

To the General Meeting of  
Catlin Re Switzerland Ltd, Zurich

Zurich, 25 April 2025

## Report of the statutory auditor

### Report on the audit of the financial statements



#### Opinion

We have audited the financial statements of Catlin Re Switzerland Ltd (hereinafter referred to as “the Company”), which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 7 to 18) comply with Swiss law and the Company’s articles of association.



#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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## Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and SA-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of association. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Licensed audit expert  
(Auditor in charge)

Chartered certified accountant (UK)

### Enclosures

- ▶ Financial statements (income statement, balance sheet, cash flow statement, notes)
- ▶ Proposal of the Board of Directors

## FINANCIAL STATEMENTS

### INCOME STATEMENT

CHF millions	Notes	2023	2024
<b>Reinsurance</b>			
Gross premiums written		498.97	109.28
Reinsurance premiums ceded		(357.29)	(99.63)
<b>Net premium written</b>		<b>141.68</b>	<b>9.65</b>
Change in gross unearned premiums	1	29.95	229.94
Change in ceded unearned premiums	1	248.71	(146.65)
<b>Net premium earned</b>		<b>420.34</b>	<b>92.94</b>
Other technical income	13	—	77.92
<b>Total income from reinsurance activities</b>		<b>420.34</b>	<b>170.86</b>
Gross claims paid and claim adjustment expenses		(893.26)	(259.64)
Ceded claims paid and claim adjustment expenses		122.38	473.61
<b>Net claims paid</b>		<b>(770.88)</b>	<b>213.97</b>
Change in gross loss reserves and loss expenses	1	652.68	163.31
Change in ceded loss reserves and loss expenses	1	(98.13)	(383.64)
<b>Net claims incurred</b>		<b>(216.33)</b>	<b>(6.36)</b>
Gross acquisition costs and administration expenses	3	(213.16)	(139.77)
Ceded acquisition costs and administration expenses		22.98	112.34
<b>Net acquisition costs</b>		<b>(190.18)</b>	<b>(27.43)</b>
<b>Total expenses from reinsurance activities</b>		<b>(406.51)</b>	<b>(33.79)</b>
<b>Net reinsurance result</b>		<b>13.83</b>	<b>137.07</b>
<b>Investments</b>			
	2		
Investment income		70.36	22.74
Investment expenses		(5.92)	(20.76)
<b>Net investment result</b>		<b>64.44</b>	<b>1.98</b>
Interest income		27.72	17.72
Interest expense		(12.19)	(2.33)
<b>Operating result</b>		<b>93.80</b>	<b>154.44</b>
Other income		0.15	4.91
Foreign exchange		(18.98)	16.29
<b>Income/(loss) before tax</b>		<b>74.97</b>	<b>175.64</b>
Direct taxes	14	(9.24)	8.71
<b>Net income/(loss)</b>		<b>65.73</b>	<b>184.35</b>

The accompanying notes form an integral part of the financial statements

## FINANCIAL STATEMENTS

### BALANCE SHEET

As of December 31

#### Assets

CHF millions	Notes	2023	2024
Investments			
Investment in affiliated companies	12	76.83	—
Fixed income securities		568.71	253.97
<b>Total investments</b>		<b>645.54</b>	<b>253.97</b>
Funds withheld	9	43.88	27.67
Cash and cash equivalents		128.04	109.49
Reinsurer's share in technical provisions	5	841.15	905.34
Deferred acquisition costs		26.18	2.35
Premiums and other receivables from reinsurance, net of bad debts	4	496.27	301.16
Other receivables		32.90	18.38
Other assets		0.56	0.14
Accrued income		3.69	0.81
<b>Total assets</b>		<b>2,218.21</b>	<b>1,619.31</b>

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

## FINANCIAL STATEMENTS

### BALANCE SHEET

As of December 31

#### Liabilities and shareholder's equity

CHF millions	Notes	2023	2024
<b>Technical provisions</b>			
	5		
Reserves for losses and loss expenses		1,023.04	758.35
Unearned premiums		423.27	181.70
Other technical provisions		83.64	55.84
<b>Total technical provisions</b>		<b>1,529.95</b>	<b>995.89</b>
<b>Non-technical provisions</b>			
Provision for taxation		9.98	—
Provision for currency fluctuation		28.46	16.89
<b>Total non-technical provisions</b>		<b>38.44</b>	<b>16.89</b>
Funds held under reinsurance treaties		—	0.03
Payables to reinsurance companies	6	219.56	165.86
Other liabilities		28.36	40.70
Accrued expenses		1.63	1.97
<b>Total liabilities</b>		<b>1,817.94</b>	<b>1,221.34</b>
<b>Shareholder's equity</b>			
Common stock		100.00	100.00
Legal capital reserves		283.74	97.09
<i>Legal reserves from capital contribution</i>		283.74	97.09
Legal profit reserves		45.15	45.15
Profit/(loss) carried forward		(94.35)	(28.62)
Profit/(loss) for the financial year		65.73	184.35
<b>Total shareholder's equity</b>	7	<b>400.27</b>	<b>397.97</b>
<b>Total liabilities and shareholder's equity</b>		<b>2,218.21</b>	<b>1,619.31</b>

