



# Partner Reinsurance Europe SE

Reports and Financial Statements  
For the financial year ended 31 December 2024



**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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| <b>CONTENTS</b>                                           | <b>PAGE</b> |
|-----------------------------------------------------------|-------------|
| DIRECTORS AND OTHER INFORMATION                           | 2           |
| DIRECTORS' REPORT                                         | 3           |
| INDEPENDENT AUDITORS' REPORT                              | 9           |
| PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT - REINSURANCE | 16          |
| PROFIT AND LOSS ACCOUNT - NON TECHNICAL ACCOUNT           | 17          |
| STATEMENT OF COMPREHENSIVE INCOME                         | 18          |
| BALANCE SHEET                                             | 19          |
| STATEMENT OF CHANGES IN EQUITY                            | 21          |
| NOTES TO THE FINANCIAL STATEMENTS                         | 22          |

**DIRECTORS AND OTHER INFORMATION**

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|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS</b>                 | Kevin O'Regan (Chairperson)<br>Dermot Browne (Independent Non-Executive Director)<br>Seamus Hughes (Independent Non-Executive Director)<br>Niamh Jennings<br>Abina Kealy (resigned 16 April 2024)<br>Ton van der Minnen (Dutch)<br>Christian Mitterer (Italian) |                                                                                                               |
| <b>SECRETARY</b>                 | Emily Chambers                                                                                                                                                                                                                                                  |                                                                                                               |
| <b>REGISTERED OFFICE</b>         | 3rd Floor, The Exchange<br>George's Dock<br>IFSC<br>Dublin 1<br>Ireland                                                                                                                                                                                         |                                                                                                               |
| <b>AUDITOR</b>                   | PricewaterhouseCoopers<br>Chartered Accountants & Statutory Audit Firm<br>One Spencer Dock<br>North Wall Quay<br>Dublin 1<br>Ireland                                                                                                                            |                                                                                                               |
| <b>BANKERS</b>                   | HSBC Continental Europe<br>1 Grand Canal Square<br>Grand Canal Harbour<br>D02 P820<br>Ireland                                                                                                                                                                   | HSBC Continental Europe<br>38 Avenue Kleber<br>75116 Paris<br>France                                          |
|                                  | UBS Switzerland AG<br>Paradeplatz 8<br>8070 Zurich<br>Switzerland                                                                                                                                                                                               | Citibank NA, Hong Kong<br>Citi Tower, One Bay East<br>83 Hoi Bun Road, Kwun Tong, Kowloon<br>Hong Kong        |
|                                  | Bank Mendes Gans N.V.<br>Herengracht 619, Amsterdam<br>Netherlands                                                                                                                                                                                              | HSBC, Hong Kong<br>1 Queen's Road Central, Central<br>Hong Kong                                               |
| <b>INVESTMENT CUSTODIAN</b>      | JPMorgan Chase Bank N.A.<br>1 Chase Manhattan Plaza<br>New York NY 10005-1489<br>USA                                                                                                                                                                            | The Bank of New York Mellon<br>BNY Mellon Corporate Trust<br>500 Ross Street, 12th Floor<br>Pittsburgh<br>USA |
|                                  | HSBC Continental Europe<br>1 Grand Canal Square<br>Grand Canal Harbour<br>D02 P820<br>Ireland                                                                                                                                                                   |                                                                                                               |
| <b>SOLICITOR</b>                 | Matheson<br>70 Sir John Rogerson's Quay<br>Dublin 2<br>Ireland                                                                                                                                                                                                  |                                                                                                               |
| <b>REGISTERED COMPANY NUMBER</b> | 395190                                                                                                                                                                                                                                                          |                                                                                                               |

### DIRECTORS' REPORT

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The Directors submit their annual report, together with the audited financial statements, for the financial year ended 31 December 2024. The Directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

#### PRINCIPAL ACTIVITIES

Partner Reinsurance Europe SE (the Company) is a Societas Europaea registered and domiciled in Ireland.

The immediate parent company is PartnerRe Holdings Europe Limited ("PRHEL"), a company incorporated in Ireland.

The Company is a member of the PartnerRe group. The parent company of the PartnerRe group is PartnerRe Ltd. ("Group Parent"), a Company incorporated in Bermuda. PartnerRe Ltd. is a member of the Covéa Group and a subsidiary of Covéa Coopérations S.A. ("Covéa"), a Company incorporated in France.

The Company through its head office and branches provides reinsurance of non-life and life risks of ceding companies (primarily primary insurers) on either a proportional or non-proportional basis through treaties or facultative reinsurance. The Company's principal offices are located in Ireland, France, Switzerland, Hong Kong and the United Kingdom (U.K.).

#### BUSINESS REVIEW AND FUTURE DEVELOPMENT

##### Business Strategy

The Company assumes and manages global reinsurance and capital market risks. The Company's long-term strategy is to generate shareholder value through its underwriting and investment activities. It focuses on maintaining a diversified portfolio of risks across a broad product range with appropriate geographic diversification, actively managing its capital across its portfolio and over the duration of the cycle, adding value through underwriting and transactional excellence and achieving superior returns on invested assets in the context of a disciplined risk framework. The Company believes that this construct allows it to balance its cedants' needs for absolute certainty of claims payment with the ultimate aim of capital growth and dividend payment.

The Company generates its reinsurance revenue from premiums. Premium rates and terms and conditions vary by line of business depending on market conditions and across geographies. The reinsurance markets have historically been highly cyclical in nature. The cycle is driven by competition, the amount of capital and capacity in the industry, loss events and investment returns. The reinsurance business is also influenced by several other factors, including changes in legal, regulatory and judicial environments, loss trends, inflation and general economic conditions.

In its reinsurance portfolio, the Company writes most lines of business in virtually all markets worldwide and differentiates itself through its risk management strategy and its financial strength. In assuming its clients' risks, the Company removes the volatility associated with those risks from the clients' perspectives and then manages those risks and the risk-related volatility. Through its broad product range, geographic diversification and its excellent execution capabilities, the Company is able to achieve stable returns across the cycle, respond quickly to client needs, and capitalise on business opportunities virtually anywhere in the world.

Similarly, for the Company's investment portfolio, which include public, private market and property investments, diversification of risks is critical to achieving the risk and return objectives of the Company. The Company's investment policy distinguishes between liquid, high quality assets that support the Company's liabilities, and the more diversified, higher risk asset classes that make up a portion of the Company's capital funds. While there will be years where investment risks achieve less than the risk-free rate of return, or potentially even negative results, the Company believes the rewards for assuming these risks in a disciplined and measured way will produce a positive excess return to the Company over time. Additionally, since investment risks are not fully correlated with the Company's reinsurance risks, this increases the overall diversification of the Company's total risk portfolio. The Company's investments are managed by PartnerRe Asset Management Corp., a related entity.

##### Business Review

##### *Underwriting*

The Company earned a pre-tax profit of €173.9m (2023: €401.7m). Technical result of €339.5m (2023: €316.6m) is comprised of net earned premiums of €1,283.0m (2023: €1,256.4m), net claims incurred of €844.0m (2023: €838.7m) and net acquisition costs of €99.5m (2023: €101.1m).

**DIRECTORS' REPORT**

The Company's non-life segment includes both specialty and property and casualty (P&C) lines of business in virtually all markets worldwide. The Company's life segment includes the mortality, longevity and health lines of business written primarily in the U.K., Ireland and France.

The Company made a non-life technical profit for the financial year of €214.0m (technical ratio of 74%) (2023: profit €213.0m, technical ratio of 75%). The non-life technical result was flat year on year with decreases in net premium earned driven by reduction in casualty business written offset by lower net claims incurred as a result of lower losses in the year.

The Company made a life technical profit for the financial year of €125.5m (technical ratio of 73%) (2023: profit €103.6m, technical ratio of 73%). The increase is primarily driven by higher premium volumes in short term business in France, Australia and New Zealand. Consistent with prior year, overrider income is driving the positive acquisition costs of €27.2m.

With respect to the ongoing conflict between Russia and Ukraine, the impact on the Company's ultimate loss estimates on a gross basis was €51.4m for the year ended 31 December 2024, which is a decrease of €6.1m.

The following table shows a breakdown of the technical result split between non-life and life for the years ended 31 December 2024 and 2023.

(expressed in millions of Euro)

|                            | 2024            |             |                | 2023            |             |                |
|----------------------------|-----------------|-------------|----------------|-----------------|-------------|----------------|
| <b>Operating Data</b>      | <b>Non-life</b> | <b>Life</b> | <b>Total</b>   | <b>Non-life</b> | <b>Life</b> | <b>Total</b>   |
| Gross premiums written     | 2,472.2         | 1,542.8     | <b>4,015.0</b> | 2,660.9         | 1,318.0     | <b>3,978.9</b> |
| Net premiums written       | 769.3           | 465.9       | <b>1,235.2</b> | 881.9           | 390.8       | <b>1,272.7</b> |
| <b>Net premiums earned</b> | 816.9           | 466.1       | <b>1,283.0</b> | 866.0           | 390.4       | <b>1,256.4</b> |
| Net claims incurred        | 476.3           | 367.8       | <b>844.0</b>   | 524.2           | 314.5       | <b>838.7</b>   |
| Acquisition costs          | 126.6           | (27.2)      | <b>99.5</b>    | 128.8           | (27.7)      | <b>101.1</b>   |
| <b>Technical Result</b>    | 214.0           | 125.5       | <b>339.5</b>   | 213.0           | 103.6       | <b>316.6</b>   |
| Technical Ratio            | 74 %            | 73 %        | <b>74 %</b>    | 75 %            | 73 %        | <b>75 %</b>    |

**Outlook**

The non-life reinsurance market is still in an attractive part of the cycle, but the January 2025 renewals were more challenging than the previous year and several segments began to soften at a more notable pace. This was mainly driven by an increased supply of capital following a couple of years of strong performance for the reinsurance market despite 2024 being an active year of insured catastrophe losses and reserve adjustments mainly impacting the U.S. casualty market. The Company did not observe any supply shortages, but the coverage restrictions which have been achieved in previous years were maintained with some exceptions. For the full 2025 year, the Company expects to write a gross premium at a slightly increased level compared to 2024 but at a reduced profitability level.

In terms of the Company's life portfolio, the active 1 January 2025 renewals only impacted a portion of the short-term in-force premium in the mortality and disability line, which is a relatively limited portion of the overall life portfolio. For those treaties that actively renew, pricing conditions and terms were flat or slightly up compared to the prior year renewal.

Management expects moderate continued growth in the Company's life portfolio in 2025 from new business initiatives in Longevity in the U.K., and in long term protection in Europe and Asia, assuming constant foreign exchange rates. In addition, the Company is in a good position to continue the growth of its financial solutions business.

**Investments**

The Company's investment result for the 2024 financial year was a gain of €191.1m (2023: €235.2m). The gain was mainly due to interest and dividend income of €155.7m (2023: €125.2m) and unrealised gains on other financial investments of €68.4m (2023: €116.9m), offset by realised losses on other financial investments of €24.2m (2023: gain of €3.2m) and investment management expenses of €8.8m (2023: €10.1m).

**Other technical income**

Other technical income for the Company amounted to €24.3m (2023: €14.4m) attributable to the life financial solutions business.

***Administrative Expenses***

The Company had administrative expenses of €195.7m (2023: €172.4m). The increase compared to 2023 is driven by an increase in personnel expenses, both direct and allocated costs from related entities, due to an increase in headcount.

***Net Foreign Exchange***

The Company had net foreign exchange loss of €162.9m (2023: gain of €30.4m) driven by the strengthening of USD against the EUR, GBP and CHF exposures, which is offset by the positive change in the currency translation reserve of €101.4m (2023: negative change of €64.0m) due to the strengthening of USD against EUR.

***Investment in Subsidiaries***

The Company has investments in subsidiaries in Brazil and Miami. Partner Reinsurance Europe SE - Escritório de Representação no Brasil Ltda. (PRE Brazil) acts as a representative office for the Company. Partner Re Miami, Inc. (PRE Miami) acts as a reinsurance intermediary and provides services for the Company (see note 15).

Management are satisfied that the results of PRE Brazil and PRE Miami are adequate for the period under review. The Company has reviewed the risks that PRE Brazil and PRE Miami are currently facing and deem that any financial or compliance risks are mitigated by the implementation of PartnerRe group policies and PartnerRe group corporate governance practices.

None of the subsidiary undertakings are listed on a recognised stock exchange. In the opinion of the directors, there was no objective evidence as at 31 December 2024 of any impairment of the Company's investment in subsidiaries.

**Capital Management**

The Company's primary objective is to hold sufficient capital to meet all of its obligations to cedants, meet regulatory requirements and to safeguard its ability to continue as a strong going concern so that it can continue to provide positive returns for its shareholder.

The Company has a Capital Maintenance Agreement with its Group Parent. Under this agreement, the Group Parent shall financially support the Company and shall make such capital contributions as may be necessary to maintain the Company's ratio of eligible own funds to Solvency Capital Requirement (SCR) (as calculated in accordance with Solvency II regulations) in excess of 115%, up to a maximum of €750m. To date, no capital has been provided under this agreement.

At 31 December 2024, the Company's ratio of eligible own funds to SCR was 164% (2023: 190%).

**Going Concern**

The financial statements have been prepared on the going concern basis. The Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which financial statements are authorised for issue. The Directors' basis for this assessment includes the Company's capital position, the Company's liquidity, the level of reinsurance in place and the credit quality of the Company's counterparts. As a result, the Directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

**Regulation**

The Company is incorporated under the laws of Ireland and is subject to regulation by the CBI under, inter alia, the European Union (Insurance and Reinsurance) Regulations 2015.

The Company is subject to the Corporate Governance Requirements for Insurance Undertakings, 2015 (the Requirements) (as amended) published by the CBI. Pursuant to section 26 of the Requirements, the Company submits an annual compliance statement signed by the directors confirming whether the Company has materially complied with all of its obligations under the Requirements.

As at 31 December 2024, the Company had branches in France, Switzerland, Hong Kong and U.K. and subsidiaries incorporated in Brazil and Miami. The Company and its Branches are subject to supervision by the CBI. Additionally, the Hong Kong and U.K. Branches are subject to local regulation.

## **DIRECTORS' REPORT**

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PRE Brazil and PRE Miami are subject to regulation in their respective territories.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The core of the Company's business model is the assumption and management of risk. A key challenge is to create economic value through the intelligent and optimal risk selection and management of reinsurance, capital market and investment risks while limiting and mitigating those risks that can destroy tangible as well as intangible value, those risks for which the organisation is not sufficiently compensated, and those risks that could threaten the ability of the Company to achieve its objectives.

This requires an accurate evaluation of risks to be assumed, and a determination of the appropriate economic returns required as fair compensation for such risks. In the context of other than voluntarily assumed business risks, the decision focuses on comparing the probability and potential severity of a risk event against the costs of risk mitigation strategies. The Company mitigates its reinsurance risk by disciplined underwriting, strong reserving practices and the use of retrocession. Successful risk management is the foundation of the Company's value proposition, with diversification of risks at the core of its risk management strategy.

The principal risks that the Company is exposed to are financial risk and reinsurance risk. Financial risk includes market risk (including interest rate risk, currency risk, credit spread risk, inflation risk and equity risk), credit risk and liquidity risk. The Company follows conservative investment guidelines through a strategy that seeks to maximise returns while managing investment risk in line with the Company's overall objectives of earnings stability and long-term shareholders' equity growth. The directors deem that these financial risks are mitigated by the implementation of the Company's internal controls, which include processes and policies and corporate governance practices.

The Company's technical results are primarily determined by how well the Company understands, prices and manages assumed reinsurance risk. Management also believes that every organisation faces numerous risks that could threaten the successful achievement of a Company's goals and objectives. These include choice of strategy and markets, economic and business cycles, competition, changes in regulation, data quality and security, fraud, business interruption and management continuity; all factors which can be viewed as either strategic, financial, or operational risks that are common to any industry. All risks are managed within an integrated framework of policies, processes and controls, including underwriting guidelines, as approved by the Board of Directors.

For a more detailed analysis of the risks faced by the Company and how these risks are managed refer to note 5.

### **DIVIDENDS**

On 3 December 2024, a dividend payment of €618m was approved by the Board and subsequently paid by the Company to its Parent.

At the time of signing these financial statements, the Directors do not propose the payment of a further dividend.

### **DIRECTORS' AND COMPANY SECRETARY'S INTERESTS IN SHARES AND DEBENTURES**

The directors and company secretary who held office at the end of the financial year did not have any interests in excess of 1% of the issued shares of the Company or any other group Company at either the beginning or end of the financial year.

### **POLITICAL DONATIONS**

The Company did not make any political donations during the year (2023: nil).

### **DIRECTORS AND COMPANY SECRETARY**

The directors and company secretary throughout the period under review are listed on page 2.

### **EVENTS AFTER THE REPORTING DATE**

In the directors' opinion, there were no events after the reporting date that required disclosure or adjustment.

### **ACCOUNTING RECORDS**

The directors have taken appropriate action to secure compliance with Sections 281-285 of the Companies Act, 2014 (the 2014 Act). The specific measures taken are the employment of appropriately qualified accounting

**DIRECTORS' REPORT**

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personnel and the maintenance of computerised accounting systems. The accounting records are located at the Company's registered office at 3rd Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland.

**AUDIT COMMITTEE**

An Audit Committee has been established in compliance with Section 167 of the 2014 Act.

**AUDITOR**

The auditors, PricewaterhouseCoopers, Chartered Accountants & Statutory Audit Firm, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

**DIRECTORS' STATEMENT ON RELEVANT AUDIT INFORMATION**

In accordance with Section 330(1) of the 2014 Act, each of the persons who is a Director at the date of approval of this report confirms that:

- so far as he/she is aware, there is no information relevant to the audit of which the statutory auditors are unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of this information.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the U.K. and Republic of Ireland" and FRS 103 "Insurance Contracts". Under Irish law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

The Directors are responsible for the maintenance and integrity of the financial and other information on the PartnerRe Ltd website ([www.partnerre.com](http://www.partnerre.com)), insofar as it contains information with respect to the Company. Legislation in Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

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**DIRECTORS' COMPLIANCE STATEMENT**

The directors of the Company acknowledge that we are responsible for securing the Company's compliance with its relevant obligations (as defined in the 2014 Act) and, as required by section 225 of the 2014 Act, we confirm that:

- a compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act has been prepared;
- arrangements and structures have been put in place that we consider sufficient to secure material compliance with the Company's relevant obligations; and
- a review of the arrangements and structures has been conducted in the financial year to which this directors' report relates.

