

CONDENSED BALANCE SHEET

Augmented Re Ltd.

As at **December 31, 2023**

expressed in ['000s] **United States Dollars**

LINE No.		2023	2022
1.	CASH AND CASH EQUIVALENTS	58,509	28,426
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	-	-
3.	UNQUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other unquoted investments		
(f)	Total unquoted investments	-	-
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a)	Unregulated entities that conduct ancillary services		
(b)	Unregulated non-financial operating entities		
(c)	Unregulated financial operating entities		
(d)	Regulated non-insurance financial operating entities		
(e)	Regulated insurance financial operating entities		
(f)	Total investments in affiliates	-	-
(g)	Advances to affiliates		
(h)	Total investments in and advances to affiliates	-	-
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens		
(b)	Other than first liens		
(c)	Total investments in mortgage loans on real estate	-	-
6.	POLICY LOANS		
7.	REAL ESTATE:		
(a)	Occupied by the company (less encumbrances)		
(b)	Other properties (less encumbrances)		
(c)	Total real estate	-	-
8.	COLLATERAL LOANS		
9.	INVESTMENT INCOME DUE AND ACCRUED		
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	6,654	5,392
(b)	Deferred - not yet due	2,413	
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	9,067	5,392
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates		
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	-	-
12.	FUNDS HELD BY CEDING REINSURERS		
13.	SUNDRY ASSETS:		
(a)	Derivative instruments		
(b)	Segregated accounts companies - long-term business - variable annuities		
(c)	Segregated accounts companies - long-term business - other		
(d)	Segregated accounts companies - general business		
(e)	Deposit assets	-	
(f)	Deferred acquisition costs	232	205
(g)	Net receivables for investments sold		
(h)	Prepayments	9	

(i)	Other Sundry Assets (Specify)		
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	241	205
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	67,817	34,023
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	6,308	4,188
(b)	Less: Ceded unearned premium reserve		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other insurers		
(c)	Total ceded unearned premium reserve	-	-
(d)	Net unearned premium reserve	6,308	4,188
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	5,431	2,070
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other reinsurers		
(c)	Total reinsurance recoverable balance	-	-
(d)	Net loss and loss expense provisions	5,431	2,070
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	11,739	6,258
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVE FOR REPORTED CLAIMS		
21.	RESERVE FOR UNREPORTED CLAIMS		
22.	POLICY RESERVES - LIFE		
23.	POLICY RESERVES - ACCIDENT AND HEALTH		
24.	POLICYHOLDERS' FUNDS ON DEPOSIT		
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign Affiliates		
	(ii) Domestic Affiliates		
	(iii) Pools and Associations		
	(iv) All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE		
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	368	350
30.	LOANS AND NOTES PAYABLE		
31.	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES	25,495	1,569
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	123	70
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments		
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)			
(f)	Other sundry liabilities (specify)		

(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	-	-
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	25,986	1,989
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	37,725	8,247
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	30,092	25,776
41.	TOTAL	67,817	34,023
		TRUE	TRUE
		-	-

CONDENSED STATEMENT OF INCOME

Augmented Re Ltd.

For the period January 2023 to December 31 2023
expressed in [000s] United States Dollars

LINE No.		2023	2022
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written		
	(b) Assumed gross premiums written	10,022	7,306
	(c) Total gross premiums written	10,022	7,306
2.	REINSURANCE PREMIUMS CEDED		
3.	NET PREMIUMS WRITTEN	10,022	7,306
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS	(2,164)	(4,188)
5.	NET PREMIUMS EARNED	7,858	3,118
6.	OTHER INSURANCE INCOME	-	
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	7,858	3,118
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	3,397	2,070
9.	COMMISSIONS AND BROKERAGE	375	145
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	3,772	2,215
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	4,086	903
	LONG-TERM BUSINESS INCOME		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED		
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17.	CLAIMS - LIFE		
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS		
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	-	-

29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	<u>4,086</u>	<u>903</u>
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	207	127
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	<u>207</u>	<u>127</u>
31.	COMBINED INVESTMENT INCOME - NET	437	
32.	COMBINED OTHER INCOME (DEDUCTIONS)		
33.	COMBINED INCOME BEFORE TAXES	<u>4,316</u>	<u>776</u>
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	4,316	776
36.	COMBINED REALIZED GAINS (LOSSES)		
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	<u>4,316</u>	<u>776</u>

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CONDENSED STATEMENT OF CAPITAL AND SURPLUS

Augmented Re Ltd.

