

Annual Report MS Reinsurance (MS Amlin AG) 2023

Management Report

MS Reinsurance (the Company) is a Switzerland-domiciled, global reinsurer and a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ), a part of MS&AD Insurance Group (MS&AD or the Group). Both MSIJ and MS&AD are registered in Japan. In 2022, MS Amlin AG was rebranded and now trades as “MS Reinsurance” with no change to its legal name or operational structure.

MS Reinsurance provides non-life treaty reinsurance solutions for clients around the world. The Company maintains a global presence with underwriting offices in Bermuda, Miami, New York, and Zurich along with a service center in Labuan.

MS Reinsurance has a global underwriting strategy prioritizing long-term client portfolios serving a variety of reinsurance clients facilitated across three business units:

- International, which provides multi-line solutions for clients in Europe, Middle East and Africa, and the rest of the world;
- Americas, which offers multi-line solutions for clients in North and South America; and
- Specialty Lines, which services clients with unique specialized risks such as credit or agriculture.

MS Reinsurance’s longer-term strategy to reduce volatility in financial results remains unchanged from 2022. The Company continued to rebalance the overall portfolio during 2023 with reductions in catastrophe exposure relative to other classes of business.

Business Development and Financial Condition

Gross written premium (GWP) continued to increase during 2023. This growth was seen in segments where market conditions remained favourable and in areas that successfully aligned the strategic approach for diversification and increased profitability, notably in European property and casualty, agriculture, and US casualty lines of business. This more than offset reductions in US catastrophe and intercompany quota share arrangements. Net of reinsurance and on an earned basis, net premium levels increased strongly relative to the prior year, reflecting the earned impact of the continuing shift towards longer-tail business within the portfolio.

The 2023 underwriting result improved significantly relative to 2022 due to favourable non-cat developments across numerous lines of business. There was significant catastrophe activity during 2023, most notably the Kahramanmaras Earthquake sequence in Turkey and Hurricane Otis in Mexico, with a net catastrophe impact slightly above the catastrophe budget. Despite the significant major loss activity, overall underwriting performance was better than planned driven by benign non-cat claims experience across the portfolio, most notably from the cyber, financial risks, and property segments.

Increased interest rates and allocation shifts in fixed income have resulted in higher than planned returns from liquid assets. Equity allocations matched the strong market performance while real assets underperformed relative to plan. The Company’s decision to reduce exposure to real assets helped to protect against losses.

The overall result for the Company for the year 2023 is a profit of USD 309 million under Swiss Code of Obligation.

Number of full-time positions on an annual average

The Company employed a worldwide staff at an average of 199 full time equivalents (2022: 188).

Future prospects and vision

Rebranded as MS Reinsurance, the Company repositioned itself in the market, with a new strategy in 2022. The Company's strategic focus is to manage the inherent volatility of the business it assumes by constructing a well-balanced and diversified portfolio of appropriately priced risks.

To execute on this new strategy, the Company undertook a new underwriting strategy built on a three-pronged value proposition:

- **Deep client understanding.** We know our clients, understand their needs, and will work to provide solutions. We use market expertise and timely access to information and data needed to know our clients' markets and portfolios well.
- **Ease of business.** We have an efficient platform and empowered underwriters with demonstrated expertise enabling fast, reliable decision making.
- **Competitive pricing.** We deliver competitive pricing underpinned by a cost-efficient platform.

This strategic direction allows MS Reinsurance to deliver a differentiated experience for its clients, increase access to diversified risk, and attract and invest in top talent. Part of this change is a comprehensive transformation to a state-of-the-art efficient platform, taking every aspect of the business into consideration. Several of the first transformation workstreams have already been completed, and most of the internal transformation is expected to be completed by the end of 2024.

Clients are reacting positively to this new approach and the strategy, combined with a positive market environment, resulted in improved profitability during the latest renewals.

To support its business goals, MS Reinsurance is committed to developing a dynamic and inspiring culture that engages existing employees and attracts new, top-tier talent. Significant progress has been made and can be measured in two ways: (1) the quality of the workforce, and (2) feedback from an annual employee engagement survey. Both measures demonstrate positive progress on the most important elements of success: MS Reinsurance's corporate values and culture.

A crucial component of the Company's strategy remains the close relationship with its shareholder, MSIJ, which is fully committed to the strategy and allows flexible execution of the Company's plans. MSIJ strongly supports MS Reinsurance's corporate development journey.

Risk Management

Risk strategy

The Supervisory Board sets forth the responsibilities and principles pertaining to the Company's risk management (risk strategy, controlling, and management) in the Risk Management Policy. The Risk Management Policy explains the risk framework (governance and risk management process) and the overarching ultimate risk tolerance, expressed in terms of solvency liquidity, rating, and statutory capital. It further provides transparency and defines ownership and responsibilities throughout the risk management process. It promotes a risk aware culture across the organization.

MS Reinsurance aligns business strategy, capital management, and enterprise risk management with the objective to achieve long-term sustainable outcomes for the shareholder. This approach allows the business to optimize its return on risk, subject to the limitations over acceptable risk taking.

Internal control framework

The Internal Control Framework forms an integral part of the Company's risk management framework and is designed to:

- promote an effective monitoring and control framework to facilitate the achievement of business objectives,
- protect Company resources against mismanagement or fraud,
- ensure that business activities are compliant with applicable laws and regulations; and
- develop consistent financial data and managerial data and present these in a timely manner.

The effectiveness of the Internal Control framework is assessed by the respective business functions on a quarterly basis as part of the Risk and Control Self-Assessment (RCSA) process, from a design and an operating perspective.

Risk assessment

Material risks highlighted in 2023 during the quarterly RCSA processes and the ongoing Risk Management activities are presented in the Own Risk and Solvency Assessment (ORSA) report. Appropriate actions to manage those risks were identified and are being implemented.

Solvency and liquidity

The solvency (level of available capital in excess of required capital for Regulatory and Rating Agency purposes) and the liquidity (availability of liquid assets) will dictate the total level of risk that can be assumed by MS Reinsurance. The Supervisory Board approved, as part of the Risk Management Policy and Capital Management Policy, a target solvency position and minimum liquidity ratio below which management actions are required.

