

Financial Condition Report 2023

Local GAAP (Swiss Code of Obligations and FINMA Circular 2016/2)

of

Peak Reinsurance AG

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Switzerland

Contents

I. Introduction.....	3
II. Management Summary	3
A. Business Activities	5
B. Financial Performance	5
C. Corporate Governance and Risk Management	23
D. Risk Profile	26
E. Valuation	31
F. Capital Management.....	35
G. Solvency.....	37
III. Sign-off by the Executive Body	40
IV. Appendixes.....	41

I. Introduction

Peak Reinsurance AG, domiciled in Zurich, Switzerland (“Peak Re Switzerland”, “we”, “us”, or the “Company”) is a wholly-owned subsidiary of Hong Kong-based Peak Reinsurance Company Ltd. (“Peak Re Hong Kong”, the “Group” or “Parent Company”).

This Financial Condition Report (“FCR”) as at December 31, 2023, focusses on the period from January 1 until December 31, 2023. It covers Peak Re Switzerland on a stand-alone basis.

This FCR presents information following the structure prescribed by FINMA’s circular 2016/2 ‘Disclosure-insurers’. It is available on Peak Re’s website (<https://www.peak-re.com/about-peakre/our-subsidiaries-branches/>).

The annual financial statements have been prepared in accordance with Swiss law. Peak Re Switzerland’s external Auditor is Ernst & Young AG, Zurich. Peak Re Switzerland’s functional currency is USD, albeit for local statutory reporting the figures are translated and presented in CHF.

II. Management Summary

Peak Re Switzerland was founded in 2016 and authorised by the Swiss Financial Market Supervisory Authority (“FINMA”) to conduct all reinsurance business worldwide on January 1, 2017. The Company primarily writes non-life business with cedents mostly domiciled in Europe and Latin America.

Key figures as per Swiss Statutory Financial Statement

In CHF 000	FY 2023	FY 2022	Δ	Δ in %
Gross Written Premium	86'083	135'045	(48'962)	-36%
Net Earned premiums	24'794	34'350	(9'556)	-28%
Net acquisition costs	(1'030)	(2'310)	1'280	-55%
Net claims incurred	(13'231)	(32'528)	19'297	-59%
Net Underwriting margin	10'533	(489)	11'022	-2255%
Net Administrative expenses	(5'022)	(4'521)	(501)	11%
Net Investment income	(167)	(5'110)	4'943	-97%
Net Profit/(Loss) before taxes	6'796	(10'034)	16'830	-168%
Net Profit/(Loss) after taxes	6'796	(10'034)	16'830	-168%
Total Net Technical Combined Ratio	57.5%	101.4%	-7%	-43%
Total Combined Ratio incl. G&A Expenses	77.8%	114.6%	-26%	-32%
Total Assets	361'422	425'228	(63'806)	-15%

For the first time in its history, the Company closed a financial year ("FY") with a positive result. Net Profit after taxes amounted to CHF 6.8m (2022: CHF -10.0m).

During FY2023, the Company decreased the Gross Written Premium ("GWP") to CHF 86m from CHF 135m, in line with the objective to derisk and improve the profitability of the overall portfolio. This resulted in a positive Operating Result (Net Underwriting Margin minus Net Administrative Expenses) of CHF 10.5m and Investment income for the year amounted to CHF -0.2m.

Peak Re Switzerland maintained a whole account quota share Retrocession Agreement of 80% (compared to 65% in 2022) with the Parent Company. The net retention was protected by an annual aggregate XL cover. In addition, as a subsidiary, Peak Re Switzerland is covered in the outwards retrocession arranged by the Group.

In April 2023, the Group transferred no longer required collateral in the amount of USD 20m to the capital contribution reserves increasing the solvency ratio to 169% and the RBC to USD 87.5m.

As at December 31, 2023, the Company has a risk-based capital ("RBC") of USD 101.4 m (2022: USD 67.6m), a statutory equity capital of CHF 78.7m (2022: CHF 55.5m) and a solvency ratio of 178.2% based on Swiss Solvency Test ("SST") Report 2024. Peak Re Switzerland is rated A- by A.M. Best.

The Company benefits from the robust retrocession backing by its Parent Company, which is widely recognised in the industry with a strong credit rating from A.M. Best (A-).

The annual financial statements have been prepared in accordance with Swiss law. Peak Re Switzerland's external Auditor is Ernst & Young AG, Zurich.

A. Business Activities

Peak Re Switzerland plays an important role in the Group's strategy to establish a leading position as a global reinsurer with a strong Asia foothold. The strategy is based on maintaining a client-centric approach, being agile and creating value through innovation and leveraging technology.

The Group's business focus is on underwriting a diversified portfolio of mainly non-life risks, including health. Peak Re Switzerland is targeting a portfolio of business across Europe and selected areas outside Europe as part of the Group strategy. We aim to provide speedy and tailored reinsurance solutions on a multi-line and long-term basis to clients.

Peak Re Switzerland is a wholly owned subsidiary of Peak Reinsurance Company Ltd., a Hong Kong-based reinsurer. The biggest shareholder of Peak Re Hong Kong is Fosun Group, Shanghai, of the People's Republic of China. Fosun Group has a majority stake of 86.71%, followed by Prudential Insurance Company of America, New Jersey, USA (13.07%) and executives of Peak Re Hong Kong (0.22%).

Peak Re Switzerland does not have any subsidiaries or branch offices.

In 2023, there were no significant nor unusual events to report separately.

B. Financial Performance

1. Financial Statements

Balance Sheet

Assets

(in CHF '000)	Note *	2023	2022
Investments		77'779	77'044
Fixed-interest securities		52'791	22'830
Shares		24'988	54'214
Cash and cash equivalents		26'215	28'222
Reinsurers' share of technical provisions	5	155'659	186'621
Property and equipment		25	28
Deferred acquisition costs, Net	2	2'469	4'024
Insurance receivables	3	91'775	121'114
Other receivables	7	7'129	7'956
Other assets	4	363	201
Prepaid expenses	4	9	19
TOTAL ASSETS		361'422	425'228

Liabilities and equity

(in CHF '000)	Note *	2023	2022
Technical provisions		208'108	255'049
Unearned Premium Reserve	5	34'392	51'251

Outstanding Loss Reserves	5	172'286	202'226
Equalisation reserve (SER)	5	1'431	1'573
Insurance payables	6	56'988	83'416
Other liabilities	7	17'635	31'264
TOTAL LIABILITIES		282'731	369'729
Share capital		10'000	10'000
Legal capital reserves		97'280	78'937
Reserves from capital contributions		88'280	69'937
Organization fund		9'000	9'000
Currency Translation Adjustment		2'472	4'419
Voluntary retained earnings		-31'061	-37'857
Profit / loss carried forward		-37'857	-27'823
Profit / loss		6'796	-10'034
Total equity	8	78'691	55'499
TOTAL LIABILITIES AND EQUITY		361'422	425'228

**See accompanying notes to financial statements*

Income Statement

(in CHF '000)	Note *	2023	2022
Gross premium written		86'083	135'045
Premiums ceded to reinsurers		-67'498	-91'228
Net premiums written		18'585	43'817
Change in unearned premium reserves	10	13'022	-26'730
Change in reinsurers' share of unearned premium reserves	10	-6'812	17'263
Net premiums earned		24'795	34'350
Total technical income		24'795	34'350
Gross claims and claim expenses paid		-74'877	-54'177
Reinsurer's share of claims and claim expenses		57'087	41'795
Change in technical provisions	10	15'740	-61'007
Change in reinsurers' share of technical provisions	10	-11'181	40'861
Net claims and claim expenses incurred		-13'231	-32'528
Acquisition costs and administrative expenses		-16'630	-28'863
Change in deferred acquisition costs, assumed reinsurance	9	-2'514	5'692
Reinsurers' share of acquisition costs and administrative expenses		11'847	21'011
Change in deferred acquisition costs, Reinsurers' share	9	1'245	-3'665
Net acquisition costs and administrative expenses		-6'052	-5'824
Other technical expenses own business		-64	-1'007
Total technical expenses		-19'347	-39'360
Income from investments	12	4'135	1'679
Expenses from investments	13	-4'302	-6'789
Net income from investments		-167	-5'110
Other financial income		7'621	8'272
Other financial expenses		-6'105	-7'975
Operating result		6'796	-9'823
Foreign exchange on currency translation to national currency		-	-
Other expenses	18	-	-211
Extraordinary income/expenses		-	-
Profit/(loss) before tax		6'796	-10'034
Income tax expense		-	-
PROFIT/(LOSS) after taxes		6'796	-10'034

**See accompanying notes to financial statements*

Cash Flow Statement

(in CHF '000)	Note *	2023	2022
Profit/loss		6'796	(10'034)
Depreciation, amortization and write-downs on ...			
Property and equipment		16	11
Investments			
Net realized gains/losses on investments in real estate			
Net realized (gains)/losses on investments fixed-interest securities	12	(3)	(452)
Net realized (gains)/losses on investments shares	12	3'476	(1'092)
Net unrealized (gains)/losses on investments fixed-interest securities	12	(174)	(135)
Net unrealized (gains)/losses on investments shares	13	(113)	6'789
Increase/decrease in			
Unearned premium reserves		(6'209)	9'183
Technical provisions		(15'740)	59'596
Increase/decrease in assets and liabilities			
Purchase/Proceeds from sale of fixed-interest securities		(29'961)	(11'315)
Purchase/Proceeds from sale of shares		29'226	(2'157)
Receivables from derivative financial instruments		-	-
Deposits on ceded reinsurance business		-	2'460
Reinsurance share of technical provisions		30'962	(40'637)
Deferred acquisition costs		1'555	(1'966)
Insurance receivables		29'338	(24'930)
Other receivables		827	(4'123)
Other assets		(162)	202
Foreign exchange gains and losses Reinsurance activities		(10'317)	1'067
Prepaid expenses		10	(12)
Liabilities from deposits retained on ceded business		-	-
Insurance payables		(26'429)	10'405
Other liabilities		(13'628)	7'330
Cash flow from operating activities		(529)	191
Purchase of property and equipment		(14)	(21)
Cash flow from investing activities		(14)	(21)
Change in cash and cash equivalents		(543)	171
Statement:			
Cash and cash equivalents as of 1 January		28'222	28'051
Effects of exchange rate changes on cash and cash equivalents		(1'464)	
Cash and cash equivalents as of 31 December		26'215	28'222
Change in cash and cash equivalents		(543)	171

**See accompanying notes to financial statements*

2. Basis of preparation

The annual financial statements have been prepared in accordance with the provisions on accounting of the Swiss Code of Obligations ("CO") and the provisions of the Swiss Insurance Supervision Ordinances.

