a key step to bring us closer to our clients, where the launch of Asia's first reinsurance sidecar transaction highlighted our determination to drive the modernisation of reinsurance in Asia.

Edward Shen
P&C – Underwriting

2019

Peak Re was recognised as a top 30 global reinsurance group, and was named Asian Reinsurer of the Year by Asian Banking & Finance for the fourth consecutive year.

Being recognised as a top 30 global reinsurer and winning 'Asian Reinsurer of the Year' for the fourth time, are a reflection of our team's hard work and passion. We're not just growing; we're setting new standards and innovating for the industry.

Janice Ye
L&H

2020

Peak Re acquired ILS investment specialist Lutece, rebranding it as Peak Capital Ltd., and became the first reinsurer based in Hong Kong to issue public hybrid securities.

Acquiring Lutece and renaming it as Peak Capital Ltd. created new opportunities to develop differentiated and innovative reinsurance products to both our customers and investors, and eventually expedite Peak Re's mission to closing the protection gap in Asia. Additionally, issuing Hong Kong's first public hybrid securities was a proud achievement for our team.

Henry Phillips
P&C – Underwriting

2015

Peak Re exceeded the USD500 million milestone in premiums during its third full year of underwriting.

Reaching the USD500 million milestone was made possible by our dedicated and motivated team, but what truly set us apart was our commitment to our values and prioritising our clients.

Cindy Leung
Finance

2016

Peak Re was granted a reinsurance license for Zurich, Switzerland and successfully attracted an additional USD100 million in capital.

Expanding into Zurich and securing an additional USD100 million in capital demonstrated that investors and clients share our vision. We are not only growing; we are establishing ourselves as a global force.

Natina Gschwend
Business Operations

2017

Peak Re established a branch in Labuan, Malaysia, and surpassed USD1 billion in premiums.

Surpassing USD1 billion in premiums within just a few years was a remarkable achievement for such a young company and served as a reminder that prioritising our clients leads to success.

Sudhir Salian
P&C – Markets

2021

Peak Re completed its third Lion Rock Re sidecar transaction and was ranked 27th in S&P Global Ratings' Top 40 Global Reinsurance Groups 2021.

Completing our third reinsurance sidecar transaction and rising to 27th among the top 40 global reinsurers shows that our approach is effective, and we remain dedicated to being a trusted partner in a rapidly evolving world.

Karlheinz Render
P&C – Markets

2022

Coinciding with its 10th anniversary, Peak Re moved to WKCDA Tower, sponsored a landmark 144A catastrophe bond, and launched its first Emerging Asia Middle Class Survey.

In our magnificent new office at WKCDA Tower, we celebrated a decade of growth, resilience, and innovation, with our sponsorship of a landmark catastrophe bond and the launch of our first Emerging Asia Middle Class Survey showcasing our commitment to shaping the future of reinsurance.

Taesung Kook
P&C – Underwriting

2023

Reported a record net profit of USD 200 million for the year, Peak Re proudly served 395 clients across 56 markets worldwide.

At Peak Re, diversity is not just a buzzword. Our colleagues, with various professional backgrounds, come from 21 nationalities and speak 23 languages. A key to success and enriching cognitive diversity, it shapes how we think, innovate, and succeed together, enabling us to achieve record profits while serving 395 clients across 56 markets and helping businesses and communities thrive globally.

Massrat Khan
Technical Accounting

2024

AM Best reaffirmed Peak Re's A- Financial Strength Rating, and the company introduced a new team focused on customised reinsurance solutions.

AM Best's reaffirmation of our financial strength is not just a rating; it represents a solid foundation of trust for our clients. With our new team dedicated to customised structural solutions, we are driving innovation and expanding reinsurance through tailored strategies.

Jeff Markowski
P&C – Underwriting

‹Re›imagining

Empowering emerging markets through
innovation, insight, and impactful solutions.

Resilience

Financial Performance

In 2024, Peak Re is set to continue its impressive performance, building on the strong momentum established in 2023, and thanks to robust contributions from Property & Casualty, Life & Health, and investments.

Peak Re strengthens market position amid high catastrophe activity

From a financial perspective, there was continuous volatility throughout 2024, particularly as the initial optimism for rate cuts turned more cautious due to persistent inflation and strong US economic data stalling the Federal Reserve's drive to lower interest rates. Furthermore, insured losses from natural catastrophes remained elevated in 2024, despite dedicated reinsurance capital having staged a convincing recovery, indicating robust investor risk appetite and confidence in the prospects of reinsurance.

Taken together, these factors kept the cost of capital high over the year, while reinsurers also contended with expensive claims, which often occurred with higher frequency due to natural catastrophes.

Peak Re delivers strong results in 2024

For the year ended 31 December 2024, the Company reported a net profit after tax of USD187 million, its second-highest result after its record earnings of USD200 million in 2023.[1] Total gross written premiums remained stable at USD1.76 billion in 2024.

In terms of reinsurance revenues, the amount stood at USD1.16 billion for the year ended 31 December 2024, compared to USD1.56 billion in 2023. The decline reflects, in part, larger premiums earned from previous underwriting years in the financial year 2023 than in 2024. The reinsurance service result ("RSR"), a measure of underwriting profitability, came in at USD144 million for the year ended 31 December 2024, compared to USD189 million in 2023. In Property & Casualty ("P&C") reinsurance, the combined ratio improved further to 84.0% in 2024, from an already strong 87.3% in 2023, hinting at the high quality of Peak Re's P&C portfolio. The contractual service margin ("CSM") for the year ended 31 December 2024, which reflects the present value of future profits, amounted to USD147 million, compared to USD172 million for 2023.

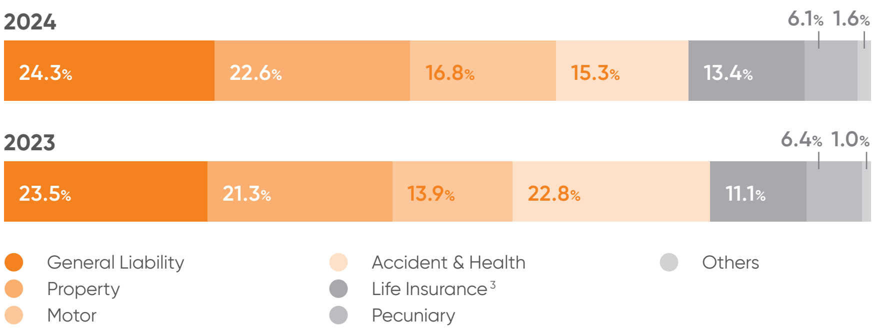
Healthy investment results despite volatile markets

Financial markets remained volatile in 2024. The slowing momentum of disinflation in major economies, particularly the US, raised concerns over the pace of interest rate reductions. A series of inflation-boosting policies advocated by the Trump administration also added to worries about reigniting inflation in the US. On a more positive note, higher interest rates posed an opportunity to extend the duration of fixed income investments, while equities benefited in 2024 from the continued enthusiasm for artificial intelligence.

Peak Re diligently evaluated the macroeconomic backdrop and adjusted our investment portfolio to take advantage of these market developments. We entered 2024 with a healthy investment portfolio characterised by short durations, high credit qualities and high liquidity. As a result, we were able to seize the opportunities by reinvesting at higher yields and slightly reducing our cash holding. As of 31 December 2024,

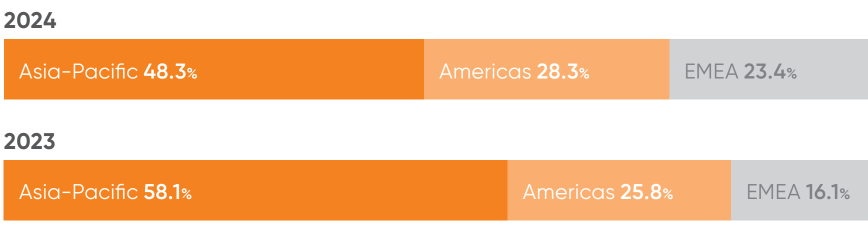
Line of Business Breakdown

Based on gross written premiums ("GWP") in USD[2]



Regional Breakdown

Based on GWP in USD[4]



fixed income investment continued to account for the largest share of our investment, at 50.4%, followed by unit trusts and mutual funds (18%), and cash and cash deposits (17.6%).

Our strong investment performance is also reflected in Peak Re's assets under management ("AUM") having risen to USD3.33 billion as of 31 December 2024, from USD3.12 billion in 2023. This measure has benefited from healthy recurring investment income and unrealised investment gains. Total investment income amounted to USD122 million for the year ending 31 December 2024, compared to USD114 million in 2023, translating into a robust return on investments of 3.6% in 2024 compared to 3.8% in 2023.

Strong capital and solvency positions to continue

Benefiting from higher retained earnings, our net asset value ("NAV"), or total equity, increased to USD1.43 billion as of 31 December 2024, from USD1.28 billion in 2023. In July 2024, Hong Kong's Insurance Authority introduced a new risk-based capital ("RBC") regime as the new regulatory risk management framework. Based on the new RBC calculations, Peak Re's solvency ratio (on an unaudited basis) stood at 186%.[5] In addition, Peak Re's economic value, calculated as the sum of NAV and CSM, increased to USD1.58 billion for the year ended 31 December 2024, from USD1.45 billion in 2023.

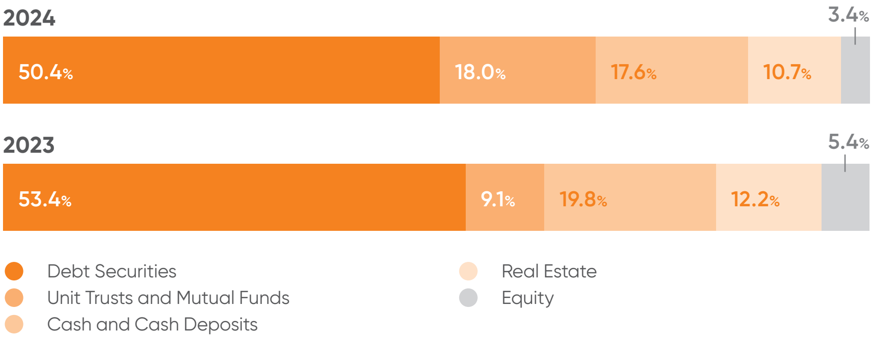
As of 31 December 2024, Peak Re's shareholders' equity stood at USD1.18 billion, compared to USD1.03 billion a year earlier.[6] The return on average shareholders' equity ("ROAE") came in a 15.7%, compared to 19.7% in 2023.

