HANNOVER RE (BERMUDA) LTD.

Financial Statements

(With Independent Auditor's Report Thereon)

Year ended 31 December 2023

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Independent auditor's report

To the Board of Directors and Shareholder of Hannover Re (Bermuda) Ltd.

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hannover Re (Bermuda) Ltd. (the Company) as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at December 31, 2023;
- the statement of income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in shareholder's equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's 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 are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Hamilton, Bermuda

April 25, 2024

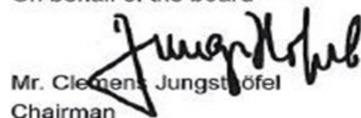
Balance Sheet as at 31 December 2023

in USD thousand	Notes	31 December 2023	31 December 2022 [1]	1 January 2022 [1]
Assets				
Financial investments – at fair value through other comprehensive income	6, 8	4,152,408	3,415,446	3,648,811
Financial investments – at fair value through profit or loss	6, 7, 8	271,408	301,860	211,575
Total investments		**4,423,816**	**3,717,306**	**3,860,386**
Reinsurance recoverables on liability for incurred claims	9	154,680	250,716	353,346
Reinsurance recoverables on liability for remaining coverage	9	(57,978)	(49,040)	(104,362)
Recoverables on reinsurance contracts retroceded		**96,702**	**201,676**	**248,984**
Reinsurance contracts issued in an asset position	9	263,104	283,600	309,322
Deferred tax assets	17	183,013	–	–
Other assets	10	164,576	152,674	94,017
Cash and cash equivalents	5	70,087	140,069	96,481
Total assets		**5,201,298**	**4,495,325**	**4,609,190**
Liabilities				
Liability for incurred claims ("LIC")	9	1,620,505	1,562,693	1,594,488
Liability for remaining coverage ("LRC")	9	512,092	659,540	590,924
Liabilities from reinsurance contracts issued		**2,132,597**	**2,222,233**	**2,185,412**
Reinsurance contracts retroceded in a liability position	9	363,601	160,196	53,401
Financing liabilities	12	25,028	25,980	26,900
Taxes	17	1,070	800	766
Other liabilities	11	454,389	491,185	541,198
Total liabilities		**2,976,685**	**2,900,394**	**2,807,677**
Shareholder's equity				–
Common shares	13	104,522	104,522	104,522
Additional paid-in capital	13	1,365,633	1,365,633	1,365,633
Accumulated other comprehensive (loss) income	13	(200,825)	(274,559)	21,610
Retained earnings		955,283	399,335	309,748
Total shareholder's equity		**2,224,613**	**1,594,931**	**1,801,513**
Total liabilities and shareholder's equity		**5,201,298**	**4,495,325**	**4,609,190**

[1] Restated pursuant to IAS 8

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

On behalf of the board



Mr. Clemens Jungsthöfel
Chairman

Mrs. Chantal Cardinez
Director

Statement of Income for the year ended 31 December 2023

in USD thousand	Notes	2023	2022 [1]
Reinsurance revenue (gross)	9, 14	1,904,951	1,492,793
Reinsurance service expenses (gross)	9	(868,115)	(997,648)
Reinsurance service result (gross)		**1,036,836**	**495,145**
Reinsurance revenue (retroceded)		(615,366)	(212,363)
Reinsurance service expenses (retroceded)		145,949	79,655
Result from reinsurance contracts (retroceded)		**(469,417)**	**(132,708)**
Reinsurance service result (net)		**567,419**	**362,437**
Finance income or expenses from reinsurance contracts (gross)	15	(68,596)	88,295
Finance income or expenses from reinsurance contracts (retroceded)	15	24,676	(10,733)
Reinsurance finance result (net)		**(43,920)**	**77,562**
thereof: Currency gains/losses from reinsurance finance result (net) [2]		(20,857)	84,659
Reinsurance finance result (net) before currency gains / losses [2]		**(23,063)**	**(7,097)**
Ordinary investment income	6	113,827	80,901
Expected credit losses, impairment, depreciation and appreciation of investments	6	448	(3,092)
Change in fair value of financial instruments	6	25,081	(5,158)
Realised gains and losses on investments	6	(9,728)	(15,666)
Other investment expenses	6	(4,838)	(6,005)
Investment result	**6, 15**	**124,790**	**50,980**
Currency gains / losses on investments		17,489	(64,203)
Currency gains / losses from reinsurance finance result (net) [2]		(20,857)	84,659
Other currency gains / losses		1,868	(9,990)
Currency result		**(1,500)**	**10,466**
Other income	16	24,140	54,681
Other expenses	16	(41,833)	(40,829)
Other income / expenses		**(17,693)**	**13,852**
Operating profit / loss (EBIT)		**649,953**	**430,638**
Financing costs		(18)	(51)
Net income before taxes		**649,935**	**430,587**
Taxes	17	196,013	–
Net income		**845,948**	**430,587**

[1] Restated pursuant to IAS 8

[2] In order to clarify the matching currency coverage of the technical liabilities by investments, the currency effects are eliminated from the reinsurance finance result within the meaning of IFRS 17 and subsequently reported in the net currency result

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

Statement of Comprehensive Income 2023

in USD thousand	2023	2022 [1]
Net income	**845,948**	**430,587**
Reclassifiable to the statement of income		
Unrealised gains and losses on investments		
Gains (losses) recognised directly in equity	96,881	(423,687)
Transferred to the statement of income	9,728	15,666
Tax income (expense)	(18,000)	–
	88,609	**(408,021)**
Changes from reinsurance contracts		
Gains (losses) recognised directly in equity	(19,875)	111,852
Tax income (expense)	5,000	–
	(14,875)	**111,852**
Total comprehensive income for the year	**919,682**	**134,418**

[1] Restated pursuant to IAS 8

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

Statement of Changes in Shareholder's Equity 2023

in USD thousand	Common shares	Additional paid-in capital	Accumulated other comprehensive income		Retained earnings	Total shareholder's equity
			Unrealised gains / losses	Reinsurance contracts		
Balance as at 1 January 2022	**104,522**	**1,365,633**	**33,461**	**–**	**452,923**	**1,956,539**
Effects from initial application of new accounting standards	–	–	(574)	(11,277)	(143,175)	(155,026)
Balance as at 1 January 2022 (restated)	**104,522**	**1,365,633**	**32,887**	**(11,277)**	**309,748**	**1,801,513**
Net income [1]	–	–	–	–	430,587	430,587
Other comprehensive income	–	–	(408,021)	111,852	–	(296,169)
Dividends declared and paid	–	–	–	–	(341,000)	(341,000)
Balance as at 31 December 2022	**104,522**	**1,365,633**	**(375,134)**	**100,575**	**399,335**	**1,594,931**
Balance as at 1 January 2023 (restated)	**104,522**	**1,365,633**	**(375,134)**	**100,575**	**399,335**	**1,594,931**
Net income	–	–	–	–	845,948	845,948
Other comprehensive income	–	–	88,609	(14,875)	–	73,734
Dividends declared	–	–	–	–	(290,000)	(290,000)
Balance as at 31 December 2023	**104,522**	**1,365,633**	**(286,525)**	**85,700**	**955,283**	**2,224,613**

[1] Restated pursuant to IAS 8

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

Statement of Cash Flows 2023

in USD thousand	2023	2022 [1]
I. Cash flow from operating activities		
Net income	**845,948**	**430,587**
Change in reinsurance contracts (gross)	(93,966)	166,663
Change in reinsurance contracts held (retroceded)	315,075	136,993
Change in other receivables/liabilities	48,774	(196,721)
Other non-cash expenses and income	(194,982)	250,587
Cash flow from operating activities	**920,849**	**788,109**
II. Cash flow from investing activities		
Outflows for acquisition of investments valued at FVOCI	(2,029,665)	(1,519,811)
Inflows from disposal of investments valued at FVOCI	1,426,199	1,270,385
Outflows for acquisition of investments valued at FVPL	(699,762)	(101,509)
Inflows from disposal and maturities of investments valued at FVPL	699,872	45,235
Outflows for acquisition of other invested assets	(20,000)	–
Other changes	(18,460)	29,348
Cash flow from investing activities	**(641,816)**	**(276,352)**
III. Cash flow from financing activities		
Cash outflow from financing liabilities / financial instruments	(7,641)	(2,640)
Cash outflow from dividends paid	(341,000)	(460,000)
Cash flow from financing activities	**(348,641)**	**(462,640)**
IV. Exchange rate differences on cash	**(374)**	**(5,529)**
Cash and cash equivalents at the beginning of the period	**140,069**	**96,481**
Change in cash and cash equivalents (I. + II. + III. + IV.)	**(69,982)**	**43,588**
Cash and cash equivalents at the end of the period	**70,087**	**140,069**
Supplementary information on the cash flow statement [2]		
Taxes paid	(12,459)	(11,515)
Dividend receipts [3]	4,696	3,105
Interest received	181,430	202,805
Interest paid – recognised in the cash flow from operating activities	(8,165)	(7,487)
Interest paid – recognised in the cash flow from financing activities	(6,652)	(1,618)

[1] Restated pursuant to IAS 8

[2] The taxes paid, dividend received as well as interest received are included entirely in the cash flow from operating activities.

[3] Including dividend-like profit participations from investment funds

Notes to the Financial Statements

1. Corporate information

Hannover Re (Bermuda) Ltd. ("HRBer" or the "Company") is a wholly owned subsidiary of Hannover Re Holdings (UK) Limited (the "Immediate Parent"), a company incorporated in the U.K. The Immediate Parent is wholly owned by Hannover Rück Beteiligung Verwaltungs GmbH, which is wholly owned by Hannover Rückversicherung SE ("Hannover Rück SE" or "the Parent"), a company incorporated in Germany and trading internationally under the brand name Hannover Re. Hannover Rück SE is a publicly traded company, which is majority owned (50.2%) by Talanx AG, which in turn is majority owned (with a stake of 76.7%) by HDI Haftpflicht-verband der Deutschen Industrie V.a.G. ("HDI"), a German mutual insurance company. The Company is a limited company incorporated and domiciled in Bermuda. The registered office is located at Victoria Place, 31 Victoria Street, Hamilton, HM10, Bermuda.

The Company is a Dual License holder of both a Class 4 and a Class E license issued under the Insurance Act, 1978 of Bermuda and related regulations to write all classes of property, casualty, and life business.

The Company writes property catastrophe reinsurance contracts mainly on an excess of loss basis. Property catastrophe reinsurance covers unpredictable events such as tropical cyclones, windstorms, hailstorms, earthquakes, freezes, riots and other man-made or natural disasters. Every property catastrophe excess of loss contract written by the Company provides for aggregate limits and attachment points. The Company also assumes cyber proportional and non-proportional business as well as, to a limited extent, personal accident, workers' compensation and terrorism contracts primarily on an excess of loss basis. As of 1 January 2023, the Company has discontinued writing certain specialty lines of business with third parties.

The Company also reinsures life assurance business written by its client companies (cedants). The risks assumed generally reflect the risks inherent in the underlying life assurance policies and include mortality risk, morbidity risk, investment risk, lapse risk and surrender risk. The Company may also assume credit risk in respect of its client companies.

2. Basis of preparation

2.1. Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations developed by the IFRS Committee ("IFRIC").

On 25 April 2024, the financial statements were approved by the Board of Directors for issue.

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis. See Note 3 for the exceptions to this.

2.3. Functional and presentation currency

The financial statements are presented in United States Dollars ("USD"), which is also the Company's functional currency.

2.4. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The area involving a higher degree of judgment and where estimates are significant to the financial statements are the reinsurance assets and liabilities. This is disclosed further in Notes 3 and 9 to these financial statements.

3. Accounting principles

The financial statements reflect all IFRS in force as at 31 December 2023, as well as all interpretations issued by IFRIC, application of which was mandatory for the year ended 2023.

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1. New accounting standards or accounting standards applied for the first time

With effect from 1 January 2023, the Company applied the accounting standards IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" for the first time. Both standards were initially applied retrospectively in observance of any options or transitional arrangements. The opening balance in consideration of the principles of IFRS 17 and IFRS 9 was drawn up as at 1 January 2022.

IFRS 17 "Insurance Contracts" replaces the existing transitional arrangements of IFRS 4 and establishes a comprehensive accounting framework for the recognition, measurement, and disclosure of insurance contracts. In addition, IFRS 17 requires extensive new disclosures in the notes. The standard is to be applied to insurance contracts issued (including reinsurance contracts issued), reinsurance contracts held ("insurance contracts ceded", retrocessions) as well as investment contracts with discretionary participation features.

Before a contract is recognised pursuant to IFRS 17, the Company checks whether the contract contains components that are to be separated and recognised separately according to the provisions applicable to them. The Company's business largely contains two categories of such components:

- cash flows related to embedded derivatives to be recognised separately under IFRS 9;
- cash flows related to distinct investment components that are similarly to be recognised under IFRS 9.

The standard introduces three new measurement models, the basis being the "general measurement model" ("GMM"). The "variable fee approach" ("VFA") is a variant of the general measurement model for insurance contracts with a direct surplus participation and is not applicable to reinsurance business. The "premium allocation approach" ("PAA") is a simplified method that can be used by insurers and reinsurers when certain criteria are met. For operational reasons and to achieve consistent and comparable presentation and measurement within the portfolio of insurance and reinsurance contracts, the Company is applying the GMM to its entire business.

The GMM measures receivables and payables from reinsurance business by the fulfilment value plus the contractual service margin ("CSM").

The fulfilment value constitutes the risk-adjusted present value of the rights and obligations from a reinsurance treaty and is comprised of the estimates of expected future cash flows, their discounting, and an explicit risk adjustment for non-financial risks.

If the present value of the expected future cash inflows exceeds the present value of the expected future cash outflows plus the risk adjustment, an expected profit exists that is deferred within the CSM and spread across the coverage period. Initial balance sheet recognition of contracts expected to be profitable thus has no effect on profit or loss.

However, for groups of contracts where the sum of the present value of expected future cash outflows and the risk adjustment exceeds the present value of the expected future cash inflows, the Company recognises the loss expected at time of acquisition directly in profit or loss in the so-called "loss component".

The Company discounts all cash flows using currency-specific, risk-free yield curves that are adjusted to reflect the respective characteristics of the cash flows and the liquidity of the underlying insurance contracts ("bottom-up approach").

The risk adjustment for non-financial risk for a group of insurance contracts reflects the amount of compensation needed to carry the uncertainty surrounding the amount and timing of the cash flows that arise out of non-financial risks – such as the insurance risk itself, the cost of risk and in particular the risk associated with policyholder behaviour.

The provisions of IFRS 17 open up the option of recognising discounting effects within the non-financial risk adjustment not separately in the insurance finance result but rather together with the release of the risk adjustment within the technical result. This option is exercised in the property and casualty reinsurance segment.

