



Annual Report 2023

# Swiss Re Finance (UK) Plc

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# Company information

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<b>Board of Directors</b>	Drew Price Ian Bullock Daniel Bell Cosimo Turi Lewis Danby
<b>Company Secretary</b>	Law Debenture Corporate Services Limited
<b>Registered Office</b>	30 St Mary Axe London, EC3A 8EP
<b>Independent Auditor</b>	KPMG LLP Chartered Accountants and Statutory Auditor 3 Assembly Square, Britannia Quay Cardiff CF10 4AX

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# Strategic report

The Board of Directors ("the Board, "Directors") present their strategic report of Swiss Re Finance (UK) Plc ("SRFUK" or the "Company") for the year ended 31 December 2023.

## Results and dividends

The Company's results for the year ended 31 December 2023 show a profit for the financial year of £708,000 (2022: £792,000). The 2023 as well as 2022 profit was driven by the net interest margin earned on the funds loaned and borrowed. The Company did not pay any dividend during the year (2022: none). The Company's total assets for the year ended 31 December 2023 were £1,566,794,000 (2022: £1,606,787,000).

## Development and performance

The Company is a treasury services company whose main activity is to raise external or internal finance for the purposes of on-lending the proceeds to other members of the Swiss Re Group ("the Group"). Funds loaned have the same principal and currency as the issued bonds or funds borrowed, the final maturity on the same day or the day preceding the maturity of the issued bonds or funds borrowed, and bear fixed interest with a margin over the coupon of the issued bonds or funds borrowed. The core business area and principal activities are appropriate to the ultimate parent undertaking and controlling party's risk appetite and strategy. This is not envisaged to change in the near future. During the course of 2023, the Company did not issue any new bonds. The note issued at nominal value of EUR 750,000,000 and respective back-to-back loan to Swiss Re Ltd ("SRL") matured in May 2023. A new loan was provided by Swiss Reinsurance Company Ltd ("SRZ") at nominal value of EUR 750,000,000 with a new back-to-back loan to SRL.

## Principal objectives and strategies

The Company is a treasury services company whose principal activities are raising, on-lending and investing of funds on behalf of the Group.

The Company's immediate parent is Swiss Reinsurance Company Ltd and the ultimate controlling party is Swiss Re Ltd, both incorporated in Switzerland. SRL guarantees the bonds issued by the Company.

## Business model

The risk profile of the Company is low as it primarily conducts activities on behalf of the Group. The Company enters into debt issuance and related back-to-back financing of the Group activities only where suitable opportunities exist. The Company's level of capitalisation and its capital structure are determined by management's view of risks and opportunities arising from its business operations and from capital markets.

## Future outlook

The Company will continue to be an issuer under the Swiss Re USD 10,000,000,000 Debt Issuance Programme ("Programme") which gives it the ability to raise external debt on the terms set out in the Programme's pre-approved set of documentation. The Company currently has no committed plans to issue any new debt in 2024 under or outside of the Programme, however, the Company reserves the right to do so subject to observing the appropriate governance.

## Principal risks and uncertainties

The most significant risks faced by the Company are that the loans made to group undertakings are not fully recovered and/or recovery is not in accordance with the contractual payment dates giving rise to a liquidity risk. These risks are considered to be low given the credit worthiness and liquidity of the counterparties.

Note 19 gives further details on how the Company manages financial risks.

## Section 172 (1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the long-term success of the Company for the benefit of its members, having regard to the following:

The likely consequences of any decision in the long term. The Company is wholly owned by SRZ and as such, will always operate to the standards set by the Group. Any decision taken will be aligned to the strategy of the wider group and be made in the best interests of all stakeholders. Impacts of any decisions will be determined through ongoing risk assessment conducted with all relevant stakeholders. Refer to the Development and performance section above for details on the activity of the Company during the year 2023 and the main decisions taken.

## Strategic report (continued)

The Company has no employees on its own but outsourced expertise from other Group companies, all operating to the HR standards and fairness requirements set by the Group.

