



PeakRe >

Annual Report 2019

About Peak Re

Peak Reinsurance Company Limited (Peak Re or "the Company"), authorised by the Insurance Authority of Hong Kong, is a global reinsurance company headquartered in Hong Kong. It is one of the few locally established reinsurance companies in Asia Pacific underwriting both life and non-life reinsurance business.

With shareholder equity of US\$1.1 billion as of 31 December 2019, it enjoys an "A-" rating from A.M. Best, a leading international credit rating agency for the insurance industry, and ranks among the top 30 global reinsurance groups in terms of net written premiums.*

Peak Re strives to provide innovative and forward-looking reinsurance services for customers in Asia Pacific, Europe, the Middle East and Africa, and the Americas. It tailors risk transfer and capital management solutions to best fit clients' needs.

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

* Source: S&P Top 40 Global Reinsurance Groups 2019

Cover:

Peak Re brings people together from different cultures and backgrounds to share knowledge and experience. As a result we are closer to the markets, we see things more clearly, and our insights offer fresh perspectives on how to respond to changing market conditions.

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➤ A Snapshot of our 2019 Annual Report

Message from our Chairman and CEO

“ 2019 is best characterised as a balanced year. There were significant challenges in the global reinsurance industry driven by the increased number of natural catastrophes and reaching the bottom of the pricing cycle.

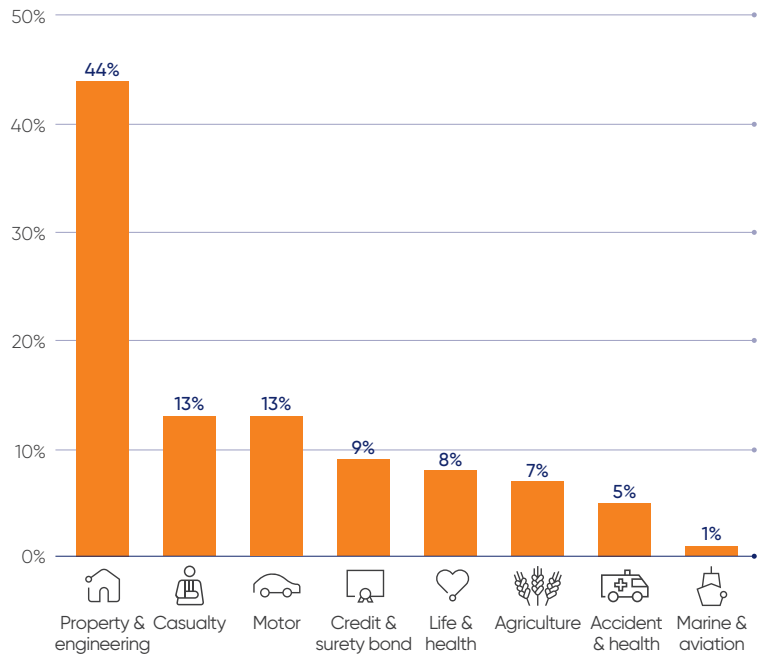
We are pleased with how Peak Re navigated through these uncertainties demonstrating the inherent resilience in our model as well as the ability to then seize the opportunities that arise. ”

Li Tao
Chairman

Franz Josef Hahn
Chief Executive Officer

Business Portfolio

By Line of Business



Business Review

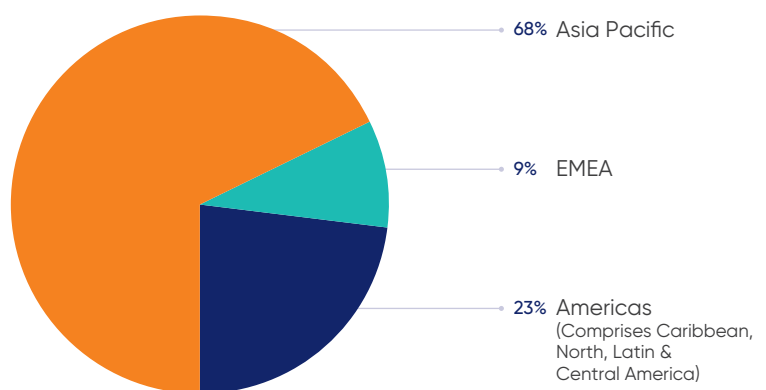
Property & Casualty

- A strong year against a challenging environment
- Growth across all geographies
- Confirmation of Peak Re's strategy

Life & Health

- Significant growth covering traditional risk and structured reinsurance products
- Increase in multi-national clients
- Evolving from a niche player

By Market



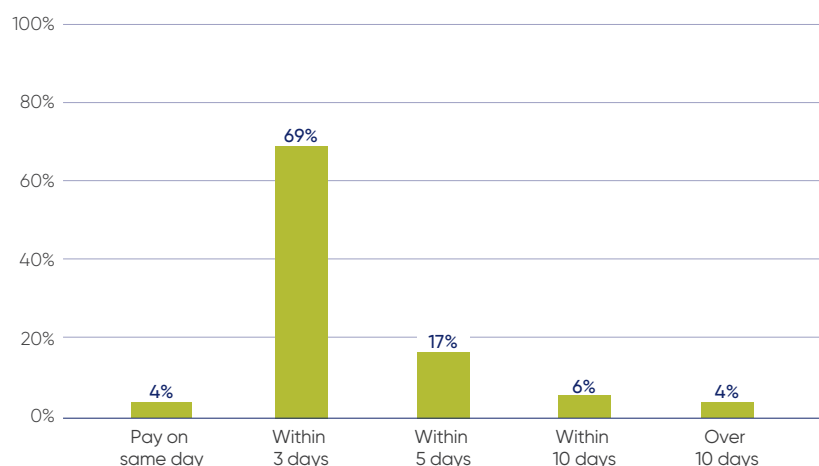
560
clients in

73
countries & territories

As of 31 December 2019

Claims Performance

Unmatched Claim Settlement Record



90% claims were settled in 5 days

As of 31 December 2019

Financial Highlights

Gross written premiums	US\$1.7b
Total assets	US\$4.4b
Shareholder equity	US\$1.1b
Net profit	US\$35m
Solvency ratio	367%
Administrative expense ratio	3.4%

Financial Review

➤ **Seventh consecutive year** of premium growth and consistent profit

20%
Premium growth

➤ **Profit recorded** for both underwriting and investment

“ There has been a hardening of the market in recent years that, combined with the strong relationships we have with our clients, has given us opportunities for growth, particularly in North America and Japan. Looking ahead, given our solid capital position, favourable balance sheet, track record with clients, market interest for Lion Rock Re and effective risk management, we are well placed to further grow our business to deliver stronger underwriting results well into the future. ”

Cathy Chen
Chief Financial Officer

➤ Message from our Chairman and CEO



Li Tao
Chairman

Fresh perspectives

Peak Re was founded with a central vision of supporting the needs of communities and emerging middle-class society through meeting reinsurance needs in Asia and around the globe. With that in mind, in 2019 we made significant strides towards our vision in the way our business was able to adapt and respond to industry challenges and market volatility. We have adopted a fresh perspective that will allow us to navigate through challenging times and in doing so uncover opportunities.

Evaluating the year

2019 is best characterised as a balanced year. There were significant challenges in the global reinsurance industry driven by the recurring number of natural catastrophes and reaching the bottom of the pricing cycle. We are pleased with how Peak Re navigated through these uncertainties demonstrating the inherent resilience in our business model as well as our ability to seize the opportunities that arise.

Business highlights

This year, we are yet again proud of what we have achieved as the largest privately owned reinsurance company in Asia Pacific. Peak Re maintains a leading position within the industry due to the recognition we receive for our commitment to settling claims quickly and transparently. Importantly, this has allowed us to keep our level of client retention high, building partnerships with our core clients over time. This is reflected in the Book Value Growth, Low Expense Ratio and Sustained Level of Profit that we continue to review as a management team and that have shown progress not just in 2019, but over a number of years.

For Property & Casualty, characteristic to our approach for 2019 was our continued improvement in results following our portfolio optimisation. At the same time as growing our business we also exited businesses that we did not see as strategically aligned with our objectives. 2019 also presented a good opportunity for non-catastrophe underwriting to support a balanced portfolio a consecutive natural-catastrophe-prone year.

