In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

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DON'T STAPLE

OS AA01

Statement of details of parent law and other information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

✗ **What this form is NOT fo**
You cannot use this form to an alteration of manner of with accounting requiremer

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COMPANIES HOUSE

Part 1 Corporate company name

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

Corporate name of overseas company ❶	XL CATLIN SERVICES SE
UK establishment number	B R 0 2 3 3 8 9

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation ❷	Companies Act 2014 (Ireland)

❷ This means the relevant rules or legislation which regulates the preparation of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3.**

☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3.**

Name of organisation or body ❸	Financial Reporting Council

❸ Please insert the name of the appropriate accounting organisation or body.

OS AA01

Statement of details of parent law and other information for an overseas company

A3 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	Irish Auditing and Accounting Supervisory Authority	

Part 3 Signature

	I am signing this form on behalf of the overseas company.
Signature	Signature X R. R. Kelly X
	This form may be signed by: Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	ALEXIS METAXAS-TRIKARDOS
Company name	AXA XL
Address	20 GRACECHURCH STREET
Post town	
County/Region	LONDON
Postcode	E C 3 V 0 B G
Country	UNITED KINGDOM
DX	
Telephone	07816369261

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

XL Insurance Reinsurance

XL CATLIN SERVICES SE

AN AXA GROUP COMPANY

Annual Report and Financial Statements

Year ended
31 Decembe

Registered number: 659610

CONTENTS **PAGE(S)**

Members ("Directors") of the Administrative Organ ("Board") and Other Information

Directors
Marie-Louise Elhabre (Resigned 21 June 2022)
Julie Scott-Bryant (Appointed 21 June 2022)
Peter R. Kelly
Paul M. Murray
Paul-Henri Rastoul
Ronan Redmond

Company Secretary & Registered Office
Peter R. Kelly
Wolfe Tone House,
Wolfe Tone Street,
Dublin 1,
D01 HP90,
Ireland

Company registered number: 659610

Independent Statutory Auditors
Ernst & Young Chartered Accountants & Statutory Auditors
Harcourt Centre,
Harcourt Street,
Dublin 2,
D02 YA40,
Ireland

Branch Offices
XL Catlin Services SE, Austria Branch
Tuchlauben 3, 1010 Vienna, Austria

XL Catlin Services SE, Belgium Branch
Grote Steenweg 214, 2600 Antwerp, Belgium

XL Catlin Services SE, Denmark Branch
Bredgade 30, 1260 Kobenhavn K, Denmark

XL Catlin Services SE, France Branch
61, rue Mstislav Rostropovitch - 75017 Paris, France

XL Catlin Services SE, Germany Branch
Colonia-Allee 10-20, 51067 Cologne, Germany

XL Catlin Services SE, Italy Branch
Corso Como 17, 20154 - Milano (MI) Italia

XL Catlin Services SE, Mexico Branch
Félix Cuevas 366, Tlacoquemecatl del Valle, 03200, CDMX, México

XL Catlin Services SE, Netherlands Branch
De Cuserstraat 91, 1081 CN Amsterdam, Netherlands

XL Catlin Services SE, Norway Branch
C. Sundts gate 37, 5004 Bergen, Norway

Members ("Directors") of the Administrative Organ ("Board") and Other Information (continued)

Branch Offices (continued)

XL Catlin Services SE, Poland Branch
ul. Kazimierza Wielkiego 3, 50-077 Wroclaw, Polska

XL Catlin Services SE, Singapore Branch
138 Market Street, #10-01/04, Capitagreen, 048946, Singapore

XL Catlin Services SE, Spain Branch
Plaza de la Lealtad 4, Madrid 28014, Spain

XL Catlin Services SE, Sweden Branch
Kungsgatan 5, 2nd Floor, 111 43 Stockholm, Sweden

XL Catlin Services SE, Switzerland Branch
Limmatstrasse 250, 8005, Zürich, Switzerland

XL Catlin Services SE, UK Branch
20 Gracechurch Street, London, EC3V 0BG, UK

Directors' Report for the year ended 31 December 2022

The directors as members of the Administrative Organ present their annual report and audited financial statements of XL Catlin Services SE ("XLCSSE" or the "Company"), for the year ended 31 December 2022.

Statement of directors' responsibilities for the Annual Report and Financial Statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, comprising Financial Reporting Standard 102 (FRS102) *"The Financial Reporting Standard Applicable in the UK and Republic of Ireland"* (FRS 102) and Irish law.

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with FRS 102 and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' compliance statement

The directors acknowledge that they are responsible for securing compliance by the Company with its relevant obligations as defined at section 225 of the Companies Act 2014.

The directors confirm that the following have been done in relation to the Company:

- A compliance policy statement has been drawn up setting out the Company's policies respecting compliance by the Company with its relevant obligations;
- Appropriate arrangements or structures have been put in place that are designed to secure material compliance with the Company's relevant obligations; and
- A review has been conducted, during the financial year ended 31 December 2022, of the arrangements and structures, referred to above.

Directors' Report for the year ended 31 December 2022 (continued)

Audit Committee
Consequent to the transfer of the Company's operations to Ireland from the UK on 25 October 2019, the Company met the criteria to establish an audit committee pursuant to section 167 of the Companies Act 2014. Accordingly, the Company constituted an Audit Committee in 2020 chaired by the independent non-executive director and two other non-executive directors as members.

Principal activity
The principal activity of the Company is to act as an in-house insurance and reinsurance intermediary, with the main relationships being with the following carriers in AXA XL division ("AXA XL"), the P&C and Specialty division of AXA: XL Insurance Company SE, AXA XL Underwriting Agencies Limited, AXA XL Insurance Company UK Limited, XL Re Europe SE and Catlin Re Switzerland Ltd. In addition, the Company provides non-underwriting services such as finance, legal, tax and HR support to AXA XL. The company also provides services to the wider AXA Group and a small number of third party clients. The Company employs 4,111 employees, located in multiple jurisdictions across Europe, the UK, Switzerland, Singapore, and Mexico. The Company is also engaged in providing risk engineering and claims management services to third party customers.

Accounting records
The use of appropriate systems and procedures and employment of competent persons secures compliance with the Company's obligation to keep adequate accounting records. The legal entity accounting records are kept at Wolfe Tone House, Wolfe Tone Street, Dublin 1.

Business Review

Results and dividends
The profit before taxation for the year amounted to £102,415,458 (2021: £133,635,499). The tax credit amounted to £2,231,890 (2021: charge £30,908,759) resulting in a profit for the year of £104,647,348 (2021: £102,726,740) which has been transferred to total equity. During the year, the Company recognised an actuarial gain of £20,621,229 (2021: £19,380,129) in the statement of comprehensive income, arising mainly out of the actuarial revaluation of the French and German Defined Benefits Pension plans assets and liabilities. The turnover and staff costs (which represent the major part of administrative expenses) incurred are detailed in note 2 and note 3 of the financial statements. The equity of the Company as at 31 December 2022 amounts to £200,439,873 (2021: £270,652,742). The state of the Company's affairs as at 31 December 2022 is shown in the statement of financial position on page 20 and the notes to the financial statement from pages 21 to 41.

The Company distributed a dividend of $220,000,000 on 2 June 2022 (2021: Nil), equivalent to £169,269,830, for the year ended 31 December 2021. On 13 December 2022, the Company distributed an interim dividend of $35,000,000, equivalent to £31,925,568 (2021: Nil) for the year ended 31 December 2022.

On 1 June 2023, the Administrative Organ ("Board") agreed to recommend to the annual general meeting of shareholders the payment of a final dividend of £60,000,000 (2021:$220,000,000) for the year ended 31 December 2022.

Key Developments during the year
AXA XL's reinsurance legal entity restructuring project resulted in a transfer of employees providing reinsurance underwriting and related services out of the Company to reinsurance carriers. The shift in employees reduced reinsurance related expenses and income.

As part of AXA XL's legal entity restructuring project, on 13 October 2022, XLCSSE and Catlin Holdings Ltd ("CHL"), another entity within the AXA XL division, entered into a Business Transfer Agreement ("BTA") to transfer the business and assets of CHL to XLCSSE for a cash consideration of £6,871,102. The assets transferred at net book value as at the transfer date.

Directors' Report for the year ended 31 December 2022 (continued)

Key Developments during the year (continued)

Key financial indicators
Key financial indicators are factors by reference to which the performance or position of the business of the Company can be measured effectively. Management monitors the progress of the Company by reference to the following indicators:

	2022 £	2021 £
Commission income	672,801,008	694,352,802
Operating profit	104,539,262	128,703,685
Net cash resources	114,727,209	177,134,989
Net current assets	165,530,034	256,037,725
Total equity	200,439,873	270,652,742

Commission income has reduced from prior year mainly due to the transfer of certain employees performing reinsurance activities to respective carriers. This change also had an impact on the operating profit which has reduced as compared to the prior year. The other factors impacting operating profit were higher technology and transformation project related expenses.

The decrease in net cash resources, net current assets and total equity compared to the prior year can be largely attributable to the dividends of $255,000,000, equivalent to £201,195,398, paid during 2022.

Future development
The Company is part of a multi-year AXAXL division-wide project that started in 2022 to transform AXA XL's systems, tools and processes, driving efficiency and reducing expenses. This is not expected to have a significant impact on the Company's operating profit.

Effective 1 January 2023, the Company entered into a Transfer agreement with AXA Group Operations UK Limited to transfer assets, both tangible and intangible, 27 UK based employees working in the Technology function under Transfer of Undertakings (Protection of Employment) "TUPE" and supplier contracts along with associated assets and liabilities for a cash consideration of £5,348,026. The transaction has resulted in a gain on sale of £1,924,615 which will be recognised in the 2023 Profit and Loss account. The Company has also entered into an Infrastructure Managed Service agreement with AXA Group Operations UK Limited effective 1 January 2023 to ensure continuity of services.

The Company has moved its registered office from XL House, 8 St. Stephen's Green to Wolfe Tone House, Wolfe Tone St, Dublin 1, Republic of Ireland effective 5 May 2023.