As at **December 31, 2023**
expressed in [000s] **United States Dollars**

LINE No.		2023	2022
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares		
	authorized	120,000	
	value	\$ 1,000	
	fully paid		
		shares of par	each issued and
		shares	shares
	(ii)		
	(A) Preferred shares:		
	authorized		
	value		
	fully paid		
		shares of par	each issued and
		shares	shares
	aggregate liquidation value for —		
	2023		
	2022		
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
		shares of par	each issued and
		shares	shares
	aggregate liquidation value for —		
	2023		
	2022		
	(iii) Treasury Shares		
	repurchased		
	value		
		shares of par	each issued
		shares	shares
(b)	Contributed surplus	24,880	24,880
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	25,000	25,000
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	776	-
(b)	Add: Income for the year	4,316	776
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	5,092	776
3.	MINORITY INTEREST		
4.	TOTAL CAPITAL AND SURPLUS	30,092	25,776



Independent auditor's report

To the Board of Directors of Augmented Re Ltd.

Our opinion

In our opinion, the condensed financial statements of Augmented Re Ltd. (the Company) are prepared, in all material respects, in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the 'Legislation').

What we have audited

The Company's condensed financial statements comprise:

- the condensed balance sheet as at December 31, 2023;
- the condensed statement of income for the year then ended;
- the condensed statement of capital and surplus as at December 31, 2023; and
- the notes to the condensed financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the condensed 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 are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the condensed financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Emphasis of matter – basis of accounting

Without modifying our opinion, we note that the condensed financial statements have been prepared in accordance with the financial reporting provisions of the Legislation. The accounting policies used and the disclosures made are not intended to, and do not, comply with all of the requirements of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts".



Responsibilities of management for the condensed financial statements

Management is responsible for the preparation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation, and for such internal control as management determines is necessary to enable the preparation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the condensed financial statements

Our objectives are to obtain reasonable assurance about whether the condensed financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 condensed financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Hamilton, Bermuda

April 30, 2024

NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS

GENERAL

1. Augmented Re Ltd. (the “Company”) was incorporated on 10th February 2022 and registered effective 19th April 2022 as a Class 3A insurer under the Insurance Act 1978, as amended. The Company is wholly owned by Envelop Bermuda Holdings Ltd. (“EBHL”), a Bermuda limited liability company formed in 2022. The ultimate parent is Envelop Risk Analytics Ltd (UK).
2. The Company provides reinsurance via a quota share contract for cyber risks assumed by MS Amlin AG (Bermuda branch). The Company’s affiliate, Envelop Risk (Bermuda) Ltd., acts as insurance agent for the cyber risks assumed by the cedant. The Company also provides reinsurance, via a quota share contract with Apollo No.15 Ltd, on business written in Lloyd’s by Apollo Syndicate 1971.
3. The Company’s condensed general purpose financial statements have been prepared in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the “Legislation”). The condensed general-purpose financial statements are based upon the Financial Reporting Standard applicable in the UK and the Republic of Ireland (“FRS 102”) and Insurance Contracts (“FRS 103”) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from FRS 102 and FRS 103. The more significant variances are as follows:
 - A statement of cash flows is not included;
 - A statement of comprehensive income is not included;
 - The presentation and classification of financial statement line items is in accordance with Schedules IX and XI of the Insurance Account Rules 2016 and differ from the expected presentation and classification under FRS 102 and FRS 103; and
 - The notes included in the condensed general-purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Rules 2016 and exclude certain information required under FRS 102 and FRS 103.
4. Significant accounting policies

The preparation of financial statements requires management to make estimates and assumptions that affect the amount of reported assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates reflected in the Company’s financial statements include, but are not limited to, net loss and loss expense provisions.

(a) *Premiums and related acquisition costs*

Premiums written are recorded at the inception of the policy. Premiums are estimated based on information received from brokers, ceding companies and reinsured parties, and any subsequent differences arising on such estimates are recorded in the periods in which they are determined.

For losses occurring reinsurance contracts, the earnings period is generally the same as the term of the related contract or policy. For reinsurance contracts written on a risks attaching basis, the earnings period is based on the terms of the underlying contracts and policies and is generally 24

months. The portion of the premiums written applicable to the unexpired terms of the underlying contracts and policies in force is recorded as unearned premiums.

Insurance and reinsurance premiums are recorded on the accruals basis and are included in income on a pro-rata basis over the terms of the underlying contracts assumed, with the unearned portion deferred in the balance sheet. Unearned premiums represent the amounts of premiums applicable to the unexpired terms of the underlying contracts.

Acquisition costs incurred as part of securing premiums via reinsurance agreements are incurred upfront but deferred over the life of the related policy under the same method in which the related premium is earned.

(b) *Incurred but not reported reserves, outstanding loss reserves and loss expenses*

Losses and loss expenses paid are recorded when advised by the ceding insurance companies. Outstanding loss estimates comprise the amount of reported losses and loss expenses received from cedants plus a provision for losses incurred but not yet reported (“IBNR”).

IBNR reserves are estimated by management using various actuarial methods, output from various industry loss models, industry loss experience, underwriters’ experience, general market trends and management’s judgement.

These estimates are continually reviewed and are subject to the impact of future changes in such factors as claim severity and frequency. While management believes that the amount is adequate, the ultimate liability may be materially in excess of, or less than, the amounts provided and any adjustment will be reflected in the periods in which they become known.