Life & Health has shown considerable improvement and growth that supports the decision to diversify our business portfolio. We are pleased to report that the business continued its solid growth in 2019, expanding its client base, entering new markets and writing new products. With the new leadership team brought in during 2019, we are confident that these positive results will continue.

Operationally, there have been some significant successes. The upgrade of our end-to-end IT system is expected to assist an 80% automation of internal business processes by the end of 2020. This has created more efficiencies allowing the team to focus on value adding activities and ensuring higher quality service for our clients. We will continue to improve our technology with work underway to develop intelligent applications for receivables and payables.

Diversification

The market environment during 2019 was challenging for investment assets and increased our desire to improve diversification within our portfolio. We proactively made the decision to move away from equities avoiding volatility. Of note was the move to diversify into property, such as medical centres in the United States as well as the decision to invest in a series of Japanese hotels, both of which assisted with our asset liability management. Our belief is that this is a robust adjustment to the risk exposure of the company, and a prudent move in the current environment, while still offering good returns in an appropriate time frame.

Another success was achieved by entering the insurance-linked-securities (ILS) market and in particular, the launch of the Lion Rock Re sidecar transaction. The level of success is best reflected in the fact that there was appetite for a second tranche of Lion Rock Re for 2020 and we are pleased to see interest from the market in this geographically diverse business. This has given investors access to a unique and high-quality portfolio of reinsurance business.

The ultimate trust

Trust is key to what we have regularly achieved as a firm and will prove to be the single most important factor as we look to the future. 'The ultimate trust' defines the relationship between Peak Re and its stakeholders: building and maintaining it is at the heart of what we do. This is demonstrated by our track record for claims settlement, accuracy and timeliness.

Outlook

Our business outlook remains positive, and we believe that our response to challenges of the last few years has enabled us to build a solid foundation that is fit for purpose in the emerging environment. With positive pricing movements in the Property and Casualty market, we are well placed to take advantage of the emerging opportunities.

Together with our multidisciplinary talented team, we remain fully committed to healthy growth and believe our business in terms of both geographic spread and operational model is well set to deliver.

Our centre in Hong Kong remains the ideal base for Peak Re to achieve its vision. Hong Kong's unique location enables us to support the emerging middle-class society in Asia, with door-step access to mainland China and the rest of Asia Pacific. Hong Kong, as an international business hub, is transitioning from a supervisory role into a modern risk-based capital centre which enables superior access to all major business hubs around the globe. This enables Peak Re to enjoy a well-diversified portfolio of North American and European business.

The emerging Asian markets are our home and foundation, as reflected by the numbers. Around 150 million people are joining the middle-class society every year and 60% of the global population is in Asia. Importantly, the majority of communities in this region are insured inadequately if at all. Our foundation in Hong Kong means we are uniquely placed to provide insights into these demographics and to identify, along with our clients, the appropriate solutions.

This is what we have been building for seven years – a company that is capable of capitalising on this unparalleled opportunity; an opportunity we have embraced.



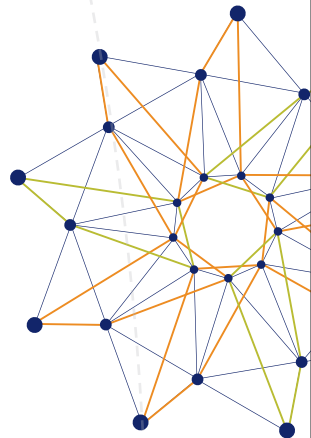
Franz Josef Hahn
Chief Executive Officer

Key to delivering on this is finding and retaining talent, which is of growing strategic importance. Our business depends on attracting the best talent as this influences the level of service we provide to our clients and the profitable growth of our company. We are continually looking to expand our team in a sustainable manner and ensuring our corporate culture remains consistent and at the centre of what we do.

We thank all of our clients, business partners and shareholders for their trust; the team for their relentless hard work; and our board of directors for their strong guidance. We are pleased with what we have achieved together and confident of our outlook for 2020 and beyond.

> A Strategy to Deliver on our Purpose

● Our 5 Strategic Principles



Partnership

Nurture long-lasting, collaborative relationships with our clients and brokers, built on open and transparent dialogue.



Efficiency

Deploy our capital in the most efficient manner at all times.



Transparency

Make clear, prompt and transparent underwriting decisions.



Growth

Assist our clients to grow in a sustainable and profitable way so they can do more to mitigate risk in the global economy.



Innovation

Implement new technology where possible to enhance our services and ensure our clients receive the best available protection.

Supported by a Robust Corporate Governance Framework

Peak Re is committed to a high standard of corporate governance that ensures sound management, effective oversight of the business and recognises and protects the interests of policy holders, in adherence with the laws and regulations of Hong Kong and other applicable jurisdictions.



● Reinforced by

Our Culture

Embraces entrepreneurship, valuing open and curious minds that can feed fresh thinking and innovation.

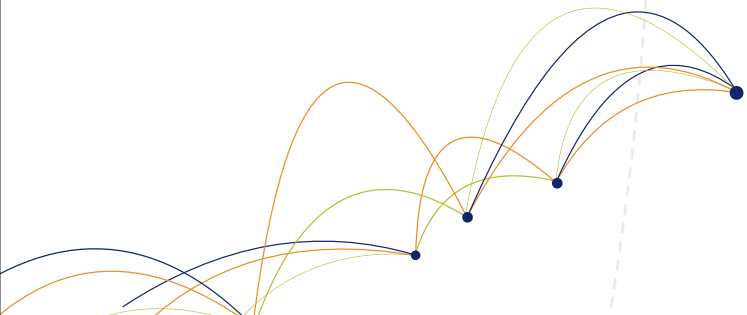


Our Insights

Drive innovation and provide the forward thinking that delivers impact with a global perspective.

Our Agility

Enables us to make decisions quickly, minimising process delays and building our reputation for getting things done, fast.



● Help us Achieve our Purpose

Supporting the needs of communities and emerging middle-class society through meeting reinsurance needs in Asia and around the globe.



➤ Creating Value for our Stakeholders in 2019



Milestones, Awards and Recognition

Milestones

2019

- + Ranked as Top 30 Global Reinsurance Group by S&P*
- + Named Asian Reinsurer of the Year for four consecutive years by Asian Banking & Finance

2017

- + Established Labuan branch in Malaysia
- + Authorised as a life and general reinsurer in Singapore
- + Premiums exceeded the **US\$1** billion mark

2015

- + Zurich branch opened
- + Premiums exceeded the **US\$500** million mark

2013

- + Continued expansion in Asia Pacific
- + Premiums exceeded the **US\$100** million mark
- + Delivered profit in first full underwriting year



2018

- + Launched Lion Rock Re, the first Asian reinsurance sidecar transaction
- + Established representative office in Japan
- + Prudential Financial, Inc became a new investor to support future growth

2016

- + Zurich subsidiary granted reinsurance licence
- + Additional **US\$100** million of capital
- + Completed strategic investment (50% stake) in NAGICO

2014

- + Granted life licence
- + Broadened P&C lines with credit & surety business
- + Ventured into non-Asian markets

2012

- + Granted P&C licence
- + Obtained A.M. Best "A-" rating
- + Started underwriting operations on 28 December

* S&P Top 40 Global Reinsurance Groups by net premiums written

Recognition

Top 30

Global Reinsurance Group
by S&P*

Rating

"A-" Excellent

for Peak Reinsurance
Company Limited &
Peak Reinsurance AG

- + Very strong balance sheet
- + Adequate operating performance
- + Neutral business profile
- + Appropriate enterprise risk management

Awards

Asian Reinsurer of the Year

2016 – 2019

by Asian Banking & Finance

US\$1.7b

Gross written premiums

20%

Premium growth



2019 was a year that clearly differentiated between companies with clear vision, strategy and execution plans and companies that don't.

Peak Re continued with another strong performance due to our consistent strategy and that we are able to effectively execute our plans and continue to do so.