Governance
Corporate governance is focused upon the proper oversight of the management of the business, senior management responsibility and the effectiveness of systems and controls.

The Administrative Organ ("Board"), which is comprised of two members of the executive management team and three non-executive directors (one of them is an independent director), meets at least four times a year. The role of non-executive directors is to challenge management constructively, to help develop proposals on strategy and to bring strong professional judgement, knowledge and experience to the Board's deliberations.

Risk and Control Framework
The Board ensures that the Company operates within an established framework of effective systems of internal controls, risk management and compliance with policies, procedures, controls and regulatory requirements.

Branch operations
The Company has branch operations in Austria, Belgium, Denmark, France, Germany, Italy, Mexico, Netherlands, Norway, Poland, Singapore, Spain, Sweden, Switzerland and the UK.

Directors' Report for the year ended 31 December 2022 (continued)

Members of the Administrative Organ and their Interests
According to the Company's records, no member of the Administrative Organ who was in office on 31 December 2022 had any interests in the Company, nor in any other undertaking requiring disclosure under the Companies Act 2014.

The individuals who served as members of the Administrative Organ during the period from 1 January 2022 to the date of this report are listed below:

Marie-Louise Elhabre	(Chairman & Non-Executive Director, Resigned on 21 June 2022)
Julie Scott-Bryant	(Chairman & Non-Executive Director, Appointed on 21 June 2022)
Peter R. Kelly	(Executive Director & Secretary, Appointed on 25 October 2019)
Paul M Murray	(Independent Non-Executive Director, Appointed on 1 February 2020)
Paul-Henri Rastoul	(Non-Executive Director, Appointed on 9 September 2021)
Ronan Redmond	(Executive Director, Appointed on 25 October 2019)

Directors' and secretary's interests
None of the above directors or the company secretary have an interest in any Group company exceeding 1.00% of its nominal share capital and none of the directors or company secretary have an interest in the share capital of the Company.

Transactions involving directors
There were no contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 2014, at any time during the year ended 31 December 2022.

Political donations
The Company did not make any political donations during the year (2021: £nil).

Ultimate Holding Company
The Company's ultimate parent undertaking is AXA SA, a company incorporated in France.

Principal risk and uncertainties
The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk risks that the Company is exposed to are listed below. The Company's exposure to cash flow risk is addressed within 'Credit risk' and 'Liquidity risk'.

Interest rate risk
Interest rate risk is the risk that movements in interest rates payable or receivable would materially affect the Company's financial statements. The Company does not hold any variable interest rate investments, nor does it have any variable rate lending to either internal or third-party companies which would materially affect the results of the Company. However, the Company is exposed to interest rate risk associated with the defined benefits pension assets/liabilities.

Credit risk
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company is exposed to credit risk from AXA XL division companies and external clients unable to honour their liabilities with the Company. The Company strives to minimise this risk by ensuring that receivables are reviewed regularly and are settled in a timely manner.

Liquidity risk
Liquidity risk is the risk that cash might not be available to pay obligations when due at a reasonable cost. The Company manages liquidity risk by regular cash flow forecasting and the support of AXA XL division treasury team.

Directors' Report for the year ended 31 December 2022 (continued)

Principal risk and uncertainties *(continued)*
Assumptions risk
The Company makes key assumptions relating to defined benefit pension liabilities, tax computations and expenses accruals. The estimates made by the actuaries on the defined benefit pension liabilities are based on various assumptions such as, discount rate, inflation rate, consumer price index, mortality rate etc., being volatile in nature. The Company establishes tax provisions where appropriate, on the basis of the amounts expected to be paid to the tax authorities. The Company manages this risk by closely monitoring market conditions and demographic changes.

Foreign exchange risk
The Company is exposed to currency risk in respect of its monetary assets and liabilities denominated in foreign currencies. The Company strives to minimise this risk by ensuring that settlements are made in a timely manner.

Operational risks
Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, or from external events. The Company closely manages its operational risks and their potential impact on the financial position of the Company through its risk register, internal reporting and governance processes. Primary activities to strengthen our operations include ongoing enhancement of business processes and structures, business continuity plans, information security and anti-fraud monitoring.

Compliance
The Company is regulated as an insurance and reinsurance intermediary in the Republic of Ireland by the Central Bank of Ireland ("CBI") in respect of activity within the scope of Ireland's European Union (Insurance Distribution) Regulations 2018. The Company maintained positive net assets position excluding goodwill and intangible assets at all times during the year as required by CBI, as well as mandatory Professional Indemnity insurance.

The Company maintains a high standard of legal, regulatory and ethical compliance. The Company, as a member of the AXA SA Group ("AXA Group or the "Group") is subject to the AXA Group Compliance & Ethics Code as well as the AXA XL Code Supplement.

Human resources
The Company employs the majority of AXA XL division staff in the European Union ("EU"), Switzerland ("CH") and the United Kingdom ("UK") who act on behalf of certain EU, CH and UK (re)insurance carriers in the AXA XL division. The Company's employees performing ("Controlled Functions") are subject to the CBI Fitness and Probity Regime and the Company is obliged to satisfy itself, on an ongoing basis, that all controlled functions are fit and proper to hold their regulated position. The Company is preparing for the implementation in 2022/2023 of the CBI's enhanced regime and Individual Accountability Framework.

The Company is aligned to AXA XL's Global Policy on Dignity at Work, which commits to equal opportunities in all aspects of employment. This global policy unequivocally states AXA XL's commitment to prohibiting discrimination and harassment in the workplace.

Consultation with employees or their representatives takes place at all levels as required, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and so that all employees are aware of the financial and economic performance of their business units and of the AXA XL division as a whole.

The Company's employees are subject to the AXA XL Remuneration Policy, which applies to all employees across the AXA XL division. Centralising the governance and process around remuneration and managing via the Human Resources Departments' Centre of Excellence for Total Rewards ensures consistency in remuneration practices. AXA XL applies a "pay-for-performance" approach, with a remuneration structure which is designed to provide balance and avoid excessive risk taking. AXA Group operates stock-based performance incentive programs namely, the AXA France International Performance Shares and International Restricted Shares programs, which award certain employees rights to free acquisition of AXA Shares. The AXA XL awards are subject to approval by the AXA XL Remuneration Committee and ultimately the Board of Directors of AXA SA.

Directors' Report for the year ended 31 December 2022 (continued)

War in Ukraine
On February 24, 2022, Russia invaded Ukraine, triggering a war and worldwide geopolitical tensions, leading the United States, Europe and some other countries to impose unprecedented financial and trade sanctions on the Russian economy, including asset freezes and restrictions on individuals and institutions, notably the Russian Central Bank. As a consequence, the Ruble has significantly weakened, and the Russian economy is facing a major crisis with repercussions on the global economy.

Under a new law signed Russia in early March 2022, Russian insurers have been banned from entering into transactions with foreign insurers, reinsurers and brokers from a group of "unfriendly countries" that includes every EU state, Japan, Switzerland, the UK and the US. The ban also applies to the transfer of funds by Russian insurers under contracts that were agreed prior to the new rules coming into effect. The newly introduced law is still in effect. The Company, being an insurance intermediary deriving commission income based on the premium written by certain AXA XL insurers, may experience some adverse impact on its business from these measures although any impact is not expected to be material.

The Company continues to closely monitor the Group's exposures to the conflict, including (i) the operational impact on its business, (ii) the consequences from a potential deterioration in macroeconomic conditions, (iii) exposure through the AXA XL (re)insurance carriers' Property, Casualty and Specialty policies and (iv) change in asset prices and financial conditions (including interest rates, reinsurance pricing).

Non-financial information statement
XL Catlin Services SE (the "Company" or "XLCSSE") is required by sections 325 and 327 of the Irish Companies Act 2014 and Statutory Instruments 360/2017 and 410/2018 to include a non-financial information statement as part of its Directors' report.

The Company presents its non-financial information statement for the year ended 31 December 2022 in the form set out below.

The Company's business model
The majority of the Company's revenue is in the form of commissions and it incurs costs relating to underwriting, policy administration, claims handling and performing other intermediary services. The Company receives commission on a fixed commission rate based on the premium booked to the entities to which services are provided.

Sustainability
In 2022, the AXA XL division, which the Company is part of, developed a new division-wide Sustainability strategy, 'Roots of resilience' to be delivered by 2026. The strategy focuses on three pillars: Valuing Nature, Addressing Climate Change and Integrating ESG, with a total of 23 goals that have been shared publicly. The Company relies upon the AXA XL division for much of its work concerning Sustainability.

In 2022, the Sustainability team provided Environmental, Social and Governance "ESG" training to Boards of all regulated entities within AXA XL, including XL Catlin Services SE. Training covered: definitions of ESG, regulation and reporting, materiality and the role of the Board on ESG topics.

Directors' Report for the year ended 31 December 2022 (continued)

Non-financial information statement (continued)

Environmental matters (including the impact of the Company's business on the environment)

Climate change risk management

Across the AXA XL division, climate change risk is a significant consideration in our Enterprise Risk Management (ERM) framework. We conduct environmental due diligence when securing new office space/renovating existing premises as well as consider risks associated with natural perils as part of our Business Continuity Management planning.

In 2022, AXA XL published its first Climate report, aligned to the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD). The report covers AXA XL's approach to governance, strategy, risk management and approach to reducing its carbon footprint.

AXA XL works with its supply chain to actively reduce their environmental impacts and improve the sustainable nature of their services. This engagement forms part of our overall strategy to manage our carbon emissions and environmental impacts. AXA XL conducts Corporate Responsibility scoring of its supply chain in partnership with EcoVadis, the business sustainability ratings platform. Based on leading standards such as the Global Reporting Initiative, the UN Global Compact, and ISO 26000, this assessment covers four themes: environment, labor & human rights, ethics, and sustainable procurement (assessing the vendor's own supply chain).