3. Accounting principles

The Company's accounting and valuation principles applied for the balance sheet items are as follows:

a) Investments

Fixed-income securities are valued using the lower between linear cost amortization method and market value, in line with provision of CO art.960b and of art. 110.1 ISO.

Shares, ETF shares and all other investments are valued at lower of cost or market value.

b) Cash and cash equivalents

Cash and cash equivalents and other highly liquid investments with maturity of less than three months are carried in the balance sheet at nominal value.

c) Deferred acquisition costs

Deferred acquisition costs (DAC) are costs that vary with and are directly related to the acquisition of new and renewal business, these are acquisition costs that are directly attributable to reinsurance contracts that are capitalised and amortised over the lifetime of the contract in proportion to the premium income earned. These costs are regularly tested for impairment using a liability adequacy test.

d) Reinsurance receivables

Reinsurance receivables are booked at nominal value (i.e. net of commissions, brokerage, premium taxes and other levies on premium, unless the contract specifies otherwise) and can be adjusted if there is a risk of impairment.

e) Technical provisions

Technical provisions comprise unearned premium reserves, outstanding losses and loss expense reserves, provisions for unexpired risk reserve, equalisation reserves.

Unearned premium reserves are earned respectively amortised over the period of exposure to risk of the underlying contract.

Outstanding losses comprise estimates of the amount of reported losses and loss expenses received from the ceding insurance companies plus a provision for losses incurred but not reported ("IBNR"). The IBNR provision is estimated by management based on reports from industry sources, including initial estimates of aggregate industry losses, individual loss estimates received from ceding companies and brokers, output from commercially available catastrophe loss models and actuarial analysis using historical data available to the Company on the business assumed together with industry data.

Equalisation reserves are set in accordance with FINMA Circular 2011/3 and the Company's approved business plan. These reserves are booked in addition to the best estimate for claims reserves.

f) Foreign Currencies re-measurement and translation

The Company maintains its accounts in its functional currency: USD. The annual financial statements are prepared in USD and presented in CHF, the national reporting currency. Expenses and income in foreign currencies are translated at the prevailing rate at the date when the transactions were carried out. At period end, monetary assets and liabilities in foreign currencies are revalued at year-end exchange rates. The resulting exchange-rates differences are included in the income statement. The aggregate unrealised exchange loss remains in the income statement while the aggregate unrealised exchange gain is deferred.

For the statutory closing, the financial statements are presented in CHF. For this purpose, the USD accounts are translated in CHF using the year end rate for balance sheet, average rate for income

statement and historical rates for the equity. A resulting foreign currency translation loss is shown in the income statement while a gain is deferred.

The exchange rate used for year-end 2023, respectively 2022, is presented below:

Currency	Balance Sheet		Income Statement		Equity (avg. historical rate)	
	2023	2022	2023	2022	2023	2022
USD	0.841624	0.92522	0.896253	0.95392	0.9920	0.9912

The tables presented in the following notes show rounded figures and the sum of the table's items could differ slightly from the total row or column of the corresponding table.

1. Participations: none**2. Deferred acquisition costs, Net**
(in CHF'000)

	2023	2022
Deferred acquisition costs, assumed reinsurance	7'784	11'152
Deferred acquisition costs, ceded reinsurance	-5'314	-7'128
Total	2'469	4'024

3. Insurance receivables

	Third-party	Intragroup	Total	Third-party	Intragroup	Total
(in CHF'000)	2023	2023	2023	2022	2022	2022
Receivables from insurance companies	62'535	29'240	91'775	104'906	16'208	121'114
Total	62'535	29'240	91'775	104'906	16'208	121'114

4. Other Assets and Prepaid expenses

	2023	2022
Accrued interest on investments and Deposits	363	201
Other deferrals	9	19
Total	372	220

5. Technical provisions

	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)
(in CHF'000)	2023	2023	2023	2022	2022	2022
Unearned premium reserve	34'392	24'107	10'285	51'251	33'534	17'717
Outstanding loss reserves	172'286	131'552	40'734	202'226	153'087	49'139
Equalisation reserve (SER)	1'431	0	1'431	1'573	0	1'573
Total	208'108	155'659	52'449	255'049	186'621	68'429

6. Insurance payables

	Third-party	Intragroup	Total	Third-party	Intragroup	Total
(in CHF'000)	2023	2023	2023	2022	2022	2022
Liabilities to insurance companies *	8'315	48'673	56'988	27'429	55'987	83'416
Total	8'315	48'673	56'988	27'429	55'987	83'416

* in both years amounts for intercompany dues are for the intercompany quota share retro agreement premiums less commissions with parent company, Peak Reinsurance Ltd, that is the sole reinsurer of the Company.

7. Receivables from and liabilities to related parties

	Third-party	Intragroup	Total	Third-party	Intragroup	Total
(in CHF'000)	2023	2023	2023	2022	2022	2022
Other receivables	7'129	-	7'129	7'956	-	7'956
Other liabilities	13'169	4'466	17'635	7'973	23'291	31'264

- Other receivables refers to a contract with no biometric risk transfer for Life business;

- Intercompany of other liabilities in year 2023 compared to 2022 reduced by CHF 18.8m due to conversion of collateral in cash backing the intragroup quota share agreement into additional capital reserve; remaining amount is due to interest matured on the collateral;

- Third-party Other liabilities are liabilities in respect of the Life business without biometric risk transfer; the contractual amount is stable year on year.

8. Statement of changes in equity

	Share capital	Statutory capital reserves	Voluntary retained earnings	Currency Translation reserve	Total equity
(in CHF'000)					
2022	10'000	78'937	(37'857)	4'419	55'499
Transfer to voluntary retained earnings					-
Additional Paid in capital correction		18'343			18'343
Purchase / sale of treasury shares					-
Effect of foreign exchange				(1'947)	(1'947)
Profit/(Loss) for the period			6'796		6'796
2023	10'000	97'280	(31'061)	2'472	78'691

Disclosures, breakdowns and explanations on income statement items

9. Change in Deferred acquisition costs, Net

<i>(in CHF'000)</i>	2023	2022
Change in deferred acquisition costs, assumed reins.	-2'514	5'692
Change in deferred acquisition costs, ceded reins.	1'245	-3'665
Total	-1'268	2'027

10. Change in technical provisions (gross) and in Reinsurers' share of technical provisions

	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)
<i>(in CHF'000)</i>	2023	2023	2023	2022	2022	2022
Change in Unearned premium reserve	13'022	-6'812	6'209	-26'730	17'263	-9'467
Change in loss reserves	15'740	-11'181	4'558	-61'007	40'861	-20'146
Change in SER (Security Equalization Reserve)	-	-	-	-	-	-
Total	28'761	-17'994	10'768	-87'737	58'124	-29'613

No change in SER (Security Equalization Reserve) .

11. Audit fees

<i>(in CHF'000)</i>	2023	2022
Audit services	142	123
Other services	6	11
Total	148	134

The audit fees include fees for engagements with a direct or indirect connection to an external audit engagement. The fees exclude outlays and include VAT.

Variance compared to prior year are due to audit fees for regulatory audit which could not be accrued (timing).

Other services are consulting fees for tax consulting services.

12. Income from investments

	Income *	Net unrealize d gains	Net realized gains	Total	Income	Net unrealize d gains	Net realized gains	Total
(in CHF'000)	2023	2023	2023	2023	2022	2022	2022	2022
Fixed-interest securities	1'769	174	317	2'260	452	-	-	452
Shares	927	113	389	1'428	1'092	-	-	1'092
Other investments **	447	-	-	447	135	-	-	135
Total	3'143	286	705	4'135	1'679	-	-	1'679

* Income relates to dividends for shares (we hold shares of ETF Bonds), interest coupons on fixed interest securities, interest on cash and cash equivalents.

** Other investments represents interest on cash and cash equivalents which are invested regularly in fixed terms deposits

13. Expenses from investments

	Current expenses *	Net unrealize d losses	Net realized losses	Total	Current expenses	Net unrealize d losses	Net realized losses	Total
(in CHF'000)	2023	2023	2023	2023	2022	2022	2022	2022
Fixed-interest securities	84	-	314	398	-	-	6'751	6'751
Shares	9	-	3'865	3'874	-	-	-	-
Other investments	30	-	-	30	38	-	-	38
Total	123	-	4'179	4'302	38	-	6'751	6'789

* Expenses on various types of investments are related to Swiss taxes on transactions for Fixed Interest securities and Shares and to withholding taxes on interest on fixed term deposit under Other investments.

14. Personnel expenses

Personnel expenses for fiscal year 2023 amounted to CHF 3.6m (2022: CHF 3.0m) and are included in the line item acquisition costs and administrative expenses.