Lawrence Cheng

Managing Director – Underwriting, and
Co-head of Property & Casualty

Property & Casualty

Against a challenging background, Peak Re's Property & Casualty (P&C) business had a strong year. Our business continued to grow in 2019 across all geographies, confirming the effectiveness of our strategy in the face of an uncertain environment. We also decided on specific actions to improve the performance of our portfolio, in the form of exiting certain treaties that would not provide satisfactory returns over the medium term. At the same time, we were able to capitalise on opportunities in sectors where the headwinds of the past years finally started to abate.

In the Property sector, while certain lines such as Property Catastrophe business started to harden, this did not happen to the extent anticipated by the market. Peak Re's approach to client selection meant that we were able to benefit from an improved business relationship with clients with whom we have mutual interests and objectives. We were also able to grow in markets such as Japan and selectively in the US. Our approach in China market remained cautious; we mostly concentrated our efforts on catastrophe business, where we viewed the rates to be technically adequate. This approach meant we avoided substantial losses from Typhoon Lekima.

Regarding the Casualty sector, our late entry to this market meant that we were positioned to grow at the same time that the market was hardening considerably in the US, especially in professional lines. The combination of inadequate pricing and under-reserving that dominated the market during the middle years of the last decade meant that strong corrective action on both price and capacity was seen throughout 2019. We were able to consolidate our position in the market and believe this rating environment is likely to remain positive for the short and potentially medium term.

Loss activity

2019 was yet another year of significant losses, with catastrophe losses grabbing the headlines. Typhoon Lekima in China, Hurricane Dorian in the Caribbean and the US, and two major typhoons in Japan – namely Faxai and Hagibis – all impacted Peak Re to a greater or lesser extent. However, through rigorous client and risk selection, as well as our approach to underwriting, we managed these losses well. No loss exceeded Peak Re's expectations based on market share, and the combination of losses was never beyond our stated risk appetite. This is testament to Peak Re's strong risk management culture and the active structuring of our portfolio within this framework.

Climate change

We believe that reinsurance has a strong role to play in mitigating the economic effects of climate change. Whether through building resilience for the emerging middle class by increasing access to appropriate insurance protection, or through its role as an enabler of investment in alternative energy and physical defences, reinsurance is well positioned to be a partner to society, especially for vulnerable communities.

In the wake of damage following a climate event, our clients require quick claims settlement and renewed coverage. As a result, we use a host of analytical capabilities to build in-house pricing and accumulation tools and models that enhance our own resilience and our ability to serve clients as they require. We are committed to monitoring the developments of climate science to ensure we are well equipped to meet the needs of our clients in an evolving environment.

Rising sea levels is a climate phenomenon that Peak Re closely monitored throughout 2019. Given the risk it poses to island nations and coastal communities, such as those in mainland China, Indonesia, and the Philippines, Peak Re believes this issue must be a part of the wider discussions about climate change and its regional impacts.

Life & Health

Peak Re's Life & Health (L&H) business saw significant growth during 2019, covering both our traditional risk and structured reinsurance products. We have been working with an increasing number of multi-national clients, clear evidence of progress as we evolve from being a niche player in the life & health market.

We are well positioned to continue our work of pushing into new markets with innovative products, supporting our client's KPI management and developing bespoke solutions at the corporate level.

Another positive development was the China Banking and Insurance Regulatory Commission's (CBIRC) continuation of preferential treatment for Hong Kong-based reinsurers under the China Risk Oriented Solvency System (C-ROSS). The policy has enhanced Peak Re's competitiveness in mainland China against international reinsurers, evidenced by the strong growth of our Chinese Life & Health business in both 2018 and 2019.

Our client acquisition strategy continues to be focused on finding alignment between our core competencies and risk appetite, and those of our prospective clients. This approach has allowed us to be wholly client-centric and customise our Life & Health offerings, instead of pushing off-the-shelf products. Our ability to provide tailored products has generated real trust between us and our clients, a central objective of Peak Re's overall business strategy.

With Asia being considered a primary source of growth for the global life & health industry, Peak Re is working hard to capture this opportunity. Core to this is remaining agile through strategic technological partnerships, which we have nurtured throughout 2019 to increase our momentum in the years ahead.

Mainland China

2019 marked the eighth year since Peak Re entered the China market. As a Hong Kong-based international reinsurance company, we have always considered mainland China to be our home region and a key market. In 2019, Peak Re strengthened its risk screening and advanced its business restructuring in mainland China. We also enhanced our underwriting policies and accelerated product development to increase the profitability of our underwriting business, all while maintaining stable business growth.

In 2019, China's property insurance premium growth slowed to single digits. However, Peak Re still recorded a 15% increase in property premiums. Our client base and market share in this space maintained its steady upward trajectory.

As mentioned above, 2019 was the second year of the CBIRC applying C-ROSS. Given this, there is still significant capacity to further reduce the solvency risk factors when direct insurers in mainland China transfer their reinsurance business to qualified Hong Kong-based reinsurance companies. Peak Re will continue to benefit from this policy.

The CBIRC also unveiled 12 opening-up measures for the financial services industry in May 2019. The new measures, specifically targeting banks and insurance companies, include cancelling the foreign shareholding restrictions and lowering the market entry barriers for foreign companies. A series of supplementary measures and policies were later introduced to encourage more foreign insurance and reinsurance companies with the requisite experience to enter the mainland Chinese market. As mainland China's financial markets open up further, its direct insurance sectors will experience new challenges and opportunities. This opening up will also generate new possibilities for overseas insurance and reinsurance companies.



We have a business model based around working with the right clients, so there is ample scope to grow with them well into the future to the point we become a significant trading partner where there is a mutual alignment of interests and long-term thinking.



Chris Kershaw
Managing Director –
Global Markets, and Co-head of
Property & Casualty

India

In 2019, Peak Re continued its momentum and built upon the successes of 2018. Of particular note was our contribution of reinsurance capacity to the Indian prime minister's Agricultural Scheme – Pradhan Mantri Fasal Bima Yojana.

In general, the insurance industry in India underwent significant changes in property pricing, a development for which we were prepared. Effectively analysing these changes positioned us well vis-à-vis our competition. This allowed us to engage with our existing and prospective clients meaningfully, communicating our value and reinforcing our partnership-based approach to doing business.

Consistently engaging with our clients, listening intently to their needs and delivering them valuable services helped to raise awareness about our brand, which is now a known quantity in the Indian reinsurance market.

Another notable achievement in June 2019 was the industry event 'CEO Dialogue – Informed Decision Making', hosted by Peak Re in Mumbai. The event was well attended and well received by India's market leaders in the direct insurance market.

Finally, Peak Re initiated an engagement with the Insurance Regulatory and Development Authority of India (IRDAI), the country's insurance regulator. The objective of this engagement was to present our brand and values to the regulator, making clear our desire to contribute to the development of the insurance industry in India. We had the opportunity to present analysis on the impact of exposure-based solvency, which was welcomed by the regulator's chairman. The IRDAI responded by indicating they would consider engaging with Peak Re during the consultation process on implementing these changes.

We are committed to continuing our engagement with IRDAI, which we believe will be helpful when our clients, with our participation, present their reinsurance programmes.

Southeast Asia

Southeast Asia as a regional market has been a central focus for Peak Re since our founding. Our vision is to expand insurance coverage across the region, targeting the emerging middle class and its range of evolving needs.

As a region, in 2019 Southeast Asia proved vulnerable to China-US trade tensions, resulting in relative decreases in economic growth. And although there were no major catastrophes, a variety of climate-related risks increased insurance premiums. These factors have increased the importance of our mission in Southeast Asia, which made headway throughout the year.

One example of this progress can be seen in the Thailand Rice Insurance Scheme, which we developed to provide assistance to the farmers in Thailand negatively impacted by the climate in 2019. These impacts included droughts and flash floods, which affected rice growers and resulted in many areas of the country being declared disaster zones. In support of the affected population, Peak Re worked with the government of Thailand to develop an insurance scheme that would protect approximately 1.9 million farmers across the country, covering 70% of the losses from droughts and 30% of the damages from flooding. Overall, around one million farmers benefited from claim payments.

