



**XL Insurance  
Reinsurance**

# **XL Insurance Company SE, Dublin, Zurich Branch**

**AN AXA SA GROUP COMPANY**

## **Financial Condition Report**

**Year Ended**

**December 31, 2024**

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## Branch Manager's Statement

The Branch Manager acknowledges his responsibility for ensuring that this Financial Condition Report has been properly prepared in all material respects in accordance with Swiss Financial Market Supervisory Authority ("FINMA") regulations. The Branch Manager confirms that:

- (a) throughout the financial year disclosed in this report, the Branch has complied in all material respects with the requirements of the FINMA regulations as applicable to the Branch; and
- (b) it is reasonable to believe that, at the date of the publication of this report, the Branch has continued to comply, and will continue to comply in future.



Moreno Bühler

Branch Manager

XL Insurance Company SE, Dublin, Zurich Branch

25th April 2025



Bernhard Leu

Head of Finance

XL Insurance Company SE, Dublin, Zurich Branch

25th April 2025

# Management summary

## General remarks

This report addresses the Swiss specific disclosure requirements for Swiss branches of foreign insurance companies as defined in FINMA circular "2016/2 - Disclosure - insurers" and should be read in conjunction with:

- XL Insurance Company SE, Dublin, Zurich Branch's ("XLICSE ZH" or "the Branch") audited financial statements for the year ended December 31, 2024 disclosed in [appendix 2](#), and
- the Solvency and Financial Condition Report ("SFCR") published by the head office, XL Insurance Company SE ("XLICSE", "XL Insurance Company SE", or "the Company"). The report is available for [download](#) here.

Unless otherwise stated, all amounts in this report are presented in Swiss Francs ("CHF") being the reporting currency of the financial statements of XLICSE ZH.

Amounts shown in this report generally are disclosed in '000 CHF except for [appendix 1](#) which is displayed in CHF millions, with the consequence that the rounded amounts may not add up to the rounded total in all cases.

## Business activities

The principal activity of XLICSE is the transaction of general insurance business. The business conducted is primarily commercial insurance, providing property, casualty, financial lines and specialty products to industrial, commercial and professional firms as well as private clients across its network of branches and through fronting partners.

The Company is a member of the AXA XL division within the AXA Group. AXA XL, through its operating carriers, is a global insurance and reinsurance group of companies and other enterprises situated around the world. The operating entities are structured into regions. The Company provides the main insurance company platform to operate under the AXA XL brand from branches within Europe and Asia Pacific.

AXA XL's operating entities underwrite both insurance and reinsurance business. The operating entities are structured into regions and the Company falls within Europe and Asia Pacific region. The business products are structured into Global Property and Casualty (P&C), Global Speciality and Reinsurance business segments. The P&C segment is structured into two further segments International and North America. AXA XL underwrites across all the platforms available to best service both brokers and clients.

XL Insurance Company SE, Dublin, Zurich Branch, domiciled in Zurich, Switzerland, operates as the main insurance platform of AXA XL in Switzerland.

Further details of the Branch's business are provided in Section A. Additional information on AXA Group's performance can be found in AXA's Annual Report for the year ended December 31, 2024.