15. Depreciation of office equipment and hardware

(in CHF'000)	2023	2022
Hardware and office equipment	16	11
Total	16	11

Other notes to the financial statements

16. Total amount of assets pledged to secure own liabilities, as well as assets with retention of title

<i>(in CHF'000)</i>	2023	2022
Guarantees	3'586	3'401
Assets under reservation of ownership	41	44
Total	3'627	3'445

17. Contingent Liabilities: none

18. Other Expenses

<i>(in CHF'000)</i>	2023	2022
Capital Tax expenses	0	211
Total	0	211

19. Full-time equivalents

The annual average number of full-time equivalents for the reporting year was 11.5 which compares to 7.9 a year ago.

20. Restricted assets

To secure the rental of the office premises a deposit of CHF 46'000 is held with Zurich Cantonal Bank.

21. Commitments

As of December 31, 2023, there were no letters of credit in favor of ceding companies nor any letters of credit facility with banks in place.

22. Further points subject to mandatory disclosure

- No significant event affecting the amounts reported in the balance sheet occurred after the balance sheet date.
- No bonds were issued by the Company.

Proposed profit & loss appropriation

For the year ended 31 December 2023

<i>CHF 000</i>	2023
Retained earnings carried forward	(37'857)
Profit (Loss) for the year	6'796
Profit (Loss) to be carried forward	(31'061)

The Board of Directors proposes to appropriate the retained earnings as follows:

Distributable Earnings (deficit)	(31'061)
Amount carried forward	(31'061)

No dividend is proposed.

Further allocations have been waived.

External auditor's report

The external auditors approved the financial statements without qualifications or reservations.

See Appendix 3

B.2 - Additional information Quantitative template “Performance Solo Reinsurance”

Currency : CHF	Total		Personal accident		Health		Motor	
	2022	2023	2022	2023	2022	2023	2022	2023
Gross premiums	135'045'205	86'082'905	9'477'936	7'346'167			44'415'903	17'373'485
Reinsurers' share of gross premiums	(9'122'872)	(67'498'052)	(6'160'586)	(4'834'875)			(28'914'965)	(12'068'247)
Premiums for own account (1 + 2)	43'817'333	18'584'853	3'317'351	2'511'292			15'500'938	5'305'239
Change in unearned premium reserves	(26'730'216)	13'021'623	(6'777'920)	(9'127'4)			(10'974'032)	10'521'524
Reinsurers' share of change in unearned premium reserves	17'262'568	(6'812'300)	4'405'648	52'720			7'120'383	(6'904'304)
Premiums earned for own account (3 + 4 + 5)	34'349'685	24'794'176	945'078	2'472'738			11'647'290	8'922'438
Other income from insurance business	0	0	0	0			0	0
Total income from underwriting business (6 + 7)	34'349'685	24'794'176	945'078	2'472'738	0	0	11'647'290	8'922'438
Payments for insurance claims (gross)	(54'177'388)	(74'876'850)	(383'193)	(4'575'417)			(7'762'041)	(13'528'188)
Reinsurers' share of payments for insurance claims	41'795'117	57'087'149	249'076	3'382'925			5'540'057	10'148'263
Change in technical provisions	(6'100'691)	10'241'169	(1'342'350)	(385'699)			(13'365'769)	(8'015'219)
Reinsurers' share of change in technical provisions	40'860'945	(5'682'708)	868'695	(2'402'907)			7'632'883	(16'245'904)
Change in technical provisions for unit-linked life insurance	0	0	0	0			0	0
Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	(32'528'317)	(13'231'240)	(607'773)	(3'981'098)	0	0	(7'954'869)	(27'641'047)
Acquisition and administration expenses	(2'317'059)	(19'143'930)	(1'095'179)	(2'690'468)			(7'690'889)	(4'026'692)
Reinsurers' share of acquisition and administration expenses	17'345'846	13'092'058	813'895	1'775'423			6'150'171	2'484'682
Acquisition and administration expenses for own account (15 + 16)	(5'824'743)	(6'051'872)	(281'284)	(9'15'045)	0	0	(1'540'718)	(1'542'011)
Other underwriting expenses for own account	(1'007'233)	(64'204)	34	673			(719'277)	(452)
Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	(39'360'294)	(19'347'316)	(889'022)	(4'895'469)	0	0	(10'214'864)	(29'183'510)
Investment income	1'678'581	4'134'615						
Investment expenses	(6'788'920)	(4'301'830)						
Net investment income (20 + 21)	(5'110'339)	(167'216)						
Capital and interest income from unit-linked life insurance	0	0						
Other financial income	8'272'121	7'621'459						
Other financial expenses	(7'974'879)	(6'105'017)						
Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	(9'823'705)	6'796'086						
Interest expenses for interest-bearing liabilities	0	0						
Other income	0	0						
Other expenses	(210'853)	0						
Extraordinary income/expenses								
Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	(10'034'558)	6'796'086						
Direct taxes	0	0						
Profit / loss (31 + 32)	(10'034'558)	6'796'086						

Continued Quantitative template “Performance Solo Reinsurance”

Currency : CHF	Total		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Gross premiums	135'045'205	86'082'905	1'253'311	954'958	82'081'245	48'587'935	14'858'968	7313'491	3'157'852	4'027'187
Reinsurers' share of gross premiums	(9'122'872)	(67'498'052)	(816'555)	(779'347)	(42'685'962)	(40'982'408)	(10'487'066)	(6'735'863)	(2'162'739)	(3'087'212)
Premiums for own account (1 + 2)	43'817'333	18'584'853	436'756	175'611	39'395'283	7'575'128	4'171'892	2'077'528	995'113	939'975
Change in unearned premium reserves	(26'730'216)	13'021'623	(99'506)	(33'253)	(4'788'020)	781'978	(3'388'025)	2'069'383	(702'713)	(228'713)
Reinsurers' share of change in unearned premium reserves	17'262'568	(6'812'300)	64'679	83'408	2'461'844	766'382	2'753'451	(1'049'512)	456'763	259'006
Premiums earned for own account (3 + 4 + 5)	34'349'685	24'794'176	401'929	205'467	37'068'906	9'123'486	3'537'319	3'097'779	749'163	972'268
Other income from insurance business	0	0	0	0	0	0	0	0	0	0
Total income from underwriting business (6 + 7)	34'349'685	24'794'176	401'929	205'467	37'068'906	9'123'486	3'537'319	3'097'779	749'163	972'268
Payments for insurance claims (gross)	(54'177'388)	(74'876'850)	(425'752)	(627'735)	(36'504'508)	(47'138'465)	(892'839)	(6'882'202)	(8'209'254)	(3'244'852)
Reinsurers' share of payments for insurance claims	41'795'117	57'087'149	322'929	413'508	28'415'110	35'691'383	701'316	4'885'339	6'566'829	2'585'732
Change in technical provisions	(6'100'691)	10'241'169	211'503	(52'019)	(48'822'075)	27'387'351	(4'587'619)	(9'019'926)	6'599'318	386'661
Reinsurers' share of change in technical provisions	40'860'945	(5'682'708)	(264'576)	(18'084)	35'467'151	28'896'206	2'837'583	(15'996'920)	(6'580'772)	(117'100)
Change in technical provisions for unit-linked life insurance	0	0	0	0	0	0	0	0	0	0
Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	(32'528'317)	(13'231'240)	(155'887)	(222'330)	(21'444'322)	44'516'485	(1'941'378)	(25'613'710)	(424'078)	(389'538)
Acquisition and administration expenses	(2'317'059)	(19'143'930)	(242'636)	(225'107)	(10'895'845)	(8'634'829)	(2'723'240)	(2'553'527)	(622'800)	(1'013'307)
Reinsurers' share of acquisition and administration expenses	17'345'846	13'092'058	172'146	171'069	7'620'202	6'208'238	2'212'850	1'704'003	376'582	744'843
Acquisition and administration expenses for own account (15 + 16)	(5'824'743)	(6'051'872)	(70'490)	(54'038)	(3'275'643)	(2'426'581)	(510'390)	(849'524)	(146'218)	(264'665)
Other underwriting expenses for own account	(1'007'233)	(64'204)	0	0	(42'138)	(22'226)	(246'863)	(42'212)	11	13
Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	(39'360'294)	(19'347'316)	(226'387)	(276'368)	(24'762'103)	42'167'668	(2'697'632)	(26'505'446)	(570'286)	(654'191)
Investment income	1'678'581	4'134'615								
Investment expenses	(6'788'920)	(4'301'830)								
Net investment income (20 + 21)	(5'110'339)	(167'216)								
Capital and interest income from unit-linked life insurance	0	0								
Other financial income	8'272'121	7'621'459								
Other financial expenses	(7'974'879)	(6'105'017)								
Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	(9'823'705)	6'796'086								
Interest expenses for interest-bearing liabilities	0	0								
Other income	0	0								
Other expenses	(210'853)	0								
Extraordinary income/expenses										
Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	(10'034'558)	6'796'086								
Direct taxes	0	0								
Profit / loss (31 + 32)	(10'034'558)	6'796'086								

- Line of Business Miscellaneous includes Agriculture, Credit & Bonds and Miscellaneous reinsurance.
- “Investment income” and “Investment expenses” are reported with the same granularity as reported in the income statement and the notes to the Financial Statements. “Investment income” shows the “Investment income” as reported in the income statement and Net Realised Gains but before investment expenses.
- “Investment expenses” includes the “Investment expenses” and “Net realised losses”.
- Line “Other financial income” and line “Other financial expenses” reports foreign exchange realized losses on balance sheet accounts and receivables and payable on a Life deposit accounted transaction.

B.3 Comments on quantitative template “Performance Solo Reinsurance”

Peak Reinsurance Switzerland reported a Net Profit after taxes of CHF 6.8m for the FY 2023 (FY2022: CHF -10.0m). The result was driven by an operating profit including General and Admin Expenses of CHF 5.5m) to which was added a negative Net Investment Income for CHF -0.2m. Other financial income net of other financial expenses from a deposit accounted contract contributed with CHF 1.5m.