The Directors consider the key stakeholders of the Company to be its immediate parent SRZ, ultimate controlling party SRL, the Group companies it extends loans to, external investors it receives funding from, Luxembourg EUR MTF Exchange, and the relevant regulators. The Company recognises the importance of building strong relationships and actively engages with all stakeholders to ascertain their views and take them into account when making significant decisions. The Company and its Directors rely on the compliance department of the Group to represent the Company to the relevant regulators and, in the opposite direction, to reflect the relevant regulatory requirements or recommendations to the Directors and ensure that any decision will be taken in accordance with them. The composition of the Board of Directors equally ensures the presence of at least one front office representative of the core business line. Business counterpart's views and considerations are therefore assured to be reflected in any Directors discussion and ultimately decisions.

The Directors recognise the importance of assessing the impact of their action on the community and the environment. While assessing this impact as not significant due to the nature of business activities of the Company, the Directors refer to the Results and dividends section for details on the current environment.

Regardless of how the competencies are assigned internally with the Group, externally the Company is an independent legal entity. The Directors bear sole responsibility and liability for meeting legal obligations and complying with the legal and regulatory environment to which they are subject. They have the right and obligation to take all measures to fulfil their legal duties.

The Company is wholly owned by SRZ and ultimately by SRL, and these shareholders are actively involved in key decisions of the Company. Information is shared effectively to ensure that the immediate and ultimate shareholders are engaged.

### Note on risk factors

Macroeconomic events or developments including increased volatility in global markets, inflation, the ongoing military conflicts in Ukraine as well as in the Middle East, or losses associated with insured claim events, particularly natural catastrophes, pandemics or man-made disasters, could adversely affect the Company's results or operations. The Swiss Re Group continues to monitor these developments and their impacts on its operations and its investments.

### Key performance indicators ("KPIs")

Given the nature of the business and the limited number of transactions undertaken, the Company's Directors are of the opinion that analysis using quantitative KPIs is not necessary for an understanding of the development, performance, or financial position of the business. Investing of funds obtained externally on a back-to-back basis within the Group reduces the liquidity risk that the Company would be unable to pay its liabilities when they become due.

On behalf of the Board



Drew Price  
Director

12 March 2024

# Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2023.

## **Directors and Directors' interests**

The Directors who held office during the year and up to the date of signing of these financial statements were as follows:

Drew Price  
Ian Bullock  
Daniel Bell  
Cosimo Turi  
Lewis Danby

No Director had any interest in any material contract or arrangement with the Company during or at the end of the year, or any interest in the Company shares.

## **Political and charitable contributions**

The Company made no political or charitable contributions during the current year or previous year.

## **Company secretary**

The current company secretary is Law Debenture Corporate Services Limited, whose registered office is 8th Floor, 100 Bishopsgate, London EC2N 4AG, UK.

## **Place of registration**

The Company is registered with the Companies House in the UK. The registration number is 04442605. The registered office is 30 St Mary Axe, London EC3A 8EP, UK.

## **Principal place of business**

The offices of the Company and the location of board meetings during the year was 30 St Mary Axe, London EC3A 8EP, UK.

## **Dividends**

The Directors do not recommend a payment of the dividend for 2023.

## **Future developments**

The Company will continue to be an issuer under the Swiss Re USD 10,000,000,000 Debt Issuance Programme which gives it the ability to raise external debt on the terms set out in the Programme's pre-approved set of documentation. The Company currently has no committed plans to issue any new debt in 2024 under or outside of the Programme, however, the Company reserves the right to do so subject to observing the appropriate governance.

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## Directors' report (continued)

### Going concern

The Directors have considered the going concern position of the Company for a period of 12 months from the date of this report. The Directors have a reasonable expectation that the Company will continue to operate as a going concern and has sufficient resources to meet its liabilities as they fall due within that period. The back-to-back debt arrangements within the business support the going concern assumption. The liquidity, foreign exchange and interest rate risks are covered via back-to-back financing as well as fixed interest rates on its financial assets and financial liabilities. Projections show positive net cash flows as the expenses of the Company are covered by an interest margin earned on provided loans. There are no financial covenants. Recoverability of the bonds issued by the Company are guaranteed by Swiss Re Ltd, the financial strength of which is rated Aa3 by Moody's and AA- by S&P, both with a stable outlook.

### Statement of engagement with suppliers, customers and others in a business relationship with the Company

This statement is part of Section 172 (1) Statement in the Strategic report.