Signed on behalf of the Board:



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Dermot Browne

Director

25 March 2025



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Ton van der Minnen

Executive Director



## ***Independent auditors' report to the members of Partner Reinsurance Europe SE***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Partner Reinsurance Europe SE's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Reports and Financial Statements, which comprise:

- the Balance Sheet as at 31 December 2024;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standard were not provided to the company.

Other than those disclosed in note 9 to the financial statements, we have provided no services to the company in the period from 1 January 2024 to 31 December 2024.

## Our audit approach



### Overall materiality

- €40.8 million (2023: €40.0 million).
- circa 1% of gross premiums earned (2023: circa 1% of gross premiums earned).

### Performance materiality

- €30.6 million (2023: €30.0 million).

### Audit scope

- We have performed a full scope audit on the company's financial statements, based on materiality levels.

### Key audit matters

- Methodologies and assumptions used in the estimation of the incurred but not reported ("IBNR") element of the "Claims outstanding, non-life".
- Assumptions used in the estimation of the liability for future policy benefit element of the "Claims outstanding, life".

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

| <b>Key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Methodologies and assumptions used in the estimation of the incurred but not reported ("IBNR") element of the "Claims outstanding, non-life"</i></p> <p>Refer to Note 3(d) Summary of significant accounting policies -Reinsurance Contracts, Note 4 Critical accounting judgements and estimation uncertainty, Note 5 (c) Risk management- Sensitivity analysis of the claims outstanding non-life and Note 8.1 Claims incurred non-life.</p> <p>The claims outstanding non-life in the Balance Sheet of €5,918.9 million as at 31 December 2024 includes IBNR reserves of €3,104.1 million.</p> <p>The IBNR reserves are derived from information provided by the ceding insurance companies, supplemented by the Company's own actuarial estimates of reserves for which ceding company reports have not been received, based on the Company's own historical experience. The actuarial methods incorporate assumptions reflecting</p> | <p>We obtained an understanding over the methodologies used and the process for setting assumptions in estimating the IBNR element of the claims outstanding non-life.</p> <p>We tested the design and implementation of selected key controls over the actuarial methodology and assumptions used by management in calculating the IBNR.</p> <p>With the assistance of PwC actuarial specialists, we evaluated the appropriateness of the methodologies and assumptions used by the company to estimate the IBNR. Our procedures included:</p> <ul style="list-style-type: none"> <li>• Performing our own independent valuation on a sample of classes of business, with a focus on</li> </ul> |

| <b>Key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>historical loss development, paid and reported claim costs and developments in the claims environment. The estimation of the IBNR reserves is therefore judgemental and complex. There are inherent uncertainties in the valuation of the IBNR that are increased further for reinsurance companies due to the longer time period between the date of claim occurrence and the notification to the reinsurer and settlement of the claim.</p> <p>We determined the methodologies and assumptions used in the valuation of IBNR to be a key audit matter due to the judgements and level of estimation involved.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>long-tail classes as the largest and most uncertain reserves.</p> <ul style="list-style-type: none"> <li>● In respect of other classes of business we assessed the reasonableness of the company’s actuarial best estimate. This involved: <ul style="list-style-type: none"> <li>- assessing the assumptions and methodologies underpinning management’s actuarial valuation; and</li> <li>- considering the development of prior underwriting years’ estimates and analysis of the current underwriting year estimate, including consideration of the Company’s historical claims experience, the length of the settlement and reporting tails, and developments in the claims environment.</li> </ul> </li> </ul> <p>Based on the work performed and the evidence obtained, we determined that the methodologies and assumptions used in the valuation of the IBNR to be appropriate.</p> <p>We also assessed the appropriateness of the disclosures in the financial statements.</p>                                                                                                                                                                             |
| <p><i>Assumptions used in the estimation of the liability for future policy benefits (“LFPB”) element of the “Claims outstanding, life”</i></p> <p>Refer to Note 3(d) Summary of significant accounting policies- Reinsurance Contracts, Note 4 Critical accounting judgements and estimation uncertainty, Note 5 (b) Risk management- Sensitivity analysis of claims outstanding life and Note 8.2 Claims incurred life.</p> <p>Claims outstanding, life in the Balance Sheet of €1,964.5 million as at 31 December 2024 include LFPB reserves of €1,292.9 million</p> <p>LFPB for the traditional and limited payment long-duration contracts are established based on accepted actuarial valuation methods which require the Company to make certain assumptions regarding future claims and policy benefits. The best estimate assumptions used at contract inception are reviewed quarterly and refined in response to actual experience, with the exception of the expense assumptions which are locked in at contract inception.</p> <p>The estimation of LFPB involves the use of complex actuarial models and assumptions about future events. The determination of these LFPB liabilities requires the use of judgement by management. In particular, the key assumptions selected by the company with respect to mortality, longevity and morbidity materially impact the valuation of the LFPB.</p> <p>We considered this to be a key audit matter as it represents a key estimate in the financial statements involving significant judgements by management.</p> | <p>We obtained an understanding over the methodologies used and the process for setting assumptions in estimating the LFPB element of the claims outstanding life.</p> <p>We tested the design and implementation of selected key controls over the actuarial methodology and assumptions used by management in calculating the liability for future policy benefits.</p> <p>We assessed the reasonableness of the actuarial methodologies and models used by management in the calculation of the LFPB by reference to recognised actuarial practices and standards with the assistance of our life actuarial specialists.</p> <p>With the assistance of our life actuarial specialists, we also assessed the reasonableness of the assumptions used by management with a focus on the assumptions for mortality, longevity and morbidity by reference to the company’s historical experience.</p> <p>Based on the work performed and the evidence obtained, we determined that the methodologies and assumptions used in the valuation of the LFPB to be appropriate.</p> <p>We also assessed the appropriateness of the disclosures in the financial statements.</p> |



*How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We determined whether the work would be performed by us or by other PwC network firms operating under our instruction (component auditors) in relation to controls and activities outside of Ireland.

In establishing the overall approach to the audit, we determined the type of work that needed to be performed on each financial statement line item by us or by component auditors. Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

The nature, timing and extent of the work impacting the audit opinion was determined and monitored in Ireland. Where work was performed by component auditors, our involvement in that work included determining the scope of audit work, meetings between the component auditors and senior members of the engagement teams, review of the results of their audit procedures including the nature, timing and extent of the work impacting our audit opinion and frequent communications with the engagement team to corroborate that our audit plan was appropriately executed.

*Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

|                                        |                                                                                                                                                                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Overall materiality</b>             | €40.8 million (2023: €40.0 million).                                                                                                                                                                                            |
| <b>How we determined it</b>            | circa 1% of gross premiums earned (2023: circa 1% of gross premiums earned).                                                                                                                                                    |
| <b>Rationale for benchmark applied</b> | We chose gross premiums earned because, in our view, it is a key financial statement metric used in assessing the performance of the Company and is not as volatile as gross written premium and other profit or loss measures. |

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was circa 75% of overall materiality, amounting to €30.6 million.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €2.0 million (2023: €2.0 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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### **Conclusions relating to going concern**

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's going concern assessment for the going concern period which covers twelve months from the date of approval of the financial statements;
- checking the consistency of scenarios included in management's going concern assessment to those included in the board approved Own Risk and Solvency Assessment;
- considering the projected solvency position of the company under a number of stress scenarios set out in the company's Own Risk and Solvency Assessment and comparing these to the regulatory solvency capital requirement;
- considering the liquidity position for the period of assessment; and
- considering the company's reinsurance arrangements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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### **Reporting on other information**

The other information comprises all of the information in the Reports and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations related to breaches of Irish insurance laws and regulations and in particular Solvency II Regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting manual journal entries to manipulate financial performance and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- discussions with the Audit Committee and management, including consideration of whether there are known or suspected instances of non-compliance with laws and regulation and fraud;
- inspecting relevant correspondence with the Central Bank of Ireland ("CBI"), including those in relation to compliance with laws and regulations;
- reading relevant meeting minutes including those of the Board of Directors, Audit Committee and Risk Committee;
- challenging assumptions made by management in accounting estimates and judgements, in particular in relation to the estimation of the outstanding claims life provisions and outstanding claims non-life provisions as set out in the key audit matters section;
- applying risk-based criteria to identify journal entries for testing; and
- designing audit procedures to incorporate unpredictability in our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.



A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

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### **Other exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

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### **Appointment**

We were appointed by the directors on 12 July 2022 to audit the financial statements for the year ended 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 December 2022 to 31 December 2024.

A handwritten signature in black ink, appearing to read 'P. Osborne'.

Padraig Osborne  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin

27 March 2025

**PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT - REINSURANCE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

|                                                                        | <i>Notes</i> | <b>2024</b><br>€'000 | <b>2023</b><br>€'000 |
|------------------------------------------------------------------------|--------------|----------------------|----------------------|
| <b>Technical account</b>                                               |              |                      |                      |
| <b>Earned premiums, net of reinsurance</b>                             |              |                      |                      |
| Gross premiums written                                                 | 6            | 4,014,969            | 3,978,948            |
| Outward reinsurance premiums                                           |              | <u>(2,779,783)</u>   | <u>(2,706,296)</u>   |
| <b>Net premiums written</b>                                            |              | <u>1,235,186</u>     | <u>1,272,652</u>     |
| Change in the gross provision for unearned premiums                    | 7            | 63,335               | (18,335)             |
| Change in the provision for unearned premiums, reinsurers' share       | 7            | <u>(15,502)</u>      | <u>2,123</u>         |
| <b>Change in the net provision for unearned premiums</b>               |              | <u>47,833</u>        | <u>(16,212)</u>      |
| <b>Earned premiums, net of reinsurance</b>                             |              | <u>1,283,019</u>     | <u>1,256,440</u>     |
| Allocated investment return transferred from the non-technical account |              | <u>163,651</u>       | <u>192,616</u>       |
| Other technical income, net of reinsurance                             |              | <u>24,254</u>        | <u>14,428</u>        |
| <b>Total technical income</b>                                          |              | <u>1,470,924</u>     | <u>1,463,484</u>     |
| <b>Claims incurred, net of reinsurance</b>                             |              |                      |                      |
| Gross claims paid                                                      | 8            | (2,331,734)          | (2,222,740)          |
| Reinsurers' share of claims paid                                       | 8            | <u>1,618,232</u>     | <u>1,549,694</u>     |
| <b>Net claims paid</b>                                                 |              | <u>(713,502)</u>     | <u>(673,046)</u>     |
| Change in the provision for claims, gross amount                       | 8            | (532,693)            | (409,159)            |
| Change in the provision for claims, reinsurers' share                  | 8            | <u>402,157</u>       | <u>243,505</u>       |
| <b>Change in the provision for claims, net</b>                         |              | <u>(130,536)</u>     | <u>(165,654)</u>     |
| <b>Claims incurred, net of reinsurance</b>                             |              | <u>(844,038)</u>     | <u>(838,700)</u>     |
| <b>Net operating expenses</b>                                          | 9            | <u>(295,188)</u>     | <u>(273,484)</u>     |
| <b>Total technical charges</b>                                         |              | <u>(1,139,226)</u>   | <u>(1,112,184)</u>   |
| <b>Balance on the technical account</b>                                |              | <u>331,698</u>       | <u>351,300</u>       |

**PROFIT AND LOSS ACCOUNT - NON TECHNICAL ACCOUNT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

|                                                                         | <i>Notes</i> | <b>2024</b><br>€'000 | <b>2023</b><br>€'000 |
|-------------------------------------------------------------------------|--------------|----------------------|----------------------|
| <b>Balance on the technical account</b>                                 |              | <u>331,698</u>       | <u>351,300</u>       |
| Interest and dividend income                                            | 11           | 155,710              | 125,194              |
| (Losses)/gains on the realisation of investments                        | 11           | (24,223)             | 3,176                |
| Unrealised gains on investments                                         | 11           | 68,416               | 116,935              |
| Investment management expenses                                          | 11           | (8,768)              | (10,073)             |
| <b>Investment income and charges</b>                                    |              | <u>191,135</u>       | <u>235,232</u>       |
| <b>Allocated investment return transferred to the technical account</b> |              | <u>(163,651)</u>     | <u>(192,616)</u>     |
| <b>Net foreign exchange (losses)/gains</b>                              |              | <u>(162,851)</u>     | <u>30,386</u>        |
| <b>Amortisation of goodwill</b>                                         | 12           | <u>(22,735)</u>      | <u>(22,697)</u>      |
| <b>Other income</b>                                                     |              | <u>259</u>           | <u>78</u>            |
| <b>Profit before tax</b>                                                |              | <u>173,855</u>       | <u>401,683</u>       |
| Tax on profit on ordinary activities                                    | 13           | (75,248)             | (46,353)             |
| <b>Net profit for the financial year</b>                                |              | <u>98,607</u>        | <u>355,330</u>       |

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

|                                                                 | <b>2024</b>    | <b>2023</b>     |
|-----------------------------------------------------------------|----------------|-----------------|
|                                                                 | <b>€'000</b>   | <b>€'000</b>    |
| <b>Other comprehensive income</b>                               |                |                 |
| <b>Net profit for the financial year</b>                        | <u>98,607</u>  | <u>355,330</u>  |
| Change in currency translation reserve                          | 101,419        | (63,992)        |
| <b>Other comprehensive income/(loss) for the financial year</b> | <u>101,419</u> | <u>(63,992)</u> |
| <b>Total comprehensive income for the financial year</b>        | <u>200,026</u> | <u>291,338</u>  |

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 25 March 2025.

**BALANCE SHEET  
AS AT 31 DECEMBER 2024**


| <b>ASSETS</b>                                                 | <i>Notes</i> | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|---------------------------------------------------------------|--------------|-----------------------------|-----------------------------|
| <b>Intangible assets</b>                                      |              |                             |                             |
| Goodwill                                                      | 12           | 187,416                     | 197,882                     |
|                                                               |              | <u>187,416</u>              | <u>197,882</u>              |
| <b>Investments</b>                                            |              |                             |                             |
| Investment property                                           | 14           | 53,064                      | 50,629                      |
| Investments in group undertakings and participating interests | 15           | 879                         | 2,879                       |
| Loan to group undertaking                                     | 16           | —                           | 285,154                     |
| Other financial investments                                   | 17           | 4,539,591                   | 4,132,978                   |
| Derivative assets                                             | 18           | 2,106                       | 22,986                      |
| Deposits with ceding undertakings                             |              | 347,590                     | 343,863                     |
|                                                               |              | <u>4,943,230</u>            | <u>4,838,489</u>            |
| <b>Reinsurers' share of technical provisions</b>              |              |                             |                             |
| Provision for unearned premiums                               | 7            | 885,475                     | 864,090                     |
| Claims outstanding, non-life                                  | 8.1          | 3,902,734                   | 3,462,002                   |
| Claims outstanding, life                                      | 8.2          | 1,238,268                   | 1,119,028                   |
|                                                               |              | <u>6,026,477</u>            | <u>5,445,120</u>            |
| <b>Debtors</b>                                                |              |                             |                             |
| Debtors arising out of reinsurance operations                 | 19           | 2,088,751                   | 1,923,705                   |
| Amounts owed by group undertakings                            |              | 15,895                      | 81,121                      |
| Other debtors                                                 | 13           | 55,226                      | 46,831                      |
|                                                               |              | <u>2,159,872</u>            | <u>2,051,657</u>            |
| <b>Other assets</b>                                           |              |                             |                             |
| Tangible assets                                               |              | 11,269                      | 13,933                      |
| Cash at bank and in hand                                      | 20           | 240,132                     | 295,644                     |
| Deferred tax assets                                           | 13           | 3,539                       | 3,837                       |
| Other assets                                                  | 21           | 88,593                      | 194,486                     |
|                                                               |              | <u>343,533</u>              | <u>507,900</u>              |
| <b>Prepayments and accrued income</b>                         |              |                             |                             |
| Deferred acquisition costs                                    | 22           | 521,250                     | 518,693                     |
| Other prepayments and accrued income                          | 23           | 56,197                      | 48,248                      |
|                                                               |              | <u>577,447</u>              | <u>566,941</u>              |
| <b>Total assets</b>                                           |              | <u><u>14,237,975</u></u>    | <u><u>13,607,989</u></u>    |

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2024 (CONTINUED)**

|                                                     | Notes | 2024<br>€'000     | 2023<br>€'000     |
|-----------------------------------------------------|-------|-------------------|-------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>         |       |                   |                   |
| <b>Capital and reserves</b>                         |       |                   |                   |
| Called up share capital                             | 24    | 245,092           | 245,092           |
| Capital contributions                               | 24    | 937,725           | 937,725           |
| Accumulated other comprehensive income              |       | 331,751           | 230,332           |
| Retained earnings                                   |       | 532,738           | 1,052,131         |
| <b>Shareholders' Equity</b>                         |       | <u>2,047,306</u>  | <u>2,465,280</u>  |
| <b>Technical provisions</b>                         |       |                   |                   |
| Provision for unearned premiums                     | 7     | 1,292,334         | 1,303,856         |
| Claims outstanding, non-life                        | 8.1   | 5,918,858         | 5,311,932         |
| Claims outstanding, life                            | 8.2   | 1,964,502         | 1,796,645         |
|                                                     |       | <u>9,175,694</u>  | <u>8,412,433</u>  |
| <b>Other provisions</b>                             |       |                   |                   |
| Provisions for pensions and similar obligations     | 25    | 1,767             | 2,197             |
| Deferred tax liability                              | 13    | 121,899           | 79,711            |
| Other provisions                                    |       | 5,382             | 5,415             |
|                                                     |       | <u>129,048</u>    | <u>87,323</u>     |
| <b>Deposits received from reinsurers</b>            |       | <u>736,680</u>    | <u>698,006</u>    |
| <b>Creditors</b>                                    |       |                   |                   |
| Creditors arising out of reinsurance operations     | 26    | 1,549,101         | 1,458,499         |
| Amounts owed to group undertakings                  |       | 137,388           | 58,260            |
| Other creditors including tax and social welfare    | 13    | 46,792            | 7,439             |
| Derivative liabilities                              | 18    | 23,397            | 2,926             |
|                                                     |       | <u>1,756,678</u>  | <u>1,527,124</u>  |
| <b>Accruals and deferred income</b>                 |       |                   |                   |
| Accruals and deferred income                        | 27    | 65,778            | 107,462           |
| Reinsurers' share of deferred acquisition costs     | 22    | 326,791           | 310,361           |
|                                                     |       | <u>392,569</u>    | <u>417,823</u>    |
| <b>Total liabilities</b>                            |       | <u>12,190,669</u> | <u>11,142,709</u> |
| <b>Total liabilities &amp; shareholders' equity</b> |       | <u>14,237,975</u> | <u>13,607,989</u> |

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 25 March 2025 and signed on its behalf by:

  
Dermot Browne  
Director

  
Ton van der Minnen  
Executive Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

|                                        | Called-up<br>share<br>capital | Capital<br>contributions | Accumulated<br>other<br>comprehensive<br>income | Retained<br>earnings | Total            |
|----------------------------------------|-------------------------------|--------------------------|-------------------------------------------------|----------------------|------------------|
| 2024                                   | €'000                         | €'000                    | €'000                                           | €'000                | €'000            |
| Balance as at 1 January 2024           | 245,092                       | 937,725                  | 230,332                                         | 1,052,131            | 2,465,280        |
| Change in currency translation reserve | —                             | —                        | 101,419                                         | —                    | 101,419          |
| Dividend payment                       | —                             | —                        | —                                               | (618,000)            | (618,000)        |
| Profit for the financial year          | —                             | —                        | —                                               | 98,607               | 98,607           |
| <b>Balance as at 31 December 2024</b>  | <b>245,092</b>                | <b>937,725</b>           | <b>331,751</b>                                  | <b>532,738</b>       | <b>2,047,306</b> |

|                                        | Called-up<br>share<br>capital | Capital<br>contributions | Accumulated<br>other<br>comprehensive<br>income | Retained<br>earnings | Total            |
|----------------------------------------|-------------------------------|--------------------------|-------------------------------------------------|----------------------|------------------|
| 2023                                   | €'000                         | €'000                    | €'000                                           | €'000                | €'000            |
| Balance as at 1 January 2023           | 245,092                       | 941,788                  | 294,324                                         | 946,801              | 2,428,005        |
| Change in currency translation reserve | —                             | —                        | (63,992)                                        | —                    | (63,992)         |
| Purchase of renewal rights *           | —                             | (4,063)                  | —                                               | —                    | (4,063)          |
| Dividend payment                       | —                             | —                        | —                                               | (250,000)            | (250,000)        |
| Profit for the financial year          | —                             | —                        | —                                               | 355,330              | 355,330          |
| <b>Balance as at 31 December 2023</b>  | <b>245,092</b>                | <b>937,725</b>           | <b>230,332</b>                                  | <b>1,052,131</b>     | <b>2,465,280</b> |

\* See note 28 for further details.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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**1. NATURE OF OPERATIONS**

Partner Reinsurance Europe SE (the Company) is a Societas Europaea registered and domiciled in Ireland.