The Company registered a positive net underwriting result of CHF 10.5m in 2023, the year was marked by more benign loss activity compared to the various weather events of prior years. The core European markets were largely spared by major events with Italy hailstorms in summer having the largest impact on the year. The positive development of 2023 UY together with reduced exposures and hardened market conditions have spurred the gross result of Peak Re Switzerland allowing to achieve a positive result. All this despite a slight increase on Administrative Expenses and a muted performance of the invested assets.

Financial result of invested assets in the end contributed with a small negative impact to the overall performance, with a Net Investment Income of CHF -0.2m (in 2022 CHF -5.1m). The increase in interest rates brought about by tighter monetary policies worldwide lead our appetite to invest in individual government bonds while maintaining a minority share of our invested assets in Shares of ETFs based on corporate bonds. The investment income following our strategy grew to CHF 3.3m in 2023 (from CHF 1.6m in 2022). The pursued shift in the composition of our portfolio from investments in ETFs (reduced to CHF 25m from CHF 54m in 2022) to Fixed income securities (increased to CHF 52.8m from CHF 22.8) in 2022 caused realisation of some investment losses for CHF 3.3m. This together with admin expenses of holding our assets for CHF 0.2m were not fully offset by interest on bonds and the dividends on ETFs shares still held at year end.

The Company decreased the Gross Written Premium (“GWP”) to CHF 86m from CHF 135m, in line with the objective to derisk and improve the profitability of the overall portfolio.

The Net Earned Premium after applying the whole account quota share retrocession treaty reduced substantially to CHF 24.8m from CHF 34.3m in prior year due to increase in intragroup cession rate from 65% to 80% and original portfolio reduction.

In 2023, the Net Technical Combined ratio (i.e., without General and Admin Expenses) decreased to 57.4% from 101.4%. When including General and Admin Expenses, the total combined ratio for 2023 was 77.8% (2022: 114.6%).

In 2023 Peak Re Switzerland continued to maintain its presence in the main European markets while prudently expanding its Latin Americas footprint, as visible in the table below:

By Cedents' Region	FY 2023	FY 2022
Europe	93.2%	97.0%
Americas	6.4%	2.3%
Asia	0.3%	0.7%
Africa	0.1%	0.1%

The 11 countries where the Company underwrote most of its business in during 2023 accounted for 92.2% of the GWP as compared to 94.3% in 2022.

By Country	FY 2023	FY2022
France	15.6%	35.0%
Germany	30.3%	24.0%
Italy	12.1%	10.2%
Switzerland	9.1%	6.5%
Portugal	0.9%	4.9%
Spain	7.0%	3.7%

Peru	4.0%	2.3%
United Kingdom	2.7%	2.2%
Ireland	2.2%	1.9%
Belgium	3.9%	1.4%
Malta	4.4%	2.2%
Other	7.8%	5.7%

We were able to increase our presence in Germany, we reduced significantly our participation in proportional Motor in France whereas grew slightly our presence in Italy, Switzerland and Spain while seeking to maintain equilibrium in overall exposures.

Overall, we rebalanced of the portfolio between Non-Proportional and Proportional business in search of a better balance between margins and exposures.

by Treaty type	FY 2023	FY 2022
Proportional	41.0%	59.2%
Non-Proportional	59.0%	40.8%

The split by Lines of Business is as follows:

By Line of Business	FY 2023	FY 2022
Property	52.9%	39.6%
Motor	20.2%	32.9%
Casualty	9.1%	10.9%
Miscellaneous		
Accident	8.4%	7.0%
Engineering	3.7%	6.4%
Agriculture	3.5%	2.0%
Marine	1.1%	0.9%
Credit and Bonds	1.1%	0.3%

Growth in Property is driven by increase in France and United Kingdom, reduction in Motor due to the significant reduction of a Motor proportional treaty in France (as previously mentioned), additionally non-renewal of various other treaties in Casualty and Engineering where conditions appeared not to be economical.

The Net Claims Expenses incurred were at CHF 13.2m compared to CHF 32.5m in 2022. Below the split across all lines of business.

By Line of Business	FY 2023	FY 2022
Property	31.9%	66.0%
Motor	29.2%	18.4%
Casualty	20.7%	4.8%
Accident & Health	8.3%	1.5%
Agriculture	4.6%	1.2%
Engineering	4.3%	8.0%

Marine	0.8%	0.2%
Miscellaneous Accident	0.1%	0.1%
Credit and Bonds	0.1%	0.0%

Safety and Equalisation Reserve remained unchanged at USD 1.7m, which translated to CHF 1.4m (2022: CHF 1.6m).

Net investment result

Investments were held mainly in a well-diversified portfolio of fixed income instruments, shares of Exchange Traded Fund (ETFs) in bonds and, to a smaller extent, shares (CHF 1.8m) and in real estate fund (CHF 1.8m). The cash and cash equivalents portfolio were 25.2% (compared to 26.8% in prior year) of the Assets under Management.

At the end of 2023 Peak Re Switzerland held investment amounting of CHF 104.0m, compared to CHF 105.2m at the end of 2022, split among the following classes:

Investment type, in CHF million	2023	2022
Fixed-interest securities	52.8	22.8
ETF Shares	25.0	54.2
Cash and cash equivalents *	26.2	28.2
Total	104.0	105.2

*included CHF 19.2m of collateral under the whole account quota share agreement in 2022 (CHF 18.8m), was converted into capital in 2023 and money is invested in short term fixed interest deposit (interest matured until year end add up to CHF 0.4m net of expenses and withholding taxes).

Income from investments								
	Income *	Net unrealized gains	Net realized gains	Total	Income	Net unrealized gains	Net realized gains	Total
(in CHF'000)	2023	2023	2023	2023	2022	2022	2022	2022
Fixed-interest securities	1'769	174	317	2'260	452	-	-	452
Shares	927	113	389	1'428	1'092	-	-	1'092
Other investments **	447	-	-	447	135	-	-	135
Total	3'143	286	705	4'135	1'679	-	-	1'679

* Income relates to dividends for shares (we hold shares of ETF Bonds), interest coupons on fixed interest securities, interest on cash and cash equivalents.

** Other investments represents interest on cash and cash equivalents which are invested regularly in fixed terms deposits

Expenses from investments								
	Current expenses *	Net unrealized losses	Net realized losses	Total	Current expenses	Net unrealized losses	Net realized losses	Total
(in CHF'000)	2023	2023	2023	2023	2022	2022	2022	2022
Fixed-interest securities	84	-	314	398	-	-	6'751	6'751
Shares	9	-	3'865	3'874	-	-	-	-
Other investments	30	-	-	30	38	-	-	38
Total	123	-	4'179	4'302	38	-	6'751	6'789

* Expenses on various types of investments are related to Swiss taxes on transactions for Fixed Interest securities and Shares and to withholding taxes on interest on fixed term deposit under Other investments

The net investment result in 2023 was negative CHF -0.2m comparing to negative CHF -5.2m in 2022 and includes realised losses on ETF Corporate bonds shares which were sold during the year and replaced with government bonds. The investment income following our strategy grew to CHF 3.3m in 2023 (from CHF 1.6m in 2022) but the pursued shift in the composition of our portfolio from investments in ETFs (reduced to CHF 25m from CHF 54m in 2022) to Fixed income securities (increased to CHF 52.8m from CHF 22.8) in 2022 caused realisation of some investment losses for CHF 3.3m.

Other income and expenses

Other income and expenses relate to revenues and expenses linked to a deposit accounted transaction which declined in value due to devaluation of Swiss Franc towards the Company reporting currency. The contract generated a gain of CHF 1.5m compared to a gain of CHF 0.3m in 2022.

General and Admin Expenses

General and Admin Expenses are presented as part of Acquisition costs and Admin expenses in the Local Statutory Income statement. They increased by CHF 0.5m to CHF 5.0m over the year. Specifically, personnel costs increased by CHF 0.5m (due to increase in FTE); other non-personnel costs remained pretty stable.

At the end of 2023 Peak Re Switzerland had 13 employees, up by 1 from a year ago, including 10 full-time and 3 part-time staff, with average during the year of 11.5 FTE employment (compared to 7.9 FTE a year ago).

No profits and losses have been recognised directly in equity in FY2023.

C. Corporate Governance and Risk Management

C.1 - Corporate Governance

The composition of the Board of Directors and the Executive Management as of December 31, 2023:

Board of Directors

Mr. Franz Josef Hahn, Chairman

Mrs. Cathy Chen, member

Mr. Ulrich Fricker, member and Independent Non-Executive Director

Executive management

Matteo Cussigh, Chief Executive Officer

Piotr Nowakowski, Chief Underwriting Officer - P&C

Gianluca Mereu, Chief Financial Officer

C.2 - Risk Management

Peak Re Switzerland Risk Management framework is based on strong risk culture, a robust compliance framework, a clearly articulated risk ownership by the operational units, a Risk Management and Compliance function and an Internal Audit function. Both the Risk Management and the Internal Audit functions regularly report and advise the Board of Directors and Executive Management team on risk management matters, including ad-hoc risk analysis whenever required.

Peak Re Switzerland has a documented Risk Management and Governance framework.

The Company's Risk Management framework describes Peak Re Switzerland's risk appetite and tolerance. It provides guidance on how financial and operational risks are being monitored and managed and describes the roles and responsibilities of relevant functions in the Company. It defines appetite and limits for identified risk types at company level, in line with Peak Re Group.

C 2.1 Risk Management Function

The Risk Management function is independent from the business. The technical and business skills of Peak Re Switzerland's Head of Legal, Risk & Compliance positions her as business advisor on risk matters and helps foster a risk-aware culture in the business.