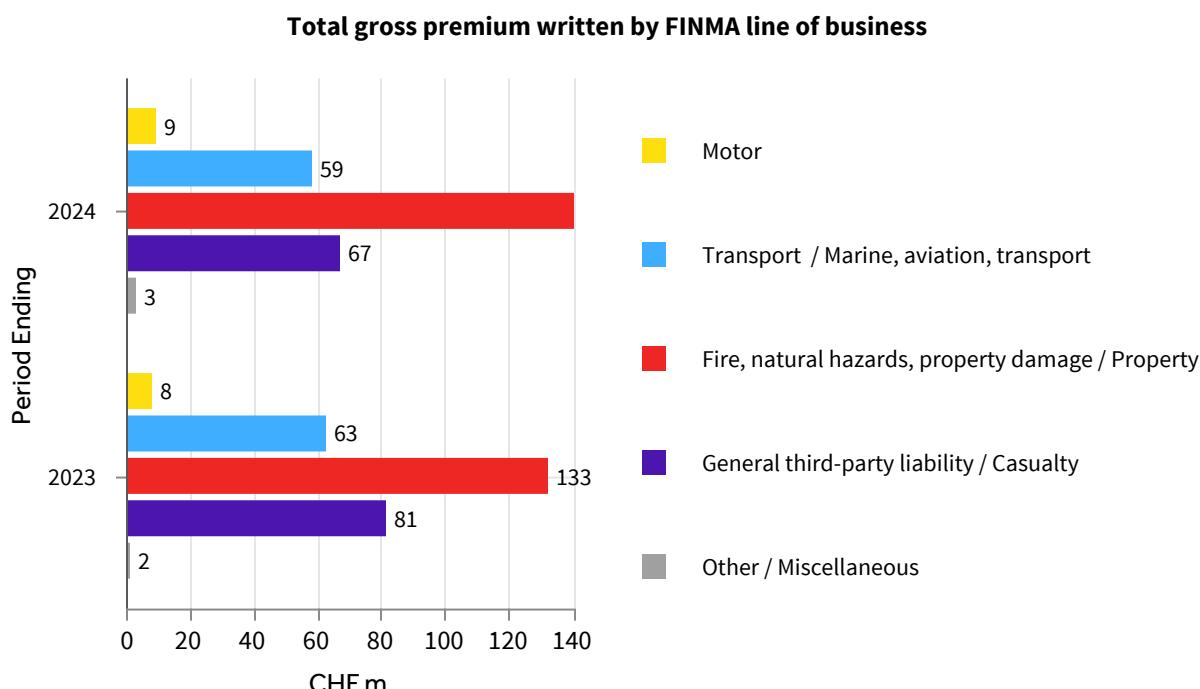
## Business performance

in CHF '000	Gross premium written	Net premium earned	Net Losses incurred	Acquisition costs and administrative expenses	Combined Ratio
<b>Total FY 2024</b>	<b>285,028</b>	<b>88,356</b>	<b>(50,055)</b>	<b>(36,387)</b>	<b>98 %</b>
<b>Total FY 2023</b>	<b>286,661</b>	<b>83,782</b>	<b>(65,193)</b>	<b>(35,254)</b>	<b>120 %</b>

The Branch generated CHF 285m of gross premium written in 2024 compared to CHF 287m in the prior year. The decrease is driven by lower turnovers in Marine and General third-party liability/Casualty lines of business. Net premium earned increased by CHF 5m to CHF 88m as a result of business growth in areas with lower reinsurance cessions in combination with less clients with captive reinsurance.

The Net Losses in FY 2024 decreased by CHF 15m to CHF 50m. This is the result of lower claims incurred particularly in direct business across all lines of business.

Acquisition costs and administrative expense ratio decreased from 42% to 41%, as a result of the increased net premiums and partially compensated by increased expenses.



Further details of the Branch's performance are provided in section [B](#) and the Annual Financial Statements in [appendix 2](#).

## **A. Business activities**

### **A.1 Strategy, objectives and business segments**

AXA XL, through its operating carriers, is a global insurance and reinsurance group of companies and other enterprises with locations around the world. AXA XL's operating entities underwrite both insurance and reinsurance business within its Global Property and Casualty ("P&C"), Global Specialty and Reinsurance business segments. The P&C segment is structured into two further segments; International and North America. AXA XL underwrites across all the platforms available to provide the best service to both brokers and clients.

The principal activity of XLICSE is the transaction of general insurance business. The Company provides the main insurance company platform to operate under the AXA XL brand within Europe and Asia Pacific.

XL Insurance Company SE, Dublin, Zurich Branch, domiciled in Zurich, Switzerland, operates as the main insurance platform of AXA XL in Switzerland. The business conducted is primarily commercial insurance, providing property, casualty, financial lines and specialty products to industrial, commercial and professional firms as well as private clients across its network of branches and through fronting partners. The Branch offers its clients excess of loss, pro-rata and facultative insurance business both direct and through insurance brokers and fronting partners. In addition, the Branch assumes a series of Group-internal reinsurance contracts from XL Insurance Switzerland Ltd ("XLIS").

The Branch prudently manages insurance obligations through controlled risk taking, clear accountability and strong underwriting discipline.

XL Insurance Company SE is domiciled in Dublin, Ireland. The Company issues policies globally through its network of branches or fronting partners in the major locations of its (re)insurance clients and their respective (re)insurance risks. Apart from Switzerland, the Company operates branches in the rest of Europe, Australia, Hong Kong, Malaysia, Singapore and India. This allows the Company to service brokers and clients efficiently providing both local service and global expertise, ensuring that it is able to deliver solutions to the often complex risks of multinational companies. As the Company's clients expand into new and emerging markets, the Company seeks to ensure that it can support that international expansion with the capability to provide local (re)insurance solutions and local service.

## A.2 Group information and group related transactions

AXA is one of the best-known brands in the insurance market. It owes this to a long and continuous track record of developing and introducing innovative insurance solutions.

XLICSE ZH is part of the AXA Group and thus one of the world's leading insurance groups. The company has been able to continuously strengthen its position in recent years, among other things through optimized cost efficiency and sustainable growth. Its large portfolio of private and corporate customers, combined with a large and dense distribution network is a key competitive advantage and leads to an influential market position. The diverse range of products and services is supported by many years of expertise, particularly in the areas of asset management, pricing, risk- and claims management.



### ***Related party transactions***

The Branch actively monitors all related party transactions. The material transactions with the shareholder, persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body include the Intra-Group reinsurance arrangements.

## A.3 Shareholder

XLICSE ZH is a Branch of XLICSE Dublin, Ireland, which owns all capital rights.

## A.4 Major branches

XLICSE ZH belongs to the international Branch network of XLICSE Dublin, Ireland.

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<sup>1</sup> Simplified Organisation Chart

## A.5 External auditor

According to Article 28 of the Insurance Supervisory Act the Branch has appointed Ernst & Young Switzerland ("EY") as statutory auditor.

Ernst & Young Switzerland  
Maagplatz 1  
8005 Zurich  
Switzerland

The auditor in charge is Philip Kirkpatrick. EY is accredited with the Federal Audit Oversight Authority in Berne, Switzerland.