The address of the registered office is: 3rd Floor, The Exchange, George's Dock, IFSC, Dublin 1, Ireland.

The registered company number is 395190.

The Company through its head office and branches provides reinsurance of non-life and life risks of ceding companies (primarily primary insurers) on either a proportional or non-proportional basis through treaties or facultative reinsurance. The Company's principal offices are located in Ireland, France, Switzerland, Hong Kong and the United Kingdom (U.K.).

The immediate parent company is PartnerRe Holdings Europe Limited (PRHEL), a company incorporated in Ireland.

The Company is a member of the PartnerRe group. The parent company of the PartnerRe Group is PartnerRe Ltd. ("Group Parent"), a company incorporated in Bermuda. PartnerRe Ltd. is a member of the Covéa Group and a subsidiary of Covéa Coopérations S.A. ("Covéa"), a company incorporated in France.

The smallest group in which the financial statements of the Company are consolidated is that headed by the Group Parent. The annual report and financial statements of the Group Parent are available upon request from Investor Relations, PartnerRe Ltd., Wellesley House, 90 Pitts Bay Road, Hamilton, Bermuda. They can also be viewed on the Group Parent's website at [www.partnerre.com](http://www.partnerre.com).

The largest group in which the financial statements of the Company are consolidated is that headed by Covéa. The annual report and financial statements of Covéa are available upon request from Covéa, 86-90 rue Saint Lazare, 75009 Paris, France. They can also be viewed on Covéa's website at [www.covea.eu](http://www.covea.eu).

The Company's financial statements have been authorised for issue by the Board of Directors on 25 March 2025.

**2. STATEMENT OF COMPLIANCE**

The financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the Financial Reporting Council and the Companies Act 2014. The entity financial statements comply with 'FRS 102, The Financial Reporting Standard applicable in the U.K. and Republic of Ireland' (FRS 102) and 'FRS 103, Insurance Contracts' (FRS 103).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented.

**(a) Basis of Preparation**

The financial statements are prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities (including derivatives and investment properties) at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

These financial statements are presented in thousands of Euro (€'000).

The financial statements have been prepared on the going concern basis. The Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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twelve months from the date on which financial statements are authorised for issue. The Directors' basis for this assessment includes the Company's capital position, the Company's liquidity, the level of reinsurance in place and the credit quality of the Company's counterparts. As a result, the Directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

**(b) Separate Financial Statements**

The Company is exempt from the obligation to prepare and deliver group financial statements by virtue of the Companies Act 2014 as the Group Parent, PartnerRe Ltd., prepares consolidated financial statements which include the Company. The financial statements present information about the Company as an individual undertaking.

**(c) Disclosure Exemptions for Qualifying Entities under FRS 102**

The Company qualifies as a qualifying entity as a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. By applying the FRS 102 reduced disclosures for subsidiaries, the Company is availing of a number of exemptions from the disclosure requirements of FRS 102 in the preparation of the entity financial statements. Note 1 gives details of the Company's parent and from where its consolidated financial statements may be obtained.

In accordance with FRS 102 the Company has availed of an exemption from the following paragraphs of FRS 102:

- The requirements of section 7 and paragraph 3.17(d) to present a statement of cash flows.
- The requirement of paragraph 33.7 to disclose key management personnel compensation.
- The requirement of paragraph 33.9 to disclose related party transactions.
- The requirement of section 29, paragraphs 29.2 and 29.12 to recognise and disclose information about deferred tax assets and liabilities using the tax rates and laws related to Global Anti-Base Erosion Model Rules (Pillar Two model rules) that have been enacted or substantively enacted by the reporting date.

**(d) Reinsurance Contracts**

**Classification**

The Company issues contracts that transfer insurance risk or financial risk or both. Reinsurance contracts are those contracts that transfer significant insurance risk. Significant insurance risk exists if an insured event could cause the Company to pay significant additional benefits in any one scenario, excluding scenarios that lack commercial substance. Contracts that transfer financial risk with no significant insurance risk are accounted for as deposit liabilities.

The classification of contracts applies to both assumed and ceded reinsurance contracts. A contract that qualifies as a reinsurance contract at inception remains a reinsurance contract until all rights and obligations are extinguished or expire.

**Premiums**

Gross premiums written and earned are based upon reports received from ceding companies, supplemented by the Company's own estimates of premiums written and earned for which ceding company reports have not been received. Differences between such estimates and actual amounts are recorded in the period in which the estimates are changed or the actual amounts are determined. Net premiums written and earned are presented net of ceded premiums, which represent the cost of retrocession cover purchased by the Company.

Premiums are earned on a basis that is consistent with the risks covered under the terms of the reinsurance contracts. Premiums related to individual life and annuity business are recorded over the premium-paying period on the underlying policies. Amounts assessed against annuity and universal life policyholders are recognised as revenue in the period assessed.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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**Unearned Premiums**

Unearned premiums represent the portion of premiums written which is applicable to the unexpired risks under contracts in force.

At each reporting date, unearned premiums net of related deferred acquisition costs (DAC) are tested to determine whether they are sufficient to cover related losses and loss expenses. If these tests show that net unearned premiums are insufficient, the premium deficiency is immediately charged to the profit and loss account.

**Outstanding Claims, Non-Life**

The outstanding claims for non-life business include amounts determined from loss reports on individual treaties (case reserves), additional case reserves (ACRs) when the Company's loss estimate is higher than reported by the cedants and amounts for losses incurred but not reported (IBNR) to the Company. Such reserves are estimated based upon reports received from ceding companies, supplemented by the Company's own actuarial estimates of reserves for which ceding company reports have not been received, based on the Company's own historical experience. To the extent that the Company's own historical experience is inadequate for estimating reserves, such estimates may be determined based upon industry experience and the Company's judgement. The estimates are continually reviewed and the ultimate liability may be in excess of, or less than, the amounts provided. Any adjustments are reflected in the profit and loss account in the period in which they are determined. The loss reserves are presented in the financial statements on an undiscounted basis.

**Outstanding Claims, Life**

The outstanding claims life have been established based upon information reported by ceding companies, supplemented by the Company's actuarial estimates, which for life include mortality, morbidity, critical illness, persistency and future investment income, with appropriate provision to reflect uncertainty. Outstanding claims life include both mortality, morbidity and annuity claims in the process of settlement, and claims that have been incurred but not yet reported.

**(a) Outstanding Claims Life for Traditional and Limited Payment Long-Duration and GMDB Contracts**

For traditional and limited payment long-duration contracts, the Company accrues a liability for future policy benefits (LFPB), including case and IBNR reserves, over time as revenue is recognised based on a net premium ratio. The net premium ratio is the amount of gross premiums required to provide for all benefits and certain expenses. The LFPB uses the Company's current assumption of future cash flows discounted at a rate that approximates a single A rated corporate bond yield. Contracts are generally grouped into cohorts by product type, issue year, geographical region, currency and other factors.

Each quarter, the Company reviews its estimate of cash flows expected over the entire life of a group of contracts using actual historical experience and current view of future assumptions, and if the cash flows change significantly, the LFPB is updated using a revised net premium ratio. The revised net premium ratio is calculated as of contract inception based on locked-in discount rate (also at contract inception). This revised net premium ratio will derive a remeasurement gain or loss that is presented as a component of change in the provision for claims within the profit and loss account.

The impact of changes in quarterly discount rates are also recorded as a component of change in the provision for claims within the profit and loss account. The current discount rate assumption for all contracts is derived from a yield curve based on upper-medium grade fixed income securities (single A rated credit) with a similar duration to the LFPB. For unobservable discount rates, the Company uses estimates consistent with fair value guidance, maximising the use of relevant, observable market prices and minimising the use of unobservable inputs. The locked-in discount rate assumption is utilised for updating the net premium ratio. The locked-in discount rate assumption is based on the weighted average upper-medium grade fixed income yields during the first calendar year of the contract.

The most significant cash flow assumptions used are mortality, morbidity and policy lapses.

Included in claims outstanding life are contracts or contract features that both provide protection to the contract holder from other-than-nominal capital market risk and expose the Company to other-than-

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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nominal capital market risk. They include certain contract features that provide minimum guarantees to policyholders, such as guaranteed minimum death benefits (GMDB). Reinsurance recoverable on these contracts involves actuarial estimates consistent with those used to establish the gross claims outstanding.

Claims outstanding for GMDB treaties are measured at fair value using an option-based valuation model based on current net amounts at risk, market data, Company experience, and other factors. Consistent with a fair value income approach, all contractual cash flows specified within the GMDB treaties and expense cash flows that are consistent with the expected expense levels, are projected on a prospective basis. Risk neutral scenarios are used to project and discount cash flows. Changes in fair value related to these claims outstanding are recognised to the profit and loss account, including the portion of the change in fair value due to a change in the instrument-specific credit risk.

For contracts with annuitization options, the date of annuitization represents the end of the initial contract and the payout phase represents a new contract. Claims outstanding are derecognized in the financial statements upon contract termination.

See Note 8.2 for further information of the effects of changes in assumptions on the remeasurement of the liability for future policy benefits and GMDB treaties.

**(b) Outstanding Claims Life for Life and Health Short-Duration Contracts**

Reserves for life and health short-duration contracts have been established based upon information reported by ceding companies, supplemented by the Company's actuarial estimates, which include mortality, morbidity, critical illness, and persistency with appropriate provision to reflect uncertainty.

**Acquisition Costs**

Acquisition costs, primarily brokerage fees and commissions, which vary directly with and are primarily related to the acquisition of reinsurance contracts, are capitalised and charged to expenses as the related premium is earned.

Deferred acquisitions costs related to non-life contracts are amortised as the related premium is earned. The Company establishes a premium deficiency reserve to the extent the deferred acquisition costs are insufficient to cover the excess of expected losses and loss expenses, settlement costs and deferred acquisition costs over the related unearned premiums. Actual and anticipated losses and loss expenses, other costs, and investment income related to underlying premiums are considered in determining the recoverability of these deferred acquisition costs.

Deferred acquisition costs related to traditional and limited payment long-duration contracts are amortised over the expected term of the underlying contracts, on a constant level basis, at the cohort level. Acquisition costs related to unexpected contract terminations are written off. Assumptions used to amortise these acquisition costs are consistent with the related liability for future policy benefits.

Deferred acquisition costs are reviewed for impairment at the end of each reporting period.

**Ceding Commissions**

Ceding commission gains arising on reinsurance portfolio transfers with other Group companies are not recognised immediately in the profit and loss account but are deferred and recorded as deferred income in the balance sheet. Ceding commission gains are amortised to acquisition costs expense over the remaining life of the relevant reinsurance contracts. Ceding commission losses are recognised immediately in acquisition costs in the profit and loss account.

**Ceded Reinsurance**

The Company uses retrocession agreements to reduce its exposure to risk of loss on reinsurance assumed. These agreements provide for recovery of a portion of claims incurred from retrocessionaires.

Reinsurance recoverable on paid and unpaid losses involves actuarial estimates consistent with those used to establish the associated non-life and life claims outstanding.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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The Company remains liable to its cedants to the extent that the retrocessionaires do not meet their obligations under these agreements and therefore, the Company evaluates the financial condition of its retrocessionaires and monitors concentration of credit risk on an ongoing basis.

**Deposits with Ceding Undertakings**

The Company writes certain business on a funds held basis. Under such contractual arrangements, the cedant retains the premiums that would have otherwise been paid to the Company. The funds held receivable balances are carried at their face value in the balance sheet. The Company earns investment income on the funds held balances generally based upon a predetermined interest rate which is included within net interest income/(expense) on funds held within interest and dividend income. Accrued investment income is included within other prepayments and accrued income on the balance sheet.

**Deposits Received from Reinsurers**

The Company cedes certain business on a funds held basis. Under such contractual arrangements, the Company retains the premiums that would have otherwise been paid to the retrocessionaire. The Company pays interest on the funds held balances generally based upon a predetermined interest rate, which is included within net interest income/(expense) on funds held in interest and dividend income.

**(e) Deposit Assets and Liabilities**

In the normal course of its operations, the Company writes certain contracts that do not meet the risk transfer provisions of FRS 103 "Insurance Contracts". While these contracts do not meet risk transfer provisions for accounting purposes, there is a remote possibility that the Company will suffer a loss. The Company accounts for these contracts using the deposit accounting method, originally recording deposit liabilities for an amount equivalent to the consideration received. Income is earned over the expected settlement period of the contracts, with any unearned portion recorded as a component of deposit liabilities. Under some of these contracts, cedants retain the assets on a funds-held basis. In those cases, the Company records those assets as deposit assets and records the related income in other technical income.

**(f) Financial Instruments**

As permitted by FRS 102 Section 11.2, the Company has elected to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of FRS 102 in respect of financial instruments.

**Financial Assets**

Basic financial assets, including debtors arising out of reinsurance operations, amounts owed by group undertakings and other debtors, cash at bank and in hand and other financial investments, are initially recognised at transaction price.

Debtors arising out of reinsurance operations, amounts owed by group undertakings and other debtors, and cash at bank and in hand and are subsequently measured at amortised cost.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in the profit and loss account. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

**Financial Liabilities**

Basic financial liabilities, including creditors arising out of reinsurance operations and amounts due to related parties, are initially recognised at transaction price.

Creditors arising out of reinsurance operations and amounts due to related parties are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Investments**

The Company's investments comprise debt and equity investments and privately placed corporate loans. The Company determines the classification of its investments at initial recognition. The Company classifies its investments on a portfolio by portfolio basis and has designated all investment portfolios as at fair value through profit or loss. These portfolios are managed and their performance evaluated on a fair value basis.

Short-term investments comprise of debt securities that, at purchase, have a maturity greater than three months but less than one year.

The Company recognises other invested assets at fair value, except for those that are accounted for using the equity method of accounting. Other invested assets consist of equity investments in non-publicly traded companies and privately placed corporate loans. Non-publicly traded entities in which the Company has significant influence, are accounted for using the equity method while those where the Company does not have significant influence are accounted for at fair value through the profit and loss account.

All purchases and sales of investments are recorded on the trade date, which is the date that the Company commits to purchase or sell the assets. Investments are derecognised when the right to receive cash flows from the investments expires or is transferred and the Company has transferred substantially all the risks and rewards of ownership.

The fair values of listed investments are based on closing bid prices. For investments not traded on an active market, the Company establishes fair values based on quoted market prices of similar instruments or on other valuation techniques.

Realised and unrealised gains and losses arising from changes in the fair value of investments are presented in the profit and loss account within realised and unrealised gains/(losses) on investments in the period in which they arise.

Interest and dividend income includes interest income on fixed income securities and privately placed corporate loans and dividend income on equity securities. Interest and dividend income is recognised when earned.

Investment management and other related expenses are recognised when incurred.

**Allocated Investment Return Transferred from the Non-Technical Account**

Investment return is initially recorded in the Profit and Loss Non-Technical Account. A transfer is made from the Profit and Loss Non-Technical Account to the Profit and Loss Technical Account - Reinsurance to split the proportion of the investment return arising on technical provisions and related shareholders' funds, respectively.

**(g) Investment Properties**

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in fair value of investment properties are included in the profit and loss account in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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Rental income is recognised as revenue in the profit and loss account over the lease term.

**(h) Cash at Bank and in Hand**

Cash at bank and in hand is carried at face value and includes fixed income securities that, at purchase, have a maturity of three months or less. Interest income on cash at bank is recognised when earned and is included in income within the interest and dividend income.

**(i) Goodwill**

The Company's total goodwill was assumed from other Group companies as a result of restructuring of the Group's operations. Goodwill is carried at cost less accumulated amortisation less accumulated impairment losses. Goodwill is being amortised over a ten year period. When the useful life of goodwill can not be reliably estimated, the useful life should not exceed ten year years in accordance with FRS 102.

