Financial Condition Report 2024

Local GAAP (Swiss Code of Obligation, Art. 111a and
Art. 203a of the Insurance Supervision Ordinance (ISO) and FINMA Circular 2016/2
Disclosure – insurers (Circular)

of

Peak Reinsurance AG
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Contents

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 of December 31, 2024, focusses on the period from January 1 until December 31, 2024. It covers Peak Re Switzerland on a stand-alone basis.

This FCR presents information following the structure prescribed by Art. 111a and Art. 203a of the Insurance Supervision Ordinance (ISO) and FINMA's circular 2016/2 'Disclosure-insurers'.
It is available on Peak Re's website (https://www.peak-re.com/en/company/global-reach/).

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 2024	FY 2023	Δ	Δ in %
Gross Written Premium	124'739	86'083	38'656	45%
Net Earned premiums	21'595	24'795	(3'200)	-13%
Net acquisition costs	606	(1'030)	1'636	159%
Net claims incurred	(11'779)	(13'231)	1'453	11%
Net Underwriting margin	10'423	10'533	(110)	-1%
Net Administrative expenses	(6'685)	(5'022)	(1'664)	33%
Net Investment income	1'359	(167)	1'526	913%
Net Profit/(Loss) before taxes	6'301	6'796	(496)	-7%
Net Profit/(Loss) after taxes	6'301	6'796	(496)	-7%
Total Net Technical Combined Ratio	51.7%	57.5%	-6%	10%
Total Combined Ratio incl. G&A Expenses	82.7%	77.8%	5%	-6%
Total Assets	462'843	361'422	101'421	28%

For the second consecutive year, the Company closed the financial year ("FY") with a positive result. Net Profit after taxes amounted to CHF 6.3m (2023: CHF 6.8m).

During FY2024, the Company increased the Gross Written Premium (“GWP”) to CHF 124.7m up from CHF 86.1m in 2023. The growth in premiums resulted in a positive Net Underwriting Margin of CHF 10.4m almost in line with prior year (CHF 10.5m), Net Administrative Expenses grew by CHF 1.7m to CHF 6.7 (CHF 5.0m in 2023) due to increase in FTE, other personnel related costs and travel expenses; a positive Net Investment income for the year which amounted to CHF 1.4m and compares to CHF -0.2m in 2023 contributed to the Net Profit After taxes of CHF 6.3m slightly below the one of prior year (CHF 6.8m).

Peak Re Switzerland maintained a whole account quota share Retrocession Agreement of 80% (same as in 2023) with the Parent Company which is widely recognised in the industry with a strong credit rating from A.M. Best (A-). The net retention was protected by an annual aggregate XL cover. In addition, the portfolio of Peak Re Switzerland is covered in the outwards retrocession arranged by the Group.

As at December 31, 2024, the Company has a risk-based capital (“RBC”) of USD 108.8 m (2023: USD 101.4m), a statutory equity capital of CHF 90.0m (2023: CHF 78.7m) and a solvency ratio of 192.7% based on Swiss Solvency Test (“SST”) Report 2024. Peak Re Switzerland is rated A- by A.M. Best.

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.

Our business focus is on underwriting a diversified portfolio of mainly non-life risks. Peak Re Switzerland continues to target a portfolio of business across Europe and selected areas outside Europe as part of the Group strategy. From 2024 we started writing Life business with three treaties.

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, 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 2024, there were no significant nor unusual events to report separately.

B. Financial Performance

1. Financial Statements

Balance Sheet

Assets

(in CHF '000)	Note	2024	2023
Investments		119’909	77’779
Fixed-interest securities		73’726	52’791
Shares		46’184	24’988
Cash and cash equivalents		15’849	26’215
Reinsurers' share of technical provisions	5	174’675	155’659
Property and equipment		28	25
Deferred acquisition costs, Net	2	4’031	2’469
Insurance receivables	3	104’532	91’775
Other receivables	7	43’193	7’129
Other assets		611	363
Prepaid expenses	4	15	9
TOTAL ASSETS		**462’843**	**361’422**

Liabilities and equity

(in CHF '000)	Note	2024	2023
Technical provisions	5	236’177	208’108
Insurance payables	6	73’276	56’988
Other liabilities	7	63’397	17’635
TOTAL LIABILITIES		**372’850**	**282’731**
Share capital		10’000	10’000
Legal capital reserves		97’280	97’280
Reserves from capital contributions		88’280	88’280
Organization fund		9’000	9’000
Currency Translation Adjustment		7’473	2’472
Voluntary retained earnings		(24’760)	(31’061)
Profit / loss carried forward		(31’061)	(37’857)
Profit / loss		6’301	6’796
Total equity	**8**	**89’993**	**78’691**
TOTAL LIABILITIES AND EQUITY		**462’843**	**361’422**

**See accompanying notes to financial statements*

Income Statement

(in CHF '000)	Note *	2024	2023
Gross premium written		124’739	86’083
Premiums ceded to reinsurers		(97’553)	(67’498)
Net premiums written		**27’186**	**18’585**
Change in unearned premium reserves	10	(19’262)	13’022
Change in reinsurers' share of unearned premium reserves	10	13’671	(6’812)
Net premiums earned		**21’595**	**24’795**
Other insurance income		-	-
Total technical income		**21’595**	**24’795**
Gross claims and claim expenses paid		(60’336)	(74’877)
Reinsurer's share of claims and claim expenses		46’858	57’087
Change in technical provisions	10	10’789	15’740
Change in reinsurers' share of technical provisions	10	(9’089)	(11’181)
Net claims and claim expenses incurred		**(11’779)**	**(13’231)**
Acquisition costs and administrative expenses		(24’478)	(16’630)
Change in deferred acquisition costs, assumed reinsurance	9	2’580	(2’514)
Reinsurers' share of acquisition costs and administrative expenses		17’446	11’847
Change in deferred acquisition costs, Reinsurers' share	9	(1’245)	1’245
Net acquisition costs and administrative expenses		**(5’697)**	**(6’052)**
Other technical expenses own business		(382)	(64)
Total technical expenses		**(17’858)**	**(19’347)**
Income from investments	12	4’476	4’135
Expenses from investments	13	(3’117)	(4’302)
Net income from investments		**1’359**	**(167)**
Other financial income		47’951	7’621
Other financial expenses		(44’748)	(6’105)
Operating result		**8’300**	**6’796**
Other expenses	18	(168)	-
Extraordinary income/ (expenses)	19	(1’831)	-
Profit/(loss) before tax		**6’301**	**6’796**
Income tax expense		-	-
PROFIT/(LOSS) after taxes		**6’301**	**6’796**

