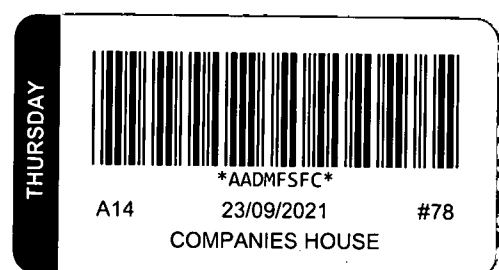




CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**ANNUAL REPORT
YEAR ENDED
31 DECEMBER 2020**



CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

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CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

COMPANY INFORMATION

Directors and officers at the date that the report is signed:

DIRECTORS

Mark R. Cummings
Clynton J. Luttig
Christopher J. Read

COMPANY SECRETARY

Marie L. Rees

REGISTERED NUMBER

05562639

REGISTERED OFFICE

20 Gracechurch Street
London
EC3V 0BG

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

STRATEGIC REPORT YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and also holds a land and buildings lease commitment on behalf of some of the AXA XL division companies, the costs of which are borne by another AXA XL division company.

BUSINESS REVIEW

During the year, the Company received capital contributions of \$100 million (2019: \$759 million) and increased its investments in subsidiaries by \$100 million (2019: \$272.9 million). The Company made a profit before tax of \$0.6 million during the year (2019: loss \$27.2 million). The shareholder's funds stand at \$1,649.0 million (2019: \$1,548.4 million) as at 31 December 2020.

FINANCIAL KEY PERFORMANCE INDICATORS

Due to the nature of the Company and the minimal transactions during the year, the directors monitor the performance and results of the Company with basic KPIs including profit/loss for the year, total assets and total shareholder's funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management is addressed through a framework of policies, procedure and internal controls. The Company has developed a risk and control framework in line with the wider AXA XL division which is built on an Enterprise Risk Management Model that aims to integrate existing risk programs into a more holistic embedded AXA XL division wide risk and capital management framework.

STATEMENTS BY THE DIRECTORS ON THEIR PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006

The Board of Directors of the Company consider that both individually and collectively, they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the Company's relevant stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2020).

The key stakeholders of the Company are its shareholder and its subsidiaries.

The Company operates within the framework of AXA XL division's ("AXA XL") service company model and is the recipient of services provided by one of its sister companies. The Company has no direct employees. Board meetings are held periodically when the directors consider the Company's activities and make decisions.

The Company follows the policies and procedures of the AXA XL division, including those relating to the community and the environment, standards of business conduct and its interactions with key stakeholders. However, while being a member of the AXA XL division, the Company makes autonomous Board decisions on each transaction's own merits after due consideration of the long-term success of the Company, Section 172 factors and the stakeholders impacted. The views and the impact of the Company's stakeholders are an important consideration for the Directors when making relevant decisions.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2020**

STATEMENTS BY THE DIRECTORS ON THEIR PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006 (CONTINUED)

OUR IMPACT ON THE COMMUNITY AND THE ENVIRONMENT

In alignment with other entities in the AXA XL division, the Company has regard for the impact its operations have on the community and the environment. Striving to achieve a balance between economic, social and environmental activity is in the long-term interests of the Company, the AXA XL division and the communities in which they operate.

In 2020, as the annual Global Day of Giving was not possible due to COVID-19, the AXA XL division delivered its first ever Virtual Day of Giving, where colleagues were encouraged to donate time and skills, virtually, in support of nonprofits around the world. Activities ranged from writing to isolated senior citizens, reading to children via video to improve literacy, giving career advice to young people, to tracking animal movements for zoological research.

In 2020 AXA XL launched its first Carbon Reduction Strategy, aiming to reduce the environmental impact of its operations by 25% by 2025, with a focus on reducing direct emissions and electricity usage and exploring "green alternatives" for power and travel. A key part of the implementation and success of this strategy will be educating and engaging its workforce on this issue. It is also pursuing several ongoing energy reduction initiatives, such as the replacement of all of the open-plan office fluorescent lighting panels with LED lighting at 20 Gracechurch Street. This included upgrading existing perimeter LED lighting to a more efficient LED light. Additionally in 2020, AXA XL introduced a Green Contribution scheme where a charge will be applied for every ton of CO2 emissions associated with business air travel. The funds raised will be used to support internal initiatives across AXA XL that will reduce their environmental footprint.

MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Company's commitment to ethical conduct is set out in more detail in the AXA XL division's Code of Conduct and Code Supplement. Policies with respect to anti-corruption and anti-bribery are contained in the Code of Conduct and Code Supplement. Failure to comply with these policies is taken very seriously and may result in disciplinary action, including but not limited to dismissal.

ENGAGING WITH OUR SHAREHOLDER

The Company's ultimate shareholder is AXA SA, a company incorporated in France. Within the AXA XL division, various initiatives were pursued throughout the year, including working with colleagues at AXA Group in the UK to demonstrate our combined offering as "One AXA" and to assess opportunities for mutual growth.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE COMPANY

Pursuant to The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to report on its engagement with suppliers, customers and others. The Company considers that this reporting requirement is fulfilled by the reporting provided in the section 172 statement. As a holding company, the Company does not engage with suppliers and customers.

This report was approved by the Board and signed on its behalf by:



Clynton J. Luttig
Director
21 September 2021

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and also holds a land and buildings lease commitment on behalf of some of the AXA XL division companies, the costs of which are borne by another AXA XL division company.

RESULTS AND DIVIDENDS

The results for the year and the state of the Company's position as at 31 December 2020 are shown in the financial statements. No Dividends were paid or proposed during the year (2019 : \$nil).

DIRECTORS

Company directors who hold office at the date of this report are listed on page 1. Set out below are directors who were appointed during the financial year and up to the date of this report together with those who resigned since 1 January 2020:

Christopher J. Read	Appointed	5 February 2020
Paul R. Bradbrook	Resigned	5 February 2020

COMPANY SECRETARY

The Company Secretary in office at the date of this report is shown on page 1.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial risk management policies and objectives are established and managed by the Board. The Company is exposed to interest rate risk due to LIBOR linked loan that it holds. However, as the Company acts as a management and holding company, it has minimal financial assets or liabilities, largely consisting of balances due to or from group undertakings and investments in subsidiaries. Therefore, the Board consider the Company to have minimal exposure to other financial risks.

The Company's policy for management of risk is to match assets and liabilities by currency. The Company has minimal cash resources and its majority of assets and liabilities are balances due to, or from, fellow UK AXA XL division companies.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and accordingly they will be reappointed.

COVID-19 OUTBREAK

The COVID-19 Pandemic is continuing globally, and its ultimate impact is highly uncertain. The Pandemic had no impact on the Company's financial position in 2020. The Company continues to monitor the Pandemic and it is taking countermeasures to minimise any potential adverse impacts on the financials of the Company's ability to remain as a going concern. More information on COVID-19 Outbreak and its impact on the Company is provided on Note 16.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and applicable law). 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 the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 the financial statements comply with the Companies Act 2006.

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.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a director at the time when this Directors' Report is approved has confirmed that:

- as far as each director is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2020 of which the auditors are unaware; and
- that each director has taken all the steps that ought to have been taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board and signed on its behalf by:



Clynton J. Luttig
Director
21 September 2021

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Catlin (North American) Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Profit or Loss, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATLIN (NORTH AMERICAN) HOLDINGS LIMITED (CONTINUED)

Reporting on other information (Continued)

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the regulatory regime of HMRC, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate transactions to increase the assets or reduce the liabilities of the company. Audit procedures performed by the engagement team included:

- Discussions with management over consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with and reports to HMRC in relation to compliance with laws and regulations;
- Identifying and testing transactions in the year, in particular any transactions with unusual activity; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATLIN (NORTH AMERICAN) HOLDINGS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements(Continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Moore (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 September 2021

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Note	\$	\$
Turnover		13,231,725	14,315,947
Administrative expenses	2	(13,203,362)	(12,633,590)
Other operating income/(expense)	2	<u>791,024</u>	<u>(101,572)</u>
OPERATING PROFIT		819,387	1,580,785
Interest receivable and similar income	5	13,715	44,493
Interest payable and similar expenses	6	<u>(102,966)</u>	<u>(29,408,235)</u>
PROFIT/(LOSS) BEFORE TAXATION		730,136	(27,782,957)
Tax on profit / (loss)	7	<u>(119,913)</u>	<u>612,234</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>610,223</u></u>	<u><u>(27,170,723)</u></u>

