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**RenaissanceRe Specialty Holdings (UK)
Limited**

Financial statements
for the year ended 31 December 2022

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Company Information

DIRECTORS
H R T Brennan
D D Upadhyaya
L D L Barran (appointed 1 December 2022)
I D Branagan (resigned 25 December 2022)

SECRETARY
L D L Barran

COMPANY NUMBER
FC032755

REGISTERED OFFICE
Renaissance House
12 Crow Lane
Pembroke
HM 19
Bermuda

BANKERS
Barclays Bank PLC
Level 11
1 Churchill Place
London, E14 5HP
United Kingdom

INDEPENDENT
AUDITORS
PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT
United Kingdom

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Bermudian company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Accounting Standards and applicable law). Under Bermudian company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and of its profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Bermuda Companies Act 1981 and the Overseas Companies Regulations 2009. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report

To the Board of Directors and Shareholder of RenaissanceRe Specialty Holdings (UK) Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of RenaissanceRe Specialty Holdings (UK) Limited (the Company) as at December 31, 2022, and its financial performance for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies 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 for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), 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.

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.

Imwaleen Cooper *LL*

Chartered Professional Accountants

Hamilton, Bermuda

September 26, 2023

Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	2022 \$	2021 \$
Dividend income		91,537,917	514,975,495
Interest income		58,597	5,191
Other income		709,497	—
Administrative expenses		(178,942)	(226,728)
Financing expense	4, 10	(46,422,562)	(44,348,211)
Foreign exchange loss		(448,327)	(17,372)
Profit before taxation	5	45,256,180	470,388,375
Tax on profit	6	535,482	2,152,105
Profit for the financial year		<u>45,791,662</u>	<u>472,540,480</u>

The notes on pages 10 to 16 form part of the financial statements.

Statement of Changes in Equity
For the year ended 31 December 2022

2022	Called Up Share Capital	Additional Paid In Capital	Capital Contribution from RenaissanceRe Holdings Ltd.	Profit and Loss Account	Total Equity
	\$	\$	\$	\$	\$
At 1 January 2022	20,002	4,202,356,115	1,484,865,816	(432,465,216)	5,254,776,717
Dividends paid	—	—	—	(91,537,917)	(91,537,917)
Contributions during the year	—	—	311,725,867	—	311,725,867
Profit for the year	—	—	—	45,791,662	45,791,662
At 31 December 2022	20,002	4,202,356,115	1,796,591,683	(478,211,471)	5,520,756,329


2021	Called Up Share Capital	Additional Paid In Capital	Capital Contribution from RenaissanceRe Holdings Ltd.	Profit and Loss Account	Total Equity
	\$	\$	\$	\$	\$
At 1 January 2021	20,002	4,202,356,115	430,733,192	(402,530,201)	4,230,579,108
Dividends paid	—	—	—	(502,475,495)	(502,475,495)
Contributions during the year	—	—	1,054,132,624	—	1,054,132,624
Profit for the year	—	—	—	472,540,480	472,540,480
At 31 December 2021	20,002	4,202,356,115	1,484,865,816	(432,465,216)	5,254,776,717

Statement of Financial Position
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Fixed assets			
Shares in group undertakings	7	6,385,437,986	6,073,712,119
Total fixed assets		<u>6,385,437,986</u>	<u>6,073,712,119</u>
Current assets			
Cash at bank and in hand		7,855,730	12,629,613
Debtors	8	<u>2,248,400</u>	<u>158,828,898</u>
Total current assets		<u>10,104,130</u>	<u>171,458,511</u>
Creditors: amounts falling due within one year	9	<u>3,564,808</u>	<u>153,595,496</u>
Net current assets		<u>6,539,322</u>	<u>17,863,015</u>
Total assets less current liabilities		6,391,977,308	6,091,575,134
Creditors: amounts falling due after more than one year	10	<u>871,220,979</u>	<u>836,798,417</u>
Total net assets		<u><u>5,520,756,329</u></u>	<u><u>5,254,776,717</u></u>
Capital and reserves			
Called up share capital	11	20,002	20,002
Additional paid in capital		4,202,356,115	4,202,356,115
Capital contribution from RenaissanceRe Holdings Ltd.		1,796,591,683	1,484,865,816
Profit and loss account		<u>(478,211,471)</u>	<u>(432,465,216)</u>
Total equity		<u><u>5,520,756,329</u></u>	<u><u>5,254,776,717</u></u>

The notes on pages 10 to 16 form part of these financial statements.

Approved by the Board on 22 September 2023.


D D Upadhyaya

Director

26 September 2023

Company Number FC032755

Notes to the Financial Statements

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

a) Statement of compliance

The individual financial statements of RenaissanceRe Specialty Holdings (UK) Limited (the "Company") have been prepared consistently and in compliance with FRS 102, being applicable UK GAAP accounting standards, as well as Bermuda Company Law and The Overseas Companies Regulations 2009 and the Companies Act 1981. The Company is incorporated in Bermuda, and has a UK establishment. The financial statements of the Company are separate to those of its subsidiaries.

b) Basis of preparation

The financial statements for the year ended 31 December 2022 were approved for issue by the board of directors on 22 September 2023. The financial statements are prepared under the historical cost convention using US Dollars which is the presentational and functional currency of the Company.