Throughout 2019, Peak Re worked with its stakeholders on new ways to evolve the way insurance is provided in Southeast Asia. First, we identified a need to simplify the design of the insurance products being sold in the region, as well as to streamline their delivery through the adoption of digital technology. Second, Peak Re proposed a threefold approach to accomplishing this goal: rethinking the needs of the insurance market, especially for younger demographics, educating service providers about how to adjust their strategies and innovating fresh product designs and delivery methods; this approach laid important groundwork for increasing market penetration across the region. Third, regarding demand for specific products, we saw an increased focus in 2019 on health policies for lower- and middle-income customers.

The Lion Rock Re

The Lion Rock Re, Asia's first reinsurance sidecar transaction, which Peak Re launched in December 2018, is testament to our strategy of providing financial flexibility for our clients and, at the same time, strengthening our balance sheet. The judicious allocation of risk to Lion Rock Re throughout 2019 helped us to deliver returns for investors and we look forward to following this in 2020 with the successful implementation of the larger-sized Lion Rock Re II transaction.

Optimisation of business portfolio

We took extensive steps to optimise our business portfolio and fine-tune it to reflect the trends of the present environment, as well as our own internal priorities and objectives. Having grown and become more profitable year on year, it is imperative that we regularly monitor our business portfolio against our strategic planning. One example of this is the decision to work only with clients whose objectives align with our own. This priority led us to refine our business portfolio and only pursue business that has the potential to be profitable and sustainable.

A knock-on effect of this approach is that it gives us scope to grow with our existing clients over time, while simultaneously providing freedom to be selective in the pursuit of new clients. The ability to be intentional about where and through whom we expand our business is part of the reason for our strong performance in 2019.

➤ Financial Review and Outlook



There has been a hardening of the market in recent years that, combined with the strong relationships we have with our clients, has given us opportunities for growth, particularly in North America and Japan. Looking ahead, given our solid capital position, favourable balance sheet, track record with clients, market interest for Lion Rock Re and effective risk management, we are well placed to further grow our business to deliver stronger underwriting results well into the future.



Cathy Chen
Chief Financial Officer

2019 marked the seventh consecutive year of premium growth and sustained profit levels for Peak Re. The Company recorded a profit from both underwriting and investment. For the year ending 31 December 2019, Peak Re generated premium income of US\$1.7 billion while net profit reached US\$35 million, reflecting the strong underwriting and effective risk management that have enabled the firm to navigate through a year punctuated with frequent natural catastrophes.

The Company's Property & Casualty business line contributed US\$1.5 billion of premium income, while Life & Health generated US\$134 million. Total growth in gross written premiums was 20%. Peak Re also recorded its lowest-ever management expense ratio of 3.4%, highlighting the level of efficiency in its operations and its robust approach to cost management.

As of 31 December 2019, Peak Re's investable assets grew to US\$2.1 billion and net assets reached US\$1.1 billion. The Company's total assets grew to US\$4.4 billion, representing an increase of 18%.

Peak Re's solvency remains high with a solvency adequacy ratio of 367%. The Company has continued to deliver stable and sustainable returns since it was established – a consistency that is testament to its long-term growth strategy.

Despite the underlying industry challenges and market volatility in 2019, Peak Re still performed strongly. In addition to achieving reasonable profit overall, the Company's Life & Health book continues to represent an area of growth for its overall business portfolio and the progress being made towards a more balanced book.

The successful launch of the first reinsurance sidecar transaction, Lion Rock Re produced solid risk-free income from both underwriting and profit sharing. The Company was able to generate a good return for investors, with its success reflected in the interest in the launch of Lion Rock Re II transaction, which attracted US\$77 million from global investors in January 2020.

Peak Re is proud of its track record for claims settlement, accuracy and timeliness. Throughout 2019, the Company settled around 90% of claims within five working days, maintaining its industry-leading approach recognised by its clients.

Asset Management

Peak Re's investment strategy is to deliver reliable returns through a diversified investment portfolio. The Company uses a data-driven approach to optimising its investments, in line with internal risk management standards and prevailing regulatory requirements.

Investment style

Our investment style is a combination of value investing and strategic diversification. Backed by uniquely powerful analytical capabilities, we believe that this approach optimises our ability to adapt to an ever-changing macro environment.

Our library of references provides the foundation for holistic investment research, covering both the broader market and individual investment targets across an extensive geographic footprint and multiple asset classes. With this, we are able to add to Peak Re's asset value through active portfolio management and a continuous assessment of investment opportunities. Moreover, we use a dynamic asset allocation strategy to ensure exposure to emerging investment opportunities and review our asset allocations regularly on the basis of our capital adequacy levels, reinsurance liability profile, investment market conditions, and investment and risk appetites.

Finally, to meet our reinsurance liability obligations, we always maintain a sufficient level of cash and liquid assets, regardless of economic conditions.

Market environment

The market environment in 2019 underwent significant shifts in outlook. The first half year was cautiously positive, given the prevailing assumptions about interest rate hikes.

However, by the second half of the year, the outlook had soured in light of increased trade war tensions and concerns about a global economic slowdown. This shift caused the US to cut interest rates twice, subsequently benefiting the bond market but putting equities on a downward trajectory.

Against this backdrop, Peak Re adjusted its 2019 asset allocation strategy in search of fresh value. One step was to increase our ratio of fixed income assets in view of generating sustainable investment income. As the bond market in 2019 became more attractive due to interest rate cuts, we increased over-diversification in this asset class. We also allocated funds to fixed income ETFs and mutual funds as a way of increasing the efficiency of our capital management and maintaining strong liquidity.

Another aspect of our asset management strategy was to pursue regular income assets, such as real estate. To do this, we identified countries where the insurance market was hardening, making non-traditional asset classes more attractive. We increased investments in both Japan and the US, furthering our goal of diversifying amidst the uncertainty of the China-US trade war and fear of a global recession. Obtaining assets that would generate income that would be more predictable and less subject to volatility was our strategic priority.

Regionally, Australia, India and several other markets in East and Southeast Asia also slashed interest rates, giving a boost to the bond market and making equities a less attractive vehicle for investing. These decisions were largely in response to concerns about a general slowdown in global economic growth, which became apparent across Asia Pacific around the end of Q2 2019. As a form of stimulus, these rate cuts had the dual intention of staving off further economic decline and inviting new investment into the market.

Looking forward, although the signing of a phase one trade deal between China and the US in early 2020 was a positive development for the market, the novel coronavirus outbreak, which has now spread globally, has dampened the outlook. Market volatility has increased significantly. Treasury yields are dropping, and equities will likely continue to trend downward, although they could become cheaper as the year progresses. Fixed income assets may perform well due to the income stability they provide, though over time they could become prohibitively expensive.

For Peak Re, 2020 will carry forward much of the strategic progress made in 2019 and will include investment activities in China and India. For China, our approach will likely focus on tier one cities and use real estate funds as the vehicles of investment. This approach will likely be replicated in India, given the economic environment there. We will also closely monitor the shifts expected to occur in the pricing of fixed income and equity investments.

Portfolio management

While the novel coronavirus will likely keep markets volatile well into first half year 2020, the impact will not be permanent. Thus, in the short term we will continue to prioritise fixed income investments and await opportunities for adding equity exposure as market conditions improve. This approach will continue to deliver investment income to keep our liquidity levels sufficient to meet the Company's liability obligations.

Long term, we will continue to use a dynamic asset allocation strategy to optimise our portfolio. The ability to remain strategically agile and adaptable to evolving market conditions will ensure that Peak Re can capture opportunities as they arise.