Cost discipline coupled with strategic investments for growth

Peak Re continued to maintain stringent cost management in 2024 while strategically investing to

Asset Class Investments

Based on assets under management in USD



strengthen our expertise and capabilities, particularly in areas around natural catastrophes and emerging technologies. For example, in order to better support our clients in a time where losses from secondary perils are mounting, Peak Re expanded its talent pool and invested further in improving catastrophe risk assessment and predictive modelling. We also invested to strengthen the capacity and resilience of our IT systems to pave the way for further expansion.

Our total headcount increased to 164 employees in 2024 from 135 a year earlier, mostly based in Hong Kong but also in Zurich, Bermuda and Japan.

Navigating challenges while pursuing strategic growth opportunities

As Peak Re enters 2025, the company remains committed to sustainable growth. We will expand our presence both in P&C and Life & Health ("L&H") reinsurance through further diversification of our portfolio to support our clients' needs. Economic, geopolitical and market risks are unlikely to recede. The California wildfires at the start of 2025 are a stark reminder that the high losses from natural catastrophes will continue to take their toll. At the same time, the series of start-stop tariff threats witnessed in early 2025 are likely harbingers of lingering policy uncertainty for the rest of the year.

During the January 2025 renewals, we saw the level of reinsurance capital replenished, while the current pricing level remains comfortable. Considering the rising losses from natural catastrophes, the market has installed a more reasonable level of risk sharing – stretching all the way from risk originators and reinsurers to broader financial markets. We take comfort in this more transparent and structured risk sharing arrangement, but strong underwriting discipline needs to be maintained to ensure the sustained availability and provision of risk capital to cover the evolving risk landscape.

At Peak Re, we are committed to offering high-quality reinsurance support in today's fast-changing environment, both in terms of financial security as well as value-added solutions, to our clients.

1. All figures shown in this section for the financial years 2023 and 2024 are based on IFRS 9 and IFRS 17, except gross written premiums which are based on IFRS 4 and provided as a reference
2. Gross written premiums are based on the accounting standard IFRS 4 and are provided as a reference
3. Without short-term health
4. Gross written premiums are based on the accounting standard IFRS 4 and are provided as a reference
5. Solvency ratios under the new Hong Kong RBC regime, effective as of 1 July 2024 following the commencement of the Insurance (Amendment) Ordinance 2023, are not comparable to previously reported solvency ratios under Hong Kong Insurance Ordinance (Cap.41)
6. The shareholder's equity excludes the value of a perpetual subordinated guaranteed capital securities issued in 2020. The calculation of the return on average shareholder's equity includes the interest payment to those securities

Financial Highlights

Consolidated statement of profit or loss and other comprehensive income

Year ended 31 December 2024

	2024 USD	2023 USD
Reinsurance revenue	**1,156,160,110**	1,555,882,891
Reinsurance service expenses	**(943,474,526)**	(1,257,033,928)
Net expenses from retrocession contracts held	**(68,202,884)**	(109,832,484)
Reinsurance service results	**144,482,700**	189,016,479
Net finance expense from reinsurance contracts issued	**(102,396)**	(22,900,522)
Net finance income from retrocession contracts held	**5,870,579**	4,627,000
Net reinsurance finance results	**5,768,183**	(18,273,522)
thereof: foreign exchange gain from reinsurance finance results	**54,894,570**	18,385,527
Net reinsurance finance results before foreign exchange gain	**(49,126,387)**	(36,659,049)
Interest revenue on financial assets		
– not measured at fair value through profit or loss	**86,941,665**	70,728,485
– measured at fair value through profit or loss	**3,514,456**	2,576,224
Other investment revenue	**31,848,221**	40,399,537
Reversal of impairment loss on financial assets	**155,289**	230,166
Investment return	**122,459,631**	113,934,412
Other expenses	**(15,855,542)**	(29,017,768)
Other operating expenses	**(42,603,458)**	(44,186,656)
Other finance costs	**(963,467)**	(2,444,084)
Foreign exchange gain from reinsurance finance results	**54,894,570**	18,385,527
Other foreign exchange loss	**(5,908,847)**	(1,899,611)
Profit before share of profit/(loss) from associates and joint ventures	**207,379,200**	207,129,250
Share of loss of associates	**(5,264,650)**	(30,988)
Share of profit of joint ventures	**1,703,819**	828,184
PROFIT BEFORE TAX	**203,818,369**	207,926,446
Income tax expense	**(16,815,015)**	(7,482,603)
PROFIT FOR THE YEAR	**187,003,354**	200,443,843
Attributable to:		
Ordinary shareholders	**173,628,354**	187,068,843
Holders of perpetual capital securities	**13,375,000**	13,375,000
PROFIT FOR THE YEAR	**187,003,354**	200,443,843
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) may be reclassified to profit or loss in subsequent periods:		
Financial investments measured at fair value through other comprehensive income		
Changes in fair value	**(9,994,037)**	18,230,981
Reclassification adjustments on disposal included in the consolidated statement of profit or loss	**2,453,136**	8,169,919
Income tax effect	**85,261**	(4,232,767)
	(7,455,640)	22,168,133
Net finance expense from reinsurance contracts issued	**(22,293,659)**	(53,209,185)
Net finance income from retrocession contracts held	**6,102,922**	5,606,450
	(16,190,737)	(47,602,735)
Related income tax effect	**2,032,332**	2,608,538
	(14,158,405)	(44,994,197)

Consolidated statement of profit or loss and other comprehensive income (continued)

Year ended 31 December 2024

	2024 USD	2023 USD
Reclassification adjustment for an associate included in the consolidated statement of profit or loss	**425,490**	120,010
Exchange difference on translation of foreign operations	**(2,030,438)**	(3,743,842)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(23,218,993)**	(26,449,896)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**163,784,361**	173,993,947
Attributable to:		
Ordinary shareholders	**150,409,361**	160,618,947
Holders of perpetual capital securities	**13,375,000**	13,375,000
	163,784,361	173,993,947

Consolidated statement of financial position

Year ended 31 December 2024

	2024 USD	2023 USD
ASSETS		
Intangible assets	**2,903,951**	3,971,546
Right-of-use assets	**8,115,570**	10,556,242
Goodwill	**357,250**	357,250
Property and equipment	**3,747,540**	4,924,581
Investment in associates	**14,684,095**	27,952,304
Investment in joint ventures	**41,606,246**	60,609,262
Reinsurance contract assets	**123,076,229**	126,703,381
Retrocession contract assets	**261,164,457**	383,032,367
Financial investments:		
At fair value through other comprehensive income	**1,663,361,849**	1,650,881,075
At fair value through profit or loss	**1,016,593,549**	762,405,623
At amortised cost	**10,000,000**	–
Loan to an associate	**–**	10,000,000
Prepayments, deposits and other receivables	**38,096,513**	55,336,280
Amount due from immediate holding company	**6,069,646**	6,095,902
Deferred tax assets	**–**	11,899,261
Cash and cash equivalents	**583,039,114**	616,042,371
TOTAL ASSETS	**3,772,816,009**	3,730,767,445
LIABILITIES		
Reinsurance contracts liabilities	**2,260,422,541**	2,342,037,622
Retrocession contract liabilities	**31,694,136**	41,567,209
Other payables and accrued liabilities	**35,129,053**	53,363,761
Lease liabilities	**9,975,193**	11,411,289
Current tax payables	**364,147**	47,368
Deferred tax liabilities	**2,481,382**	–
TOTAL LIABILITIES	**2,340,066,452**	2,448,427,249
NET ASSETS	**1,432,749,557**	1,282,340,196
EQUITY		
Share capital	**786,720,714**	786,720,714
Reserves	**395,271,721**	244,862,360
Total shareholders' fund	**1,181,992,435**	1,031,583,074
Perpetual capital securities	**250,757,122**	250,757,122
TOTAL EQUITY	**1,432,749,557**	1,282,340,196

Consolidated statement of cash flows

Year ended 31 December 2024

	2024 USD	2023 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**203,818,370**	207,926,446
Adjustments for:		
Depreciation of property and equipment	**1,274,643**	1,233,693
Amortisation of intangible assets	**1,183,512**	1,126,510
Depreciation of right-of-use assets	**2,523,913**	2,450,465
Share of loss of associates	**5,264,650**	30,988
Share of profit of joint ventures	**(1,703,819)**	(828,184)
Interest income	**(90,456,121)**	(73,304,709)
Finance costs	**963,467**	2,444,084
Other expense	**–**	926,221
Dividend income from investments in securities	**(38,357,587)**	(31,968,204)
Fair value gain on investments at fair value through profit or loss	**(39,953,105)**	(136,936,836)
Loss on disposal of investments at fair value through profit or loss	**24,538,284**	124,029,928
Loss on disposal of investments at fair value through other comprehensive income	**2,008,347**	8,640,916
Reversal of impairment loss on financial assets	**(155,289)**	(230,166)
Foreign exchange loss on the return of capital from a joint venture	**2,743,370**	–
Deemed disposal losses from investment in associates	**425,490**	2,888,860
Impairment loss on investment in an associate	**–**	23,690,000
Change in net reinsurance/retrocession contracts	**56,588,619**	(33,603,147)
Change in amount due from ultimate holding company	**26,256**	(2,120,051)
Change in prepayments, deposits and other receivables	**(4,608,639)**	(36,728,465)
Change in other payables and accrued liabilities	**2,117,519**	1,288,208
Cash flows from operations	**128,241,880**	60,956,557
Finance costs of lease payments	**(686,141)**	(755,132)
Tax refunded	**–**	6,180,482
Net cash flows generated from operating activities	**127,555,739**	66,381,907