### Directors indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the 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 applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' report (continued)

### Statement of disclosure of information to auditor

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Independent auditor

The auditor, KPMG LLP, was appointed as the auditor of the Company in accordance with section 487(2) of the Companies Act 2006 for the audit of the financial statements for the year ended 31 December 2023. The auditor, KPMG LLP, has indicated their willingness to continue in office. The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

On behalf of the Board



Drew\_Price@swire.com

Drew Price  
Director

12 March 2024



# Independent auditor's report

to the members of Swiss Re Finance (UK) Plc

## 1. Our opinion is unmodified

We have audited the financial statements of Swiss Re Finance (UK) Plc ("the Company") for the year ended 31 December 2023 which comprise the *Statement of income and retained earnings, Balance sheet*, and the related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Overview

<b>Materiality:</b>	£15.6m (2022: £16.0m)
financial statements as a whole	1% (2022: 1%) of Total Assets

### Key audit matters

**Recoverability of funds loaned to group undertakings**

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

	The risk	Our response
<b>Recoverability of funds loaned to group undertakings</b> (£1,549 million; 2022: £1,587million) <i>Refer to page 15 (accounting policy) and page 18 (financial disclosures).</i>	<b>Subjective estimate</b> The most significant items on the Company's balance sheet relate to the issued debt and the onward lending to fellow group undertakings. There is a risk related to the recoverability of the intragroup debt. While we do not consider this risk to be significant, it is the area of the audit where we have directed the most effort.	Our procedures included: <ul style="list-style-type: none"><li>— <b>Our sector experience:</b> We evaluated the Company's assessment of the recoverability of intercompany receivables, including their assessment of impairment under FRS 102, in the context of our understanding of the wider group and the relevant counterparties.</li><li>— <b>Test of details:</b> We challenged the ability of the group entities to repay by comparing the intercompany receivable to the net assets of the counterparties and evaluating whether the counterparties have the ability and intent to repay the balances when they fall due.</li><li>— <b>Assessing transparency:</b> We assessed the adequacy of the Company's disclosures in respect of the funds loaned to group undertakings</li></ul> We performed the tests above rather than seeking to rely on any of the Company's controls because the small number of receivables meant that detailed testing is inherently the most effective means of obtaining audit evidence.

### 3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £15.6m (2022: £16.0m), determined with reference to a benchmark of Total Assets, of which it represents 1% (2022: 1%). We consider total assets to be the most appropriate benchmark as the purpose of the entity is to issue debt for the purpose of raising funds for the Swiss Re Group.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £11.7m (2022: £12.0m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to Those Charged with Governance any corrected or uncorrected identified misstatements exceeding £780k (2022: £800k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

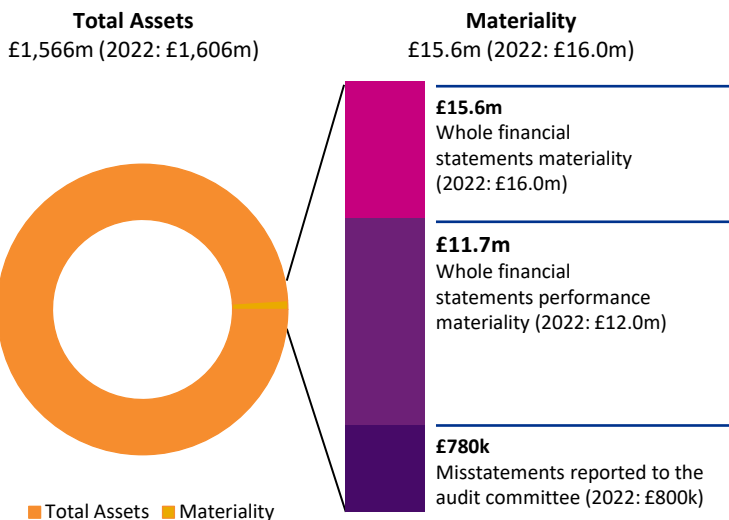
Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Company's internal control over financial reporting.

### 4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Company's available financial resources over this period is that the loans made to group undertakings are not fully recovered and / or recovery is not in accordance with the contractual payment dates.