Financial Highlights

Profit & Loss Statement

Year ended 31 December 2019

	2019 US\$	2018 US\$
REVENUES		
GROSS WRITTEN PREMIUMS	1,664,590,491	1,381,891,328
Gross earned premiums	1,579,760,814	1,264,916,291
Retrocessionaires' share of gross earned premiums	(341,140,492)	(282,629,245)
Net reinsurance contracts earned premiums revenue	1,238,620,322	982,287,046
Investment income	47,256,593	41,964,662
Commission income	81,797,548	72,979,831
Foreign exchange gains	6,934,322	9,884,549
Total revenue	1,374,608,785	1,107,116,088
EXPENSES		
Gross claims paid and payable	(824,941,013)	(620,430,023)
Retrocessionaires' share of claims paid	222,003,592	111,711,214
Change in gross reinsurance outstanding claims	(536,424,220)	(314,644,150)
Change in retrocessionaires' share of outstanding claims	228,140,729	133,292,912
Net claims incurred	(911,220,912)	(690,070,047)
Commission expense	(381,711,908)	(364,578,557)
Administration expenses	(41,613,650)	(35,016,981)
Other expenses	(1,964,517)	(3,749,608)
Total expenses	(1,336,510,987)	1,093,415,193
Profit before share of profit of associates and joint ventures	38,097,798	13,700,895
Share of (loss) / profits of associates	(5,995,519)	3,535,000
Share of profit of joint ventures	6,628,759	-
PROFIT BEFORE TAX	38,731,038	17,235,895
Income tax (expense) / credit	(3,852,040)	2,284,168
PROFIT FOR THE YEAR	34,878,998	19,520,063
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments		
Changes in fair value	86,704,081	(91,959,835)
Reclassification adjustments for losses / (gains) on disposal included in the consolidated statement of profit or loss	10,802,394	(18,710,396)
Income tax effect	(3,822,761)	8,249,747
	93,683,714	(102,420,484)
Share of other comprehensive income of an associate	516,500	23,000
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	94,200,214	(102,397,484)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	129,079,212	(82,877,421)

Asset & Liability Statement

Year ended 31 December 2019

	2019 US\$	2018 US\$
ASSETS		
Intangible assets	15,267	7,109
Property, plant and equipment	179,888	243,650
Investment in associates	61,058,481	66,537,500
Investment in joint ventures	61,440,825	–
Held to maturity investments	24,678,801	29,220,607
Available-for-sale investments	1,454,661,007	1,203,268,182
Investments at fair value through profit or loss	78,128,516	81,748,439
Loans and receivables	119,874,260	126,807,869
Deferred acquisition costs	183,520,774	159,002,597
Prepayments, deposits and other receivables	20,604,973	19,080,006
Retrocession assets	553,828,256	325,137,151
Reinsurance receivables	1,579,654,841	1,533,616,403
Amount due from immediate holding company	3,293,814	2,019,647
Deferred tax assets	3,674,360	9,385,940
Current tax recoverable	–	106,595
Cash and cash equivalents	273,561,737	195,075,304
TOTAL ASSETS	4,418,175,800	3,751,256,999
LIABILITIES		
Reinsurance contracts / policy liabilities	2,413,625,113	1,793,763,590
Reinsurance payables	811,118,438	939,270,554
Derivatives	–	2,984,653
Deferred commission income	33,234,444	35,287,446
Other payables and accrued liabilities	63,555,201	14,459,346
Current tax payable	2,071,982	–
TOTAL LIABILITIES	3,323,605,178	2,785,765,589
NET ASSETS	1,094,570,622	965,491,410
EQUITY		
Share capital	786,720,714	786,720,714
Reserves	307,849,908	178,770,696
	1,094,570,622	965,491,410

Financial Highlights

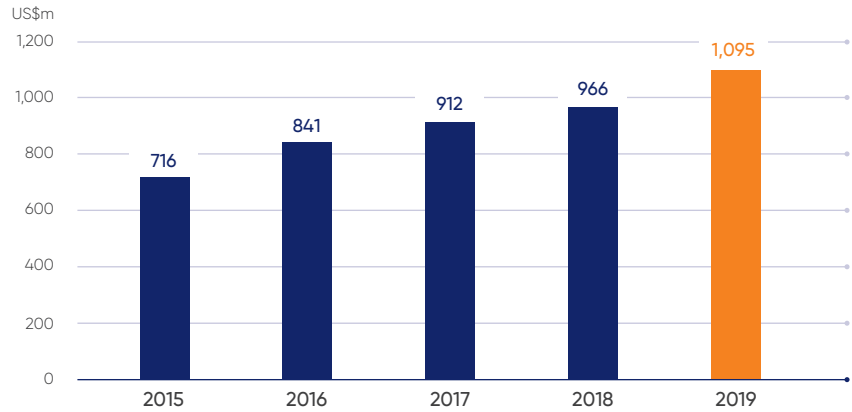
Cash Flows Statement

Year ended 31 December 2019

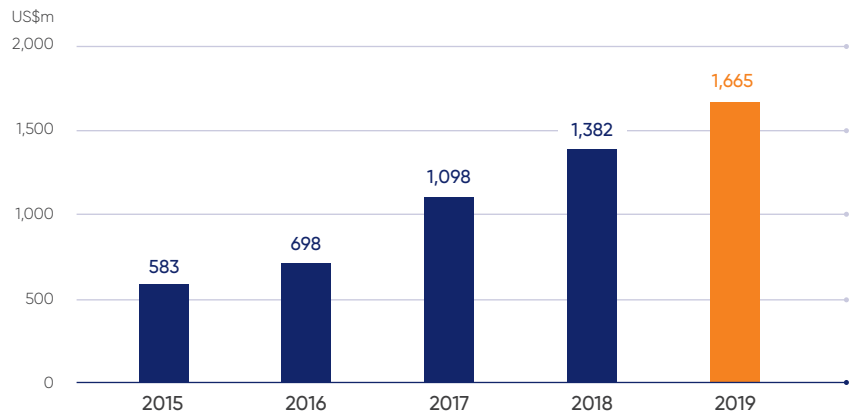
	2019 US\$	2018 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	38,731,038	17,235,895
Adjustments for:		
Depreciation of property and equipment	110,627	97,360
Amortisation of intangible assets	4,584	132,554
Share of loss of associates	5,995,519	(3,535,000)
Share of profit of joint ventures	(6,628,759)	-
Interest income	(47,946,730)	(43,304,683)
Dividend income from investments	(14,767,851)	(33,904,571)
Fair value (gains) / loss on investments at fair value through profit or loss	(5,616,192)	70,982,020
Loss / (gain) on disposal of investments at fair value through profit or loss	12,084,264	(2,360,988)
Gain on disposal of available-for-sale investments	(62,811)	(29,456,472)
(Gain) / loss on redemption of loans and receivables investments	(365,733)	276,072
Day one profit on available-for-sale investment	-	(14,034,149)
Impairment loss on available-for-sale investments	9,469,915	8,129,843
Change in net reinsurance contract / policy liabilities	391,170,418	241,057,451
Change in reinsurance payables	(128,152,116)	469,117,530
Change in amount due from ultimate holding company	(1,274,167)	(2,019,388)
Change in prepayments, deposits and other receivables	(2,005,808)	16,053,358
Change in deferred acquisition costs, net	(26,571,179)	(1,157,967)
Change in reinsurance receivables	(48,695,560)	(614,883,329)
Change in other payables and accrued liabilities	49,095,855	3,131,320
Cash flows from operations	224,602,314	81,556,856
Tax credit / (paid)	215,356	(415,090)
Net cash flows from operating activities	224,817,670	81,141,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property and equipment	(46,865)	(97,966)
Additions to intangible assets	(12,742)	-
Interest received	49,167,314	39,480,888
Change in cash collaterals	(10,000,000)	(25,176,903)
Dividends received from investments in securities	15,008,771	33,670,938
Purchase of available-for-sale investments	(721,590,543)	(665,600,797)
Purchases of loans and receivables	(18,249,604)	(3,535,000)
Purchase of investments at fair value through profit or loss	(740,238)	-
Purchase of investment in associates	-	(17,010,000)
Purchase of investment in joint ventures	(54,812,066)	-
Proceeds from maturity of loans and receivables	25,561,641	27,108,140
Proceeds from maturity of held-to-maturity investments	4,520,628	7,168,909
Proceeds from disposal of available-for-sale investments	556,949,115	283,354,743
(Losses) / proceeds from disposal of investments at fair value through profit or loss	(1,317,255)	4,855,038
Net cash flows used in investing activities	(155,561,844)	(315,782,010)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceed from capital injection and net cashflows from financing activity	-	136,720,714
NET CHANGE IN CASH AND CASH EQUIVALENTS	69,255,826	(97,919,530)