Consolidated statement of cash flows (continued)

Year ended 31 December 2024

	2024 USD	2023 USD
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property and equipment	**(97,602)**	(557,256)
Purchase of items of intangible assets	**(115,917)**	(505,363)
Interest received	**87,403,690**	67,453,356
Change in cash collaterals	**(27,007,530)**	(112,001,413)
Dividends received from investments in securities	**37,943,251**	32,416,567
Dividends received from joint ventures	**13,914,976**	4,019,329
Return of capital from a joint venture	**2,018,051**	–
Purchases of investments at fair value through other comprehensive income	**(1,046,915,017)**	(1,298,252,201)
Purchases of investments at fair value through profit or loss	**(461,388,048)**	(209,941,145)
Proceeds from disposal of investments at fair value through other comprehensive income	**1,040,678,174**	626,905,327
Proceeds from disposal of investments at fair value through profit or loss	**212,376,386**	740,014,520
Net cash flows used in investing activities	**(141,189,586)**	(150,448,279)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(277,326)**	(1,688,952)
Distribution for perpetual capital securities	**(13,375,000)**	(13,375,000)
Principal portion of lease payments	**(1,519,337)**	(1,371,597)
Net settlement from repurchase agreement	**(20,352,227)**	(1,453,480)
Net cash flows used in financing activities	**(35,523,890)**	(17,889,029)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(49,157,737)**	(101,955,401)
Cash and cash equivalents at beginning of year	**442,761,809**	543,341,676
Net decrease in cash and cash equivalents	**(49,157,737)**	(101,955,401)
Effect of foreign exchange rate change	**(10,853,050)**	1,375,534
Cash and cash equivalents at end of year	**382,751,022**	442,761,809
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents and cash collaterals	**583,039,114**	616,042,371
Cash collaterals	**(200,288,092)**	(173,280,562)
Cash and cash equivalents	**382,751,022**	442,761,809

Consumer Survey

Asia's demographic burden – care for the elderly

According to the Asian Development Bank, the number of people aged 60 and above in emerging Asia will nearly double to 1.2 billion by 2050, accounting for a quarter of the region's total population.[1] This growth reflects, in part, the region's remarkable economic success in recent decades, as well as advances in medicine and the increasing availability of quality healthcare.

But emerging Asia is not fully prepared to address the challenges posed by an aging population. Many markets are struggling with poverty among the elderly, insufficient pension provision, and rising healthcare costs. In particular, there is rapidly growing demand for old-age care.

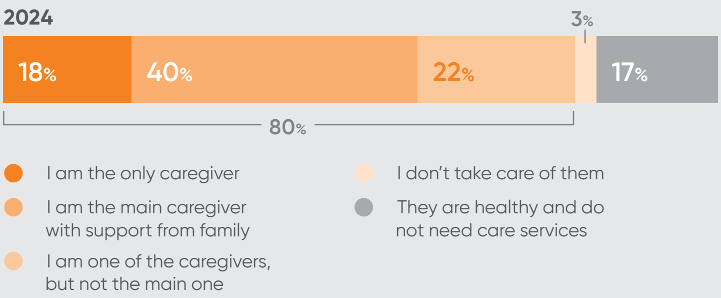
In 2024, Peak Re commissioned a study to investigate the old-age care needs of the middle class in emerging Asia.[2] The findings shed light on the needs of this important consumer segment and attitudes towards elderly care, both for the respondents and their parents. By presenting these findings, we hope that the insurance industry can provide better support and solutions to address the issues related to caring for the elderly in Asia.

To read the full survey report, please click or scan the QR code

#1 The importance of family support in old-age care

Approximately 80% of respondents consider themselves to be caregivers in some capacity, despite only around 40% living with their parents. The proportion of caregivers varies slightly across markets, with India having the highest at 90%, and Malaysia and the Philippines having the lowest at 71%. This highlights the prevalence of caregiving among Asian households and underscores the importance of family in elderly care.

Exhibit 1: Respondents' involvement in caregiving



1. Aging Well in Asia, Asian Development Policy Report, May 2024, Asia Development Bank
2. Emerging Asia Middle-Class Consumer Survey 2024, Peak Re. The study covered over 7,000 middle-class consumers from China, India, Indonesia, Malaysia, the Philippines and Vietnam

#2 Self-responsibility and self-reliance in old-age care

Another key observation is that respondents firmly believe in taking personal responsibility for their own old-age care, as well as for their parents. They heavily depend on their savings and financial resources to meet future needs.

On average, 68% of respondents agreed that it is their responsibility to take care of their parents' elderly care needs. This attitude is most prevalent in Indonesia (76%) and lowest in Malaysia (56%). Correspondingly, respondents have low expectations that governments will step in to help. This is particularly the case in Malaysia and the Philippines.

When it comes to funding elderly care, respondents generally rely on their savings and investment (49%), insurance (28%), and family support (14%). The expectations for financial support from the government support is low.

Exhibit 2: Views of middle-class Asians on old-age care

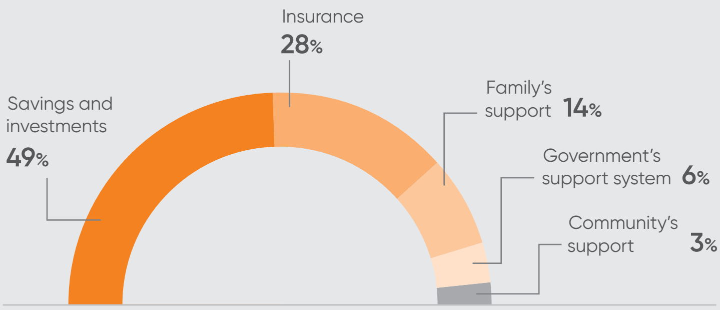
68%

It is my responsibility, more than that of any other family members, to take care of my parents when they get old and cannot look after themselves.

22%

I trust the government will help to take care of my (or my parents') old age care needs.

Exhibit 3: Expected source of funding for old-age care



#3 Consumers are looking for more options for old-age care support

Given the prevalence of middle-class consumers acting as caregivers for their family members, it is not surprising that many have researched old-age care supports and options. The most popular channels are online research (36%), discussions with family members or friends (35%), and seeking advice from insurance agents (28%). This level of trust in insurance could be leveraged to explore additional supportive services and solutions.

At the same time, respondents are showing interest in various risk reduction services that can help them better manage the risk of old-age care for the respondents and their parents. For example, wellness programmes specifically designed for the elderly received a 42% endorsement from respondents.

As Asia's population grows older, stakeholders will need to work closely together to understand the needs and requirements of the burgeoning elderly population. Insurance can play a pivotal role in supporting elderly care by better incorporating consumer preferences, leveraging technological advances in risk reduction services, and offering a holistic approach that considers the needs of both the elderly and their caregivers.

Exhibit 4: Research on old-age care supports and options

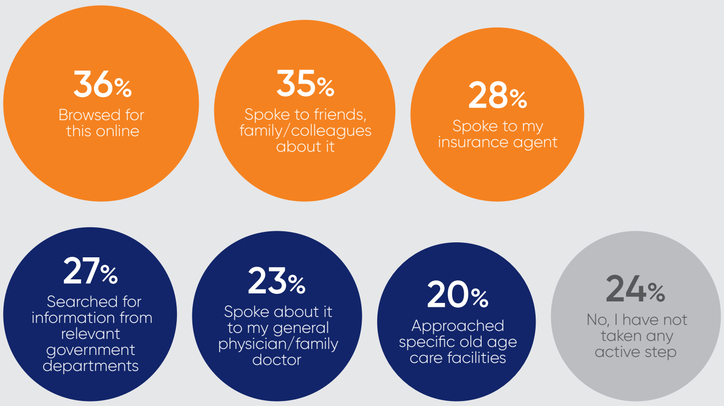


Exhibit 5: Interest in old-age risk reduction services

33%

Early-on long-term care planning and education.

33%

Telemedicine and virtual health services to reduce traveling and increase frequency of consultation.

33%

Fall prevention and home safety assessments.

42%

Wellness programme specifically designed for the elderly – to reduce chronic/acute disease risks.

Property & Casualty

P&C reinsurance in 2024: Navigating market shifts

Discipline maintained

In 2024, the global reinsurance industry experienced a pivotal shift, driven by evolving capital and capacity dynamics. Reinsurance capital rebounded to a record high, despite enduring substantial natural catastrophe losses largely due to secondary perils – testimony to a persistent trend. However, these losses did not hinder the pronounced recovery of dedicated reinsurance capital.

The underlying reason is structural. In 2024, global property catastrophe rate-on-line plateaued at around 190%, reflecting a 90-point increase over 24 years from its base of 100 in 2000.[1] While rates began to decline gradually entering 2025, pricing remained attractive. More importantly, the tightening of terms and conditions which began in 2022 persisted – in particular, there was a focus on the upper layers of excess-of-loss programmes and a shift from proportional and often aggregate structures to non-proportional covers. This reflects the market's willingness to expand in response to rising risks while maintaining discipline.

In 2024 our industry faced a loss burden from natural catastrophes of more than USD150 billion, which is 27% above the 10-year average. Primary as well as secondary perils caused the losses. In Asia-Pacific, major events included the Noto Peninsula earthquake (USD2 billion), Typhoon Yagi (USD1 billion), and the Hualien earthquake (USD1 billion). Additional losses arose from the Hyogo hailstorm (USD935 million) and summer monsoon floods in China (USD930 million). The capital positions of reinsurers remained strong, driven by rising reinsurance demand, disciplined underwriting, and retained earnings, dedicated reinsurance capital grew by nearly 7% in 2024, reaching USD607 billion. Both traditional and alternative capital contributed equally to this increase.[2]

A stronger and more resilient portfolio

Against this backdrop, Peak Re's Property & Casualty ("P&C") portfolio delivered a strong performance as of 31 December 2024. Gross written premiums ("GWP") remained stable at USD1.36 billion.[3] Reinsurance

Chiang Rai flood aftermath, Typhoon Yagi, September 2024

revenues declined by 27% to USD1.06 billion, from USD1.46 billion in 2023. The combined ratio for the P&C book improved to 84.0%, from 87.3% in 2023.