The carrying amount of goodwill is reviewed for impairment at least annually or when circumstances and events indicate that the carrying amount may not be recoverable. An impairment loss exists if the carrying amount of the goodwill exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

For the purpose of assessing impairment, assets are grouped together in cash-generating units which are the units that represent the lowest level at which goodwill is monitored for internal management purposes. If, as a result of this assessment, the Company determines that the value of its goodwill is impaired, goodwill will be written down in the period in which the determination is made. Impairment losses are charged in the profit and loss account.

**(j) Income Taxes**

Income taxes comprise current and deferred taxes. Income tax is recognised in the profit and loss account except to the extent that it relates to items which are recognised in other comprehensive income or directly in equity.

Current tax is the tax expected to be payable on the taxable profit in the financial year, calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period in each jurisdiction in which the Company operates. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Losses for tax purposes are treated as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right to offset them.

The Company recognises a tax benefit relating to uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. A liability is recognised for any tax cost (along with any interest and penalty, if applicable) claimed in a tax return in excess of the amount allowed to be recognised in the financial statements. Any changes in amounts recognised are recorded in the period in which they are determined.

In the event that there is a change in current tax law, the impact of such change is recorded in the period of enactment.

**(k) Derivative Financial Instruments**

The Company utilises derivative financial instruments, mainly forward foreign exchange contracts as part of its overall currency risk management. All derivative financial instruments are classified as held for trading. The Company has not designated any of its derivatives as hedging instruments eligible for the application of hedge accounting.

The derivative financial instruments are initially recognised in the balance sheet at their fair value, which usually represents their cost. They are subsequently measured at their fair value.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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The fair values of derivatives traded in active markets are based on closing market prices. The fair values of derivatives not traded on active markets are determined using internal valuation models. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. Changes in fair value are recognised in investment income and charges.

**(l) Foreign Currency Translation and Transactions**

The presentation currency of the Company is the Euro. The functional currency of the Company's Head Office is the Euro. The national currencies of the Company's branches are generally their functional currencies, except for the Company's Swiss, Hong Kong and U.K. Branches, whose functional currency is the U.S. dollar.

**Foreign Currency Translation**

In translating the financial statements of those branches whose functional currency is one other than Euro, assets and liabilities are converted into Euro using rates of exchange in effect at the end of the reporting periods, and revenues and expenses are converted using the average foreign exchange rates for the period. The effect of translation adjustments is recognised in other comprehensive income and is reported in the balance sheet as currency translation reserve within accumulated other comprehensive income, a separate component of equity.

**Foreign Currency Transactions**

In recording foreign currency transactions, revenue and expense items are converted into the functional currency at the average rates of exchange for the period. Monetary assets and liabilities originating in currencies other than the functional currency are translated into the functional currency at rates of exchange in effect at the end of the reporting period. The resulting foreign exchange gains or losses are recognised in the profit and loss account.

**(m) Employee Retirement Benefits**

The Company provides employee retirement benefits through defined contribution and defined benefit plans.

For the defined contribution plans, the Company pays contributions to publicly or privately administered pension plans. Once the contributions have been paid, the Company has no further payment obligations. The contributions are charged to the profit and loss account as they fall due.

The Company's defined benefit pension plans, related to former employees of the French branch, have been frozen and the employees transferred to the Company's defined contribution plans.

**(n) Leases**

Leases in which a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**(o) Investment in Subsidiaries**

Investments in subsidiaries are recorded at cost in the balance sheet. If there is objective evidence that the investment in a subsidiary is impaired, the Company reduces the carrying amount of the investment in the subsidiary accordingly and recognises an impairment loss in the profit and loss account in the period in which it is identified.

**(p) Investment in Joint Venture**

Joint ventures are entities in which the Company has contractually agreed sharing of control of an arrangement or whereby a contractual arrangement exists where two or more parties undertake an economic activity that is subject to joint control. Investment in joint venture provided in the form of share capital are accounted for at cost in the balance sheet.

The Company has applied the exemption available under FRS 102 15.21A not to account for such interests using the equity method as it is exempt from preparing consolidated financial statements as per note 3(b). If there is objective evidence that the investment in the joint venture is impaired, the Company

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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reduces the carrying amount of the investment in joint venture and recognises an impairment loss in the profit and loss account in the period in which it is identified.

Investment in joint venture provided in the form of shareholders' debt are classified as loan receivables and initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest method. The assets are assessed for impairment at the end of each reporting period and impairment losses are recognised in the profit and loss account.

The Company will derecognise the joint venture upon loss of the joint control. The Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the profit and loss account.

**(q) Transactions between Entities under Common Control**

A transaction is considered to be between entities under common control if all parties to the transaction are ultimately controlled by the same entity. The Company's accounting policy for such transactions requires that an entity that receives net assets or equity interests in a transaction between entities under common control shall initially measure the assets and liabilities acquired at their carrying amounts in the accounts of the transferring entity at the date of transfer. Any difference between the consideration paid or received and the carrying amounts of assets and liabilities transferred is recognised in equity as a capital contribution or distribution. If the carrying amounts of the assets and liabilities transferred differ from the historical cost of the parent of the entities under common control, for example, because pushdown accounting had not been applied, then the financial statements of the receiving entity shall reflect the transferred assets and liabilities at the historical cost of the parent of the entities under common control.

**4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities at the end of the reporting period. Estimates and judgements are continually evaluated in the light of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The assets and liabilities most affected by accounting estimates and judgements are discussed below.

**Claims Outstanding, Non-Life**

The net loss reserves represent the Company's best estimate of future losses and loss expenses based on information available as at 31 December 2024. Loss reserves are estimates involving actuarial and statistical projections at a given time to reflect the Company's expectations of the costs of the ultimate settlement and administration of claims. Estimates of ultimate liabilities are contingent on many future events and the eventual outcome of these events may be different from the assumptions underlying the reserves estimates. In the event that the business environment and social trends diverge from historical trends, the Company may have to adjust its loss reserves. The estimates are continually reviewed and the ultimate liability may be in excess of, or less than, the amount provided, for which any adjustments will be reflected in the period in which the need for an adjustment is determined. The Company's best estimates are point estimates within a reasonable range of actuarial liability estimates. Ranges around these actuarial point estimates are developed using stochastic simulations and techniques and provide an indication as to the degree of variability of the loss reserves. The Company interprets the ranges produced by these techniques as confidence intervals around the Company's best estimates. However, due to the inherent volatility in the business written by the Company, there can be no guarantee that the final settlement of the loss reserves will fall within these ranges.

The amount of time that elapses before a claim is reported to the cedant and then subsequently reported to the reinsurer is commonly referred to in the industry as the reporting tail. Lines of business for which claims are reported and settled quickly are commonly referred to as short-tail lines; and lines of business for which a longer period of time elapses before claims are reported and settled are commonly referred to as long-tail lines. In general, for reinsurance, the time lags are longer than for primary business due to the delay that occurs between the cedant becoming aware of a loss and reporting the information to its reinsurer(s).

The delay varies by reinsurance market (country of cedant), type of treaty, whether losses are paid by the cedant and the size of the loss. The delay could vary from a few weeks to a year or sometimes longer.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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Accordingly, the reserving for long-tail lines is generally more difficult and subject to greater uncertainty than for short-tail business. For all lines, the Company uses historical loss development, industry benchmarks and paid and reported loss experience to estimate ultimate losses and loss expenses. Total loss reserves are then calculated by subtracting losses paid from the ultimate loss estimate. Similarly, IBNR reserves are calculated by subtraction of case reserves and ACRs from total loss reserves.

**Claims Outstanding, Life**

In arriving at the amount recorded for claims outstanding life, the Company makes a number of critical accounting estimates regarding mortality, longevity, morbidity, lapses, surrenders and future investment income and expenses. The actual experience may differ from the Company's assumptions. Key assumptions impacting the reserves for life business are as follows:

- Mortality assumptions are used in the calculation of the life liabilities, with the Company exposed to uncertainties around both base mortality and future mortality improvements. This can include for example post pandemic mortality experience, and wide-ranging life style changes, such as changes in eating, smoking and exercise habits;
- Longevity assumptions are used in estimating the reserves for standard annuity blocks of business. Improving healthcare may result in an actual longevity in excess of the assumptions used by the Company in deriving the related liabilities;
- Morbidity assumptions are used to assess the disability reserves. The reserve level will depend mostly on the incidence rate and the recovery rates for the disabled case. The incidence rates may be impacted by economic situation: increase of incidence rates is generally correlated with economic downturn. The recovery rates are more related to the Company claims management approach and will vary by cedent;
- LFPB for the traditional and limited payment long-duration contracts are established based upon accepted actuarial valuation methods which require the Company to make certain assumptions regarding future claims and policy benefits. LFPB is adjusted quarterly for differences between actual and expected experience. The best estimate assumptions used at contract inception are reviewed quarterly, with the exception of the expense assumption, and the net premium ratio used to calculate the LFPB are updated each time assumptions are changed. The Company has elected to use expense assumptions that are locked in at contract inception and are not subsequently reviewed or updated;
- Reserves for the annuity portfolio of reinsurance contracts within the longevity book are established using the reserving methodology discussed above for long-term traditional mortality; and
- Under certain contracts, the Company guarantees minimum death benefits, reserves for which are presented under claims outstanding life. The reserves are measured at fair value using an option-based valuation model based on current net amounts at risk, market data, Company experience and other factors. Declines in the equity markets, increased volatility, and a low interest rate environment increase the Company's exposure to liabilities under the guaranteed features. The net amount at risk for GMDB is defined as the current guaranteed benefit amount in excess of the current contract value (see note 8.2).

**Premiums and Acquisition Costs**

The Company provides reinsurance coverage to cedants. In most cases, cedants seek protection for business that they have not yet written at the time they enter into reinsurance agreements and have to estimate the volume of premiums they will cede to the Company. Reporting delays are inherent in the reinsurance industry and vary in length by reinsurance market (country of cedant) and type of treaty. As delays can vary from a few weeks to a year or sometimes longer, the Company produces accounting estimates to report premiums and acquisition costs until it receives the cedants' actual results. Estimates for premiums and acquisition costs are updated continuously as new information is received from cedants. Differences between such estimates and actual amounts are recorded in the period in which estimates are changed or the actual amounts are determined.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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**Fair Value of Financial Instruments**

Fair value determinations for investments are based generally on listed market prices or broker or dealer price quotations. If prices are not readily determinable, fair value is based on either internal valuation models or management estimates of amounts that could be realised under current market conditions.

Fair values of certain financial instruments, including over-the-counter (OTC) derivative instruments, are determined using pricing models that consider, among other factors, contractual and market prices, correlations, yield curves, credit spreads, volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could lead to different estimates of fair value.

The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value by maximising the use of observable inputs and minimising the use of unobservable inputs. In determining the appropriate level for a particular type of investment, the Company considers the observable inputs available to determine the fair value of the investment. Listed equities are considered to fall within Level 1 as the inputs used in determining the fair value are considered to be observable and are based on market data obtained from sources independent of the Company. For fixed income securities and short term investments, quoted prices for identical assets in an active market may not be available. As a result, the Company classifies all fixed income securities within Level 2. Unlisted equities are considered to fall within Level 3 as the inputs used in determining the fair value are considered to be unobservable (see note 5).

**5. RISK MANAGEMENT**

The core of the Company's business model is the assumption and management of risk. A key challenge is to create economic value through the assumption and management of reinsurance and investment risks while limiting and mitigating those risks that can destroy value, those risks for which the organisation is not sufficiently compensated, and those risks that could threaten the ability of the Company to achieve its objectives. In order to achieve this, the Company applies risk-based limits and assesses return on capital in its underwriting process.

The Company has a clearly defined governance structure for risk management. The Board is responsible for setting the overall strategy and goals of the Company, which include the Company's risk appetite. The Company's risk framework, including the Risk Appetite Framework (RAF) and key risk policies, is approved by the Board of Directors upon recommendation by management and the Risk Committee. Each of the Company's risk policies relates to a specific set of risks and describes the Company's approach to risk management, defines roles and responsibilities relating to the assumption, mitigation, and control processes for that set of risks, and provides an escalation process for exceptions. Risk management policies and processes are coordinated by the Risk function of the Company and compliance is verified by Internal Audit on a periodic basis. The results of audits are monitored by the Audit Committee of the Board.

Day-to-day execution of risk assumption activities and related risk mitigation strategies are delegated to management. Reporting on risk management activities is integrated within presentations to management, the Risk and Audit Committees and the Board of the Company as well as within the annual planning process, quarterly operations reports, periodic reports on exposures and large losses and the annual own risk and solvency assessment (ORSA) process. Individual business and support units employ, and are responsible for reporting on, operational risk management procedures and controls, while Internal Audit periodically evaluates the effectiveness of such procedures and controls.

The Company annually carries out a detailed assessment of each of the risks to which it is exposed, both quantitative and qualitative. An annual Risk Assessment Report ("RAR") which summarises the individual risk assessments assists the Risk Committee and the Board in understanding the Company's risk profile and the setting of risk appetite and risk limits. Review of the Company's pre-emptive Recovery Plan is performed every year or following a material relevant change in the risk profile, solvency, liquidity or operational situation.

**Capital adequacy**

A key challenge for the Company is to maintain an appropriate level of capital to meet all of the Company's obligations to cedants and its regulatory requirements. The Board and management closely monitor the Company's capital needs and capital level throughout the reinsurance cycle and in times of volatility in financial markets in order to achieve an appropriate balance of financial strength and return on equity. Capital management is achieved by either deploying capital to fund attractive business opportunities or in

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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times of excess capital and times when business opportunities are not so attractive, returning capital to its shareholder.

The Company relies upon diversification of risk sources and risk limits to manage exposures. Diversification enables losses from one risk source to be offset by profits from other risk sources so that the chance of overall losses exceeding the Company's risk appetite is reduced. However, if multiple losses from multiple risk sources occur within the same year, there is the potential that losses can exceed stated risk appetite. To reduce the chance of either of these unfavourable outcomes, the Company uses risk limits to minimise the chance that losses from a single risk source or from multiple risk sources will cause losses exceeding the Company's risk appetite.

**Underwriting risk**

The Company identifies material underwriting risks through the annual risk identification and assessment process by assessing the loss potential in a tail event in relation to the Company's own funds. The Company establishes risk limits for these material risks and any other risk source deemed relevant by the Board. The RAF is complemented by other sets of operational limits including the Underwriting Guidelines.

**Non-life reinsurance risk**

The Company's RAR identified natural catastrophe and casualty risks as material non-life underwriting risks and monitors these risks in the Risk Committee and the Board.

**(a) Natural catastrophe risk**

Natural catastrophe risk is the risk that the aggregate losses from natural perils materially exceed the net premiums that are received to cover such risks. The Company considers both catastrophe losses due to a single large event and catastrophe losses that would occur from multiple (but potentially smaller) events in any year.

The Company measures exposure to natural catastrophe risk by peril-zone and at annual aggregate level.

The Company manages and mitigates natural catastrophe risk with monitoring of peril-zone and annual aggregate exposures, ongoing portfolio analysis, portfolio management and external and internal retrocession. For selected perils including peak risks, specific external retrocession is purchased. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function and a dedicated retro team within the Underwriting function.

The Company has world-wide exposures to natural catastrophe. On a gross basis, the largest concentration is to European windstorm, US/Caribbean windstorm, U.K. flood and Latin American and Germany earthquakes. On a net basis, exposures are dominated by Latin American earthquake and US/Caribbean windstorm.

**(b) Casualty risk**

Casualty risk is the risk that the estimates of ultimate losses for casualty lines of business will prove to be too low, leading to the need for reserve strengthening.

The Company measures casualty reserve risk with metrics based on the Solvency Capital Requirement (SCR) and modelling in the Group capital model. The risk metric is based on the premium and reserve risk distribution in the Group capital model.

The Company manages and mitigates reserve risk for casualty lines by following a disciplined underwriting process and applying prudent reserving policies for determining carried reserves. Casualty risk is also covered by internal retrocession. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function.

The Company writes professional lines and general casualty with active cycle management in terms of volume and portfolio mix. Transactional liability business is mostly US-based and assumed from the Group affiliate, PartnerRe Ireland Insurance dac. Key markets are Europe and the U.S. Latin American and Asian exposures are small. The portfolio is balanced with no significant concentrations.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

***(c) Sensitivity analysis of the claims outstanding non-life***

The Company utilises various assumptions in determining its loss reserves. As an example of the sensitivity of the Company's loss reserves to reserving parameter assumptions, the table below summarises the effect on the Company's reserves of higher/lower a priori loss ratio selections, higher/lower loss development factors, and higher/lower tail factors. Tail factors are defined as aggregate development factors after 10 years from the inception of an underwriting year. The Company believes the provided sensitivity analysis is indicative of the potential variability inherent in the estimation process of those parameters.

The sensitivity analysis of gross and net claims outstanding non-life at 31 December 2024 and 2023 is shown below:

|                                                | <b>Gross<br/>2024<br/>€m</b> | <b>Net<br/>2024<br/>€m</b> | <b>Gross<br/>2023<br/>€m</b> | <b>Net<br/>2023<br/>€m</b> |
|------------------------------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| Higher a <i>priori</i> loss ratios by 2 points | 132                          | 45                         | 121                          | 42                         |
| Higher loss development factors by 3 months    | 301                          | 102                        | 239                          | 83                         |
| Higher tail factors by 2%                      | 88                           | 30                         | 86                           | 30                         |
| Higher a <i>priori</i> loss ratios by 5 points | 331                          | 113                        | 302                          | 105                        |
| Higher loss development factors by 6 months    | 637                          | 217                        | 510                          | 178                        |
| Higher tail factors by 5%                      | 218                          | 74                         | 213                          | 74                         |
| Lower a <i>priori</i> loss ratios by 2 points  | (132)                        | (45)                       | (121)                        | (42)                       |
| Lower loss development factors by 3 months     | (175)                        | (60)                       | (147)                        | (51)                       |
| Lower tail factors by 2%                       | (61)                         | (21)                       | (62)                         | (22)                       |
| Lower a <i>priori</i> loss ratios by 5 points  | (331)                        | (113)                      | (302)                        | (105)                      |
| Lower loss development factors by 6 months     | (375)                        | (128)                      | (287)                        | (100)                      |
| Lower tail factors by 5%                       | (149)                        | (51)                       | (145)                        | (51)                       |

It is not appropriate to add together the total impact for a specific factor or the total impact for a specific reserving line since the lines of business are not perfectly correlated.

The above table shows the total impact due to each specific factor which excludes any diversification effects between the lines of business. Hence the impacts represent the higher end of the range of probable outcomes.