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

## FINANCIAL STATEMENTS

### CASH FLOW STATEMENT

As of December 31

CHF millions	2023	2024
Cash and cash equivalents at the beginning of the period	290.73	128.04
Net cash provided/(used) for operating activities	84.15	(54.49)
Net cash provided/(used) for investing activities	141.14	234.16
Net cash provided/(used) for financing activities	(349.50)	(186.65)
<b>Change of cash and equivalents</b>	<b>(124.21)</b>	<b>(6.98)</b>
<b>FX movements</b>	<b>(38.48)</b>	<b>(11.57)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>128.04</b>	<b>109.49</b>

## NOTES TO THE FINANCIAL STATEMENTS

### *SIGNIFICANT ACCOUNTING PRINCIPLES*

#### **Basis of preparation**

The financial statements of Catlin Re Switzerland Ltd ("CRCH" or the "Company"), domiciled in Zurich, Switzerland, are prepared in accordance with Swiss Company Law. The financial statements adhere to the requirements of Swiss Code of Obligations and to additional requirements defined by the Swiss Financial Market Supervisory Authority ("FINMA"), Art. 110-111b AVO, valid as of September 1, 2024. The 2024 financial year comprises the accounting period from January 1 to December 31, 2024. The prior period was from January 1 to December 31, 2023.

#### **Use of estimates in the preparation of annual accounts**

The preparation of the annual accounts requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses as well as the related disclosures. Actual results could differ significantly from the estimates.

#### **Foreign currency translation**

Foreign currency transactions incurred in each of the Company's business units are revalued into the functional currency using average exchange rates applicable to the period in which the transactions take place. Foreign exchange gains and losses resulting from the settlement of such transactions and from revaluation at the period end of monetary assets and liabilities denominated in foreign currencies are deemed realised exchange gains and losses and recorded in the income statement.

Each business unit with a functional currency different from the Company's statutory reporting currency Swiss Francs is translated as follows:

- Income and expenses at the monthly average rates of exchange;
- Assets and liabilities (including unearned premiums and deferred acquisition costs) at exchange rates prevailing at the balance sheet date; and
- Resulting unrealised exchange losses are either offset against the provision for currency fluctuation or recorded in the income statement. Unrealised exchange gains are deferred and recorded as a separate line item on the balance sheet.

All assets and liabilities arising from reinsurance contracts are treated as monetary items. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

#### **Investments**

Fixed income and short-term securities are valued at the Amortised-Cost-Scientific Method less legally permissible depreciation.

Short-term investments are composed of instruments with original maturities of more than 90 days and less than one year from the date of purchase.

The following assets are carried at cost less necessary and legally permissible depreciation:

- Investments in affiliated companies
- Equity securities

The valuation rules prescribed by FINMA are followed whereby all investments are valued individually.

#### **Funds withheld**

Funds withheld are balances held by cedants in respect of open reinsurance contracts.

**Reinsurer's share in technical provisions**

Reinsurer's share in technical provisions include balances due from reinsurance companies for paid and unpaid losses and loss expenses that will be recovered from reinsurers, based on contracts in force.

The technical provisions pertaining to retroceded business are determined or estimated according to the contractual agreement and the underlying gross business data per treaty.

**Deferred acquisition costs**

Deferred acquisition costs principally consist of commissions and other external variable costs directly connected with the acquisition or renewal of existing reinsurance contracts. Deferred acquisition costs represent the proportion of commission incurred which corresponds to the element of the premium that is unearned on the related contracts. Deferred acquisition costs are capitalised in accordance with the business plan submitted to FINMA.

**Other assets and other receivables**

Other assets are carried at nominal value after deduction of known credit risks, and if applicable, less necessary and legally permissible depreciation.

Premiums and other receivables from reinsurance are carried at nominal value after deduction of known credit risks if applicable.