The Company calculates the required capital needed to support potential unexpected losses in the coming year in accordance with the Swiss Solvency Test (SST) risk-based capital methodology in the Company's FINMA approved Internal Model.

The Company's SST 2024 capital ratio is 191% (SST 2023: 204%), which compares favourably with the minimum FINMA SST solvency requirement of 100%. It is also within the Company's defined SST capitalization range of 180 - 220%. No dividends will be paid for 2023.

Risk appetite, tolerances, and limits

The Company's risk strategy starts with the Risk Tolerance, which denotes the target level for various solvency and liquidity measures. The next step is the Risk Appetite, which is implemented by means of Strategic Limits for the most risk-intensive areas of the business. The limits applicable to Insurance risk are based on various measures obtained from the MS Reinsurance Internal Model used for the Swiss Solvency Test. The limits applicable to Investment and Credit risks mainly relate to the Strategic Asset Allocation and Investment Guidelines, but the liquidity and investment limits are also calibrated based on the Internal Model. Both the Risk Tolerance and Risk Appetite are owned by the Supervisory Board.

The Executive Board is responsible for developing a business plan commensurate with the Risk Tolerance and the stated Risk Appetite. The business plan, including the recommended Strategic Limits, is presented to the Supervisory Board, who approves the plan and mandates the Executive Board for implementation.

The Executive Board has set up a framework to manage the various sources of risk, which comprises Policies, Standards and Guidelines as well as Operating limits, that gives sufficient flexibility to react to changes in the business environment, but that ensures that the Strategic limits are not breached and that the Risk Tolerance criteria are met. Policies are approved by the Supervisory Board. Standards, Guidelines and Operating limits are approved by the Executive Board.

Processes and organization

Risk management processes for identifying, measuring, controlling, and reporting on risks are embedded in the day-to-day operations of all functions within MS Reinsurance. The Risk Management Policy sets out the specific roles and responsibilities across the three lines of defence for the risk management processes and assurance activities.

Quarterly risk reporting to the Risk Committee of the Supervisory Board supports the Supervisory Board in fulfilling its risk oversight responsibilities by providing it with a timely view on changes in the MS Reinsurance risk profile, risks near to or outside of appetite, outcomes of assurance activities, and any legal and regulatory compliance concerns.



MS Amlin AG, Zurich

Report of the Statutory Auditor
to the General Meeting on the

Financial Statements 2023



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Report of the Statutory Auditor to the General Meeting of MS Amlin AG, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MS Amlin AG (the Company), which comprise the income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023, 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 accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

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, together with 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of

Directors 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, the Board of Directors 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 the Board of Directors 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 Swiss law and SA-CH 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 Swiss law and SA-CH, 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.
- Conclude on the appropriateness of the Board of Directors' 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.

We communicate with the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Rainer Pfaffenzeller
Licensed Audit Expert
Auditor in Charge



Lukas Kündig
Licensed Audit Expert

Zurich, 24 April 2024

Enclosures:

- Financial statements (Income statement, balance sheet, cash flow statement and notes)
- Proposed appropriation of available earnings

Financial statements of MS Reinsurance (MS Amlin AG) 2023

Income statement

USD	Note	2023	2022
Gross premium written		3,084,687,593	2,292,696,373
Premiums ceded to reinsurers		(216,411,414)	(267,824,242)
Net premiums written		2,868,276,179	2,024,872,131
Change in unearned premium reserves - gross		(345,051,216)	(259,163,193)
Change in reinsurers' share of unearned premium reserves		(54,257,359)	(49,166,971)
Net premiums earned		2,468,967,604	1,716,541,967
Other insurance income		2,352,799	403,834
Total technical income		2,471,320,403	1,716,945,800
Gross claims and claim expenses paid		(1,110,373,446)	(1,086,986,401)
Reinsurers' share of claims and claim expenses		154,387,615	122,675,806
Change in technical provisions - gross	6	(627,745,029)	(331,930,282)
Change in reinsurers' share of technical provisions	6	(31,089,858)	63,099,410
Net claims and claim expenses incurred		(1,614,820,719)	(1,233,141,469)
Acquisition costs - gross		(660,855,145)	(477,986,689)
Administrative expenses - gross		(146,992,645)	(108,982,472)
Acquisition costs and administrative expenses - gross		(807,847,790)	(586,969,161)
Reinsurers' share of acquisition costs		39,395,389	36,862,558
Net acquisition costs and administrative expenses		(768,452,400)	(550,106,603)
Total technical expenses		(2,383,273,119)	(1,783,248,072)
Income from investments	11	401,857,619	262,876,435
Expenses from investments	12	(174,384,796)	(360,104,473)
Net income/(expenses) from investments		227,472,823	(97,228,038)
Other financial expenses		(3,674,612)	(3,468,982)
Operating income/(loss)		311,845,495	(166,999,292)
Other income		111,344	111,284
Other expenses		(1,175,142)	(6,246,160)
Profit/(loss) before direct taxes		310,781,697	(173,134,168)
Direct taxes		(2,064,183)	(4,438,934)
Profit / (loss)		308,717,514	(177,573,102)

Balance sheet

Assets			
USD	Note	31/12/2023	31/12/2022
Investments		4,519,589,651	3,795,582,938
Participations		1,512,614	1,512,614
Fixed-interest securities		641,328,802	556,867,469
Shares		11,478,846	11,485,304
Other investments	2	3,865,269,390	3,225,717,551
Receivables from derivative financial instruments		25,473,880	3,235,405
Deposits on reinsurance business		108,339,469	94,894,032
Cash and cash equivalents		461,248,120	367,011,045
Reinsurers' share of technical provisions	5	467,349,281	550,028,620
Property and equipment		4,854,984	6,634,120
Deferred acquisition costs		594,635,145	493,045,171
Intangible assets		7,456,527	4,804,436
Reinsurance receivables	3/8	2,154,350,559	1,636,030,272
Other receivables	8	87,533,223	37,192,641
Prepaid expenses and accrued income		16,008,123	6,030,905
Total assets		8,446,838,962	6,994,489,587