**See accompanying notes to financial statements*

Cash Flow Statement

(in CHF '000)	**Note ***	**2024**	**2023**
Profit/loss		6’301	6’796
Depreciation, amortization and write-downs on ...			
Property and equipment		17	16
Investments			
Net realized (gains)/losses on investments fixed-interest securities	12	1’103	(3)
Net realized (gains)/losses on investments shares	12	1’145	3’476
Net unrealized (gains)/losses on investments fixed-interest securities	12	38	(174)
Net unrealized (gains)/losses on investments shares	13	549	(113)
Increase/decrease in			
Unearned premium reserves		22’438	(6’209)
Technical provisions		5’631	(15’740)
Increase/decrease in assets and liabilities			
Purchase/Proceeds from sale of fixed-interest securities		(20’934)	(29’961)
Purchase/Proceeds from sale of shares		(21’196)	29’226
Reinsurance share of technical provisions		(19’017)	30’962
Deferred acquisition costs		(1’562)	1’555
Insurance receivables		(12’757)	29’338
Other receivables		(36’064)	827
Other assets		(248)	(162)
Foreign exchange gains and losses Reinsurance activities		250	(10’317)
Prepaid expenses		(7)	10
Insurance payables		16’289	(26’429)
Other liabilities		45’762	(13’628)
Cash flow from operating activities		**(12’263)**	**(529)**
Purchase of property and equipment		(116)	(14)
Cash flow from investing activities		**(116)**	**(14)**
Change in cash and cash equivalents		**(12’379)**	**(543)**
Statement:			
Cash and cash equivalents as of 1 January		26’215	28’222
Effects of exchange rate changes on cash and cash equivalents		2’013	(1’464)
Cash and cash equivalents as of 31 December		15’849	26’215
Change in cash and cash equivalents		**(12’379)**	**(543)**

**See accompanying notes to financial statements*

1. Basis of preparation

The annual financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art. 957-963b CO, applicable as of 1 January 2013. Apart from the CO, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 85 para
1-3, AVO FINMA, applicable as of 26 June 2024) have been applied.

2. 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.

As from this year ended 31.12.2024 we started to underwrite small amounts of Life business in the form of Mass Lapses products these are reserved using a short term approach to calculate future policy reserve based on a loss ratio for the product plus a provision for adverse deviation.

Equalisation reserves are set in accordance art. 69.1.c ISO 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 2024, respectively 2023, is presented below:

	Balance Sheet		**Income Statement**		**Equity (avg. historical rate)**	
Currency	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
USD	0.906250	0.8416	0.881766	0.89625	0.9920	0.9920

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.

Notes to the Financial Statements

1. Participations: none

2.Deferred acquisition costs, Net

(in CHF'000)	**2024**	**2023**
Deferred acquisition costs, assumed reinsurance	11'033	7'784
Deferred acquisition costs, ceded reinsurance	(7'002)	(5'314)
Total	**4'031**	**2'469**

3. Insurance receivables

(in CHF'000)	Third-party **2024**	Intragroup **2024**	**Total 2024**	Third-party **2023**	Intragroup **2023**	**Total 2023**
Receivables from insurance companies	81'634	22'898	104'532	62'535	29'240	91'775
Total	**81'634**	**22'898**	**104'532**	**62'535**	**29'240**	**91'775**

4. Other Assets and Prepaid expenses

(in CHF'000)	2024	2023
Accrued interest on investments and Deposits	611	363
Other deferrals	15	9
Total	**626**	**372**

5. Technical provisions

(in CHF'000)	Technical provisions (gross) 2024	Reinsurers' share 2024	Technical provisions written (net) 2024	Technical provisions (gross) 2023	Reinsurers' share 2023	Technical provisions written (net) 2023
Unearned premium reserve	56'830	40'009	16'821	34'392	24'107	10'285
Outstanding loss reserve	177'569	134'666	42'903	172'286	131'552	40'734
Equalisation reserve (SER)	1'541	-	1'541	1'431	-	1'431
Mathematical reserves	238	-	238	-	-	-
Total	**236'177**	**174'675**	**61'502**	**208'108**	**155'659**	**52'449**

6. Insurance payables

(in CHF'000)	Third-party 2024	Intragroup 2024	Total 2024	Third-party 2023	Intragroup 2023	Total 2023
Liabilities to policyholders	-	-	**-**	-	-	**-**
Liabilities to insurance companies *	10'304	62'972	**73'276**	8'315	48'673	**56'988**
Total	**10'304**	**62'972**	**73'276**	**8'315**	**48'673**	**56'988**

* The intragroup dues refer to the intercompany quota share retro agreement premiums less commissions with parent company, Peak Reinsurance Company Ltd Hong Kong. Dues to insurance companies third party are claims due to ceding companies.

7. Receivables from and liabilities to related parties

(in CHF'000)	Third-party 2024	Intragroup 2024	Total 2024	Third-party 2023	Intragroup 2023	Total 2023
Other receivables	43'193	-	**43'193**	7'129	-	**7'129**
Other liabilities	59'047	4'350	**63'397**	13'169	4'466	**17'635**

- Other receivables represents the dues to us in relation to a contract with no risk transfer for Life business, which was renewed and that saw volume of cession under the treaty increase significantly as compared 2023.

- Intercompany of other liabilities includes intercompany recharges which were settled but not yet cleared in our system for CHF 3m plus ca. CHF 1m of interest matured on the collateral which not yet transferred to the mother company, both will be cleared in first half of 2025.

- Third-party other liabilities are the liabilities in respect of the Life business without risk transfer, the contract has been renewed at midyear and cession to us grew in volume of amounts in 2024 as compared to 2023. (see also comment here above).

8. Statement of changes in equity

(in CHF'000)	**Share capital**	**Statutory capital reserves**	**Voluntary retained earnings**	**Currency Translation reserve**	**Total equity**
2023	**10’000**	**97’280**	**(31’061)**	**2’472**	**78’691**
Transfer to voluntary retained earnings	-	-	-	-	-
Purchase / sale of treasury shares	-	-	-	-	-
Effect of foreign exchange	-	-	-	5’001	5’001
Profit/(Loss) for the period	-	-	6’301	-	6’301
2024	**10’000**	**97’280**	**- (24’760)**	**7’473**	**89’993**

Disclosures, breakdowns and explanations on income statement items

9.Change in Deferred acquisition costs, Net

(in CHF'000)	**2024**	**2023**
Change in deferred acquisition costs, assumed reins.	2’580	(2’514)
Change in deferred acquisition costs, ceded reins.	(1’245)	1’245
Total	**1’335**	**(1’268)**

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

(in CHF'000)	Technical provisions (gross) 2024	Reinsurers ' share 2024	Technical provisions written (net) 2024	Technical provisions (gross) 2023	Reinsurers ' share 2023	Technical provisions written (net) 2023
Change in Unearned premium reserve	(19’262)	13’671	**(5’591)**	13’022	(6’812)	**6’210**
Change in loss reserves	11’022	(9’089)	**1’933**	15’740	(11’181)	**4’558**
Change in SER (Security Equalization Reserve)	-	-	**-**	-	-	**-**
Change in mathematical reserves	(233)	-	**(233)**	**-**	-	**-**
Total	**(8’473)**	**4’582**	**(3’891)**	**28’762**	**(17’994)**	**10’768**

11. Audit fees

(in CHF'000)	**2024**	**2023**
Audit services	(140)	(142)
Other services	(11)	(6)
Total	**(151)**	**(148)**

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 other services for tax reviews which could not be accrued (timing).