Risk management is performed by the operating units ("1st line of defence"), the risk manager ("2nd line of defence") and the internal auditor PWC AG, Zurich ("3rd line of defence"). There have been no substantial changes to the risk management system during the reporting period. The engagement of PWC, Switzerland as the Internal Auditor was renewed for the reporting year.

Operational risks such as those stemming from the legal and regulatory environment, bank relationships etc. did not experience any extraordinary exposures.

Certain key functions of Peak Re Switzerland are supported by an outsourcing agreement with Peak Re Hong Kong under a group services model and benefit from the Parent company's scale and depth of knowledge and experience. These were carried out seamlessly throughout the year.

The Board of Director is ultimately responsible for the oversight of Risk Management framework and reviews the Enterprise Risk Management (ERM) Report quarterly.

C 2.2 Actuarial Function

Consistent with FINMA guidelines, the Company has appointed a Responsible Actuary. As a subsidiary of an international group we have opted for an external actuarial advisor who is familiar with local Swiss requirements and brings the necessary credentials.

Although an external appointee, the Responsible Actuary is appropriately integrated into the operations of the Company. His role includes the responsibility for:

- a. The validation of the appropriate amount of reserves;
- b. The involvement in the Swiss Solvency Test process, including the confirmation that the SST ratio is correctly calculated, and the determination of the Target Capital ("TC") and Risk Bearing Capital ("RBC") metrics;
- c. The periodic review and oversight of pricing.

The Responsible Actuary reports to the Executive Management and to the Board of Directors.

C 2.3 Compliance Function

The Compliance Function ensures that the relevant legal and regulatory obligations of the company are identified and assessed. Further it reviews and assesses the appropriateness of the guidelines, processes and controls set up by the Company to prevent compliance violations.

Further objectives are to protect Peak Re Switzerland and its employees by avoiding:

- Legal and regulatory risks,
- Conflicts of interests between the Company and its employees and clients,
- Reputational risks.

The Board of Directors is responsible for compliance, the operational responsibility is delegated to the Legal, Risk & Compliance Officer. The compliance reporting system is the basis for the regular reporting from the Legal, Risk & Compliance Officer to the Board of Directors and the Executive Management. It consists of quarterly report and, if required, of an ad-hoc reporting.

C 2.4 Internal Audit Function

The Internal Audit function is an independent and outsourced function whose activity is guided by a philosophy of adding value to improve the operations of Peak Re Switzerland. It assists the Board of Directors in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the organisation's governance, risk management and internal control.

The Internal Audit function reports to the Board of Directors of Peak Re Switzerland (the "Board").

It prepares an activity report on an annual basis which describes and comments on the status of compliance with

- the internal audit plan as approved by the Board, and
- the implementation of agreed measures resulting from audit reports.

C.3 Internal Control System

The Internal Control System defines the risks subject to control, the control process and responsibilities as per the requirements of the FINMA circular 2017/2 “Corporate Governance”.

The ICS consists of automated and manual preventive and detective controls embedded in the process landscape. It applies to all business and operations areas: Underwriting, Pricing, Technical and Financial accounting and reporting, Claims, Investment Management, IT, Human Resources, Risk Management and Compliance.

D. Risk Profile

Peak Re Switzerland assumes risk from reinsurance underwriting and investment activities. The Company targets a diversified portfolio in terms of lines of business and geography covering all the Property and Casualty lines of business to add value and provide diversification at the Group level.

We aim for the combination of a diverse inwards portfolio (i.e., by line and country) and a comprehensive retrocession program to reduce the concentration of risks and volatility.

D.1 – Risk Profiles

The main risks that are monitored since considered material are:

- Insurance risk
- Market Risk
- Credit Risk
- Operational Risk

Peak Re Switzerland has defined limits for the amount of risk the company is willing to assume in any one of its risk-taking activities. Details are to be found in the following documents:

- a. Corporate Underwriting Guideline and Accumulation Control – this defines the capacities and limits deployed for P&C business per line of business
- b. Board Protocols on delegation of authorities.
- c. Investment Policy Guidelines – this defines the strategic asset allocation and limits for cash and short-term deposits, fixed income, equities and real estate, as well as the delegation of authorities to the asset manager

Peak Re Switzerland applies state of the art techniques to identify, quantify and manage risks. Risks from reinsurance underwriting and investment activities are identified and managed by using:

- a. A detailed limits system,
- b. ORSA (Own Risk and Solvency Assessment).

Peak Re Switzerland uses the Own Risk and Solvency Assessment (ORSA) applying the SST modelling framework. Underwriting and Investment Policies drive the culture of risk management of the Company and define the risk-taking appetite. The Board approves major decisions affecting the Company's risk profile or exposure.

Peak Re Switzerland's risk landscape can be categorised by its sources as:

- insurance risk (premium and reserve risk),
 - investment risk (market, credit, liquidity risk) and
 - risks associated with the Company as such (operational, legal and compliance risk).
-
- Insurance Risk (premium and reserve risk)

Premiums should be set at a level that corresponds with the level of risks underwritten. Premium risk is monitored prospectively and retrospectively. Prospective premium risk monitoring shall be implemented at

the time contracts are written. This is achieved through the use of proprietary tools which compare Peak Re Switzerland's view on premiums following the technical rating exercise (i.e., the "technical rate") with the prevailing price available in the market (i.e., the "market rate"). Over time, the market rate will fluctuate and may be above or below the Peak Re Switzerland's technical rate due to the market cycle.

Following the decision to bind a treaty, there is a risk that a higher level of claims will materialise than originally expected. This is monitored in the quarterly reserving reports, which include a review of treaty level loss ratios.

Specifically, reserving risk arises due to unfavourable development in claims costs relative to Peak Re Switzerland's opening reserve level. This may be due to adverse claims experience on policies written in the current financial year or due to deterioration in the ultimate claims forecast against prior financial years. Peak Re Switzerland employs suitable methodologies and assumptions to compute and make provision for its insurance liabilities. Such methodologies and assumptions take into account the business volume, claims experience, industry practice, types of reinsurance product, etc. Any reserving assumptions made are reviewed on a quarterly basis (and twice a year by the Responsible Actuary in Switzerland) together with the Reserving Actuary of Peak Re Hong Kong to ensure that due recognition is given to relevant changes in the composition of the business portfolio, market conditions and legal developments, etc.

Any claims reported are promptly recorded so that the relevant reserves will be provided accordingly. The amounts of estimated and actual claims are compared from time to time to ensure adequate provisions are made for outstanding claims. The Board is notified of large claims (above USD 1m) and will take timely actions as appropriate.

The Company's retrocession policy provides for guidance such that the exposures of Peak Re Switzerland's business portfolio to major losses owing to individual large risks and accumulations of losses are properly managed. Peak Re Switzerland also regularly assesses the counter-party risk of retrocessionaires and on a quarterly base the collectability of the amounts due.

- Market Risk

Peak Re Switzerland's investments are exposed to market risk, arising because of changes in interest rates, currency exchange rates, geopolitical events, or general macro-economic market conditions. Market risk is systematic and affects the whole market collectively.

Peak Re Switzerland's investment risk monitoring process includes diversification and exposure limits, traditional asset/liability management practices, assessing the minimum weighted average credit quality of the bond portfolio and regularly monitoring currency mismatch risk and duration/interest rate risks. Peak Re Switzerland also uses a traffic light system (by mean of monthly report to the CFO and CEO) to facilitate the monitoring and communication of investment risk levels at country, currency, and industry sector levels.

As of the end of 2023, the Company has not invested directly in equity securities. We held shares in an ETF on stocks for CHF 2.0m.

The Company's fixed income portfolio (including fixed income ETFs) is mainly exposed to interest rate movements and changes in spreads reflecting counterparty risk. Peak Re Switzerland tracks risks on a name, country and industry basis and considers cross balance sheet exposures from its credit and bond portfolios. If the Company becomes overexposed to any one country, rating level, name or industry, the portfolio will be rebalanced or hedged.

The Company's Investment Policy also ensures that cash inflows from invested assets are regularly reviewed so that it is adequate to meet the cash outflows due for settling liabilities under different economic conditions. Timely actions will be taken to identify any significant investment losses so that provisions will be made for them.

- Credit Risk

Credit risk represents the loss that Peak Re Switzerland would incur if a counterparty (including a loan borrower, an issuer of securities or other instruments Peak Re Switzerland holds) fails to perform its contractual obligations or the loss in value of securities and/or other financial instruments due to deterioration in the credit quality of the issuer. Peak Re Switzerland's exposure to credit risk principally arises through its investment, as well as credit and bond and reinsurance ceding activities.

Peak Re Switzerland's credit risk management aims to maintain high investment asset quality and minimise its concentration risk through a diversified, balanced and risk-weighted investment and product portfolio. The Company continually monitors and updates its credit risk-related policies and guidelines to reflect changing market and business conditions. To measure and manage its credit exposures, Peak Re Switzerland uses a variety of tools on a daily basis, including a credit management system monitoring credit exposure to individual counterparties. In the ordinary course of business, the Company may be subject to a concentration of credit risk to a particular counterparty, in which case Peak Re Switzerland will manage by setting exposure limits. The Company's only intra-group retrocessionaire is Peak Re Hong Kong, which itself employs retrocession and other risk mitigating measures.

- Operational Risk

Peak Re Switzerland defines operational risk as the risk of loss arising from people, processes, systems, and external events. The Company tracks these risks using risk registers, which identify the risk owner, describe the risk, define mitigating actions, and quantify the residual risk.

To help mitigate these risks, Peak Re Switzerland adopted proper delegated authorities for underwriting and for securities trading.