Liabilities and Equity			
USD	Note	31/12/2023	31/12/2022
Technical provisions	5	6,124,301,007	5,103,163,043
Non-technical provisions		72,182,242	60,451,347
Liabilities from derivative financial instruments		12,518,194	1,580,876
Reinsurance payables	4/9	478,508,728	418,380,481
Other liabilities	9	59,707,036	20,009,598
Total liabilities		6,747,217,207	5,603,585,346
Share capital		10,333,001	10,333,001
Legal capital reserves		1,516,426,106	1,516,426,106
Reserves from capital contributions	21	1,516,426,106	1,516,426,106
Legal retained earnings		5,166,500	5,166,500
Voluntary retained earnings		167,696,148	(141,021,366)
Merger reserve		180,256,440	180,256,440
Profit brought forward		(321,277,806)	(143,704,524)
Profit/(Loss)		308,717,514	(177,573,282)
Total Equity	7	1,699,621,755	1,390,904,241
Total Liabilities And Equity		8,446,838,962	6,994,489,587

Cashflow statement¹

USD	2023	2022
Profit/(loss) for the year	308,717,514	(177,573,102)
Net (purchases) of property, plant and equipment and intangible assets (incl. depreciation)	(872,955)	(1,561,195)
Net (purchases)/sales of investments (incl. realized gains/losses)	(724,006,713)	96,266,317
Net (purchases) of derivatives (incl. realized gains/losses)	(11,301,156)	(8,123,106)
Decrease/(increase) in deposits on reinsurance business	(13,445,437)	2,647,120
(Increase)/decrease in reinsurance contract assets	82,679,339	(7,652,485)
(Increase)/decrease in deferred acquisition cost	(101,589,974)	(63,493,755)
(Increase)/decrease in insurance receivables	(518,320,286)	(250,518,354)
(Increase)/decrease other receivables and other payables	(10,643,144)	(4,890,600)
Increase/(decrease) in outstanding claims	666,640,998	230,266,602
Increase/(decrease) in unearned premium	354,496,966	238,360,011
Increase/(decrease) in creditors arising from insurance operations	60,128,247	6,706,073
Increase/(decrease) in non-technical provision	11,730,895	13,251,036
(Increase)/decrease prepaid expenses and accrued income	(9,977,218)	24,068,261
Cash flow from operating activities	94,237,074	97,752,822
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Cash flow for the financial year	94,237,074	97,752,822
Cash on 1 January	367,011,045	269,258,224
Cash on 31 December	461,248,120	367,011,045
Change in cash	94,237,074	97,752,822

¹ The cashflow statement is prepared using the indirect method.

Notes to the financial statements

1. General

MS Amlin AG, trading under the name MS Reinsurance is a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ).

Basis of presentation

These financial statements were prepared in accordance with the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations) and relevant insurance supervisory law, including FINMA Insurance Supervision Guidance (ISO-FINMA).

Change in accounting policy

Historically deferred acquisition costs (DAC) and unearned premiums reserves (UPR) were treated as non-monetary positions which resulted in revaluation at historical FX rates. As of 31 December 2023, DAC and UPR are treated as a monetary position and therefore revalued at closing FX rates. The revaluation impact from prior years is amounting to USD 6.9 million.

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 these estimates.

Investments

Participations represent the Company's 100% holding of MS Amlin Reinsurance Managers, Inc (MS ARMI), a company incorporated and registered in New Jersey, 820 Bear Tavern Road, West Trenton, NJ 08628. MS ARMI was acquired on 30 June 2021. The participation book value of USD 1.5 million represents the acquisition costs, which is subject to impairment review in case of any material decreases in the net asset value.

Fixed-interest securities consist of government bonds.

Shares represent the Company's investment in the preferred shares of Viribus Re Ltd and Envelop.

Other investments mainly consist of bond and equity funds within Toro Prism Trust, money market funds, and property funds.

Foreign currency translation

At year-end, assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rate on the balance sheet date. Whereas revenues and expenses are translated at the average exchange rate for the period under report. Shareholders' equity is translated at historical rates. FX gains arising from the revaluation

of the opening balance sheet as well as from the adjustments from application of year-end or average rates are deferred and booked under provision for currency fluctuation (Balance Sheet: "Non-technical provisions"). FX losses are directly recognized in the income statement.

Realized FX arising from foreign exchange transactions are recognized in the income statement.

The translation from functional currency (EUR) for the Zurich operations to presentational currency of USD gave rise to a FX translation loss of USD 5.5 million. The revaluation to the functional currencies led to a FX gain of USD 8.1 million. The combined unrealized FX gain of USD 2.6 million increased the existing FX provision to USD 36.1 million (Balance Sheet: Liability account "Non-technical provisions").

The realized FX loss of USD 1.2 million for the financial year is recognized in the income statement.

Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in CHF and the year-end CHF/USD exchange rate of 0.8414 (2022: 0.9245) is applied for converting the USD numbers to CHF. Shareholders' equity is translated with historical CHF/USD exchange rate: 0.9678.

Presentation of numbers

The numbers presented throughout this report may not add up precisely to the totals provided in the tables and text.

Financial Statements Valuation Principles

Investments

Investments (except for bonds) are carried at market value if an observable market price is available. If the market price is not available (category Participations in pooled investment funds – Property and Hedge Fund as in note 2), investments are accounted for at cost less necessary impairments. Subsequent recoveries of previously recorded impairments may be recognized up to the cost value.

Bond investments are valued at amortized cost less necessary impairments, if any.

Derivative instruments are valued at market value. Gains and losses are shown as part of income and expenses from investments.

Participations are carried at cost less necessary impairment, if any.

Deposits on reinsurance business

Deposits are held at nominal value.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and short-term deposits. Such current assets are held at nominal value after deduction of known credit risks.

Reinsurers' share of technical provisions

Reinsurers' share of technical provisions represents the retroceded part of the technical provisions. The same accounting principles apply as for the technical provisions.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and provision for impairment where appropriate. This also includes right of use assets from the Company's lease contracts.

Intangible assets

Intangible assets, consisting of capitalized development costs for software for internal use, are measured at cost less straight-line amortization over the estimated useful life of software, which is not exceeding 20 years.

Reinsurance receivables

Reinsurance receivables are carried at nominal value, after deduction of known credit risks, if applicable. The establishment of bad debt reserves or write offs will be recorded on a cedent basis. The position mainly consists of receivables from insurance companies and brokers.