As a general principle, reinsurance contracts are grouped together and measured on an aggregated level. For this purpose, the Company defines, as a first step, portfolios containing contracts with similar risks that are managed together. In a second step, the Company splits these portfolios into groups of contracts according to profitability criteria and annual cohorts. With regard to the profitability expected at the time of initial recognition, a distinction is made between:

- onerous contracts,
- contracts where there is no significant probability of them becoming onerous in subsequent periods and
- the remaining contracts;

these are allocated to separate groups of contracts. Contracts issued within a calendar year are combined into annual cohorts.

Under IFRS 17, there is a requirement to group contracts into such annual cohorts.

The standard must be applied retrospectively unless this is impracticable (IFRS 17.C3). In this case, especially if an adequate data basis for full retrospective application is not available, it is possible to apply either a modified retrospective approach or a fair value approach on the level of the group of contracts.

Using adequately robust information that is available without unreasonable effort, the modified retrospective approach is intended to arrive at an overall result that approximates retrospective application. In connection with application of the modified retrospective approach, the following main simplifications were utilised:

- Contracts issued in intervals of more than one year were combined
- No distinction was made between purchased insurance portfolios and directly written business
- Use of a yield curve approximating the estimated yield curve for at least three years directly prior to the date of transition to IFRS 17 that is based on the general approach used for calculating discount rates
- Restatement of the non-financial risk adjustment as at 1 January 2022 by the amount of the release of the non-financial risk adjustment expected prior to the transition date based on comparable contracts
- The OCI for the technical reserves as at 1 January 2022 is determined as the difference between the technical reserves discounted at the interest rate from the year of acquisition of the contracts and at the current rate on the closing date. Overall, the balance of the technical OCI positions and the investment OCI positions produces the OCI from investments not used to cover underwriting liabilities.

Under the fair value approach, the CSM of a group of contracts at the transition date is established as the difference between the fair value of this group calculated according to IFRS 13 “Fair Value Measurement” and the corresponding fulfilment value calculated according to IFRS 17.

The Company is applying each of the aforementioned transition arrangements, differentiated according to certain groups of contracts.

The application of IFRS 17 has a number of implications for the structure of the balance sheet. In addition to the changed technical items under the GMM, certain items that have been reported separately under IFRS 4 are eliminated and recognised under the reinsurance liabilities in accordance with the general model. This is the case, for example, with the deferred acquisition costs, the reinsurance recoverables and funds withheld.

Furthermore, the standard fundamentally changes the statement of income and differentiates between the reinsurance result, which is composed of the reinsurance revenue and reinsurance service expenses, and the reinsurance finance income and expenses.

Gross written premium is no longer disclosed, instead being replaced with reinsurance revenue that is defined in such a way as to facilitate comparison with the revenue disclosures of other sectors. Neither savings / investment components nor certain ceding commissions can be recognised in reinsurance revenue. Reinsurance revenue is instead reported when it is earned by recognising in each period the change in the liabilities for providing reinsurance coverage for which the reinsurance entity receives compensation, including the pro rata recognition of the CSM in profit and loss, as well as the part of the premiums that covers acquisition costs.

Reinsurance finance income and expenses result from discounting effects and financial risks. In accordance with the option granted by IFRS 17, they can either be recognised entirely as profit or loss in the statement of income or in part directly in equity. This “OCI option” can be exercised on the level of individual portfolios and is utilised by the Company for all of its business.

IFRS 17.116 requires disclosures for groups of reinsurance contracts for which the option to recognise components of reinsurance finance income or expense directly in OCI on the date of transition was exercised and to which a portfolio of assets is directly allocated, the fair value changes of which are similarly recognised directly in OCI. There are no material circumstances within the Company that meet these criteria.

Changes in assumptions about future cash flows that do not relate to interest rates or financial risks are not recognised directly in the statement of income but are instead booked against the CSM and hence spread across the remaining coverage period. Recognition in profit or loss is only immediate in the case of those groups of insurance contracts that are expected to be loss-making. If this adjustment to the CSM exceeds its carrying amount, a loss component is established analogously to the initial recognition of groups of contracts that are expected to be loss-making and recognised directly in profit or loss. Conversely, it may happen that a CSM is established in the context of subsequent measurement of a group of contracts originally classified as probably loss-making.

At the transition date of 1 January 2022, the initial application of IFRS 17 gave rise to changes in the measurement of key items in the balance sheet:

The amount of the technical liabilities and assets changes due to the concepts enshrined in the standard relating to the discounting of future cash flows, the establishment of the CSM, loss components and risk adjustment and other measurement differences compared to IFRS 4, including for example the diverging definition of contract boundaries or the aforementioned grouping of contracts for measurement purposes.

The retention of the reserving approach hitherto adopted by the Company – insofar as this is possible under IFRS 17 – results in the recognition of a loss component for some groups of contracts at the time of initial recognition, although this may even out over time and lead to run-off profits.

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" and contains new rules for classifying and measuring financial instruments, for recognition of impairment based on a new, forward-looking model of the expected losses and for the accounting of general hedge relationships.

Initial mandatory application of the standard was envisaged for annual reporting periods beginning on or after 1 January 2018. However, the IASB published "Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" in September 2016 and "Amendments to IFRS 4: Extension of the Temporary Exemption from Applying IFRS 9" in June 2020. These amendments extended the temporary deferral of initial application of IFRS 9 "Financial Instruments" that had been granted to insurers and reinsurers ("deferral approach") until 1 January 2023, with the result that IFRS 9 and IFRS 17 are first applied by the Company at the same time.

In order to be able to take advantage of the temporary deferral, it was necessary to demonstrate that the Company's predominant activity is the issuance of insurance and reinsurance contracts within the scope of IFRS 4. The Company reviewed the application requirements based on the financial statement as at 31 December 2015 with a positive outcome and decided to make use of the option of temporary deferral. Since the review of the application requirements, there has been no change in business activity that would have necessitated a re-evaluation of the predominant activity.

While the retrospective application of IFRS 17 provides for the presentation of comparative information for the 2022 financial year, this is not the case with initial application of IFRS 9. By issuing "Amendment to IFRS 17 Insurance Contracts; Initial Application of IFRS 17 and IFRS 9 – Comparative Information" in December 2021, the IASB therefore introduced a transition option relating to comparative information about financial assets that is presented on initial application of IFRS 17.

This option is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the 2022 comparative year, thereby improving the usefulness of comparative information for users of financial statements. It allows for an overlay in the classification of financial assets in the comparative period that is presented on initial application of IFRS 17 ("overlay approach"). This overlay makes it possible to classify all financial assets, including those not connected with contracts within the scope of IFRS 17, on a case-by-case basis in the comparative period in a way that corresponds to how the entity expects to classify these assets on initial application of IFRS 9.

The Company applied this approach, including the provisions of IFRS 9 regarding impairment losses, consistently to all eligible financial instruments.

The classification of financial instruments according to IFRS 9 is guided, on the one hand, by the cash flow characteristics of the financial instruments and, on the other, by the business model used to manage the financial instruments. On the basis of these two criteria, financial instruments are allocated to one of three measurement categories, namely "amortised cost (“AC”)” (business model "hold"), "fair value through other comprehensive income (“FVOCI”)" (business model "hold and sell") or "fair value through profit or loss (“FVPL”)" (business model "trading"). In general, the business model "hold" is no longer applicable to the Company. In view of the nature of reinsurance business, the bulk of our portfolio of debt instruments is allocated to the business model "hold and sell". A large portion of the financial instruments shown in the investments is therefore classified in the category FVOCI. The holding of these financial instruments decreased in the opening balance sheet as at 1 January 2022 to USD 3,648.8 million (IAS 39: USD 3,659.7 million).

The new classification rules introduced by IFRS 9 also result in significantly more financial instruments in the investments being measured at FVPL. As at 1 January 2022, the Company recognises financial instruments in an amount of USD 211.6 million at FVPL (IAS 39: USD 161.3 million). The bulk of this increase was attributable to units in publicly offered funds and debt instruments that do not pass the solely payment of principal and interest (“SPPI”) test due to their cash flow characteristics. This can lead to increased volatility in results in future financial years.

The transition to the accounting standards IFRS 9 and IFRS 17 as at 1 January 2022 caused the reported shareholder’s equity of the Company to decrease by altogether USD 155.0 million.

Along with the changes described in connection with initial application of IFRS 17 and IFRS 9, the following amendments to existing standards were applicable for the first time in the reporting period. These amendments did not have any significant implications for the financial statement:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

3.2. Standards or changes in standards that have not yet entered into force or are not yet applicable

In connection with the introduction of global minimum taxation, the IASB issued "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules" in May 2023 after the OECD had previously released the Pillar Two Model Rules (Global Anti-Base Erosion Proposal, GloBE). The amendments to IAS 12 introduce a temporary, mandatory exception to accounting for deferred taxes arising from implementation of the Pillar Two Model Rules together with certain disclosure requirements. The temporary exception applies retrospectively in conformity with IAS 8 and immediately upon publication, while the new disclosure requirements were to be fulfilled effective year-end 2023. The Company has begun preparations for implementation of the complex Pillar Two rules and has fulfilled the new disclosure requirements accordingly.

Furthermore, the IASB has issued the following amendments to existing standards, application of which was not yet mandatory in the reporting period. The Company is refraining from early application of these amendments, which are not expected to have any significant implications for the Company's net assets, financial position, or results of operations.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

3.3. Summary of significant accounting policies

• Reinsurance contracts

Classification of contracts: A contract is to be classified as a reinsurance contract issued or as a reinsurance contract held pursuant to IFRS 17 if a significant insurance risk is thereby assumed or transferred. These contract types are treated according to the same rules, irrespective of whether the contracts were issued, acquired in connection with a merger or acquired as part of a transfer of contracts that do not constitute business operations. Contracts that may take the legal form of an insurance contract but do not transfer any significant insurance risk are classified as investment contracts. The recognition and measurement of such contracts follows the rules for the recognition of financial instruments according to IFRS 9.

Technical reserves, GMM – initial measurement: On initial recognition, the Company measures a group of reinsurance contracts as the sum of

- the fulfilment value, which is comprised of estimates of expected future cash flows, an adjustment that reflects the time value of money and the associated financial risks as well as a risk adjustment for non-financial risks, and
- the CSM.

In the recognition of the corresponding technical reserves, a fundamental distinction is made between a pre-claims phase (liability for remaining coverage or “LRC”) and a claims phase after occurrence of the insured event (liability for incurred claims or “LIC”).

Fulfilment value – cash flows: Components of the cash flows to be included are, among others, premium payments, payments to cedants, costs for acquisition and management of the contracts as well as for settlement of incurred claims. In this context, the cash flows included in the measurement model at each balance sheet date always constitute the Company’s current estimate and expectation in connection with the fulfilment of obligations.

Time value of money – discounting: The Company discounts all cash flows with currency-specific, risk-free yield curves that are adjusted to reflect the respective characteristics of the cash flows and the liquidity of the underlying insurance contracts (bottom-up approach). The illiquidity premium used is based on risk-adjusted spreads of corporate and government bonds. These adjustments, which take the form of a supplementary illiquidity premium per currency, satisfy the following requirements / assumptions:

- The illiquidity of the underlying insurance contracts is defined through the predictability of the resulting cash flows, since the harder it is to predict a cash flow, the less it lends itself to coverage with illiquid assets.
- All characteristics of an insurance contract (or a group of insurance contracts) can be fully described and measured through the characteristics of its resulting cash flows.

- The uncertainties in cash flows that may be caused by volatility in financial market parameters are captured in the estimation of expected future cash flows, instead of implicitly reflecting them through adjustment of the risk-free and completely illiquid yield curve in the illiquidity premium.
- The illiquidity premiums are estimated on the basis of liquidity premiums for financial assets observable in the market that are adjusted to reflect the illiquidity characteristics of the cash flows on the liabilities side. The illiquidity premiums used in this context are based on risk-adjusted spreads of corporate and government bonds.

Risk adjustment for non-financial risks: The non-financial risk adjustment for a group of insurance contracts reflects the amount of compensation needed to carry the uncertainty surrounding the amount and timing of the cash flows that arise out of non-financial risks – such as the insurance risk itself, the cost risk and in particular the risk associated with policyholder behaviour. The Company uses a "pricing margin approach" to determine the risk adjustment. The approach refers to the fact that the question of the necessary compensation for the uncertainty of the cash flows is already answered in connection with the premium calculation. The loadings on the cash flows determined here form the risk adjustment pursuant to IFRS 17.

CSM: The CSM defers a profit expected at the time of acquisition and spreads it according to provision of the service across the coverage period. Specifically, this means:

- If the present value of the expected cash inflows exceeds the present value of the expected cash outflows plus the risk adjustment, an expected profit exists that the Company recognises in the CSM. Initial balance sheet recognition of contracts expected to be profitable thus has no effect on profit or loss.
- Subsequent measurement of the CSM reflects the rendering of a service in the form of insurance contract service. The insurance contract service consists of the coverage in case of occurrence of the insured event and the policyholder's participation in income generated on the capital market through investment of paid insurance premiums. An amount is released from the CSM to profit or loss in the corresponding reporting periods as a service fee for rendering of this service and recognised in the statement of income as part of the insurance revenue. So-called "coverage units" are used to measure this service in a reporting period.
- These coverage units are based on the quantities of benefits provided at the end of the reporting period relative to those expected to be provided over the entire contract duration in order to determine the service rendered for the period. The Company selects the coverage units for each insurance transaction in such a way that they optimally reflect the service provided in each case.

Loss component: For groups of contracts where the sum of the present value of expected future cash outflows and the risk adjustment exceeds the present value of the expected future cash inflows, the Company recognises the loss expected at the time of acquisition directly in profit or loss in the so-called "loss component".

GMM – subsequent measurement: The book value of a group of insurance contracts at each closing date is the sum of the LRC and the LIC.

- The LRC consists of the fulfilment value relating to future payments allocated to the group of contracts at this time as well as the CSM for the group at the closing date.
- The LIC consists of the fulfilment value for incurred claims plus expenditures not yet paid, including claims already incurred but not yet reported.

The Company splits the reinsurance finance income and expenses between P&L and OCI. Systematic allocation is ensured through use of the discount rate on initial recognition.

Changes in cash flows: Changes that relate to future payments and adjust the CSM include, among others:

- Changes to estimates of the present value of expected future cash flows in the LRC, with the exception of changes described in the next paragraph;
- Variances between an investment component that is expected to be payable in the period and the investment component that is actually payable in the period. These variances are established through comparison (i) of the investment component actually payable in the period with (ii) the payment in the period that was expected at the beginning of the period, plus any insurance finance income or expenses in relation to the expected payment, before it is payable;
- Changes to the risk adjustment for non-financial risks that relate to future services;

- Experience-based adjustments due to premiums booked in the period that relate to future services, and associated cash flows such as acquisition costs and premium-based taxes.