The directors note the following:

- The Company meets the definition of a UK establishment and is subject to The Overseas Companies Regulations 2009;
- The financial statements have been prepared in accordance with UK GAAP;
- The financial statements have been audited in accordance with International Standards on Auditing (ISA).

The Company has taken advantage of the following exemptions:

- As a wholly owned subsidiary of RenaissanceRe Holdings Ltd. ("RRH"), which prepares consolidated financial statements including the Company and its subsidiaries, which are publicly available, the Company has taken advantage of the exemption in FRS 102 section 9 from the requirement to prepare consolidated financial statements;
- As a wholly owned subsidiary of RRH which prepares group financial statements which are publicly available, the Company has taken the advantage of the exemption in FRS 102 from the requirement to prepare a cash flow statement;
- The Company has also taken advantage of the exemption in FRS 102 section 33 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

The directors have considered the Company's current financial position, its likely future developments and the resultant cash flow risks and have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from when the financial statements are authorised for issue. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

c) Judgments and key sources of estimation uncertainty

The preparation of the financial statements conforms with UK GAAP and requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ materially from those estimates. The Company's key source of estimation uncertainty relates to the impairment of investment in subsidiaries, which is detailed in notes 1f and 7, and unrecognised tax losses, detailed in note 6.

d) Dividend income

Dividend income represents amounts received, by way of dividend income, from the Company's subsidiary undertakings. Dividend income is recognised when the Company's right to receive payment is established.

Notes to the Financial Statements

For the year ended 31 December 2022

1. ACCOUNTING POLICIES (Continued)

e) Financing expense

Financing expense represents amounts expensed in relation to the unwinding of the deep discount note and interest payable in relation to the loan note payable. Financing expense is recognised as the liability unwinds in relation to the deep discount note and as interest is due in relation to the loan note.

f) Investment in subsidiaries

Investments in subsidiaries are recorded at cost less accumulated impairment losses. Where there are indicators of impairment, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow valuation. The Company recognises any impairment loss, and any reversal of previous impairment, through the statement of comprehensive income.

g) Debtors/creditors - amounts due within one year

The amounts shown in the balance sheet are stated at cost.

All debtors balances are with fellow RenRe companies or internal debtors. These are therefore not deemed to require impairment.

h) Deferred taxation

Deferred taxation is recognised in respect of all timing differences arising as a result of transactions included within those financial statements which are treated in different accounting periods for taxation purposes, except that deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

i) Foreign currencies

The Company's functional currency and presentational currency is US Dollars. Transactions denominated in currencies other than the functional currency are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling on the reporting date.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

k) Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity in the period in which they are approved by the shareholders.

l) Financial instruments

The Company has chosen to account for its financial instruments in accordance with Sections 11 and 12 of FRS 102. The Company's financial instruments comprise of a loan note and deep discount note.

Basic financial instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability represents the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in finance expense in the income statement.

Notes to the Financial Statements

For the year ended 31 December 2022

2. DIRECTORS' EMOLUMENTS

The directors of the Company are also directors of companies within the Renaissance Group. Only the directors of the Company are considered to be key management personnel. The directors received total remuneration paid in the year of \$5,979,414 (2021: \$4,919,118), all of which was paid by RenaissanceRe Services (UK) Limited. The directors do not believe that it is practical to apportion this amount between their services as directors of the Company and their services as directors or employees of other group companies.

3. STAFF COSTS

The Company employs no staff.

4. FINANCING EXPENSE

The financing expense is broken down as follows. Note 10 provides further information on these loans.

	2022	2021
	\$	\$
Deep discount note	34,422,562	32,348,211
Loan note	12,000,000	12,000,000
	<u>46,422,562</u>	<u>44,348,211</u>

5. PROFIT BEFORE TAXATION

	2022	2021
	\$	\$
The profit before tax is stated after charging:		
Auditors' remuneration - audit of financial statements	46,870	54,940
Foreign exchange loss	448,327	17,372

Notes to the Financial Statements
For the year ended 31 December 2022

6. TAX ON PROFIT

	2022	2021
	\$	\$
Current tax		
UK Corporation tax at 19% (2021: 19%)	—	(2,152,105)
Tax over provided in previous years	(535,482)	—
Total current tax	(535,482)	(2,152,105)

Factors affecting the total tax charge

The tax assessed on the profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

Profit before taxation	45,256,180	470,388,375
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	8,598,674	89,373,791
Dividend income exemption	(17,392,204)	(97,845,344)
Unrecognised finance expense carried forward	1,530,445	3,246,903
Unrecognised losses carried forward	7,263,085	3,072,545
Tax over provided in previous years	(535,482)	—
Total tax charge	(535,482)	(2,152,105)

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This will result in an overall \$4,652,291 increase to the unrecognised deferred tax asset, to \$46,842,325.