The Company has defined and uses policy/procedures to identify, prevent, detect, and mitigate cyber security threats arising from network, e-mail and/or devices and robust measures to deal with cyber security threats timely and effectively. In addition, the Company runs a "Disaster Recovery Process" at least once a year to test the resilience of its information technology systems and access to critical business information in case of a network disruption, loss of data or security breach.

Peak Re Switzerland has a business continuity plan (BCP) in place to identify viable measures and actions that the Company can take to continue and restore its position or business activities under different stressed conditions or in advance as precautionary measures.

The Company provides training to staff on how to respond to unforeseen external events such as a fire in the office or inaccessibility of office premises (in accordance with the BCP).

- Other material risks

- Liquidity Risk

Liquidity risk refers to the risk of loss that may arise as a result of insufficient funds due to an unexpected sudden change in cash flow. In case of a major loss, the Company needs to have sufficient liquidity to pay claims in a timely manner to retain its main value proposition to ceding insurance companies. Peak Re Switzerland monitors its liquidity position and as a precautionary measure keeps at least 5% of its shareholder and policyholder funds in cash. Peak Re Switzerland's equity and fixed income instruments are mostly traded in public exchanges. The Company also works to ensure the portfolio of fixed income securities is comprised of liquid instruments.

- Legal and Compliance Risk

The Head of Risk Management & Compliance and legal counsel of the Company is responsible for ensuring that the Company complies with applicable laws and regulations, guidance notes, guidelines and codes issued by relevant regulators (including FINMA) and standards and codes issued by industry bodies (if and as applicable).

The Anti Money Laundering/Counter Financing Terrorism (AML/CFT) policy of the Company establishes procedures for identifying any potential suspicious transactions and for reporting to the senior management, the Board and/or law enforcement authorities as appropriate.

- Internal Controls

The effectiveness of risk monitoring, risk control and reporting is subject to regular internal audits.

The internal auditor exercises independent assessment of the risk management process and report to the Board on a regular basis and as necessary. The Board is responsible for oversight of all aspects of Peak Re Switzerland's risk management systems and measures. The internal audit function is outsourced to PWC.

There was no exposure to off-balance-sheet positions nor risks transferred to special purpose vehicles (SPVs).

The Company maintained the process for assessing the risks to which is exposed as described above.

D.2 - Risk Concentration and Accumulation

- a. Assets

- Relevant Concentrations

Peak Re Switzerland's key retrocessionaire is the Parent Company (with AM Best rating of A-) through an intragroup quota share and additional non-proportional retrocession protections.

- Default Probabilities of the Relevant Exposures

There are no extraordinary exposures.

- b. Liabilities

Peak Re Switzerland writes a diverse portfolio of business and has limited risk accumulations on the liability side. With regards to the quantitative aspects, the SST Report 2024 as of 1 January 2024 showed the following risk posture:

Insurance risk comprised 53.4% of the Target Capital of USD 56.9m (as calculated in April 2024). This compares to 52.3% of the Target Capital of USD 46.9m as of April 2023 (before the additional capital contribution). The increase in relative terms is driven by the increase in business volume in 2024.

Market risk made up 17.4% of Target Capital, which compares to 21.9% of the Target Capital of USD 46.9m as of April 2023. The reduction is driven by the change in the currency of the quota share retrocession with Parent company from USD to EUR, additionally the future cash flows of a Life deal contribute to decrease the relevant weight of Market risk towards Target Capital.

Credit risk made up 35.9% of Target Capital which compares to 55.1% of the Target Capital of USD 46.9m as of April 2023. The absolute risk charge for credit risk reduced from USD 27.4m a year ago to USD 20.4m in SST 2024, driven primarily by the reshuffling of the investment portfolio where Peak Re Switzerland sold a big portion of bond funds and bond ETF and replaced them by US government bonds driving to an improved quality rating. Additionally, in 2023, Peak Re Switzerland had an important receivable position with an unrated company (USD 27m) that was settled during 2023 and drastically reduced at 31.12.2023 to USD 9m.

The credit risk model is based on cash-flow projections at counterparty level.

D.3. - Reinsurance and Risk Mitigation Techniques

Peak Re Switzerland uses retrocession to manage its overall underwriting risk, and Asset-Liability matching to control foreign exchange or asset volatility risk.

The intragroup and outward retrocession programs are deemed adequate to protect the capital base of the Company against large per risk and per event losses.

E. Valuation

All values are presented in the Company's reporting currency in USD which is also the currency we calculate and present our solvency ratio.

In order to derive the CHF amounts the following exchange rates as reported in our Financial Statements are used.

Currency	Balance Sheet		Income Statement		Equity (avg. historical rate)	
	2023	2022	2023	2022	2023	2022
USD	0.84162	0.92523	0.89625	0.95392	0.9920	0.9912

Additionally, the tables that show comparison between Statutory Balance Sheet and Market Consistent Balance Sheet - MCBS have been adjusted to refer to the year-end date (i.e., 31 December) although for solvency calculation purposes the reference date is the opening date of the following reporting period (i.e., 1 January).

The Market Consistent Balance Sheet (MCBS) contains all business written or "bound" as of 31 December 2023.

The SST balance sheet comparison with the audited financial statements provides insights into the main valuations and differences between treatment under local GAAP (as reported in the Notes to the Financial Statements in point B.1 Financial Statements point 2 lit. a) to f)) and SST.

We comment below on items that are valued differently under these regimes.

The difference between the Statutory Balance Sheet and MCBS is due to:
on the Asset side:

- adjustment to market value for investments,
- adjustment of ceded Unearned Premium Reserve to reflect the Market Consistent ceded Premium Liability,
- exclusion of the deferred acquisition cost, and
- exclusion of the deferred tax asset if any.

and on the Liabilities side:

- exclusion of Equalisation Reserves. discounting of Best Estimate ceded Loss Reserves,
- addition of liabilities for bound-but-not-incepted business as of January 1, 2023,
- discounting of Best Estimate Loss Reserves,
- adjustment of Unearned Premium Reserve to Market Consistent Premium Liability,
- exclusion of the deferred tax liabilities if any.

E.1 - Assets

The following table shows the breakdown of the Statutory and MCBS assets as of December 31, 2023, and as of December 31, 2022, respectively (in USD million).

Component	SST 2024		SST 2023	
	Statutory BalanceSheet 01.01.2024	Market Value BalanceSheet 01.01.2024	Statutory BalanceSheet 01.01.2023	Market Value BalanceSheet 01.01.2023
Retrocessionaires share of UPR	28.6	23.2	36.2	28.4
Retrocessionaire outstanding loss reserves	163.3	156.2	165.5	155.1
Due from ceding companies	75.6	75.6	113.4	113.4
Due from retrocessionaires	33.5	33.5	17.5	17.5
Deferred acquisition costs	9.2	0.0	12.1	0.0
Cash and cash equivalents	31.2	31.2	30.5	30.5
Governments bonds	61.1	61.1	19.0	19.0
Corporate bonds	32.0	32.0	64.5	64.5
Equities	0.0	0.0	0.0	0.0
Other assets	1.5	8.5	8.6	8.6
Total assets	436.1	421.3	467.3	437.0

Investments:

Under SST, their valuation is “mark to market”, based on quoted prices in active markets or observable fair values. Under local GAAP, fixed interest securities are valued at lower market value or amortised cost less required impairments. The annual amortisation amount is recognised within the investment result; the difference is presented in the table above, no difference is to be noted since Market values were below amortised costs less impairment in both current and prior year.

Shares and ETF shares and other investments are valued at the lower of cost or market.

Deferred acquisition costs:

Under local GAAP, acquisition costs that are directly attributable to reinsurance contracts are capitalised and amortised over the lifetime of the contract in proportion to the premium income earned. These costs are regularly tested for impairment using a liability adequacy test.

Under SST, this position is fully depreciated.

For all other assets the statutory value has been taken and valued at the market value.

E.2 - Liabilities

The following table shows the breakdown of the statutory and MCBS liabilities as of December 31, 2023, and as of December 31, 2022, respectively (in USD million).

Component	SST 2024		SST 2023 (restated)	
	Statutory BalanceSheet 01.01.2024	Market Value BalanceSheet 01.01.2024	Statutory BalanceSheet 01.01.2023	Market Value BalanceSheet 01.01.2023
Unearned premium reserves	40.9	33.2	55.4	43.5
Outstanding claims reserves	206.3	205.2	217.6	203.9
Due to ceding companies	9.7	9.7	29.3	29.3
Due to retrocessionaires	63.1	63.1	60.5	60.5
Retrocessionaires' Deferred acquisition costs	6.3	0.0	8.4	0.0
Premium Deficiency Reserve	0.0	0.0	0.0	0.0
Deposit liability Life	15.4	4.7	8.4	8.4
Other liabilities	1.2	1.3	26.0	26.6
Equalization reserves	1.7	0.0	1.7	0.0
MVM	0.0	2.6	0.0	2.5
Total liabilities	344.6	319.7	407.3	374.4

Under local GAAP, liabilities from Non-life business are valued on an undiscounted basis and contain equalisation reserves SER, which are presented on an individual line item.