➤ 5-Year Financial Summary

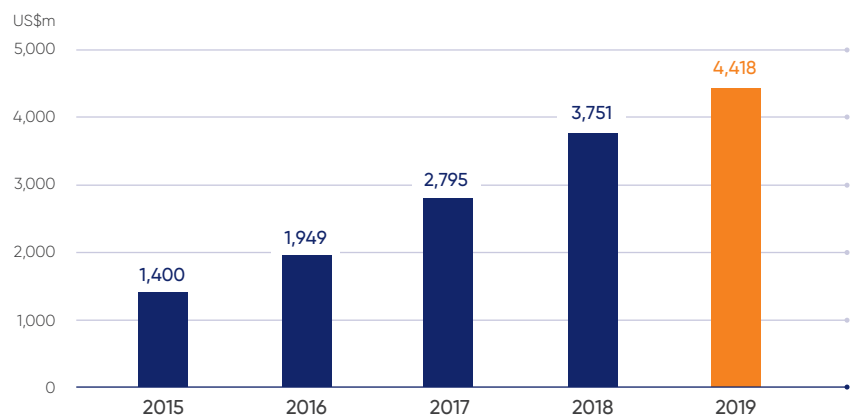
Shareholder equity



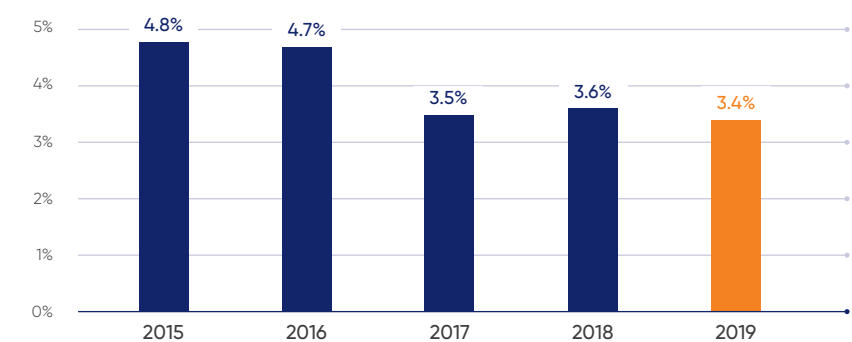
Gross written premiums



Total assets



Management expense ratio



Working together for the sustained development of the insurance sector

Our people are at the forefront of Peak Re's growth and play an integral role in bringing about positive change to our clients, colleagues, industry and communities. Here is what some of our team have to say.

Our people

I really appreciate Peak Re's multicultural environment, which also includes a great mix of experienced reinsurance professionals and our younger team of talents. We feel as though we are all equally important and our ideas and contributions are valued. I am based in Zurich and was given the opportunity to work in Hong Kong for six months to support a leadership role. The experience was priceless, both personally and professionally. One of my key takeaways was being encouraged and empowered to use more entrepreneurial ways of thinking in order to drive positive change for business and society.



Natina Gschwend
Contract
Management



Polly Nam
IT

At Peak Re we always feel empowered to share our ideas and provide feedback, which is very important to the entrepreneurial nature of the company. The flat structure also encourages innovation and strengthens our sense of a shared commitment. During my time at Peak Re, I have been involved with upgrading the underwriting and claims-management systems, as well as digital transformation projects, and I have really enjoyed collaborating with such experienced professionals across different functions.

Our industry and community

Over the past few years, I have volunteered in the investment sector, specifically for the Hong Kong Society of Financial Analysts. As part of this, I was a judge for the industry-wide Best Research Report Competition, which aimed to raise awareness of written research and elevate professional standards among analysts to improve Hong Kong's standing as a global financial centre. In addition, Peak Re provides many opportunities for us to give back to our local communities. I really enjoyed the opportunity to bring my family along to the activity with the Hong Kong Federation of Youth Groups, Jockey Club at the Ping Shek Youth S.P.O.T. It was a wonderful Sunday morning, spending time with kids from low-income families making reusable bags and then enjoying some refreshments together.



Joe Lin
Investments

Our clients

Peak Re is a young and exceptional reinsurance company, with a well-experienced team. We embrace innovation with prudent underwriting rules and emphasise risk-awareness and entrepreneurship while caring for the well-being of the wider community and embedding social responsibilities in our values. Our philosophy is Courage to Deliver, intrinsic to this is a culture that encourages everyone to say and do the right thing, to accomplish things and challenge ourselves and to admit our shortcomings and never settle for less. We must carefully listen to our customers and understand their needs, as well as the challenges and pressures they face, what are their issues and hurdles? Only by putting ourselves in their position and perspective can we provide tailored solutions and establish a long term and trusting partnership. I had worked in direct insurance sector, I believe the value of reinsurers is much more than offering underwriting abilities. Most importantly, it is about building trust and partnerships.



Helen Qian
Markets



Kathleen Koh
Underwriting

Our business is about trust and growing with our clients well into the future. We listen closely to the needs of our clients and work with them to create tailor-made solutions. Therefore, creating win-win situation for clients and ourselves.

We work as a close-knit team to service our clients, helping them to understand Peak Re's products and services. Central to this is also sharing our insights so they can make better-informed decisions, and this supports the growth of their business.



Chenwei Li
Reserving



Vijay Radhakrishnan
Analytics

Peak Re has a team of great individuals who are technically sound with extensive knowledge of the territories they handle. This helps us guide our clients through a challenging market environment and our functions work together seamlessly to provide world class service. Such dedication to servicing our clients has enabled us to become a formidable player in the reinsurance market across the globe in such a short period of time.

Listening to our customers, being there when they need us the most and connecting the dots to provide 'fit for purpose' solutions is challenging. Top that with our unmatched record of settling 90% of claims in five days and being able to do this year after year and the ambition of our young company becomes clear. Peak Re lives by the values it has defined for all its stakeholders. It is a proud privilege to be part of this driven, multicultural and entrepreneurial team and have the opportunity to present the Peak Re brand to our customers and business partners in the Indian market.



Sudhir Salian
Markets

Board of Directors

Li Tao

Chairman

Mr. Li Tao is Senior Vice President and Co-Chief Investment Officer of Fosun International; Chairman of Fosun Insurance, Chairman of Fosun Health Insurance and Health Management Group.

Prior to joining Fosun in 2017, Mr. Li held the role of Chief Financial Officer at China Taiping Insurance Group, as well as managing, in turn, the corporate actuarial and investment lines and overseas insurance business. Mr. Li is a member of the Association of Chartered Certified Accountants (ACCA).

Franz Josef Hahn

Vice Chairman

Mr. Franz Josef Hahn is the Chief Executive Officer of Peak Re. With over 30 years of reinsurance industry experience, Mr. Hahn has successfully helped to build and shape the reinsurance business in the Greater China and Asia Pacific regions. He has held senior management positions in several leading reinsurance companies and has acquired extensive strategic business advisory experience across the globe. Mr. Hahn is a qualified lawyer.

Chen Kaihong (Cathy Chen)

Executive Director

Ms. Chen Kaihong serves as Chief Financial Officer and is a key person in control of finance function of Peak Re, overseeing the Company's financial and operational management. She has also been an Executive Director of Peak Re since July 2018. Ms. Chen has more than 18 years of accounting and financial experience in both the

insurance and reinsurance industries and has a deep understanding of the related regulations. Prior to joining Peak Re, she was the Chief Representative of Lloyd's Beijing. Before that, she was the Chief Financial Officer of Swiss Re's China operations. Ms. Chen is a Fellow of the Association of Chartered Certified Accountants (ACCA).

Wang Qunbin

Non-Executive Director

Mr. Wang Qunbin is a Non-Executive Director and Board Committee member of Peak Re. He is one of the founders of Fosun and is appointed as the Co-Chairman of Fosun International in February 2020. Mr. Wang was a Director of Yuyuan and Henan Lingrui Pharmaceutical Co., Ltd., and a non-executive director of Fosun Pharma and Sinopharm. Mr. Wang was recognised at the Asia Pacific Outstanding Entrepreneur Awards by Enterprise Asia and was named Best Asian Corporate Director at the Asian Excellence Recognition Awards 2014 by Corporate Governance Asia.