**Technical provisions**

The technical provisions are valued in accordance with the following principles:

A liability is established for unpaid losses and loss expenses when insured events occur. The liability is based on the expected ultimate cost of settling the claims. The reserves for losses and loss expenses include: (1) case reserves for known but unpaid claims as at the balance sheet date, including any potential deterioration on existing estimates; (2) incurred but not reported reserves ("IBNR") for claims where the insured event has occurred but has not been reported to Catlin Re as at the balance sheet date; and (3) loss adjustment expense reserves for the expected handling costs of settling the claims.

The estimation of the necessary claim reserves requires the use of informed estimates and judgements and as such are subject to considerable uncertainty. Reserves for losses and loss expenses are based on the analysis of the historical amounts reported by the ceding companies together with other relevant information. The methods and assumptions chosen follow generally accepted actuarial principles.

Contracts where coverage period relates to future periods are stated as unearned premiums and are calculated by statistical methods. The accrual of commission is determined correspondingly and is reported in the line item Deferred acquisition costs.

Provisions for profit commissions are to cover instances where the commission is dependent on the claim experience of the contract, e.g. sliding scale or profit commission, so that an additional liability is due in excess of the commission already incurred or, in the case where the loss experience is worse than expected, a rebate of commission is due.

**Non-technical provisions**

Provision for taxation contains direct taxes for the financial year.

Provision for currency fluctuation comprises of unrealised foreign exchange gains from the translation of assets and liabilities from the business units functional currencies to the reporting currency Swiss Francs.

**Payables to reinsurance companies**

Payables to reinsurance companies are held at redemption value.

**Interest income**

Other interest income is mainly comprised of interest earned on funds withheld for 2023, and interest on cash holdings in AXA XL's cash pooling facility.

**Operating costs**

Administration and other expenses are disclosed within the Gross acquisition costs and administration expenses line item. Unallocated loss adjustment expenses are included within the Gross claims paid and claim adjustment expenses line item.

**Direct taxes**

Direct taxes relate to the financial year and include income and capital taxes.

## FINANCIAL STATEMENT NOTES

### Note 1: Change in technical provisions

CHF millions			2024
	Gross	Ceded	Net
Change in unearned premiums	229.94	(146.65)	83.29
Change in reserves for losses and loss expenses	163.31	(383.64)	(220.33)
<b>Total change in technical provisions</b>	<b>393.25</b>	<b>(530.29)</b>	<b>(137.04)</b>

CHF millions			2023
	Gross	Ceded	Net
Change in unearned premiums	29.95	248.71	278.66
Change in reserves for losses and loss expenses	652.68	(98.13)	554.55
<b>Total change in technical provisions</b>	<b>682.63</b>	<b>150.58</b>	<b>833.21</b>

### Note 2: Net investment result

CHF millions				2024
	Income	Unrealised gains	Realised gains	Total
Investments in affiliated companies	—	—	—	—
Fixed income securities	10.79	1.58	10.36	22.73
Other investments	—	—	—	—
<i>Short term investments</i>	—	—	—	—
Cash and cash equivalents	—	—	0.01	0.01
<b>Total investment income</b>	<b>10.79</b>	<b>1.58</b>	<b>10.37</b>	<b>22.74</b>

CHF millions				Total
	Expenses	Unrealised losses	Realised losses	Total
Investments in affiliated companies	—	—	(5.41)	(5.41)
Fixed income securities	—	(6.69)	(7.80)	(14.49)
Other investments	—	—	—	—
<i>Short term investments</i>	—	—	—	—
Cash and cash equivalents	—	—	(0.01)	(0.01)
Investment management fees	(0.85)	—	—	(0.85)
<b>Total investment expenses</b>	<b>(0.85)</b>	<b>(6.69)</b>	<b>(13.22)</b>	<b>(20.76)</b>

CHF millions				2023
	Income	Unrealised gains	Realised gains	Total
Investments in affiliated companies	5.40	—	17.04	22.44
Fixed income securities	25.21	19.88	2.65	47.74
Other investments	—	—	—	—
<i>Short term investments</i>	—	—	—	—
Cash and cash equivalents	0.09	—	0.09	0.18
<b>Total investment income</b>	<b>30.70</b>	<b>19.88</b>	<b>19.78</b>	<b>70.36</b>

CHF millions				Total
	Expenses	Unrealised losses	Realised losses	Total
Investments in affiliated companies	—	—	—	—
Fixed income securities	—	(3.74)	—	(3.74)
Other investments	—	—	—	—
<i>Short term investments</i>	—	—	—	—
Cash and cash equivalents	—	—	(0.10)	(0.10)
Investment management fees	(2.08)	—	—	(2.08)
<b>Total investment expenses</b>	<b>(2.08)</b>	<b>(3.74)</b>	<b>(0.10)</b>	<b>(5.92)</b>

Income from Fixed Income securities decrease year on year from CHF 25m to CHF 11m in 2024, mainly due to the reduction in the size of the Fixed Income portfolio from CHF 569m in the prior year to CHF 254m in 2024. The change in net unrealized gains/losses from prior year was driven by the increase in interest rates across major jurisdictions. Net Realized gains and losses in 2024 is mainly due to transferring assets for cash, crystallizing their respective unrealized portions.