(c) *Cash and Cash Equivalents*

Cash and cash equivalents include cash on deposits with banks and restricted cash held by Lloyd’s of London pursuant to reinsurance agreements.

(d) *Income Taxes*

The Bermuda Corporate Income Tax Act (Bermuda CIT Act) was enacted on December 27, 2023 and is effective in 2025 for Bermuda businesses that are part of multinational groups with annual revenue exceeding Euro 750 million. The Company has determined that it does not fall within the scope of the Bermuda CIT Act.

5. The basis for recognition of premium income is as noted in 4(a) above. Commission income is recorded on the accruals basis and included in income on a pro-rated basis over the period in which the related premiums are earned.

6. The Company's functional currency has been determined to be in USD. Foreign currency monetary items are subsequently translated in the functional currency at the exchange rate applicable at the end of the reporting period. Non-monetary items are carried at the historic rate and non-monetary items measured at fair value are translated at the rate of the date when the fair value is re-measured.

7-14. Not Applicable

15. Related Party Transactions

During the period, an affiliate company, Envelop Risk (Bermuda) Ltd., settled some legal, professional and regulatory fees on behalf of the Company, totaling USD 88k. Envelop Risk (Bermuda) Ltd also transferred USD 7,200k to the Company for use as held funds to engage in reinsurance activities in 2024.

In addition, during the period the ultimate holding company, Envelop Risk Analytics Ltd (UK), transferred USD 16,581k to the Company for use as held funds to engage in reinsurance activities in 2024. During the period, Envelop Risk Analytics Ltd (UK) also settled some legal and professional fees on behalf of the Company totaling USD 88k, and the Company paid professional fees on behalf of Envelop Risk Analytics Ltd (UK) of USD 32k. These transactions appear as amounts due to affiliates in the condensed balance sheet as a total of USD 25,495k.

The premium assumed from MS Amlin under the quota share arrangement are assumed by MS Amlin via the Company's affiliate Envelop Risk (Bermuda) Ltd. who acts as insurance agent for MS Amlin.

16. Not applicable

17. Not applicable

PART II - Notes to the Statement of Capital and Surplus

- 1 (a). Common stock, authorized, issued and fully paid – 120,000 shares of par value \$1 each.
- 1 (b). Contributed surplus represents amounts contributed by its parent company, Envelop Bermuda Holdings Ltd in cash in addition to their subscription to issued share capital.
- 2 (c). In 2023, the Company declared and paid \$ nil in dividends.

Part III - Notes to the Balance Sheet

1. Cash – Encumbered cash is as follows: (i) \$30,319k is held in a bank account and facilitates the Company's reinsurance business with MS Amlin AG (Bermuda branch), (ii) \$21,398k is on deposit with Lloyd's of London pursuant to reinsurance agreements.

2 - 9 N/A

10. Premiums Receivables arising from the reinsurance agreement in the amount of \$6,654k are due from MS Amlin, the reinsured. Premium Receivables arising from the reinsurance agreement in the amount of \$2,413k are due from Apollo No.15 Ltd, the reinsured. The amount of premium receivables recorded in 10b are settled on tri-annual basis in accordance with the reinsurance agreement.

11-12 N/A

13. Deferred acquisition costs in the amount of \$232k represent acquisition costs incurred upfront in acquiring reinsurance business and subsequently deferred on a similar basis to which the related premium are earned, over the policy period of the reinsurance agreement.

14. N/A

17. Loss and Loss Expense Provisions:

General Business:	2023	2022
	\$000	\$000
Gross Loss and Loss Expense Provisions at 1 st January 2023	2,070	-
Net losses incurred and net loss expenses incurred related to:		
Current year	2,223	2,070
Prior years	<u>1,179</u>	<u>-</u>
Total net incurred losses & loss expenses	3,402	2,070
Net losses incurred and net loss expenses paid or payable related to:		
Current year	-1	-
Prior years	<u>-40</u>	<u>-</u>
Total losses & loss expenses paid or payable	-41	-
Foreign exchange and other	-	-
Net loss and loss expense provisions at end of year	5,431	2,070
Add: Reinsurance recoverable at end of year	-	-
Gross Loss and Loss Expense Provisions at 31 st December 2023	5,431	2,070

The movement in loss reserves related to prior years relates to the loss ratio applied to additional premiums that have been recognized in the current year related to the prior year contract.

20-28 N/A

29. Commissions and expenses payable of \$368k is comprised of a 3.50% overriding commission allowed to the Reinsured in relation to the MS Amlin portfolio and administrative costs on the Apollo book.

30-31 N/A

32 Amounts due to affiliates are outstanding at the period end and attract no interest or penalties beyond this date. There are no collateral requirements for debt incurred and owing to affiliates.

33. Accounts Payable represent fees payable to the Company's insurance manager and principal representative, Artex Risk Solutions (Bermuda), Limited for services relating to incorporation and ongoing facilitation of the company's operations.

34-37 N/A

Part IV - Notes to the Statement of Income

6. N/A

15. N/A

32. NA

36. NA