We considered whether this risk could plausibly affect the liquidity in the going concern period by assessing the level of available financial resources indicated by the Company's financial forecasts, including the recoverability of the loans made to group undertakings.

We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 3 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## 5. Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of relevant members of management and the Board and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud and the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit, we do not believe there is a fraud risk related to revenue recognition because income relates to interest income on funds loaned to the Group on a fixed interest rate and is neither complex nor judgmental in nature.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These include unusual journal entries posted to high-risk accounts including cash or borrowings, and journal entries posted by users that seldom post journals.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company’s license to operate. We identified the following area as that most likely to have such an effect: regulations pertaining to the Company’s overseas listed debt recognising the financial and regulated nature of this element of the Company’s activities. Auditing standards limit the required audit procedures to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## 6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### *Strategic report and directors' report*

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## 7. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## 8. Respective responsibilities

### *Directors' responsibilities*

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities*

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



**Shaun Gealy (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

12 March 2024

# Statement of income and retained earnings

for the year ended 31 December 2023

	Note	2023 £000	2022 £000
Administrative expenses	4	(332)	(349)
<b>Operating loss</b>		<b>(332)</b>	<b>(349)</b>
Interest receivable and similar income	7	48 010	35 497
Interest payable and similar expenses	8	(46 752)	(34 171)
<b>Profit before taxation</b>		<b>926</b>	<b>977</b>
Tax on profit	9	(218)	(185)
<b>Profit for the financial year</b>		<b>708</b>	<b>792</b>
Retained earnings at 1 January		2 487	1 695
Dividends paid	10	-	-
Retained earnings at 31 December		3 195	2 487

As permitted by FRS 102 paragraph 3.18, the Company has presented a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity as the only changes to its equity during the periods presented arise from profit or loss.

The Company's results are derived from continuing operations.

The notes on pages 15 to 22 form part of these financial statements.

# Balance sheet

as of 31 December 2023

	Note	2023 £000	2022 £000
<b>Non-current assets</b>			
Debtors: amounts falling due after more than one year	11	1 549 422	922 466
		<b>1 549 422</b>	<b>922 466</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	17 337	684 321
Cash at bank and in hand		35	-
		<b>17 372</b>	<b>684 321</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(12 959)	(680 649)
		<b>(12 959)</b>	<b>(680 649)</b>
<b>Net current assets</b>			
		<b>4 413</b>	<b>3 672</b>
<b>Total assets less current liabilities</b>			
		<b>1 553 835</b>	<b>926 138</b>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	14	(1 549 640)	(922 651)
		<b>(1 549 640)</b>	<b>(922 651)</b>
<b>Net assets</b>			
		<b>4 195</b>	<b>3 487</b>
<b>Capital and reserves</b>			
Called up share capital	16	1 000	1 000
Retained earnings	17	3 195	2 487
<b>Total equity</b>			
		<b>4 195</b>	<b>3 487</b>

The notes on pages 15 to 22 form part of these financial statements.

The Company is registered in the UK under the registration number 04442605.

The financial statements on pages 13 to 22 were approved by the Directors on 12 March 2024 and were signed on their behalf by:



Drew\_Price@swire.com

Drew Price  
Director

# Notes to the financial statements

(forming part of the financial statements)

## 1 General information

The Company is a public limited company limited by shares and is incorporated, domiciled, managed and controlled in the United Kingdom. The offices of the Company and the location of board meetings throughout the year were 30 St Mary Axe, London EC3A 8EP, UK. The Company's equity is not listed on any exchange; however, it has two bond securities listed on the Euro MTF market of Luxembourg Stock Exchange. The Company is registered in the UK under the registration number 04442605.

The financial statements were authorised for issue by the Directors on 12 March 2024. Once approved, the financial statements cannot be amended without re-presenting them for approval by the Board.

## 2 Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

## 3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

### Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention. The Company has a single reportable segment which is responsible for raising, on-lending and investing of funds on behalf of the Group.

### Going concern

These financial statements were prepared on the going concern basis, refer to the Directors' report for further details.

### Financial instruments

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Basic financial assets and liabilities are initially recognised at transaction price adjusted for transaction costs. Such assets and liabilities are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The bonds issued are guaranteed to the external investors by the ultimate parent company Swiss Re Ltd.