The following changes do not result in an adjustment of the CSM and are therefore recognised directly in P&L:
- Changes in the fulfilment value due to the effects of the time value of money, the financial risks and changes in this regard;
- Changes in the fulfilment value in connection with the LIC;
- Experience-based adjustments due to premiums booked in the period that do not relate to future services, and associated cash flows such as acquisition costs and premium-based taxes.

The CSM of each group of contracts is calculated on each closing date as explained below. The book value of the CSM at the closing date corresponds to the book value at the start of the year, adjusted for:
- the CSM of new contracts added to the group in the financial year;
- the interest accretion on the book value of the CSM with the interest rate determined on initial recognition (locked-in rate);
- changes in the fulfilment value connected with cash flows that relate to the fulfilment of future services. These are recognised through adjustment of the CSM for as long as the CSM is available. If an increase in the fulfilment value exceeds the CSM, the excess amount is recognised in insurance service expenses and a loss component is recognised;
- the impact of any exchange rate differences;
- the release of the CSM through insurance revenue that was calculated after allowance for all adjustments.

Retrocession treaties: The accounting policies described above are also applied as a general principle to reinsurance contracts held. Retroceded business is additionally subject to the following special recognition and measurement principles. As with business assumed, the rules refer in each case to the aggregation level of a group of contracts:

The Company reports ceded reinsurance contracts at the earlier of the following points in time:
- At the beginning of the coverage period of the ceded contracts, or
- At the time when a group of onerous underlying assumed contracts is recognised.

In the case of ceded reinsurance contracts with pro-rata coverage (predominantly proportional reinsurance), recognition does not take place until the date on which the underlying assumed contracts are recognised if this date falls after the inception of the coverage period of the ceded contracts.

On each balance sheet date, the Company estimates the future cash flows and their discounting based on current assumptions. The assumptions are consistent with the assumptions chosen for measurement of the underlying issued reinsurance contracts.

The risk adjustment for non-financial risks with respect to business retroceded is determined as the part of the risks effectively transferred to the retrocessionaire. In this regard, the Company always strives for the greatest possible consistency with the determination of the risk adjustment for non-financial risks for the underlying gross business.

In contrast to the recognition of issued reinsurance contracts, the CSM for ceded reinsurance contracts can be positive or negative.

In the case of prospective covers, both a net profit and net costs are to be deferred on acquisition of the retrocession across the coverage period. Changes in fulfilment values are offset against the CSM, insofar as these changes relate to future services. If, however, the changes in estimates are attributable to measurement adjustments to the underlying contracts recognised in profit or loss, the Company recognises their effect on the measurement of the ceded reinsurance contracts directly in profit or loss. This facilitates consistent mapping of the gross business with the ceded insurance contracts. The CSM is spread across the remaining duration of the coverage period in the context of subsequent measurement on the basis of coverage units.

In contrast, in the case of retroactive retrocession contracts relating to insured events that occurred prior to acquisition of the retrocession, the net costs from acquisition of the retrocession are expensed in profit or loss. Expected net profits, on the other hand, are spread across the run-off period of the underlying contracts in the CSM by selecting appropriate coverage units.

Loss-recovery component: The Company establishes a loss-recovery component if a loss is reported on ceded gross business on account of onerous contracts. The loss component to be expensed for the gross business is thereby opposed with a loss-recovery

component recognised in income proportionate to the expected relief. In this way, allowance is also made in the balance sheet for an effective retrocession and as a result only a non-reinsured loss from the gross business remains in profit and loss in the respective period. Reversals of the loss-recovery component cause the CSM to be adjusted, provided these reversals do not involve changes in the fulfilment values of the group of ceded reinsurance contracts. In the context of subsequent measurement, the loss-recovery component is adjusted for changes in the loss component of the underlying reinsurance contracts. The loss-recovery component is not significant in the Company's book of business.

Derecognition and contract modification: Contracts are derecognised when they are extinguished, or their terms and condition are changed in such a way as to fundamentally impact the economic characteristics of the contractual properties. If this is not the case, the contract modification results in a change in the estimated fulfilment values.

Investment components: The investment component of an insurance contract is defined as the amount that an entity must repay to the policyholder even if the insured event does not occur. Investment components are not included in the insurance revenue or in the insurance service expenses, but rather are recognised in accordance with IFRS 9. Investment components include, for example, the inflows and outflows of savings elements in life primary insurance and certain commissions paid to cedants.

Reinsurance revenue: The Company books reinsurance revenue when it renders services in connection with groups of reinsurance contracts. In this context, the reinsurance revenue of the reporting period represents the sum of the changes in the LRC resulting from the rendering of services in this period for which the Company expects a consideration. The reinsurance revenue is defined in such a way as to bring about comparability with revenue reporting in other industries and derives from the following revenue sources:

- Expenditures incurred in the reporting period for reinsured losses and other insurance services (excluding repayments of investment components and amounts allocable to a potential loss component)
- Changes in the risk adjustment for non-financial risks in relation to services in the current reporting period.
- CSM release, measured by the coverage units provided.
- Other amounts, including experience-based adjustments to premium received for services in the current or in past periods.

No insurance revenue is recognised in the amount of the investment components because this involves those parts of the premium that are always paid back to the cedant, irrespective of whether the insured event occurs. This particularly includes certain commissions paid to cedants. The reduction of the revenue by the amount of the investment components has no influence on the reinsurance service result because the insurance service expenses are also correspondingly reduced.

Reinsurance service result: The reinsurance service expenses include, in particular, the incurred claims (excluding repayments of investment components) as well as the management and acquisition expenses. The acquisition expenses are allocated systematically to the respective periods of the coverage duration and recognised in the same amount as reinsurance revenue and as reinsurance service expenses. Within the reinsurance service result, the profit components from contracts retroceded are shown as separate items distinct from the gross reinsurance revenue and gross reinsurance service expenses from issued business.

In the **reinsurance finance result**, the reinsurance finance income and expenses include the effects from the discounting of the present value of net cash flows, the risk adjustment for non-financial risks and the CSM. The Company recognises the effects of changes in interest rates in the OCI within shareholder's equity. In the statement of income, the Company presents the net reinsurance finance result both before and after currency effects. The reinsurance finance result is presented in accordance with IFRS 17 including currency effects. In order to clarify the matching currency coverage of the technical liabilities by investments, the currency effects are subsequently eliminated from the reinsurance finance result pursuant to IFRS 17 and shown separately in the net currency result.

• Financial instruments

Financial instruments are recognised and derecognised on acquisition or sale at the fulfilment date pursuant to IFRS 9.

Financial assets are split into one of three categories on acquisition according to their cash flow characteristics and respective purpose: (i) AC, (ii) FVOCI and (iii) FVPL. **Financial liabilities** are classified either as financial instruments at FVPL or as financial

instruments measured at AC. Transaction costs directly connected with acquisition of the financial instrument are added or deducted depending on the classification.

Debt instruments are classified as financial instruments at FVOCI if the financial asset is held within a business model whose objective is both collecting contractual cash flows and selling the financial asset and the contractual cash flows meet the SPPI criterion. Financial assets classified in the FVOCI category are measured at fair value, with all changes in fair value recognised in OCI allowing for accrued interest and disclosed in shareholder's equity under the other reserves. Premiums and discounts are spread across the maturity using the effective interest rate method. A large part of the Company's investments fall under the business model with the objective of collecting cash flows and selling, because the investments are predominantly used to cover underwriting risks and sales are therefore influenced by the servicing of these obligations.

There is an option to designate equity instruments as FVOCI on initial recognition, without recycling to profit and loss. In this case, changes in fair value are recognised directly in OCI and not recycled to profit and loss even on disposal. As a general principle, the Company exercises this option for equities and unconsolidated participations.

The financial instruments measured at FVPL include all equity instruments that were not designated as FVOCI without subsequent recycling to profit and loss as well as all debt instruments whose cash flows do not meet the SPPI criteria or are not held within the business models whose objective is collecting contractual cash flows or collecting cash flows and selling the instrument. This includes complex structured products, units in investment funds and private equity investments as well as short-term investments. In addition, all derivative assets are measured at FVPL and, provided they have positive fair values, recognised in this category. Derivatives with negative fair values are recognised under the other liabilities. All securities measured at FVPL are carried at the fair value on the closing date. If market prices that can be used as fair values are not available, the book values of the relevant financial instruments are determined using recognised measurement methods. All unrealised gains or losses from measurements of this type are recognised in profit or loss just like realised gains and losses and reported in the investment income.

Investment income: Investment income is recognised on the accrual basis and includes the amortisation of premium or discount on debt securities purchased at amounts different from their par value.

Netting of financial instruments: Financial assets and liabilities are only netted and recognised in the appropriate net amount if a corresponding legal claim (reciprocity, similarity and maturity) exists or is expressly agreed by contract, in other words if the intention exists to offset such items on a net basis or to effect this offsetting simultaneously.

Impairments: The impairment rules set out in IFRS 9 apply to all debt instruments recognised at FVOCI. Impairments are established under IFRS 9 in accordance with a three-stage model:

- Stage 1 consists of debt instruments in respect of which it is assumed that the credit risk has not significantly increased since initial recognition. The risk provision for such instruments is measured using, among other things, the default probabilities for the next 12 months.
- Stage 2 consists of debt instruments that are not credit-impaired, but whose credit risk has increased significantly since initial recognition. The significant increase in the credit risk is established on the basis of quantitative and qualitative information, a credit risk assessment and forward-looking information. In addition, debt instruments are allocated to this stage for which definitively verifiable information on the default probability is not yet available on acquisition. As soon as the criteria for inclusion in Stage 1 are met, they are transferred to this stage. The risk provision is calculated using the default probabilities for the entre remaining maturities of the instruments.
- Stage 3 consists of all debt instruments that are classified as credit-impaired.

For all three stages, the risk provision to be made and its reversal are determined at the reporting dates and individually for each specific instrument. The resulting expense and income are recognised in the statement of income.

The determination of the risk provision to be made for Stages 1 and 2 is based on the potential default amount weighted by the risk of default. The following three parameters are primarily considered here:

- the probability of default ("PD"),
- the loss given default ("LGD") and
- the exposure at default ("EAD").

Year-specific probabilities of default are used for Stage 2 to establish the expected credit loss ("ECL") for the entire remaining maturities of the assets. These input factors are regularly recalibrated to reflect the forecast development of macroeconomic conditions in accordance with the requirements of IFRS 9 through the use of region-and period-specific point-in-time ("PIT") factors. If a debt instrument is classified as credit-impaired and hence carried in Stage 3, measurement of the risk provision is based on the fair value at the balance sheet date.

Upon acquisition, all financial instruments are initially allocated to Stage 1. In cases where the credit risk has significantly increased, they are transferred to Stage 2. Given that allocation to a stage is dependent on the rating at the time of acquisition, shares in a financial instrument acquired at different times can be allocated to both Stage 1 and Stage 2. A significant increase in the credit risk triggering the transfer from Stage 1 to Stage 2 exists if the financial instrument has a current issuer rating in the non-investment-grade range and the rating of the instrument has been downgraded at least twice since initial recognition. The Company uses the optional simplification under which financial instruments with a low credit risk are not allocated to Stage 2 if they still have an investment-grade issuer rating.

The allocation of financial instruments to Stage 3, on the other hand, is made on the basis of the counterparty's default status.

If a significant increase in the credit risk exists but the financial instrument was not classified as credit-impaired, the financial instrument in question remains in Stage 2. If none of the aforementioned stage transfer criteria applies any longer and the financial instrument is not credit-impaired, it is allocated to Stage 1. In the event of credit impairment, it is allocated to Stage 3. If a previously credit-impaired financial instrument is no longer considered to be credit-impaired, it is reclassified to Stage 2 or Stage 1 depending on applicability of the stage-specific criteria.

An overview of the impairments on financial instruments can be found in Note 6.

Disclosures about financial instruments: IFRS 7 "Financial Instruments: Disclosures" requires more extensive disclosures according to classes of financial instruments. In this context, the term "class" refers to the classification of financial instruments according to their risk characteristics. A minimum distinction is required here between measurement at amortised cost or at fair value. A more extensive or divergent distinction should, however, be geared to the purpose of the corresponding disclosures in the notes. Essentially, the following classes of financial instruments are established:

- Debt instruments
- Equity instruments
- Fund investments and other callable financial instruments
- Derivatives
- Other invested assets
- Short-term investments
- Real estate investments
- Certain financial instruments in the balance sheet item "Other assets"
- Certain financial instruments in the balance sheet item "Other liabilities"
- Long-term debt

This grouping into classes is not, however, solely determinative for the type and structure of each disclosure in the notes. Rather, guided by the underlying business model of reinsurance, the disclosures are made based on the facts and circumstances existing in the financial year and in light of the principle of materiality.

• Establishment of the fair value of financial instruments carried as assets or liabilities

The fair value of financial instruments carried as assets or liabilities is established using the methods and models described below. The fair value of a financial instrument corresponds to the amount that the Company would receive or pay if it were to sell or settle the said financial instrument on the balance sheet date. Insofar as market prices are listed on markets for financial assets, their bid price is used; financial liabilities are valued at ask price. In other cases, the fair values are established on the basis of the market

conditions prevailing on the balance sheet date for financial assets with similar credit rating, duration and return characteristics or using recognised models of mathematical finance. The Company uses a number of different valuation models for this purpose. The details are set out in the table below. Financial assets for which no publicly available prices or observable market data can be used as inputs (financial instruments belonging to fair value hierarchy Level 3) are for the most part measured on the basis of proven valuations drawn up by knowledgeable, independent experts, e.g. audited net asset value, the plausibility of which has previously been subjected to systematic review. For further information, see our explanatory remarks on the fair value hierarchy in Note 8.

Valuation models

Financial instrument	Parameter	Pricing model
Fixed-income securities		
Unlisted plain vanilla bonds, interest rate swaps	Yield curve	Present value method
Unlisted structured bonds	Yield curve, volatility surfaces	Hull-White, Black-Karasinski, LIBOR market model etc.
Unlisted ABS/MBS, CDO/CLO	Risk premiums, default rates, prepayment speed and recovery rates	Present value method
Other invested assets		
Unlisted equities and equity investments	Acquisition cost, cash flows, EBIT multiples, as applicable book value	Capitalised earnings method, discounted cash flow method, multiple-based approaches
Private equity funds, private equity real estate funds	Audited net asset values ("NAV")	Net asset value method
Unlisted bond, equity and real estate funds	Audited NAV	Net asset value method
Other financial assets – at fair value through profit or loss		
Forward exchange transactions, foreign exchange swaps, non-deliverable forwards	Yield curves, spot and forward rates	Interest parity model
OTC stock options, OTC stock index options	Listing of the underlying share, implicit volatilities, money-market interest rate, dividend yield	Black-Scholes
Insurance derivatives	Actuarial parameters, yield curve	Present value method
Cross-currency swaps	Yield curve, currency spot rates	Present value method
Total return swaps	Listing of underlying, yield curve	Present value method

• Other invested assets

Other invested assets are for the most part recognised at nominal value. Insofar as such financial assets are not listed on public markets (e g. participating interests in private equity firms), they are carried at the latest available net asset value as an approximation of the fair value.