## A.6 Significant unusual events

### **Significant events during the year:**

none

### **Significant events post year end:**

none

## B. Business performance

### B.1 Underwriting result

The table below provides the key performance indicators by FINMA line of business for both, direct and indirect business:

CHF '000	FY 2024	FY 2023	Change
Gross premium written	285,028	286,661	(1,633)
Net earned premium	88,356	83,782	4,574
Acquisition costs and administrative expenses for own account	(36,387)	(35,254)	(1,133)
Expenses for claims incurred for own account	(50,055)	(65,193)	15,138
Net underwriting result	1,914	(16,665)	18,579
Ratios			
Acquisition and administrative expense ratio	41 %	42 %	(1)%
Loss ratio	57 %	78 %	(21)%
<b>Combined ratio</b>	<b>98 %</b>	<b>120 %</b>	<b>(22)%</b>

The Branch generated CHF 285.0m of gross premium written compared to CHF 286.7m in the prior year. The decrease is driven by lower turnovers in Marine and General third-party liability/Casualty lines of business.

Net premium earned increased by CHF 4.6m to CHF 88.4m as a result of business growth in areas with lower reinsurance cessions in combination with less clients with captive reinsurance.

Acquisition costs and administrative expense ratio decreased from 42% to 41%, as a result of the increased net premiums and partially compensated by increased expenses.

Net losses in FY 2024 amount to CHF 50.1m, compared to CHF 65.2m in the prior year, as a result of lower claims incurred particularly in direct business across all lines of business. The combined ratio for FY 2024 decreased to 98% compared to 120% in the prior year, driven by higher earned premiums and lower net losses.

Further details on the quantitative performance are included in [appendix 1](#).

## B.1.1 Underwriting result Direct business

The tables below provide the key performance indicators by FINMA line of business:

CHF '000	FY 2024				
Line of business	Gross premium written	Net premium earned	Acquisition costs and administrative expenses	Net losses	Net underwriting result
Transport	32,251	21,843	(8,996)	(6,595)	6,252
Fire, natural hazards, property damage	102,074	12,545	(5,167)	(5,742)	1,636
General third-party liability	63,476	12,945	(5,331)	(13,072)	(5,458)
Other	3,056	1,081	(445)	(3,604)	(2,968)
<b>Total</b>	<b>200,857</b>	<b>48,414</b>	<b>(19,939)</b>	<b>(29,013)</b>	<b>(538)</b>

CHF '000	FY 2023				
Line of business	Gross premium written	Net premium earned	Acquisition costs and administrative expenses	Net losses	Net underwriting result
Transport	30,712	18,659	(7,851)	(20,247)	(9,439)
Fire, natural hazards, property damage	90,119	8,738	(3,677)	(13,885)	(8,824)
General third-party liability	77,846	10,870	(4,574)	(20,194)	(13,898)
Other	1,460	2,734	(1,151)	(2,312)	(729)
<b>Total</b>	<b>200,137</b>	<b>41,001</b>	<b>(17,253)</b>	<b>(56,638)</b>	<b>(32,890)</b>

Total direct premiums increased to CHF 200.9m from CHF 200.1m in the previous year driven by growth in all lines of business except "General third party liability".

Net acquisition costs and administrative expenses increased to CHF -19.9m compared to CHF -17.3m in the previous year due to a different business mix.

Net losses in FY 2024 amount to CHF -29.0m, compared to CHF -56.6m in the previous year, driven by lower losses incurred across all lines of business except "Other". Overall the loss ratio decreased from 138% in the previous year to 60% in FY 2024.

The combined ratio for FY 2024 decreased to 101% compared to 180% in the previous year in line with higher net premiums earned and lower net losses.

In the Transport line of business, gross premiums written increased to CHF 32.3m. Net losses decreased to CHF -6.6m and in connection with lower acquisition costs and administrative expenses the net underwriting result improved to CHF 6.3m.

Gross premiums written in the Fire, natural hazards, property damage line of business increased to CHF 102.1m from CHF 90.1m in the previous year. The cession ratio decreased, leading to a higher net premium base compared to the prior year. The net losses were less impacted by larger claims compared to the prior year, leading to a net underwriting profit of CHF 1.6m.

In General third-party liability the gross premiums written decreased to CHF 63.5m from CHF 77.8m in the previous year. Net losses decreased, leading to a net underwriting loss of CHF -5.5m.

In the other lines of business, gross premiums written increased to CHF 3.1m. Net losses are showing a negative result of -3.6m CHF leading to a net underwriting loss of CHF -3.0m.

## B.1.2 Underwriting result Indirect business

The tables below provide the key performance indicators by FINMA line of business:

CHF '000	FY 2024				
Line of business	Gross premium written	Net premium earned	Acquisition costs and administrative expenses	Net losses	Net underwriting result
Motor	9,164	4,374	(1,801)	(4,107)	(1,534)
Marine, aviation, transport	26,389	15,902	(6,549)	(6,971)	2,382
Property	45,118	18,260	(7,520)	(9,325)	1,415
Casualty	3,472	1,391	(573)	(849)	(31)
Miscellaneous	28	13	(5)	211	219
<b>Total</b>	<b>84,171</b>	<b>39,940</b>	<b>(16,448)</b>	<b>(21,041)</b>	<b>2,451</b>

CHF '000	FY 2023				
Line of business	Gross premium written	Net premium earned	Acquisition costs and administrative expenses	Net losses	Net underwriting result
Motor	7,889	4,350	(1,830)	4,917	7,437
Marine, aviation, transport	32,351	19,549	(8,226)	(7,213)	4,110
Property	42,647	17,242	(7,255)	(8,934)	1,053
Casualty	3,587	1,619	(681)	2,146	3,084
Miscellaneous	51	20	(8)	529	541
<b>Total</b>	<b>86,525</b>	<b>42,780</b>	<b>(18,000)</b>	<b>(8,555)</b>	<b>16,225</b>

The indirect business mainly encompasses assumed treaties from AXA Insurance Switzerland in the Marine, Aviation, Motor and Property (Art) lines of business. It also includes various assumed IGR's from XL Insurance Switzerland Ltd. With the subject business of XLIS being in run-off.