Provisions for insurance obligations

Following two tables shows provisions for insurance obligations under the Statutory Balance sheet and Market Consistent Balance Sheet (i.e. market value):

Statutory Balance Sheet

Gross and net value of Provisions for insurance obligations	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)
USD 000	2023	2023	2023	2022	2022	2022
Unearned premium reserve	40.9	28.6	12.2	55.4	36.2	19.1
Loss reserves	204.7	156.3	48.4	218.6	165.5	53.1
Equalisation Reserve	1.7	-	1.7	1.7	-	1.7
Total	247.3	185.0	62.3	275.7	201.7	74.0

Market Consistent Balance Sheet

Gross and net value of Provisions for insurance obligations	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)	Technical provisions (gross)	Reinsurers' share	Technical provisions written (net)
USD 000	2023	2023	2023	2022	2022	2022
Unearned premium reserve	40.9	28.6	12.2	55.4	27.5	19.1
Loss reserves	214.7	163.3	51.3	218.6	148.0	53.1
Equalisation Reserve	-	-	-	-	-	-
Total	255.5	191.9	63.6	274.0	175.5	72.3

Outstanding claims reserves

The outstanding claims reserves value in the MCBS has been estimated by adding a risk margin and discounting the statutory values. The reduction in the total gross written premiums following our increased attention to risk selection in Europe resulted in the decrease in the gross reinsurance reserves from USD 218.6m to USD 214.7m, spread across all lines of business with prevalence in Property incl. Engineering, USD 111.2m, and Motor, USD 48.1m, line of business.

At the end of 2023 Europe represents 95.5% (95.9% in 2022) of gross claim reserves of the portfolio. Indian business in run off represents 2.0% (compares to 2.6% at the end of 2022) of the gross claim reserves remaining amount is for gross reserves from Americas clients

Unearned premium reserves (“UPR”)

Several adjustments are needed to move from the UPR position in the statutory balance sheet to the market consistent basis. In particular a best estimate view is needed. As such the premium deficiency reserve is removed.

For Underwriting Years 2022 and Prior

The total gross market consistent UPR for policies inception in 2022 and prior years is calculated as the difference between the expected gross discounted claim and the gross future premiums. The gross future premiums are the difference between the gross ultimate unearned premiums and the gross UPR. The maintenance expense ratio assumptions are based on assumptions from Peak Re Switzerland.

Underwriting Year 2023

The total gross market consistent UPR arising from bound-but-not-incepted business (i.e. treaties with inception date 1 January 2022) is calculated as the difference between the gross expected discounted claims and the gross signed premiums for 1 January 2023. Bound but not incepted exposures need to be included in the calculation in order to align with the contract boundary requirements of the SST calculation.

For the avoidance of doubt, we note that the 1 January 2023 bound-but-not-incepted exposure arises only from European treaties.

Retrocessionaire’s Outstanding Loss Reserves

The market value of the retrocessionaire’s outstanding loss reserves has been calculated as the difference between the market value of gross outstanding claims reserves and the market value of the net outstanding claims reserves. The market value of the net outstanding claims reserves has been estimated using the same approach as for the market value of the gross claims reserves. The same discount factors have been used for gross and net claims reserves.

Retrocessionaire Share of Unearned Premiums Reserve (UPR)

For SST calculation purposes two adjustments are needed from Statutory Balance sheet position.

First, companies need to allow for their best estimate view in respect of unexpired risks. For this reason, treaty level pricing loss ratios, expense load and commission assumptions are used to generate a view of the unexpired risk reserve. As there is embedded profit within the UPR this is a downward driver when comparing market consistent views with Statutory Balance Sheet views. Second, and in line with SST guidelines, an allowance for bound-but-not incepted exposures as of 1 January 2024 is needed. This is an upward-driver when comparing market consistent and statutory bases.

When applied together, the first of these factors is more significant than the second, and this is why the UPR is lower on a market consistent basis.

E.3 - Market Value Margin

The Market Value Margin (“MVM”) has been calculated as defined in the Standard Model approach suggested in the FINMA Technical Document on the Swiss Solvency Test as published in October 2023.

The table below presents the evolution of the MVM:

	SST 2024	SST 2023	SST 2022
MVM	2.6	2.5	7.6

The MVM increases from USD 2.5m in SST 2023 to USD 2.6m in SST 2024, including USD 0.2m related to Life business.

The Market Value Margin covers the cost of capital of outstanding risks beyond the one-year horizon. All types of risks are considered in the MVM: Insurance, Market and Credit. In particular, the credit risk of retrocessionnaires is captured until full run-off of ceded liabilities. The Cost of Capital is fixed by FINMA at 6%.

E.4 - Provisions for Other liabilities

The other liabilities position includes amounts due to various suppliers at year end (e.g., other payables) (USD 1.2m). Please note these have no different valuation under Statutory and Market Values.

Difference between Swiss Statutory accounting principles and MCBS are due for the amount of USD 0.1m to Reserves for unrealised gains on foreign exchange on on technical reserves.

Provision for other liabilities	Statutory Balance Sheet	Adjustment	Market Consistent Balance Sheet
USD million	2023		2023
Other liabilities	1.2	-0.1	1.3

F. Capital Management

Peak Re aims at year-on-year capital growth through retained earnings. Its long-term investors are not primarily looking for dividends during the company's early years of establishment and as a result, Peak Re Switzerland is not subject to dividend pressure. Capital management is at the core of our strategy of being client-centric in that we cooperate with clients and intermediaries to develop risk and capital solutions to assist their profitable growth, and we look at long term positive outcomes for both our cedents and ourselves.

We have a capital planning process based on the Own Risk and Solvency Assessment (ORSA) exercise within the SST modelling framework. The capital planning process targets:

- to identify, assess, monitor, manage and report the short- and long-term risks that Peak Re AG faces or may face; and
- to determine the level of funds necessary to meet solvency needs at all time.

The ORSA requires Peak Re Switzerland to assess its own risks and associated economic and regulatory capital needs.

In the process we consider the following factors:

- Strategic objectives
- Current and future risk profile
- Any capital buffers required

The ORSA at Peak Re Switzerland is forward-looking across the business planning horizon, i.e., 3 years. It encompasses all material risks, including those which are not captured in the SCR of the SST, such as reputational risks.

We hold a simple capital structure that comprises solely of Tier 1 capital. This includes common stock or equity capital which was composed of a fully paid-in share capital of USD 9.8m (or CHF 10.0m), and reserves which included: a capital surplus reserves ("Kapitaleinlagereserven") of USD 69.4m (CHF 72.4m) and an

Organisation Fund of USD 8.8m (CHF 9.0m). Equity and solvency capital are managed with the ORSA process with a time horizon of three years.

Shareholders' equity on MCBS increased in 2023 by USD 39.1 m because of the additional capital contribution (USD 20m) profit of the year (USD 6.3m) and inclusion of future profit on life transaction as well as other L&H business.

No hybrid, conditional or mezzanine capital instruments were used.

in USD thousands	Share capital	Statutory capital reserves	Voluntary retained earnings	Currency Translation reserve	Total Equity
2022	9'837	78'264	(28'550)	-	59'551
Additional Paid in capital		20'000			20'000
Effect of foreign exchange			6'366		6'366
Profit / (Loss) of the period			7'583		7'583
2023	9'837	98'264	(14'601)	-	93'499

The difference in valuation between the shareholders' equity as per statutory annual report of CHF 78.7m (USD 93.5m) and as per MCBS of USD 101.4m or CHF 85.3m is due to reasons explained in detail above in Section E Valuation and to the adjustment for foreign exchange on currency translation to national currency.

G.Solvency

The company uses the official version of the Standard Model of the Swiss Solvency Test SST for reinsurers published by FINMA (StandRe) for all risks excluding defined Natural Catastrophe exposures (CAT), and an internal model for defined CAT risk which was approved by FINMA in October 2020. The Company's capital and retrocession posture was managed by means of the ORSA process and based on the Swiss Solvency Test methodology.

The results of the SST 2024 report and a comparison with the previous SST report as submitted to FINMA are as follows:

in million USD	SST2024 Final	SST2023 reported	2024 vs 2023
Premium Risk - Attritional (AEP) net	6.5	6.0	0.5
Premium Risk - Individual (IE1) net	13.3	12.1	1.2
Premium Risk - Nat Cat (NE) net	12.5	7.1	5.4
<i>Diversification</i>	<i>(9.4)</i>	<i>(8.1)</i>	<i>(1.3)</i>
Premium Risk - Total - net	22.8	17.1	5.7
Reserve Risk - Attritional (AER) net	14.7	14.6	0.1
Reserve Risk - Individual (IE2) net	9.0	10.7	(1.7)
<i>Diversification</i>	<i>(8.0)</i>	<i>(9.0)</i>	<i>1.0</i>
Reserve Risk - Total net	15.8	16.3	(0.5)
<i>Diversification</i>	<i>(8.2)</i>	<i>(7.4)</i>	<i>(0.8)</i>
Insurance Risk - Total net discounted	30.4	26.0	4.4
<i>Market Risk</i>	<i>9.9</i>	<i>10.9</i>	<i>(0.9)</i>
Credit Risk	20.4	27.4	(7.1)
Scenarios	10.0	0.0	10.0
<i>Diversification</i>	<i>(11.4)</i>	<i>(16.0)</i>	<i>4.6</i>
Insurance & Credit & Market Risk & Scenarios	59.2	48.3	10.9
Expected Insurance Result	(1.4)	(0.7)	(0.7)
Expected Financial Performance	(0.2)	(0.4)	0.2
Target capital before MVM	57.7	47.2	10.5
Market Value Margin	2.6	2.5	0.1
Target Capital	56.9	49.7	7.2
Risk Bearing Capital (RBC)	101.4	62.3	39.1
SST Ratio - Forecast	178.2%	132.0%	46.2%

The SST ratio increases to 178.2% from 132.0% in 2023. Combined effect of increase of RBC and increased Target Capital are the driver of such variance compared to last year. The RBC increase is due transfer of collateral held under Quota Share agreement with Parent Company into Additional capital Contribution reserves (KER) USD 20m; Capital uplift of USD 11m due to future cash-flows / future profits from a Life contract; Retained 2023 profit of USD 7.6m (CHF 6.8m). The Target Capital change is driven by increased Insurance Risk, due to the growth in the business volume, and by specific risk scenarios which for the first time this year were aggregated. The largest component of the Target Capital has become the Insurance Risk at USD 38.6m (undiversified basis, USD 30.4m on a diversified basis).