In 2022 AXA XL signed the Sustainable Markets Initiative Global Pledge for Sustainable Supply Chains, committing to measuring the carbon emissions associated with our supply chains, and engaging our suppliers on opportunities for reduction.

Training employees on climate

In 2022, AXA committed to upskilling all its employees on climate by 2023. To achieve this, AXA launched the AXA Climate Academy, a modular, bite-sized digital learning program that takes 2-3 hours to complete and helps employees think critically about climate and understand how they can act differently. It focuses on the fundamental scientific principles to understand climate change and gives an overview of the impact throughout the value chain for insurance and for investments, and the company's carbon footprint. The program is divided into four key components: Learn the science; Rethink the business perspective; Commit to change; and Transform. As of January 2023, 93% of employees across AXA XL had completed the training.

Measuring our carbon footprint

AXA XL is committed to introducing measures to reduce its organisational carbon footprint. In 2020 the AXA XL division launched its five-year carbon reduction strategy, outlining AXA XL's overarching decarbonization goal, the objectives established to drive progress toward that goal and the roadmap to be followed.

AXA XL has set targets that limit its contribution to global warming to 1.5°C by reducing its environmental impact by 25% over the next five years, aligning us with industry-practice standards. To this end, we've identified three main pillars within AXA XL's direct environmental impact:

- the energy we use;
- the movement of our people; and
- the resources we consume.

2022 saw a 11.6% increase in location-based carbon emissions. This increase primarily came from the resumption of business travel after COVID restrictions. AXA XL will work with relevant stakeholders to address any increases in emissions and continue to identify opportunities for carbon reduction across the business.

Since 2020 AXA XL has had a Green Contribution scheme where a charge is applied for every ton of CO_2 emission associated with business air travel, with the funds raised being used to support internal activities across AXA XL that will reduce its environmental footprint. In 2022, the funds were used for multiple projects, including energy monitoring upgrades across a number of our offices and research into a virtual Power Purchase Agreement.

Directors' Report for the year ended 31 December 2022 (continued)

Non-financial information statement (continued)

Environmental matters (including the impact of the Company's business on the environment) (continued)

Offsetting carbon emissions

AXA XL offset its Scope 3 emissions by working with its carbon offsetting partner, The Nature Conservancy (TNC), a global environmental nonprofit. For 2021 scope 3 emissions, AXA XL retired carbon credits to support the Cold Hollow Carbon project, based in the U.S. state of Vermont. This project is the United States' first aggregation project for the voluntary carbon market, allowing landowners to aggregate their land parcels and overcome the upfront costs of the carbon inventory and verification. Spread across 9,700 acres of mixed hardwood and conifer forest, the project commits to carbon sequestration through forest management and silvicultural approaches.

Improving understanding of climate change risks and impacts through research and development

Since 2018 AXA XL has led a project in conjunction with TNC, focused on the feasibility of "Blue Carbon Resilience Credits". These value the combined carbon sequestration and resilience benefits provided by coastal wetland ecosystems. Coastal wetlands—such as mangroves, seagrasses, and tidal marshes—capture and store billions of tons of carbon from our atmosphere at concentrations up to five times greater than terrestrial forests. They are also a continuous carbon sink: layers of soil accumulate, enabling new plants to grow above. This blue carbon can remain in the soil for thousands of years, making it one of nature's longest-term solutions to climate change. Recognition of this blue carbon benefit provides a unique investment opportunity to support climate mitigation and climate resiliency. In 2021 TNC created the world's first seagrass carbon credits thanks to funding from the Company.

We know that water is the primary medium through which we will see the impacts of climate change so at AXA XL we are working on ways we can make sure our clients and our communities recognize the social and economic value of water. We're helping our clients understand what their future water-related risks will be to help them plan for long term resilience. We recently issued a Future Water Risks study, to identify the most significant risks facing industries – from ageing infrastructure to contaminants impacting drinking water quality.

Encouraging sustainable practices through our products

At AXA XL we're continually seeking ways to help our clients address insurance challenges that also align with our sustainability commitments. While XLCSSE does not provide underwriting capacity, the broader AXA XL insurance activities are relevant to XLCSSE's external reputation and internal support/systems for AXA XL's underwriting practices. AXA's coal divestment and underwriting restrictions, initiated in 2015, have been strengthened over the last few years to apply underwriting restrictions to power generation and mining clients developing new coal capacity or with significant coal business, and coal industry partners.

In 2021, AXA introduced new underwriting policies focused on limiting deforestation, protecting world heritage sites, and extending oil and gas exclusions in order to support the move to a low-carbon energy transition.

In addition, the AXA-wide Green Business strategy focuses on delivering a positive impact on the environment through its insurance products and services, by contributing to at least one of the following: climate change mitigation, climate adaptation, promotion of a circular economy and biodiversity protection/pollution prevention.

The Company's employees

Inclusion & Diversity Policy & Practices (I&D)

We aspire to become the most inspiring company to work for. The Company does this in three ways:

- Drive an Inclusive Culture: Create a global workplace that works for everyone, with a culture that values all individuals, backgrounds, and ideas, and where every colleague feels safe, valued, and respected;
- Diversify Our Workforce: Increase the representation of women in leadership, aiming to achieve 50.00% by 2023, and focus on underrepresented populations by region, positioning the Company as an employer of choice for all talent; and
- Support Our Marketplace & Community: Support our communities and visibly and thoughtfully champion equity around the globe.

Directors' Report for the year ended 31 December 2022 (continued)

Non-financial information statement (continued)

The Company's employees(continued)

Inclusion & Diversity Policy & Practices (I&D)(continued)

Key Initiatives to Date

- Established Metrics & Accountability: AXA XL established and cascaded I&D goals to every Leadership Team member and held them directly accountable for reaching these goals. In 2022, we established a process to cascade an I&D goal to all colleagues, globally;
- Fostering Dignity & Respect: We launched our global Dignity at Work policy to protect against harassment and discrimination and ensure everyone feels safe, valued, and respected and can bring their full selves to work every day. In support of this, all colleagues are required to complete annual training to promote awareness of inclusive behaviors and channels available for reporting Concerns;
- Attracting Diverse Talent: Our Diverse Slate Policy strives to achieve gender balance by requiring all hiring managers to have 50% women on their short list of finalists that they interview for all roles across all levels globally. This approach applies to roles being sourced with both internal and external candidates. We track compliance with the Policy, conversion rates and hold leaders accountable;
- Developing Historically Underrepresented Talent: Our Empower initiative provides tailored development support and senior leader visibility and sponsorship to high-potential colleagues from historically underrepresented groups with the goal of accelerating their career advancement. This program has been running for two years and has reached nearly 200 participants from across AXA XL globally; and
- Engaging Colleagues in Driving Change: Our Business Resource Groups (BRGs) are colleague-led initiatives with executive sponsorship that drive our people strategy forward. We have five global BRGs with a total of 27 chapters around the world: LEAD (gender), PRIDE (LGBTQ+), RISE (race/ethnicity), EnAble (disability), and Inclusion Committees. By participating in these BRGs, colleagues develop professionally, expand their networks, gain visibility with senior leaders, and experience stretch opportunities they might not have in their day-to-day positions. BRGs are critical to fostering a culture where everyone feels they can bring their full selves to work and have an equal opportunity to be successful. To ensure we are hitting the mark, we track colleague engagement in BRGs through our company-wide pulse surveys. Across 2022, 35% of colleagues were actively involved with our BRGs, and these employees scored higher in every engagement category in our November 2022 pulse survey compared to colleagues not involved in a BRG.

As XLCSSE includes employees based in the UK, we have contributed to the following UK based initiatives:

- UK Gender Pay Gap Report 2022: Effective April 2017, the UK government passed legislation requiring companies to report on certain key statistics relating to gender pay. Employers with 250 or more employees must publish and report specific figures about their gender pay gap. AXA XL UK's 2021 mean gender pay gap was 28.2% and the median gender pay gap was 31.9%. The Company's 2022 UK gender pay gap available to download. The report outlines a series of steps intended to close the gender pay gap;
- UK Ethnicity Pay Gap Report 2022: With a mission to create a culture of Know You Can that is inclusive of all colleagues and further demonstrates our commitment to I&D, we voluntarily publish our UK ethnicity pay gap. Our reporting is based on the same data and methodology as our UK gender pay gap reporting but analyzed for our UK workforce based on their ethnicity information. Download our 2022 UK ethnicity pay gap report for more information; and
- UK Women in Finance Charter: When XL Catlin Services SE (UK) signed the Charter in 2018 we had 32% representation of women in senior management roles. As of September 2022, we've seen this increase to 35%. We remain focused on taking proactive action to continue to increase this representation. Over the last year we have continued to develop a number of actions including our Diverse Slate Policy which supports the integration of women in the workforce with the commitment of 50% of candidates who progress to interview being women. This demonstrates our commitment to the Charter and supporting the development of our female colleagues and candidates. We believe we are on track to maintain and progress against our Charter target and will continue working to ensure that the right people, initiatives, and processes are in place to support this.

Directors' Report for the year ended 31 December 2022 (continued)

Non-financial information statement (continued)

Social matters

Striving to achieve a balance between economic, social, and environmental activity is in the long-term interests of the Company, the wider AXA XL division, and the communities in which we operate.

AXA XL consider our principal risks in this area to be reputational-related and mitigate these in a number of ways including (but not limited to): conducting vetting and due diligence on our prospective nonprofit partners; preparing partnership agreements outlining each party's deliverables; having additional approval controls for donations above a certain threshold; and evaluating the outcomes and impacts of key Sustainability programmes.

The following initiatives demonstrate the Company's commitment to its local community:

Creating Water Security

The Company recognizes the importance of access to clean water in ensuring a safe and healthy future for all and the need to focus on finding innovative solutions to water security. 2022 marked the third year of AXA XL's funding for international charity WaterAid, which aims to bring safe drinking water, improved hygiene practices and decent sanitation to more than 10,000 people in rural India. Since the start of the project, WaterAid, in partnership with the government, have reached 6,000 people with a piped water supply. Alongside this intervention, they are also delivering clean water to communities through well restoration and rainwater harvesting which they are training community members to manage through repairs, cleaning and water-quality testing. WaterAid have also done extensive work in schools to improve handwashing, toilet and drinking water facilities.