### Taxation

The tax expense represents the sum of tax currently payable and deferred tax. Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of income and retained earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax balance is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except where it is more likely than not that deferred tax assets will not be recoverable. Timing differences arise where transactions or events during the year result in an obligation to pay more tax in the future, or a right to pay less tax in the future.

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.

### Foreign currencies

The Company's functional and presentation currency is the pound sterling.

## Notes to the financial statements (continued)

Transactions in currencies other than the reporting currency of the entity are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities in the balance sheet are restated at the prevailing rate of exchange on the balance sheet date with any foreign exchange difference taken to the statement of income and retained earnings in the period.

The following table shows the main foreign currencies in which the Company operated in 2023 and 2022:

		2023 Closing rate	2023 Average rate
<b>Currency exchange rates in GBP per 100 units of foreign currency</b>			
Euro	EUR	86,70	86,99
Singapore dollar	SGP	59,47	59,94

		2022 Closing rate	2022 Average rate
<b>Currency exchange rates in GBP per 100 units of foreign currency</b>			
Euro	EUR	88.61	85.09
Singapore dollar	SGP	61.98	58.60

### Dividend distribution

Dividend distributions to the Company's shareholder are recognised as liabilities in the year in which the dividends are approved by the shareholder.

### Cash at bank and in hand

Cash at bank and in hand comprises deposits repayable on demand with any qualifying financial institution. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed. Cash includes cash in hand and deposits denominated in foreign currencies. Cash held in current accounts is not interest generating.

### Interest receivable and payable

Interest expense on financing and interest income on funds lent to Group companies are included under "interest payable and similar expenses" and "interest receivable and similar income", respectively, using the effective interest method.

### Exemptions for qualifying entities under FRS 102

The Company's ultimate parent company and ultimate controlling party is Swiss Re Ltd which is registered in Switzerland. The Company's financial statements are included in the consolidated financial statements of Swiss Re Ltd, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1.12(b). The Company is also exempt under FRS 102 paragraph 1.12(e) from disclosing key management personnel compensation in total and disclosing related party transactions with other companies that are wholly owned within a Group according to FRS 102 paragraph 33.1A. Shareholders have been notified and have not objected to the exemptions. It is also the Company's intention to use these exemptions next year.

### Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The financial statements do not contain any significant areas involving estimates or judgements.

## 4 Administrative expenses

	2023 £000	2022 £000
Service recharges from related Group companies	(260)	(281)
Audit fees	(70)	(68)
Other expenses	(2)	-
	<b>(332)</b>	<b>(349)</b>

## Notes to the financial statements (continued)

Service recharges from related Group companies represent the legal and finance support services provided by the Group companies.

Audit fees relate to the statutory audit and are payable to KPMG LLP for work performed in the year on behalf of the Company. There are no fees payable to the auditor and their associates for services other than the statutory audit.

### 5 Employees

The Company had no employees during the current or prior year with all services being provided by Swiss Re Management Limited or other companies of the Group.

### 6 Directors' emoluments

The Directors of the Company all perform a variety of roles across the wider Swiss Re Group. Given the Directors' varied roles across the group and the fact that they spend a relatively small amount of time on activities for the Company, there is no basis to apportion any meaningful amount of their total remuneration to performing qualifying services for the company. Therefore, the amounts receivable by the Directors in respect of qualifying services to the Company were £nil (2022: £nil). There is no member of key management personnel who is not a Director.

### 7 Interest receivable and similar income

	2023 £000	2022 £000
Group companies		
- Interest on funds loaned	48 010	35 497
	<b>48 010</b>	<b>35 497</b>

### 8 Interest payable and similar expenses

	2023 £000	2022 £000
Interest on bonds issued	(29 643)	(34 355)
Interest on funds borrowed from Group undertakings	(17 041)	-
Foreign exchange gains and losses, net	(68)	188
Negative interest on cash	-	(4)
	<b>(46 752)</b>	<b>(34 171)</b>

### 9 Tax on profit

	2023 £000	2022 £000
<b>Analysis of tax charge in the financial year</b>		
<b>Non-current/current tax:</b>		
UK corporation tax	(218)	(185)
Total non-current/current tax	(218)	(185)

Tax payable of £218,000 related to 2023 has been classified as non-current since it is expected to be settled in 2025 (Note 14). Tax payable of £185,000 related to 2022 has been classified as current since it is expected to be settled in 2024 (Note 13).