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2020**

		Called up share capital	Share premium account	Contributed Surplus	Profit and loss account	Total
Note		\$	\$	\$	\$	\$
Balance as at 1 January 2019		67	760,935,737	159,000,000	(103,356,216)	816,579,588
Capital Contribution during the year		—	—	759,024,243	—	759,024,243
Loss for the year		—	—	—	(27,170,723)	(27,170,723)
Balance as at 31 December 2019		67	760,935,737	918,024,243	(130,526,939)	1,548,433,108
Capital Contribution during the year	12	—	—	100,000,000	—	100,000,000
Profit for the year		—	—	—	610,223	610,223
Balance as at 31 December 2020		67	760,935,737	1,018,024,243	(129,916,716)	1,649,043,331

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
FIXED ASSETS			
Investments	8	1,641,950,361	1,541,950,361
CURRENT ASSETS			
Debtors	9	102,429,349	25,791,611
Cash at Bank and in Hand		1,214	5,082,758
Other Debtors	14	—	15,966
		<u>102,430,563</u>	<u>30,890,335</u>
Bank Loans and Overdrafts		(17,581,850)	(15,415,080)
CREDITORS: amount falling due within one year	10	<u>(65,027,119)</u>	<u>(2,081,828)</u>
NET CURRENT ASSETS		<u>19,821,594</u>	<u>13,393,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,661,771,955</u>	<u>1,555,343,788</u>
CREDITORS: amounts falling due after more than one year	11	<u>(12,728,624)</u>	<u>(6,910,680)</u>
NET ASSETS		<u>1,649,043,331</u>	<u>1,548,433,108</u>
CAPITAL AND RESERVES			
Called up share capital	12	67	67
Share premium account		760,935,737	760,935,737
Contributed Surplus		1,018,024,243	918,024,243
Profit and loss account		(129,916,716)	(130,526,939)
TOTAL SHAREHOLDERS FUNDS		<u>1,649,043,331</u>	<u>1,548,433,108</u>

The financial statements on pages 9 to 18 were approved by the Board of Directors and signed on its behalf by:



Clynton J. Luttig
Director
21 September 2021

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

Catlin (North American) Holdings Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 20 Gracechurch Street, London, EC3V 0BG.

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 have been prepared on the going concern basis, in accordance with applicable UK accounting standards including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") issued by the Financial Reporting Council and in compliance with the other requirements of the Companies Act 2006.

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 previous years presented, unless otherwise stated.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Exemption from preparing the 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 is AXA SA (incorporated in France) which prepares a group consolidated cash flow statement in its group consolidated financial statements that are publicly available.

1.3 Exemption from disclosing related party transactions

As the Company is a wholly-owned subsidiary whose ultimate parent AXA SA (incorporated 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 AXA SA Group.

1.4 Interest

Interest income and charges are accrued up to the Statement of Financial Position date.

1.5 Investments

With the adoption of FRS 102, the Company has chosen to use the carrying value to be the deemed cost of its investments in group undertakings and participating interests. This carrying value at transition date is the most recent net asset valuation of the subsidiaries. Investments are written down where necessary to reflect any impairment to its carrying value. The change in the carrying value, measured by the movement in the net asset value, is recognised in the Statement of Profit or Loss.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.6 Operating leases

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on straight-line basis over the period of the lease.

(ii) Lease Incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

1.7 Foreign currencies

The Company's financial statements are presented in US Dollars which is the same as its functional currency. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at rates of exchange ruling at the Balance Sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at rates of exchange ruling at the time of the original transactions and are not re-translated at each year end. Transactions in foreign currencies are translated into US Dollars at the previous month's closing rates as a proxy for the transactional rates. Exchange gains and losses are recognized in the Statement of Profit or Loss.

1.8 Inter-company loans

The inter-company loan payable is initially measured at fair value representing the transaction price and is subsequently measured at amortised cost using the effective interest method.

1.9 Turnover

Expenses that are contractually the obligation of the Company but borne by other AXA XL division entities are reported as administrative expenses, with an equal and opposite amount reported as turnover.

1.10 Use of estimates and judgments

The preparation of these financial statements required the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis.

1.11 Financial instruments

The Company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments. Cash and cash equivalents include cash at banks. Cash and cash equivalents are initially measured at transaction price. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2 OPERATING PROFIT

The operating profit is stated after (charging)/crediting the following:

	2020	2019
	\$	\$
Turnover	13,231,725	14,315,947
Foreign exchange profit / (loss)	791,024	(101,574)
Bank charges	(234)	(496)

The auditors' remuneration (fee for audit only) for the year \$27,493 (2019: \$6,421) has been borne by another AXA XL division company, XL Catlin Services SE.