Other receivables

Other receivables are recognized at the nominal value, subject to impairment, if necessary.

Technical provisions

The technical provisions are based on the cedant information (case reserves) and the reserves for already incurred but not yet reported claims (IBNR). Additionally, the technical provisions include the written but not yet earned part of the premiums (unearned premium reserve).

Reinsurance payables

Reinsurance balances payable are held at redemption value.

Acquisition costs – gross and reinsurers' share

Acquisition costs comprise of brokerage and commission incurred on insurance contracts written during the financial year. They are charged on the same basis as the earned proportions of the premium they relate to. Deferred acquisition costs are amortized over the period in which the related revenues are earned. Deferred acquisition costs are reviewed at the end of each reporting period and are impaired where they are no longer considered to be recoverable.

Direct taxes

Direct taxes relate to income and capital taxes.

2. Other investments

USD	31/12/2023	31/12/2022
Participations in pooled investment funds - Property	229,524,874	233,367,408
Participations in pooled investment funds - Equity	617,798,468	510,771,979
Participations in pooled investment funds - Bonds	1,444,304,627	1,561,879,126
Participations in pooled investment funds - Money Market	1,203,086,393	585,298,447
Participations in pooled investment funds - Hedge Fund	73,783,445	71,574,157
Short-term investments in pooled investment funds	296,771,582	262,826,434
Total	3,865,269,390	3,225,717,551

3. Reinsurance receivables

USD	31/12/2023	31/12/2022
Receivables from agents and brokers	2,022,383,490	1,538,404,592
Receivables from insurance companies	131,967,069	97,625,681
Total	2,154,350,559	1,636,030,272

4. Reinsurance payables

USD	31/12/2023	31/12/2022
Liabilities to agents and brokers	396,463,103	378,666,147
Liabilities to insurance companies	82,045,625	39,714,334
Total	478,508,728	418,380,481

5. Technical provisions

USD	Technical provisions (gross)	Reinsurers' share	31/12/2023 Technical provisions (net)
Unearned premium reserve	2,190,971,363	121,120,030	2,069,851,333
Loss reserves*	3,933,329,644	346,229,251	3,587,100,393
Total technical provisions	6,124,301,007	467,349,281	5,656,951,727

USD	Technical provisions (gross)	Reinsurers' share	31/12/2022 Technical provisions (net)
Unearned premium reserve	1,836,474,397	175,601,957	1,660,872,440
Loss reserves*	3,266,688,647	374,426,662	2,892,261,984
Total technical provisions	5,103,163,044	550,028,620	4,553,134,424

* Unallocated loss adjustment expenses (ULAE) are part of the loss reserves.

6. Change in technical provisions

USD	2023	2022
Change in technical provisions - Outstanding claims	148,032,129	30,211,443
Change in technical provisions - IBNR	479,712,900	301,718,839
Change in technical provisions - gross	627,745,029	331,930,282
Change in reinsurers' share of technical provisions - Outstanding claims	(10,556,060)	(25,042,336)
Change in reinsurers' share of technical provisions - IBNR	41,645,918	(38,057,074)
Change in reinsurers' share of technical provisions	31,089,858	(63,099,410)

7. Statement of changes in equity

USD	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
As of 31 Dec 2021	10,333,001	1,516,426,106	5,166,500	36,551,916	1,568,477,522
Loss for the period	-	-	-	(177,573,282)	(177,573,282)
Dividend payments	-	-	-	-	-
As of 31 Dec 2022	10,333,001	1,516,426,106	5,166,500	(141,021,366)	1,390,904,240
Profit for the period	-	-	-	308,717,514	308,717,514
Dividend payments	-	-	-	-	-
As of 31 Dec 2023	10,333,001	1,516,426,106	5,166,500	167,696,148	1,699,621,755

8. Receivables from third parties and affiliated companies

USD	Third party	Affiliated companies	31/12/2023 Total
Receivables from reinsurance business	2,079,467,412	74,883,147	2,154,350,559
Other receivables	83,571,093	3,962,130	87,533,223
Total	2,163,038,505	78,845,277	2,241,883,782

USD	Third party	Affiliated companies	31/12/2022 Total
Receivables from reinsurance business	1,554,184,453	81,845,820	1,636,030,272
Other receivables	35,310,280	1,882,361	37,192,641
Total	1,589,494,733	83,728,181	1,673,222,914

9. Payables to third parties and affiliated companies

USD	Third party	Affiliated companies	31/12/2023 Total
Payables from reinsurance business	409,913,130	68,595,598	478,508,728
Other liabilities	58,287,295	1,419,742	59,707,036
Total	468,200,424	70,015,340	538,215,764

USD	Third party	Affiliated companies	31/12/2022 Total
Payables from reinsurance business	370,874,960	47,505,521	418,380,481
Other liabilities	11,061,751	8,947,847	20,009,598
Total	381,936,711	56,453,369	438,390,079

10. Audit fees

USD	2023	2022
Audit services	839,061	713,439
Other services	123,948	112,148
Total	963,009	825,587

11. Income from investments

USD	Income	Net unrealized gains	Net realized gains	2023 Total
Fixed-interest securities	14,821,146	21,641,865	3,121,597	39,584,609
Shares	-	591,993	-	591,993
Other investments	57,093,317	225,650,168	78,937,532	361,681,017
Total	71,914,464	247,884,026	82,059,129	401,857,619

USD	Income	Net unrealized gains	Net realized gains	2022 Total
Fixed-interest securities	12,911,097	-	-	12,911,097
Shares	-	-	-	-
Other investments	18,742,092	944,861	230,278,385	249,965,338
Total	31,653,189	944,861	230,278,385	262,876,435

12. Expenses from investments

USD	Expenses	Net unrealized losses	Net realized losses	2023 Total
Fixed-interest securities	4,231,974	-	15,294,757	19,526,731
Shares	-	598,451	-	598,451
Other investments	4,617,208	30,202,814	119,439,591	154,259,614
Total	8,849,183	30,801,265	134,734,348	174,384,796

USD	Expenses	Net unrealized losses	Net realized losses	2022 Total
Fixed-interest securities	3,832,213	14,904,540	16,737,303	35,474,056
Shares	-	(58,556)	-	(58,556)
Other investments	1,031,163	107,103,446	216,554,362	324,688,972
Total	4,863,376	121,949,431	233,291,665	360,104,473

13. Personnel expenses

Personnel expenses for 2023 amount to USD 68.7 million (2022: USD 50.5 million) and are included in the line-item administrative expenses.