Monish Kant Dutt

Independent Non-Executive Director

Mr. Monish Kant Dutt is an Independent Non-Executive Director of Peak Re. He is a seasoned investment professional and consultant on emerging markets and serves as a director on four other boards in the Caribbean and the USA. Mr. Dutt spent 25 years with the International Finance Corporation (IFC), where he last served as Chief Credit Officer for Global Financial Institutions and Private Equity Funds until 2011. He is also a chartered accountant accredited as a Fellow by the Institute of Chartered Accountants in England and Wales.

Stephen Bernard Roder

Independent Non-Executive Director

Mr. Stephen Bernard Roder was one of the co-founders of Peak Re prior to joining Manulife Financial Corporation as Group Chief Financial Officer. He was appointed as an Independent Non-Executive Director of Peak Re in May 2018. Mr. Roder has over 20 years of experience in dealing with global companies working across markets in Asia, covering strategy, regulatory matters, finance, capital markets and transactions. He is also a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants.

Ouyang Hui

Independent Non-Executive Director

Mr. Ouyang Hui is the Dean's Distinguished Chair Professor of Finance and an associate dean at the Cheung Kong Graduate School of Business (CKGSB). Before joining CKGSB, he served as a managing director at UBS, where he headed Quantitative Solutions/Algo Strategies for Asia Pacific. Mr. Ouyang holds a Ph.D. in finance from U.C. Berkeley and a Ph.D. in chemical physics from Tulane University. He received his post-doctoral training in chemical physics from the California Institute of Technology, where he worked under Nobel Laureate Rudy Marcus.

Mr. Zhang Feifei and Mr. Li Jun resigned from Peak Re's Board in 2020 and 2019 respectively.

Senior Executives

Franz Josef Hahn

Chief Executive Officer

Mr. Franz Josef Hahn is the Chief Executive Officer of Peak Re. With over 30 years of reinsurance industry experience, Mr. Hahn has successfully helped to build and shape the reinsurance business in the Greater China and Asia Pacific regions. He has held senior management positions in several leading reinsurance companies and has acquired extensive strategic business advisory experience across the globe. Mr. Hahn is a qualified lawyer.

Chen Kaihong (Cathy Chen)

Chief Financial Officer

Ms. Chen Kaihong, also known as Cathy, is the Chief Financial Officer of Peak Re, overseeing the Company's financial and operational management. Ms. Chen has more than 18 years of accounting and financial experience in both the insurance and reinsurance industries and has a deep understanding of the related regulations. Prior to joining Peak Re, she was Chief Representative of Lloyd's Beijing. Before that, she was the Chief Financial Officer for Swiss Re's China operations and had successfully established and maintained good relationships with various government authorities. Ms. Chen is a Fellow of the Association of Chartered Certified Accountants (ACCA) Fellowship.

Eckart Roth

Chief Risk Officer

Mr. Eckart Roth is the Chief Risk Officer and is a key person in control of risk and compliance functions of Peak Re. He is a seasoned reinsurance professional with more than 25 years of experience in the regional and international reinsurance markets and a proven track record in building and implementing comprehensive risk management systems during his previous experience with various global reinsurers. Mr. Roth is a qualified lawyer.

Chris Kershaw

Managing Director – Global Markets, and Co-head of Property & Casualty

Mr. Chris Kershaw is Managing Director – Global Markets at Peak Re, responsible for business development. Mr. Kershaw has more than 35 years of experience in the reinsurance industry and has spent the past 25 years in Asia, gaining a wide range of experience working with various stakeholders, including regulators, to develop relationships and business across the region and multiple business lines. Mr. Kershaw holds a master's degree in modern history and economics from the University of Oxford.

Lawrence Cheng

Managing Director – Underwriting, and Co-head of Property & Casualty

Mr. Lawrence Cheng is the Managing Director – Underwriting for Peak Re, looking after the Company's product underwriting function. He has more than 15 years of experience in the reinsurance industry, with exposure to both brokering and reinsurance companies. Mr. Cheng has solid experience in reinsurance purchasing, reserving, pricing, catastrophe modelling, capital modelling and enterprise risk management (ERM). He is also a Fellow of the Institute of Actuaries.

➤ Corporate Governance and Risk Management

The resilience of our risk management framework was heavily tested in 2019 due to the natural catastrophes that hit Japan. We also saw a lot of volatility in the investment markets due to the US-China trade tensions. Through our robust risk management framework and prudent approach to management, we have been able to mitigate the negative impacts of this additional market volatility on our investment portfolio.

Our risk framework

Property & Casualty (P&C)

Natural catastrophe is the single largest risk in the P&C book. The Company has defined risk scenarios for flood, earthquake, typhoon, severe windstorm and wildfire to manage these exposures in its underwriting regions.

Peak Re licenses vendor models to analyse its natural catastrophe exposure. In addition, the Company's strong analytical team enables it to evaluate its risks based on its own assessments. The Company's IT platform supports real-time accumulation tracking and makes it possible to integrate exposure from the marine or agro books. Retrocession is bought to manage the overall limits. Peak Re also tracks the accumulation of its other lines of business, such as fire, personal accident, credit and bond and agriculture.

In addition, Peak Re tracks risks from premium deficiencies (the risk of not earning sufficient premiums to pay future losses) and inadequate reserving (the risk that adverse developments affect the adequacy of existing reserves). The Company uses its own pricing tools to monitor premium deficiencies and calculates reserves in accordance with actuarial best practice.

Life & Health (L&H)

A significant risk in the L&H book is that insured benefits may turn out to be higher than anticipated. Biometric risks and changes in customer behaviour can affect the actuarial assumptions about the value of the portfolio. Exceptional one-off events, such as a pandemic, may cause a short-term decline in the value of the portfolio.

Changes in morbidity or in cost of treatment have a greater impact on the health portfolio, whereas changes in mortality, longevity and disability affect the life book.

Peak Re has defined limits for each loss per life and for the numbers of lives in case of a catastrophic event. In excess of these event limits, reinsurance is bought by the Company to assure sufficient capacity. The underlying actuarial assumptions and rating rules are defined by the appointed actuary of the Company and reviewed over time.

Asset portfolio

Volatility in its equity portfolio presents Peak Re's largest investment risk. The Company aims to enhance the long-term valuation of its portfolio through stock selection and accepts some short-term volatility. Positions are monitored closely using a traffic-light system.

The fixed-income portfolio is exposed to interest rate movements and changes in spreads. The Company tracks risks on a name, country and industry basis and considers cross-balance sheet exposures from its credit and bond portfolio. In the case of a potential overexposure to a single country, name or industry, the portfolio is rebalanced or hedged.

Peak Re is also exposed to foreign exchange risk. A rigorous asset liability management framework matches assets and liabilities. However, Peak Re is constrained by the immaturity of the financial markets in some of its frontier and emerging economies. Where appropriate, Peak Re deploys hedging strategies to mitigate foreign exchange risks.

Peak Re holds liquidity to pay claims in a timely manner. The Company monitors its liquidity position and constantly improves its cash-flow planning capabilities. As a precaution, Peak Re holds 5% of its shareholder and policyholder funds in cash. A repurchase facility was put in place to cater for unexpected events. Equities and fixed income assets are mostly traded in public exchanges in Hong Kong or New York and are easily liquidated.

Operational risks

Risks arising from the loss of people, the disruption of processes and systems, and external events are tracked with risk registers that define the risk owner, describe the risk, define the mitigating actions and quantify the residual risk.

At least once a year, Peak Re runs a disaster recovery process to test the resilience of its IT systems and to assure access to critical business information in case of an external event. It also trains its staff on how to act in case of such an event.

Actively involved in Hong Kong's risk-based capital regime

Hong Kong is in the process of introducing its risk-based capital (RBC) supervisory regime in line with international best practice. We welcome the development and contributed to it through participation in the consultation with the Hong Kong Federation of Insurers and Actuarial Society.

While the quantitative part of the RBC will become effective in 2022, the forward-looking Own Risk and Solvency Assessment (ORSA) requirement became effective in January 2020. As a Hong Kong headquartered company, this will have long-term implications for our business, which we are prepared for, and for our industry.