• Cash and cash equivalents

Cash and cash equivalents are carried at face value. Cash equivalents are highly liquid, readily convertible to fixed amounts of cash subject to an insignificant risk of changes in value, exclusively held for the purpose of meeting short-term cash commitments and without any investment criteria at all. Usually, cash equivalents are without or subjected to a maximum term of three months from the date of acquisition.

• Intangible assets

Intangible assets are renewal rights acquired for certain treaty and facultative portfolios. They are measured at acquisition cost and will be amortised over 5 years. The renewal rights are tested regularly for impairment based on the actual development of the business, which is subject to the renewal rights and impairment losses are taken if necessary. Refer to Note 10 for further details.

• Other assets

Fixtures, fittings and equipment are recorded at cost less accumulated depreciation calculated on a straight-line basis, over the estimated useful lives of the assets, which are as follows:

Computer equipment	5 years
Fixtures and fittings	5 years
Leasehold improvements	5 years
Vehicles	7 years

The Company leases its premises and some office equipment and as such right-of-use assets, complementary right-of-use accumulated depreciation and lease liabilities have been recorded on the Company's balance sheet. Right-of-use assets are measured at amortised cost in the amount of the initial measurement of the lease liability, adjusted by probable restoration costs. These assets are amortised on a straight-line basis, over the term of the lease contract, which range from 2 to 5 years (see also Note 12).

Receivables from ISDA – financial guarantees pertains to the actual fee income outstanding from ISDA – financial guarantees. Refer to Note 7 for further details.

• Shareholder's equity

The items "common shares" and "additional paid-in capital" are comprised of the amounts paid in by the Immediate Parent. In addition to the statutory reserves of the Company and the allocations from net income, the retained earnings consist of reinvested profits generated by the Company in previous periods. For retrospective change of accounting policies, the adjustment for previous periods is recognised in the opening balance sheet value of the retained earnings and comparable items of the earliest reported period. Unrealised gains and losses from the fair value measurement of financial instruments held at FVOCI are carried in accumulated other comprehensive income under unrealised gains and losses on investments.

• Related party transactions

IAS 24 defines related parties, among others, as parent companies and subsidiaries, subsidiaries of a common parent company, associated companies, legal entities under the influence of management and the management of the company itself.

All related party transactions have been recorded and disclosed in accordance with IAS 24 and include business both assumed and ceded under usual market conditions. See Note 19 for further details.

Liability loans and borrowings are from affiliated companies which are measured at amortised cost at the balance sheet dates. See Note 19 for further details.

• Currency translation

The Company's financial statements were drawn up in the currency corresponding to the economic environment in which the Company primarily operates. This currency is referred to as functional currency. The USD is the reporting currency in which the financial statement is prepared.

Transactions in foreign currencies are converted into the functional currency at the transaction rate. In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", the recognition of exchange differences on translation is guided by the nature of the underlying balance sheet item. Exchange differences from the translation of monetary assets and liabilities are recognised directly in the statement of income.

• Employee benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly and privately administered pension insurance plans on a mandatory, contractual and voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. If the Company has prepaid contributions, they are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

• Consolidation of special purpose entities

IFRS 10 "Consolidated Financial Statements" introduced a single control model to be used when assessing control over another entity. Under IFRS 10, control results from an investor having: power over the investee, exposure or rights to variable returns from its investment with the investee; and the ability to use its power over the investee to affect the amounts of its returns from the investee.

Some transactions are affected with the involvement of ceding special purpose entities as contracting parties that are established by parties outside the Company and from which the Company assume certain underwriting and/or financial risks. The transactions serve the purpose, for example, of transferring extreme mortality risks above a contractually defined retention or transferring longevity risks. Since the Company does not bear the majority of the economic risks or benefits arising out of its business relations with these special purpose entities and cannot exercise a controlling influence over them, there is no consolidation requirement for the Company.

Depending upon the classification of the contracts pursuant to IFRS 17 or IFRS 9, the transactions are recognised either as insurance contracts or as derivative financial instruments or as financial guarantees. Refer to notes 6, 7, 8, 10 and 19.

• Taxes

Taxes: the taxes are comprised of the actual tax load on corporate profits of the Company, to which the applicable local tax rates are applied, as well as changes in deferred tax assets and liabilities. The calculation of the deferred tax assets and liabilities is based on tax loss carry-forwards, unused tax credits and temporary differences between the book values of assets and liabilities in the balance sheet and their carrying amounts in the tax balance sheet.

Deferred tax assets: IAS 12 "Income Taxes" requires that assets-side deferred taxes be established if assets have to be recognised in a lower amount or liabilities in a higher amount in the balance sheet than in the tax balance sheet and if these temporary differences will lead to reduced tax burdens in the future. In principle, temporary differences result from the valuation differences between the tax balance sheets drawn up in accordance with national standards and the IFRS balance sheets. Deferred tax assets and liabilities are not established if they arise out of assets or liabilities, the book value of which upon first-time recognition diverges from their initial tax base.

Deferred tax assets are also recognised on tax loss carry-forwards and tax credits. Insofar as the deferred taxes refer to items carried directly in equity, the resulting deferred taxes are also recognised directly in equity. Value adjustments are taken on deferred tax

assets as soon as realisation of the receivable no longer appears likely. Deferred taxes are measured according to the tax regulations specific to the country concerned that are applicable or have been adopted as at the closing date.

Deferred tax assets may only be netted with deferred tax liabilities if an enforceable right exists to net actual tax refund claims with actual taxes owing. A precondition here is that the deferred tax assets and deferred tax liabilities refer to income taxes that are levied by the same revenue authority either for (i) the same taxable entity or for (ii) different taxable entities. In this regard, there must be an intention – in every future period in which the discharge or realisation of substantial amounts of deferred tax liabilities / deferred tax assets is to be expected – either to bring about the settlement of the actual taxes owing and refund claims on a net basis or to discharge the liabilities at the same time as the claims are realised.

Deferred tax liabilities: in accordance with IAS 12 "Income Taxes", deferred tax liabilities must be recognised if assets are to be recognised in a higher amount or liabilities in a lower amount in the consolidated balance sheet than in the tax balance sheet and if these temporary differences will lead to additional tax loads in the future.

4. Management of technical and financial risks

4.1. General risk management

The Company's risk management system is designed to be commensurate to the nature, scale and complexity of the risks inherent in the business. The Company's risk management system has been approved by the Company's Board of Directors and forms part of the annual submissions to the local regulator the Bermuda Monetary Authority ("BMA").

As part of a holistic approach to risk management, the Company takes into account numerous relevant scenarios. In addition, extreme scenarios are analysed, their effect on key balance sheet variables and performance indicators are determined, evaluated in relation to the planned figures and alternative courses of action are identified.

4.2. Technical risks

The Company's exposure to insurance risk is mitigated through the existence of Underwriting Guidelines and Exposure Management Guidelines, which specify limits and thresholds to ensure that risk is accepted on a basis that is in line with the Company's risk appetite. Concentrations of insurance risk is monitored through regular reporting of business exposures by currency, line of business, insured event, geographical area and cedant.

Property and Casualty ("P&C")

The P&C segment expects claims experience will generally be characterised by low frequency and high severity claims, which it assumes from a worldwide-diversified book of business that covers exposures across various catastrophe zones and perils. The Company then retrocedes some of this assumed business to retrocession programs for protection. This includes natural catastrophe risk and man-made catastrophe risk. The Company manages this exposure to catastrophic events with dedicated capacities, limiting the amount of its exposure in each geographic zone or for defined scenarios.

For risk steering purposes, the Company makes a fundamental distinction between risks that result from business operations of past years (reserve risk) and those stemming from activities in the current or future years (price / premium risk). Particularly in the latter case, special importance attaches to the catastrophe risk.

The reserve risk, i.e. the risk of under-reserving of incurred or foreseeable losses and the resulting burden on the underwriting result, is a high priority in the Company's risk management. The Company attaches importance to maintaining a conservative reserving level. In order to counter the risk of under-reserving, the Company calculates loss reserves based on actuarial estimations and establish, where necessary, additional reserves supplementary to those posted by cedants for reported claims. Reserves are calculated on a differentiated basis according to line of business and regions.

In calculating the reserves, the Company uses actuarial methods based on run-off triangles. Run-off triangles show the changes in the reserve over time due to paid claims and the recalculation of the reserves to be established as at the respective balance sheet date. Their adequacy is monitored by the actuarial departments.

The Company's actuarial calculations regarding the adequacy of the reserves are also subject to annual quality assurance reviews in the form of an external analysis.

The price / premium risk lies in the possibility of a random claims realisation that diverges from the claims expectancy on which the premium calculation was based. Regular and independent reviews of the models used for treaty quotation as well as central and local underwriting guidelines are vital management components. The Company have put in place a quotation process to ensure the quality of the Company's portfolios that considers the claims expectancy including anticipated rate of inflation, anticipated costs, and cost of capital (volatility).

Life and Health ("L&H")

The Company's main insurance risks in its L&H segment are mortality, catastrophe, longevity, lapse, morbidity, and disability risk. These risks are further described as follows:

Mortality risk:

The Company is exposed to mortality risk through the reinsurance of life insurance business from its cedants. The reinsurance structures include traditional structures such as risk premium reinsurance and stop loss reinsurance, alongside less traditional structures such as mortality swaps. The Company's risk management system mandates maximum retention of USD 5.0 million per life and has retrocession arrangements in place to accept risk in excess of the retention limit.

Catastrophe risk

Due to the mortality exposure described in the previous section, the Company is also exposed to mortality catastrophe risk, namely pandemic risk.

Longevity risk

The Company is exposed to longevity risk via longevity swaps and financial solutions business. Exposure via longevity swaps is mitigated considerably as the swap terms are truncated to reduce exposure to increasing mortality improvements. The financial solution treaties are structured to mitigate the extent of the Company's exposure to longevity risk.

Lapse risk

The Company's exposure to lapse risk, including mass lapse risk, is primarily due to its engagement in financial reinsurance and stop-loss transactions, which typically rely on the persistency of the underlying business. The Company is party to a range of cash and non-cash financing structures with cedants across the globe. Treaties are structured to mitigate the extent of the Company's exposure to lapse risk.

Morbidity and Disability risk

The Company's exposure to morbidity and disability risk is primarily through a non-proportional transaction in China. The Company provides short-term cover against excess claims on a diversified book of critical illness products. In addition, the Company is moderately exposed to morbidity and disability risk through the inclusion of disability and critical illness products in the blocks underlying some of the Company's financing treaties.

4.3. Sensitivity to insurance risks (L&H)

The Company assesses its exposure to insurance risk through Solvency II best estimate liability analysis, which is subsequently used as a key input for the economic balance sheet and to determine an economic capital allocation to each risk. The Company calculates its Solvency II numbers quarterly for Group reporting purposes. The methodology and assumptions used are in line with EIOPA Principles.

The table below shows the sensitivity of the Company's L&H segment economic capital as at 31 December 2023 under a range of insurance stresses:

USD thousand	2023	2022
Mortality+5%	(15,800)	(9,660)
Mortality-5%	8,080	8,365
Disability/Morbidity+5%	(5,963)	(3,478)
Lapse+10%	(8,472)	(7,185)
MaintenanceExpenses+10%	(2,074)	(2,265)

Movements in sensitivities are caused by changes in projection horizons and in assumptions of the underlying L&H treaties.

4.4. Market risks

The overriding principle guiding the Company's investment strategy is capital preservation while giving adequate consideration to the security, liquidity, mix and spread of the assets. Risks in the investment sector consist primarily of market, credit, spread and liquidity risks. The most significant market price risks are interest rate and currency risks. Insurance contract liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest-bearing.

Due to the Company's geographic diversification of business, the Company does have a minimal net exposure to currency risk, this is because the risk is largely mitigated by the Company's asset and liability currency matching policy and currency hedging strategy which employs the use of currency forwards and swaps to reduce the impact of currency movements on the Company's balance sheet and income statement. Exposure to market risk is also controlled through the existence of limits and thresholds in the Company's Underwriting and Investment Guidelines.

In order to monitor interest rate risks, management uses stress tests that estimate the loss potential under extreme market conditions as well as sensitivity and duration analyses that complement the Company's range of risk management tools. Interest rate risks refer to an unfavourable change in the value of financial assets held in the portfolio due to changes in the market interest rate level. One of management's central objectives of this strategy is to match cash flows on the assets and liabilities sides as closely as possible. In addition, management uses defined duration ranges within which asset managers can position themselves opportunistically according to their market expectations. The parameters for these ranges are directly linked to the Company's risk-carrying capacity. The below table shows the estimated impact a +/- 100 BPS would have on our fixed income security:

in USD thousand	2023	2022
Interest Rate Risk	**Equity**	**Equity**
+100 basis point shift in yield curves	(143,549)	(137,093)
–100 basis point shift in yield curves	153,691	147,778

Management spreads these risks through systematic diversification across various sectors and regions.

Further information on the risk concentrations of our investments can be obtained from the tables on the rating structure of fixed-income securities as well as on the currencies in which investments are held in Note 6.

4.5. Credit risks

Bad debt risks in reinsurance are of relevance to the Company because the business that the Company accepts is not always fully retained, but instead portions are retroceded as necessary. Retrocession partners are therefore carefully selected in light of credit considerations. This is also true of the Company's broker relationships, under which risks may occur inter alia through the loss of the premium paid by the cedant to the broker.

The Company assumes exposure to credit risk through the risk of cedant default. This risk is controlled through the Company's Underwriting Guidelines by the existence of maximum exposure limits per cedant. An internal assessment of the credit risk of non-rated entities are performed as part of the Underwriting process.

The following table shows the expected cash flows contained in the reinsurers' shares of the provision for outstanding claims, broken down by rating class.

	2023			
in USD thousand	AA	A	Other	Total
Recoverables in reinsurance contracts retroceded	3,590	61	93,050	96,701

	2022			
in USD thousand	AA	A	Other	Total
Recoverables in reinsurance contracts retroceded	4,420	–	197,256	201,676

Credit risks may arise out of a failure to pay (interest and/or capital repayment) or change in the credit status (rating downgrade) of issuers of securities. The Company attaches vital importance to credit assessment conducted on the basis of the quality criteria set out in the investment guidelines. See Note 6 for the rating structure of fixed-income securities and Note 9 for additional credit risk disclosure.