The tax reconciliation for the year and explanation of the differences using the standard rate of corporation tax in the United Kingdom at 23.50% (2022: 19.00%) are as follows:

	2023 £000	2022 £000
Profit before taxation	926	977
Profit multiplied by standard rate of corporation tax in the United Kingdom of 23.50% (2022: 19.00%)	(218)	(185)
Prior year adjustments	-	-
Tax on profit	(218)	(185)

## Notes to the financial statements (continued)

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £nil (2022: £nil).

The amount of the net reversal of deferred tax expected to occur next year is £nil (2022: £nil).

There is deferred tax unprovided of £6,848,432 (2022: £6,848,432) on capital gains tax losses that are available for offset against future chargeable gains of the Company.

### 10 Dividends paid

The Company declared no dividend in respect of the financial years 2023 and 2022.

### 11 Debtors: amounts falling due after more than one year

	2023 £000	2022 £000
<b>Amounts owed by Group undertakings</b>		
Amounts falling due between one and five years		
- Funds loaned, measured at amortised cost	648 767	(1 884)
Amounts falling due after more than five years		
- Funds loaned, measured at amortised cost	900 655	924 350
	<b>1 549 422</b>	<b>922 466</b>

Funds loaned to Group undertakings are unsecured loans with an initial fixed interest rate. The interest rate of each loan is higher by a 0.05% margin compared to the coupon rate for the corresponding bond issued externally or to the interest rate for the corresponding loan borrowed internally to fund the relevant loan (Note 13, 14 and 15). The maturity date of each loan is the same day or day preceding the maturity day of the bonds issued and loans borrowed (Note 13, 14 and 15), with an early redemption option for the bonds issued, which is subject to approval from FINMA on redemption dates, and at the borrower's discretion or mutual agreement for the loan with principal amount EUR 750,000,000 (Note 14).

### 12 Debtors: amounts falling due within one year

	2023 £000	2022 £000
<b>Amounts owed by Group undertakings</b>		
- Funds loaned, measured at amortised cost	-	664 559
- Accrued interest on funds loaned, measured at amortised cost	13 173	16 444
- Receivables from Group companies	4 164	3 318
	<b>17 337</b>	<b>684 321</b>

Funds loaned to Group undertakings are unsecured loans with an initial fixed interest rate. The interest rate of each loan is higher by a 0.05% margin compared to the coupon rate for the corresponding bond issued externally or to the interest rate for the corresponding loan borrowed internally to fund the relevant loan (Note 13, 14 and 15). The maturity date of each loan is the same day or day preceding the maturity day of the bonds issued and loans borrowed (Note 13, 14 and 15), with an early redemption at the borrower's discretion or mutual agreement for the loan with principal amount of EUR 750,000,000 (Note 14).

### 13 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Bonds, measured at amortised cost	-	(664 559)
Accrued interest on bonds, measured at amortised cost	(10 104)	(15 850)
Accrued interest on funds borrowed from Group undertakings, measured at amortised cost	(2 551)	-
Expenses payable	(119)	(131)
Corporation tax	(185)	(109)
	<b>(12 959)</b>	<b>(680 649)</b>

## Notes to the financial statements (continued)

### 14 Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
<b>Amounts falling due between one and five years</b>		
- Bonds, measured at amortised cost	1 482	1 884
- Funds borrowed from Group undertakings, measured at amortised cost	(650 249)	-
- Corporation tax	(218)	(185)
<b>Amounts falling due after more than five years</b>		
- Bonds, measured at amortised cost	(900 655)	(924 350)
	<b>(1 549 640)</b>	<b>(922 651)</b>

Funds borrowed from SRZ have principal amount of EUR 750,000,000, maturity on 26 May 2026 and interest rate amounting to the aggregate of the 0.60% margin and the 3-month EURIBOR rate published on the relevant Interest Determination Date.