All major business lines and regions contributed to Peak Re's success. Strengthening existing client relationships, diversifying into new business lines, and expanding the portfolio with new cedants remained key priorities. As expected, we maintained rigorous underwriting discipline, while not compromising on margins. Furthermore, exposures were actively adjusted to mitigate frequency losses, with a strategic emphasis on the middle and upper layers of reinsurance programmes. To reduce volatility, we continued to diversify into non-property lines of business, including casualty, personal accident, marine, and specialty lines such as cyber, as well as credit and surety.

We remain committed to sustainably expand our P&C book. The property reinsurance business saw robust growth in 2024, rising by 6% from USD376 million in 2023 to USD398 million in 2024 (in GWP terms), accounting for 29% of the overall P&C portfolio (excluding short-term health). Our casualty reinsurance book, mostly SME risks in the US, accounts for 30% of our P&C written premium on an underwriting year basis.[4] Also in the US, cyber reinsurance expanded significantly, and we see substantial opportunities in other advanced markets like the EU and Japan. Peak Re also expanded in motor reinsurance in the UK, which is now among our top five P&C markets.

In the natural catastrophe business, there is an emerging trend of increased losses from perils previously considered less costly. For example, Japanese hailstorms have caused severe losses over the past three years, with similar patterns observed in the EU. To support our clients and strengthen our prospective capabilities in this area, we invest in growing our own in-house expertise in modelling and analytics, while at the same time utilising vendor models and cooperating with academia to access a greater range of theoretical and practical knowledge.

1. Guy Carpenter Renewal Resource Center, January 1, 2025 Reinsurance Renewal
2. Ibid.
3. All figures presented in this section for the financial years 2023 and 2024 are based on IFRS 9 and IFRS 17, except for gross written premiums, which are based on IFRS 4 and provided for reference. P&C gross written premiums exclude short-term health business
4. For the underwriting year 2024

Peak Re's 2024 P&C portfolio excelled due to strong execution, diversification, disciplined underwriting, and effective risk management. While we prioritize profitable growth, our commitment to supporting clients remains the cornerstone of our future success.

Outlook 2025

A diverse picture emerged from the renewals in January 2025. With sufficient capital in the market, reinsurers were keen to deploy additional capacity, which led to the frequent oversubscription of insurers' reinsurance programmes. But at the same time, discipline on terms and conditions was maintained, despite reinsurers showing flexibility towards rates.

For loss-free programmes, we saw some rate reductions, while loss-affected accounts faced moderate increases. Casualty rates varied across different segments, with financial lines and cyber facing more headwinds, while general liability risks with US exposure saw further favourable rate trends. Overall, reinsurance terms and conditions remained largely stable.

During the January 2025 renewals, Peak Re remained focused on profitability and risk diversification, aiming to build a resilient and well-diversified portfolio. For the remainder of 2025, we are well positioned to continue fortifying our market position to capture sustainable growth, with a sharp focus on supporting our existing clients and carefully selecting new partners. In property reinsurance, we aim to further refine our risk models, advance our analytics for secondary perils, and foster public-private collaborations.

With a balanced and diversified portfolio, we are keen to deepen client relationships and focus on strategic partnerships. With ambitions founded on disciplined underwriting, robust risk management and a commitment to long-term success, Peak Re is poised for further growth, both in 2025 and beyond.

From left to right: Mohit MEHRA, Tony FALSO, Coco FENG

Casualty

Peak Re's casualty book drives profitable growth

Peak Re's casualty reinsurance business recorded a strong performance on 31 December 2024, accounting for 30% of our P&C written premium on an underwriting year basis.[5] The business is well diversified both geographically and by business lines.

We pursue a clear strategic focus that differentiates us from mainstream reinsurers. Our focus is on specialty casualty markets with their unique risk and pricing characteristics.

In the US, for example, we write professional liability risks for small and medium-sized enterprises ("SME"), particularly general practitioners and law firms, where individual risk exposure is mostly limited to less than USD1 million, and we avoid large risks. We follow a similar strategy in reinsuring personal third-party motor liability, where limits are low and our exposure to the uncertainties of social inflation is contained. In the future, we expect to write more cyber risk, following the same approach, covering risks originating in the SME sector, where risk exposures can be monitored more easily.

> **Peak Re's strategic emphasis on casualty markets fuels profitable growth by setting us apart from competitors through a focus on SMEs, disciplined risk selection, and effective cycle management.**

Casualty rates globally showed mixed trends across different segments, with financial lines and cyber experiencing greater pressure, while general liability risks with US exposure continued to benefit from favourable rate movements. Overall, reinsurance terms and conditions remained mostly unchanged. A robust and conservative reserving policy for long-tail liability reinsurance, along with strict cycle management, will be essential to future success. We will continue to deploy capacity when conditions meet our expectations, while reducing shares when they do not.

Social inflation and market unpredictability remain the main challenges, driven by global interdependencies, climate change, and emerging risks – such as rising artificial intelligence – driven cyberattacks. For example, Asian exporters are increasingly exposed to the US liability regime through trade activities, including e-commerce. Although losses from natural catastrophes are typically covered in property insurance, liability claims may arise if, for instance, the local utility and power industry were found to have acted negligently, as could potentially happen in the case of the California wildfires.

Going forward we expect to grow our casualty and cyber book, particularly in the US. However, we also see ample opportunities in Asia, where penetration is still very low, while the understanding of risks and their liabilities – also among policymakers – is rising rapidly.

For further information on our cyber solution, please see pages 30-31.

5. For the underwriting year 2024

Cyber Insurance

Navigating a new cyber insurance market reality

Cyber insurance continues to be one of the fastest-growing subsectors in insurance, driven by growing demand and a broadening scope of risks. Advances in technology, such as artificial intelligence ("AI"), have led to cyberattacks growing in scale, utilising greater automation, and overall becoming more sophisticated. All this has a seismic impact on the cyber risk landscape.

The gap in cyber protection is significant. In 2024, global cybercrime costs were estimated to be USD9.5 trillion, up from USD3 trillion in 2015.[1] While cyber insurance has seen strong growth over the past few years, the market size is estimated to be still under USD20 billion, mainly concentrated in advanced markets.[2] Penetration remains low in most emerging markets, suggesting that there is ample room for expansion – especially in China and India.

The emerging trends reshaping cyber insurance

The first cyber insurance policy reportedly started in the 1990s, providing mainly third-party cover for online media and errors in data processing. Since then, the market has grown to include new forms of cyber liability and begun to include first-party coverage. More recently, cyberattacks have increased in their sophistication and systemic nature, posing new challenges to the cyber insurance markets. These include:

- **AI and machine learning:**

  Advanced technologies are being used to develop more adaptive malware, increasingly personalised phishing attacks, and AI-generated deepfakes for social engineering, disinformation campaigns, and impersonation.

- **Evolving ransomware:**

  Increasingly, ransomware is targeting critical infrastructure – such as energy, healthcare, government, and transportation – paralysing entire systems and supply chains. Another emerging threat is the lowering of the entry barrier for criminals with "ransomware service providers", which offer easy-to-use ransomware toolkits.[3]

- **Supply-chain and cloud security vulnerabilities:**

  Attackers target software vendors and suppliers, open-source code, or cloud services that can simultaneously compromise multiple organisations and systems.

Table 1: Recent major cyber incidents

Event	Date	Impact	Estimated Loss/Ransom
Snowflake Data Breach	Apr-Jul 2024	The attack allegedly compromised the data of 30 million customers, including account details, credit card numbers, and employee information.	Multiple lawsuits, reputational damage and cybersecurity investigation costs.
CrowdStrike Outage	Jul 2024	Roughly 8.5 million systems running on Microsoft Windows crashed, disrupting daily life, businesses, and governments around the world. Governmental and emergency services were affected, as were many industries – including airlines, banks, hotels, hospitals, manufacturing, and more.	The worldwide financial damage has been estimated to be at least USD10 billion.
CDK Global	Jun 2024	Impacted a wide range of entities in the automotive retail industry, including around 15,000 car dealerships, costing them more than USD1 billion collectively.	USD25 million (387 bitcoin) ransom is believed to have been paid.
Change Healthcare Ransomware Attack	Feb 2024	Disrupted insurance claim processes across the US, affecting patients and healthcare professionals. The system was disconnected from its parent group to contain the cyberattack, resulting in disruptions to insurance claim processes that affected patients and healthcare professionals across the US.	Estimated financial cost of about USD2.2 billion.
MGM Resorts Ransomware Attack	Sep 2024	Disruptions to MGM operations extending from 2023 to well into 2025.	MGM reported a loss of USD100 million from business disruption and USD45 million settlement against 14 class action lawsuits.

Source: News articles from CNN, Business Insider, CNBC and company disclosures

How is cyber insurance adapting to the evolving challenges? [4]

› **Focusing on risk prevention:**

Increasingly, the insurance industry is emphasising risk prevention, alongside risk transfer. Affirmative coverage risk mitigation strategies include making terms and conditions contingent on IT controls, such as multi-factor authentication[5], or requiring cyber security audits and certifications by credible third-party organisations. Telemetry-type continuous monitoring of cybersecurity controls or "cyber credit score" is also gaining traction. The rise of cyber resilience-as-a-service, which bundles cyber services – including threat monitoring and incident response with insurance – is positioning insurance as a competitive differentiator for companies, rather than a cost.

› **Improving cyber risk models:**

Limited historical loss data, rising tech complexities, difficulties in identification, and the stress testing of mass accumulation events have been a critical challenge to the industry. Recent innovations in AI-driven dynamic data monitoring and analytics for dynamic underwriting and pricing could help with the insurability of cyber risks. Insurers and reinsurers are increasingly making use of cyber models to manage exposure, particularly on aggregate risk accumulation. At the same time, data collaborations – such as the Cyber Industry Consortium ("CIC") which shares data on emerging threats (e.g. AI-generated deepfake scams) and collaborations with the IT industry, are being used to collectively refine industry-wide risk models.