Further details on components of Risk Bearing Capital are detailed here below.

Breakdown of risk-bearing capital into its main components

The table below presents the evolution and the breakdown of our RBC and changes over the previous year:

	SST 2024						SST 2023 (restated)		
	In USD millions	Rel. diff. prev. year	Share TC	Rel. diff. prev. year	Share total assets SST BS	Rel. diff. prev. year	In USD millions	Share TC	Share total assets SST BS
Sign convention: RBC = assets - liabilities + (deductions and RAC) ; TC = sum of components;									
Risk-bearing capital (RBC)	101.4	63%	178%	34%	24%	69%	62.3	133%	14%
Market conform value of assets	421.3	-4%	741%	-21%	100%	0%	437.0	932%	100%
Total liabilities	319.9	-15%	562%	-30%	76%	-11%	374.7	799%	86%
of which Market Value Margin (MVM)	2.6		5%	-16%	1%	6%	2.5	5%	1%
Deductions and RAC	0.0		0		0.0		0	0	0
Target capital (TC)	56.9	21%	100%	0%	14%	26%	46.9	100%	11%
Market risk	9.9	-9%	17%	-25%	2%	-5%	10.9	23%	2%
Credit risk	20.3	-26%	36%	-39%	5%	-23%	27.4	58%	6%
Insurance risk	31.3	20%	55%	-1%	7%	25%	26.0	55%	6%
Diversification effect	-12.2	-24%	-22%	-37%	-3%	-21%	-16.0	-34%	-4%
Negative of expected financial result	-0.2	-50%	0%	-59%	0%	-49%	-0.4	-1%	0%
Negative of expected insurance result	-1.4	96%	-2%	61%	0%	103%	-0.7	-1%	0%
Scenarios effect	9.9		17%		2%		0.0	0%	0%
Additional effects	-0.8	132%	-1%	91%	0%	140%	-0.3	-1%	0%
Surplus (RBC minus TC)	44.5	188%	78%	137%	11%	199%	15.4	33%	4%

The RBC increases by USD 39.1m from USD 62.3m in 2023 to USD 101.4m in 2024.

This increase is mostly attributable to the transfer of the collateral into additional capital reserve and, the future profit on a Life contract and the profit of the year which will be retained. .

There are no RBC deductions in the SST balance sheet. There is no additional capital.

Breakdown of market risk and insurance risk into its main components

The table below presents the evolution and the breakdown of the market risk between 2023 and 2022 (in USD millions):

Note	Risk factors	SST 2024	SST 2023	Variance
1	Standalone interest rate risk	1.2	3.5	-2.2
2	standalone EUR rate risk	0.8	1.6	-0.8
3	standalone USD rate risk	2.9	3.5	-0.7
4	standalone JPY rate risk	0.2	0.1	0.2
(5) = (2) + (3) + (4)	non diversified interest rate	3.9	5.2	-1.3
(6) = (1) - (5)	Diversification interest rate	-2.7	-1.7	-1.0
7	Standalone spread risk	2.0	3.9	-1.9
8	Standalone currency risk	10.7	12.3	-1.6
9	Equity	0.0	0.0	0.0
(10) = (11) - (1) - (7) - (8) - (9)	Diversification market risk	-4.0	-8.8	4.8

11	Total market risk	9.9	10.9	-0.9
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The market risk decreases from USD 10.9m to USD 9.9m. The treaty QS currency from USD to EUR has reduced the market risk by USD 2.1m (only CY asset positions). The full benefit will be observed when all the PY reserves will be released.

(Re)Insurance risk

The table below presents the evolution of the reinsurance risk in USD million net of retrocession calculated under StandRe:

SST Model Component	SST 2024	SST 2023
Premium Risk - Attritional (AEP) net	6.5	6.0
Premium Risk - Individual (IE1) net	13.3	12.1
Premium Risk - Nat Cat (NE) net	12.5	7.1
Diversification	-9.4	-8.1
Premium Risk - Total - net discounted	22.8	17.1
Reserve Risk - Attritional (AER) net discounted	14.7	14.6
Reserve Risk - Individual (IE2) net discounted	9.0	10.7
Diversification	(8.0)	(9.0)
Reserve Risk - Total net discounted	15.8	16.3
Diversification	(8.2)	(7.4)
Insurance Risk - Total net discounted	30.4	26.0

The Insurance risk increases from USD 26.0m to USD 30.4m. This is the result of the increase in Nat Cat (NE) risk driven primarily from an increased exposure in Windstorm Europe gross risk. The increased risk is both driven by newly written treaties as well as a change in geographical mix with higher concentration in Benelux.

Peak Re Switzerland points out that in the report the current information on solvency (risk-bearing capital, target capital) is the same as that which it has submitted to FINMA and that, if necessary, is subject to a supervisory audit.

III. Sign-off by the Executive Body

The Board of Directors acknowledges its responsibility that this Financial Condition Report has been properly prepared in all material respects in accordance with all applicable rules and regulations.

The Board of Directors of Peak Re Switzerland approved this 2023 Financial Condition Report and signs off its disclosure by decision dated April 29, 2024.

IV. Appendixes

- 1 Quantitative Template "Market Consistent Balance Sheet - Peak Reinsurance AG"
- 2 Quantitative Template "Solvency Solo – Peak Reinsurance AG"
- 3 External auditor's report

Appendix 1

Quantitative template "Market-consistent Balance Sheet Solo"

Financial situation report: quantitative template
"Market-consistent Balance Sheet Solo"

Peak Reinsurance AG

Currency: USD (as per SST reporting)
Amounts stated in
millions

Currency	USD (as per SST reporting)	31/12/2022	Adjustments previous period	31/12/2023
Market-consistent value of investments	Real estate			
	Shareholdings			
	Fixed-income securities	24.7		61.1
	Loans	-		
	Mortgages			
	Equities			
	Other investments			
	Collective investment schemes	58.6		32.0
	Alternative investments			
	Other investments			
	Total investments	83.3		93.1
	Financial investments from unit- linked life insurance			
	Receivables from derivative financial instruments			
Market-consistent value of other assets	Cash and cash equivalents	30.5		31.2
	Receivables from insurance business	306.4		288.5
	Other receivables	8.6		8.5
	Other assets	0.2		-
	Total other assets	345.7		328.2
Total market-consistent value of assets	Total market-consistent value of assets	429.0		421.3

Best estimate liabilities (BEL)	Best estimate of provisions for insurance liabilities			
	Direct insurance: life insurance business (excluding ALV)			
	Direct insurance: non-life insurance business			
	Direct insurance: health insurance business			
	Direct insurance: unit-linked life insurance business			
	Direct insurance: other business			
	Outward reinsurance: life insurance business (excluding ALV)			
	Outward reinsurance: non- life insurance business	194.6		205.2
	Outward reinsurance: health insurance business			
	Outward reinsurance: unit- linked life insurance business			
	Outward reinsurance: other business			

	Reinsurers' share of best estimate of provisions for insurance liabilities			
	Direct insurance: life insurance business (excluding ALV)			
	Direct insurance: non-life insurance business			
	Direct insurance: health insurance business			
	Direct insurance: unit-linked life insurance business			
	Direct insurance: other business			
	Outward reinsurance: life insurance business (excluding ALV)			
	Outward reinsurance: non-life insurance business	102.6		96.4
	Outward reinsurance: health insurance business			
	Outward reinsurance: unit-linked life insurance business			
	Outward reinsurance: other business			
Market-consistent value of other liabilities	Non-technical provisions			
	Interest-bearing liabilities			
	Liabilities from derivative financial instruments			
	Deposits retained on ceded reinsurance			
	Liabilities from insurance business			
	Other liabilities	64.2		18.3
Total BEL plus market-consistent value of other liabilities	Total BEL plus market-consistent value of other liabilities	361.4		319.9
	Market-consistent value of assets minus total from BEL plus market-consistent value of other liabilities	67.6		101.4

Appendix 2

Quantitative Template "Solvency Solo – Peak Reinsurance AG"

Financial situation report: quantitative template "Solvency Solo" - Peak Reinsurance AG

Currency: USD (as per SST
reporting)

		31/12/2022	Adjustments previous period	31/12/2023
		in USD millions	in USD millions	in USD millions
Derivation of RBC	Market-consistent value of assets minus total from best estimate liabilities plus market-consistent value of other liabilities	64.8		101.4
	Deductions	-		
	Core capital	64.8		101.4
	Supplementary capital	-		
	RBC	64.8		101.4

		31/12/2022	Adjustments previous period	31/12/2023
		in USD millions	in USD millions	in USD millions
Derivation of target capital	Underwriting risk	26.0		30.4
	Market risk	10.9		9.9
	Scenarios and Diversification effects	-		-6.4
	Credit risk	27.4		20.4
	Risk margin and other effects on target capital	2.5		2.6
	Target capital	49.7		56.9

		31/12/2022	Adjustments previous period	31/12/2023
		in %	in %	in %
SST ratio		132.0	-	178.2

Appendix 3

External auditor's report

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To the General Meeting of
Peak Reinsurance AG, Zurich

Zurich, 25 April 2024

Report of the statutory auditor

V. Report on the audit of the financial statements



Opinion

We have audited the financial statements of Peak Reinsurance AG (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of income and the statement of cash flows 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 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.



Page 2

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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

VI. Report on other legal and regulatory requirements

Page 3



In accordance with Art. 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 the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Armin Imoberdorf
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Daniela
Coelho de Sousa
(Qualified Signature)

Licensed audit expert

Enclosures

- ▶ Financial statements (statement of financial position, statement of income, statement of cash flows, notes)
- ▶ Proposed appropriation of profit and loss