**Life reinsurance risk**

The Company's RAR identified mortality trend risk as a material life underwriting risk and monitors this risk in the Risk Committee and the Board.

***(a) Mortality trend risk***

Mortality trend risk is the risk that mortality improvements or the trend of mortality improvements deviate from expectation. Improvements in mortality or mortality trend can lead to increased actual and future expected annuity payments (longevity risk), deteriorations in mortality or mortality trend can lead to losses arising from higher than anticipated death rates on insured portfolios (mortality risk).

The Company measures mortality trend risk with a dedicated mortality trend model.

The Company manages and mitigates mortality trend risk through age, socioeconomic and benefit type diversification, maturity of assumed blocks of business and internal retrocession. Business exposed to longevity risk provides a partial hedge for business exposed to mortality risk, and vice versa. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function.

In aggregate, the Company has higher exposure to longevity risk than to mortality risk. Its longevity risk is geographically concentrated in the U.K. The Company's mortality business includes traditional death and disability covers (with various riders), term assurance and critical illness, and GMDB.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**(b) Sensitivity analysis of claims outstanding life**

As an example of the sensitivity of the Company's claims outstanding life to reserving parameter assumptions, the table below, summarises by reserving line the effect of different assumption selections on the best estimate reserves.

**As at 31 December 2024**

| Reserving lines                     | Factors                    | Change | Impact on claims outstanding life (in €m) |     |
|-------------------------------------|----------------------------|--------|-------------------------------------------|-----|
|                                     |                            |        | Gross                                     | Net |
| Mortality:                          |                            |        |                                           |     |
| Long-term and TCI                   | Mortality                  | +10%   | 203                                       | 104 |
| GMDB                                | Stock market performance   | -10%   | 6                                         | 2   |
| Longevity:                          |                            |        |                                           |     |
| Standard and non-standard annuities | Mortality improvement p.a. | +1%    | 316                                       | 87  |

**As at 31 December 2023**

| Reserving lines                      | Factors                    | Change | Impact on claims outstanding life (in €m) |     |
|--------------------------------------|----------------------------|--------|-------------------------------------------|-----|
|                                      |                            |        | Gross                                     | Net |
| Mortality:                           |                            |        |                                           |     |
| Long-term and TCI                    | Mortality                  | +10%   | 175                                       | 88  |
| GMDB                                 | Stock market performance   | -10%   | 10                                        | 4   |
| Longevity:                           |                            |        |                                           |     |
| Standard and impaired life annuities | Mortality improvement p.a. | +1%    | 367                                       | 108 |

It is not appropriate to sum the total impact for a specific line or the total impact for a specific factor because the reinsurance portfolios are not perfectly correlated.

**Mitigation of underwriting risk by use of retrocession**

The Company uses external retrocession agreements to reduce its exposure on certain assumed underwriting risks and to mitigate the effect of any single major event or the frequency of medium-sized events. These agreements provide for the recovery of a portion of claims incurred from retrocessionaires.

The Company's external retrocession agreements cover most of its non-life classes of business and are bought on a proportional and non-proportional basis. The Company also utilises external retrocessions in the life business to manage the amount of per-event and per-life risks to which it is exposed.

Retrocessionaires must be approved based on their financial condition and business practices, with stability, solvency and credit ratings being important criteria. Capacity and credit rating limits per retrocessionaire are put in place and monitored to mitigate counterparty credit risk.

The Company remains liable to its cedants to the extent that the retrocessionaires do not meet their obligations under retrocession agreements and, therefore, retrocessions are subject to credit risk in all cases and to aggregate loss limits in certain cases. The Company holds collateral, securities and letters of credit under certain retrocession agreements. Provisions are made for amounts considered potentially uncollectible and reinsurance losses recoverable from retrocessionaires are reported after allowances for uncollectible amounts.

The Company further mitigates assumed underwriting risk with the purchase of internal retrocession cover from other Group companies. External retrocession inures to the benefit of internal retrocession.

The main objectives of the retrocession cover are to reduce the capital requirements and associated cost of capital for the Company, to ensure the Company is in a position to be a well-capitalised reinsurer for its cedants, and to ensure the Company receives and maintains an appropriate rating from the rating agencies.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**Environmental, Social and Governance (“ESG”) risks**

ESG risks encompass potential negative impacts related to environmental, social, and governance factors, potentially affecting underwriting, investments and the Company’s reputation. Climate change risks are assessed over various time horizons, showing small year-on-year increases in loss potential. Liability risks are minimal but could rise with public sentiment shifts. Investment risks are regularly quantified and well below materiality thresholds. Operational and reputational risks are mitigated through ESG activities, policies, and controls, with a robust framework involving quarterly risk quantification, an ESG Task Force, and regular reporting to the Risk Committee and Board.

**Financial risk**

The Company is exposed to financial risk through its financial and reinsurance assets and liabilities.

**Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At 31 December 2024 and 2023, the Company’s financial instruments measured at fair value were categorised between Level 1, 2 and 3 as follows:

| <b>As at 31 December 2024</b>                | <b>Level 1</b> | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
|----------------------------------------------|----------------|------------------|----------------|------------------|
|                                              | <b>€'000</b>   | <b>€'000</b>     | <b>€'000</b>   | <b>€'000</b>     |
| Fixed income securities:                     |                |                  |                |                  |
| Government and Government sponsored entities | —              | 914,193          | —              | 914,193          |
| Corporate bonds                              | —              | 2,598,360        | —              | 2,598,360        |
| Mortgage/asset-backed securities             | —              | 759,853          | —              | 759,853          |
|                                              | —              | <u>4,272,406</u> | —              | <u>4,272,406</u> |
| Short-term investments                       | —              | 56,339           | —              | 56,339           |
| Equities                                     | 19,439         | —                | 5,230          | 24,669           |
| Other invested assets                        | —              | —                | 186,177        | 186,177          |
| Investment properties                        | —              | —                | 53,064         | 53,064           |
| Derivative asset                             | —              | 2,106            | —              | 2,106            |
| Derivative liability                         | —              | (23,397)         | —              | (23,397)         |
| <b>Total</b>                                 | <u>19,439</u>  | <u>4,307,454</u> | <u>244,471</u> | <u>4,571,364</u> |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| <b>As at 31 December 2023</b>                 | <b>Level 1</b> | <b>Level 2</b>   | <b>Level 3</b> | <b>Total</b>     |
|-----------------------------------------------|----------------|------------------|----------------|------------------|
|                                               | <b>€'000</b>   | <b>€'000</b>     | <b>€'000</b>   | <b>€'000</b>     |
| Fixed income securities:                      |                |                  |                |                  |
| Governments and Government sponsored entities | —              | 727,840          | —              | 727,840          |
| Corporate bonds                               | —              | 2,338,906        | —              | 2,338,906        |
| Mortgage/asset-backed securities              | —              | 598,026          | —              | 598,026          |
|                                               | —              | <u>3,664,772</u> | —              | <u>3,664,772</u> |
| Short-term investments                        | —              | 173,034          | —              | 173,034          |
| Equities                                      | 16,328         | —                | 5,784          | 22,112           |
| Other invested assets                         | —              | —                | 273,060        | 273,060          |
| Investment properties                         | —              | —                | 50,629         | 50,629           |
| Derivative asset                              | —              | 22,986           | —              | 22,986           |
| Derivative liability                          | —              | (2,926)          | —              | (2,926)          |
| <b>Total</b>                                  | <u>16,328</u>  | <u>3,857,866</u> | <u>329,473</u> | <u>4,203,667</u> |

Financial assets with a carrying value €2.3bn as at 31 December 2024 (2023: €2.2bn) were deposited or pledged in favour of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and reinsurance regulations.

The following methods and assumptions were used by the Company in estimating the fair value of each class of financial instrument recorded in the balance sheet. There have been no material changes in the Company's valuation techniques during the financial year.

#### **Fixed maturities**

- *Governments and government sponsored entities* - these securities are generally priced by independent pricing services. The independent pricing services may use actual transaction prices for securities that have been actively traded. For securities that have not been actively traded, each pricing source has its own proprietary method to determine the fair value, which may incorporate option adjusted spreads (OAS), interest rate data and market news. The Company classifies these securities in Level 2.
- *Corporate bonds* - consist primarily of bonds issued by U.S. and non-U.S. corporations covering a variety of industries and issuing countries. These securities are generally priced by independent pricing services and brokers. The pricing provider incorporates information including credit spreads, interest rate data and market news into the valuation of each security. The Company classifies these securities in Level 2.
- *Mortgage/asset-backed securities* - these securities are generally priced by independent pricing services and brokers. When current market trades are not available, the pricing provider or the Company will employ proprietary models with observable inputs including other trade information, prepayment speeds, yield curves and credit spreads. The Company classifies these securities in Level 2.

#### **Short-term investments**

Short-term investments are valued in a manner similar to the Company's fixed maturity investments and are classified in Level 2.

#### **Equities**

Equity securities are generally classified in Level 1 as the Company uses prices received from independent pricing sources based on quoted prices in active markets. Level 3 equities consist of investments in private equity funds which are valued based on the reported net asset values, which is deemed to be an unobservable market input.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**
**Other invested assets**

Included in the Company's Level 3 classification are non-publicly traded entities of €71.2m (2023: €110.3m) and private equity funds of €115.0m (2023: €102.9m), with no privately held corporate loans (2023: €59.8m).

For Level 3 instruments, the Company will generally receive a price based on a manager's or trustee's valuation for the asset. Where the Company receives prices from the manager or trustee, these prices are based on the manager's or trustee's estimate of fair value for the assets and are generally audited on an annual basis. The Company recognises non-publicly traded entities at fair value through profit and loss, except for those that are accounted for using the equity method of accounting. Non-publicly traded entities in which the Company has significant influence are accounted for using the equity method and those where the Company does not have a significant influence are accounted for at fair value through profit and loss.

**Investment properties**

Investment properties are classified in Level 3 as the valuation methodology used by the Company is based on third-party transactional data of similar properties.

**Derivative assets and liabilities**

The Company's foreign exchange forward contracts are generally classified as Level 2 within the fair value hierarchy and are priced by independent pricing services.

**Other financial assets and liabilities**

Funds held by reinsured companies with a carrying amount of €347.6m (2023: €343.9m) had a fair value of €355.4m as at the year end (2023: €356.9m).

The carrying amount of all other loans and receivables, deposits received from reinsurers and liabilities carried at amortised cost was a reasonable approximation of their fair value.

The following table is a reconciliation of the beginning and ending balances for the financial instruments measured at fair value using Level 3 inputs for the financial years ended 31 December 2024 and 2023:

| <b>As at 31 December 2024</b>                  | <b>Equities</b> | <b>Other invested assets</b> | <b>Investment Property</b> | <b>Total</b>   |
|------------------------------------------------|-----------------|------------------------------|----------------------------|----------------|
|                                                | <b>€'000</b>    | <b>€'000</b>                 | <b>€'000</b>               | <b>€'000</b>   |
| Balance at the beginning of the financial year | 5,784           | 273,060                      | 50,629                     | 329,473        |
| Realised and unrealised (losses)/gains         | (243)           | 11,825                       | —                          | 11,582         |
| Effects of foreign exchange rate changes       | 371             | 7,283                        | 2,435                      | 10,089         |
| Sales                                          | (682)           | (111,412)                    | —                          | (112,094)      |
| Purchases                                      | —               | 5,421                        | —                          | 5,421          |
| Balance at the end of the financial year       | <u>5,230</u>    | <u>186,177</u>               | <u>53,064</u>              | <u>244,471</u> |
| <br>                                           |                 |                              |                            |                |
| <b>As at 31 December 2023</b>                  | <b>Equities</b> | <b>Other invested assets</b> | <b>Investment Property</b> | <b>Total</b>   |
|                                                | <b>€'000</b>    | <b>€'000</b>                 | <b>€'000</b>               | <b>€'000</b>   |
| Balance at the beginning of the financial year | 42,876          | 263,056                      | 54,471                     | 360,403        |
| Realised and unrealised gains/(losses)         | 2,284           | 10,623                       | (4,781)                    | 8,126          |
| Effects of foreign exchange rate changes       | (1,745)         | (4,163)                      | 939                        | (4,969)        |
| Sales                                          | (37,631)        | —                            | —                          | (37,631)       |
| Purchases                                      | —               | 3,544                        | —                          | 3,544          |
| Balance at the end of the financial year       | <u>5,784</u>    | <u>273,060</u>               | <u>50,629</u>              | <u>329,473</u> |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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The significant components of financial risk relating to the Company's assets and liabilities are market risk, credit risk and liquidity risk.

**(a) Market risk**

The Company identified interest rate, currency, credit spread and inflation risk as material market risks and monitors these and equity risk in the Risk Committee and the Board.

**i. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or reinsurance liabilities will fluctuate because of changes in market interest rates.

The Company manages its interest rate risk at an aggregate level by monitoring the duration of its fixed income portfolio relative to the duration of its reinsurance liabilities so that the economic value of changes in interest rates has offsetting effects on the Company's assets and liabilities and with the metrics described above. The Company does not have specific risk mitigation arrangements such as interest rate hedges.

The Company is mainly exposed to rising USD interest rates. Changes in other interest rates, including EUR and GBP, can also impact the balance sheet but are less material. Exposures can vary over time as assets and liabilities change in line with investment and business developments.

At 31 December 2024, the Company held fixed income securities, short-term investments, other invested assets (where underlying assets are exposed to interest rate risk) and cash equivalents with a fair value of €4.6bn (2023: €4.2bn). At the reporting date, if market interest rates were higher/lower by 100bps with all other variables held constant, profit before taxes would have been lower/higher by €188.3m (2023: €114.3m) and shareholders' equity would have been €150.6m lower/higher (2023: €91.4m).

**ii. Currency risk**

Currency risk is the risk that the fair value or future cash flows of assets and liabilities will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from transactions and recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the Company.

The Company measures exposure to currency risk with scenario-based metrics on its net asset value position and with the currency SCR.

The Company employs a hedging strategy utilising derivative financial instruments to reduce net exposure for its main foreign currency exposures USD, GBP and CHF. Exposures can vary over time as assets and liabilities change in line with investment and business developments.

Assuming all other variables are held constant, as at the reporting date, if the Euro had strengthened/weakened by 10% against all other currencies held by the Company, profit before taxes would have been €156.5m higher/lower (2023: €99.1m) and shareholders' equity would have been €28.4m higher/lower (2023: €4.5m), inclusive of the effect of derivatives.

**iii. Credit spread risk**

Credit spread risk is the risk of a significant widening of credit spreads resulting in realised or unrealised investment losses on the Company's standard fixed income securities (which includes investment grade corporate bonds and asset-backed securities) and loans which may result in economic losses to the Company.

The Company measures credit spread risk with metrics based on credit quality and duration of fixed income instruments and with metrics based on the impact on market value due to changes in market credit spreads.

Credit spread risk is managed and mitigated with limits on credit quality and concentration to any single name or sector. Credit spread risk can change from period to period depending on market conditions and asset-liability management actions.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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The Company's key exposures are corporate bonds most of which are investment grade (mostly A or BBB) with concentration in the Financial Industry. Secondary exposures are mortgage backed securities and alternative credit investments.

**iv. Inflation risk**

Inflation risk is the risk of a reduction in purchasing power per unit of money overall or in respect of specific products or services resulting in increased claims and expenses and potentially in monetary action (changes in interest rates) resulting in realised and unrealised gains and losses on the Company's fixed income portfolio.

The Company measures claims and expense inflation risk with a scenario-based metric and inflation risk in combination with interest rate risk with stress and scenario testing in the annual Risk Assessment report and ORSA.

The impact of claims inflation is mitigated by external and internal retrocession. The appropriateness of risk mitigation arrangements to the risk profile is reviewed on an ongoing basis by the Risk function.

Claims and expense inflation risk arises mostly in respect of non-life claims payments.

**v. Equity risk**

Equity risk is the risk of a substantial decline in the value of its equity and equity-like securities which include all invested assets that do not comprise cash, investment grade standard fixed income securities or real estate property, and in the value of its reinsurance liabilities which are exposed to equity markets.

The Company measures equity risk by assessing the impact of movements in equity markets on own funds.

To mitigate equity risk on investments, the Company sets limits on total allocation to equity investments as a proportion of capital funds as well as ensuring portfolio diversification through appropriate concentration limits by any one name and any one industry. These limits are reviewed annually and approved by the Risk Committee and Board.

The Company invests in private and public equity and has also equity exposure via its GMDB portfolio. Allocation to equity investments can change from period to period depending on market conditions within strict upper limits and can be concentrated in specific countries depending on the assessment of investment opportunities.

At 31 December 2024, the Company held private (included in other invested assets) and public equities of €30.3m (2023: €38.1m). An increase or decrease of 10% in global equity markets would have the effect of increasing or decreasing income before taxes by €3.0m (2023: €3.5m) and shareholders' equity would have been €2.4m higher/lower (2023: €2.8m).

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements.

The Company measures credit risk with metrics based on SCR, credit ratings, single-counterparty exposures and the solvency ratio of Group-internal counterparties.

The Company's exposure to credit risk arises mainly from cash and cash equivalents deposited with banks, investments in fixed income and other financial securities, reinsurance balances recoverable on ceded reinsurance and funds held by reinsured companies. The main exposures are related to retrocession agreements with related companies of the Group, rated A+.

The Company uses retrocession agreements to reduce its exposure on certain underwriting risks assumed and to mitigate the effect of any single major event or the frequency of medium-sized events, thereby exposing the Company to credit risk with retrocessionaires. Retrocessionaires must be approved based on their financial condition and business practices, with stability, solvency and credit ratings being important criteria. Limits per retrocessionaire are put in place and monitored to mitigate counterparty credit risk. The

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

Company manages its credit exposure to retrocessionaires by generally selecting retrocessionaires which have a credit rating of A- or higher. In certain cases where an otherwise suitable retrocessionaire has a credit rating lower than A-, the Company generally requires the posting of collateral and letters of credit as a condition to it entering into a retrocession agreement.

Credit risk related to cash, cash equivalents and investments is primarily mitigated by investing only in counterparties with strong credit ratings and managing concentration risk by limiting the aggregate exposure to any individual counterparty through the use of appropriate limits.

The creditworthiness of counterparties is monitored on an on-going basis. The Company uses, where available, rating information provided by S&P and A.M. Best to ensure a consistent view on the financial condition of external parties.