14. Contingent liabilities

The Company has no contingent liabilities as of 31 December 2023 (31 December 2022: nil). There were no capital commitments or authorized but uncontracted commitments at the end of the financial year.

15. Depreciation of real estate and equipment and amortization of intangible assets

USD	31/12/2023	31/12/2022
Property and equipment	489,642	518,699
Intangible assets	529,932	-
Total	1,019,574	518,699

16. Restricted assets

As of 31 December 2023, the Company holds restricted funds in the form of letter of credit (LOC) collaterals, initial margin calls on derivative financial instruments, and collateral received from reinsurance counterparties.

Letter of credit (LOC) facilities

The Company has four LOC facilities of USD 650.0 million (2022: USD 650.0 million), USD 230.0 million (2022: USD 230.0 million), USD 60.0 million (2022: USD 51.3 million) and USD 1.3 million (2022: nil). The USD 650.0 million facility is secured by a registered charge over a portfolio of assets managed by Fiera Capital with BNP Paribas as custodian. The USD 230.0 million facility is secured by time deposits held at Barclays Bank. The USD 60.0 million LOC is secured by time deposits held at National Australia Bank. The remaining USD 1.3 million is held at HSBC Bermuda, which was opened in 2023. As of 31 December 2023, USD 938.6 million of LOC were issued (2022: USD 819.7 million).

Revolving credit facility

The Company has access to an uncommitted revolving credit facility agreement with SMBC Bank of USD 150 million (2022: USD 150 million) credit limit. As of 31 December 2023 the revolving credit facility is undrawn.

Derivative margins and collateral

Derivative instruments traded by the Company for hedging purposes give rise to collateral being placed with, or received from, external counterparties. As of 31 December 2023 included in other receivables is USD 42.6 million (2022: USD 41.0 million) margins and collateral pledged in relation to listed future margins.

Funds withheld as premium/claim deposits

As of 31 December 2023, the Company placed funds totaling to USD 30.9 million (2022: USD 31.2 million) as premium deposits and USD 77.4 million (2022: USD 63.7 million) as claim deposits. These funds are held by external brokers or cedents. In addition, a further USD 207.4 million (2022: USD 164.7 million) was placed into pledge accounts to collateralize against losses due to reinsurance cedents.

Trust Funds

As of 31 December 2023, cash and cash equivalents with a fair value of USD 331.9 million (2022: USD 372.6 million) were deposited in trust by the Company for the benefit of U.S. ceding companies. These funds are held in a trust by a U.S. based bank.

17. Residual amount of lease obligations

The maturity profile of lease obligations that do not expire in or cannot be canceled within 12 months is presented below:

Operating lease commitments

USD	31/12/2023	31/12/2022
Later than 1 year and no later than 5 years	3,560,794	4,399,724
Later than 5 years	-	70,474
Total operating lease commitments	3,560,794	4,470,198

The operating leases relate to the office rental in the different locations, which are no later than five years, as of 31 December 2023.

18. Liabilities to pension schemes

There is no pension fund liability as of 31 December 2023 (2022: nil).

19. Full-time equivalents

The annual average number of full-time equivalents for the reporting year was 199, as well as for the previous year of 188, did not exceed 250.

20. Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

21. Shareholders' equity (reserves from capital contributions)

As of 31 December 2023, USD 1,516.4 million are shown as "reserves from capital contributions" (31 December 2022: USD 1,516.4 million). The total reserves from capital contributions include USD 144.7 million (2022: USD 144.7 million) of "capital reserves" as agreed with FINMA during the application process.

Proposal for the appropriation of distributable earnings

USD	31/12/2023	31/12/2022
Profit/(loss) carried forward	(141,021,366)	36,551,916
Profit/(loss)	308,717,514	(177,573,282)
Profit/(loss) carried forward	167,696,148	(141,021,366)
Proposal of the Board of Directors:		
Profit/(loss) carried forward	167,696,148	(141,021,366)
Dividend payments	-	-
Amount carried forward	167,696,148	(141,021,366)

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Income statement

CHF	Note	2023	2022
Gross premium written		2,595,446,019	2,119,597,797
Premiums ceded to reinsurers		(182,087,854)	(247,603,512)
Net premiums written		2,413,358,165	1,871,994,285
Change in unearned premium reserves - gross		(290,324,961)	(239,596,372)
Change in reinsurers' share of unearned premium reserves		(45,651,964)	(45,454,865)
Net premiums earned		2,077,381,240	1,586,943,048
Other insurance income		1,979,637	373,344
Total technical income		2,079,360,878	1,587,316,393
Gross claims and claim expenses paid		(934,264,574)	(1,004,918,928)
Reinsurers' share of claims and claim expenses		129,901,233	113,413,782
Change in technical provisions - gross	6	(528,182,608)	(306,869,546)
Change in reinsurers' share of technical provisions	6	(26,158,905)	58,335,404
Net claims and claim expenses incurred		(1,358,704,854)	(1,140,039,288)
Acquisition costs - gross		(556,041,350)	(441,898,694)
Administrative expenses - gross		(123,679,129)	(100,754,295)
Acquisition costs and administrative expenses - gross		(679,720,479)	(542,652,989)
Reinsurers' share of acquisition costs		33,147,151	34,079,435
Net acquisition costs and administrative expenses		(646,573,328)	(508,573,555)
Total technical expenses		(2,005,278,182)	(1,648,612,843)
Income from investments	11	338,121,682	243,029,264
Expenses from investments	12	(146,726,795)	(332,916,585)
Net income/(expenses) from investments		191,394,887	(89,887,321)
Other financial expenses		(3,091,806)	(3,207,074)
Operating income/(loss)		262,385,776	(154,390,845)
Other income		93,685	102'882
Other expenses		(988,761)	(5,774,575)
Profit/(loss) before direct taxes		261,490,700	(160,062,538)
Direct taxes		(1,736,797)	(4,103,794)
Profit / (loss)		259,753,903	(164,166,332)