4.6. Liquidity risks

The liquidity risk refers to the risk that it may not be possible to sell holdings or close open positions due to the illiquidity of the market – or to do so only with delays or prices markdowns – as well as the risk that the traded volumes influence the markets in question. Regular liquidity planning and a liquid asset structure are used by the Company to make the necessary payments. The Company manages the liquidity risk inter alia by allocating a liquidity code to every security. Adherence to the limits defined in the investment guidelines for each liquidity class is subject to daily control. The spread of investments across the various liquidity classes is specified in the investment reports and controlled by limits. See Note 6 for the maturities of fixed-income securities and Note 9 or expected maturities of the technical reserves.

5. Cash and cash equivalents

in USD thousand	2023	2022
Cash at bank	28,177	66,357
Money market funds	3,801	13,385
Time deposits	38,109	60,327
Total cash and cash equivalents	**70,087**	**140,069**

The average interest rate on time deposits at 31 December 2023 was 4.91% (2022 – 3.92%) and the maturity of time deposits was 3 days (2022 – 10 days).

6. Investments including income and expenses

Investments are classified and measured in accordance with IFRS 9 "Financial Instruments". The Company classifies investments in the categories of measured at FVOCI and at FVPL, while measurement at amortised cost is only used in exceptional cases. The allocation and measurement of investments are determined by the investment intent (business model) and the type of cash flows.

The following table shows the regional origin of the investments.

in USD thousand	2023	2022 [1]
Regional origin		
Germany	243,825	212,802
United Kingdom	450,995	457,073
France	76,560	59,771
Other	225,967	186,853
Europe	**997,347**	**916,499**
USA	2,346,971	2,022,496
Other	400,917	265,688
North America	**2,747,888**	**2,288,184**
Asia	355,268	314,962
Australia	208,898	113,745
Australasia	**564,166**	**428,707**
Other	114,415	83,916
Total	**4,423,816**	**3,717,306**

[1] Restated pursuant to IAS 8

6.1. Maturities of the fixed-income securities

in USD thousand	2023 Amortised cost [1]	Fair value	2022 Amortised cost [1]	Fair value
Financial investments – at FVOCI				
due in one year	923,654	918,862	684,634	680,889
due after one through two years	527,325	518,033	382,109	371,707
due after two through three years	618,633	599,590	282,510	265,280
due after three through four years	286,125	272,002	372,673	341,468
due after four through five years	389,916	369,261	247,849	225,551
due after five through ten years	1,298,411	1,157,677	1,469,102	1,255,882
due after more than ten years	376,870	316,983	351,705	274,669
no maturity	–	–	–	–
Total	**4,420,934**	**4,152,408**	**3,790,582**	**3,415,446**
Financial investments – at FVPL				
due in one year [2]	115,169	115,169	121,337	121,337
due after one through two years	35,964	35,964	62,747	62,747
due after two through three years	25,442	25,442	23,158	23,158
due after three through four years	20,368	20,368	15,969	15,969
due after four through five years	9,638	9,638	13,405	13,405
due after five through ten years	12,908	12,908	10,419	10,419
due after more than ten years	2,387	2,387	6,722	6,722
no maturity	49,532	49,532	48,103	48,103
Total	**271,408**	**271,408**	**301,860**	**301,860**

[1] Including accrued interest

The stated maturities may in individual cases diverge from the contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

6.2. Investment income

in USD thousand	2023	2022
Interest income	99,958	87,124
Other investment income	13,869	(6,223)
Ordinary investment income	**113,827**	**80,901**
Expected credit losses	448	(3,092)
Change in fair value of financial instruments	25,081	(5,158)
Realised gains on investments	404	1,751
Realised losses on investments	(10,131)	(17,417)
Other investment expenses	(4,839)	(6,005)
Investment result	**124,790**	**50,980**

6.3. Amortised cost, unrealised gains and losses, accrued interest and fair value on the portfolio of investments

in USD thousand	2023				
	Cost or amortised cost incl. accrued interests	thereof accrued interest	Unrealised gains	Unrealised losses	Fair value
Debt instruments					
Government debt securities of EU member states	415,830	1,837	2,864	11,593	407,101
US Treasury notes	1,630,238	7,920	2,747	133,636	1,499,349
Other foreign government debt securities	440,103	1,193	1,239	4,315	437,027
Debt securities issued by semi-governmental entities	157,165	795	602	8,221	149,546
Corporate securities	1,495,589	12,214	5,374	119,246	1,381,717
Covered bonds / asset-backed securities	282,009	4,171	1,122	5,463	277,668
Total	**4,420,934**	**28,130**	**13,948**	**282,474**	**4,152,408**

in USD thousand	2022				
	Cost or amortised cost incl. accrued interests	thereof accrued interest	Unrealised gains	Unrealised losses	Fair value
Debt instruments					
Government debt securities of EU member states	348,135	1,690	442	15,545	333,032
US Treasury notes	1,441,884	5,674	40	155,370	1,286,554
Other foreign government debt securities	302,626	794	15	6,010	296,631
Debt securities issued by semi-governmental entities	136,366	545	–	11,867	124,499
Corporate securities	1,400,689	11,028	412	173,587	1,227,514
Covered bonds / asset-backed securities	160,881	2,005	22	13,687	147,216
Total	**3,790,581**	**21,736**	**931**	**376,066**	**3,415,446**

6.4. Fair value of financial assets at FVPL before and after accrued interest as well as accrued interest on such financial assets

in USD thousand	2023	2022	2023	2022	2023	2022
	Fair value before accrued interest		Accrued interest		Fair value	
Debt instruments						
Corporate securities	8,205	9,571	72	141	8,277	9,712
	8,205	**9,571**	**72**	**141**	**8,277**	**9,712**
Derivative instruments	154,985	242,344	–	–	154,985	242,344
Investment funds measured at fair value through profit or loss	86,418	48,104	–	–	86,418	48,104
Short-term investments	19,862	–	198	–	20,060	–

Other financial instruments at fair value through profit and loss	1,668	1,700	–	–	1,668	1,700
	262,933	**292,148**	**198**	**–**	**263,131**	**292,148**
Total	**271,138**	**301,719**	**270**	**141**	**271,408**	**301,860**

6.5. Rating structure of fixed-income securities

	2023								
in USD thousand	AAA	AA	A	BBB	BB	B	C	Other	Total
Financial investments – at FVOCI	619,413	1,948,450	817,982	697,317	64,380	2,411	2,455	–	4,152,408
Financial investments – at FVPL	–	1,452	2,820	7,487	–	–	–	259,649	271,408
Total	**619,413**	**1,949,902**	**820,802**	**704,804**	**64,380**	**2,411**	**2,455**	**259,649**	**4,423,816**

	2022								
in USD thousand	AAA	AA	A	BBB	BB	B	C	Other	Total
Financial investments – at FVOCI	1,636,811	405,029	701,217	586,248	78,842	4,357	2,942	–	3,415,446
Financial investments – at FVPL	–	2,424	34,996	9,011	–	–	–	255,429	301,860
Total	**1,636,811**	**407,453**	**736,213**	**595,259**	**78,842**	**4,357**	**2,942**	**255,429**	**3,717,306**

The maximum credit risk of the items shown here corresponds to their carrying amounts.

6.6. Breakdown of investments by currency

	2023								
in USD thousand	AUD	CAD	CNY	EUR	GBP	USD	ZAR	Other	Total
Financial investments – at FVOCI	148,198	74,241	–	349,961	292,144	3,062,251	–	225,613	4,152,408
Financial investments – at FVPL	122,964	–	–	33,210	153,172	(63,255)	–	25,317	271,408
Total	**271,162**	**74,241**	**–**	**383,171**	**445,316**	**2,998,996**	**–**	**250,930**	**4,423,816**

	2022								
in USD thousand	AUD	CAD	CNY	EUR	GBP	USD	ZAR	Other	Total
Financial investments – at FVOCI	79,849	19,849	–	161,153	267,026	2,668,656	–	218,913	3,415,446
Financial investments – at FVPL	143,734	(18,961)	(44,064)	–	(57,674)	284,646	(49,119)	43,298	301,860
Total	**223,583**	**888**	**(44,064)**	**161,153**	**209,352**	**2,953,302**	**(49,119)**	**262,211**	**3,717,306**

6.7. Development of ECL

in USD thousand	2023 Opening balance	Transfer to Stage 1	Transfer to Stage 2	Transfer to Stage 3	Additions	Disposals	Others [1]	Closing balance
Stage 1	2,972	–	(29)	–	424	242	(214)	2,911
Stage 2	453	–	29	–	–	377	87	192
Stage 3	1,986	–	–	–	–	69	(56)	1,861
Total	**5,411**	**–**	**–**	**–**	**424**	**688**	**(183)**	**4,964**

[1] Including changes in underlying risk parameters, including probability of default, point-in-time adjustment factor

in USD thousand	2022 Opening balance	Transfer to Stage 1	Transfer to Stage 2	Transfer to Stage 3	Additions	Disposals	Others [1]	Closing balance
Stage 1	2,111	3	(50)	(7)	358	289	846	2,972
Stage 2	221	(3)	50	(1,026)	–	348	1,559	453
Stage 3	–	–	–	1,033	–	–	953	1,986
Total	**2,332**	**–**	**–**	**–**	**358**	**637**	**3,358**	**5,411**

[1] Including changes in underlying risk parameters, including probability of default, point-in-time adjustment factor

7. Other financial assets and liabilities – at fair value through profit and loss

The Company's portfolio contained derivative financial instruments as at the balance sheet date in the form of forward exchange transactions taken out to hedge currency risks. These transactions gave rise to recognition of financial investments at FVPL in an amount of USD 1.8 million (2022: USD 32.7 million) under Level 2 and other liabilities of USD 2.1 million (2022: USD 2.7 million) under Level 2. The maturity of the forward exchange transactions are within one year. The derivative financial instruments are legally entered into by the Parent, which is rated AA- by Standard & Poor's, and passed on to the Company through a contractual intercompany arrangement.

The Company entered into a Yield-Collar Stop Loss ("YCSL") derivative contract on 1 December 2012 with an affiliate Hannover Re (Ireland) Designated Activity Company to provide longevity risk cover for a life settlement portfolio. The derivative is recognised FVPL and included in other liabilities. At 31 December 2023, the derivative was valued at USD 5.1 million (2022: USD 5.6 million). The maturity of the YCSL derivative transactions are within 9 years.

The Company entered into a UK financing treaty, which exposes the Company to lapse risk effective 1 January 2016. Annual new business tranches have been written through 2023. The Company retrocedes between 0%-50% dependent on the underlying referenced tranche for tranches entered into between 1 January 2016 and 31 December 2020. The Company accounts for assets and liabilities associated with these treaties at FVPL. The inward treaty is included in financial investments at FVPL and the outward treaty is recognised as derivative liability within other liabilities. At 31 December 2023, the derivative asset was valued at USD 139.1 million (2022: USD 132.8 million) and the liability at USD 9.8 million (2022: USD 15.4 million). Both the derivative asset and liability have maturities of between 3 months and 8 years.

The Company writes contracts where the payment obligations result from contractually defined events that relate to the development of an underlying group of primary insurance contracts with statutory reserving requirements (so–called Triple–X or AXXX reserves) of US ceding companies. The contracts are to be categorised and recognised as stand–alone credit derivatives pursuant to IFRS 9. Any day one gains or losses on these derivative instruments are deferred in accordance with IFRS 9. There is a zero net fair value for these instruments on the balance sheet date. As of 31 December 2023, the Company is participant to two (2022: two) of these contracts. The nominal value of these transactions at the balance sheet date is USD 1,152.5 million (2022: USD 1,152.5 million). Included under Other assets is a related receivable balance of USD 2.2 million (2022: USD 2.3 million).

Structured transactions were entered into in order to finance statutory reserves (so–called Triple–X or AXXX reserves) for US ceding companies. In each case, such structures necessitated the involvement of a special purpose entity. As of 31 December 2023, the Company is participant to one special purpose entity (2022: one). The special purpose entities carry extreme mortality risks securitised by the cedants above a contractually defined retention and transfer these risks by way of a fixed / floating swap. The total amount of the contractually agreed capacities of the transactions is equivalent to USD 878.0 million (2022: USD 878.0 million), an amount equivalent to USD 812.4 million (2022: USD 783.5 million) had been taken up as at the balance sheet date. The variable payments to the special purpose entities that are guaranteed by the Company cover their payment obligations. Under some of the transactions, the payments resulting from the swaps in the event of a claim are reimbursed by the parent companies of the cedants by way of compensation agreements. In this case, the reimbursement claims from the compensation agreements are to be capitalised separately from and up to the amount of the provision. Under IFRS 9, these transactions are to be recognised at fair value as financial guarantees. To this end, the Company uses the net method according to which the present value of the agreed fixed swap premiums is netted with the present value of the guarantee commitment. The fair value on initial recognition therefore amounted to zero. The higher of the fair value and the amount carried as a provision on the liabilities side pursuant to IAS 37 is recognised at the point in time when utilisation is considered probable. This was not the case as at the balance sheet date. Included in Note 10 Other assets is a related receivable balance of USD 1.7 million (2022: USD 1.7 million).

The Company entered into a financing treaty, which exposes the Company to the variability on the development of biometric risk that is not directly related to our contractual counterparty effective 1 July 2022. Based on the Company's evaluation, there was insufficient insurance risk under the criteria of IFRS 17. The Company has elected to account for this instrument as financial investments at FVPL. At 31 December 2023, the derivative asset was valued at USD 14.0 million (2022: USD 74.5 million) and has a maturity of less than one year.

In 2023, the Company entered into an agreement with a third party to enter a coinsurance funds held ("CoFWH") treaty with an initial option period of 30 September 2023 to 31 December 2024. During this period, the Cedant has the right to cede the business to the Company. At 31 December 2023, an option fee related to this agreement, which amounted to USD 23 thousand, was recognised in the statement of income.

8. Fair value measurement

For the purposes of the disclosure requirements pursuant to IFRS 13 "Fair Value Measurement", it is necessary to assign to a three-level fair value hierarchy not only the financial assets and liabilities recognised at fair value but also those assets and liabilities that are recognised at amortised cost but for which disclosure of fair value is required.

The fair value hierarchy, which reflects characteristics of the price data and inputs used for measurement purposes, is structured as follows:

- Level 1: Assets or liabilities measured at (unadjusted) prices quoted directly in active and liquid markets.
- Level 2: Assets or liabilities, which are measured using observable market data and are not allocable to Level 1. Measurement is based, in particular, on prices for comparable assets and liabilities that are traded on active markets, prices on markets that are not considered active as well as inputs derived from such prices or market data.
- Level 3: Assets or liabilities that cannot be measured or can only be partially measured using observable market inputs. The measurement of such instruments draws principally on valuation models and methods.