The realised loss on Investments in affiliated companies of CHF 5.4m relates to the sale of AXA XL Resseguros S.A., as disclosed in Note 12.

### Note 3: Administration and other expenses

Administration and other expenses, included in Gross acquisition costs and administration expenses amounted to CHF 18m in 2024 (2023: CHF 39m), thereof CHF 0.15m (2023: CHF 0.25m) are related to audit fees.

### Note 4: Premiums and other receivables from reinsurance

CHF millions	Dec 31, 2023	Dec 31, 2024
Receivables from agents and brokers	337.85	216.40
Receivables from reinsurance companies	158.42	84.76
<b>Total premiums and other receivables from reinsurance</b>	<b>496.27</b>	<b>301.16</b>

The Company does not write direct business with policyholders. Most business was generated through agents and brokers.

**Note 5: Net technical provisions**

CHF millions	Dec 31, 2023			Dec 31, 2024		
	Gross	Ceded	Net	Gross	Ceded	Net
Reserves for losses and loss expenses	1,023.04	(519.02)	504.02	758.35	(730.39)	27.96
Unearned premiums	423.27	(322.13)	101.14	181.70	(174.95)	6.75
Other technical provisions	1.68	81.96	83.64	—	55.84	55.84
<b>Total net technical provisions</b>	<b>1,447.99</b>	<b>(759.19)</b>	<b>688.80</b>	<b>940.05</b>	<b>(849.50)</b>	<b>90.55</b>

Gross technical provisions have decreased year on year mainly due to the transfer of liabilities from CRCH Singapore Branch to XL Re Europe SE, Singapore Branch. Other technical provisions include deferred gains related to Loss Portfolio Transfer ("LPT") covers in the amount of CHF 56m (2023: CHF 82m), reported as Ceded in the table above. The increase year on year of ceded reserves is driven by the new LPT contract executed on June 30, 2024, covering 95% of the Reinsurance segment reserves, and 100% of Insurance segment reserves.

**Note 6: Payables from reinsurance business**

CHF millions	Dec 31, 2023	Dec 31, 2024
Payables to agents and brokers	108.05	61.84
Payables to reinsurance companies	111.51	104.02
<b>Total payables to reinsurance companies</b>	<b>219.56</b>	<b>165.86</b>

**Note 7: Shareholder's equity rollforward**

CHF millions	Common Stock	Legal reserves from capital contribution	Legal profit reserves	Profit/(loss) for the financial year	Profit/(loss) carried forward	Total
<b>as of January 1, 2024</b>	<b>100.00</b>	<b>283.74</b>	<b>45.15</b>	<b>65.73</b>	<b>(94.35)</b>	<b>400.27</b>
Allocation of 2023 profit to Profit/(loss) carried forward				(65.73)	65.73	—
Distribution		(186.65)				(186.65)
Profit/(loss) for the financial year				184.35	—	184.35
<b>as of December 31, 2024</b>	<b>100.00</b>	<b>97.09</b>	<b>45.15</b>	<b>184.35</b>	<b>(28.62)</b>	<b>397.97</b>

Share capital of the Company amounts to CHF 100m that is fully paid-in. It is divided into ten million registered shares with a nominal value of ten Swiss Francs per share.

On April 25, 2024, during the Annual General Meeting ("AGM") of the Shareholders', it was unanimously resolved to declare a distribution of USD 220m (CHF 186.65m equivalent at spot rate on date of settlement). This distribution was paid on September 12, 2024 to AXA XL Luxembourg S.à r.l. from legal capital reserves from capital contribution.

**Note 8: Contingent liabilities**

The Company is not exposed to any non-cancellable future obligations.

CRCH belongs to the VAT group of AXA Versicherungen AG, Winterthur, and is jointly liable for any VAT claims from the tax authorities.

The Company has access to unsecured and secured letter of credit facilities to support its reinsurance business. As at December 31, 2024, unsecured irrevocable letters of credit in the amount of CHF 47m (2023: CHF 106m) have been issued under these facilities. Letters of credit are predominantly used to secure the reserves ceded to the Company under certain reinsurance contracts.