In total indirect business provides CHF 84.2m of gross written premium and CHF 39.9m net earned premiums. Total net losses amounted to CHF -21.0m and acquisition costs and administrative expenses to CHF -16.4m, leading to a net underwriting profit of CHF 2.5m.

The combined ratio for FY 2024 increased to 93.9% compared to 62.1% in the prior year driven by higher Net losses in almost all lines. The Acquisition and administrative expenses increased due to the change in the business mix.

The Motor line of business encompasses assumed reinsurance business from AXA Insurance Switzerland. Gross premium written was CHF 9.2m, Acquisition expenses CHF -1.8 with a negative reserve development impact of CHF -4.1m leading to a net underwriting profit of CHF -1.5m.

The Marine, Aviation and Transport lines of business has seen a strong increase in turnover to CHF 26.4m gross written premiums and net losses of CHF -7.0m leading to a positive net underwriting result of CHF 2.4m.

The Property line of business is assuming CHF 45.1m of gross written premiums. Acquisition costs amounted to CHF -7.5m and net losses to CHF -9.3m leading to a net underwriting profit of CHF 1.4m.

In the Casualty line of business, assumed gross premiums written amounted to CHF 3.5m. Net losses were impacted by a negative reserve development and are at CHF -0.8m and Acquisition and administrative expenses at -0.6m, leading to a net underwriting loss of CHF 0.0m.

In 2024 there is no significant business in the miscellaneous line, net premiums earned were at CHF 0.0m. The net underwriting result of 0.2m is driven by negative prior year developments.

## B.2 Investment income and expenses

Investment Income		FY 2024		
CHF '000		Investment income	Realized gains	Unrealized gains
				Total
Fixed income securities		7,770	59	—
<b>Total</b>		<b>7,770</b>	<b>59</b>	<b>—</b>

		FY 2023		
CHF '000		Income	Realized gains	Unrealized gains
				Total
Fixed income securities		4,870	113	—
<b>Total</b>		<b>4,870</b>	<b>113</b>	<b>—</b>

The investment income amounts to CHF 7.8m compared to CHF 5.0m in FY 2023. The increase is mainly driven by higher interest income on the assets.

The investment portfolio of the Branch has an average rating of AA, being highly secure and liquid. XLICSE ZH holds fixed income portfolios, which broadly correspond to the respective liabilities of the Branch, held in CHF, USD and EUR portfolios. All assets are pledged for tied-asset purposes to fulfill Swiss regulatory requirements.

Investment Expenses		FY 2024		
CHF '000		Investment expenses	Realized losses	Unrealized losses
				Total
Fixed income securities		(382)	(8)	—
<b>Total</b>		<b>(382)</b>	<b>(8)</b>	<b>(390)</b>

		FY 2023		
CHF '000		Expenses	Realized losses	Unrealized losses
				Total
Fixed income securities		(606)	(975)	—
<b>Total</b>		<b>(606)</b>	<b>(975)</b>	<b>(1,581)</b>

The investment expenses have reduced to CHF -0.4m compared to CHF -1.6m in FY 2023.

The Branch has recognized no profits or losses in the Branch capital.

### B.3 Other income and expenses

CHF '000	FY 2024	FY 2023	Change
Other income	6,081	665	5,417
Other expenses	(1,195)	(3,633)	2,438
Extraordinary income	—	—	—
<b>Total</b>	<b>4,886</b>	<b>(2,968)</b>	<b>7,855</b>

Other income amounts to CHF 6.1m in 2024 and increased from last year due to higher foreign exchange rate gains.

Other expenses have increased to CHF -1.2m in 2024 driven by gains on foreign exchange rates movements.

There was no extraordinary income in 2024.

# Glossary

AXA	AXA SA
AXA XL	Property, casualty, specialty and reinsurance division of AXA
Branch (the)	XL Insurance Company SE, Dublin, Zurich Branch / XLICSE ZH
Company (the)	XL Insurance Company SE, Dublin / XLICSE
FINMA	Swiss Financial Market Supervisory Authority
FY	Financial Year
IGR	Intra-group reinsurance
P&C	Property & Casualty
SFCR	Solvency and Financial Condition Report
XLICSE	XL Insurance Company SE, Dublin
XLICSE ZH	XL Insurance Company SE, Dublin, Zurich Branch
XLIS	XL Insurance Switzerland Ltd