12. Income from investments

(in CHF'000)	Income * 2024	Net unrealized gains 2024	Net realized gains 2024	Total 2024	Income 2023	Net unrealized gains 2023	Net realized gains 2023	Total 2023
Fixed-interest securities	2’441	-	74	**2’515**	1’769	174	317	**2’260**
Shares	1’117	-	165	**1’281**	927	112	389	**1’428**
Other investments **	680	-	-	**680**	447	-	-	**447**
Total	**4’238**	**-**	**238**	**4’476**	**3’143**	**286**	**706**	**4’135**

* 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 represent interest on cash and cash equivalents which are invested regularly in fixed terms deposits

13. Expenses from investments

(in CHF'000)	Current expenses * 2024	Net unrealized losses 2024	Net realized losses 2024	Total 2024	Current expenses 2023	Net unrealized losses 2023	Net realized losses 2023	Total 2023
Fixed-interest securities	-	(38)	(1'177)	**(1'215)**	(84)	-	(314)	**(398)**
Shares	-	(549)	(1'310)	**(1'859)**	(9)	-	(3'865)	**(3'874)**
Other investments	(43)	-	-	**(43)**	(30)	-	-	**(30)**
Total	**(43)**	**(587)**	**(2'487)**	**(3'117)**	**(123)**	-	**(4'179)**	**(4'302)**

* 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

The annual average number of full-time equivalents for the reporting year was 13.2 which compares to 11.5 a year ago.
Personnel expenses for fiscal year 2024 amounted to CHF 4'736K as compared to 2023 amount of CHF 3'569k and are included in the income statement in line-item acquisition costs and administrative expenses.

15. Depreciation of office equipment and hardware

(in CHF'000)	2024	2023
Hardware and office equipment	(17)	(16)
Total	**(17)**	**(16)**

Other notes to the financial statements

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

(in CHF'000)	2024	2023
Pledged assets *	13'689	3'586
Assets under reservation of ownership	41	41
Total	**13'730**	**3'627**

Pledged assets are securities contractually pledged in favour of cedents to cover the amount of claims reserves due to the cedents who have this clause in their treaties.

17. Contingent Liabilities : none

18. Other Expenses

(in CHF'000)	**2024**	**2023**
Capital Tax expenses	(168)	0
Total	**(168)**	**0**

19. Extraordinary income/ (expenses)

(in CHF'000)	**2024**	**2023**
Extraordinary income	0	0
Extraordinary expenses *	(1’831)	0
Total	**(1’831)**	**0**

* the item shows a correction of prior period (in 2020) error: the conversion of a transaction in a different currency (USD) than company currency (CHF) was computed using wrong foreign exchange rate.

20. Restricted assets

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

21. Commitments

As of December 31, 2024, there were no letters of credit in favour of ceding companies nor any letters of credit facility with banks in place.

22. Subsequent events

No significant subsequent event affecting the amounts reported in the balance sheet occurred after the balance sheet date.

Proposed profit & loss appropriation

For the year ended 31 December 2024

(in CHF'000)	**2024**
Retained earnings carried forward	(31’061)
Profit of the year	6’301
Profit / (Loss) to be carried forward	**(24’760)**

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

Distributable Earnings (deficit)	(24’760)
Transfer to Organisation Fund	-

Amount carried forward - Loss	**(24’760)**

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”

Appendix 1
Financial situation report: quantitative template
"Performance Solo Reinsurance" - Peak Reinsurance AG

Currency: CHF
Amounts stated in thousands

	Total		Personal accident		Health		Motor	
	2023	2024	2023	2024	2023	2024	2023	2024
Gross premiums	86’083	124’739	7’346	2’825	0	0	17’373	39’686
Reinsurers' share of gross premiums	(67’498)	(97’553)	(4’835)	(1’879)	0	0	(12’068)	(27’762)
Premiums for own account (1 + 2)	**18’585**	**27’186**	**2’511**	**946**		**0**	**5’305**	**11’924**
Change in unearned premium reserves	13’022	(19’250)	(91)	4’384	0	0	10’522	(13’357)
Reinsurers' share of change in unearned premium reserves	(6’812)	13’671	53	(2’870)	0	0	(6’904)	9’036
Premiums earned for own account (3 + 4 + 5)	**24’794**	**21’595**	**2’473**	**2’482**		**0**	**8’922**	**7’603**
Other income from insurance business	0	0	0	0	0	0	0	0
Total income from underwriting business (6 + 7)	**24’794**	**21’595**	**2’473**	**2’482**	**0**	**0**	**8’922**	**7’603**
Payments for insurance claims (gross)	(74’877)	(60’336)	(4’575)	(6’391)	0	0	(13’528)	(6’362)
Reinsurers' share of payments for insurance claims	57’087	46’858	3’383	3’754	0	0	10’148	4’387
Change in technical provisions	10’241	10’788	(386)	3’061	0	0	(8’015)	(27’346)
Reinsurers' share of change in technical provisions	(5’683)	(9’089)	(2’403)	78	0	0	(16’246)	7’912
Change in technical provisions for unit-linked life insurance	0	0	0	0	0	0	0	0
Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	**(13’231)**	**(11’778)**	**(3’981)**	**(1’959)**	**0**	**0**	**(27’641)**	**(2’206)**
Acquisition and administration expenses	(19’144)	(21’898)	(2’690)	(2’523)	0	0	(4’027)	(6’766)
Reinsurers' share of acquisition and administration expenses	13’092	16’201	1’775	1’906	0	0	2’485	4’274
Acquisition and administration expenses for own account (15 + 16)	**(6’052)**	**(5’698)**	**(915)**	**(618)**	**0**	**0**	**(1’542)**	**(2’492)**
Other underwriting expenses for own account	(64)	(382)	1	0	0	0	(0)	21
Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	**(19’347)**	**(17’858)**	**(4’895)**	**(2’576)**	**0**	**0**	**(29’184)**	**(4’677)**
Investment income	4’135	4’476						
Investment expenses	(4’302)	(3’117)						
Net investment income (20 + 21)	**(167)**	**1’359**						
Capital and interest income from unit-linked life insurance	0	0						
Other financial income	7’621	47’951						
Other financial expenses	(6’105)	(44’748)						
Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	**6’796**	**8’300**						
Interest expenses for interest-bearing liabilities	0	0						
Other income	0	0						
Other expenses	0	(168)						
Extraordinary income/expenses	0	(1’831)						
Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	**6’796**	**6’301**						
Direct taxes	0	0						
Profit / loss (31 + 32)	**6’796**	**6’301**						