The foreign exchange movement is as a result of the retranslation of assets and liabilities held in currencies other than the functional currency at the appropriate year-end closing rates.

3 STAFF COSTS

The Company has no employees (2019: *nil*).

The Company incurred no staff costs during the year (2019: \$*nil*).

4. DIRECTORS' EMOLUMENTS

Executive directors do not receive emoluments for their appointment as all employment costs are borne by other AXA XL division companies. As employees of AXA SA Group companies, executive directors are eligible to participate in group defined contribution pension and long-term incentive schemes available to employees. The Company has no non-executive directors.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	\$	\$
Bank Interest receivable	13,715	44,493
	<u>13,715</u>	<u>44,493</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	\$	\$
Interest on loans from group undertakings	—	(29,180,833)
Bank interest payable	(102,966)	(227,402)
	<u>(102,966)</u>	<u>(29,408,235)</u>

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

7 TAX ON PROFIT/(LOSS)

(a) Tax expense/(benefit) included in profit or loss

	2020	2019
	\$	\$
Current tax:		
UK corporation tax on profit/(loss) of the period	119,913	249,531
Adjustment in respect of prior periods	<u>—</u>	<u>(861,765)</u>
Total current tax benefit	<u>119,913</u>	<u>(612,234)</u>

(b) Reconciliation of tax charge

Tax assessed for the period is higher than (2019: higher than) the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2019: 19%). The differences are explained below:

	2020	2019
	\$	\$
Profit/(Loss) before tax	<u>730,136</u>	<u>(27,782,959)</u>
Profit/(Loss) before tax multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	138,726	(5,278,762)
Effects of:		
Expenses not deductible for tax purposes	(18,813)	5,528,294
Adjustments to tax charge in respect of prior years	<u>—</u>	<u>(861,765)</u>
Tax charge/(benefit) for the period	<u>119,913</u>	<u>(612,233)</u>

(c) Tax rate changes

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Legislation was introduced in Finance Bill 2021 to set the rate of corporation tax at 19% for the year beginning 1 April 2022 and in the same Bill to set the main rate at 25% for the year beginning 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021. As the rate rise was not yet substantively enacted at the year end, it is not taken into account in calculating the net assets of the company at 31 December 2020.

(d) Deferred Tax

There are no unused tax losses (2019: \$nil).

The Company had no deferred tax provision at 31 December 2020 (2019: \$nil)

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

8. INVESTMENTS

(i) Cost or valuation

	Investments in subsidiary undertakings \$
Carrying amount	
At 1 January 2020	2,052,651,343
Capital contribution	100,000,000
At 31 December 2020	<u><u>2,152,651,343</u></u>
Impairment	
At 1 January 2020	510,700,982
At 31 December 2020	<u><u>510,700,982</u></u>
Net book value	
At 31 December 2019	1,541,950,361
At 31 December 2020	1,641,950,361

(ii) Details of capital contributions made in 2020

Sl. No.	Investment made to subsidiaries	Date of transaction	Purpose	Form of Contribution	Amount \$
1	Catlin Syndicate Limited	17 Dec 2020	Additional capital injection	Cash	100,000,000
Total Investment made in 2020					<u><u>100,000,000</u></u>

On 17 December 2020, the Company increased its investments in the subsidiary Catlin Syndicate Limited by \$100 million and in return received 1 ordinary share of the subsidiary having face value of £1.

(iii) Subsidiary undertakings

The following were the subsidiary undertakings of the Company:

Name	Class of shares	Holding
Catlin Investment Holdings (Jersey) Limited, 13 Castle Street, St Helier JE4 5UT, Jersey	Ordinary	100 %
Catlin Holdings (UK) Limited, 20 Gracechurch Street, London, EC3V 0BG	Ordinary	100 %
Catlin (PUL) Limited, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN	Ordinary	100 %
Catlin (Underwriting) UK Limited, 20 Gracechurch Street, London, EC3V 0BG	Ordinary	100 %
Catlin (One) Limited, 20 Gracechurch Street, London, EC3V 0BG	Ordinary	100 %
Catlin Syndicate Limited, 20 Gracechurch Street, London, EC3V 0BG	Ordinary	100 %

Catlin Investment Holdings (Jersey) Limited is incorporated in Jersey and the remaining subsidiaries are incorporated in England and Wales.