## Appendices

## Appendix 1 Quantitative template "Performance solo insurance"

CHF millions	Total		Direct Swiss business								Indirect business									
			Transport		Fire, natural hazards, property damage		General third-party liability		Other		Motor		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Gross premiums	286.66	285.03	30.71	32.25	90.12	102.07	77.85	63.48	1.46	3.06	7.89	9.16	32.35	26.39	42.65	45.12	3.59	3.47	0.05	0.03
Reinsurers' share of gross premiums	(206.85)	(193.12)	(10.70)	(9.76)	(83.23)	(86.30)	(67.18)	(50.25)	(1.01)	(2.22)	(4.01)	(4.97)	(12.94)	(10.45)	(25.59)	(27.07)	(2.15)	(2.08)	(0.03)	(0.02)
<b>Premiums for own account</b>	<b>79.81</b>	<b>91.90</b>	<b>20.01</b>	<b>22.49</b>	<b>6.89</b>	<b>15.77</b>	<b>10.66</b>	<b>13.23</b>	<b>0.45</b>	<b>0.83</b>	<b>3.88</b>	<b>4.19</b>	<b>19.41</b>	<b>15.94</b>	<b>17.06</b>	<b>18.05</b>	<b>1.43</b>	<b>1.39</b>	<b>0.02</b>	<b>0.01</b>
Change in unearned premium reserves	(5.79)	(4.62)	(1.77)	(1.30)	(3.74)	(10.43)	(3.37)	5.81	1.35	0.68	0.47	0.18	0.36	(0.10)	0.46	0.53	0.46	0.01	—	—
Reinsurers' share of change in UPR	9.77	1.07	0.42	0.66	5.59	7.20	3.58	(6.09)	0.94	(0.43)	—	—	(0.21)	0.06	(0.27)	(0.32)	(0.28)	—	—	—
<b>Premiums earned for own account</b>	<b>83.78</b>	<b>88.36</b>	<b>18.66</b>	<b>21.84</b>	<b>8.74</b>	<b>12.55</b>	<b>10.87</b>	<b>12.95</b>	<b>2.73</b>	<b>1.08</b>	<b>4.35</b>	<b>4.37</b>	<b>19.55</b>	<b>15.90</b>	<b>17.24</b>	<b>18.26</b>	<b>1.62</b>	<b>1.39</b>	<b>0.02</b>	<b>0.01</b>
Other income from insurance business	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total income from underwriting business</b>	<b>83.78</b>	<b>88.36</b>	<b>18.66</b>	<b>21.84</b>	<b>8.74</b>	<b>12.55</b>	<b>10.87</b>	<b>12.95</b>	<b>2.73</b>	<b>1.08</b>	<b>4.35</b>	<b>4.37</b>	<b>19.55</b>	<b>15.90</b>	<b>17.24</b>	<b>18.26</b>	<b>1.62</b>	<b>1.39</b>	<b>0.02</b>	<b>0.01</b>
Payments for insurance claims (gross)	(106.34)	(131.74)	(11.61)	(18.01)	(20.22)	(39.49)	(26.34)	(32.80)	(1.58)	(3.03)	(5.86)	(10.02)	(13.36)	(9.94)	(24.58)	(16.57)	(2.88)	(1.87)	0.10	—
Reinsurers' share of payments for insurance claims	62.33	83.80	4.08	8.39	14.37	27.49	18.26	24.28	0.83	1.96	3.04	4.66	5.32	5.96	14.75	9.94	1.73	1.12	(0.06)	—
Change in technical provisions	(85.70)	(21.87)	(25.33)	10.75	(34.77)	19.98	(36.80)	(33.42)	(7.53)	(7.36)	4.95	2.14	2.06	(7.49)	2.25	(6.74)	8.24	(0.25)	1.23	0.53
Reinsurers' share of change in technical provisions	64.51	19.75	12.61	(7.72)	26.73	(13.72)	24.68	28.88	5.97	4.83	2.79	(0.89)	(1.24)	4.49	(1.35)	4.04	(4.95)	0.15	(0.74)	(0.32)
<b>Expenses for insurance claims for own account</b>	<b>(65.19)</b>	<b>(50.06)</b>	<b>(20.25)</b>	<b>(6.59)</b>	<b>(13.89)</b>	<b>(5.74)</b>	<b>(20.19)</b>	<b>(13.07)</b>	<b>(2.31)</b>	<b>(3.60)</b>	<b>4.92</b>	<b>(4.11)</b>	<b>(7.21)</b>	<b>(6.97)</b>	<b>(8.93)</b>	<b>(9.33)</b>	<b>2.15</b>	<b>(0.85)</b>	<b>0.53</b>	<b>0.21</b>
Acquisition and administration expenses	(72.81)	(75.98)	(7.84)	(9.15)	(16.13)	(23.39)	(19.71)	(16.99)	(0.72)	(0.92)	(1.86)	(2.02)	(12.90)	(10.74)	(12.65)	(12.09)	(1.00)	(0.68)	(0.01)	—
Reinsurers' share of acquisition and admin. expenses	37.56	39.59	(0.01)	0.15	12.46	18.22	15.14	11.66	(0.43)	0.48	0.03	0.21	4.67	4.19	5.39	4.57	0.32	0.11	—	—
<b>Acquisition and admin. expenses for own account</b>	<b>(35.25)</b>	<b>(36.39)</b>	<b>(7.85)</b>	<b>(9.00)</b>	<b>(3.68)</b>	<b>(5.17)</b>	<b>(4.57)</b>	<b>(5.33)</b>	<b>(1.15)</b>	<b>(0.45)</b>	<b>(1.83)</b>	<b>(1.80)</b>	<b>(8.23)</b>	<b>(6.55)</b>	<b>(7.25)</b>	<b>(7.52)</b>	<b>(0.68)</b>	<b>(0.57)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Total expenses from underwriting business</b>	<b>(100.45)</b>	<b>(86.44)</b>	<b>(28.10)</b>	<b>(15.59)</b>	<b>(17.56)</b>	<b>(10.91)</b>	<b>(24.77)</b>	<b>(18.40)</b>	<b>(3.46)</b>	<b>(4.05)</b>	<b>3.09</b>	<b>(5.91)</b>	<b>(15.44)</b>	<b>(13.52)</b>	<b>(16.19)</b>	<b>(16.85)</b>	<b>1.46</b>	<b>(1.42)</b>	<b>0.52</b>	<b>0.21</b>
Investment income	4.98	7.83																		
Investment expenses	(1.58)	(0.39)																		
<b>Net investment income</b>	<b>3.40</b>	<b>7.44</b>																		
Other financial income	—	—																		
Other financial expenses	—	—																		
<b>Operating result</b>	<b>(13.26)</b>	<b>9.35</b>																		
Interest expenses for interest-bearing liabilities	—	—																		
Other income	0.66	6.08																		
Other expenses	(3.63)	(1.20)																		
Extraordinary income/expenses	—	—																		
<b>Profit / loss before taxes</b>	<b>(16.23)</b>	<b>14.24</b>																		
Direct taxes	0.16	(1.37)																		
<b>Profit / (loss)</b>	<b>(16.07)</b>	<b>12.87</b>																		