In 2022, AXA XL continued our commitment to raising awareness of the value of water, particularly focusing on the climate-water intersection, and the different types of water risks that have the potential to impact business continuity.

AXA XL's Water Advisory Group (WAG) met throughout 2022, the group was formed in 2021 following AXA XL's Water Resilience Roundtable in 2020. The WAG is made up of AXA XL's clients, NGOs and water institutes to provide steer on AXA XLs water initiatives and give advice as to how we can best support organizations to become more water resilient.

Giving back through our AXA Week for Good and Global Day of Giving

At AXA XL we provide as many opportunities as possible for colleagues to support the needs of their neighbourhoods through company-sponsored volunteering and awareness raising activities.

AXA XL celebrated AXA Group's Week for Good by delivering a range of initiatives to educate and engage our colleagues in sustainability. We hosted a webinar with WaterAid to hear about the achievements of AXA XL's three-year Water, Sanitation and Hygiene (WASH) project, hosted a vegan cook-a-long, and updated colleagues about our various sustainability initiatives via email and colleague blogs.

During AXA Week for Good we also hosted our annual volunteering day, Global Day of Giving, where colleagues were encouraged to donate their time and skills to support nonprofits that operate in the communities in which they live and work. Over 4,000 colleagues around the world collectively donated over 184,000 hours to Global Day of Giving projects. Activities included beach cleaning, running educational activities for children, serving meals at homeless shelters, painting and gardening for local community centers, and clearing outdoor areas.

Empowering colleagues to make a difference to causes that matter to them

AXA XL's Matching Gifts programme offers colleagues the opportunity to have their donations to nonprofit organizations matched up to a total of $800 per colleague per year. In 2022 over $ 110,000 was matched by AXA XL.

Directors' Report for the year ended 31 December 2022 (continued)

Non-financial information statement (continued)
Social matters(continued)

Helping vulnerable communities respond to disasters
The Company recognizes the importance of helping disaster-prone communities develop preparedness strategies. Since 2017 we've partnered with RedR UK, an international capacity-building non-governmental organization (NGO) to better prepare vulnerable communities for when disasters hit. In 2022, AXA XL continued to support RedR UK to deliver its Climate Change Adaptation and Disaster Risk Reduction (CCADRR) course for humanitarian organizations that work in vulnerable communities across remote East Africa, Philippines, and Bangladesh. The training enables them to align climate change adaptation and disaster risk reduction approaches to better prepare for the changes and hazards that climate change presents.

Respect for human rights
The Company complies with the requirements of the UK Modern Slavery Act 2015, publishing an annual Slavery and Human Trafficking Statement ("MSA Statement"). The MSA Statement can be viewed at: Slavery and Human Trafficking Statement (axaxl.com) The MSA Statement sets out the Company's standards, policies, due diligence processes and principal risks in more detail concerning the respect for human rights.

The MSA Statement explains that the Company is subject to AXA Group's Compliance and Ethics Code ("Code"), which is communicated to all employees.

The Code and the AXA XL Code Supplement
These provide guidance on compliance with applicable rules and ethical standards, as well as on acting with integrity. The Company's employees complete an online acknowledgement form annually to confirm compliance with the Code and the Code Supplement.

Anti-bribery and corruption matters
The Company's policies with respect to anti bribery and corruption matters are contained in the Code and the Code Supplement.

The Company prohibits bribery and improper payments of any kind, including bribery of public officials and commercial bribery. Facilitation payments are also prohibited by the Company. The Company's employees, agents and representatives are required to comply with all applicable anti-corruption and anti-bribery laws in the jurisdictions where the Company does business, including the Bribery Act 2010 and French Sapin II legislation. The Company's employees are also required to follow the Gifts and Hospitality policy which includes criteria for disclosure and/or approval in respect of gifts and hospitality both offered and received.

The pillars of the Company's policies in this area include:
- No employee, agent, representative, vendor or any third party with which the Company works shall make, offer, promise or authorise, directly or indirectly, any payment or provision or anything of value to any person in order to improperly secure any advantage;
- No employee, agent, representative, vendor or other third party which the Company appoints shall make, offer, promise or authorise, directly or indirectly, any payment or anything of value to any person if there is any reason to believe that the recipient or anyone else will use what is offered, promised or authorised to secure any improper advantage, including obtaining or retaining business, or directing business to any person or entity;
- The Company's employees, agents and representatives are required to make and maintain adequate books, records, and accounts, which, in reasonable detail, accurately and fairly reflect Company transactions;
- A Speaking Up or Whistleblowing policy which applies to all entities within the AXA XL division, (although there are local law variations that affect the application of some parts of this policy in a particular jurisdiction). Violations of the Code are reported through the "speaking up" hotline or the Company's compliance function. Company policy prohibits retaliation for good faith reporting;
- An annual anti-bribery and corruption risk assessment that is carried out; and
- Training provided to all employees on the Company's anti-bribery and corruption policies.

Directors' Report for the year ended 31 December 2022 (continued)

Non-financial information statement (continued)

Anti-bribery and corruption matters(continued)

Risk based due diligence guidelines and procedures are issued and updated from time to time by the Company's compliance function. In addition, the Company's employees are required to follow any specific due diligence requirements that may apply under local law and regulation.

Before retaining or engaging a third party, the Company requires appropriate risk based due diligence to be conducted, taking into account a range of factors, including (i) the services provided and the location of those services, (ii) the background of the third party, and (iii) the potential interaction of the third party with public officials. The Company negotiates appropriate contractual protections in the relevant contract and the commercial relationship is then subject to ongoing monitoring.

Employees are audited on awareness of, and adherence to, the Company's policies. Failure to comply is taken very seriously and may result in disciplinary action, including dismissal.

The principal risk in this area is harm to the Company's reputation, which could give rise to a material adverse effect on the Company's operations.

In addition, all charitable donations made across AXA XL are required to follow the AXA XL Global Charitable Giving Policy, which includes anti-bribery and corruption due diligence procedures.

Statement of disclosure of information to auditors

Each person who is a director at the date of this report confirms that:

- As far as each director is aware, there is no information relevant to the audit of the Company's financial statements (as defined in section 330 of the Companies Act 2014) for the year ended 31 December 2022 of which the auditors are unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information (as defined in section 330 of the Companies Act 2014) and to establish that the Company's auditors are aware of that information.

Statutory auditors

The auditors, Ernst & Young, were appointed on 1 June 2022 and have indicated their willingness to continue in office in accordance with the provisions of Section 383 of the Companies Act 2014.

ON BEHALF OF THE BOARD

Ronan Redmond

Ronan J. Redmond
Director
1 June 2023

P. R. Kelly

Peter R. Kelly
Director and Secretary
1 June 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XL CATLIN SERVICES SE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of XL Catlin Services SE ('the Company') for the year ended 31 December 2022, which comprise the Profit or Loss Account, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XL CATLIN SERVICES SE

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine 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 directors are 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 management 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 ISAs (Ireland) 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 the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

T O'R

Tiarnan O' Rourke
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin Office

Date: 9 June 2023

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

	Note	Year ended 31 December 2022	Year ended 31 December 2021
		£	£
Turnover	2	1,168,464,865	1,126,734,843
Staff costs	3	(493,509,887)	(540,174,073)
Other administrative expenses		(570,415,716)	(457,857,085)
Administrative expenses		**(1,063,925,603)**	**(998,031,158)**
Operating profit	4	**104,539,262**	**128,703,685**
Other interest receivable and similar income		1,120,955	8,582,059
Interest payable and similar expenses	5	(3,244,759)	(3,650,245)
Profit before taxation		**102,415,458**	**133,635,499**
Tax on profit on ordinary activities	6	2,231,890	(30,908,759)
Profit on ordinary activities after taxation		**104,647,348**	**102,726,740**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	Year ended 31 December 2022	Year ended 31 December 2021
		£	£
Profit on ordinary activities after taxation		104,647,348	102,726,740
Effect of currency translations, net of tax		9,633,433	(10,255,012)
Actuarial gain recognised on defined benefit pension schemes	12	20,621,229	19,380,129
Actuarial gain/ recognised on other defined employee benefit schemes	13	2,125,643	2,714,106
Tax on actuarial gain recognised on defined benefit pension schemes	14	(6,045,124)	(5,199,247)
Total comprehensive Income for the year		**130,982,529**	**109,366,716**

Results for the year are attributable solely to continuing operations.