If input factors from different levels are used to measure a financial instrument, the level of the lowest input factor material to measurement is determinative.

8.1. Fair value hierarchy of financial assets and liabilities recognised at fair value

The following table shows the breakdown of financial assets and liabilities recognised at fair value into the three-level fair value hierarchy.

	2023			
in USD thousand	Level 1	Level 2	Level 3	Total
Financial investments – at FVOCI				
Debt instruments	–	4,152,408	–	4,152,408
	–	**4,152,408**	**–**	**4,152,408**
Financial investments – at FVPL				
Debt instruments	–	8,277	1,668	9,945
Derivative instruments	–	1,813	153,172	154,985
Investment funds	36,885	3,240	46,293	86,418
Short-term investments	20,060	–	–	20,060
	56,945	**13,330**	**201,133**	**271,408**
Financial liabilities (at fair value)				
Negative market values from derivative instruments	–	2,083	14,930	17,013
	–	**2,083**	**14,930**	**17,013**

	2022			
in USD thousand	Level 1	Level 2	Level 3	Total
Financial investments – at FVOCI				
Debt instruments	–	3,415,446	–	3,415,446
	–	**3,415,446**	**–**	**3,415,446**
Financial investments – at FVPL				
Debt instruments	–	9,713	1,700	11,413
Derivative instruments	–	32,720	209,624	242,344
Investment funds	–	5,030	43,073	48,103
Short-term investments	–	–	–	–
	–	**47,463**	**254,397**	**301,860**
Financial liabilities (at fair value)				
Negative market values from derivative instruments	–	2,738	20,962	23,700
	–	**2,738**	**20,962**	**23,700**

There were no transfers between levels during 2023 or 2022. At 31 December 2023, there were 19 (2022 – 20) Level 3 Investments held.

8.2. Movements in level 3 financial assets and liabilities

The following table provides a reconciliation of the fair values of financial instruments included in Level 3 at the beginning of the financial year with the fair values as at the end of the financial year.

	2023			
	Financial investments – at FVPL			Financial liabilities (at fair value)
in USD thousand	Debt instruments	Derivative instruments	Investment funds	Negative fair values from derivative instruments
Net book value at 31 December 2022	1,700	209,624	43,073	20,962
Income and expenses recognised in the statement of income	(32)	26,960	(1,087)	767
Purchases	–	–	17,670	–
Sales	–	(94,668)	(13,363)	(7,618)
Currency translation at 31 December	–	11,256	–	819
Net book value at 31 December 2023	**1,668**	**153,172**	**46,293**	**14,930**

	2022			
	Financial investments – at FVPL			Financial liabilities (at fair value)
in USD thousand	Debt instruments	Derivative instruments	Investment funds	Negative fair values from derivative instruments
Net book value at 31 December 2021	1,873	156,312	29,191	30,017
Income and expenses recognised in the statement of income	(173)	4,589	(616)	911
Purchases	–	–	30,186	–
Sales	–	–	(15,688)	–
Settlements	–	62,376	–	(6,932)
Currency translation at 31 December of the year under review	–	(13,653)	–	(3,034)
Net book value at 31 December 2022	**1,700**	**209,624**	**43,073**	**20,962**

If models are used to measure financial instruments included in Level 3 under which the adoption of reasonable alternative inputs leads to a material change in fair value, IFRS 13 requires disclosure of the effects of these alternative assumptions. The effects of alternative inputs and assumptions are immaterial in respect to the disclosed financial instruments included in Level 3.

9. Technical assets and liabilities

The reinsurance recoverables on the LIC and the LRC are based on the contractual arrangements of the underlying reinsurance treaties. In order to show the net technical liabilities remaining in the retention, the following table presents a summary comparison of the gross liabilities with the corresponding reinsurance recoverables, which are shown as assets in the balance sheet. The LIC is in principle calculated on the basis of the information supplied by ceding companies. Additional IBNR reserves are established for losses that have already been incurred but not yet reported. The movement in the LRC is shown in the following tables. The presentation differentiates in each case between reinsurance contracts issued and held.

9.1. Movement in carrying amount of the LRC and LIC

The roll-forward of the net liability for reinsurance contracts issued, showing the LRC and LIC for the portfolios managed by the Company, is disclosed in the table below:

	2023			
in USD thousand	LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	**309,856**	**(100)**	**(26,156)**	**283,600**
Opening balance – liabilities	**630,778**	**28,762**	**1,562,693**	**2,222,233**
Opening balance – net	**320,922**	**28,862**	**1,588,849**	**1,938,633**
Contracts under the modified retrospective approach	(86,191)	–	–	(86,191)
Contracts under the fair value approach	(186,685)	–	–	(186,685)
Other contracts	(1,632,075)	–	–	(1,632,075)
Reinsurance revenue	**(1,904,951)**	**–**	**–**	**(1,904,951)**
Incurred claims and other reinsurance service expenses	248	(28,819)	1,012,087	983,516
Amortisation of insurance acquisition cash flows	116,797	–	–	116,797
Losses and reversal of losses on onerous contracts	–	138	–	138
Adjustments to liabilities for incurred claims	–	–	(232,336)	(232,336)
Reinsurance service expenses	**117,045**	**(28,681)**	**779,751**	**868,115**
Investment component	**(50,659)**	**–**	**50,659**	**–**
Reinsurance finance result before currency gains / losses plus changes through OCI	18,513	49	71,833	90,395
Currency gains / losses	10,166	(341)	14,750	24,575
Reinsurance finance result	**28,679**	**(292)**	**86,583**	**114,970**
Premiums received	1,789,476	–	–	1,789,476
Claims and other reinsurance service expenses paid, including investment components	–	–	(856,866)	(856,866)
Insurance acquisition cash flows paid	(79,884)	–	–	(79,884)
Cash flows	**1,709,592**	**–**	**(856,866)**	**852,726**
Closing balance – assets	**291,895**	**(320)**	**(28,471)**	**263,104**
Closing balance – liabilities	**512,523**	**(431)**	**1,620,505**	**2,132,597**
Closing balance – net	**220,628**	**(111)**	**1,648,976**	**1,869,493**

in USD thousand	2022			
	LRC excluding loss component	Loss component	LIC	Total
Opening balance – assets	360,149	(79)	(50,748)	309,322
Opening balance – liabilities	**577,018**	**13,906**	**1,594,488**	**2,185,412**
Opening balance – net	**216,869**	**13,985**	**1,645,236**	**1,876,090**
Contracts under the modified retrospective approach	(96,776)	–	–	(96,776)
Contracts under the fair value approach	(229,354)	–	–	(229,354)
Other contracts	(1,166,663)	–	–	(1,166,663)
Reinsurance revenue	**(1,492,793)**	**–**	**–**	**(1,492,793)**
Incurred claims and other reinsurance service expenses	11,172	(76,682)	1,098,457	1,032,947
Amortisation of reinsurance acquisition cash flows	49,479	–	–	49,479
Losses and reversal of losses on onerous contracts	(12,629)	92,235	–	79,606
Adjustments to liabilities for incurred claims	–	–	(164,384)	(164,384)
Reinsurance service expenses	**48,022**	**15,553**	**934,073**	**997,648**
Investment component	**(28,062)**	**–**	**28,062**	**–**
Reinsurance finance result before currency gains / losses plus changes through OCI	4,004	164	(134,851)	(130,683)
Currency gains / losses	3,152	(840)	(106,667)	(104,355)
Reinsurance finance result total	**7,156**	**(676)**	**(241,518)**	**(235,038)**
Premiums received	1,634,112	–	–	1,634,112
Claims and other reinsurance service expenses paid, including investment components	–	–	(777,004)	(777,004)
Insurance acquisition cash flows paid	(64,382)	–	–	(64,382)
Cash flows	**1,569,730**	**–**	**(777,004)**	**792,726**
Closing balance – assets	**309,856**	**(100)**	**(26,156)**	**283,600**
Closing balance – liabilities	**630,778**	**28,762**	**1,562,693**	**2,222,233**
Closing balance – net	**320,922**	**28,862**	**1,588,849**	**1,938,633**

9.2. Movement in carrying amount of the LRC and LIC by measurement component

	2023						
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Loss component	Total
in USD thousand			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts		
Opening balance – assets	**581,365**	**(21,993)**	**(3,488)**	**(196,228)**	**(76,056)**	**–**	**283,600**
Opening balance – liabilities	**1,927,416**	**50,503**	**43,254**	**–**	**201,060**	**–**	**2,222,233**
Opening balance – net	**1,346,051**	**72,496**	**46,742**	**196,228**	**277,116**	**–**	**1,938,633**
CSM recognised in the profit or loss for services provided total	–	–	(12,373)	(93,548)	(613,612)	–	(719,533)
Change in risk adjustment for non-financial risk expired total	–	7,921	–	–	–	–	7,921
Experience adjustments total	(94,881)	–	–	–	–	–	(94,881)
Reinsurance service result – changes relate to current service total	**(94,881)**	**7,921**	**(12,373)**	**(93,548)**	**(613,612)**	**–**	**(806,493)**
Contracts initially recognised in the year total	(645,382)	47,698	–	–	598,010	(76)	250
Changes in estimates that adjust the CSM total	(123,274)	14,657	19,079	41,900	47,885	–	247
Changes in estimates that result in losses and reversal of losses on onerous contracts total	1,145	23	–	–	–	328	1,496
Reinsurance service result – changes relate to future service total	**(767,511)**	**62,378**	**19,079**	**41,900**	**645,895**	**252**	**1,993**
Reinsurance service result – changes that relate to past service total	**(207,983)**	**(24,353)**	**–**	**–**	**–**	**–**	**(232,336)**
Reinsurance finance result before currency gains / losses plus changes through OCI	63,065	1,678	571	6,350	18,759	(28)	90,395
Currency gains / losses	32,282	42	370	(5,909)	(1,986)	(224)	24,575
Reinsurance finance result	**95,347**	**1,720**	**941**	**441**	**16,773**	**(252)**	**114,970**
Premiums received	1,789,476	–	–	–	–	–	1,789,476
Claims and other reinsurance service expenses paid, including investment components	(856,866)	–	–	–	–	–	(856,866)
Insurance acquisition cash flows paid total	(79,884)	–	–	–	–	–	(79,884)
Cash flows	**852,726**	**–**	**–**	**–**	**–**	**–**	**852,726**
Closing balance – assets	**515,229**	**(16,603)**	**(18,187)**	**(145,021)**	**(72,314)**	**–**	**263,104**
Closing balance – liabilities	**1,738,978**	**103,559**	**36,202**	**–**	**253,858**	**–**	**2,132,597**
Closing balance – net	**1,223,749**	**120,162**	**54,389**	**145,021**	**326,172**	**–**	**1,869,493**

			2022				
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Loss component	Total
in USD thousand			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts		
Opening balance – assets	**631,195**	**(22,880)**	**(8,211)**	**(231,803)**	**(58,979)**	**–**	**309,322**
Opening balance – liabilities	**1,923,067**	**32,033**	**52,461**	**–**	**178,034**	**(183)**	**2,185,412**
Opening balance – net	**1,291,872**	**54,913**	**60,672**	**231,803**	**237,013**	**(183)**	**1,876,090**
CSM recognised in the profit or loss for services provided total	–	–	(15,214)	(163,706)	(516,560)	–	(695,480)
Change in risk adjustment for non-financial risk expired total	–	(22,471)	–	–	–	–	(22,471)
Experience adjustments total	274,273	–	–	–	–	–	274,273
Reinsurance service result – changes relate to current service total	**274,273**	**(22,471)**	**(15,214)**	**(163,706)**	**(516,560)**	**–**	**(443,678)**
Contracts initially recognised in the year total	(412,715)	28,243	–	–	424,979	(19,078)	21,429
Changes in estimates that adjust the CSM total	(288,707)	6,835	4,593	137,194	138,628	–	(1,457)
Changes in estimates that result in losses and reversal of losses on onerous contracts total	63,523	9,926	–	–	–	19,496	92,945
Reinsurance service result – changes relate to future service total	**(637,899)**	**45,004**	**4,593**	**137,194**	**563,607**	**418**	**112,917**
Reinsurance service result – changes that relate to past service total	**(165,136)**	**752**	**–**	**–**	**–**	**–**	**(164,384)**
Reinsurance finance result before currency gains / losses plus changes through OCI	(139,905)	(2,970)	688	6,644	4,892	(32)	(130,683)
Currency gains / losses	(69,880)	(2,732)	(3,997)	(15,707)	(11,836)	(203)	(104,355)
Reinsurance finance result	**(209,785)**	**(5,702)**	**(3,309)**	**(9,063)**	**(6,944)**	**(235)**	**(235,038)**
Premiums received	1,634,112	–	–	–	–	–	1,634,112
Claims and other reinsurance service expenses paid, including investment components	(777,004)	–	–	–	–	–	(777,004)
Insurance acquisition cash flows paid total	(64,382)	–	–	–	–	–	(64,382)
Cash flows	**792,726**	**–**	**–**	**–**	**–**	**–**	**792,726**
Closing balance – assets	**581,365**	**(21,993)**	**(3,488)**	**(196,228)**	**(76,056)**	**–**	**283,600**
Closing balance – liabilities	**1,927,416**	**50,503**	**43,254**	**–**	**201,060**	**–**	**2,222,233**
Closing balance – net	**1,346,051**	**72,496**	**46,742**	**196,228**	**277,116**	**–**	**1,938,633**

9.3. Movement in carrying amount of the ARC and AIC

The retrocessionaires' portions of the technical reserves are based on the contractual agreements of the underlying reinsurance treaties. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honour their obligations could result in losses to the Company; consequently, allowances are established for any amounts deemed uncollectible.