Continued Quantitative Template “Performance Solo Reinsurance”

Appendix 1
Financial situation report: quantitative template
"Performance Solo Reinsurance" - Peak Reinsurance AG

Currency: CHF
Amounts stated in thousands

	Total		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Gross premiums	86’083	124’739	955	1’652	48’568	67’231	7’813	8’681	4’027	4’664
Reinsurers' share of gross premiums	(67’498)	(97’553)	(779)	(1’309)	(40’993)	(56’152)	(5’736)	(7’138)	(3’087)	(3’312)
Premiums for own account (1 + 2)	**18’585**	**27’186**	**175**	**343**	**7’575**	**11’079**	**2’078**	**1’543**	**940**	**1’352**
Change in unearned premium reserves	13’022	(19’250)	(33)	(232)	782	(7’660)	2’069	(1’509)	(227)	(877)
Reinsurers' share of change in unearned premium reserves	(6’812)	13’671	63	178	766	5’169	(1’050)	1’406	259	753
Premiums earned for own account (3 + 4 + 5)	**24’794**	**21’595**	**205**	**288**	**9’123**	**8’579**	**3’098**	**1’419**	**972**	**1’224**
Other income from insurance business	0	0	0	0	0	0	0	0	0	0
Total income from underwriting business (6 + 7)	**24’794**	**21’595**	**205**	**288**	**9’123**	**8’579**	**3’098**	**1’419**	**972**	**1’224**
Payments for insurance claims (gross)	(74’877)	(60’336)	(528)	(1’237)	(47’138)	(40’778)	(5’862)	(2’826)	(3’245)	(2’741)
Reinsurers' share of payments for insurance claims	57’087	46’858	414	971	35’691	32’519	4’865	2’608	2’586	2’620
Change in technical provisions	10’241	10’788	(92)	(2’026)	27’367	41’665	(9’020)	(5’669)	387	1’102
Reinsurers' share of change in technical provisions	(5’683)	(9’089)	(16)	606	28’696	(16’266)	(15’597)	200	(117)	(1’619)
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)	**(13’231)**	**(11’778)**	**(222)**	**(264)**	**44’616**	**(7’288)**	**(25’614)**	**1’182**	**(390)**	**(1’243)**
Acquisition and administration expenses	(19’144)	(21’898)	(225)	(357)	(8’635)	(9’456)	(2’554)	(1’547)	(1’013)	(1’249)
Reinsurers' share of acquisition and administration expenses	13’092	16’201	171	255	6’208	7’460	1’704	1’465	749	841
Acquisition and administration expenses for own account (15 + 16)	**(6’052)**	**(5’698)**	**(54)**	**(102)**	**(2’427)**	**(1’997)**	**(850)**	**(82)**	**(265)**	**(408)**
Other underwriting expenses for own account	(64)	(382)	0	12	(22)	5	(42)	(419)	0	0
Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	**(19’347)**	**(17’858)**	**(276)**	**(354)**	**42’168**	**(9’281)**	**(26’505)**	**681**	**(654)**	**(1’650)**
Investment income	4’135	4’476								
Investment expenses	(4’302)	(3’117)								
Net investment income (20 + 21)	**(167)**	**1’359**								
Capital and interest income from unit-linked life insurance	0	0								
Other financial income	7’621	47’951								
Other financial expenses	(6’105)	(44’748)								
Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)	**6’796**	**8’300**								
Interest expenses for interest-bearing liabilities	0	0								
Other income	0	0								
Other expenses	0	(168)								
Extraordinary income/expenses	0	(1’831)								
Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	**6’796**	**6’301**								
Direct taxes	0	0								
Profit / loss (31 + 32)	**6’796**	**6’301**								

- Line of Business Miscellaneous includes Agriculture, Credit & Bonds, Miscellaneous P&C and Life reinsurance. Life represents circa 40% of business in the “Miscellaneous” on the Gross Written Premium category, with remaining business being 32% Credit and Bonds and 27% Agriculture and Miscellaeous being minor in comparison. On Claims incurred Side and Acquisition Costs same split applies.
- “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.
- Line Extraordinary income /(expenses) report a correction of prior period (in 2020) error.

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

Peak Reinsurance Switzerland reported a Net Profit after taxes of CHF 6.3m for the FY 2024 (FY2023: CHF 6.8m). The result was driven by an operating profit including General and Admin Expenses of CHF 3.8m to which was added a positive Net Investment Income for CHF 1.3m. Other financial income net of other financial expenses from a deposit accounted contract contributed with CHF 3.2m, Other expenses (Capital Tax) and Extraordinary expenses contributed with negative CHF -2.0m.

The Company registered a positive net underwriting result of CHF 10.4m in 2023, the year was marked by a benign loss activity similar to the prior year. In the core European markets we recorded a handful of events, largest being Southern Floods in Germany in the first quarter, but they did not bear a significant impact on the result of the year. The benign development of 2024 UY together with enduring hard market conditions have sustained the positive result of Peak Re Switzerland.

A more regular performance of invested assets for CHF 1.4m allowed to absorb an increase in Administrative Expenses of CHF 1.7m mostly driven by increase in FTE. We continued to maintain a substantial amount of our portfolio invested in individual government bonds profiting from appetible interest rates 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 4.5m in 2024 (from CHF 4.1m in 2023). The maintained proportion in the composition of our portfolio from investments between ETFs (grew by CHF 21m from CHF 25m in 2023) and Fixed income securities (increased by CHF 21m from CHF 53m in 2023) allowed to reap the investment income as just stated for CHF 4.5m. This was offset by admin expenses of holding our assets for CHF 0.05m and by realised and unrealised losses on out ETF held at year end for CHF 3.1m.

The Company increased the Gross Written Premium (“GWP”) to CHF 124.7m (of which CHF 1.9m Life business) up from CHF 86.0min 2023.

The Net Earned Premium after applying the whole account quota share retrocession treaty reduced slightly to CHF 21.6m from CHF 24.8m in prior year. 2023 earned were affected by non-repeated substantial amount of adjustment premiums and reinstatement premiums for prior underwriting years which were earned immediately.

In 2024, the Net Technical Combined ratio (i.e., without General and Admin Expenses) decreased to 51.7% from 57.4%. When including General and Admin Expenses, the total combined ratio for 2024 was 82.7% (2023: 77.8%).