Balance sheet

Assets			
CHF	Note	31/12/2023	31/12/2022
Investments		3,802,767,902	3,509,016,426
Participations		1,272,708	1,398,412
Fixed-interest securities		539,611,949	514,823,975
Shares		9,658,263	10,618,163
Other investments	2	3,252,224,981	2,982,175,876
Receivables from derivative financial instruments		21,433,639	2,991,132
Deposits on reinsurance business		91,156,474	87,729,533
Cash and cash equivalents		388,092,654	339,301,712
Reinsurers' share of technical provisions	5	393,226,151	508,501,459
Property and equipment		4,084,968	6,133,244
Deferred acquisition costs		500,324,060	455,820,261
Intangible assets		6,273,897	4,441,701
Reinsurance receivables	3/8	1,812,663,491	1,512,509,987
Other receivables	8	73,650,167	34,384,597
Prepaid expenses and accrued income		13,469,182	5,575,572
Total assets		7,107,142,585	6,466,405,623

Liabilities and Equity			
CHF	Note	31/12/2023	31/12/2022
Technical provisions	5	5,152,966,771	4,717,874,234
Non-technical provisions		60,733,902	55,887,271
Liabilities from derivative financial instruments		10,532,768	1,461,519
Reinsurance payables	4/9	402,615,674	386,792,755
Other liabilities	9	50,237,304	18,498,873
Total liabilities		5,677,086,418	5,180,514,652
Share capital		10,000,001	10,000,001
Legal capital reserves		1,467,556,476	1,467,556,476
Reserves from capital contributions	21	1,467,556,476	1,467,556,476
Legal retained earnings		5,000,000	5,000,000
Voluntary retained earnings		146,895,641	(112,858,262)
Merger reserve		174,447,343	174,447,343
Profit brought forward		(287,305,605)	(123,139,106)
Profit/(loss)		259,753,903	(164,166,499)
Conversion difference		(199,395,950)	(83,807,244)
Total Equity	7	1,430,056,167	1,285,890,971
Total Liabilities And Equity		7,107,142,585	6,466,405,623

Cashflow statement²

CHF	2023	2022
Profit/(loss) for the year	259,753,903	(164,166,332)
Net (purchases) of property, plant and equipment and intangible assets (incl. depreciation)	(734,501)	(1,443,325)
Net (purchases)/sales of investments (incl. realized gains/losses)	(609,176,872)	88,998,210
Net (purchases) of derivatives (incl. realized gains/losses)	(9,508,756)	(7,509,812)
Decrease/(increase) in deposits on reinsurance business	(11,312,947)	2,447,263
(Increase)/decrease in reinsurance contract assets	69,566,125	(7,074,723)
(Increase)/decrease in deferred acquisition cost	(85,477,470)	(58,699,976)
(Increase)/decrease in insurance receivables	(436,112,988)	(231,604,218)
(Increase)/decrease other receivables and other payables	(8,955,108)	(4,521,360)
Increase/(decrease) in outstanding claims	560,909,548	212,881,473
Increase/(decrease) in unearned premium	298,272,584	220,363,830
Increase/(decrease) in creditors arising from insurance operations	50,591,709	6,199,765
Increase/(decrease) in non-technical provision	9,870,336	12,250,583
(Increase)/decrease prepaid expenses and accrued income	(8,394,799)	22,251,107
Cash flow from operating activities	79,290,764	90,372,484
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Cash flow for the financial year	79,290,764	90,372,484
Cash on 1 January	339,301,712	245,617,352
Exchange rate difference on cash and cash equivalents	(30,499,822)	3,311,876
Cash on 31 December	388,092,654	339,301,712
Change in cash	79,290,764	90,372,484

² The cashflow statement is prepared using the indirect method.

Notes to the financial statements

1. General

MS Amlin AG, trading under the name MS Reinsurance is a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ).

Basis of presentation

These financial statements were prepared in accordance with the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations) and relevant insurance supervisory law, including FINMA Insurance Supervision Guidance (ISO-FINMA).

Change in accounting policy

Historically deferred acquisition costs (DAC) and unearned premiums reserves (UPR) were treated as non-monetary positions which resulted in revaluation at historical FX rates. As of 31 December 2023, DAC and UPR are treated as a monetary position and therefore revalued at closing FX rates. The revaluation impact from prior years is amounting to USD 6.9 million (CHF 5.8 million).

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 these estimates.

Investments

Participations represent the Company's 100% holding of MS Amlin Reinsurance Managers, Inc (MS ARMI), a company incorporated and registered in New Jersey, 820 Bear Tavern Road, West Trenton, NJ 08628. MS ARMI was acquired on 30 June 2021. The participation book value of USD 1.5 million represents the acquisition costs, which is subject to impairment review in case of any material decreases in the net asset value.

Fixed-interest securities consist of government bonds.

Shares represent the Company's investment in the preferred shares of Viribus Re Ltd and Envelop.

Other investments mainly consist of bond and equity funds within Toro Prism Trust, money market funds, and property funds.

Foreign currency translation

At year-end, assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rate on the balance sheet date. Whereas revenues and expenses are translated at the average exchange rate for the period under report. Shareholders' equity is translated at historical rates. FX gains arising from the revaluation of the opening

balance sheet as well as from the adjustments from application of year-end or average rates are deferred and booked under provision for currency fluctuation (Balance Sheet: "Non-technical provisions"). FX losses are directly recognized in the income statement.

Realized FX arising from foreign exchange transactions are recognized in the income statement.

The translation from functional currency (EUR) for the Zurich operations to presentational currency of USD gave rise to a FX translation loss of USD 5.5 million (CHF 4.6 million). The revaluation to the functional currencies led to a FX gain of USD 8.1 million (CHF 6.8 million). The combined unrealized FX gain of USD 2.6 million (CHF 2.2 million) increased the existing FX provision to USD 36.1 million (CHF 30.4 million) (Balance Sheet: Liability account "Non-technical provisions").

The realized FX loss of USD 1.2 million (CHF 0.9 million) for the financial year is recognized in the income statement.

Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in CHF and the year-end CHF/USD exchange rate of 0.8414 (2022: 0.9245) is applied for converting the USD numbers to CHF. Shareholders' equity is translated with historical CHF/USD exchange rate: 0.9678.