The roll-forward of the net asset for reinsurance contracts ceded, showing ARC and amounts recoverable on incurred claims arising from contracts ceded by the Company to reinsurers, is disclosed in the table below:

in USD thousand	2023		
	Reinsurance recoverables on LRC without loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**(49,040)**	**250,716**	**201,676**
Opening balance – liabilities	**657,587**	**(497,391)**	**160,196**
Opening balance – net	**(706,627)**	**748,107**	**41,480**
Reinsurance revenue (ceded)	(615,366)	–	(615,366)
Incurred claims and other reinsurance service expenses	–	177,428	177,428
Adjustments to liabilities for incurred claims	–	(31,479)	(31,479)
Reinsurance service result – net expenses from reinsurance contracts held	**(615,366)**	**145,949**	**(469,417)**
Reinsurance finance result before currency gains / losses plus changes through OCI	12,279	32,455	44,734
Currency gains / losses	(107)	6,802	6,695
Reinsurance finance result	**12,172**	**39,257**	**51,429**
Premiums paid	266,045	–	266,045
Claims and other reinsurance service expenses received, including investment components	–	(156,436)	(156,436)
Cash flows total	**266,045**	**(156,436)**	**109,609**
Closing balance – assets	**(57,978)**	**154,680**	**96,702**
Closing balance – liabilities	**985,798**	**(622,197)**	**363,601**
Closing balance – net	**(1,043,776)**	**776,877**	**(266,899)**

in USD thousand	2022		
	Reinsurance recoverables on LRC without loss recovery component	Reinsurance recoverables on LIC	Total
Opening balance – assets	**(104,362)**	**353,346**	**248,984**
Opening balance – liabilities	**683,199**	**(629,798)**	**53,401**
Opening balance – net	**(787,561)**	**983,144**	**195,583**
Reinsurance revenue (ceded)	(212,363)	–	(212,363)
Incurred claims and other reinsurance service expenses	919	165,374	166,293
Adjustments to liabilities for incurred claims	–	(86,638)	(86,638)
Reinsurance service result – net expenses from reinsurance contracts held	**(211,444)**	**78,736**	**(132,708)**
Reinsurance finance result before currency gains / losses plus changes through OCI	4,549	(32,830)	(28,281)
Currency gains / losses	2,728	(19,839)	(17,111)
Reinsurance finance result	**7,277**	**(52,669)**	**(45,392)**
Premiums paid	285,101	–	285,101
Claims and other insurance service expenses received, including investment components	–	(261,104)	(261,104)
Cash flows	**285,101**	**(261,104)**	**23,997**
Closing balance – assets	**(49,040)**	**250,716**	**201,676**
Closing balance – liabilities	**657,587**	**(497,391)**	**160,196**
Closing balance – net	**(706,627)**	**748,107**	**41,480**

9.4. Movement in carrying amount of the ARC and AIC by measurement component

The table below presents a roll-forward of the net asset reinsurance contracts ceded, showing EPV of future cash flows, risk adjustment and CSM for reinsurance contracts ceded by the Company.

	2023					
	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
in USD thousand			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	
Opening balance – assets	**168,064**	**2,273**	**23**	**30,423**	**893**	**201,676**
Opening balance – liabilities	**165,395**	**(5,488)**	**–**	**287**	**2**	**160,196**
Opening balance – net	**2,669**	**7,761**	**23**	**30,136**	**891**	**41,480**
CSM recognised in the profit or loss for services provided	–	–	–	(2,167)	(237,987)	(240,154)
Change in risk adjustment for non-financial risk expired	–	(11,824)	–	–	–	(11,824)
Experience adjustments	(185,960)	–	–	–	–	(185,960)
Reinsurance service result – changes relate to current service total	**(185,960)**	**(11,824)**	**–**	**(2,167)**	**(237,987)**	**(437,938)**
Contracts initially recognised in the year	(276,401)	12,692	–	–	263,709	–
Changes in estimates that adjust the CSM	156	(195)	–	13	26	–
Reinsurance service result – changes relate to future service total	**(276,245)**	**12,497**	**–**	**13**	**263,735**	**–**
Reinsurance service result – changes that relate to past service	**(27,031)**	**(4,448)**	**–**	**–**	**–**	**(31,479)**
Reinsurance finance result before currency gains / losses plus changes through OCI	33,312	(59)	–	408	11,073	44,734
Currency gains / losses	6,304	43	–	(13)	361	6,695
Reinsurance finance result	**39,616**	**(16)**	**–**	**395**	**11,434**	**51,429**
Premiums paid	266,045	–	–	–	–	266,045
Claims and other reinsurance service expenses received, including investment components	(156,436)	–	–	–	–	(156,436)
Cash flows	**109,609**	**–**	**–**	**–**	**–**	**109,609**
Closing balance – assets	**64,886**	**2,327**	**23**	**28,542**	**924**	**96,702**
Closing balance – liabilities	**402,228**	**(1,643)**	**–**	**165**	**(37,149)**	**363,601**
Closing balance – net	**(337,342)**	**3,970**	**23**	**28,377**	**38,073**	**(266,899)**

in USD thousand	EPV of future cash flows	Risk adjustment for non-financial risk	CSM			Total
			Contracts under modified retro-spective approach	Contracts under fair value ap-proach	Other contracts	
	2022					
Opening balance – assets	**284,414**	**910**	**–**	**175**	**(36,515)**	**248,984**
Opening balance – liabilities	**96,160**	**(5,913)**	**–**	**(32,537)**	**(4,309)**	**53,401**
Opening balance – net	**188,254**	**6,823**	**–**	**32,712**	**(32,206)**	**195,583**
CSM recognised in the profit or loss for services provided	–	–	24	(2,288)	(112,618)	(114,882)
Change in risk adjustment for non-financial risk expired	–	1,840	–	–	–	1,840
Experience adjustments	66,054	–	–	–	–	66,054
Reinsurance service result – changes relate to current service total	**66,054**	**1,840**	**24**	**(2,288)**	**(112,618)**	**(46,988)**
Contracts initially recognised in the year	(218,279)	4,667	–	–	213,612	–
Changes in estimates that adjust the CSM	72,663	(151)	0	(462)	(71,132)	918
Reinsurance service result – changes relate to future service total	**(145,616)**	**4,516**	**–**	**(462)**	**142,480**	**918**
Reinsurance service result – changes that relate to past service	**(81,312)**	**(5,326)**	**–**	**–**	**–**	**(86,638)**
Currency gains / losses	(29,209)	(25)	–	181	772	(28,281)
Reinsurance finance result	(19,499)	(67)	(1)	(7)	2,463	(17,111)
Reinsurance service result – changes that relate to past service	**(48,708)**	**(92)**	**(1)**	**174**	**3,235**	**(45,392)**
Premiums paid	285,101	–	–	–	–	285,101
Claims and other insurance service expenses received, including investment components	(261,104)	–	–	–	–	(261,104)
Cash flows	**23,997**	**–**	**–**	**–**	**–**	**23,997**
Closing balance – assets	**168,064**	**2,273**	**23**	**30,423**	**893**	**201,676**
Closing balance – liabilities	**165,395**	**(5,488)**	**–**	**287**	**2**	**160,196**
Closing balance – net	**2,669**	**7,761**	**23**	**30,136**	**891**	**41,480**

9.5. Components of new business – reinsurance issued

The components of new business for reinsurance contracts issued included in Company's portfolio is disclosed in the table below:

in USD thousand	2023	
	Profitable contracts issued [1]	Onerous contracts issued
Expected present value of cash outflows	743,242	573
Insurance acquisition cash flows	101,390	–
Expected present value of cash inflows	(1,490,332)	(255)
Risk adjustment for non-financial risk	47,690	6
Contractual service margin	598,010	–
Loss component	–	–
Total	**–**	**324**

[1] Profitable contract includes the buckets profitable and remaining

in USD thousand	2022	
	Profitable contracts issued [1]	Onerous contracts issued
Expected present value of cash outflows	463,350	150,516
Insurance acquisition cash flows	74,858	7,258
Expected present value of cash inflows	(976,479)	(132,218)
Risk adjustment for non-financial risk	25,921	2,322
Contractual service margin	424,979	–
Loss component	–	21,743
Total	**12,629**	**49,621**

[1] Profitable contract includes the buckets profitable and remaining

9.6. Components of new business – reinsurance ceded

in USD thousand	2023	
	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component
Expected present value of cash inflows	383,795	–
Expected present value of cash outflows	(660,196)	
Risk adjustment for non-financial risk	12,692	–
Contractual service margin	263,709	–
Total	**–**	**–**

in USD thousand	2022	
	Contracts retroceded without loss recovery component	Contracts retroceded with loss recovery component
Expected present value of cash inflows	13,846	–
Expected present value of cash outflows	(232,125)	–
Risk adjustment for non-financial risk	4,667	–
Contractual service margin	213,612	–
Total	**–**	**–**

9.7. Maturities of the CSM

in USD thousand	2023 Reinsurance contracts issued	2023 Reinsurance contracts retroceded	2022 Reinsurance contracts issued	2022 Reinsurance contracts retroceded
Due in one year	342,050	29,248	337,069	3,059
Due after one through two years	34,347	5,913	30,461	2,265
Due after two through three years	17,269	6,110	15,648	2,367
Due after three through four years	16,224	6,257	14,656	2,451
Due after four through five years	11,571	2,915	12,903	2,509
Due after five through ten years	47,015	13,392	55,378	13,149
Due after ten through twenty years	29,167	2,638	31,379	5,250
Due after twenty years	27,939	–	22,592	–
Total	525,582	66,473	520,086	31,050

9.8. Maturities of the remaining contractual net cash flows

in USD thousand	2023 Reinsurance contracts issued	2023 Reinsurance contracts retroceded	2022 Reinsurance contracts issued	2022 Reinsurance contracts retroceded
Due in one year	13,930	(431,328)	(78,003)	(554,047)
Due after one through two years	436,819	36,995	426,641	160,500
Due after two through three years	226,992	18,589	266,711	103,017
Due after three through four years	165,862	12,966	201,416	77,999
Due after four through five years	102,516	8,675	158,073	61,365
Due after five through ten years	191,707	11,524	257,411	114,082
Due after ten through twenty years	77,318	4,702	105,572	36,237
Due after twenty years	8,605	535	8,230	3,516
Total	1,223,749	(337,342)	1,346,051	2,669

9.9. Claims development in the P&C segment

The following tables compares the actual claims payment for the current reporting year with the estimated undiscounted amounts of the expected claims in the context of the loss experience from a gross and net perspective.

Development of gross claims

in USD million	2014	2015	2016	2017	2018	2019	2020	2021[1]	2022	2023	Total
Nominal incurred claims (gross)											
Current year	234	291	356	658	642	573	748	1,057	1,049	853	
One year later	247	294	347	796	831	687	874	1,053	1,082		
Two years later	207	183	291	732	710	623	880	952			
Three years later	177	140	284	700	613	625	836				
Four years later	164	114	255	666	613	576					
Five years later	158	110	245	669	595						
Six years later	155	100	244	661							
Seven years later	152	100	223								
Eight years later	152	90									
Nine years later	153										
Run-off nominal incurred claims past service (gross)	–	10	20	8	18	49	44	101	(33)		217
Run-off nominal incurred claims past service older than 2014 (gross)											–
Total run-off nominal incurred claims past service (gross)											**217**
Total run-off discounted incurred claims past service (gross)											208
Changes risk adjustment for non-financial risk past service discounted (gross)											24
Reinsurance contract related cash flows other than claims past service discounted (gross)											1
Run-off result (gross)											233
Liability for incurred claims, 1 January 2023											**1,525**
Nominal incurred claims – accident years from 2014 to 2023 (gross)	–	(10)	(20)	(8)	(18)	(49)	(44)	(101)	33	853	636
Claims payments – accident years from 2014 to 2023 (gross)	–	(1)	(31)	(9)	(9)	(47)	(64)	(167)	(197)	(112)	(637)
Nominal incurred claims and claims payments for accident years prior 2014 (gross)											(7)
Effect of discounting											15
Investment component											10
Currency effects											11
Changes accounts payable / receivable											(33)
Changes risk adjustment for non-financial risk											43
Liability for incurred claims, 31 December 2023											1,563

[1] Values transformed from IFRS 4 up to and including the 2021 reporting year.

Development of net claims

in USD million	2014	2015	2016	2017	2018	2019	2020	2021[1]	2022	2023	Total
Nominal incurred claims (net)											
Current year	189	226	242	418	339	378	442	585	823	661	
One year later	201	235	225	476	433	448	447	586	852		
Two years later	171	154	187	442	352	413	445	498			
Three years later	150	120	185	421	300	412	415				
Four years later	137	94	156	397	300	368					
Five years later	131	90	145	396	282						
Six years later	128	80	145	388							
Seven years later	125	81	125								
Eight years later	125	71									
Nine years later	125										
Run-off nominal incurred claims past service (net)	–	10	20	8	18	44	31	87	(29)		189
Run-off nominal incurred claims past service older than 2014 (net)											–
Total run-off nominal incurred claims past service (net)											**189**
Total run-off discounted incurred claims past service (net)											181
Changes risk adjustment for non-financial risk past service discounted (net)											20
Reinsurance contract related cash flows other than claims past service discounted (net)											1
Run-off result (net)											**202**
Liability for incurred claims, 1 January 2023											**777**
Nominal incurred claims – accident years from 2014 to 2023 (net)	–	(10)	(20)	(8)	(18)	(44)	(31)	(87)	29	661	472
Claims payments – accident years from 2014 to 2023 (net)	–	(1)	(31)	(2)	17	2	50	58	(31)	115	177
Nominal incurred claims and claims payments for accident years prior 2014 (net)											(2)
Effect of discounting											(4)
Investment component											10
Currency effects											6
Changes accounts payable / receivable											(696)
Changes risk adjustment for non-financial risk											47
Liability for incurred claims, 31 December 2023											**787**

[1] Values transformed from IFRS 4 up to and including the 2021 reporting year.

10. Other assets

in USD thousand	2023	2022
Other intangible assets	20,905	31,357
Own-use real estate	269	1,144
Fixtures, fittings and equipment	1,354	1,907
Receivables from advance payments and services	886	750
Sundry	141,162	117,516
Total	**164,576**	**152,674**

Right-of-use assets from lease contracts are measured at amortised cost in the amount of the initial measurement of the lease liability adjusted by prepaid lease payments, lease incentives received, initial direct costs incurred and probable restoration costs. Right of use assets are amortised on a straight-line basis over the term of the lease contract.

Intangible assets pertain to the acquisition of renewal rights for designated treaties and facultative portfolios transferred from the Parent Company with an effective date of 1 January 2021. The acquisition cost was based on the discounted expected cash flows for the designated contracts taking into account expected gross premiums, claims costs, administrative costs, and other costs. After a period of two years from the effective date, a review of the valuation has been performed based on the actual development of the business, which is subject to the Renewal Rights. If the actual development of premium deviates significantly from the data used for the valuation, an adjustment of the acquisition cost shall be calculated and paid between the Company and the Parent.

The Intangible assets were determined to have a finite life of 5 years, which the Company has chosen to amortise on a straight-line basis over the 5 years.

in USD thousand	2023	2022
Balance as at 1 January	31,357	41,809
Amortisation	10,452	10,452
Total	**20,905**	**31,357**

11. Other liabilities

in USD thousand	2023	2022
Liabilities from derivatives	17,013	23,700
Deferred income and prepayments received	4,495	–
Sundry non-technical provisions	7,106	5,341
Dividends payable	290,000	341,000
Sundry liabilities	135,775	121,144
Total	**454,389**	**491,185**

All of the sundry non–technical provisions are due within one year except for share-based payment of USD 1.0 million (2022: USD 0.7 million) which fall due within 5 years.

12. Financing liabilities

Lease liabilities: Lease liabilities are initially measured at the present value of essentially all lease payments that are not variable or dependent on an index or an (interest) rate. The discount factor used is the implicit interest rate of the lease contract or the lessee's incremental borrowing cost.