In 2024 Peak Re Switzerland continued to maintain its portfolio in the main European markets with limited presence in Latin America, Asia and Africa, as visible in the table below:

By Cedents' Region	FY 2024	FY 2023
Europe	95.3%	93.2%
Americas	3.5%	6.4%
Asia	0.9%	0.3%
Africa	0.3%	0.1%

The first 10 countries where the Company underwrote most of its business in during 2024 accounted for 88.8% of the GWP as compared to 89.8% in 2023.

By Country	FY 2024	FY 2023
Germany	27.4%	30.3%
United Kingdom	21.3%	2.5%
France	7.6%	15.6%
Switzerland	6.0%	9.1%
Spain	5.8%	7.0%
Belgium	5.4%	3.9%
Italy	5.4%	12.1%
Malta	4.0%	4.4%
Portugal	3.8%	0.9%
Peru	2.1%	4.0%
Other	11.2%	10.2%

Changes in the distribution among top ten countries were driven by an increase of our presence in United Kingdom (incl. Gibraltar) due to favourable conditions in Motor business and the renewal on Peak Re Switzerland paper of certain accounts previously written by our Parent Company. The German business reduced as a proportion of the overall book but increased in nominal terms from CHF 25m to CHF 35.5m. Reduction of France is driven by reduction in proportional Motor.

Overall, we continued to rebalance the portfolio towards non-proportional business in search of a the more favourable balance between margins and exposures, reflecting the prevailing market conditions:

by Treaty type	FY 2024	FY 2023
Proportional	25.7%	41.0%
Non-Proportional	74.3%	59.0%

The split by Lines of Business is as follows:

By Line of Business	FY 2024	FY 2023
Property	49.0%	52.9%
Motor	32.3%	20.2%
Casualty	7.1%	9.1%
Engineering	5.8%	3.7%
Miscellaneous Accident	2.3%	8.4%
Marine	1.3%	1.1%
Credit and Bonds	1.2%	1.1%
Agriculture	1.0%	3.5%

Growth in Motor is driven by the increase in Gibraltar and United Kingdom business, the slight growth in Engineering by renewal with larger share of two existing programs due to improved terms. The Property share reduced due to our approach to control exposures. Additionally, we did not renew certain Casualty treaties where conditions appeared not to be economical.

The Net Claims Expenses incurred were at CHF 11.9m compared to CHF 13.2m in 2023. Below the split across all lines of business. The reduction in net claims incurred benefited especially Property and Engineering business where we could release significant amount of reserves for prior years

By Line of Business	FY 2024	FY 2023
Motor	55.2%	29.2%
Accident & Health	28.9%	8.3%
Agriculture	12.3%	4.6%
Casualty	10.3%	20.7%
Marine	5.4%	0.8%
Credit and Bonds	2.2%	0.1%
Miscellaneous Accident	-0.1%	0.1%
Property	-6.9%	31.9%
Engineering	-7.3%	4.3%

Safety and Equalisation Reserve remained unchanged at USD 1.7m, which translated to CHF 1.5m (2023: CHF 1.4m).

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 11.6% (compared to 25.2% in prior year) of the Assets under Management.

in CHF million	FY 2024	FY 2023
Fixed-interest securities	73.7	52.8
ETF Shares	46.2	25.0
Cash and cash equivalents	15.8	26.2
Total	**135.8**	**104.0**

The split of Income from investments and expenses from investments and comparison to prior year is presented in the two tables below.

Income from investments								
(in CHF'000)	**Income * 2024**	**Net unrealized gains 2024**	**Net realized gains 2024**	**Total 2024**	**Income 2023**	**Net unrealized gains 2023**	**Net realized gains 2023**	**Total 2023**
Fixed-interest securities	2’441	-	74	**2’515**	1’769	174	317	**2’260**
Shares	1’117	-	165	**1’281**	927	112	389	**1’428**

Other investments **	680	-	-	**680**	447	-	-	**447**
Total	**4'238**	**-**	**238**	**4'476**	**3'143**	**286**	**706**	**4'135**

* 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 represent interest on cash and cash equivalents which are invested regularly in fixed terms deposits

Expenses from investments

(in CHF'000)	**Current expenses * 2024**	**Net unrealized losses 2024**	**Net realized losses 2024**	**Total 2024**	**Current expenses 2023**	**Net unrealized losses 2023**	**Net realized losses 2023**	**Total 2023**
Fixed-interest securities	-	(38)	(1'177)	**(1'215)**	(84)	-	(314)	**(398)**
Shares	-	(549)	(1'310)	**(1'859)**	(9)	-	(3'865)	**(3'874)**
Other investments	(43)	-	-	**(43)**	(30)	-	-	**(30)**
Total	**(43)**	**(587)**	**(2'487)**	**(3'117)**	**(123)**	**-**	**(4'179)**	**(4'302)**

* 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 2024 was positive CHF 1.4m comparing to negative CHF -0.2m in 2023 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 4.5m in 2024 (from CHF 4.1m in 2023) but the pursued balance in the composition of our portfolio from investments between ETFs and Fixed income securities allowed to continue to reap from the positive developments in interest rates and of financial markets conditions.

Other income and expenses

Other income and expenses relate to revenues and expenses linked to a deposit accounted transaction which increased in value and the contract generated a gain of CHF 3.2m compared to a gain of CHF 1.5m in 2023.

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 1.7m to CHF 6.7m over the year mostly due to increase of Personnel costs as compared to last year following increased amount of FTE (1.7) or CHF 0.3m, increase in Bonus paid CHF 0.9m following prior year positive result and increased Travel expenses CHF 0.2m driven mainly by activities to expand business in Latin America and in Europe.

At the end of 2024 Peak Re Switzerland had 16 employees, up by 3 from a year ago, including 13 full-time and 3 part-time staff, with average during 2024 of 13.2 FTE (full-time equivalent) employees up from 11.5 in 2023.

No profits and losses have been recognised directly in equity in FY2024.

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, 2024:

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's Risk Management Framework is governed by a strong risk culture, a robust compliance infrastructure, a clearly defined risk ownership at the operational level, and the structured coordination of the Risk Management, Compliance, and Internal Audit functions. The Compliance, Risk Management and Internal Audit functions report independently and directly to the Board of Directors and also provide information to the Executive Management Team on a regular basis, including through ad-hoc risk assessments where required.

The Company maintains a formally documented Risk Management Framework, which is approved by the Board of Directors and subject to regular review. The framework defines the Company's risk appetite and tolerance, outlines responsibilities and processes for identifying, monitoring, and managing key risks, and specifies risk limits at Company level in alignment with Peak Re Group policies.