Presentation of numbers

The numbers presented throughout this report may not add up precisely to the totals provided in the tables and text.

Financial Statements Valuation Principles

Investments

Investments (except for bonds) are carried at market value if an observable market price is available. If the market price is not available (category Participations in pooled investment funds – Property and Hedge Fund as in note 2), investments are accounted for at cost less necessary impairments. Subsequent recoveries of previously recorded impairments may be recognized up to the cost value.

Bond investments are valued at amortized cost less necessary impairments, if any.

Derivative instruments are valued at market value. Gains and losses are shown as part of income and expenses from investments.

Participations are carried at cost less necessary impairment, if any.

Deposits on reinsurance business

Deposits are held at nominal value.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and short-term deposits. Such current assets are held at nominal value after deduction of known credit risks.

Reinsurers' share of technical provisions

Reinsurers' share of technical provisions represents the retroceded part of the technical provisions. The same accounting principles apply as for the technical provisions.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and provision for impairment where appropriate. This also includes right of use assets from the Company's lease contracts.

Intangible assets

Intangible assets, consisting of capitalized development costs for software for internal use, are measured at cost less straight-line amortization over the estimated useful life of software, which is not exceeding 20 years.

Reinsurance receivables

Reinsurance receivables are carried at nominal value, after deduction of known credit risks, if applicable. The establishment of bad debt reserves or write offs will be recorded on a cedent basis. The position mainly consists of receivables from insurance companies and brokers.

Other receivables

Other receivables are recognized at the nominal value, subject to impairment, if necessary.

Technical provisions

The technical provisions are based on the cedant information (case reserves) and the reserves for already incurred but not yet reported claims (IBNR). Additionally, the technical provisions include the written but not yet earned part of the premiums (unearned premium reserve).

Reinsurance payables

Reinsurance balances payable are held at redemption value.

Acquisition costs – gross and reinsurers' share

Acquisition costs comprise of brokerage and commission incurred on insurance contracts written during the financial year. They are charged on the same basis as the earned proportions of the premium they relate to. Deferred acquisition costs are amortized over the period in which the related revenues are earned. Deferred acquisition costs are reviewed at the end of each reporting period and are impaired where they are no longer considered to be recoverable.

Direct taxes

Direct taxes relate to income and capital taxes.

2. Other investments

CHF	31/12/2023	31/12/2022
Participations in pooled investment funds - Property	193,121,476	215,748,169
Participations in pooled investment funds - Equity	519,813,604	472,208,695
Participations in pooled investment funds - Bonds	1,215,233,174	1,443,957,252
Participations in pooled investment funds - Money Market	1,012,272,943	541,108,414
Participations in pooled investment funds - Hedge Fund	62,081,149	66,170,307.9
Short-term investments in pooled investment funds	249,702,635	242,983,039
Total	3,252,224,981	2,982,175,876

3. Reinsurance receivables

CHF	31/12/2023	31/12/2022
Receivables from agents and brokers	1,701,626,832	1,422,255,045
Receivables from insurance companies	111,036,659	90,254,942
Total	1,812,663,491	1,512,509,987

4. Reinsurance payables

CHF	31/12/2023	31/12/2022
Liabilities to agents and brokers	333,582,755	350,076,853
Liabilities to insurance companies	69,032,919	36,715,902
Total	402,615,674	386,792,755

5. Technical provisions

CHF	Technical provisions (gross)	Reinsurers' share	31/12/2023 Technical provisions (net)
Unearned premium reserve	1,843,476,115	101,909,996	1,741,566,119
Loss reserves*	3,309,490,656	291,316,155	3,018,174,501
Total technical provisions	5,152,966,771	393,226,151	4,759,740,620

CHF	Technical provisions (gross)	Reinsurers' share	31/12/2022 Technical provisions (net)
Unearned premium reserve	1,697,820,580	162,344,009	1,535,476,570
Loss reserves*	3,020,053,654	346,157,449	2,673,896,205
Total technical provisions	4,717,874,234	508,501,459	4,209,372,775

* Unallocated loss adjustment expenses (ULAE) are part of the loss reserves.

6. Change in technical provisions

CHF	2023	2022
Change in technical provisions - Outstanding claims	124,553,748	27,930,479
Change in technical provisions - IBNR	403,628,860	278,939,067
Change in technical provisions - gross	528,182,608	306,869,546
Change in reinsurers' share of technical provisions - Outstanding claims	(8,881,834)	(23,151,640)
Change in reinsurers' share of technical provisions - IBNR	35,040,739	(35,183,764)
Change in reinsurers' share of technical provisions	26,158,905	(58,335,404)

7. Statement of changes in equity

CHF	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Conversion difference	Total equity
As of 31 Dec 2021	10,000,001	1,467,556,476	5,000,000	51,308,236	(103,099,517)	1,430,765,196
Conversion difference*	-	-	-	-	19,292,273	19,292,273
Loss for the period	-	-	-	(164,166,499)	-	(164,166,499)
Dividend payments	-	-	-	-	-	-
As of 31 Dec 2022	10,000,001	1,467,556,476	5,000,000	(112,858,263)	(83,807,244)	1,285,890,971
Conversion difference*	-	-	-	-	(115,588,706)	(115,588,706)
Profit for the period	-	-	-	259,753,903	-	259,753,903
Dividend payments	-	-	-	-	-	-
As of 31 Dec 2023	10,000,001	1,467,556,476	5,000,000	146,895,641	(199,395,950)	1,430,056,167

* Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in CHF and the year-end CHF/USD exchange rate of 0.8414 was applied for converting the USD numbers to CHF. Equity nominals, except for the free reserves, are revalued with historical rates leading to a conversion difference.