The notes on pages 21 to 41 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Called up Share Capital Presented as Equity	Capital Contribution Reserve	Other Reserves	Profit and Loss Account	Total Equity
	£	£	£	£	£
Balance at 1 January 2022	13,171,653	91,208,979	14,447,184	151,824,926	270,652,742
Profit for the year	—	—	—	104,647,348	104,647,348
Effect of currency translations	—	—	—	9,633,433	9,633,433
Actuarial gain recognised on defined benefit pension schemes	—	—	—	20,621,229	20,621,229
Actuarial gain recognised on other defined employee benefit schemes	—	—	—	2,125,643	2,125,643
Tax on actuarial gain recognised in defined benefits pension schemes (Note 6)	—	—	—	(6,045,124)	(6,045,124)
Total Comprehensive Income	—	—	—	**130,982,529**	**130,982,529**
Dividend distributed during the year	—	—	—	(201,195,398)	(201,195,398)
Balance at 31 December 2022	**13,171,653**	**91,208,979**	**14,447,184**	**81,612,057**	**200,439,873**

For the year ended 31 December 2021

	Called up Share Capital Presented as Equity	Capital Contribution Reserve	Other Reserves	Profit and Loss Account	Total Equity
	£	£	£	£	£
Balance at 1 January 2021	13,171,653	91,208,979	14,447,184	42,458,210	161,286,026
Profit for the year	—	—	—	102,726,740	102,726,740
Effect of currency translations	—	—	—	(10,255,012)	(10,255,012)
Actuarial gain recognised on defined benefit pension schemes	—	—	—	19,380,129	19,380,129
Actuarial gain recognised on other defined employee benefit schemes	—	—	—	2,714,106	2,714,106
Tax on actuarial gain recognised in defined benefits pension schemes (Note 6)	—	—	—	(5,199,247)	(5,199,247)
Total Comprehensive Income				**109,366,716**	**109,366,716**
Balance at 31 December 2021	**13,171,653**	**91,208,979**	**14,447,184**	**151,824,926**	**270,652,742**

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022	2021
		£	£
Fixed Assets			
Tangible assets	7	61,228,587	57,560,564
Intangible assets	8	28,709,040	32,244,132
		89,937,627	89,804,696
Current Assets			
Debtors	9	364,155,826	387,641,624
Cash at bank and in hand		114,727,209	177,134,989
		478,883,035	564,776,613
Current Liabilities			
Creditors: amounts falling due within one year	10	(313,353,001)	(308,738,888)
Net Current Assets		165,530,034	256,037,725
Total Assets less Current Liabilities		255,467,661	345,842,421
Long Term Liabilities			
Creditors: amounts falling due after more than one year	11	(39,122,714)	(45,744,444)
Net Assets excluding pension deficit		216,344,947	300,097,977
Pension deficit	12	(15,905,074)	(29,445,235)
Net Assets including pension deficit		**200,439,873**	**270,652,742**
Capital and Reserves			
Called up share capital presented as equity	15	13,171,653	13,171,653
Capital Contribution Reserve		91,208,979	91,208,979
Other reserves		14,447,184	14,447,184
Profit and loss account		81,612,057	151,824,926
Total Equity		**200,439,873**	**270,652,742**

These financial statements on pages 18 to 41 were approved by the board on 1 June 2023 and signed on its behalf by:

Ronan Redmond

Ronan Redmond
Director
1 June 2023

P. R. Kelly

Peter R. Kelly
Director and Secretary
1 June 2023

Notes to the Financial Statements
For the year ended 31 December 2022

1. Summary of Significant Accounting Policies

(a) General Information

(i) Basis of preparation

XL Catlin Services SE ("XLCSSE" or the "Company") is incorporated as a company limited by shares. For the period to 24 October 2019, the Company was incorporated in the United Kingdom (registered number- SE 000103) and the registered office was 20 Gracechurch Street London EC3V 0BG United Kingdom. Effective 25 October 2019, the Company changed its incorporation to the Republic of Ireland and registered office to XL House, 8 St. Stephen's Green, Dublin 2, Republic of Ireland (collectively "the re-domestication"). The Company has moved its registered office to Wolfe Tone House, Wolfe Tone St, Dublin 1, Republic of Ireland effective 5 May 2023. The registered number of the Company in Ireland is 659610.

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss.

These financial statements are presented in pound sterling, which is the Company's functional currency. The functional currency of each branch is its local currency and transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued into the functional currencies at the rate of exchange ruling at the balance sheet date. Exchange differences arising from transactions are taken to the profit and loss account.

(ii) Statement of Compliance

The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102).

(iii) Going Concern

After making necessary analysis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these entity financial statements have been prepared on a going concern basis.

The significant accounting policies used in the preparation of the financial statements are set out below. These policies have been consistently applied to all financial years presented.

(b) Exemption from preparing a cash flow statement

The Company has availed itself of the exemption under FRS 102 section 1 on 'Reduced disclosures for subsidiaries' on the grounds that it is a wholly-owned subsidiary whose ultimate parent company is AXA SA (registered in France) which prepares Group consolidated financial statements which are publicly available and include a Group consolidated cash flow statement. Accordingly, no cash flow statement is presented.

(c) Exemption from disclosing related party transactions

As the Company is a wholly-owned subsidiary whose ultimate parent company is AXA SA (registered in France), the Company has taken advantage of the exemption contained in FRS 102 section 33 ' Related party disclosures' from disclosing related party transactions with entities which form part of the AXA SA Group and key management personnel compensation.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

1. Accounting Policies (continued)
(d) Revenue Recognition
(i) Turnover
Turnover, which is stated net of value added tax, represents mainly income earned from the commission received for underwriting services provided by the employees of the Company to risk bearing AXA XL division entities and recharge of costs, including where appropriate an additional mark-up to AXA XL division companies and recognised over the period during which services performed. Commission income is calculated by applying commission rates, which are set annually by underwriting year, to premiums and recognised in full when premiums are recognised in the risk bearing entities.

Turnover includes transactions where the Company receives expense recharges from other service companies and passes it onwards to the service recipients. There is no impact on the operating profit as the amount recognised in Turnover is offset by the equal amount recognised in Administrative expenses. The recognition is based on the Company acting as a principal and assuming credit risk for such transactions.

Fee Income
The Company is recognising income from risk engineering services and claims management services. Fee income is presented as part of turnover in the profit and loss account. The revenue is recognised over the period during which the service is performed.

(ii) *Other Income*
Interest Income
Interest income is recognised using the effective interest method. Interest income is presented as 'Other interest receivable and similar income' in the profit and loss account.

Sublease Income
The Company is recognising income on sublease of building held under finance lease and the rental income along with any lease incentive are recognised on a straight line basis over the lease term. Sublease income is presented as part of turnover in the profit and loss account.

(e) Tangible fixed assets
Tangible fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets (except Art and Antiques) at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows:

Leasehold improvements	life of lease
Furniture and fittings	5 years
Telecom equipment	3 years
Computer hardware	3 years
Capital lease asset (building)	life of lease
Art and Antiques	non depreciable

(f) *Intangible fixed assets*
Software costs, Computer Licenses and Goodwill are classified as intangible fixed assets. Amortisation is provided on all such intangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of the intangible asset evenly over its expected useful life. The typical useful life of Software and Computer Licenses is 3 Years.

Goodwill recognised represents the excess of directly attributable costs of the purchase consideration over the fair values to the Company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the profit and loss account. No reversals of impairment are recognised.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

1. Accounting Policies (continued)
(g) Leased assets
Where assets are financed by leasing agreements that transfer substantially all the risks and rewards of ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term determined at the inception of the lease plus any initial direct costs. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the effective interest method. Depreciation on the relevant assets and interest on the obligation are charged to the profit and loss account. All other leases are operating leases and the rentals are charged to operating profit on a straight-line basis over the lease term.

(h) Impairment of non-financial assets
At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is estimated.

The recoverable amount of the asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows expected to be derived from continuing use of the asset and from its ultimate disposal. In measuring value in use estimated cash flow before interest are discounted using a pre-tax discount rate that represents the current risk-free market rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset is less than the carrying amount of the asset the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

(i) Taxation
Taxation expense for the period comprises current and deferred tax recognised in the year. Tax is recognised in the profit or loss account, except to the extent that it relates to items recognised in the statement of comprehensive income or directly in equity. In this case, tax is also recognised in comprehensive income or directly in equity, respectively.

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

1. Accounting Policies (continued)
(i) Taxation (continued)
Deferred tax
Deferred tax liabilities are recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Offsetting
Current tax assets and current tax liabilities are offset only if a legally enforceable right exists to set off those amounts and there is an intention to either settle the assets and liabilities on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities are offset only if current tax assets and current tax liabilities are able to be offset and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(j) Foreign currencies
The functional currency of each branch is its local currency. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued into the functional currencies at the rate of exchange ruling at the balance sheet date. Exchange differences arising from transactions are taken to the profit and loss account. The Company's presentation currency is sterling. The results and financial position of each branch are translated into the presentation currency as follows:

- assets and liabilities are translated at the balance sheet date;
- income and expenses at the average rate of exchange during the year; and
- all resulting exchange differences are recognised through the statement of comprehensive income.

(k) Employee Benefits
(i) Short Term Employee Benefits
Short-term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The Company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-Employment Benefits
The Company operates various pension schemes which are either defined benefit or defined contribution in nature.
For the defined contribution schemes, the pension costs charged in the profit and loss account represent the contributions payable to the various schemes during the year.

For the defined benefit schemes, the pension cost is recognised as follows:

a. The change in the net defined benefit liability arising from employee service rendered during the year in the profit and loss account;
b. Net interest on the net defined benefit liability during the year in the profit and loss account;
c. The cost of plan introductions, benefit changes, curtailments and settlements in the profit and loss account; and
d. Remeasurement of the net defined benefit liability in the statement of comprehensive income. Remeasurement of the net defined benefit liability comprises:
   i. Actuarial gains and losses; and,
   ii. The return on plan assets, excluding amounts included in net interest on the net defined benefit liability.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

1. Accounting Policies (continued)
(k) Employee Benefits (continued)
(iii) Share-Based Payments
The fair value of plan assets out of which the obligations are to be settled is measured in accordance with the Company's accounting policy for financial assets. For most plan assets, this is the quoted price in an active market. Where quoted prices are not available, appropriate valuation techniques are used to estimate the fair value. In calculating the defined benefit pension liability, the Company made key assumptions concerning the future, and other key sources of estimation uncertainty at the year end. The nature of these and the carrying amount of the liability are disclosed in note 12. The deferred taxation on the remeasurement of the net defined benefit liability is shown separately in the statement of comprehensive income.

The Company's employees participate in share-based payment arrangements established by the ultimate parent company AXA SA. Certain key officers and executives of the Company are eligible to participate in the Performance Share plan awards granted by AXA SA. AXA SA grants 3 types of performance share awards to executive officers and other Key employees. 1. AXA Performance Shares (PS), granted to eligible employees residing mainly in France; 2. AXA International Performance Shares (PSi), granted to selected employees residing mainly outside of France and 3. AXA Retirement Performance Shares (PSR), granted to designated senior executives in France. The fair value of the performance shares is measured at the grant date. The expenses for share-based payments are recharged by AXA SA and recognised in profit and loss account, based on the grant date fair value of the performance shares, on a straight-line basis over the vesting period. Any unsettled invoices are included in current liabilities.