C 2.1 Risk Management Function

The Risk Management function operates independently from the business and forms part of the Company's second line of defence, in with the "Three Lines of Defence" model:

- **1st Line**: Operational business units, responsible for risk-taking and day-to-day risk management;
- **2nd Line**: Risk Management function, responsible for risk oversight, policy development, and challenge;
- **3rd Line**: Internal Audit, performed by PwC AG, Zurich, responsible for independent assurance.

The Head of Legal, Risk & Compliance leads the Risk Management function and possesses the required technical expertise and business acumen to act as an advisor to the business and promote a risk-aware culture across the Company.

During the reporting period, there were no material changes to the Risk Management system. The engagement of PwC Switzerland as Internal Auditor was renewed for the reporting year.

Operational risk exposures, including those relating to legal, regulatory, and banking relationships, remained within appetite.

Certain functions and processes are supported by the Group under a documented outsourcing agreement, allowing the Company to benefit from the Group's operational scale and specialised expertise.

The Board of Directors is ultimately responsible for oversight of the Risk Management Framework. It reviews the Risk Management Framework and reports regularly and ensures ongoing effectiveness and alignment with the Peak Re Switzerland's strategic objectives and risk profile.

C 2.2 Actuarial Function

In accordance with FINMA regulations, Peak Re Switzerland has appointed an external actuarial advisor with necessary credentials and deep familiarity with the Swiss regulatory environment as the Responsible Actuary.

Although externally appointed, the Responsible Actuary is fully integrated into the Company's risk governance structure. Core responsibilities include:

- Validation of the adequacy of technical provisions;
- Participation in the Swiss Solvency Test (SST), including confirmation of the SST ratio and determination of Target Capital (TC) and Risk Bearing Capital (RBC);
- Oversight and periodic review of pricing processes and assumptions.

If the Responsible Actuary identifies any deficiencies, they immediately notify the Executive Management. In addition, the Responsible Actuary prepares an annual report for the Board of Directors and Executive Management. This report details the identified deficiencies, proposed remedial actions, and the measures implemented.

The Responsible Actuary reports directly to the Board of Directors.

C 2.3 Compliance Function

The Compliance Function ensures the Company identifies and assesses its legal and regulatory obligations. It further evaluates the adequacy of internal guidelines, processes, and controls to prevent compliance breaches.

The function's primary goals include protecting the Company and its employees from:

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

While the Board of Directors holds ultimate responsibility for compliance, operational responsibility is delegated to the Head of Legal, Risk & Compliance. The Compliance Management System includes annual reports and ad-hoc updates as necessary and serves as the basis for regular reporting to both the Board of Directors and Executive Management

C 2.4 Internal Audit Function

The Internal Audit function is an independent, outsourced function designed to add value and enhance the Company's operations. It supports the Board of Directors by applying a structured and disciplined approach to assess and improve governance, risk management, and internal controls.

The Internal Audit function reports directly to the Board of Directors and prepares an annual report that:

- Reviews compliance with the audit plan as approved by the Board;

- Assesses the implementation status of recommendations and agreed-upon actions resulting from audit findings.

C.3 Internal Control System

The Internal Control System (ICS) defines key risks, the associated control mechanisms, and roles and responsibilities, in accordance with FINMA Circular 2017/2 on Corporate Governance.
The ICS encompasses both automated and manual controls—preventive and detective—integrated throughout the Company's operational landscape. It applies to controls at entity level, controls within and across all functional areas as well as to outsourced functions.

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 primarily 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 earnings volatility.

D.1 – Risk Profile

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).

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.

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.

- 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 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.

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 2024, the Company has not invested directly in equity securities. We held shares in an ETF on stocks for CHF 2m.

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, 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.

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).

- <u>Other material risks</u>
    - 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.

- Reputational Risk

Reputational risk refers to the potential financial loss or loss of market position arising from damage to Peak Re Switzerland's reputation or, indirectly, to the reputation of the Group. It is an integral aspect of operational risk and is managed through the Company's internal control system. Proactive monitoring and mitigation of reputational risk are key priorities.

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 2025 as of 1 January 2025 showed the following risk posture:

Insurance risk comprised 65.6% of the Target Capital of USD 56.5m (as calculated in April 2025). This compares to 53.4% of the Target Capital of USD 56.9m as of April 2024 (before the additional capital contribution). The increase in relative terms is driven by the increase in business volume in 2024.

Market risk made up to 29.3% of Target Capital, which compares to 17.4% of the Target Capital of USD 56.9m as of April 2024. The increase is driven by the increase in invested assets compared to prior year l.

Credit risk made up 38.0% of Target Capital which compares to 35.9% of the Target Capital of USD 56.9m as of April 2024. The absolute risk charge for credit risk increased slightly from USD 20.4m a year ago to USD 21.5m in SST 2025, driven primarily by the growth of the investment portfolio .albeit proportion remained unchanged to a year ago with larger part invested in Government Bonds

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)	
	2024	2023	2024	2023	2024	2023
USD	0.906250	0.8416	0.881766	0.89625	0.9920	0.9920

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 2024.

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, 2024,
- 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, 2024, and as of December 31, 2023, respectively (in USD million).

Component	SST 2025 Statutory Balance Sheet 01.01.2025	SST 2025 Market Value Balance Sheet 01.01.2025	SST 2024 Statutory Balance Sheet 01.01.2024	SST 2024 Market Value Balance Sheet 01.01.2024
Retrocessionaires share of UPR	44.1	25.8	28.6	23.2
Retrocessionaire outstanding loss reserves	148.6	149.3	156.3	156.2
Due from ceding companies	92.5	92.5	74.3	75.6
Due from retrocessionaires	25.3	25.3	34.7	33.5
Deferred acquisition costs - insurance contracts	12.2	0.0	9.2	0.0
Cash and cash equivalents	17.0	17.0	31.1	31.2
Governments bonds	81.4	80.9	62.8	61.1
Corporate bonds	51.0	52.7	29.9	32.0
Equities	0.0	0.0	0.0	0.0
Other assets	48.9	47.7	8.9	8.5
Total assets	**520.9**	**491.3**	**436.1**	**421.3**

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, 2024, and as of December 31, 2023, respectively (in USD million).