8. Receivables from third parties and affiliated companies

CHF	Third party	Affiliated companies	31/12/2023 Total
Receivables from reinsurance business	1,749,657,057	63,006,434	1,812,663,491
Other receivables	70,316,443	3,333,724	73,650,167
Total	1,819,973,500	66,340,157	1,886,313,658

CHF	Third party	Affiliated companies	31/12/2022 Total
Receivables from reinsurance business	1,436,843,527	75,666,460	1,512,509,987
Other receivables	32,644,354	1,740,243	34,384,597
Total	1,469,487,880	77,406,703	1,546,894,583

9. Payables to third parties and affiliated companies

CHF	Third party	Affiliated companies	31/12/2023 Total
Payables from reinsurance business	344,899,563	57,716,111	402,615,674
Other liabilities	49,042,738	1,194,566	50,237,304
Total	393,942,301	58,910,677	452,852,978

CHF	Third party	Affiliated companies	31/12/2022 Total
Payables from reinsurance business	342,873,900	43,918,855	386,792,755
Other liabilities	10,226,588	8,272,285	18,498,873
Total	353,100,489	52,191,140	405,291,628

10. Audit fees

CHF	2023	2022
Audit services	705,983	659,574
Other services	104,290	103,681
Total	810,273	763,255

11. Income from investments

CHF	Income	Net unrealized gains	Net realized gains	2023 Total
Fixed-interest securities	12,470,464	18,209,395	2,626,502	33,306,360
Shares	-	498,101	-	498,101
Other investments	48,038,130	189,861,311	66,417,781	304,317,221
Total	60,508,594	208,568,806	69,044,282	338,121,682

CHF	Income	Net unrealized gains	Net realized gains	2022 Total
Fixed-interest securities	11,936,310	-	-	11,936,310
Shares	-	-	-	-
Other investments	17,327,064	873,524	212,892,367	231,092,955
Total	29,263,373	873,524	212,892,367	243,029,264

12. Expenses from investments

CHF	Expenses	Net unrealized losses	Net realized losses	2023 Total
Fixed-interest securities	3,560,769	-	12,868,958	16,429,728
Shares	-	503,535	-	503,535
Other investments	3,884,904	25,412,549	100,496,080	129,793,533
Total	7,445,673	25,916,084	113,365,039	146,726,795

CHF	Expenses	Net unrealized losses	Net realized losses	2022 Total
Fixed-interest securities	3,542,881	13,779,247	15,473,637	32,795,765
Shares	-	(54,135)	-	(54,135)
Other investments	953,311	99,017,136	200,204,508	300,174,955
Total	4,496,191	112,742,249	215,678,145	332,916,585

13. Personnel expenses

Personnel expenses for 2023 amount to CHF 57.8 million (2022: CHF 46.7 million) and are included in the line-item administrative expenses.

14. Contingent liabilities

The Company has no contingent liabilities as of 31 December 2023 (31 December 2022: nil). There were no capital commitments or authorized but uncontracted commitments at the end of the financial year.

15. Depreciation of real estate and equipment and amortization of intangible assets

CHF	31/12/2023	31/12/2022
Property and equipment	411,983	479,537
Intangible assets	445,883	-
Total	857,866	479,537

16. Restricted assets

As of 31 December 2023, the Company holds restricted funds in the form of letter of credit (LOC) collaterals, initial margin calls on derivative financial instruments, and collateral received from reinsurance counterparties.

Letter of credit (LOC) facilities

The Company has four LOC facilities of CHF 546.9 million (2022: CHF 600.9 million), CHF 193.5 million (2022: CHF 212.6 million), CHF 50.5 million (2022: CHF 46.8 million) and CHF 1.1 million (2022: nil). The USD 650.0 million facility is secured by a registered charge over a portfolio of assets managed by Fiera Capital with BNP Paribas as custodian. The USD 230.0 million facility is secured by time deposits held at Barclays Bank. The USD 60.0 million LOC is secured by time deposits held at National Australia Bank. The remaining USD 1.3 million is held at HSBC Bermuda, which was opened in 2023. As of 31 December 2023, CHF 789.7 million of LOC were issued (2022: CHF 689.7 million).

Revolving credit facility

The Company has access to an uncommitted revolving credit facility agreement with SMBC Bank of CHF 126.2 million (2022: CHF 138.7 million) credit limit. As of 31 December 2023 the revolving credit facility is undrawn.

Derivative margins and collateral

Derivative instruments traded by the Company for hedging purposes give rise to collateral being placed with, or received from, external counterparties. As of 31 December 2023 included in other receivables is CHF 35.8 million (2022: CHF 18.2 million) margins and collateral pledged in relation to listed future margins.

Funds withheld as premium/claim deposits

As of 31 December 2023, the Company placed funds totaling to CHF 26.0 million (2022: CHF 28.8 million) as premium deposits and CHF 65.1 million (2022: CHF 63.4 million) as claim deposits. These funds are held by external brokers or cedents. In addition, a further CHF 174.5 million (2022: CHF 152.3 million) was placed into pledge accounts to collateralize against losses due to reinsurance cedents.

Trust Funds

As of 31 December 2023, cash and cash equivalents with a fair value of CHF 279.3 million (2022: CHF 344.5 million) were deposited in trust by the Company for the benefit of U.S. ceding companies. These funds are held in a trust by a U.S. based bank.

17. Residual amount of lease obligations

The maturity profile of lease obligations that do not expire in or cannot be canceled within 12 months is presented below:

Operating lease commitments

CHF	31/12/2023	31/12/2022
Later than 1 year and no later than 5 years	2,996,794	4,067,545
Later than 5 years	-	65,153
Total operating lease commitments	2,996,794	4,132,698

The operating leases relate to the office rental in the different locations, which are no later than five years, as of 31 December 2023.

18. Liabilities to pension schemes

There is no pension fund liability as of 31 December 2023 (2022: nil).

19. Full-time equivalents

The annual average number of full-time equivalents for the reporting year was 199, as well as for the previous year of 188, did not exceed 250.

20. Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

21. Shareholders' equity (reserves from capital contributions)

As of 31 December 2023, CHF 1,467.6 million are shown as "reserves from capital contributions" (31 December 2022: CHF 1,467.6 million). The total reserves from capital contributions include CHF 140.0 million (2022: CHF 140.0 million) of "capital reserves" as agreed with FINMA during the application process.

Proposal for the appropriation of distributable earnings

CHF	31/12/2023	31/12/2022
Profit/(loss) carried forward	(112,858,263)	51,308,236
Profit/(loss)	259,753,903	(164,166,499)
Profit/(loss) carried forward	146,895,641	(112,858,263)
Proposal of the Board of Directors:		
Profit/(loss) carried forward	146,895,641	(112,858,263)
Dividend payments	-	-
Amount carried forward	146,895,641	(112,858,263)

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