(l) Capital Contribution Reserve
The Capital Contribution Reserve is held in respect of amounts provided by the parent company, XL Insurance (UK) Holdings Limited, as capital to the Company. Contributions are made without the requirement for consideration by the Company, without condition, and not in return for any right, shares or change over the assets or surplus of the Company. The amounts can be utilised for the Company's corporate purposes at the sole discretion of the Directors.

(m) Other reserves
During 2016, three entities: XL Services UK Limited (United Kingdom), Catlin Europe SE (Germany) and Catlin Shared Services (Europe) Sp z o.o.(Poland) have been merged into the Company. This transaction has been recorded using merger accounting principles, effective 1 July 2016, the effective date of the merger. All the then existing assets and liabilities of the merged entities were transferred to the Company at their carrying values on the effective date. The difference in value between the then existing capital of the merged entities and the capital issued as consideration by the Company to their previous owners has been recorded as a merger reserve by the Company.

The Company chooses to adopt merger accounting method to account for group reconstructions whenever entities around the AXA Group are merged with the Company. This policy has been used to account for the merger of AXA Matrix Risk Consultants S.A..

(n) Use of estimates and judgements
The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The following are the key judgments and estimates that have had the most significant effect on amounts recognised in the financial statements.

Judgements
Operating lease commitments
The Company as a lessee obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

1. Accounting Policies (continued)
(n) Use of estimates and judgements (continued)
Estimates
The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 12.

(o) Financial instruments
The Company has adopted the recognition and measurement of Section 11 and 12 of FRS 102.

Financial assets
The Company's financial assets comprise of cash at bank and in hand and debtors.

Cash at bank and in hand include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Debtors are receivables due within one year and are recorded at transaction price. Any losses arising from impairment are recognised in the profit or loss account in 'Other administrative expenses'.

Financial liabilities
Financial liabilities are composed of creditors which the Company has an obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as due within one year if payment is due within one year or less. If not, it is presented as falling due after more than one year. Creditors are recognised initially at transaction price.

(p) Provisions and contingencies
(i) Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar expenses' in the financial year in which it arises.

(ii) Contingencies
Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the Company will be required to transfer economic benefits in settlement of the obligation, or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

1. Accounting Policies (continued)
(q) Distributions to equity holders
Dividends and other distributions to the shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

2. Turnover
Distribution of Turnover based on geographical location:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
UK	568,470,667	542,649,304
Ireland	199,758,982	159,805,301
France	150,640,229	150,248,105
Switzerland	73,759,265	84,618,286
Germany	65,575,578	75,625,363
Italy	23,657,995	26,526,040
Spain	22,605,557	21,953,306
Poland	21,069,382	18,274,202
Netherlands	13,710,868	15,706,272
Austria	10,648,292	10,799,861
Sweden	8,909,541	11,057,458
Others	9,658,509	9,471,345
Total	**1,168,464,865**	**1,126,734,843**

Distribution of Turnover based on nature of revenue:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Commission Income	672,801,008	694,352,802
Expense Recharges	464,032,010	408,305,126
Fee income	24,865,841	18,670,286
Other Income	6,766,006	5,406,629
Total	**1,168,464,865**	**1,126,734,843**

3. Staff Costs

The costs of all employees are recognised in the financial statements of the Company with a corresponding management fee or cover holder commission charged to fellow AXA XL division risk bearing companies for services provided by the Company's employees. Directors' emoluments for services to the Company are £695,760 (2021: £598,267).

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

3. Staff Costs (continued)

Staff costs and numbers relating to these employees have been included in the details shown below:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Wages and salaries	374,531,948	404,320,729
Social security costs	62,378,936	65,258,027
Other pension costs (Note 12)	40,104,411	42,839,996
Other staff costs	12,426,614	23,947,433
Recruitment and training	4,067,978	3,807,888
Total	**493,509,887**	**540,174,073**

The monthly average number of employees for the year ended 31 December 2022 is 4,111 (2021: 4,113). This is broken down by various functions as follows:

	Year ended 31 December 2022		Year ended 31 December 2021	
	Headcount	Costs (£)	Headcount	Costs (£)
Support Functions	2,958	315,028,602	2,944	335,393,452
Insurance Underwriting	1,014	160,492,097	994	171,095,466
Reinsurance Underwriting	139	17,989,188	175	33,685,155
Total	**4,111**	**493,509,887**	**4,113**	**540,174,073**

Out of the total staff costs £1,676,902 (2021: £1,438,890) has been capitalised into fixed assets.

4. Operating Profit

Operating Profit is stated after charging:

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Fees payable to the Company's auditors:		
For the audit of the Company's financial statements	99,761	154,957
Other non-audit services	51,593	6,836
Total	**151,354**	**161,793**
Depreciation and Amortisation (note 7 and 8)	26,226,770	31,262,819
Operating lease expense	18,862,680	16,549,816
Foreign exchange losses	17,500,199	6,937,701
Directors' remuneration		
- for management services	515,325	404,686
- pension contributions	31,516	29,203
- long term incentive schemes	148,919	164,378
Total	**695,760**	**598,267**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

4. Operating Profit (continued)

Executive directors do not receive emoluments for their appointment except as shown above. As employees of AXA XL companies, certain executive directors participate in group defined contribution pension and long-term incentive schemes available to employees.

5. Interest Payable and Similar Expenses

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Interest expense related to finance lease	3,239,656	3,644,663
Interest payable on overdrafts	5,103	5,582
	3,244,759	**3,650,245**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6. Tax on profit on ordinary activities

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
(a) Tax expense included in statement of profit and loss		
Current tax:		
Irish corporation tax charge on profit for the year	2,100,005	14,933,967
Foreign tax on profits for the year	23,723,138	31,535,114
Adjustments in respect of prior years	1,339,068	(3,050,396)
Total current tax charge	**27,162,211**	**43,418,685**
Deferred tax:		
Origination and reversal of timing differences	(8,195,975)	(12,324,795)
Adjustments in respect of previous years	(19,830,545)	934,148
Impact of change in tax rate	(1,367,581)	(1,119,279)
Total deferred tax (credit)	**(29,394,101)**	**(12,509,926)**
Tax (credit)/ charge on loss on ordinary activities	**(2,231,890)**	**30,908,759**

(b) Reconciliation of tax charge

The tax assessed for the year is lower than (2021: higher) the standard rate of corporation tax in Ireland of 12.5% (2021: 12.5%). The differences are explained below:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Profit on ordinary activities before tax	102,415,458	133,635,499
Profit multiplied by the standard rate of corporation tax in Ireland of 12.5% (2021:12.5%)	12,801,932	16,704,437
Effects of:		
Expense not deductible for tax purposes	512,308	501,122
Effect of higher foreign tax rates	4,312,927	16,627,597
Adjustment to tax charge in respect of previous period	(18,491,476)	(2,116,249)
Chargeable gain	—	311,131
Impact of change in tax rate	(1,367,581)	(1,119,279)
Tax (credit)/ charge for the year	**(2,231,890)**	**30,908,759**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the UK corporation tax rate will increase to 25%. Legislation was substantively enacted on 24 May 2021 and the rate rise has been taken into account in calculating the net assets of the company's UK branch at 31 December 2022.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

6. Tax on profit or loss on ordinary activities (continued)

(c) Deferred tax

	31 December 2022	31 December 2021
	£	£
At 1 January	29,150,005	21,395,133
Foreign exchange	(655,007)	178,034
Deferred tax (charge)/credit for the year:		
- current year movement through the Profit and Loss Account	8,195,975	12,324,795
- current year movement through the Statement of Comprehensive Income	(12,035,355)	(4,933,088)
- impact of change in tax rate	1,367,581	1,119,279
- prior year	19,830,545	(934,148)
	17,358,746	**7,576,838**
Deferred tax asset at 31 December	**45,853,744**	**29,150,005**
Deferred tax asset offset against pensions and similar obligations (Note 12):	(7,394,780)	(12,535,852)
Deferred tax asset	**38,458,964**	**16,614,153**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

7. Tangible Assets

	Leasehold Improve-ments	Furniture and Fittings	Telecom Equipment	Computer Hardware	Capital Lease Asset (Building)	Art and Antiques	Total
	£	£	£	£	£	£	£
Cost:							
At 1 January 2022	24,184,483	4,077,389	535,534	39,438,766	94,828,090	22,188	163,086,450
Additions	987,032	52,909	—	10,871,041	—	—	11,910,982
Additions - Acquired assets	24,829,189	661,099	—	—	—	—	25,490,288
Disposals/Write off	(135,451)	(840,409)	(9,891)	(5,720,552)	—	—	(6,706,303)
Currency Translation	856,279	175,319	46,006	102,163	—	1,259	1,181,026
At 31 December 2022	50,721,532	4,126,307	571,649	44,691,418	94,828,090	23,447	194,962,443
Accumulated Depreciation:							
At 1 January 2022	10,253,359	3,774,069	526,102	21,813,074	69,159,282	—	105,525,886
Depreciation expense	3,456,582	294,869	2,338	6,897,917	3,949,044	—	14,600,750
Accumulated Depreciation - Acquired assets	18,247,328	628,044	—	—	—	—	18,875,372
Disposals/Impairments	(23,447)	(840,409)	(9,891)	(5,212,130)	—	—	(6,085,877)
Currency Translation	520,919	167,322	45,471	84,013	—	—	817,725
At 31 December 2022	32,454,741	4,023,895	564,020	23,582,874	73,108,326	—	133,733,856
Net book value at 31 December 2022	**18,266,791**	**102,412**	**7,629**	**21,108,544**	**21,719,764**	**23,447**	**61,228,587**
Net book value at 31 December 2021	**13,931,124**	**303,320**	**9,432**	**17,625,692**	**25,668,808**	**22,188**	**57,560,564**

Acquired Assets (Note 7 and 8):
On 13 October 2022, the Company acquired assets in relation to Business Transfer Agreement with Catlin Holdings Ltd, another entity within the AXA XL division.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

8. Intangible Assets

	Computer Software	Computer Licences	Goodwill	Total
	£	£	£	£
Cost:				
At 1 January 2022	68,719,839	597,784	23,512,342	92,829,965
Additions	10,199,987	—	—	10,199,987
Additions - Acquired assets	1,068,099	—	—	1,068,099
Disposals/Write off	(9,965,248)	(597,784)	—	(10,563,032)
Currency Translation	1,226,455	—	386,546	1,613,001
At 31 December 2022	71,249,132	—	23,898,888	95,148,020
Accumulated Amortisation:				
At 1 January 2022	45,880,645	597,784	14,107,404	60,585,833
Amortisation	7,052,439	—	4,573,581	11,626,020
Accumulated Amortisation - Acquired assets	811,914	—	—	811,914
Disposals and Impairments	(7,629,573)	(597,784)	—	(8,227,357)
Currency Translation	1,204,445	—	438,125	1,642,570
At 31 December 2022	47,319,870	—	19,119,110	66,438,980
Net book value at 31 December 2022	**23,929,262**	—	**4,779,778**	**28,709,040**
Net book value at 31 December 2021	**22,839,194**	—	**9,404,938**	**32,244,132**

Goodwill:
An amount of £23,565,151 in relation to the Business Transfer Agreements ("BTAs") with AXA Corporate Solutions Assurance ("AXA CS"), AXA Art Europe Limited ("AXA Art") and AXA Matrix Risk Consultants S.A. ("AXA Matrix") is kept as Goodwill in the books of the Company from the year 2019.