The Company made detailed impairment analysis on its main investment in its subsidiary, Catlin Syndicate Limited. After careful consideration of the emerging market conditions, the future profitability of the subsidiary and the projections of the financial performance, it is concluded that the impairments in the net asset value of the subsidiary is of temporary nature and that no impairment needs to be recognised in the income statement of the Company.

The directors also confirm that the carrying value of the investments in other subsidiaries are also supported by their underlying net assets.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

9 DEBTORS

	2020	2019
	\$	\$
Due within one year		
Amounts owed by group undertakings	102,149,321	25,490,684
Corporation Tax receivable	280,028	300,927
	<u>102,429,349</u>	<u>25,791,611</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 CREDITORS: Amounts falling due within one year

	2020	2019
	\$	\$
Amounts owed to group undertakings	65,025,075	6,557
VAT Payable	2,044	1,961
Other Creditors	—	2,073,310
	<u>65,027,119</u>	<u>2,081,828</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 CREDITORS: Amounts falling due after more than one year

	2020	2019
	\$	\$
Accruals and deferred income	12,728,624	6,910,680
	<u>12,728,624</u>	<u>6,910,680</u>

12 SHARE CAPITAL AND CAPITAL CONTRIBUTIONS

(i) Share Capital

	2020	2019
	\$	\$
Allotted, called up and fully paid		
6,732 (2019:6,732) Ordinary shares of \$0.01 each	67.32	67.32

(ii) Capital contributions received

Sl. No.	Capital Contribution received from	Date of transaction	Purpose	Form of Contribution	Amount \$
1	XL Bermuda Limited	17 Dec 2020	Additional capital injection for further investment in CSL	Cash	100,000,000
Total contributions received in 2020					<u>100,000,000</u>

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

13 OPERATING LEASE COMMITMENTS

At 31 December the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings	
	2020	2019
	\$	\$
Within one year	6,971,405	13,855,642
Between 2 and 5 years	56,468,384	53,113,293
After more than 5 years	89,303,703	—
	<u>152,743,492</u>	<u>66,968,935</u>

The Company holds land and buildings lease commitments on behalf of the group.

14 OTHER DEBTORS

	2020	2019
	\$	\$
VAT Recoverable	—	15,966

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of XL Bermuda Limited ("XLB"), a company registered in Bermuda. The Company's ultimate parent undertaking is AXA SA, a company registered in France.

The smallest undertaking for which the Company is a member and for which group financial statements are prepared is XLB, a company registered in Bermuda, and the largest group is AXA SA. The results of the Company are consolidated within the financial statements of AXA SA and XLB. Copies of the audited consolidated financial statements of XLB can be obtained from O'Hara House, One Bermudiana Road, Hamilton HM 11, Bermuda. Copies of the audited consolidated financial statements of AXA SA can be obtained from 25 Avenue Matignon, 75008 Paris, France.

16. COVID-19 OUTBREAK

2020 saw the global outbreak of the COVID-19 pandemic, which first appeared in China in late 2019 before spreading to other countries and becoming a worldwide pandemic by March 2020.

China first put in place unprecedented lockdowns to contain the spread of the pandemic, and similar measures were imposed by most large economies from Mid-March. Worldwide, governments-imposed confinements, quarantines, travel restrictions, social distancing measures and more generally the closure of activities deemed non-essential to try and alleviate the severe strain experienced by local, national and supra-national medical institutions. This led to massive disruptions to the global economic output, notably manufacturing, trade and supply chains, which resulted in both lower economic activity and lower estimates of future economic growth. From May onwards, as the virus contagion started to show signs of abatement, governments started to ease the restrictions to alleviate the negative impacts on the economy.

However, the pace of the contamination accelerated during the third quarter, with the number of daily new cases reaching very high levels, mostly in Europe and in the United States. This situation has proven to be long-lasting, leading governments to strengthen again the sanitary measures after the relative easing during the summer. Although these measures were less stringent than in March, they weighed further on the economic environment. At the end of 2020, most of these restrictions were still in place and outlooks remain uncertain despite vaccines being rolled out to the population of many countries from the end of 2020.

CATLIN (NORTH AMERICAN) HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

16. COVID-19 OUTBREAK (CONTINUED)

In this highly uncertain context, the AXA Group, the AXA XL division and the Company continue to closely monitor the pandemic and its exposures, including (i) the operational impact on its business, and (ii) the consequence of the deterioration in macroeconomic conditions, or of a slowdown in the flow of people, goods and services.