### 15 Bonds issued

Instruments	Maturity	Interest rate	Original currency	Issuance in '000 of original currency	Principal 2023 in '000 of original currency	Book value 2023 in £000
Bond 1)	27.05.2023	1.375%	EUR	(750 000)	-	-
Bond 2)	03.07.2035	3.125%	SGD	(350 000)	(350 000)	(207 960)
Bond 3)	04.06.2052	2.714%	EUR	(800 000)	(800 000)	(691 214)
<b>Total</b>						<b>(899 174)</b>

- 1) The bond has been assumed from another Group entity on 28 April 2020 and was redeemed on 27 May 2023. After the redemption, the bond was replaced with funds borrowed from SRZ (Note 14).
- 2) The bond has two options for early redemption, on 3 July 2025 or 3 July 2030, subject to no objection from FINMA.
- 3) The bond has an early redemption option on 4 June 2032 and each anniversary thereof, subject to no objection from FINMA.

The bonds issued are guaranteed to the external investors by the ultimate parent company Swiss Re Ltd.

### 16 Called up share capital

	2023 £000	2022 £000
<b>Allotted, called up and fully paid</b>		
1,000,000 (2022: 1,000,000) Ordinary shares of £1 each	1 000	1 000

### 17 Retained earnings

	2023 £000	2022 £000
<b>At 1 January</b>	<b>2 487</b>	<b>1 695</b>
Profit for the financial year	708	792
Dividends paid	-	-
<b>At 31 December</b>	<b>3 195</b>	<b>2 487</b>

### 18 Fair value disclosure

With the exception of the funds loaned, funds borrowed, and the bonds issued, the carrying value of financial assets and financial liabilities of the Company approximates their fair value as of 31 December 2023.

## Notes to the financial statements (continued)

Instruments	Maturity	Original currency	Fair value measurement basis	Issuance in '000 of original currency	Fair value 2023 in £000	Fair value 2022 in £000
Funds loaned 1)	26.05.2023	1.425%	EUR	750 000	-	663 364
Funds loaned 2)	03.07.2035	3.175%	SGD	350 000	209 562	214 803
Funds loaned 3)	04.06.2052	2.764%	EUR	800 000	666 817	606 307
Funds loaned 4)	26.05.2026	3M EURIBOR + 0.65%	EUR	750 000	697 750	-
<b>Total</b>					<b>1 574 129</b>	<b>1 484 474</b>

The fair value of the funds loaned (Note 11) is £1,574,129 (2022: £1,484,474,000) and measured using the discounted future cash flows method. The discounting factor is determined by corresponding risk-free rate adjusted by Swiss Re's credit risk spread.

Instruments	Maturity	Interest rate	Original currency	Issuance in '000 of original currency	Fair value 2023 in £000	Fair value 2022 in £000
Bond 1)	27.05.2023	1.375%	EUR	(750 000)	-	(661 203)
Bond 2)	03.07.2035	3.125%	SGD	(350 000)	(201 507)	(201 205)
Bond 3)	04.06.2052	2.714%	EUR	(800 000)	(617 435)	(553 678)
Funds borrowed	26.05.2026	3M EURIBOR + 0.60%	EUR	(750 000)	(696 812)	-
<b>Total</b>					<b>(1 515 754)</b>	<b>(1 416 086)</b>

The fair value of the bonds issued and funds borrowed (Note 14 and 15) is £1,515,754 (2022: £1,416,086,000) and measured using the current quoted prices as of 31 December 2023 and the discounted future cash flows method.

## 19 Financial risk management

Risk management is an inherent part of the business activities of a Group, of which this Company is a part. The Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks. The Company exercises oversight through the Directors.

An overview of the key aspects of risk management and use of financial instruments is provided below:

### Liquidity risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of its assets and liabilities. The Company's funding needs are met externally or internally and guaranteed by its parent company and the funds are managed in a manner consistent with the overall Group liquidity management framework.

The bonds outstanding and funds borrowed have long-term final maturity and early redemption dates with interest paid at least annually. The liquidity risk is reduced since the Company has provided back-to-back loans to Group companies with the same maturity and early redemption dates, with higher interest rate, resulting in the overall net cash inflows.

A maturity analysis of the financial liabilities from bonds issued and funds borrowed is shown below. The amounts in the table are the gross undiscounted contractual cash flows calculated up to the ultimate maturity date, not taking into account early redemption options or future changes in interest rates (Note 14 and 15).