## **Appendix 2 Audited annual financial statements and report of the statutory auditor**



**XL Insurance**  
**Reinsurance**

# **XL Insurance Company SE, Dublin, Zurich Branch**

**AN AXA SA GROUP COMPANY**

## **Financial Statements**

**Year Ended**

**December 31, 2024**



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To the General Manager of  
XL Insurance Company SE, Dublin,  
Zurich Branch, Zurich

Zurich, 24 April 2025

## Report of the independent auditor



### Opinion

As an audit firm under state supervision, we have audited the financial statements of XL Insurance Company SE, Dublin, Zurich Branch (the Company), which comprise the balance sheet as at 31 December 2024, the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, pursuant to Art. 28 (2) of the Insurance Supervision Act (ISA) and with reference to the supplementary information for audit reporting of insurance companies in Annex 19 to FINMA Circular 13/3 concerning the "Preparation and audit of the financial statements of branches of foreign insurance companies" of 4 November 2020 (Annex 19 to FINMA Circular 13/3).

In our opinion, the accompanying financial statements of the Company comply in all material respects with the financial reporting provisions of Annex 19 to FINMA Circular 13/3.



### Basis for opinion

We conducted our audit in accordance with the Swiss Standards on Auditing (SA-CH) as well as the framework for the audit of the financial statements as set out in section 3.2 of Annex 19 to FINMA Circular 13/3. Our responsibilities under those provisions and standards are further described in the "Independent Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### Other information

The General Manager 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.



#### **General Manager's responsibilities for the financial statements**

The General Manager is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Annex 19 to FINMA Circular 13/3 and for such internal control as the General Manager 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 General Manager 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 General Manager either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



#### **Independent Auditor's responsibilities for 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 SA-CH and Annex 19 to FINMA Circular 13/3 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- ▶ Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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We communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Ltd



Philip Kirkpatrick  
(Qualified Signature)

Licensed audit expert  
(Lead Auditor)



Sophie Krumsiek  
(Qualified Signature)

Chartered certified accountant (UK)

**Enclosure**

- Financial statements (balance sheet, profit and loss account and notes)



XL Insurance

## Balance Sheet

	Notes	31.12.2024 CHF	31.12.2023 CHF
<b>Assets</b>			
Fixed income securities		436'480'759	417'716'714
<b>Total investments</b>		<b>436'480'759</b>	<b>417'716'714</b>
 Cash and cash equivalents	1)	1'387'428	2'459'229
Reinsurer's share in insurance technical provisions	3)	537'682'933	507'507'430
Receivables from insurance business	2)	112'465'831	95'248'322
Other receivables	5)	52'697'798	32'739'189
Accrued income and prepaid expenses		3'810'080	2'763'696
<b>Total other assets</b>		<b>708'044'070</b>	<b>640'717'866</b>
 <b>Total assets</b>		<b>1'144'524'829</b>	<b>1'058'434'580</b>
 <b>Liabilities</b>			
Technical Provisions	3)	765'656'624	727'645'178
Payables from insurance business	4)	84'319'443	60'731'127
Other liabilities	6)	243'431'356	231'972'425
Accrued expenses and deferred income		3'611'468	3'450'346
<b>Total liabilities</b>		<b>1'097'018'891</b>	<b>1'023'799'075</b>
 <b>Branch capital</b>	7)	<b>47'505'938</b>	<b>34'635'505</b>
Branch capital and retained earnings carried forward		34'635'505	50'703'764
Profit / (loss) of the year		12'870'433	-16'068'259
<b>Total branch capital</b>		<b>47'505'938</b>	<b>34'635'505</b>
 <b>Total liabilities and branch capital</b>		<b>1'144'524'829</b>	<b>1'058'434'580</b>