› **Managing aggregate accumulation risks:**

To avoid crippling payouts from single-point-of-failure threats, insurers are redesigning policy underwriting with built-in safeguards such as capping payouts for high-risk triggers – such as state-sponsored attacks, war exclusion and critical infrastructure failure exclusions. A key risk management tool is the use of alternative capital to securitise the risk. Over the last two years there have been notable developments in the ILS of cyber risks through catastrophe bonds and industry loss warranties. While the current volume of these instruments is small compared to the total aggregate accumulation[6], the potential for growth is significant. The newer generation catastrophe bonds also aim to reduce correlation risks for investors by moving towards more differentiated coverage based on event type, geography and industry.

Summary

As cybercrime continues to evolve, cyber insurance is no longer a tick-box exercise for businesses but a commitment to robust cybersecurity, hygiene, and risk management. Cyber insurers are responding to this changing landscape by providing cyber resilience solutions beyond risk transfer. By blending AI-driven insights, ecosystem partnerships, enhanced modelling and innovative risk transfer mechanisms, the industry is undergoing a paradigm shift in the face of unprecedented challenges.

1. Top 10 Cybersecurity Predictions and Statistics for 2024, Cybercrime magazine, February 2024
2. For example, Fortune Business Insights estimated the market size at USD16.66 billion in 2023, while Swiss Re Institute said it would reach USD16.6 billion only in 2025
3. 10 Cyber Security Trends for 2025, SentinelOne, 30 January 2025
4. Expanding cyber insurance market demands ongoing capital investment | Peak Re, The Insurer, 20 October 2024
5. GIMAR 2023 Trends and key aspects of global cyber insurance market
6. In late 2023, four 144A cyber cat bonds provided USD415 million of new capital

Life & Health

Strong performance of Peak Re's Life and Health business

Life and Health ("L&H") reinsurance is a key pillar in Peak Re's growth and diversification strategy. Over the last five years, we have consistently developed the business through a strategic and measured approach, and we aim to continue this strategy into the future. We are concentrating on strengthening our presence in markets that fit our expertise, align with our mission to support the emerging middle classes, and demonstrate substantial growth potential – either due to demographics, regulations or currently low insurance penetration.

Life and Health reinsurance is a cornerstone of Peak Re's growth strategy. Over the past five years, we've expanded steadily and plan to continue this trajectory.

As of 31 December 2024, our L&H portfolio[1] stood at USD405 million in terms of gross written premiums ("GWP") and USD94 million in reinsurance revenues. This represents, respectively, a decrease of 7% and 2% from the previous year. As of financial year 2024, L&H reinsurance represented 23% of Peak Re's total business based on GWP, including short-term health.

The volatility of L&H premiums indicated that 2024 was a challenging year. In China, which is Peak Re's largest L&H market, consumer sentiment remained fragile due to softening economic growth. Nonetheless, short-term health insurance products continue to gain popularity, due to rising risk awareness among the middle-income class. In particular, demand grew for health insurance products that reimburse policyholders who require high-end medical diagnoses and treatment. We expect this trend of rising demand for commercial health insurance products to continue over the coming years.

Portfolio growth due to successful niche approach

Our L&H strategy targets China, India, Vietnam, Indonesia and the Middle East, employing a consistent approach across all these markets. We first plant a 'Peak Re seed' by hiring local experts with deep knowledge of the local L&H market and strong connections with potential clients. Combined with our agility, flexibility, and innovative approach, this allows us to provide tailored services while embedding our culture and way of thinking. We typically collaborate with our reinsurance clients to develop innovative niche products that are tailored to each market, rather than trying to compete for existing in-force business. These products may be offered as stand-alone items or as add-ons to existing ones. In China, we assisted our reinsurance clients in launching a juvenile critical illness product, a medical reimbursement product for hypertension, and a hospice care product. In Southeast Asia, our partnership with a local insurer resulted in the introduction of a substandard life insurance policy that rewards policyholders who monitor and manage their blood pressure with a higher sum insured.

Regulation – a key driver for health insurance in the Middle East

The Middle Eastern L&H reinsurance market remains highly competitive, with reinsurers prioritising top-line growth through aggressive pricing strategies. However, despite high inflation rates, the medical insurance sector was resilient. A notable opportunity emerged in the United Arab Emirates ("UAE") with the introduction of mandatory health insurance for all private sector employees and domestic workers, effective from the beginning of 2025. Additionally, a key market gap persists in the region: few employers extend group health insurance coverage to the dependents of their employees. This shortfall has increased reliance on individual health insurance, presenting further growth potential for Peak Re, as we see more healthy pricing in this segment than in the more competitive group business.

India to become another pillar

In India, we have observed more streamlining of the reinsurance market for mortality pricing towards reasonable and adequate rates, alongside reinsurers tightening their pricing and market consolidation. As a result, insurers have adjusted their pricing strategies, moving away from the pre-pandemic lows to a more disciplined approach that is focused on risk assessment and profitability.

Against the backdrop of improving economic growth, India's L&H reinsurance market presents substantial long-term opportunities. We entered the Indian L&H market in 2019 with the first term life treaty, seeing opportunities for further expansion in this business line. In addition, we look to replicate successful product innovations from other markets to India starting in 2025.

Southeast Asia still a slow burner

Peak Re has proactively positioned itself in Southeast Asia's L&H reinsurance markets, recognising the region's strong growth potential. However, the adoption of new products and risk solutions in these markets has been slower compared to other regions, leading to a lengthening of the development timeline.

Outlook 2025

L&H has become a key enabler of Peak Re's growth strategy. As a result, we remain committed to investing in this reinsurance business line, continuously strengthening our team with additional expertise in underwriting, market insights, and analytics. Moving forward, we will continue to leverage key growth drivers in emerging markets – such as regulatory developments, demographic shifts, and technological innovation.

1. Including short-term health

From left to right: Rachel BALL, Kumud BORDOLOI

Structured Solutions

Peak Re broadens its offering in structured solutions

In 2024, Peak Re expanded its Structured Solutions offering, establishing it as a stand-alone unit that serves both Life & Health ("L&H") and Property & Casualty ("P&C") clients. Ongoing changes to Asia's solvency regimes and economic environments, as well as increased awareness of cedants had led to rising demand for structured reinsurance solutions. Demand is now emerging not only from L&H but also P&C clients, who are seeking capital-efficient and customised solutions for risk and capital management needs.

The Structured Solutions team bridges the gap between traditional and structured reinsurance, expanding the strategic options for our clients.

The newly created unit complements Peak Re's traditional reinsurance offering by addressing specific challenges that our clients face. By capturing niche, non-systematic opportunities, the Structured Solutions team will drive transactional growth and expand our market reach, collaborating closely with cedants to enhance their awareness and understanding of structured solutions and their benefits.

Although competition in structured solutions continues to grow, Peak Re stands out with a unique combination of agility, technical expertise, deep local knowledge, and a client-centric approach. This distinctive combination gives us a competitive edge. This advantage is further enhanced by our ability to deliver integrated solutions combining traditional and structured reinsurance coverage powered by collaborative teamwork.

Chronic Diseases

Confronting the challenge of chronic diseases in Asia

Chronic diseases, also known as non-communicable diseases ("NCDs"), are a significant and growing health concern. The scope of NCDs is wide: ranging from cardiovascular diseases, such as heart attacks and strokes, to cancers, diabetes, chronic respiratory diseases and mental illness. Seventy-three percent of deaths from NCDs occur in low- and middle-income countries.[1]

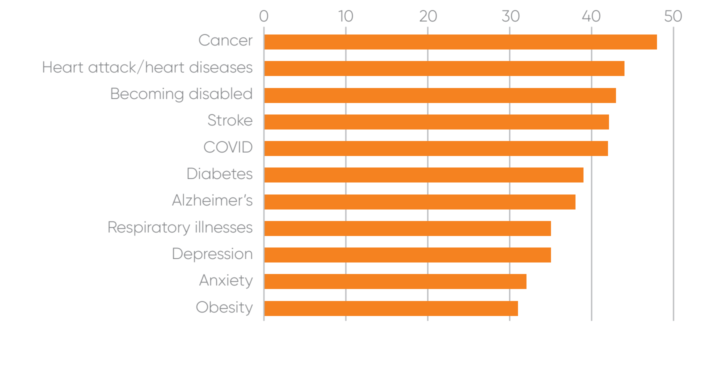
In Asia, countries like India and China have seen a rapid increase in diabetes cases due to urbanisation and changes in lifestyle. It is estimated that Asia is home to more than 60% of the world's people with diabetes.[2] Studies forecast that Asia's crude cardiovascular mortality will almost double by 2050, though there will remain significant differences across markets and sub-regions.[3]

Prevalence and impact

The increased prevalence of chronic diseases is placing immense pressure on national healthcare systems, which is reflected by rising healthcare costs and resource allocation challenges. Both factors are compounded by the region's rapidly ageing population. As people live longer, the likelihood of developing a chronic condition increases, which is further heightened by environmental risk factors – such as air pollution and the increased adoption of urban lifestyles. The ability of governments to fund healthcare sustainably is increasingly constrained by subdued economic growth and rising debt financing requirements.

The economic impact of chronic diseases extends beyond public finance. Chronic diseases can lead to loss of productivity and hinder economic growth, especially in low- and middle-income countries.[4] Individuals with chronic diseases often experience reduced quality of life due to long-term health complications and the need for ongoing medical care. In a consumer study conducted by Peak Re in 2022,

Exhibit 1:
Share of respondents concerned by each health condition



Source: Peak Re Asia Middle-Class Consumer Survey 2022

Asian consumers expressed the most concern about key NCDs like cancer, heart disease, stroke, diabetes, and Alzheimer's disease (see Exhibit 1).[5]

NCDs also threaten progress towards achieving the 2030 Agenda for Sustainable Development, including the ambition to reduce deaths from any of the four main NCDs among individuals aged 30 to 70 years by one-third by 2030.