2023:	Total £000	Less than on year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Bonds issued – principal	(901 754)	-	-	-	(901 754)
Funds borrowed - principal	(650 249)	-	-	(650 249)	-
Interest expense	(712 818)	(59 948)	(59 948)	(105 606)	(497 316)
Total contractual cashflows	(2 264 821)	(59 948)	(59 948)	(755 855)	(1 399 070)
2022:	Total £000	Less than on year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000
Bonds issued – principal	(1 590 338)	(664 559)	-	-	(925 779)
Funds borrowed - principal	-	-	-	-	-
Interest expense	(674 415)	(35 155)	(26 017)	(78 051)	(535 192)
Total contractual cashflows	(2 264 753)	(699 714)	(26 017)	(78 051)	(1 460 971)

## Notes to the financial statements (continued)

### Credit risk

The Company's exposure to credit risk arises from the possibility that counterparties may default on their obligations to the Company. The Company manages its credit risk by minimising its exposure to external counterparties. The amount of the Company's maximum exposure to credit risk is indicated by the carrying value of its financial assets. The cash balance of £35,000 (2022: £nil) is held at JPMorgan cash account and cash pooling of £4,164,000 (2022: £3,318,000) is pooled to Swiss Reinsurance Company Ltd, both having Moody's credit rating of Aa3. The Company has credit risk related to the funds loaned to Group companies of £1,548,710,000 (2022: £1,586,308,000). The funds loaned are unsecured and subordinated to any other obligations. The funds loaned are neither past due, nor impaired as provided to Group companies having financial strength rating of Aa3 by Moody's with a stable outlook and AA- by S&P with a stable outlook. The Company did not identify any objective evidence of impairment for these assets as of 31 December 2023.

### Market risk

Market risk represents the potential loss in value of portfolios and financial instruments caused by adverse movements in market variables. At the balance sheet date, the Company does not have any significant exposure to market risk.

### Interest rate risk

Interest rate risk is the risk of loss resulting from movements in interest rates. The Company has significant long-term funds loaned positions with fixed interest rates with Group companies. The Company also has significant long-term bonds issued and funds borrowed at fixed interest rates. The maturity of the funds loaned and borrowed is identical. The net interest margin on these back-to-back positions is 0.05%. Due to interest being fixed for both financial assets and financial liabilities, the interest rate risk is considered low.

### Foreign exchange risk

Foreign exchange risk is the risk of fluctuations in future cash flows arising from changes in foreign exchange rates. At the balance sheet date, the Company had foreign currency bank balances, funds loaned, funds borrowed and bonds issued, the net of which is not significant. The Company therefore is not considered to have significant exposure to foreign exchange risk.

### Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, a Group and the Company maintain a system of comprehensive policies and a control framework designed to provide a sound and well-controlled operational environment.

### Capital management

The Company regards its equity and retained profits as its capital, which amounts to £4,195,000 as of 31 December 2023 (2022: £3,487,000). The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern, and to manage its market risk, interest rate risk and credit risk and its cost of capital. To maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce its debt. To manage its market risk and credit exposure the Company lends only to, and invests in, highly rated Group companies and regularly monitors those credit ratings. To manage its interest rate and foreign exchange risk, the Company funds loans under agreements with the same terms and conditions as for its bonds issued.

The Company is obliged to ensure its assets exceed its liabilities, and to maintain its financial, capital and/or solvency position. The Company remains solvent as of 31 December 2023.

## 20 Ultimate parent undertaking

The ultimate parent company and the ultimate controlling party is Swiss Re Ltd, a company incorporated in Switzerland.

The smallest group, in which the results of the Company are consolidated, is that headed by Swiss Reinsurance Company Ltd. The largest group, in which the results of the Company are consolidated, is that headed by Swiss Re Ltd. These consolidated financial statements are available to the public and may be obtained from Mythenquai 50/60, 8002 Zurich, Switzerland.

## Notes to the financial statements (continued)

### 21 Post balance sheet date events

The Company has evaluated whether events or transactions have occurred after 31 December 2023 that would require recognition or disclosure in these financial statements through 12 March 2024, which is the issuance date of these financial statements, and concluded there are none.

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