notes to these financials form an integral part of these financial statements



## Profit and loss account

	Notes	FY 2024 CHF	FY 2023 CHF
Gross written premium		285'027'710	286'660'620
Premium ceded to reinsurer		-193'123'426	-206'853'339
<b>Premium written for own account</b>		<b>91'904'284</b>	<b>79'807'282</b>
Change in provision for unearned premiums		-4'622'717	-5'793'339
Share of reinsurer in change in provision for unearned premiums		1'073'934	9'768'102
<b>Earned premium for own account</b>	8)	<b>88'355'501</b>	<b>83'782'045</b>
<b>Total income out of insurance business</b>		<b>88'355'501</b>	<b>83'782'045</b>
Claims paid		-131'736'189	-106'335'953
Share of reinsurer in claims paid		83'798'089	62'330'936
Change in reserves for losses and loss expenses		-21'867'284	-85'700'422
Share of reinsurer in change in reserves for losses and loss expenses		19'750'364	64'512'522
<b>Expenses for claims incurred for own account</b>	9)	<b>-50'055'020</b>	<b>-65'192'918</b>
Acquisition costs and administrative expenses		-75'979'914	-72'814'948
Share of reinsurer in acquisition costs and administrative expenses		39'592'652	37'561'350
<b>Acquisition costs and administrative expenses for own account</b>	10)	<b>-36'387'262</b>	<b>-35'253'598</b>
<b>Total expenses from insurance business</b>		<b>-86'442'282</b>	<b>-100'446'516</b>
Investment income	11)	7'828'672	4'983'403
Investment expenses	12)	-390'504	-1'580'568
<b>Investment result</b>		<b>7'438'168</b>	<b>3'402'835</b>
<b>Operating result</b>		<b>9'351'387</b>	<b>-13'261'636</b>
Other income	13)	6'081'444	664'796
Other expenses	13)	-1'195'217	-3'632'832
<b>Result before tax</b>		<b>14'237'614</b>	<b>-16'229'671</b>
Direct taxes		-1'367'181	161'412
<b>Result</b>		<b>12'870'433</b>	<b>-16'068'259</b>

notes to these financials form an integral part of these financial statements



## Notes to the financial statements

The Q4 2024 income statement and balance sheet within this report are consolidated and include former AXA Corporate Solutions Assurance, Paris, Swiss Branch, and AXA ART Versicherung AG, Cologne, Swiss Branch.

### Basis of preparation and summary of significant accounting policies

The financial statements as of 31 December, 2024 of XL Insurance Company SE, Dublin, Zurich Branch ("XLICSE ZH" or the "Branch") have been prepared in accordance to the requirements by the 32nd title of the Swiss Code of Obligations and with additional requirements defined by FINMA (Art. 110-111b AVO, valid as of 1st September 2024) - Preparation and audit of the financial statements of branch offices of foreign insurance companies ("WNL"). The valuation principles applied for each line item are further specified in the respective sections below.

### Investments

Fixed Income Securities are recorded no higher than according to the "Amortised Cost Scientific Method". Any further risk to the intrinsic value is taken into account by means of depreciation on individual bonds.

### Receivables and payables

Receivables and payables are recorded with their nominal value.

### Technical provisions

Provision is made at the year end, on the basis of best available information, for the following estimates:

- The ultimate costs of claims notified but not yet settled at the year end, i.e. "outstanding claims";
- The claims incurred but not reported at the year end, i.e. "IBNR claims";
- Related internal and external claims handling costs attributable to the above; and
- Where applicable, deductions for salvage and other recoveries.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its estimated claim exposures and these are set so that no adverse run-off deviation is envisaged. Given the uncertainty in establishing claims provisions, however, it is likely that the final liability for such claims will prove different from the original estimates established.

### FX Rates

The financial statements of XLICSE ZH are disclosed in Swiss Francs ("CHF"). Transactions in foreign currencies are calculated using respective foreign exchange rates applicable to the period in which the transactions take place. Assets and liabilities are revalued at exchange rates prevailing at the balance sheet date, resulting unrealised exchange gains are deferred and recorded as a separate line item on the balance sheet. Unrealised exchange losses are either offset against the provision for currency fluctuation or recorded in the income statement.

### 1) Cash pool facility

The Branch is part of AXA XL's notional cash pool facility and is thereby provided with additional liquidity. The facility is provided by Bank Mendes Gans, a subsidiary of ING and a market leader in notional cash pooling.

2) Receivables from re/insurance business	31.12.2024	31.12.2023
	CHF	CHF
Receivables from policyholders	29'637'737	23'017'417
Receivables from agents and brokers	10'150'216	10'910'205
Receivables from external re/insurance companies	56'186'755	44'778'861
Receivables from internal re/insurance companies	16'491'122	16'541'839
<b>Total</b>	<b>112'465'831</b>	<b>95'248'322</b>

<b>3) Technical Provisions</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
		CHF	CHF
Reserve for gross unearned premiums	Direct	51'744'547	48'774'875
	Assumed	28'571'859	27'064'521
Reserve for ceded unearned premiums		-57'215'191	-54'941'758
Net reserve for unearned premiums		23'101'215	20'897'638
Reserve for gross claims outstanding	Direct	512'703'135	495'073'507
	Assumed	172'637'083	156'732'278
Reserve for ceded claims outstanding		-480'467'742	-452'565'671
Net reserve for claims outstanding		204'872'476	199'240'113
<b>Total</b>		<b>227'973'691</b>	<b>220'137'751</b>