The company has unused tax losses arising in the UK of \$108,199,269 (2021: \$71,475,810) that are available indefinitely for offset against future taxable profits of the Company. A deferred tax asset has not been recognised in respect of these losses. Additionally, the company is not recognising a deferred tax asset of \$19,792,507 (2021: \$17,778,764) in respect of deferred finance expense of \$79,170,029 (2021: \$71,115,056). There is insufficient evidence that the deferred tax assets will be recoverable based on the Company's taxable losses in prior years.

Notes to the Financial Statements
For the year ended 31 December 2022

7. SHARES IN GROUP UNDERTAKINGS

The Company's shares in group undertakings are:

	Country of Incorporation	Principal activity	Share type	Proportion of voting rights and shares held
RenRe Insurance Holdings Ltd. ("RRIHL")	Bermuda	Holding Company	Ordinary Shares	100%
RenaissanceRe Finance Inc. ("RRFIN")	US	Holding Company	Ordinary Shares	100%
RenaissanceRe Europe AG ("RREAG")	Switzerland	Holding Company	Ordinary Shares	100%

	2022	2021
Cost	\$	\$
At 1 January	6,073,712,119	5,021,376,756
Addition: RenRe Insurance Holdings Ltd.	311,725,867	450,535,363
Addition: RenaissanceRe Finance Inc.	—	601,800,000
At 31 December	<u>6,385,437,986</u>	<u>6,073,712,119</u>

During 2022 capital contributions of \$311,725,867 (2021: \$450,535,363) were received from RRH and subsequently paid to RRIHL. These contributions were treated as an addition to the Company's investment in its subsidiary, RRIHL.

During 2022 capital contributions of \$nil (2021: \$601,800,000) were received from RRH and subsequently paid to RRFIN. These contributions were treated as an addition to the Company's investment in its subsidiary, RRFIN.

8. DEBTORS

	2022	2021
	\$	\$
Corporation tax receivable	2,248,400	8,828,898
Intercompany - RenaissanceRe Holdings Ltd	—	150,000,000
	<u>2,248,400</u>	<u>158,828,898</u>

Notes to the Financial Statements
For the year ended 31 December 2022

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	\$	\$
Intercompany - RenaissanceRe Services (UK) Limited	64,808	95,496
Intercompany - RenaissanceRe Finance Inc.	—	150,000,000
Accruals	3,500,000	3,500,000
	<u>3,564,808</u>	<u>153,595,496</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	\$	\$
Deep discount note:		
At 1 January	536,798,417	504,450,206
Financing charge for the year	34,422,562	32,348,211
At 31 December	<u>571,220,979</u>	<u>536,798,417</u>

The deep discount note is a 15 year note with a principal at redemption of \$910,000,000 due to RRH on 20 June 2030. The financing charge for the year is calculated and accrued at a rate of 6.4126% per annum based on the amount of the deep discount note payable at the beginning of the applicable year.

	2022	2021
	\$	\$
Loan note:		
At 1 January and 31 December	<u>300,000,000</u>	<u>300,000,000</u>
Interest charged during the year	<u>12,000,000</u>	<u>12,000,000</u>

On 18 March 2019, the Company authorised the issue of a \$300,000,000 US Dollar loan note at a fixed rate of 4% for the purpose of acquiring RenaissanceRe Europe AG and RenaissanceRe (UK) Limited (previously known as Tokio Millennium Re AG and Tokio Millennium Re (UK) Limited), with a redemption date of 15 March 2029. Interest is charged at 4% per annum based on the amount of the loan note at issue. The loan note is listed on The International Stock Exchange.

11. CALLED UP SHARE CAPITAL

	2022	2021
	\$	\$
Allotted:		
Ordinary shares at \$1 each	<u>30,000</u>	<u>30,000</u>
Called up and fully paid:		
Ordinary shares at \$1 each	<u>20,002</u>	<u>20,002</u>

Notes to the Financial Statements

For the year ended 31 December 2022

12. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption in FRS 102 section 1.12 as a qualifying entity, not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent. The Company is a qualifying entity as its ultimate parent RRH prepares publicly available consolidated financial statements which are intended to give a true and fair view and the Company is included in the consolidation of RRH.

13. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent company of which the Company is a member is RRH which is incorporated in Bermuda, which is the only company in which these financial statements are consolidated. Copies of the holding company's financial statements may be obtained from this Company's registered address, Renaissance House, 12 Crow Lane, Pembroke HM19, Bermuda.

14. SUBSEQUENT EVENTS

During the period from 1 January 2023 through the date these financial statements were approved and authorised by the Board, the Company received distributions from its investment in subsidiaries of \$422,385,150 and subsequently paid the same amount to RRH.

During the period from 1 January 2023 through the date these financial statements were approved and authorised by the Board, the Company received capital contributions from RRH of \$112,333,015 and subsequently contributed the same amount to the Company's investment in subsidiaries.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 22 September 2023.