Insurance and healthcare

Healthcare systems in Asia will need to adapt by strengthening their capacity in the management and prevention of chronic diseases. This includes improving primary care, enhancing patient self-management, integrating care approaches, and focusing on prevention, early detection, and effective disease management.

Medical advances can play an important role. For example, in recent years there have been significant improvements in the management of Alzheimer's disease. New drugs with recognised efficacy have entered the market, and there have been promising developments in early diagnosis. Through early detection, intervention, and treatment, it is possible to prevent and delay the onset and progression of dementia, thereby improving the quality of life for patients and their families.[6]

The insurance industry is an important partner in managing the growing burden of chronic diseases. While the core value of insurance in risk financing (reducing the risk of catastrophic out-of-pocket health expenses) is well documented, insurance can also be instrumental in encouraging better disease awareness, detection, management, and treatment.

Nevertheless, consumers with chronic diseases are also those most likely to face steep premium loadings to get covered or simply be rejected on the ground of pre-existing conditions.[7] Understanding the needs of this segment and innovating actuarial techniques to underwrite this segment will be increasingly important for insurance companies to capture emerging market opportunities and serve societal needs.

Conclusion

The prevalence and impact of chronic diseases in Asia are substantial and growing. Addressing this challenge requires a multifaceted approach involving healthcare system adaptation, policy changes, and public health initiatives. By focusing on prevention and management, Asia can mitigate the impact of chronic diseases and improve the quality of life for its population.

1. Noncommunicable diseases, key facts, 23 December 2024, the World Health Organization
2. Arun Nanditha, Ronald C.W. Ma, Ambady Ramachandran, et al. Diabetes in Asia and the Pacific: Implications for the Global Epidemic. *Diabetes Care* 1 March 2016; 39 (3): 472–485. https://doi.org/10.2337/dc15-1536
3. Goh RSJ, Chong B, Jayabaskaran J, et al. The burden of cardiovascular disease in Asia from 2025 to 2050: a forecast analysis for East Asia, South Asia, South-East Asia, Central Asia, and high-income Asia Pacific regions. Lancet Reg Health West Pac. 2024 Jul 10;49:101138
4. While a comprehensive overview of the economic cost of NCD is lacking, some studies show the cost to be substantial. For example, an article published in 2020 estimated total losses associated with NCDs over the period 2010-2030 to be USD7.7 trillion for China, USD3.5 trillion for Japan and USD1 trillion for South Korea. See David E. Bloom, Simiao Chen, Michael Kuhn, et al. The economic burden of chronic diseases: Estimates and projections for China, Japan, and South Korea, The Journal of the Economics of Ageing, Volume 17, 2020, 100163, ISSN 2212-828X, https://doi.org/10.1016/j.jeoa.2018.09.002
5. The sample covered 5,000 middle-class consumers from China, India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam
6. See A New Era of Hope in Alzheimer's Disease Treatment and Care and Implications for Life Insurance by Iris Li, 17 December 2024, Peak Re
7. See for example Nearly 54 Million Americans Have Pre-Existing Conditions That Would Make Them Uninsurable in the Individual Market without the ACA, 4 October 2019, KFF

<Re>defining

Leading with courage
to shape new pathways for sustained growth.

Horizons

Enterprise Risk Management

The Global Risk Report 2024, published by the World Economic Forum ("WEF") in January last year, cited misinformation and disinformation as the biggest short-term global risks. Extreme weather events were viewed as the second most pressing short-term and the greatest long-term concern. The threat of social polarisation, cybersecurity and interstate armed conflicts were also top of the list of short-term risks. This situation contrasts with earlier years where macroeconomic risks, for instance inflation and a potential for an economic downturn, ranked higher.[1]

The WEF's findings characterise well the risks that we were confronted with throughout 2024. As we have written in other sections of this Annual Report, rising geopolitical tensions, misinformation, and the rise in AI-driven cyberattacks present both risks and opportunities to Peak Re. Equally, 2024's high losses from natural catastrophes are another indication that climate change will continue to heighten the severity and frequency of extreme weather events.

Economically, we have seen a bifurcation, as emerging markets, particularly those in Asia, drove global growth, while mature economies, except for the US, had to contend with slow or no growth at all. Inflation, although declining, remained quite persistent, with increasing apprehension towards the end of 2024 that the new US administration could implement policies that reignite global inflation.

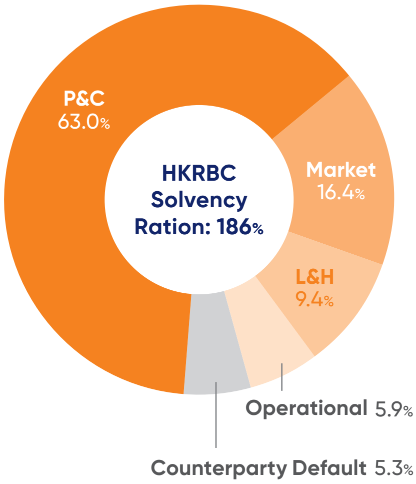
Peak Re's risk landscape in 2024

Against this backdrop, Peak Re's Enterprise Risk Management function follows the overall imperative to actively manage volatility risk – internally from an operational perspective and externally from an insurance and financial market viewpoint. In 2024, we foremost continued to control volatility on the liability side by lowering our relative exposure towards natural catastrophe events, while on the asset side, we slightly adjusted our stance by reducing cash holdings and investing into higher-yielding bonds.

These measures aligned well with the launch of the Risk-Based Capital ("RBC") regime by Hong Kong's Insurance Authority ("IA") in July 2024, which provides a far better view on capital requirements, utilisation, and allocation as we take on certain risks, both on the liability and the asset side of the balance sheet. As the standard formula prescribed by the RBC regulations is not sufficiently nuanced to accurately reflect all of our risks, we are therefore pleased to have received approval from the IA to use our own proprietary models to quantify our natural catastrophe exposure risk to windstorms, earthquakes as well as secondary perils such as floods. Under the new RBC calculation, our solvency ratio stood at 186% at year-end 2024. This level is reflective of and consistent with the thresholds articulated in our Internal Target Capital Framework. In 2024, Property & Casualty ("P&C") reinsurance accounted for the biggest share of RBC capital (63.0%), followed by market risk (16.4%) and Life & Health ("L&H") reinsurance (9.4%). Please see Figure 1 for details.

In recognition of Peak Re's "strong balance sheet strength, adequate operating performance, neutral business profile and appropriate enterprise risk management", AM Best reaffirmed Peak Re's Financial Strength

Figure 1: RBC ratio breakdown by risk types



Rating of A- in August 2024 and revised our outlooks to stable. This is a strong endorsement of the strong and effective ring-fencing measures that Peak Re has in place, as well as its robust fundamentals and agile risk management strategies.[2]

Peak Re undertook further measures to strengthen the risk management of its operations in 2024. In light of rising natural catastrophe risk, the Company invested in enhancing its modelling capabilities, access to data, talent, and research. The objective is to improve the insurability of natural catastrophe-related risks, particularly frequency risks – such as floods or hailstorms – and thus to support cedants even more vigorously going forward. As a further security measure, Peak Re established a distinct exposure management committee in 2024 to measure and steer our natural catastrophe exposure profile.

Peak Re regularly evaluates its vulnerability to compliance and operational risks and continues to run mandatory training modules for all employees to ensure ongoing compliance and enhance awareness on various topics, including anti-money laundering, sanctions, information security and cyber risk awareness, data privacy, code of conduct, and anti-bribery and anti-corruption. In 2024, we introduced an additional training module related to diversity, equity and inclusion.

2025 Outlook

Looking forward, we expect the 2025 risk landscape to be largely similar to that of 2024. It remains the task of our Enterprise Risk Management team to prepare Peak Re for these risks, ensure a measured risk appetite that is commensurate with our business objectives, and provide a secure environment for risks that our clients cede to Peak Re.

On the regulatory front, we welcome the opportunity to work with regulators as we see new Peak Re operations go live, such as the launch of our India branch in GIFT City. Closer to home, we expect two key topics, cybersecurity and public disclosure, to dominate the regulatory agenda in 2025.

Cybersecurity

The IA issued its Guideline on Cybersecurity ("GL20") in early 2025. GL20 sets out the minimum standards for cybersecurity that insurers are expected to have in place, along with general guiding principles that our home regulator uses to assess the effectiveness of an insurer's cybersecurity framework. The new guideline outlines a Cyber Resilience Assessment Framework ("CRAF"), which will require Peak Re and other insurers and reinsurers to conduct an Inherent Risk Assessment and a Cybersecurity Maturity Assessment to evaluate their cybersecurity posture. Peak Re will leverage both internal and external resources to benchmark ourselves against industry best practices and to ensure a robust cybersecurity posture by enhancing the Company's resilience and transparency in managing cyber threats.

Public disclosure

As noted above, we are pleased to see the launch of the new Hong Kong RBC regime in July 2024. In August 2025, we plan to release more details on our solvency capital profile in accordance with IA's scheduled launch of the RBC Pillar 3 public disclosure requirements. The IA aims to enhance transparency and accountability within the Hong Kong insurance sector, and we will strive to improve our own disclosure and transparency accordingly.

Enterprise risk management governance

In Peak Re, we pursue Enterprise Risk Management built on a robust three-lines-of-defence model. Our risk appetite outlines the types of risks we take to achieve our goals. Corresponding risk tolerances are set, quantifying appetite as key risk indicators and translating them into risk limits for daily decisions. Compliance and Risk functions provide independent oversight of risk, which is validated by internal audit, ensuring robust oversight of all risk-taking and management activities. Please see Figure 2 for details.

We have established a robust governance system that aligns with the applicable laws and regulations, adheres to international best practices, and is tailored to the nature, scale, and complexities of our business risks.

Board oversight

Our governance structure defines the responsibilities and authorities of the Board and its committees, which are ultimately accountable for the Company's risk management oversight. Jointly with the Executive Committee, the Board of Directors sets the tone and fosters a compliant risk culture, while the Chief Risk Officer is responsible for the ongoing evaluation and management of the organisation's risks and for overseeing its risk culture.