Component	SST 2025 Statutory Balance Sheet 01.01.2025	SST 2025 Market Value Balance Sheet 01.01.2025	SST 2024 Statutory Balance Sheet 01.01.2024	SST 2024 Market Value Balance Sheet 01.01.2024
Unearned premium reserves	62.7	36.7	40.9	33.2
Outstanding claims reserves	197.6	197.3	206.3	205.2
Due to ceding companies	12.3	12.3	9.7	9.7
Due to retrocessionaires	70.2	76.4	63.1	63.1
Retrocessionaires' Deferred acquisition costs	7.7	0.0	6.3	0.0
Premium Deficiency Reserve	0.0	0.0	0.1	0.0
Deposit liability Life	64.9	54.2	15.4	4.7
Other liabilities	5.7	0.7	1.2	1.3
Equalization reserves	0.0	0.0	1.7	0.0
MVM	0.0	0.0	0.0	2.6
Total liabilities	**421.1**	**377.5**	**344.6**	**319.9**

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	62.7	44.1	18.6	40.9	28.6	12.2
Loss reserves	195.9	148.6	47.3	204.7	156.3	48.4
Equalisation Reserve	1.7	-	1.7	1.7	-	1.7
Mathematical reserves	0.3	-	0.3			
Total	**260.6**	**192.7**	**67.9**	**247.3**	**185.0**	**62.3**

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	62.7	44.1	18.6	40.9	28.6	12.2
Loss reserves	204.6	155.0	49.6	214.7	163.3	51.3
Equalisation Reserve	-	-	-	-	-	-
Mathematical reserves	0.3	-	0.3			
Total	**267.6**	**199.1**	**68.5**	**255.5**	**191.9**	**63.6**

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 absence of large losses and the releases for some Cat and Risk XL contract who reported reduced claims on prior years resulted in the decrease in the gross reinsurance reserves from USD 214.7m to USD 204.6, spread across all lines of business with prevalence in Property incl. Engineering, USD 100.3m, and Motor, USD 63.6m.

At the end of 2024 Europe represents 93.2% (95.5% in 2023) of gross claim reserves of the portfolio. Indian business in run off represents 2.1% (compares to 2.0%% at the end of 2023) 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 2023 and Prior

The total gross market consistent UPR for policies incepted in 2023 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 2024

The total gross market consistent UPR arising from bound-but-not-incepted business (i.e. treaties with inception date 1 January 2024) is calculated as the difference between the gross expected discounted claims and the gross signed premiums for 1 January 2024. 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 2024 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 2024.

The table below presents the evolution of the MVM:

	SST 2025	SST 2024	SST 2023
MVM	5.0	2.6	2.5

The MVM increases from USD 2.6m in SST 2024 to USD 5.0m in SST 2025

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 and payables to parent company for rendered services) (USD 5.7m). Please note these have no different valuation under Statutory and Market Values. Simply are gathered together in the MVBS
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 technical reserves.

Provision for other liabilities	Statutory Balance Sheet	Adjustment	Market Consistent Balance Sheet
USD million	2024		2024
Other liabilities	5.7	0.0	5.7

F. Capital Management

Peak Re aims at year-on-year capital growth through retained earnings. 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 operational and 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 89.4m (CHF 88.3m) 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 2024 by USD 7.1m because of the profit of the year and inclusion of future profit on life transactions as well as other L&H business.

No hybrid, conditional or mezzanine capital instruments were used.

(in CHF'000)	Share capital	Statutory capital reserves	Voluntary retained earnings	Currency Translation reserve	Total equity
2023	**9'837**	**98'264**	**(14'601)**	**-**	**93'499**
Effect of foreign exchange	-	-	(1'343)	-	(1'343)
Profit/(Loss) for the period	-	-	7'145	-	7'145
2024	**9'837**	**97'280**	**(8'799)**	**-**	**99'301**

The difference in valuation between the shareholders' equity as per statutory annual report of CHF 90.0m (USD 99.3m) and as per MCBS of USD 108.8m or CHF 98.6m 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 and confirmed in 2024 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 2025 report and a comparison with the previous SST report as submitted to FINMA are as follows:

in million USD	SST 2025 Final	SST 2024 reported	2025 vs 2024
Premium Risk - Attritional (AEP) net	6.8	6.5	0.4
Premium Risk - Individual (IE1) net	14.0	13.3	0.8
Premium Risk - Nat Cat (NE) net	14.6	12.5	2.1
Diversification	*(10.3)*	*(9.4)*	*(0.9)*
Premium Risk - Total - net	25.1	22.8	2.3
Reserve Risk - Attritional (AER) net	24.1	14.7	9.4
Reserve Risk - Individual (IE2) net	12.1	9.0	3.0
Diversification	*(11.0)*	*(8.0)*	*(3.0)*
Reserve Risk - Total net	25.2	15.8	9.4
Diversification	*(13.3)*	*(8.2)*	*(5.1)*
Insurance Risk - Total net discounted	37.1	30.4	6.6
Market Risk	*16.6*	*9.9*	*6.6*
Credit Risk	21.5	20.4	1.2
Scenarios	6.9	10.0	(3.1)
Diversification	*(17.3)*	*(11.4)*	*(5.8)*
Insurance & Credit & Market Risk & Scenarios	64.7	59.2	5.5
Expected Insurance Result	(7.1)	(1.4)	(5.7)
Expected Financial Performance	(0.3)	(0.2)	(0.2)
Additional effects	(0.8)	(0.8)	(0.1)
Target Capital	56.5	56.9	(0.4)
Risk Bearing Capital (RBC)	108.8	101.4	7.3
SST Ratio - Forecast	**192.7%**	**178.2%**	**14.4%**

The SST ratio increases to 192.7% from 178.2% in 2024. Combined effect of increase of RBC and increased expected insurance result are the driver of such variance compared to last year. The RBC increase is due to

- Capital uplift of USD 11m due to future cash-flows / future profits from a Life contract;
- Retained 2024 profit of USD 7.1m (CHF 6.3m).

The Target Capital change is driven by increased Insurance Risk, due to the growth in the business volume. The largest component of the Target Capital has become the Insurance Risk at USD 71.7m (undiversified basis, USD 37.1m 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:

Sign convention: RBC = assets - liabilities + deductions + RAK	SST 2025 In USD millions	SST 2025 Rel. diff. prev. year	SST 2025 Share total assets SST BS	SST 2025 Rel. diff. prev. year	SST 2024 In USD millions	SST 2024 Share total assets SST BS
Risk-bearing capital (RBC)	108.8	7%	22%	-8%	101.4	24%
Market conform value of assets	491.3	17%	100%	0%	421.3	100%
Investments	133.0	43%	27%	23%	92.7	22%
Other assets	358.3	9%	73%	-6%	328.6	78%
of which share of technical provisions from reinsurance	175.1	-2%	36%	-16%	179.4	43%
Total liabilities	382.5	20%	78%	3%	319.9	76%
Best estimate of insurance liabilities	233.7	-2%	48%	-16%	238.4	57%
Market value margin (MVM)	5.0	94%	1%	66%	2.6	1%
Market conform value of other liabilities	143.8	82%	29%	56%	78.9	19%
Deductions	0.0		0%		0.0	0%
RAK (accounted for as RBC)	0.0		0%		0.0	0%

The RBC increases by USD 7.4m from USD 101.4m in 2024 to USD 108.8m in 2025.