Loans and borrowings: On 28 December 2012, the Company obtained a loan facility from the Parent. The facility allows additional financing up to USD 80.0 million. It has a fixed interest rate of 2.55% and expires on 28 December 2027. No collateral has been pledged. As of 31 December 2023, the amount borrowed was USD 25.0 million (2022: USD 25.0 million), interest of USD 0.6 million (2022: USD 0.6 million) was included in finance costs. No capital repayments were made in 2023 (2022: Nil).

The carrying amounts of the loans are a close approximation of their fair value.

in USD thousand	2023	2022
Balance as at 31 December	**25,000**	**25,000**

13. Shareholder's equity

Shareholder's equity: The 104,522,359 common shares (2022 – 104,522,359) of $1 par value represent the total authorised, issued and fully paid share capital of the Company. Each share carries an equal voting right and an equal dividend settlement.

Dividends: The dividends declared in 2023 were USD 290 million (2022: USD 341 million). This represents a dividend per share in United States Dollars of $2.77 (2022 – $3.26).

Accumulated other comprehensive loss: Accumulated other comprehensive loss amounted to USD 200.8 million in 2023 (2022: loss – USD 274.6 million). This arose primarily from the recognition of unrealised gains and losses on investments and cumulative reinsurance finance income and expense at year-end.

14. Reinsurance service revenue

14.1. Analysis of reinsurance service revenue

The table below presents an analysis of the total reinsurance revenue (gross) recognised in the period:

in USD thousand	2023	2022
Amounts relating to the changes in LRC		
Experience adjustments (gross)	127,775	62,538
Release of CSM for the period (gross)	719,532	695,480
Expected release of risk adjustment for the period (gross)	59,042	31,140
Expected claims and expenses for the period (gross)	881,805	654,156
Amounts relating to recovery of insurance acquisition cash flows		
Recovery of insurance acquisition cash flows for the period (gross)	116,797	49,479
Reinsurance revenue (gross)	**1,904,951**	**1,492,793**

14.2. Geographical concentration of reinsurance service revenue

in USD thousand	2023	2022
Regional origin		
Germany	156,215	142,727
United Kingdom	141,841	155,251
France	67,291	38,267
Other	174,138	127,244
Europe	**539,485**	**463,489**
USA	451,052	390,624
Other	276,445	56,464
North America	**727,497**	**447,088**
Asia	346,645	366,733
Australia	200,376	152,155
Australasia	**547,021**	**518,888**
Africa	60,992	47,014
Other	29,956	16,314
Total	**1,904,951**	**1,492,793**

15. Total investment income and net reinsurance finance result

The table below presents an analysis of total investment income and reinsurance finance result recognised in Statement of income and OCI in the period:

in USD thousand	2023	2022
Investment return		
Investment income excl. unit-linked & excl. cash	129,628	56,985
Investment expenses excl. unit-linked & excl. cash	(4,838)	(6,005)
Net income from investments under own management	**124,790**	**50,980**
Currency gains/losses investments	17,489	(64,203)
Amounts recognised in OCI	96,881	(423,687)
Total investment return	**239,160**	**(436,910)**
Reinsurance finance income and expenses		
Net finance income or expenses from reinsurance contracts issued		
Interest accreted	(41,754)	(18,957)
Effect of changes in interest rates and other financial assumptions	(45,636)	152,337
Net foreign exchange loss	(27,833)	101,426
Total net finance income or expenses from reinsurance contracts issued	**(115,223)**	**234,806**
thereof recognised in statement of income	(68,596)	88,295
thereof recognised in other comprehensive income	(46,627)	146,511
Net finance income or expenses from reinsurance contracts held		
Interest accreted	17,738	5,993
Effect of changes in interest rates and other financial assumptions	26,687	(34,649)
Net foreign exchange loss	7,003	(16,736)
Total net finance income or expenses from reinsurance contracts held	**51,428**	**(45,392)**
thereof recognised in statement of income	24,676	(10,733)
thereof recognised in other comprehensive income	26,752	(34,659)
Total net income from investments and reinsurance finance result (net)	**175,365**	**(247,496)**
thereof recognised in statement of income	**98,359**	**64,339**
thereof recognised in other comprehensive income	**77,006**	**(311,835)**

16. Other income and expenses

in USD thousand	2023	2022
Other income		
Income from services	64	60
Other interest income	7,368	54,517
Income from releases of other provisions	–	–
Sundry income	16,708	104
	24,140	**54,681**
Other expenses		
Expenses for services	64	897
Other interest expenses	9,813	3,710
Expenses for the company as a whole	20,996	19,661
Sundry expenses	10,960	16,561
	41,833	**40,829**
Total	**(17,693)**	**13,852**

17. Taxes

Taxes on income: Under current Bermuda law, the Company is not required to pay any taxes in Bermuda on profits or income or capital gains.

In 2023, the Company recognised USD 196.0 million (2022: Nil) of Deferred Tax Assets in the balance sheet with a corresponding credit to the statement of income, relating to the valuation of intangible assets and value of business inforce in the tax books of the Company following the enactment in 2023 of the legislation to introduce Corporate Income Tax ("CIT") in Bermuda effective 1 January 2025.

Taxes on balance sheet: Taxes recognised in the balance sheet relates to the accrued payroll taxes.

Deferred taxes: the Company has netted its deferred taxes based on allowed offsetting by the Standard, ultimately resulting in the following disclosure in the balance sheet:

in USD thousand	2023	2022
Deferred tax assets	201,013	–
Deferred tax liabilities	(18,000)	–
Net deferred tax assets	**183,013**	**–**

Introduction of global minimum taxation:
In December 2021, the OECD published model rules for a new global minimum rate of taxation aimed at multinational enterprise groups and large-scale domestic companies with combined financial revenues of more than EUR 750 million.

The Company, as subsidiary of a German Group, falls within the scope of application of the minimum taxation rules and is currently working intensively on preparations for application of the provisions in the coming reporting year. Appropriate organisational and technical steps are currently being taken or are in the pipeline to ensure compliance with the legal requirements.

Under the global minimum taxation rules, the ultimate parent in Germany will in future be required to pay a supplementary tax for the difference between the effective rate of taxation per (tax) jurisdiction and the minimum tax rate of 15%.

The Government of Bermuda enacted the Corporate Income Tax Act 2023 on 27 December 2023. This means that certain Bermuda businesses will be subject to a 15% Bermuda corporate income tax for the fiscal years beginning 1 January 2025 onwards. The Company is in scope of this legislation and expects to incur and pay CIT in Bermuda beginning in 2025. The Act contains an economic transition adjustment ("ETA") that intends to provide a fair transition for in scope companies into the new CIT regime. The Company does not qualify for the five-year international presence exemption. The Company has estimated a net deferred tax assets of USD 183 million as of 31 December 2023 and that is expected to be amortized over 10 years starting from 2025. The net deferred tax asset arises from renewal rights, value of business inforce and unrealised gains / losses on investments and reinsurance contracts recognised in OCI.

18. Staff and expenditures on personnel

Defined contribution plans:

The Company operates a defined contribution pension plan that is based on length of service, employees' income, and level of contributions. The expense recognised for these obligations in the year under review in accordance with IAS 19.46 amounted to USD 1.5 million (2022: USD 1.3 million).

19. Related party disclosures

Loans and investments from related parties: All loans as disclosed in Note 15 are with related party entities. Refer to Note 7 for investments associated with related parties.

Transactions and balances with related parties arise from the normal course of business and are unsecured.

in USD thousand	2023		
	Hannover Rück SE	Companies related through common control	Total
Balance Sheet			
Financial investments – at fair value through profit or loss	849	964	1,813
Reinsurance recoverables on liability for incurred claims	2,479	–	2,479
Reinsurance recoverables on liability for remaining coverage	(960)	2,071	1,111
Reinsurance contracts issued in an asset position	17,459	51,457	68,916
Other assets	495	44,598	45,093
Liability for incurred claims (LIC)	2,497	67,667	70,164
Liability for remaining coverage (LRC)	2,243	(16,628)	(14,385)
Liabilities from reinsurance contracts issued	4,740	51,039	55,779
Financing liabilities	25,000	–	25,000
Other liabilities	1,913	341,202	343,115
Statement of income			
Reinsurance revenue (gross)	51,022	395,256	446,278
Reinsurance service expenses (gross)	(39,385)	(55,700)	(95,085)
Reinsurance revenue (retroceded)	(3,714)	(5,925)	(9,639)
Reinsurance service expenses (retroceded)	562	–	562
Net finance income or expenses from reinsurance contracts issued	337	(5,790)	(5,453)
Net finance income or expenses from reinsurance contracts retroceded	60	(63)	(3)
Change in fair value of financial instruments	(825)	410	(415)
Other investment expenses	–	(4,423)	(4,423)
Other income	24	39	63
Other expenses	(1,302)	(6,824)	(8,126)

in USD thousand	2022		
	Hannover Rück SE	Companies related through common control	Total
Balance Sheet			
Financial investments – at fair value through profit or loss	30,793	1,927	32,720
Reinsurance recoverables on liability for incurred claims	2,394	–	2,394
Reinsurance recoverables on liability for remaining coverage	(927)	2,954	2,027
Reinsurance contracts issued in an asset position	35,438	78,847	114,285
Other assets	266	42,845	43,111
Liability for incurred claims (LIC)	1,584	195,096	196,680
Liability for remaining coverage (LRC)	1,591	30,292	31,883
Liabilities from reinsurance contracts issued	3,175	225,388	228,563
Financing liabilities	25,000	(50,000)	(25,000)
Other liabilities	1,376	(394,921)	(393,545)
Statement of income			
Reinsurance revenue (gross)	49,545	320,306	369,851
Reinsurance service expenses (gross)	(40,061)	(184,401)	(224,462)
Reinsurance revenue (retroceded)	(115)	(5,658)	(5,773)
Reinsurance service expenses (retroceded)	11	2	13
Net finance income or expenses from reinsurance contracts issued	6,097	(2,943)	3,154
Net finance income or expenses from reinsurance contracts retroceded	–	(300)	(300)
Change in fair value of financial instruments	(6,810)	(1,181)	(7,991)
Other investment expenses	–	(3,863)	(3,863)
Other income	–	–	–
Other expenses	(886)	(1,346)	(2,232)

The Company participates in the Parent's K Quota Share, which involves a quota share cession on geographically specific natural catastrophe risks as well as worldwide aviation and marine risks. The transaction can be cancelled annually by the investors. Each investor's participation is collateralised by contractually defined investments in the form of cash and equivalent liquid assets, as well as letters of credit.

Whole Account transactions and balances

The Company's participation in group-wide Whole Account retrocession agreements controlled by the Parent resulted in the following amounts that are included in the financial statements:

in USD thousand	2023	2022
Statement of Income		
Reinsurance revenue (ceded)	71,422	24,468
Income from reinsurance contracts (ceded)	53,144	3,886
Net finance income or expenses from reinsurance contracts ceded	(7,533)	16,429
Other currency gains/losses	840	1,461
Balance Sheet		
Reinsurance recoverables on liability for incurred claims	152,169	248,364
Reinsurance recoverables on liability for remaining coverage	(57,283)	(49,228)
Reinsurance contracts ceded in a liability position	(6,296)	(6,094)

In 2023 and 2022, the Company, along with the Parent and other Group Companies entered into Whole Account excess of loss and aggregate treaty reinsurance agreements with third party retrocessionaires. These agreements protect the Parent and its subsidiaries from specific named perils including earthquakes, flood, storm, and similar natural catastrophes, as well as aviation, marine and cyber events. The Parent pays premium on behalf of the Company to the respective retrocessionaires and collects and distributes recoveries to the Company according to its share of affected losses. Counterparty default risk from these group-wide retrocessions is borne by the Parent, which is rated AA- by Standard & Poor's and A+ by A.M. Best.

Key management compensation

in USD thousand	2023	2022
Salaries and other short-term employee benefits	3,184	3,151
Post-employment benefits	309	296
Share-based payment	324	331
Total	**3,817**	**3,778**

20. Statutory requirements

As a Class 4 and Class E insurer, the Company must at all times maintain a solvency margin and an enhanced capital requirement ("ECR") in accordance with the provisions of the Insurance Act. Each year the Company is required to file with the Bermuda Monetary Authority (the "Authority") a capital and solvency return within four months of its relevant financial year-end (unless specifically extended).

Under the Bermuda Insurance Act, 1978 and related regulations, the Company is subject to capital requirements calculated using the Bermuda Solvency Capital Requirement ("BSCR"), which is a standardised statutory risk–based capital model used to measure the risk associated with the Company's assets, liabilities, premiums, and the risk associated with operations. The Authority requires all Class 4 and Class E insurers to maintain their capital at a target level which is 120% of the ECR calculated in accordance with the BSCR and to maintain the minimum margin of solvency. All statutory requirements were met as at 31 December 2023 and 31 December 2022.

Actual statutory capital and surplus, as determined using statutory accounting principles, is as follows:

in USD thousand	2023	2022
Total shareholder's equity	2,224,613	1,594,931
Non-admitted assets	(203,918)	(31,357)
Statutory capital and surplus	**2,020,695**	**1,563,574**

The Company is also required under its Class 4 license to maintain a minimum liquidity ratio, whereby the value of its relevant assets is not less than 75% of the amount of its relevant liabilities for general business. As of 31 December 2023 and 31 December 2022, the Company met the minimum liquidity ratio.

The Company is prohibited from declaring or paying dividends if its Class 4 or Class E statutory capital and surplus is less than its ECR, or if it is in breach of its solvency margin or minimum liquidity ratio, or if the declaration or payment of such dividends would cause such breach. Further, the Company, as a Class 4 and Class E insurer, is prohibited from paying in any year dividends of more than 25% of its total statutory capital and surplus (as shown on its previous year's statutory balance sheet) unless it files (at least seven days before payment of such dividends) with the Authority an affidavit stating that it will continue to meet its solvency margin and minimum liquidity ratio. The Company must obtain the Authority's prior approval for a reduction by 15% or more of the total statutory capital as set forth in its previous year's financial statements. These restrictions on declaring or paying dividends and distributions under the Insurance Act are in addition to those under the Companies Act 1981, which apply to all Bermuda companies.

21. Capital management

The preservation and consistent enhancement of its capital is a key strategic objective for the Company. The Company met the applicable local regulatory minimum capital requirements in the year under review.

22. Letters of credit

Ceding companies domiciled in the United States and Australia are required, pursuant to their insurance laws, to obtain letters of credit issued on the Company's behalf from approved banks in order to further secure the Company's obligations under certain reinsurance contracts. At 31 December 2023, letters of credit totalling USD 621.6 million (2022: USD 466.1 million) were in place.

23. Subsequent events

No significant events beyond the scope of ordinary business activities have occurred since the balance sheet date.