Figure 2: Enterprise risk management governance system

1. World Economic Forum (WEF), Global Risk Report 2024, 10 January 2024
2. AM Best, AM Best Reaffirms Peak Re's Financial Strength Rating of A- and Revises the Rating Outlooks to Stable from Negative, 29 August 2024

Tropical Cyclone

Rising risk exposures in the Greater Bay Area

Tropical cyclones ("TC") pose a significant risk to emerging economies in Asia, particularly in coastal areas characterised by rapid urbanisation in recent decades. The impact of Typhoon Yagi in 2024 serves as a stark reminder of this reality. Devastating coastal regions stretching from the Philippines to South China and Southeast Asia, Typhoon Yagi caused extensive damage to infrastructure and resulted in significant economic losses. In China's Hainan Province, losses were estimated at nearly CNY80 billion (USD11 billion).[1]

The Greater Bay Area ("GBA"), comprising nine municipalities in Guangdong Province and the two Special Administrative Regions of Hong Kong and Macau, is one of the largest bay areas in the world. With a total population of over 86 million and a GDP exceeding CNY14 trillion (2023),[2] the GBA is one of the most dynamic and significant economic zones in the world. However, it is also vulnerable to natural catastrophes, including tropical cyclones, flooding, rising sea levels, and other extreme weather events such as heatwaves.

The Intergovernmental Panel on Climate Change (IPCC) analysis suggests a likely increase in the global proportion of major TCs (Category 3–5) over the past four decades.[3] Additionally, there are likely changes in the latitude at which TCs reach their peak intensity. TCs in the Western North Pacific for example, are reaching their peak intensity at more northward position than in the past.

These trends underscore the urgency of understanding and managing TC risks in the GBA. A more detailed examination and granular assessment of key exposures is essential for effective risk management – particularly the trends relating to the intensity and frequency of TCs in the GBA area.

Mixed results from current climate projection models

To better gauge the impact of climate change on TC activities over the GBA, we analysed 11 high-resolution climate models from five modelling groups. These models simulate CO2 emissions conforming to the future emissions scenario SSP5-8.5, covering the period from 2015 to 2050.[4]

The results are mixed. Among the 11 models, six projects a decrease in TC activities impacting the GBA, four indicate an increase, and one shows no change. The estimated range in the frequency change of TCs impacting the GBA is -12% ± 27%. Currently, all model simulations are inconclusive regarding the trend in TC intensity.

These findings highlight the limitations of our current climate modelling capabilities in delivering actionable insights into projected trends of TC instances, both in terms of frequency and intensity. Overcoming these limitations will be instrumental in supporting better climate risk management.

- First, despite progress in understanding tropical cyclone physics, significant gaps remain – particularly in the ocean-atmosphere interactions during TC development. Additionally, more research is needed to understand and pinpoint the impact of natural variability and human activities on TCs, and to better elucidate the unresolved mechanisms related to TC intensification and extra-tropical transition.
- Second, there are lingering limitations in model resolution. Most global climate models use coarse grids (>50 km), while intense storms need 25 km or smaller for a model to be accurate. This reflects a lack of computational resources and capacity that prevents running high-resolution simulations for extended periods. Additionally, there are challenges in adequately filling in the physics parameters at high resolutions.
- Lastly, significant uncertainties over future emissions add another layer of uncertainty to the projections of TC activity.

Conclusions

As the GBA continues its rapid expansion, asset values and risk accumulation are set to increase further. To better manage climate risks, particularly those related to TCs, more efforts in climate research and modelling are needed to draw actionable insights for the industry. Recent breakthroughs in climate research have been marked by the emergence of multiple AI climate models. Some of these models have demonstrated superior accuracy to traditional numeric weather forecast models in near-term and sub-seasonal forecasts. The rapid maturation of AI technology holds promising potential for driving climate research to benefit the insurance industry and societies at large.

The future pathway should involve leveraging research, technology, and diverse data sources to support the needs of climate risk management. Integrating these elements will allow the insurance industry to develop more reliable and actionable insights to better manage and mitigate climate-related risks.

1. Post-event report: 2024 Western North Pacific Typhoon 11 Yagiv, Guy Carpenter
2. Overview of the Greater Bay Area, Constitutional and Mainland Affairs Bureau, Hong Kong Government
3. Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, IPCC, 2021
4. The SSP5-8.5 scenario is one of the Shared Socioeconomic Pathways ("SSPs") used in climate modelling to project future climate conditions based on different socioeconomic trends. This scenario assumes minimal efforts towards decarbonisation and a largely continuation of current high-emission trends, thus often considered a worst-case scenario

Sustainability

Peak Re has a deep commitment to sustainability. We actively work to bridge protection gaps and manage risks, including those linked to climate change. Furthermore, we foster a supportive and diverse company culture, where personal development, employee well-being and health, and low-carbon-footprint workspaces are seen as vital for sustainable growth. Our employees also regularly take part in activities to enhance their awareness of sustainability issues and support their local communities.

Sustainability in our business strategies and processes

› Joining hands with industry peers

Peak Re has been a signatory to the UNEP FI[1] Principles for Sustainable Insurance since the company was launched in 2012. The principles serve as a global framework for the insurance industry to address ESG risks and opportunities.

Peak Re is also one of the inaugural signatories to the Hong Kong Insurance Industry Climate Charter ("Climate Charter"). This Climate Charter demonstrates commitment to Hong Kong's Climate Action Plan 2050 and the Paris Agreement goals. Signatories integrate sustainability into business operations, investments, underwriting and product design, and support this by setting emission targets and measuring and reporting progress.

UNEP FINANCE INITIATIVE

PSI Principles for Sustainable Insurance

保險業氣候約章 Insurance Industry Climate Charter

Peak Re is among the 33 inaugural signatories of the Climate Charter

› Strategic priorities for sustainability

In 2024, we conducted a double materiality assessment as part of our internal strategic review to better integrate ESG factors across operations and decision-making. The initial results provided valuable input for developing Peak Re's sustainability strategy and action plan for the coming years. We will continue refining our materiality approach in response to evolving ESG trends locally and globally.

› ESG governance and monitoring

Peak Re implements the International Finance Corporation's ("IFC") Performance Standards[2] by applying the social and environmental exclusion ("S&E exclusion") checklist in our investment and underwriting processes. The scope of the S&E exclusion is subject to review from time to time to reflect the latest developments in market practice.

To enhance our understanding and assessment of physical and transition risks from climate change, we subscribe to the MSCI ESG Research Database and continue to collect and monitor our key in-house ESG indicators.

As well as meeting regulatory and legal standards, and implementing the IFC's Performance Standards, we have incorporated additional environmental exclusions into our facultative reinsurance underwriting, including the new construction of coal power plants and coal mines, and new businesses directly involved in Arctic drilling or fuel extraction from tar sands.

Physical climate risk exposures are closely monitored using catastrophe models, as well as public and proprietary data sources. We continue to invest resources in enhancing the understanding of secondary perils and to better assess their financial consequences.

› Capacity building and stakeholder engagement

An internal, Board-level workshop was organised in 2024, during which an external sustainable finance expert was invited to share insights and ESG trends with our Board directors.

Our external-facing activities include the inaugural "Peak Re Forum 2024 - Sustainability in a Changing World", which was held on 23 September 2024 – an event that highlighted opportunities in Asia's dynamic economy. The event gathered more than 200 global participants to discuss climate risk, protection gaps and key insurance trends. It also featured insights from Peak Re's typhoon research on changing storm frequencies in the Greater Bay Area.

CEO Franz-Josef Hahn opening the Peak Re Forum 2024

1. United Nations Environment Programme Finance Initiative
2. IFC's Environmental and Social Performance Standards, International Finance Corporation, 2012

People-powered success: A culture of growth and inclusion

At Peak Re, people are the key to success. By the end of 2024, the team grew to 164 employees, from 135 in the previous year. The new hires that joined over the year further reinforced the Company's strong and inclusive workplace. Peak Re is committed to actively promoting diversity, learning, and the well-being of its staff while supporting business development. Structured training, coaching, and well-being programmes, along with clear career growth opportunities, have helped maintain a consistently low voluntary turnover rate.

Personal development

In 2024, we introduced a sponsorship programme providing financial assistance for courses that align to an individual's career aspirations. In addition, all employees have access to an online learning platform – which is regularly expanded and updated – enabling employees to enhance their skills at their own pace.

Peak Re office awarded LEED and WELL Certifications

Peak Re's Hong Kong office was awarded the Leadership in Energy and Environmental Design ("LEED") Gold standard and Platinum WELL Certification – both globally recognised standards that prioritise a sustainable, healthy workplace through factors like air quality, lighting, indoor plants, public transport access, and employee well-being initiatives. These achievements demonstrate Peak Re's efforts to provide a healthy working environment, reduce our carbon footprint and set a benchmark for workplace innovation.

Building awareness of sustainability issues and supporting local communities

CARBONCARE INNOLAB 低碳想創坊

Peak Re colleagues joined Mary Rose School students for a solar energy tour

Peak Re and CCIL hosted a sustainability hackathon on extreme heat for university students

CCIL partnership

As part of a strategic partnership with CarbonCare Innolab ("CCIL"), a Hong Kong based NGO, Peak Re employees participated in several events in 2024. These activities aimed to raise awareness of innovative climate solutions and empower participants to make a positive impact on their communities.

In May 2024, Peak Re, in partnership with CCIL, joined students from Hong Kong's Mary Rose School on an inspiring solar energy tour which included interactive climate change games. In October 2024, Peak Re partnered with CCIL and the Hong Kong University of Science and Technology ("HKUST") to organise a two-day sustainability hackathon.

› Diversity and inclusion

Diversity and inclusion are a significant source of corporate strength at Peak Re. We have a zero-tolerance policy against any form of discrimination or harassment. As of the end of 2024, our staff represented 21 nationalities and 44% of our leadership roles were held by women.

We have also included a mandatory compliance e-learning module on "Diversity, Equity and Inclusion" for all employees. On 8 March 2024, we celebrated International Women's Day, showing our appreciation of our talented colleagues. In October 2024, we hosted a mini fiesta to celebrate Global Diversity Awareness month and the amazing diversity of our team.