For funds held by reinsureds the Company is subject to the credit risk of its cedants in the event of their insolvency or their failure to honour the value of the funds held balances due to the Company for any other reason. However, the Company's credit risk in some jurisdictions is mitigated by a mandatory right of offset of amounts payable by the Company to a cedant against amounts due to the Company. In certain other jurisdictions, the Company is able to mitigate this risk, depending on the nature of the funds held arrangements, to the extent that the Company has the contractual ability to offset any shortfall in the payment of the funds held balances with amounts owed by the Company to cedants for losses payable and other amounts contractually due.

The creditworthiness of counterparties is monitored on an on-going basis. The tables below provide information regarding the credit risk exposure of the Company by classifying assets according to S&P's credit ratings of the counterparties.

|                                                           |                  |                  |
|-----------------------------------------------------------|------------------|------------------|
| <b>Cash at bank and in hand</b>                           | <b>2024</b>      | <b>2023</b>      |
|                                                           | <b>€'000</b>     | <b>€'000</b>     |
| AAA                                                       | 93,540           | 79,469           |
| AA+                                                       | 38,363           | 22,803           |
| AA                                                        | —                | 3,191            |
| AA-                                                       | 39,859           | 22,352           |
| A+                                                        | 64,203           | 148,931          |
| A                                                         | —                | 9,795            |
| A-                                                        | 2,373            | 8,112            |
| BBB+                                                      | 1,794            | 989              |
| Without external rating                                   | —                | 2                |
| <b>Total</b>                                              | <b>240,132</b>   | <b>295,644</b>   |
| <b>Fixed income securities and short-term investments</b> | <b>2024</b>      | <b>2023</b>      |
|                                                           | <b>€'000</b>     | <b>€'000</b>     |
| AAA                                                       | 523,997          | 425,717          |
| AA                                                        | 1,365,137        | 1,092,304        |
| A                                                         | 1,031,656        | 820,733          |
| BBB                                                       | 1,399,748        | 1,486,130        |
| Without external rating                                   | 8,207            | 12,922           |
| <b>Total</b>                                              | <b>4,328,745</b> | <b>3,837,806</b> |
| <b>Derivative assets and liabilities</b>                  | <b>2024</b>      | <b>2023</b>      |
|                                                           | <b>€'000</b>     | <b>€'000</b>     |
| AA-                                                       | (6,150)          | —                |
| A+                                                        | (15,141)         | 11,250           |
| A-                                                        | —                | 8,810            |
| <b>Total</b>                                              | <b>(21,291)</b>  | <b>20,060</b>    |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**Reinsurers' share of claims outstanding and reinsurers' share of unearned premiums**

|                         | <b>2024</b>             | <b>2023</b>             |
|-------------------------|-------------------------|-------------------------|
|                         | <b>€'000</b>            | <b>€'000</b>            |
| AA+                     | 2,980                   | 2,089                   |
| AA                      | 14,357                  | 12,110                  |
| AA-                     | 54,893                  | 12,831                  |
| A+                      | 5,656,662               | 5,129,214               |
| A                       | 78,899                  | 82,443                  |
| A-                      | 18,091                  | 10,850                  |
| Without external rating | 200,595                 | 195,583                 |
| <b>Total</b>            | <u><u>6,026,477</u></u> | <u><u>5,445,120</u></u> |

Within the A+ balance, €5.6bn (2023: A+ €4.9bn) is recoverable from Partner Reinsurance Company Limited (PRCL) and Partner Reinsurance Asia Pte. Ltd. (PRA), which are related parties and is supported by funds held balances of €0.7bn (2023: €0.7bn). Of the balances without external rating, €177.3m (2023: €188.9m) is supported by collateral in the form of securities pledged in the Company's favour. The remaining balance without external rating represents a large number of individual counterparties which individually do not represent a material risk to the Company.

**Inter-company loan**

The Company has a loan agreement to provide up to a total of €500m to its Group Parent, PartnerRe Ltd. which has an A+ rating as of the reporting date (see note 16). The full amount that was drawn has been repaid during the year (2023: €285.2m).

**(c) Liquidity risk**

Liquidity risk is the risk of not being able to meet financial obligations as and when they fall due, including obligations to cedants, internal counterparties and other third parties.

The Company mitigates liquidity risk by holding a majority of its investments in investment grade standard fixed income securities and other liquid instruments and by imposing strict limits on illiquid investments.

The Company is exposed to liquidity risk mainly through claims arising from its reinsurance contracts and a decline in disposal value of the Company's assets in financial market crises. Liquidity risk may also arise from a difference in timing between claims payments and recoveries from reinsurance ceded, from collateral calls on collateralised business and from a reduction in liquidity inflows.

The tables below provide a maturity analysis of the Company's assets and liabilities as at 31 December 2024 and 2023. The maturity profiles of fixed income securities, short-term investments and other assets are based on their contractual maturity dates. The maturity profiles of reinsurance liabilities are determined based on the estimated timing of net cash outflows from the recognised reinsurance liabilities.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**As at 31 December 2024**

|                                                                                      | <b>Up to<br/>1 year<br/>€'000</b> | <b>1 - 5<br/>years<br/>€'000</b> | <b>Over 5<br/>years<br/>€'000</b> | <b>Maturity not<br/>applicable<br/>€'000</b> | <b>Total<br/>€'000</b> |
|--------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------------------|------------------------|
| Goodwill                                                                             | —                                 | —                                | —                                 | 187,416                                      | 187,416                |
| Investment property, investments in group undertakings and loan to group undertaking | —                                 | —                                | —                                 | 53,943                                       | 53,943                 |
| Other financial investments                                                          | 252,841                           | 1,574,446                        | 2,501,459                         | 210,845                                      | 4,539,591              |
| Derivative assets                                                                    | 2,106                             | —                                | —                                 | —                                            | 2,106                  |
| Deposits with ceding undertakings                                                    | 137,643                           | 118,071                          | 91,876                            | —                                            | 347,590                |
| Reinsurers' share of provision for unearned premiums                                 | —                                 | —                                | —                                 | 885,475                                      | 885,475                |
| Reinsurers' share of claims outstanding non life                                     | 1,250,881                         | 1,782,766                        | 869,087                           | —                                            | 3,902,734              |
| Reinsurers' share of claims outstanding life                                         | 565,818                           | 305,688                          | 366,762                           | —                                            | 1,238,268              |
| Debtors                                                                              | 2,159,872                         | —                                | —                                 | —                                            | 2,159,872              |
| Other assets                                                                         | 259,105                           | 55,696                           | 13,924                            | 14,808                                       | 343,533                |
| Prepayments and accrued income                                                       | 56,197                            | —                                | —                                 | 521,250                                      | 577,447                |
| Provision for unearned premiums                                                      | —                                 | —                                | —                                 | (1,292,334)                                  | (1,292,334)            |
| Claims outstanding, non-life                                                         | (1,923,890)                       | (2,650,004)                      | (1,344,964)                       | —                                            | (5,918,858)            |
| Claims outstanding, life                                                             | (897,678)                         | (484,965)                        | (581,859)                         | —                                            | (1,964,502)            |
| Other provisions                                                                     | (7,149)                           | —                                | —                                 | (121,899)                                    | (129,048)              |
| Deposits received from reinsurers                                                    | (335,625)                         | (183,379)                        | (217,676)                         | —                                            | (736,680)              |
| Creditors                                                                            | (1,756,678)                       | —                                | —                                 | —                                            | (1,756,678)            |
| Accruals and deferred income                                                         | (65,778)                          | —                                | —                                 | (326,791)                                    | (392,569)              |
| <b>Net assets</b>                                                                    | <b>(302,335)</b>                  | <b>518,319</b>                   | <b>1,698,609</b>                  | <b>132,713</b>                               | <b>2,047,306</b>       |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**As at 31 December 2023**

|                                                                                            | <b>Up to<br/>1 year<br/>€'000</b> | <b>1 to 5<br/>years<br/>€'000</b> | <b>Over 5<br/>years<br/>€'000</b> | <b>Maturity not<br/>applicable<br/>€'000</b> | <b>Total<br/>€'000</b> |
|--------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------------------|------------------------|
| Goodwill                                                                                   | —                                 | —                                 | —                                 | 197,882                                      | 197,882                |
| Investment property, investments<br>in group undertakings and loan to<br>group undertaking | —                                 | —                                 | —                                 | 338,662                                      | 338,662                |
| Other financial investments                                                                | 663,042                           | 1,825,077                         | 1,409,493                         | 235,366                                      | 4,132,978              |
| Derivative assets                                                                          | 22,986                            | —                                 | —                                 | —                                            | 22,986                 |
| Deposits with ceding undertakings                                                          | 137,940                           | 115,903                           | 90,020                            | —                                            | 343,863                |
| Reinsurers' share of provision for<br>unearned premiums                                    | —                                 | —                                 | —                                 | 864,090                                      | 864,090                |
| Reinsurers' share of claims<br>outstanding non life                                        | 1,209,210                         | 1,582,477                         | 670,315                           | —                                            | 3,462,002              |
| Reinsurers' share of claims<br>outstanding life                                            | 492,349                           | 276,117                           | 350,562                           | —                                            | 1,119,028              |
| Debtors                                                                                    | 2,051,657                         | —                                 | —                                 | —                                            | 2,051,657              |
| Other assets                                                                               | 406,635                           | 55,663                            | 27,832                            | 17,770                                       | 507,900                |
| Prepayments and accrued income                                                             | 48,246                            | —                                 | —                                 | 518,693                                      | 566,940                |
| Provision for unearned premiums                                                            | —                                 | —                                 | —                                 | (1,303,856)                                  | (1,303,856)            |
| Claims outstanding non-life                                                                | (1,871,574)                       | (2,393,557)                       | (1,046,801)                       | —                                            | (5,311,932)            |
| Claims outstanding life                                                                    | (790,456)                         | (443,301)                         | (562,888)                         | —                                            | (1,796,645)            |
| Other provisions                                                                           | (7,612)                           | —                                 | —                                 | (79,711)                                     | (87,323)               |
| Deposits received from reinsurers                                                          | (306,579)                         | (173,462)                         | (217,965)                         | —                                            | (698,006)              |
| Creditors                                                                                  | (1,527,123)                       | —                                 | —                                 | —                                            | (1,527,123)            |
| Accruals and deferred income                                                               | (107,462)                         | —                                 | —                                 | (310,361)                                    | (417,823)              |
| <b>Net assets</b>                                                                          | <b>421,259</b>                    | <b>844,917</b>                    | <b>720,568</b>                    | <b>478,535</b>                               | <b>2,465,280</b>       |

**6. PARTICULARS OF BUSINESS****(a) analysis of gross premiums written from contracts concluded:**

|                | <b>2024<br/>€'000</b> | <b>2023<br/>€'000</b> |
|----------------|-----------------------|-----------------------|
| Ireland        | 1,322,099             | 1,295,951             |
| Hong Kong      | 114,882               | 81,664                |
| France         | 442,168               | 277,044               |
| Switzerland    | 1,715,469             | 1,825,420             |
| United Kingdom | 187,752               | 176,950               |
| United States  | 232,599               | 321,919               |
| Total          | <b>4,014,969</b>      | <b>3,978,948</b>      |

**(b) analysis of gross premiums written, gross premiums earned, gross claims incurred, gross operating expenses and reinsurance balances by class of business:**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

| <b>2024</b>                                                  | <b>Gross<br/>Premiums<br/>Written<br/>€'000</b> | <b>Gross<br/>Premiums<br/>Earned<br/>€'000</b> | <b>Gross<br/>Claims<br/>Incurred<br/>€'000</b> | <b>Gross<br/>Operating<br/>Expenses<br/>€'000</b> | <b>Reinsurance<br/>Balances<br/>€'000</b> |
|--------------------------------------------------------------|-------------------------------------------------|------------------------------------------------|------------------------------------------------|---------------------------------------------------|-------------------------------------------|
| Proportional Reinsurance - Fire and other damage to property | 913,736                                         | 881,223                                        | 483,162                                        | 266,207                                           | (106,938)                                 |
| Proportional Reinsurance - General liability                 | 414,196                                         | 488,115                                        | 334,260                                        | 160,971                                           | 25,583                                    |
| Proportional Reinsurance - Marine, aviation and transport    | 430,964                                         | 460,688                                        | 298,465                                        | 125,859                                           | (19,448)                                  |
| Other                                                        | 713,254                                         | 705,411                                        | 459,548                                        | 188,856                                           | (24,652)                                  |
| Life and Health Reinsurance                                  | 1,542,819                                       | 1,542,867                                      | 1,288,992                                      | 177,394                                           | (25,342)                                  |
|                                                              | <b>4,014,969</b>                                | <b>4,078,304</b>                               | <b>2,864,427</b>                               | <b>919,287</b>                                    | <b>(150,797)</b>                          |
| <b>2023</b>                                                  | <b>Gross<br/>Premiums<br/>Written<br/>€'000</b> | <b>Gross<br/>Premiums<br/>Earned<br/>€'000</b> | <b>Gross<br/>Claims<br/>Incurred<br/>€'000</b> | <b>Gross<br/>Operating<br/>Expenses<br/>€'000</b> | <b>Reinsurance<br/>Balances<br/>€'000</b> |
| Proportional Reinsurance - Fire and other damage to property | 966,556                                         | 944,737                                        | 520,795                                        | 221,439                                           | (98,039)                                  |
| Proportional Reinsurance - General liability                 | 546,826                                         | 576,874                                        | 318,917                                        | 125,279                                           | (23,255)                                  |
| Proportional Reinsurance - Marine, aviation and transport    | 478,602                                         | 479,226                                        | 313,752                                        | 109,648                                           | (37,774)                                  |
| Other                                                        | 668,917                                         | 642,057                                        | 383,735                                        | 153,074                                           | (65,968)                                  |
| Life and Health Reinsurance                                  | 1,318,047                                       | 1,317,719                                      | 1,094,700                                      | 301,967                                           | (48,015)                                  |
|                                                              | <b>3,978,948</b>                                | <b>3,960,613</b>                               | <b>2,631,899</b>                               | <b>911,407</b>                                    | <b>(273,051)</b>                          |

**7. RECONCILIATION OF UNEARNED PREMIUMS**

The table below is a reconciliation of the beginning and ending provision for unearned premiums at 31 December 2024 and 2023:

|                                               | <b>2024</b>            |                        |                      | <b>2023</b>            |                        |                      |
|-----------------------------------------------|------------------------|------------------------|----------------------|------------------------|------------------------|----------------------|
|                                               | <b>Gross<br/>€'000</b> | <b>Ceded<br/>€'000</b> | <b>Net<br/>€'000</b> | <b>Gross<br/>€'000</b> | <b>Ceded<br/>€'000</b> | <b>Net<br/>€'000</b> |
| Provision at the beginning of financial year  | 1,303,856              | 864,090                | 439,766              | 1,322,937              | 887,927                | 435,010              |
| Premiums written                              | 4,014,969              | 2,779,783              | 1,235,186            | 3,978,948              | 2,706,296              | 1,272,652            |
| Earned premiums                               | (4,078,304)            | (2,795,285)            | (1,283,019)          | (3,960,613)            | (2,704,173)            | (1,256,440)          |
| Effects of foreign exchange rate changes      | 51,813                 | 36,887                 | 14,924               | (37,416)               | (25,960)               | (11,456)             |
| <b>Provision at the end of financial year</b> | <b>1,292,334</b>       | <b>885,475</b>         | <b>406,859</b>       | <b>1,303,856</b>       | <b>864,090</b>         | <b>439,766</b>       |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**8.1 CLAIMS INCURRED NON-LIFE**

Claims outstanding non-life are categorised into three types of reserves: case reserves, additional case reserves (ACRs) and losses incurred but not reported (IBNR) reserves. The following table shows claims outstanding non-life notified to the Company (case reserves) and those estimated by the Company (ACRs and IBNR reserves) at 31 December 2024 and 2023:

|               | <b>2024</b>      | <b>2023</b>      |
|---------------|------------------|------------------|
|               | <b>€'000</b>     | <b>€'000</b>     |
| Case reserves | 2,673,099        | 2,413,815        |
| ACRs          | 141,669          | 130,354          |
| IBNR reserves | 3,104,090        | 2,767,763        |
|               | <u>5,918,858</u> | <u>5,311,932</u> |

The table below is a reconciliation of the beginning and ending claims outstanding non-life at 31 December 2024 and 2023:

|                                                  | <b>2024</b>      |                  |                  | <b>2023</b>      |                  |                  |
|--------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                  | <b>Gross</b>     | <b>Ceded</b>     | <b>Net</b>       | <b>Gross</b>     | <b>Ceded</b>     | <b>Net</b>       |
|                                                  | <b>€'000</b>     | <b>€'000</b>     | <b>€'000</b>     | <b>€'000</b>     | <b>€'000</b>     | <b>€'000</b>     |
| Reserves at the beginning of the financial year  | 5,311,932        | 3,462,002        | 1,849,930        | 5,119,371        | 3,384,975        | 1,734,396        |
| Claims incurred                                  | 1,575,435        | 1,099,181        | 476,254          | 1,537,199        | 1,012,995        | 524,204          |
| Claims paid                                      | (1,181,686)      | (795,927)        | (385,759)        | (1,217,354)      | (854,262)        | (363,092)        |
| Effects of foreign exchange rate changes         | 213,177          | 137,478          | 75,699           | (127,284)        | (81,706)         | (45,578)         |
| <b>Reserves at the end of the financial year</b> | <u>5,918,858</u> | <u>3,902,734</u> | <u>2,016,124</u> | <u>5,311,932</u> | <u>3,462,002</u> | <u>1,849,930</u> |

The Company establishes provisions for claims outstanding, which are estimates of future payments of reported and unreported claims for losses and related expenses, with respect to insured events that have occurred. Reserving is a complex process dealing with uncertainty, requiring the use of informed estimates and judgements. Any changes in estimates are reflected in income statement in the period in which estimates are changed.