<b>4) Payables from re/insurance business</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
		CHF	CHF
Payables to policyholders		1'398'442	1'187'397
Payables to agents and brokers		478'933	562'824
Payables to external re/insurance companies		66'192'734	52'067'752
Payables to internal re/insurance companies		16'249'334	6'913'154
<b>Total</b>		<b>84'319'443</b>	<b>60'731'127</b>

<b>5) Other receivables</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
		CHF	CHF
Other receivables from internal parties		52'371'164	32'739'177
Other receivables from external parties		326'634	12
<b>Total</b>		<b>52'697'798</b>	<b>32'739'189</b>

<b>6) Other liabilities</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
		CHF	CHF
Other liabilities to internal parties		172'352'157	186'621'940
Other liabilities to external parties		13'884'800	13'164'740
Provision for currency fluctuation		12'973'763	32'185'745
Cash pooling balance		44'220'636	0
<b>Total</b>		<b>243'431'356</b>	<b>231'972'425</b>

<b>7) Branch capital</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
		CHF	CHF
<b>Opening Capital</b>		<b>34'635'505</b>	<b>50'703'764</b>
Profit / (loss) of the year		12'870'433	-16'068'259
<b>31 Dez 2024</b>		<b>47'505'938</b>	<b>34'635'505</b>

The amount reflected in the branch capital is the capital provided by the home office XL Insurance Company SE, Dublin.

<b>8) Earned premium for own account</b>		<b>FY 2024</b>	<b>FY 2023</b>
		CHF	CHF
Gross written premium	Direct	200'856'795	200'136'299
	Assumed	84'170'915	86'524'321
Premium ceded to reinsurer		-193'123'426	-206'853'339
Net written premiums		91'904'284	79'807'282
Change in unearned premium reserve	Direct	-5'240'823	-7'539'508
	Assumed	618'106	1'746'169
Ceded change in unearned premium reserve		1'073'934	9'768'102
Net change in unearned premium reserve		-3'548'783	3'974'763
<b>Total</b>		<b>88'355'501</b>	<b>83'782'045</b>

<b>9) Expenses for claims incurred for own account</b>		<b>FY 2024</b>	<b>FY 2023</b>
		CHF	CHF
Gross claims paid	Direct	-93'339'140	-59'750'272
	Assumed	-38'397'049	-46'585'681
Ceded claims paid		83'798'089	62'330'936
Net paid losses and loss expenses		-47'938'100	-44'005'017
Change in gross reserves for losses and loss expenses	Direct	-10'052'471	-104'428'882
	Assumed	-11'814'813	18'728'460
Change in ceded reserves for losses and loss expenses		19'750'364	64'512'522
Net change in reserves for losses and loss expenses		-2'116'920	-21'187'901
<b>Total</b>		<b>-50'055'020</b>	<b>-65'192'918</b>

<b>10) Acquisition costs and administrative expenses for own account</b>		<b>FY 2024</b>	<b>FY 2023</b>
		CHF	CHF
Gross acquisition costs	Direct	-21'022'924	-19'471'179
	Assumed	-15'855'995	-17'346'408
Reinsurer's share of acquisition costs		39'592'652	37'561'350
Net acquisition costs		2'713'733	743'763
Administrative expenses		-38'940'116	-35'873'581
Audit fees		-160'879	-123'780
<b>Total</b>		<b>-36'387'262</b>	<b>-35'253'598</b>

There are no full time equivalents employed by the Branch for Q4 2024.

**11) Investment income**

	Investment income	Realized gains	Unrealized gains	FY 2024
	CHF	CHF	CHF	Total
Fixed income securities	7'769'587	59'085	0	7'828'672
<b>Total</b>	<b>7'769'587</b>	<b>59'085</b>	<b>0</b>	<b>7'828'672</b>

	Income	Realized gains	Unrealized gains	FY 2023
	CHF	CHF	CHF	Total
Fixed income securities	4'870'057	113'346	0	4'983'403
<b>Total</b>	<b>4'870'057</b>	<b>113'346</b>	<b>0</b>	<b>4'983'403</b>

**12) Investment expenses**

	Investment expenses	Realized losses	Unrealized losses	FY 2024
	CHF	CHF	CHF	Total
Fixed income securities	-382'194	-8'310	0	-390'504
<b>Total</b>	<b>-382'194</b>	<b>-8'310</b>	<b>0</b>	<b>-390'504</b>

	Expenses	Realized losses	Unrealized losses	FY 2023
	CHF	CHF	CHF	Total
Fixed income securities	-605'632	-974'936	0	-1'580'568
<b>Total</b>	<b>-605'632</b>	<b>-974'936</b>	<b>0</b>	<b>-1'580'568</b>

**13) Other income / other expenses**

		FY 2024	FY 2023
		CHF	CHF
Realized Fx Gain		4'914'198	-
Misc other income		1'167'246	664'796
Other Income		6'081'444	664'796
Realized Fx Loss		-	-3'553'331
Interest expenses		-1'195'217	-79'500
Other expenses		-1'195'217	-3'632'830

**14) Pledged assets**

	31.12.2024	31.12.2023
	CHF	CHF
Swiss Tied Assets (Fixed Income Securities including Cash)	408'285'535	418'078'221
<b>Total</b>	<b>408'285'535</b>	<b>418'078'221</b>

**15) Contingent Liabilities**

The company belongs to the VAT group of AXA Versicherungen AG and is jointly and severally liable for its VAT liabilities to the tax authorities