Celebrating Global Diversity Awareness month and enjoying culinary specialties from around the world

› Employee well-being

In November 2024, Peak Re organised a Wellness Month, during which colleagues could participate in a range of activities promoting health and wellness. These included a step challenge, an anti-ageing health talk and an eco-friendly Smoothie Bike Day.

We further introduced an employee assistance programme with professional resources to support the physical, mental and emotional well-being of employees facing personal or work-related challenges. Peak Re also enhanced its employee health benefits with expanded options relating to physical and mental wellness services and programmes.

Peak Re's Hong Kong and Zurich offices hosted health and wellness activities for the Wellness Month

› Peak Re engages with Hong Kong's cultural heritage through M+

As a corporate patron of M+, Asia's first global museum of contemporary visual culture, Peak Re supports the preservation of Hong Kong's cultural heritage while fostering artistic expression. Located in the West Kowloon Cultural District, M+ showcases diverse artwork and strengthens the city's position as a global cultural hub. This partnership reflects Peak Re's commitment to innovation, excellence, and community, highlighting the importance of uniting people through the arts and celebrating Hong Kong's rich cultural identity.

› Building resilience in rural communities

Peak Re continued its long-term commitment to farming families in Yongping, located in China's Yunnan province by buying, packaging and promoting the region's exceptional teas. By enabling new sales opportunities, this initiative helps to provide local communities with crucial income for household expenses, medical needs and education.

› Donating blood

Peak Re volunteers took part in a blood donation initiative in July 2024, in collaboration with the Hong Kong Red Cross Blood Transfusion Service. Aiming to promote a culture of care and responsibility, this initiative plays a crucial role in enhancing community resilience and well-being, aligning with our mission of sustainable impact.

Board of Directors

LI Tao

Chairman

Mr. LI Tao is Executive President of Fosun International, and Chairman and CEO of the Fosun Banking and Insurance Industrial Operation Committee. Prior to joining Fosun in 2017, Mr. LI held the role of Chief Financial Officer of China Taiping Insurance Group, as well as managing the company's corporate actuarial and investment teams and overseas insurance business. Mr. LI is a Member of the Association of Chartered Certified Accountants ("ACCA").

Franz-Josef HAHN

Vice Chairman | Chief Executive Officer

Mr. Franz-Josef HAHN has over 35 years of global reinsurance experience. Under his leadership, Peak Re has grown from a start-up into a global reinsurance company with a strong presence in Asia, Europe, and the Americas. Previously, he held senior roles at Swiss Re and Munich Re, shaping the Asia-Pacific reinsurance market. A qualified lawyer, Mr. Hahn is a member of the Geneva Association, the Hong Kong Academy of Finance, and the IIS Executive Council, embodying Peak Re's vision for a more resilient global insurance market.

Cathy CHEN

Executive Director | Chief Financial Officer

Ms. Cathy CHEN is the Chief Financial Officer of Peak Re, overseeing the Company's financial and operational management. Ms. CHEN has over 20 years of insurance and reinsurance accounting and financial experience, and has deep understanding of the related regulations. Prior to joining Peak Re, Ms. CHEN was Chief Representative of Lloyd's Beijing representative office and Chief Financial Officer of Swiss Re's China operations. Ms. CHEN is a Fellow of the Association of Chartered Certified Accountants ("ACCA").

WANG Qunbin (resigned in September 2024)

Non-Executive Director

Mr. WANG Qunbin was one of the founders of Fosun Group and was appointed as Co-Chairman in 2020. He was previously a director of Tangshan Yuyuan and Henan Lingrui Pharmaceutical Co., Ltd., and a Non-Executive Director of Peak Re from 2014 to 2020. Mr. WANG was the recipient of the Asia Pacific Outstanding Entrepreneur Awards by Enterprise Asia in 2016 and the Best Asian Corporate Director at the Asian Excellence Recognition Awards 2014 by Corporate Governance Asia.

Andrew ZEISSINK

Non-Executive Director

Mr. Andrew ZEISSINK has extensive Financial Institutions Group ("FIG") experience, serving clients across insurance, banking, asset management and securities services for over 25 years with a leading investment bank and an advisory firm in Asia. Mr. ZEISSINK joined Fosun in 2019 and currently serves as Senior Assistant President of Fosun and Executive President of Fosun Insurance. Prior to joining Fosun, Mr. ZEISSINK was Vice Chairman of Global Banking and Chairman of FIG Advisory Asia Pacific at HSBC. He began his career with PricewaterhouseCoopers and is a Chartered Accountant.

OUYANG Hui

Independent Non-Executive Director

Dr. OUYANG Hui is the Dean's Distinguished Chair Professor of Finance and a Senior Associate Dean at the Cheung Kong Graduate School of Business ("CKGSB"). Before joining CKGSB, he served as a Managing Director at UBS, where he headed Quantitative Solutions/Algo Strategies for Asia Pacific. Dr. OUYANG holds a Ph.D. in Finance from UC Berkeley, a Ph.D. in Chemical Physics from Tulane University and held a postdoctoral position in Chemical Physics at the California Institute of Technology, working under Nobel laureate Rudy Marcus.

FENG Xueyin (appointed in September 2024)

Non-Executive Director

Mr. FENG Xueyin has over 20 years of insurance industry experience in actuarial, underwriting, operations and strategic planning. He is currently the Chief Operating Officer of Fosun's Banking and Insurance Business Group. Before joining Fosun in 2022, he was with China Taiping General Insurance for 12 years, most recently as its Assistant General Manager and Chief Actuary, and with AIG China and China Ping An Property & Casualty. Mr. Feng is a Fellow of the Institute and Faculty of Actuaries (UK).

Raymond TAM

Independent Non-Executive Director

Mr. Raymond TAM is a seasoned insurance and pensions regulator. He most recently served as Executive Director, Policy, and Development at the Insurance Authority of Hong Kong ("IA"). Previous roles include Assistant Commissioner of Insurance and Assistant Director of the Mandatory Provident Fund Office. Mr. TAM has additionally held senior positions in international insurance companies and actuarial consultancies. Mr. TAM was named Actuary of the Year 2022 by China Business Network and is a Fellow of the Society of Actuaries.

Monish Kant DUTT

Independent Non-Executive Director

Mr. Monish Kant DUTT is a seasoned investment professional and consultant on emerging markets, and serves as a director on three other boards in the Caribbean. Mr. DUTT spent 25 years with the International Finance Corporation ("IFC"), where he last served as Chief Credit Officer for Global Financial Institutions and Private Equity Funds. Mr. DUTT is a Chartered Accountant, Fellow of the Institute of Chartered Accountants in England and Wales, and holds an MBA from the London Business School.

From left to right:
David MENEZES — Chief Risk Officer
Franz-Josef HAHN — Chief Executive Officer
Cathy CHEN — Chief Financial Officer
Piotr NOWAKOWSKI — Chief Underwriting Officer, P&C

Executive Committee

Franz-Josef HAHN

Chief Executive Officer

Mr. Franz-Josef HAHN is the co-founder and Chief Executive Officer of Peak Re. Under his visionary leadership, Peak Re has rapidly transformed from a start-up into a global reinsurance company with a strong presence across Asia, Europe, and the Americas. With over 35 years of experience in the reinsurance industry, Mr. HAHN has been instrumental in shaping the Asia-Pacific reinsurance market. He has held senior leadership roles at globally renowned companies, including Swiss Re and Munich Re, and brings extensive expertise as a strategic advisor in the global insurance and reinsurance sectors.

Mr. HAHN is a member of the Geneva Association and the Hong Kong Academy of Finance. He also serves on the Executive Council of the International Insurance Society (IIS) and is a qualified lawyer. His leadership embodies Peak Re's courage and unwavering commitment to building a more resilient future for the global insurance market.

Cathy CHEN

Chief Financial Officer

Ms. Cathy CHEN is the Chief Financial Officer of Peak Re, overseeing the Company's financial and operational management. She has over 20 years of insurance and reinsurance accounting and financial experience, and has deep understanding of the related regulations. Prior to joining Peak Re, Ms. CHEN was Chief Representative of Lloyd's Beijing representative office and Chief Financial Officer of Swiss Re's China operations. Ms. CHEN is a Fellow of the Association of Chartered Certified Accountants ("ACCA").

Piotr NOWAKOWSKI

Chief Underwriting Officer, P&C

Mr. Piotr NOWAKOWSKI is Chief Underwriting Officer of Peak Re. Mr. NOWAKOWSKI has 30 years of experience in the global reinsurance industry. He joined Peak Re in 2022 from Echo Re, where he served as the Chief Underwriting Officer for nearly ten years. Prior to joining Echo Re, he worked for SCOR for close to 17 years in different local, regional and global positions, including nine years as General Manager of SCOR's Japan office in Tokyo. He was also Head of Strategy & Development and General Secretary of SCOR's Global P&C business in Paris.

David MENEZES

Chief Risk Officer

Mr. David MENEZES is Chief Risk Officer of Peak Re, overseeing the Company's risk management, compliance and legal functions. He joined Peak Re in 2016 and has over 18 years of experience in regional and international insurance and reinsurance, with roles spanning various actuarial, reserving and controlling functions. Mr. MENEZES is a Fellow of the Institute and Faculty of Actuaries and has advised industry working groups on the implementation of IFRS 17 and risk-based capital solvency standards.

Disclaimer

Credits

Published by:	Peak Reinsurance Company Limited
Content:	Faber Consulting AG
Editing:	Vermilion Asia
Design:	Sedgwick Richardson
Photography:	Cocoon Studio

PeakRe ›

Peak Reinsurance Company Limited
15/F, WKCDA Tower,
No. 8 Austin Road West,
West Kowloon Cultural District,
Kowloon, Hong Kong
T: +852 3509 6666
E: info@peak-re.com

Peak Reinsurance AG
Fortunagasse 28, 3rd Floor,
8001 Zürich,
Switzerland
T: +41 (0) 43 819 20 60
E: info@peak-re.com

www.peak-re.com

Peak-Re

Published by Peak Reinsurance Company Limited