The Company has decided to amortise goodwill over a period of 5 years based on FRS 102 which requires the Company to systematically amortise goodwill over its estimated useful life. The estimated life of 5 years is based on the expected attrition rate, regulatory changes, technology driven efficiency and simplification projects. There are no indicators of impairment in 2022 requiring impairment review.

9. Debtors

	31 December 2022	31 December 2021
	£	£
Amounts owed by Group undertakings	266,807,626	335,293,647
Other Debtors	55,465,360	31,807,099
Deferred tax asset (Note 14)	38,458,964	16,614,153
Prepayments	3,423,876	3,926,725
	364,155,826	**387,641,624**

Deferred tax asset includes £24,458,638 (2021: £7,950,469) and Other Debtors includes £6,745,439 (2021: £7,634,670) falling due after more than one year.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

10. Creditors: Amounts Falling Due Within One Year

	31 December 2022	31 December 2021
	£	£
Accruals	158,359,360	166,015,524
Other creditors including tax and social insurance	100,286,797	113,817,330
Amounts due to Group undertakings	29,021,013	15,431,740
Trade creditors	19,064,101	7,494,771
Finance lease charges payable (Note 11)	6,621,730	5,979,523
	313,353,001	**308,738,888**

11. Creditors: Amounts Falling Due After More Than One Year

	31 December 2022	31 December 2021
	£	£
Finance lease - 70 Gracechurch building - due more than one year (details below)	39,122,714	45,744,444
	39,122,714	**45,744,444**

Amounts Due Under Finance Lease
Future minimum payments under the finance lease are as follows:

	31 December 2022	31 December 2021
	£	£
Within one year	9,485,191	9,253,845
In more than one year, but not more than five years	40,372,090	39,387,405
After five years	5,299,567	15,769,443
Total gross payments	55,156,848	64,410,693
Less: finance charges allocated to future years	(9,412,404)	(12,686,726)
Total finance lease	**45,744,444**	**51,723,967**
Net due within one year (Note 10)	6,621,730	5,979,523
Net due more than one year	39,122,714	45,744,444
Total finance lease	**45,744,444**	**51,723,967**

All finance charges for the above finance lease of 70 Gracechurch building are capitalised and amortised over the term of the lease. In 2022, there were no additions to finance lease and accordingly, no borrowing costs were capitalised.

12. Pension Deficit
Most of the Company's active employees are eligible to become members of a defined contribution pension scheme except for certain former employees of XL London Market Services Limited and the German branch of XL Insurance Company SE ("XLICSE") who are members of defined benefit pension schemes (DB Pension). As part of the employees move from AXA CS, AXA Art and AXA Matrix to the Company at 1 February 2019, some defined benefit pension schemes were also moved to the French and German branches of the Company.

The total pension cost (for both defined benefit and defined contribution schemes) for the Company for the year was £40,104,411 (2021: £42,839,996) and there were no outstanding pension contributions at the balance sheet date. The Company has no significant exposure to any other post-retirement benefit obligations.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

12. Pension Deficit (continued)
The details of these DB Pension scheme liabilities are provided below:

Net pensions deficit

	31 December 2022	**31 December 2021**
	£	**£**
Defined benefit scheme in Germany	(14,301,321)	(20,584,331)
Defined benefit schemes in France	666,497	(5,492,114)
Winterthur "no worse than final salary pension" guarantee	(550,500)	(2,026,620)
XL London Market Services Limited "Brockbank" scheme	(1,719,750)	(1,342,170)
Total	**(15,905,074)**	**(29,445,235)**

The total cost relating to defined benefit plans for the year recognised in the profit and loss account was £1,720,670 (2021: £2,078,999).

The Company operates six (2021: six) defined benefit pension schemes. They are:

DB Pension Scheme in Germany
The Company operates an unfunded defined benefit scheme for certain employees in the German branch of XL Insurance Company SE who were active employees on 1 January 2005, the date on which XL Services UK Limited took over the employees' service contracts from XL Insurance Company SE. These individuals are now employed by the Company following the merger of XL Services UK Limited in 2016. The pension commitments relating to members who had retired before this date remained with XL Insurance Company SE, and are disclosed in that company.

Some employees of legacy AXA CS moved to the German branch of the Company as part of the employee move, who were members of a defined benefit pension plan operated by AXA Group. The Projected Benefit Obligation relating to these employees under the DB pension scheme has also been transferred to the German branch. This DB pension plan liability is added to the existing DB pension obligation of the German branch of the Company and the actuarial valuation at 31 December 2022 is drawn, including this liability also.

An actuarial valuation of the German DB pension scheme, using the projected unit credit basis, was carried out at 31 December 2022 by independent consulting actuaries.

The cost for the year charged to the profit and loss account relating to this scheme is £598,377 (2021: £818,811).

DB Pension Schemes in France
As part of European employee move from AXA CS, AXA ART Versicherung AG ("AXA ARTS") and AXA Matrix to the Company on 1 February 2019, the Company took over three DB Pension plans. These plans are:

1. RRD: Directors' pension plan
The directors' pension plan is a plan for four directors moved from AXA CS to the Company, who are in active employment. The beneficiaries are eligible for the benefits of this plan, in addition to all pension rights acquired under mandatory and supplementary pension plans over the whole of their professional lives irrespective of the origin of such rights.

2. PRS: AXA minimum cover plan
The condition for benefiting from the AXA supplementary pension plan (PRS) is at least 15 years of service by the time of retirement. The level of cover is 4.00% of the Average End-of-Career Salary (AECS) in Tranche A and 4.50% in Tranche B. The annuity awarded under this minimum cover is a differential annuity.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

12. Pension Deficit (continued)

This means that the amount of the annuity is determined based on the difference between the level of cover and deductible amounts (the annuity derived from the occupational pension fund, the CRUAP (pension plan for former employees of UAP, a French company which has been absorbed by AXA) pension and the annuity awarded under the AXA defined contribution plan).

3. PSAD: Senior management and executive assistant plan
An exclusive pension plan for three retired company directors of AXA CS.

In application of the French decree number 2019-697, the rights of the beneficiaries have been crystalised with effective date 31 December 2019, making the plans RRD and PRS closed for new employees.

The Company holds an insurance contract with AXA Assurances Vie Mutuelle against its French employee DB Pension benefits giving the right for benefits payment reimbursement.
The actuarial valuation of these DB Pension Plans has been performed by the in-house actuaries of AXA France IARD, a Group entity using the projected unit credit basis at 31 December 2022.

The cost for the year charged to the profit and loss account relating to these DB pension plans is £918,293 (2021: £1,049,188).

Winterthur "no worse than final salary pension" guarantee
Six employees of the Company in the UK were previously in a defined benefit pension scheme but transferred into a defined contribution scheme. These employees received a "no worse than final salary pension" guarantee whereby, in the event that they are employed by AXA XL division until retirement or redundancy, they will receive a top-up to their defined contribution pension to the level of pension that they would have been entitled to receive had they remained in the defined benefit scheme.

This guarantee is treated as an unfunded defined benefit scheme with 2 members at 31 December 2022 (2021: 2 members). The valuation has been based on the most recent independent actuarial valuation of the liability at 31 December 2022.

In conducting the valuation, the actuaries paid due regard to the expected performance of the assets and employer contributions to the defined contribution scheme of the members to arrive at the appropriate valuation for the cost of the guarantee. The pension liability recorded in the financial statements of the Company with respect to these individuals as at 31 December 2022 is £550,500 (2021: £2,026,620).

The cost for the year included in the profit and loss account is £172,000 (2021: £167,000).

XL London Market Services Limited "Brockbank" DB pension scheme
The Company operates a funded defined benefit scheme, which is closed to new members, for 82 former employees of XL London Market Services Limited, of whom 54 are active or deferred members of the scheme. In 2007 the accounting for this pension scheme was transferred from XL London Market Services Limited to XL Services UK Limited, which was subsequently merged into the Company during 2016. The assets are held separately from those of the Company, being invested with Mobius Life Ltd.

An actuarial valuation of this pension scheme, using the projected unit credit basis, was carried out at 30 June 2018 by independent consulting actuaries and updated to 31 December 2022.

The cost for the year in the profit and loss account relating to this defined benefit scheme is £32,000 (2021: £44,000).