Significant delays occur in the notification of claims and a substantial measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty at the end of the reporting period. The outstanding claims non-life are determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

## Partner Reinsurance Europe SE

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

This table outlines the development of the claims outstanding non-life. It presents the reserves for each of these underwriting years as of 31 December 2024 on a gross basis.

| Underwriting year                         | 2018        | 2019      | 2020      | 2021      | 2022      | 2023      | 2024    | Total            |
|-------------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|---------|------------------|
| Estimate of ultimate claims costs:        | €'000       | €'000     | €'000     | €'000     | €'000     | €'000     | €'000   | €'000            |
| At end of reporting year                  | 609,528     | 604,706   | 638,409   | 669,083   | 769,706   | 735,328   | 748,692 | 748,692          |
| One year later                            | 1,184,526   | 1,163,396 | 1,147,299 | 1,362,607 | 1,282,369 | 1,398,681 |         | 1,398,681        |
| Two years later                           | 1,282,263   | 1,276,821 | 1,183,819 | 1,420,882 | 1,438,900 |           |         | 1,438,900        |
| Three years later                         | 1,323,987   | 1,268,843 | 1,085,353 | 1,403,537 |           |           |         | 1,403,537        |
| Four years later                          | 1,416,876   | 1,219,797 | 1,089,416 |           |           |           |         | 1,089,416        |
| Five years later                          | 1,385,920   | 1,226,813 |           |           |           |           |         | 1,226,813        |
| Six years later                           | 1,415,960   |           |           |           |           |           |         | 1,415,960        |
| Current estimate of cumulative claims     | 1,415,960   | 1,226,813 | 1,089,416 | 1,403,537 | 1,438,900 | 1,398,681 | 748,692 | 8,721,999        |
| Cumulative payments to date               | (1,058,982) | (871,108) | (678,429) | (701,038) | (546,126) | (239,234) | 25,244  | (4,069,673)      |
| Liability recognised in the balance sheet | 356,978     | 355,705   | 410,987   | 702,499   | 892,774   | 1,159,447 | 773,936 | 4,652,326        |
| Provision in respect of prior years       |             |           |           |           |           |           |         | 1,266,532        |
| Total provision                           |             |           |           |           |           |           |         | <u>5,918,858</u> |

This table outlines the development of the claims outstanding non-life. It presents the reserves for each of these underwriting years as of 31 December 2024 on a net basis.

| Underwriting year                         | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024    | Total            |
|-------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|------------------|
| Estimate of ultimate claims costs:        | €'000     | €'000     | €'000     | €'000     | €'000     | €'000     | €'000   | €'000            |
| At end of reporting year                  | 147,889   | 166,584   | 186,234   | 178,466   | 198,563   | 243,958   | 223,524 | 223,524          |
| One year later                            | 331,941   | 353,147   | 351,853   | 418,396   | 431,830   | 472,513   |         | 472,513          |
| Two years later                           | 367,321   | 387,048   | 376,666   | 439,202   | 512,603   |           |         | 512,603          |
| Three years later                         | 383,528   | 375,629   | 346,191   | 425,322   |           |           |         | 425,322          |
| Four years later                          | 420,178   | 378,516   | 365,045   |           |           |           |         | 365,045          |
| Five years later                          | 407,143   | 370,789   |           |           |           |           |         | 370,789          |
| Six years later                           | 420,517   |           |           |           |           |           |         | 420,517          |
| Current estimate of cumulative claims     | 420,517   | 370,789   | 365,045   | 425,322   | 512,603   | 472,513   | 223,524 | 2,790,313        |
| Cumulative payments to date               | (311,108) | (256,209) | (240,389) | (221,603) | (220,617) | (121,104) | (1,801) | (1,372,831)      |
| Liability recognised in the balance sheet | 109,409   | 114,580   | 124,656   | 203,719   | 291,986   | 351,409   | 221,723 | 1,417,482        |
| Provision in respect of prior years       |           |           |           |           |           |           |         | 598,642          |
| Total provision                           |           |           |           |           |           |           |         | <u>2,016,124</u> |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**
**8.2 CLAIMS INCURRED LIFE**

The table below is a reconciliation of the beginning and ending claims outstanding life as at 31 December 2024 and 2023:

|                                                  | 2024             |                  |                | 2023             |                  |                |
|--------------------------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
|                                                  | Gross<br>€'000   | Ceded<br>€'000   | Net<br>€'000   | Gross<br>€'000   | Ceded<br>€'000   | Net<br>€'000   |
| Reserves at the beginning of the financial year  | 1,796,645        | 1,119,028        | 677,617        | 1,675,291        | 1,002,677        | 672,614        |
| Claims incurred                                  | 1,288,992        | 921,208          | 367,784        | 1,094,700        | 780,204          | 314,496        |
| Claims paid                                      | (1,150,048)      | (822,305)        | (327,743)      | (1,005,386)      | (695,432)        | (309,954)      |
| Effects of foreign exchange rate changes         | 28,913           | 20,337           | 8,576          | 32,040           | 31,579           | 461            |
| <b>Reserves at the end of the financial year</b> | <b>1,964,502</b> | <b>1,238,268</b> | <b>726,234</b> | <b>1,796,645</b> | <b>1,119,028</b> | <b>677,617</b> |

Included in the claims outstanding life of €1,964.5m (2023: €1,796.6m) are LFPB reserves of €1,292.9m (2023: €1,246.8m), with the remainder being short-duration contracts and GMDB reserves.

On an annual basis, the Company undertakes a review of significant assumptions. In 2024, this resulted in immaterial changes (2023: favourable impact).

Current discount rates were updated from 2024 resulting in a slight decrease to the LFPB of €9.9m gross and €3.1m net (2023: increase of €31.4m gross and €11.8m net).

Claims outstanding life which relate to GMDB business are measured at fair value using an option-based valuation model based on current net amounts at risk, market data, Company experience and other factors. Declines in the equity markets, increased volatility, and a low interest rate environment increase the Company's exposure to liabilities under the guaranteed features. The net amount at risk for GMDB is defined as the current guaranteed benefit amount in excess of the current contract value.

For GMDB, change in reserves was favourable, driven by the capital market performance (changes in equity markets impact was €1.4m on the gross claims outstanding life and €0.6m on the net claims outstanding life (2023: favourable impact of €13.8m gross and €5.4m net)) and the reduction in volatility from underlying assets partially offset by the decrease in interest rates (effect of changes in interest rates during the year was €3.5m on the gross claims outstanding life and €1.4m on the net (2023: favourable impact of €12.2m gross and €4.9m net)).

**9. NET OPERATING EXPENSES**

|                               | 2024<br>€'000  | 2023<br>€'000  |
|-------------------------------|----------------|----------------|
| Administrative expenses       | 195,703        | 172,378        |
| Gross acquisition costs       | 723,584        | 739,029        |
| Gross operating expenses      | 919,287        | 911,407        |
| Ceded acquisition costs       | (624,099)      | (637,923)      |
| <b>Net operating expenses</b> | <b>295,188</b> | <b>273,484</b> |

Net operating expenses include net acquisition costs of €99.5m (2023: €101.1m) and administrative expenses of €195.7m (2023: €172.4m).

The Company's French and Hong Kong Branches employ personnel directly. Employee benefits for these personnel are recorded within administrative expenses. In addition, PartnerRe Holdings Europe Limited (PRHEL), a related party, employs personnel in Switzerland, Ireland and the U.K. PRHEL provides personnel to the Company under a Supply of Personnel Agreement and the costs associated with the Supply of Personnel Agreement are recorded within administrative expenses as recharged from related parties.

The average number of personnel employed directly by the Company are categorised as follows:

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

|              | <b>2024</b>   | <b>2023</b>   |
|--------------|---------------|---------------|
|              | <b>Number</b> | <b>Number</b> |
| Underwriting | 149           | 129           |
| Finance      | 11            | 10            |
| Operations   | 102           | 98            |
| Claims       | 11            | 11            |
| IT           | 50            | 49            |
|              | <u>323</u>    | <u>297</u>    |

Included within administrative expenses:

|                     | <b>2024</b>   | <b>2023</b>   |
|---------------------|---------------|---------------|
|                     | <b>€'000</b>  | <b>€'000</b>  |
| Salaries            | 26,962        | 23,676        |
| Social security     | 15,232        | 12,377        |
| Retirement benefits | 6,606         | 5,665         |
|                     | <u>48,800</u> | <u>41,718</u> |

**Auditors' remuneration**

|                                          | <b>2024</b>  | <b>2023</b>  |
|------------------------------------------|--------------|--------------|
|                                          | <b>€'000</b> | <b>€'000</b> |
| Audit of the entity financial statements | 1,316        | 1,548        |
| Other assurance services                 | 632          | 595          |
| Tax advisory services                    | —            | —            |
| Other non-audit services                 | 64           | 83           |
|                                          | <u>2,012</u> | <u>2,226</u> |

Of the fees disclosed above, €1.1m (2023: €1.3m) is paid to PwC Ireland in relation to the audit of financial statements and other assurance services. The remainder relates to other PwC offices.

**Directors' remuneration**

|                                                                                           | <b>2024</b>  | <b>2023</b>  |
|-------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                           | <b>€'000</b> | <b>€'000</b> |
| Aggregate emoluments paid to or receivable by directors in respect of qualifying services | <u>80</u>    | <u>80</u>    |

The above details of Directors' remuneration are in respect of the Company's independent non-executive Directors only and do not include the remuneration of Mr. van der Minnen, who was paid by PRHEL and recharged to the Company as part of a management charge. This management charge, also includes a recharge of administration costs borne by PRHEL on behalf of the Company and it is not possible to separately identify the amount of Mr. van der Minnen's remuneration related to his role as Company Director.

The remuneration of Mr. O'Regan, Ms. Jennings, Ms. Kealy and Mr. Mitterer are paid by PRHEL. Their services to this Company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to their employer. Accordingly, the above details include no remuneration in respect of these directors.

**10. LEASE COMMITMENTS**

The Company primarily leases office space under non-cancellable lease agreements. Lease payments recognised as expense amounted to €8.9m (2023: €8.4m).

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

The future undiscounted lease liabilities from non-cancellable operating leases are as follows:

|                                             | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|---------------------------------------------|-----------------------------|-----------------------------|
| Less than 1 year                            | 8,296                       | 7,396                       |
| Later than 1 year and no later than 5 years | 24,277                      | 23,499                      |
| Later than 5 years                          | 13,303                      | 14,945                      |
| <b>Total</b>                                | <u>45,876</u>               | <u>45,840</u>               |

**11. INVESTMENT RESULT**

|                                                  | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|--------------------------------------------------|-----------------------------|-----------------------------|
| Net interest and dividend income                 | 155,710                     | 125,194                     |
| (Losses)/gains on the realisation of investments | (24,223)                    | 3,176                       |
| Unrealised gains on investments                  | 68,416                      | 116,935                     |
| Investment management expenses                   | (8,768)                     | (10,073)                    |
| <b>Total</b>                                     | <u>191,135</u>              | <u>235,232</u>              |

Included in the interest and dividend income is €21.2m (2023: €25.4m) net interest expense on funds held.

**12. GOODWILL**

The following table shows the Company's goodwill as at 31 December 2024 and 2023:

|                                                        | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Carrying value at the beginning of the financial year  | 197,882                     | 229,509                     |
| Amortisation for the financial year                    | (22,735)                    | (22,697)                    |
| Effects of foreign exchange rate changes               | 12,269                      | (8,930)                     |
| <b>Carrying value at the end of the financial year</b> | <u>187,416</u>              | <u>197,882</u>              |

Goodwill has been allocated for impairment testing to the following cash-generating units (CGUs), based on the level at which goodwill is monitored:

|                     | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|---------------------|-----------------------------|-----------------------------|
| Specialty           | 116,637                     | 122,886                     |
| Property & casualty | 61,347                      | 65,058                      |
| Life                | 9,432                       | 9,938                       |
| <b>Total</b>        | <u>187,416</u>              | <u>197,882</u>              |

There were no indicators of impairment of goodwill as at 31 December 2024 and 2023.

**13. TAXES**

The major components of income tax expense for the financial years ended 31 December 2024 and 2023 are as follows:

|                           | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|---------------------------|-----------------------------|-----------------------------|
| Current tax expense       | (35,736)                    | (2,366)                     |
| Deferred tax expense      | (39,512)                    | (43,987)                    |
| <b>Income tax expense</b> | <u>(75,248)</u>             | <u>(46,353)</u>             |

The reconciliation between the expected and actual income tax expense is shown below:

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

|                                                           | <b>2024</b>     | <b>2023</b>     |
|-----------------------------------------------------------|-----------------|-----------------|
|                                                           | <b>€'000</b>    | <b>€'000</b>    |
| Profit before tax                                         | 173,855         | 401,683         |
| Tax calculated at enacted rates (12.5%)                   | (21,732)        | (50,210)        |
| Effects of rates in multiple jurisdictions (8.25% - 26%)  | (26,715)        | (23,186)        |
| Impact of foreign exchange gains/losses                   | (16,366)        | 19,492          |
| Irish tax adjustment related to foreign branches' results | (6,337)         | 242             |
| Other tax adjustments                                     | (4,098)         | 7,309           |
| <b>Income tax expense</b>                                 | <b>(75,248)</b> | <b>(46,353)</b> |

Deferred tax assets and liabilities reflect the tax impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The temporary differences giving rise to the deferred tax assets and deferred tax liabilities are as follows at 31 December 2024 and 2023:

|                                                                                                                          | <b>2024</b>      | <b>2023</b>     |
|--------------------------------------------------------------------------------------------------------------------------|------------------|-----------------|
|                                                                                                                          | <b>€'000</b>     | <b>€'000</b>    |
| <b>Deferred tax assets</b>                                                                                               |                  |                 |
| Other tax adjustments on reserves for unpaid losses and loss expenses and policy benefits for life and annuity contracts | 6,623            | 7,320           |
| Tax loss carry forward                                                                                                   | 4,501            | 3,293           |
| Tax adjustment on funds withheld and other                                                                               | 7,233            | 5,620           |
| Unrealised appreciation and timing differences on investments                                                            | —                | 7,476           |
| Other net deferred tax assets                                                                                            | 1,964            | 3,492           |
| Deferred tax assets                                                                                                      | 20,321           | 27,201          |
| <b>Deferred tax liabilities</b>                                                                                          |                  |                 |
| Deferred acquisition costs                                                                                               | 20,423           | 22,545          |
| Goodwill amortisation deductible for tax                                                                                 | 36,752           | 38,755          |
| Tax adjustments on technical reserves                                                                                    | 43,474           | 34,474          |
| Tax equalisation reserves                                                                                                | 8,884            | 7,301           |
| Unrealised foreign exchange gains                                                                                        | 26,714           | —               |
| Unrealised appreciation and timing differences on investments                                                            | 2,434            | —               |
| Deferred tax liabilities                                                                                                 | 138,681          | 103,075         |
| <b>Net deferred tax liabilities</b>                                                                                      | <b>(118,360)</b> | <b>(75,874)</b> |

The Company assesses the recoverability of the deferred tax assets based on future financial years taxable income projections and considers that the deferred tax assets as of 31 December 2024 are recoverable. The Company had unrecognised foreign tax credit carry forward of €160.1m (2023: €156.9m) which has no expiry date.

Deferred tax assets and liabilities are offset when taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them. The amount of deferred tax assets and deferred tax liabilities shown in the balance sheet as at 31 December 2024 and 2023 are as follows:

|                                     | <b>2024</b>      | <b>2023</b>     |
|-------------------------------------|------------------|-----------------|
|                                     | <b>€'000</b>     | <b>€'000</b>    |
| Deferred tax assets                 | 3,539            | 3,837           |
| Deferred tax liabilities            | (121,899)        | (79,711)        |
| <b>Net deferred tax liabilities</b> | <b>(118,360)</b> | <b>(75,874)</b> |

Current tax is the income tax expected to be payable to or recoverable from the taxation authorities in respect of the taxable profit or loss of the current and prior financial years calculated using tax rates and

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

laws that have been enacted or substantively enacted by the reporting date in each jurisdiction in which the Company operates.

The net current taxes receivable as at 31 December 2024 and 2023 are as follows:

|                            | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|----------------------------|-----------------------------|-----------------------------|
| Current tax receivable     | 55,226                      | 46,831                      |
| Current tax payable        | (46,792)                    | (7,439)                     |
| Net current tax receivable | <u>8,434</u>                | <u>39,392</u>               |

Current tax receivable is presented under Other debtors and current tax payable under Other creditors including tax and social welfare on the balance sheet.

The Company is within scope of the Global Anti-Base Erosion Model (GLoBE) Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development (OECD) to reform international corporate taxation. Tax laws enacted or substantively enacted to implement the Pillar Two model rules are referred to as "Pillar Two legislation".

The Company's ultimate parent is resident in France. Pillar Two legislation was enacted in France in 2023 through the "Finance Bill for 2024" effective from 1 January 2024.

Based on the Pillar Two model rules and the Pillar Two legislation issued, the Company is liable to pay a top-up tax for the difference between its effective tax rate per tax jurisdiction and the 15% minimum rate. The Company operates across multiple tax jurisdictions where certain jurisdictions have implemented local legislation to ensure any top-up tax is paid locally. Where local legislation has not been enacted and the effective tax rate for that tax jurisdiction falls below 15%, a top-up tax payment would be required to be made by the ultimate parent company to the French Tax authorities.

The Hong Kong Tax Authorities, the Inland Revenue Department, implemented Pillar Two rules from 1 January 2025.

Tax jurisdictions which are applicable to the Company are Ireland, France, Switzerland, Hong Kong, U.K. and United States.

Ireland has enacted the legislation for Pillar Two through the "Finance (No.2) Bill 2023" effective from 1 January 2024 and under this legislation the Qualifying Minimum Domestic Top-Up Tax became applicable. Due to the loss taxable position in Ireland, no additional tax payment to meet the minimum effective tax rate of 15% was required.

No top-up tax was required in relation to the other tax jurisdictions due to their effective tax rates being either in excess of 15% or due to the jurisdiction being in a loss position.

Current tax related to Pillar II income tax is zero for the financial year ended 31 December 2024.

The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as provided in the amendment to FRS 102 issued in July 2023.

**14. INVESTMENT PROPERTY**

|                                                       | <b>2024</b><br><b>€'000</b> | <b>2023</b><br><b>€'000</b> |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| Carrying value at the beginning of the financial year | 50,629                      | 54,471                      |
| Change in fair value                                  | —                           | (4,781)                     |
| Effects of foreign exchange rate changes              | 2,435                       | 939                         |
| Carrying value at the end of the financial year       | <u>53,064</u>               | <u>50,629</u>               |

As at 31 December 2024, the fair value of the investment properties was determined based on an internal valuation supported by a best estimate of the value of the investment properties by an external property advisor reflecting the current market conditions in the U.K. The fair value is based on the carrying amount

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

adjusted for evidence from an independent third party. The investment properties recorded no change in fair value at the end of 2024 (2023: decrease of €4.8m).

Rental income from the investment properties during the year amount to €0.3m (2023: €0.3m) and the direct operating expenses for year were €0.8m (2023: €0.8m).