**Note 9: Funds withheld**

Funds withheld of CHF 28m (2023: CHF 44m) represent deposits held by cedants. The decrease is mainly driven by lower business volumes and non-renewals.

**Note 10: Restricted assets**

In certain markets, the Company is required to maintain assets in accounts pledged for the benefit of ceding companies. These requirements are generally promulgated in the statutory regulations of the individual jurisdictions.

The Company also has investments in segregated portfolios to provide collateral for certain bank letters of credit issued for the benefit of ceding companies.

The total value of these restricted assets by category as at December 31, 2024 and 2023 are as follows:

CHF millions	Dec 31, 2023	Dec 31, 2024
Fixed income securities	321.85	253.05
Short term investments	—	—
Cash and cash equivalents	21.75	20.79
Accrued income and other receivables	1.14	0.81
<b>Total restricted assets</b>	<b>344.74</b>	<b>274.65</b>

**Note 11: Claims on and obligations towards AXA XL Group companies**

CHF millions	Dec 31, 2023	Dec 31, 2024
<b>Assets</b>		
Premiums and other receivables from reinsurance	48.76	74.06
Funds withheld	11.00	—
Other receivables	33.11	18.37
<b>Liabilities</b>		
Payables to reinsurance companies	13.07	72.11
Other liabilities	29.81	43.25

**Note 12: Investments in affiliated companies**

CHF millions		Dec 31, 2024	
	City, Country	Net Book value	Equity/Voting Shares
AXA XL Resseguros S.A.	Sao Paulo, Brasil	—	— %
XL Re Latin America Argentina SA	Buenos Aires, Argentina	—	— %
<b>Total investments in affiliated companies</b>		<b>—</b>	

CHF millions		Dec 31, 2023	
	City, Country	Net book value	Equity/Voting shares
AXA XL Resseguros S.A.	Sao Paulo, Brasil	76.83	100 %
XL Re Latin America Argentina SA	Buenos Aires, Argentina	—	80 %
<b>Total investments in affiliated companies</b>		<b>76.83</b>	

During June 2024, the Company sold all its shares in AXA XL Resseguros S.A. to another AXA XL affiliate for a realised loss as disclosed in Note 2 net investment result. XL Re Latin America Argentina SA entered voluntary liquidation on January 1, 2024 and was sold during June to an external liquidator for nil gain or loss on sale.

**Note 13: Other technical income**

Other technical income in the amount of CHF 78m recorded during 2024 is mainly due to the transfer of some of the Company's renewal rights to other AXA XL legal entities.

**Note 14: Direct taxes**

The favorable tax result in 2024 of CHF 9m (2023: CHF -9m) reflects a reassessment of tax exposures recorded in prior years.

**Note 15: Staff**

The average number of full time equivalents employed by the Company for 2024 and 2023 was more than 10 but less than 50. Other employees were provided via a personnel lending agreement between the Company and XL Catlin Services SE, Dublin, Zurich Branch ("XLCSSSE ZH").

**Note 16: Subsequent events**

There have been no other further material events between December 31, 2024 and the date of this report which are required to be disclosed.

## APPROPRIATION OF EARNINGS

The Board of Directors proposes at the Annual Shareholder Meeting to be held in Zurich on April 25, 2025 to allocate the loss brought forward of CHF 28.62m and the profit for the financial year of CHF 184.35m to Legal profit reserves for CHF 155.73m. The Board of Directors also propose a dividend of USD 120.00m paid out of Legal profit reserves. The dividend will be translated into CHF at the spot rate on the date of settlement and must not exceed CHF 92.00m. Dividends paid in foreign currencies have to meet the capital protection requirements in CHF and as such maximum amounts in CHF have to be approved by the Annual Shareholder Meeting.

CHF millions	Dec 31, 2023	Dec 31, 2024
Profit/(loss) brought forward	(94.35)	(28.62)
Profit/(loss) for the financial year	65.73	184.35
Allocation to Legal profit reserves	—	(155.73)
<b>Profit/(loss) after allocation</b>	<b>(28.62)</b>	<b>—</b>
Legal reserves from capital contribution brought forward	283.74	97.09
Dividend	(186.65)	—
<b>Legal reserves from capital contribution after dividend</b>	<b>97.09</b>	<b>97.09</b>
Legal profit reserves brought forward	45.15	45.15
Allocation from Profit/(loss)	—	155.73
Dividend	—	(92.00)
<b>Legal profit reserves after dividend</b>	<b>45.15</b>	<b>108.88</b>