How we hold ourselves accountable

Nomination and Remuneration Committee

The Nomination and Remuneration Committee reviews and recommends the appointment, dismissal and remuneration of the Company's directors, senior management and key people in control functions, and it reviews and recommends the remuneration of the Company's material risk-taking employees. It oversees the Company's remuneration policy and practices to ensure that they are in line with risk appetite and the Company's objectives, business strategies and long-term interests.

Peak Re has defined a Code of Conduct, Social and Environmental Responsibility Guidelines and an Anti-Money Laundering and Counter-Terrorist Financing Compliance Policy to support and guide management and staff in the daily execution of corporate governance.

Peak Re has a clear "three lines of defence" governance model. The first line of defence is the Company's operating units, which are responsible for designing their processes and internal control systems. The second line of defence includes the compliance and risk functions, which are responsible for providing independent oversight of the Company's risk-taking and risk management activities and for assessing internal controls. Finally, the third line of defence is the internal audit function, which provides independent validation of the risk-mitigation controls in the first two lines.



We have an in-depth and unparalleled understanding of the Asian markets and we have been successful in translating these insights into business success.



Eckart Roth
Chief Risk Officer

Driving positive change for business and society

We are committed to the sustained development of the insurance sector, which will help society grow and prosper by alleviating risk and providing protection to more people. This is not just for tomorrow; we're planning for the next century and beyond.

At Peak Re, we are guided by our mission to modernise reinsurance and support industry growth, while also delivering benefits to communities where insurance is scarce.

Our clients

At Peak Re our daily work involves partnering with clients to help identify opportunities and alleviate risk, thereby driving positive change.

Our priority is to fully engage with our clients to provide the insight and service they value us for. We deliver this value to our clients on a number of levels – through our underwriting process, market insights and highly efficient business model.

In 2019, we continued to deliver insights to clients through our publications *Peak Insights*, *Peak Times* and our Seasonal Tropical Cyclone Activity Forecast. We also hosted a number of seminars for our clients in Hong Kong, Shanghai and India to explore the issues impacting their business. These included IFRS 17, cyber risk, risk-based capital, volatility protections and catastrophe management.



Iain Reynolds, Head of Analytics, Peak Re spoke to guests about volatility protections and planning for risk-based capital during our CEO Dialogue event which was held on 26 June 2019 in Mumbai.

Our people

Creating a workplace that enables and empowers its people is central to Peak Re's vision. Our people are insightful, entrepreneurial, innovative and agile. In return, we provide our employees with the opportunity to develop their skills and gain experience to enhance their careers.



Peak Re's Hong Kong Seminar, held on 25 September 2019 focused on IFRS 17, cyber risk, risk-based capital and catastrophe management.

Currently, we employ around 120 highly talented people, who represent more than 15 countries and territories and who collectively speak more than 22 different languages. Our diversity is what really sets us apart by providing the creative insight and innovative thinking our clients value.

During 2019, our employees received an average of 15 hours of training each, and some of our middle to senior managers obtained close to 40 hours. Where relevant, Peak Re also sponsored and supported employees to take part in external professional training, industry conferences and seminars.

Last year, we hired 12 interns. This is an important initiative for Peak Re, as it impacts our talent pipeline and provides valuable experience to the younger generation, as well as promoting our industry. The interns worked with us for at least three months, with some extending to over half a year or more, across our Property & Casualty, Investment, Legal, Corporate and Communications functions. The high performers were offered employment with Peak Re upon graduation.

The health and wellness of our employees is of the utmost importance, and our approach is a holistic one. Our commitment to employees' health and wellbeing is embedded into our culture, employee policies, physical workspace and health-related employee benefits.

Peak Re has been accredited as a Caring Company by the Hong Kong Council of Social Service since 2016. This recognises Peak Re's commitment to caring for the community, employees and the environment.



Our industry

We believe we have a responsibility to not only support our clients but also participate in the broader environment in which Peak Re operates.

In 2019, we continued to actively lobby and support the Hong Kong Federation of Insurers (HKFI) and Hong Kong Actuary Society in connection with the new requirements for Hong Kong's risk-based capital regime. We contributed to the conversation on several levels.

In Southeast Asia, significant progress was made in working with our clients and the industry to advocate for the needs of the market, educating service providers and adjusting product design to better fulfil customer expectations. This has laid the foundation for increasing awareness about insurance across the emerging middle class in the region. We took part in a number of impactful initiatives, including the development of a trade credit solution in Pakistan to support small businesses; we also consulted with the government of Thailand on an agricultural scheme that supported 70% of the drought losses and 30% of flood losses to help protect around 1.9 million local farmers.

Peak Re continues to work closely with the HKFI. Our employees voluntarily take part in the various working groups or act as committee members of the HKFI. We also continue to be the appointed industry advisor to the Hong Kong Insurance Authority.

“
We were founded with a vision of building a sustainable, viable and consistent business that would last for decades based on the growing need for protection across Asia-Pacific.
”



Franz Josef Hahn
Chief Executive Officer

Corporate Social Responsibility



Peak Re's corporate gifts – tea from Yong Ping County, Yunnan Province, China.

Our community

Peak Re is committed to giving back to the local communities in which it operates, which includes recognising a responsibility to the local environment.

Partnership with Shanghai Typhoon Institute

Since 2015, we have partnered with the Shanghai Typhoon Institute (STI) on research projects related to monitoring tropical cyclones in the North West Pacific Basin and South China Sea. Protection against typhoons, a major peril in China and the wider region, is compulsory on

all insurance policies. Our research allows insurers to better understand these cyclones and mitigate the associated risks. STI and Peak Re are working together to issue two reports each year, one for the pre-cyclone season and the other as a mid-season review.

The Himalayan Consensus

Peak Re has been an active contributor, adviser and sponsor to the Himalayan Consensus, an initiative created to enhance the Himalayan region's resilience against natural disasters through community empowerment. The Consensus aims to encourage

grass roots solutions and efforts to improve economic sustainability, all while protecting ethnic diversity and local identity. Peak Re's involvement includes providing ideas on investment structures that can help communities respond to natural disasters, both in the Himalayan context and in other parts of the developing world.

Principles of the Sustainable Insurance Initiative

Peak Re is a signatory to the Principles of Sustainable Insurance of the United Nations Environmental Agency's Finance Initiative, which serves to better understand, prevent and reduce environmental, social and governance risks, and to provide reliable protection.



Natural Disaster Insurance Scheme – Sri Lanka

The government of Sri Lanka seeks protection from natural disasters through its National Insurance Trust Fund to cover physical damage, accidental death for human life and emergency relief expenses. Through this initiative, the Sri Lankan government is able to provide a safety net to people who previously had no access to insurance. Peak Re is supporting this initiative, helping the government achieve greater financial certainty and stability, and hence to extend its insurance scheme to an even wider population in Sri Lanka.

Rural Doctor Poverty Alleviation Programme

Peak Re, together with the Fosun Foundation, is continuing to support the Rural Doctor Poverty Alleviation Programme, which aims to improve access to medical care in remote Chinese regions. Following on from our 2018 visit to Yong Ping county, in 2019 we purchased 100kg of tea leaves from several local farmers. This initiative provides additional support to the local community, all of which is made up of low-income families, as the tea leaves are packaged to create Peak Re's corporate gifts. Yong Ping is famous for its tea leaves, and this initiative helps to promote the county's local trade as well as providing financial support to the local community.

In 2019, Peak Re and Fosun employees were also involved in a volunteer activity with the Hong Kong Federation of Youth Groups and the Jockey Club at the Ping Shek Youth S.P.O.T. With children from low-income families, we took part in a fun activity of making reusable bags. We also continue to ensure our business operates in an environmentally friendly way by reducing our carbon footprint as much as possible across our daily activities.

Looking forward

Corporate social responsibility is a collective effort, which must be integrated into every aspect of how we do business. The work that we do has a positive impact on society and business, and we are looking forward to increasing this impact by deepening our collaborations with our clients and stakeholders. As our business continues to grow, we are looking at holistic ways to engage with our clients, industry bodies and communities to fulfil our commitment to the sustained development of the insurance sector.

PeakRe >

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Published by Peak Reinsurance Company Limited.

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