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**15. INVESTMENTS IN GROUP UNDERTAKINGS AND PARTICIPATING INTERESTS**

The Company has investment in joint venture and investment in subsidiaries.

**15.1 Investment in joint venture**

The Company entered into a Joint Venture (JV) Agreement with a 3rd party entity, Grosvenor Europe Investments Limited, to invest in real estate, effective October 2018. The JV has been entered through the creation of a company named Paris Office JV Limited with the registered office address at 70 Grosvenor Street, London, United Kingdom, W1K 3JP.

Upon executing the JV Agreement, the Company's total committed capital in the JV was €40.0m (which represents 50% of the total commitment by the joint venture partners). The investment period for the JV ended on 18 October 2020, with no extension. The Company's unfunded equity commitment has been released in 2023 and shareholder debt was repaid in full in 2023. During 2024, share premium reduced by €2m due to return of capital in the form of dividend.

Paris Office JV Limited or its debt are not listed on a recognised stock exchange. Since acquisition there have been no significant events to indicate an impairment of the Company's investment in the JV.

The table below provides a breakdown of the investment in the JV as at 31 December 2024 and 2023:

|                                                                     | <b>2024</b>  | <b>2023</b>  |
|---------------------------------------------------------------------|--------------|--------------|
|                                                                     | <b>€'000</b> | <b>€'000</b> |
| <b>Investment in joint venture</b>                                  |              |              |
| Share capital (259,784 shares of €1.00 each (2023: 259,784 shares)) | 260          | 260          |
| Share premium                                                       | 198          | 2,198        |
| <b>Balance at end of financial year</b>                             | <u>458</u>   | <u>2,458</u> |

**15.2 Investment in subsidiaries**

The Company held the following investments in subsidiaries as at 31 December 2024 and 2023:

|             | <b>2024</b>                   |                   |              | <b>2023</b>                   |                   |              |
|-------------|-------------------------------|-------------------|--------------|-------------------------------|-------------------|--------------|
|             | <b>Investment<br/>at cost</b> | <b>Impairment</b> | <b>Net</b>   | <b>Investment<br/>at cost</b> | <b>Impairment</b> | <b>Net</b>   |
|             | <b>€'000</b>                  | <b>€'000</b>      | <b>€'000</b> | <b>€'000</b>                  | <b>€'000</b>      | <b>€'000</b> |
| PRE Brazil* | 421                           | —                 | 421          | 421                           | —                 | 421          |

\* PRE Brazil - Partner Reinsurance Europe SE - Escritório de Representação no Brasil Ltda.

PRE Miami - Partner Re Miami, Inc. is not shown in the table above as the investment amounts to \$10.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

The details of investments in subsidiaries are as follows:

| <b>Name and Registered Office</b>                                                                                                                             | <b>Country of Incorporation</b> | <b>Details of Investment</b>                                          | <b>Proportion Held by Company</b> | <b>Principal Activity</b>            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------|-----------------------------------|--------------------------------------|
| Partner Reinsurance Europe SE<br>Escritório de Representação no Brasil Ltda.<br>R. do Paraíso 45, Andar 4,<br>Paraíso, Sao Paulo,<br>CEP 04103-000,<br>Brazil | Brazil                          | 1,153,590 shares at 1 BRL per share (2023: 1,153,590 shares)          | 99%                               | Representative Office of the Company |
| Partner Re Miami, Inc.<br>801 Brickell Ave, Suite 850,<br>Miami, Florida 33131,<br>U.S.A.                                                                     | U.S.A.                          | 1,000 shares of common stock at \$0.01 per share (2023: 1,000 shares) | 100%                              | Reinsurance Intermediary             |

In accordance with Section 314 of the Companies Act, 2014 the following is the aggregate amount of the capital and reserves and the profit or loss of the subsidiaries as at 31 December 2024 and 2023:

|            | <b>Capital and reserves</b> | <b>(Loss)/profit</b> |
|------------|-----------------------------|----------------------|
|            | <b>2024</b>                 | <b>2024</b>          |
|            | <b>€'000</b>                | <b>€'000</b>         |
| PRE Brazil | 439                         | (82)                 |
| PRE Miami  | 3,809                       | 671                  |
|            | <b>Capital and reserves</b> | <b>Profit</b>        |
|            | <b>2023</b>                 | <b>2023</b>          |
|            | <b>€'000</b>                | <b>€'000</b>         |
| PRE Brazil | 521                         | 64                   |
| PRE Miami  | 3,138                       | 304                  |

None of the subsidiary undertakings are listed on a recognised stock exchange. In the opinion of the directors, there was no objective evidence as at 31 December 2024 of any impairment of the Company's investments in subsidiaries.

**16. LOAN TO GROUP UNDERTAKING**

The Company has a loan agreement to provide up to a total of €500m to its Group Parent, PartnerRe Ltd. The loan could be drawn upon or repaid at various times. The annual interest rate is equal to the 3 months Euro Interbank Offered Rate (Euribor) plus a margin of 0.75% (1.125% prior to November 2024). Facility fee percentage for the total non-utilised commitment under the loan agreement is 0.125%. €285.2m was repaid in December 2024 which resulted in the fair value of the loan as at 31 December 2024 being nil (2023: €285.2m).

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**17. OTHER FINANCIAL INVESTMENTS**

|                                               | <b>2024</b>      | <b>2023</b>      |
|-----------------------------------------------|------------------|------------------|
|                                               | <b>€'000</b>     | <b>€'000</b>     |
| Fixed income securities:                      |                  |                  |
| Governments and Government sponsored entities | 914,193          | 727,840          |
| Corporate bonds                               | 2,598,360        | 2,338,906        |
| Mortgage/asset-backed securities              | 759,853          | 598,026          |
| <b>Total fixed income securities</b>          | <b>4,272,406</b> | <b>3,664,772</b> |
| Short-term investments                        | 56,339           | 173,034          |
| Equities                                      | 24,669           | 22,112           |
| Other invested assets                         | 186,177          | 273,060          |
| <b>Total Other Financial Investments</b>      | <b>4,539,591</b> | <b>4,132,978</b> |

**18. DERIVATIVE ASSETS AND LIABILITIES**

The Company may utilise derivative instruments for the purposes of hedging certain exposures and enhancing investment performance or assuming exposure linked to its reinsurance business.

The fair value of the open positions at 31 December 2024 and 2023 are shown below:

|                                    | <b>2024</b>        |                    | <b>2023</b>        |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | <b>Positive FV</b> | <b>Negative FV</b> | <b>Positive FV</b> | <b>Negative FV</b> |
|                                    | <b>€'000</b>       | <b>€'000</b>       | <b>€'000</b>       | <b>€'000</b>       |
| Foreign currency forward contracts | 2,106              | 23,397             | 22,986             | 2,926              |
| <b>Total</b>                       | <b>2,106</b>       | <b>23,397</b>      | <b>22,986</b>      | <b>2,926</b>       |

Foreign currency forwards were entered into mainly to hedge against movements in the EUR/USD exchange rate. The notional amounts of outstanding foreign currency forward contracts at 31 December 2024 were €3,435.9m (2023: €3,024.2m).

**19. DEBTORS ARISING OUT OF REINSURANCE OPERATIONS**

Debtors arising out of reinsurance operations comprised the following as at 31 December 2024 and 2023:

|                                 | <b>2024</b>      | <b>2023</b>      |
|---------------------------------|------------------|------------------|
|                                 | <b>€'000</b>     | <b>€'000</b>     |
| Reinsurance balances receivable | 1,987,916        | 1,793,916        |
| Other reinsurance recoverables  | 100,835          | 129,789          |
|                                 | <b>2,088,751</b> | <b>1,923,705</b> |

**20. CASH AT BANK AND IN HAND**

|                  | <b>2024</b>    | <b>2023</b>    |
|------------------|----------------|----------------|
|                  | <b>€'000</b>   | <b>€'000</b>   |
| Cash at bank     | 63,272         | 78,738         |
| Cash equivalents | 176,860        | 216,906        |
| <b>Total</b>     | <b>240,132</b> | <b>295,644</b> |

Cash deposits pledged as collateral were €61.1m (2023: €42.5m). These cash deposits were pledged in favour of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and reinsurance regulations.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**
**21. OTHER ASSETS**

|                                            | <b>2024</b>   | <b>2023</b>    |
|--------------------------------------------|---------------|----------------|
|                                            | <b>€'000</b>  | <b>€'000</b>   |
| Receivable for outstanding securities sold | 196           | 90,999         |
| Deposit assets                             | 83,544        | 97,411         |
| Other remaining assets                     | 4,853         | 6,076          |
| <b>Total</b>                               | <b>88,593</b> | <b>194,486</b> |

**22. DEFERRED ACQUISITION COSTS**

The table below is a reconciliation of the beginning and ending position for deferred acquisition costs (DAC) at 31 December 2024 and 2023:

|                                          | <b>2024</b>    |                |                | <b>2023</b>    |                |                |
|------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                          | <b>Gross</b>   | <b>Ceded</b>   | <b>Net</b>     | <b>Gross</b>   | <b>Ceded</b>   | <b>Net</b>     |
|                                          | <b>€'000</b>   | <b>€'000</b>   | <b>€'000</b>   | <b>€'000</b>   | <b>€'000</b>   | <b>€'000</b>   |
| DAC at beginning of financial year       | 518,693        | 310,361        | 208,332        | 540,371        | 318,727        | 221,644        |
| Acquisition costs paid                   | 702,502        | 625,509        | 76,993         | 715,157        | 626,515        | 88,642         |
| Acquisition costs incurred               | (711,485)      | (618,121)      | (93,364)       | (721,942)      | (626,930)      | (95,012)       |
| Effects of foreign exchange rate changes | 11,540         | 9,042          | 2,498          | (14,893)       | (7,951)        | (6,942)        |
| <b>DAC at the end of financial year</b>  | <b>521,250</b> | <b>326,791</b> | <b>194,459</b> | <b>518,693</b> | <b>310,361</b> | <b>208,332</b> |

Net acquisition costs incurred of €99.5m (2023: €101.1m) in note 9 include change in commission reserve of €5.8m (2023: €5.7m) and assumed technical bad debt of €0.3m (2023: €0.4m).

**23. OTHER PREPAYMENTS AND ACCRUED INCOME**

|                         | <b>2024</b>   | <b>2023</b>   |
|-------------------------|---------------|---------------|
|                         | <b>€'000</b>  | <b>€'000</b>  |
| Accrued interest income | 56,155        | 48,238        |
| Prepayments             | 42            | 10            |
| <b>Total</b>            | <b>56,197</b> | <b>48,248</b> |

**24. SHARE CAPITAL AND CAPITAL MANAGEMENT**

| <b>Share Capital</b>                                              | <b>2024</b>    | <b>2023</b>    |
|-------------------------------------------------------------------|----------------|----------------|
|                                                                   | <b>€'000</b>   | <b>€'000</b>   |
| <b>Authorised:</b>                                                |                |                |
| 1,000,000,000 Ordinary shares of €1 each                          | 1,000,000      | 1,000,000      |
| <b>Called-up and fully paid share capital presented as equity</b> |                |                |
| 245,091,505 Ordinary shares of €1 each                            | 245,092        | 245,092        |
| <b>Capital contributions</b>                                      | <b>937,725</b> | <b>937,725</b> |

The capital of the Company consists of ordinary shares, capital contributions from the Group, retained earnings and reserves.

The ordinary shares issued to the immediate parent, PartnerRe Holdings Europe Limited are issued directly by the Company and entitle the owner to claim on the residual asset of the Company in the event of winding up.

The various capital contributions from the Group are irrevocable transfers from the Group to the Company and, as such, do not impose any obligations on the Company.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**Capital Management**

The Company's objectives when managing the capital are:

- to safeguard the Company's ability to continue as a strong going concern so that it can continue to provide returns for its stakeholders and pay losses;
- to ensure that the Company is a well capitalised risk reinsurer for its cedants; and
- to comply with the reinsurance capital requirements required by the Central Bank of Ireland (CBI).

The Company is subject to the Solvency II European Directive (Solvency II regulations). The Solvency II regulations relate to the solvency standards applicable to insurers and reinsurers and lay down the minimum amounts of financial resources required in order to cover the risks to which it is exposed and the principles that should guide its overall risk management and reporting.

The Company complies with the capital requirements as outlined above.

The Company has a Capital Maintenance Agreement with its Group Parent. Under this agreement the Group Parent shall financially support the Company and shall make such capital contributions as may be necessary to maintain the capital of the Company in a ratio of eligible own funds to SCR (as calculated in accordance with Solvency II regulations) in excess of 115% up to a maximum of €750m. To date, no capital has been provided under this agreement.

At 31 December 2024, the Company's ratio of eligible own funds to SCR was 164% (2023: 190%).

On 3 December 2024, a dividend payment of €618m was approved by the Board and subsequently paid by the Company to its Parent.

**25. EMPLOYEE BENEFITS**

The Company operates defined contribution pension plans for its employees and maintains frozen defined benefit pension plans for some former employees in France. The expense for the period was €6.6m (2023: €6.0m) and was recognised in administrative expenses. This expense is comprised of contributions due under the defined contribution plan and the periodic benefit expense under the defined benefit plans. There were no actuarial gains recognised for the period (2023: nil) for the defined benefit plans.

Provisions for pensions and similar obligations include pension liability of €1.8m (2023: €2.2m).

**26. CREDITORS ARISING OUT OF REINSURANCE OPERATIONS**

Creditors arising out of reinsurance operations comprised of the following as at 31 December 2024 and 2023:

|                              | <b>2024</b>      | <b>2023</b>      |
|------------------------------|------------------|------------------|
|                              | <b>€'000</b>     | <b>€'000</b>     |
| Ceded premiums payable       | 1,392,654        | 1,306,077        |
| Reinsurance balances payable | 156,447          | 152,422          |
|                              | <u>1,549,101</u> | <u>1,458,499</u> |

**27. ACCRUALS AND DEFERRED INCOME**

|                                              | <b>2024</b>   | <b>2023</b>    |
|----------------------------------------------|---------------|----------------|
|                                              | <b>€'000</b>  | <b>€'000</b>   |
| Accounts payable and accrued expenses        | 60,224        | 57,679         |
| Deferred income                              | 3,422         | 3,303          |
| Payable for outstanding securities purchased | 2,132         | 46,480         |
| <b>Total</b>                                 | <u>65,778</u> | <u>107,462</u> |

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**28. RELATED PARTY BALANCES AND TRANSACTIONS**

The Company is exempt from disclosing related party transactions, which consist of reinsurance agreements and service agreements, as they are with other companies that are wholly owned within PartnerRe Ltd. Group.

See note 9 for disclosure of directors' remuneration.

The Covéa Group meets the definition of a related party. In the normal course of its underwriting activities, the Company entered into assumed reinsurance agreements with certain subsidiaries of the Covéa Group. The amounts recognised in the statement of profit or loss and other comprehensive income in respect of these transactions are as follows:

|                                          | <b>Covéa<br/>2024<br/>€'000</b> | <b>Covéa<br/>2023<br/>€'000</b> |
|------------------------------------------|---------------------------------|---------------------------------|
| Net premiums written                     | 27,154                          | 7,445                           |
| Net premiums earned                      | 28,588                          | 7,692                           |
| Claims incurred                          | (22,240)                        | (14,029)                        |
| Acquisition costs                        | (2,563)                         | (31)                            |
| Net operating expenses - recharge income | <u>3,681</u>                    | <u>4,088</u>                    |

The balances recognised in the balance sheet in respect of these related party reinsurance agreements are as follows:

|                                   | <b>Covéa<br/>2024<br/>€'000</b> | <b>Covéa<br/>2023<br/>€'000</b> |
|-----------------------------------|---------------------------------|---------------------------------|
| Claims outstanding non-life       | (37,401)                        | (40,334)                        |
| Claims outstanding life           | (52,421)                        | (3,772)                         |
| Reserves for unearned premiums    | (437)                           | (301)                           |
| Reinsurance balances receivable   | 51,656                          | 2,417                           |
| Funds held by reinsured companies | <u>406</u>                      | <u>419</u>                      |

The Company entered into agreement with Covéa Coopérations for the transfer of renewals rights due on or after 2 July 2023. Under this agreement, the Company acquired the renewal rights associated with an identified set of reinsurance treaties written by Covéa for €16.4m. Separately, through the inter-company reinsurance agreement in place with PRCL and PRA, the Company charged a ceding commission related to the transferred renewal rights of €12.1m and €0.2m respectively. The difference between the above was recorded as a decrease in capital contributions in accordance with the Company's accounting policy for Transactions between Entities under Common Control.

On the same date, the Company entered into an agreement with Covéa Coopérations whereby the Company agreed to provide services in respect of the run-off of the in-force subject business for which the Company receives a fee.

**29. CREDIT AGREEMENTS AND COMMITMENTS**

In the normal course of its operations, the Company, directly or indirectly through its Group Parent, enters into agreements with financial institutions to obtain unsecured and secured credit facilities.

As of 31 December 2024, the total amount of such credit facilities available to the Company was €900m (\$937m) (2023: €745m (\$827m)).

The facilities set out below are used for the issuance of letters of credit. Where the facility agreements are on a secured basis, issuance thereunder is collateralised by cash and/or government bonds and/or investment grade bonds. The agreements include default covenants, which could require the Company to fully secure the outstanding letters of credit to the extent that the facility is not already fully secured and disallow the issuance of any new letters of credit.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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The significant credit facilities available to the Company are described below:

- A credit facility of €384m (\$400m), with the first €96m (\$100m) being unsecured and any utilisation above the €96m (\$100m) being secured. This credit facility automatically extends every year, unless cancelled by either counterparty, and is due to mature on 23 October 2025.
- A secured credit facility of €130m (\$135m) that matured on 31 December 2024 and was not renewed.
- A secured credit facility of €216m (\$225m) maturing on 25 November 2027.
- An unsecured credit facility of €168m (\$175m), of which €168m (\$175m) is committed, maturing on 19 December 2026.

As at 31 December 2024, no conditions of default existed under these facilities.

The Company has total unfunded commitments of €8.2m as at 31 December 2024 (2023: €19.1m) in relation to its investments into debt funds €6.8m (2023: €17.6m) and non-publicly traded entities €1.4m (2023: €1.5m).

**30. EVENTS AFTER REPORTING DATE**

There were no events subsequent to the end of the financial year that required disclosure or adjustment in the financial statements.

**31. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of directors on 25 March 2025 and were signed on its behalf on that date.

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