This increase is due 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 2024 and 2023 (in USD millions):

Note	Risk factors	SST 2025	SST 2024	Variance
1	Standalone interest rate risk	4.2	1.2	3.0
2	standalone EUR rate risk	1.0	0.8	0.2
3	standalone USD rate risk	4.9	2.9	2.1
4	standalone JPY rate risk	0.5	0.2	0.3
(5) = (2) + (3) + (4)	non diversified interest rate	6.4	3.9	2.5
(6) = (1) - (5)	Diversification interest rate	-2.2	-2.7	0.5
7	Standalone spread risk	2.9	2.0	0.9
8	Standalone currency risk	18.5	10.7	7.8
9	Equity	0.0	0.0	0.0
(10) = (11) - (1) -(7) - (8) - (9)	Diversification market risk	-9.0	-4.0	-5.0
11	Total market risk	16.6	9.9	6.6

The market risk increases from USD 9.9 million to USD 16.6 million, driven by the change in the USD FX rate and a 19% increase in asset positions.

The future cash-flows from Mod Co business are fully integrated in the market risk calculation. The treaties are in Chinese RMB and have been mapped to Japanese Yen as prescribed by FINMA. The total market value is USD 54.2 million.

(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 2025	SST 2024	Variance in amount
Premium Risk - Attritional (AEP) net	6.8	6.5	0.4
Premium Risk - Individual (IE1) net	14.0	13.3	0.8
Premium Risk - Nat Cat (NE) net	14.6	12.5	2.1
Diversification	*-10.3*	*-9.4*	*-0.9*
Premium Risk - Total - net discounted	25.1	22.8	2.3
Reserve Risk - Attritional (AER) net discounted	24.1	14.7	9.4
Reserve Risk - Individual (IE2) net discounted	12.1	9.0	3.0
Diversification	*-11.0*	*(8.0)*	*(3.0)*
Reserve Risk - Total net discounted	25.2	15.8	9.4
Diversification	*(13.3)*	*(8.2)*	*(5.1)*
Insurance Risk - Total net discounted	**37.1**	**30.4**	**6.6**

The increase in reserve risk is due to an increase in the volatility of reserves, mainly coming from Motor non proportional and General Liability segments.

The increase in premium risk is driven by the expected GWP increase from USD 104.4m in 2024 to USD 152.0m in 2025 and partially offset by lower expected volatility.

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.
On a net basis, the NE risk increases as there is a higher probability of exhausting the limit of the Agg XL treaty and consequently the net retained risk for Peak Re Switzerland. The Agg XL contract contains a feature to increase the capacity of the treaty during the year that Peak Re Switzerland could eventually use to limit NE risk further.

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.

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 2024 Financial Condition Report and signs off its disclosure by decision dated April 29, 2025.

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"

Appendix 2

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

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

		31/12/2023	Adjustments previous period	31/12/2024
Market conform value of investments	Real estate			
	Participations			
	Fixed-income securities	60.8	13.9	74.7
	Loans			
	Mortgages			
	Equities			
	Other investments			
	Collective investment schemes	31.9	26.4	58.3
	Alternative investments			
	Structured products			
	Other investments			
	Total investments	**92.7**	**40.3**	**133.0**
Market conform value of other assets	Financial investments from unit-linked life insurance			
	Receivables from derivative financial instruments			
	Deposits made under assumed reinsurance contracts			
	Cash and cash equivalents	31.1	-14.1	17.0
	Share of technical provisions from reinsurance			
	Direct insurance: life insurance business (excluding unit linked life insurance)			
	Reinsurance: life insurance business (excluding unit linked life insurance)			
	Direct insurance: non-life insurance business			
	Reinsurance: non-life insurance business	179.4	-4.3	175.1
	Direct insurance: health insurance business			
	Reinsurance: health insurance business			
	Direct insurance: other business			
	Reinsurance: other business			
	Direct insurance: unit-linked life insurance business			
	Reinsurance: unit-linked life insurance business			
	Fixed assets	0.0	-	0.0
	Deferred acquisition costs		-	
	Intangible assets			

	Receivables from insurance business	109.0	8.8	117.8
	Other receivables	8.5	39.2	47.7
	Other assets	-	0.1	0.1
	Unpaid share capital			
	Accrued assets	0.6	-	0.6
	Total other assets	**328.6**	**29.7**	**358.3**
Total market conform value of assets	Total market conform value of assets	**421.3**	70.0	**491.3**

Market conform value of liabilities (including unit linked life insurance)	Best estimate of insurance liabilities			
	Direct insurance: life insurance business (excluding unit linked life insurance)			
	Reinsurance: life insurance business (excluding unit linked life insurance)			
	Direct insurance: non-life insurance business			
	Reinsurance: non-life insurance business	238.4	-4.7	233.7
	Direct insurance: health insurance business			
	Reinsurance: health insurance business			
	Direct insurance: other business			
	Reinsurance: other business	77.8	61	138.8
	Best estimate of unit-linked life insurance liabilities			
	Direct insurance: unit-linked life insurance business			
	Reinsurance: unit-linked life insurance business			
	Market value margin	2.6	2.4	5.0
Market conform value of other liabilities	Non-technical provisions	1.1	-1.1	0.0
	Interest-bearing liabilities			
	Liabilities from derivative financial instruments			
	Deposits retained on ceded reinsurance			
	Liabilities from insurance business			
	Other liabilities			
	Accrued liabilities			
	Subordinated debts			
Total market conform value of liabilities	Total market conform value of liabilities	**319.9**	**57.6**	**377.5**

	Market conform value of assets minus market conform value of liabilities	**101.4**	**12.4**	**113.8**

Appendix 2

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

Currency: USD (as per SST reporting)

		31/12/2023	Adjustments previous period	31/12/2024
		in USD millions	in USD millions	in USD millions
Derivation of RBC	Market conform value of assets minus market conform value of liabilities	101.4		108.8
	Deductions			
	Tier 1 risk-absorbing capital instruments (RAC) counted towards core capital	101.4		108.8
	Core capital	101.4		108.8
	Supplementary capital			
	RBC	101.4		108.8

		31/12/2023	Adjustments previous period	31/12/2024
		in USD millions	in USD millions	in USD millions
Derivation of target capital	Insurance risk	30.4		37.1
	Market risk	9.9		16.6
	Credit risk	20.4		21.5
	Diversification effects	-6.4		-23.7
	Other effects on target capital	2.6		5.0
	Target capital	56.9		56.5

	31/12/2023	Adjustments previous period	31/12/2024
	in %	in %	in %
SST ratio	178.2		192.7

Appendix 3

External auditor's report

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To the General Meeting of
Peak Reinsurance AG, Zurich

Zurich, 29 April 2025

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Peak Reinsurance AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the 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.

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.

Report on other legal and regulatory requirements

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.

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

Ernst & Young Ltd

Licensed audit expert (Auditor in charge)	ACCA

Enclosures

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