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

12. Pension Deficit (continued)
The principal actuarial assumptions at 31 December 2022 and 2021 were:

	Germany		France		Winterthur		Brockbank	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Rate of increase in salaries	2.50 %	2.50 %	2.50 %	2.00 %	4.25 %	4.60 %	n/a	n/a
Inflation assumption	1.90 %	1.75 %	2.50 %	2.00 %	3.25 %	3.60 %	n/a	3.60 %
Rate of increase in pensions payment	1.90 %	1.75 %	—	—	3.20 %	3.60 %	3.20 %	3.60 %
Rate of increase in deferred pension	1.90 %	1.75 %	—	—	n/a	2.71 %	2.60 %	2.71 %
Discount rate	3.75 %	0.90 %	3.75 %	0.69 %	4.80 %	1.90 %	4.80 %	1.90 %
Mortality assumptions								
Longevity at age 65 for current pensioners (France-at age 64 & Winterthur-at age 60)								
- Men	20	20	26	25	22	27	22	22
- Women	24	24	29	29	24	29	24	24
Longevity at age 65 for future pensioners (France-at age 64 & Winterthur-at age 60)								
- Men	20	20	28	28	22	27	22	22
- Women	24	24	32	32	25	30	25	25

Reconciliation of the present values of the schemes' liabilities:

	Germany 2022 £	France 2022 £	Winterthur 2022 £	Brockbank 2022 £
At 1 January	30,417,322	15,722,648	4,081,000	12,714,000
Current service cost	407,248	890,039	123,000	—
Interest cost	191,129	64,941	79,000	240,000
Contributions by scheme participants	(24,843)	—	—	—
Benefits paid and curtailments	(528,423)	(411,742)	—	(206,000)
Net actuarial gains taken to the statement of comprehensive income	(11,017,252)	(8,168,362)	(2,044,000)	(4,122,000)
Foreign currency exchange rate gain on schemes measured in a currency different from the entity's presentation currency	1,726,280	892,311	—	—
At 31 December	21,171,461	8,989,835	2,239,000	8,626,000
Less:				
Fair value of defined benefit scheme assets/ underlying defined contribution scheme assets*	—	(9,888,442)	(1,505,000)	(6,333,000)
Deficit in scheme	21,171,461	(898,607)	734,000	2,293,000
Related deferred tax asset (Note 6)	6,870,140	(232,110)	183,500	573,250
Net pension deficit	**14,301,321**	**(666,497)**	**550,500**	**1,719,750**

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

12. Pension Deficit (continued)

*As described earlier the cost of the guarantee of the unfunded Winterthur scheme takes into account the expected value of the members defined contribution pension scheme assets which is deducted from the present value of the scheme liabilities to arrive at the cost of the guarantee to the Company. The return on the defined contribution scheme assets for the year was a loss of £123,000 (2021: gain of £103,000).

Reconciliation of the fair value of the French DB Pension scheme assets:

	French Schemes 2022 £	French Schemes 2021 £
At 1 January	8,317,883	4,289,922
Interest income on scheme assets	36,687	15,906
Contribution made by the employer	1,065,616	5,729,460
Benefits paid	(152,425)	(1,565,409)
Actuarial gain in statement of comprehensive income	148,614	113,997
Foreign Exchange gains/(loss)	472,067	(265,993)
At 31 December	**9,888,442**	**8,317,883**

The assets in the French DB Pension Schemes were:

	Value at 31 December 2022 £	Value at 31 December 2021 £
Equities	626,235	736,362
Diversified growth funds	1,553,720	736,582
Gilts	4,920,456	4,560,789
Corporate bonds	2,772,412	2,402,891
Others (cash)	15,619	(118,741)
Total market value of assets	**9,888,442**	**8,317,883**

None of the fair values of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by the Company.

The return on plan assets for the year was £185,301 (2021: £129,903).

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

12. Pension Deficit (continued)

Reconciliation of the fair value of the underlying defined contribution scheme assets for the Winterthur Scheme:

	Winterthur 2022 £	Winterthur 2021 £
At 1 January	1,579,000	1,429,000
Interest income	30,000	19,000
Net actuarial gains/(loss) in statement of comprehensive income	(153,000)	84,000
Contribution made by the Company	49,000	47,000
At 31 December	**1,505,000**	**1,579,000**

Reconciliation of the fair value of the Brockbank DB Pension scheme assets:

	Brockbank 2022 £	Brockbank 2021 £
At 1 January	11,057,000	10,130,000
Interest income on scheme assets	208,000	131,000
Contributions paid by employer	—	166,000
Benefits paid	(206,000)	(210,000)
Actuarial gains/(loss) in statement of comprehensive income	(4,726,000)	840,000
At 31 December	**6,333,000**	**11,057,000**

The assets in the Brockbank DB Pension Scheme were:

	Value at 31 December 2022 £	Value at 31 December 2021 £
Equities	2,394,000	4,827,000
Diversified growth funds	315,000	1,904,000
Gilts	—	—
Corporate bonds	—	—
Multi-Asset Funds	3,591,000	4,254,000
Others (cash)	33,000	72,000
Total market value of assets	**6,333,000**	**11,057,000**

None of the fair values of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by the Company.

The return on plan assets for the year was a loss of £4,518,000 (2021: gain of £971,000).

Defined Contribution Schemes
The cost of the contributions made to the defined contribution schemes during the year amounts to £38,383,741 (2021: £40,760,997).

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

13. Actuarial Gain/(Loss) recognised on Other Defined Employee Benefit Schemes

The business transfer and employee move dated 1 February 2019 from legacy AXA CS, AXA ARTS and AXA Matrix to the Company included movement of certain employee defined benefit retirement plans. Retirement Bonus plan (IFC) is one such non defined benefit pension plans moved to the Company at 1 February 2019. A gain of £2,125,643 (2021: gain £2,714,106) is recognised in the statement of Comprehensive Income as actuarial evaluation adjustment on these non defined benefit pension plans.

14. Deferred tax assets

Deferred tax assets have been recognised at tax rates applicable to the jurisdiction of each local entity. The deferred tax asset balances consists of the following deferred tax assets:

	31 December 2022	31 December 2021
	£	£
Accelerated depreciation	22,187,552	21,538,335
Employee related benefits	11,308,412	14,100,534
Investment assets	1,125,806	323,691
Tax losses	255,834	391,938
Other timing differences	3,581,360	(19,740,345)
Deferred tax asset	**38,458,964**	**16,614,153**

It is expected that £14m of deferred tax assets will be utilised in 2023.

15. Called Up Share Capital Presented as Equity

	31 December 2022	31 December 2021
	£	£
Allotted, called up and fully paid:		
15,887,149 (2021: 15,887,149) ordinary shares of €1 each	13,171,653	13,171,653

The Company issued only a single class of ordinary shares and each carry one voting right. There are no restrictions on the distribution of dividends and the repayment of capital.

16. Financial Commitments

At 31 December 2022 the Company had financial commitments under non-cancellable operating leases as follows:

	Land & Buildings	Others	Land & Buildings	Others
	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	£	£	£	£
Within one year	13,101,895	1,543,852	9,984,717	1,508,828
Within two to five years	34,948,607	1,988,799	22,480,558	2,102,184
More than five years	4,067,845	—	2,533,167	26
	52,118,347	**3,532,651**	**34,998,442**	**3,611,038**

The property at 70 Gracechurch Street, London is not included in the above as this is treated as a finance lease and is included within Note 11.

Notes to the Financial Statements (continued)
For the year ended 31 December 2022

17. Share-Based Payments
The Company, as member of AXA Group of entities, participates in the AXA Performance Share award plans. Select managers and key employees are eligible to receive performance shares awards that once vested are settled with equity shares of AXA SA, the ultimate parent of the Company. AXA SA operates 3 types of Performance share plans as explained below:

1. **AXA Performance Shares (PS)**
Eligible employees residing mainly in France are the beneficiaries of this award plan. Performance criteria are established for this award and based on the AXA Group performance together with the performance of the beneficiaries' business unit/entity/region. These awards are granted yearly, and the vesting period is 3 to 4 years. On the vesting date, the beneficiaries receive AXA SA shares in settlement. The expenses are based on the grant date fair value of AXA SA shares and are expensed straight-line over the vesting period.

2. **AXA International Performance Shares (PSi)**
This plan is similar to the PS plan described above. The main difference is that PSi awards are issued to all eligible employees except those residing mainly in France.

3. **AXA Retirement Performance Shares (PSR)**
This plan is also like the PS plan described above. The beneficiaries include certain designated managers in France. Under this plan, the beneficiaries have the right to receive at settlement date, AXA SA shares based on the achievement of specified performance criteria. The costs of the award are expensed fully on the grant date unlike straight-line expensing over the vesting period in the case of the other 2 awards plans.

18. Parent Undertaking and Controlling Party
The Company's immediate parent undertaking is XL Insurance (UK) Holdings Limited, a company incorporated in United Kingdom. The ultimate parent undertaking and controlling party of the Company and the largest group in which the results of the Company are included, for which group financial statements are prepared is AXA SA, a company incorporated in France.

Copies of the audited financial statements of the immediate parent can be obtained from the Company Secretary, 20 Gracechurch Street, London, EC3V 0BG. Copies of the audited financial statements of AXA SA can be obtained from 16 Avenue Matignon, 75008 Paris, France.

19. Subsequent events
a. **Transfer agreement with AXA Group Operations UK Ltd**

Effective 1 January 2023, the Company entered into a Transfer agreement with AXA Group Operations UK Limited to transfer assets, both tangible and intangible, 27 UK based employees working in Technology function under TUPE and supplier contracts along with associated assets and liabilities for a cash consideration of £5,348,026. The transaction has resulted in a gain on sale of £1,924,615 which will be recognised in 2023 Profit and Loss account.

b. **Change in registered Office**

The Company moved its registered office to Wolfe Tone House, Wolfe Tone St, Dublin 1, Republic of Ireland effective 5 May 2023.

c. **Dividend**

On 1 June 2023, the Administrative Organ ("Board") agreed to recommend to the annual general meeting of shareholders the payment of a final dividend of £60,000,000 (2021:$220,000,000) for the year ended 31 December 2022.

20. Approval of annual report and financial statements
The directors approved the annual report and financial statements on 1 June 2023.