

**Utmost Bermuda Limited**  
**Condensed Financial Statements**  
**Financial Year Ended 31 DECEMBER 2023**



## Independent auditor's report

To the Board of Directors of Utmost Bermuda Limited

### Our opinion

In our opinion, the condensed financial statements of Utmost Bermuda Limited (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.

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### 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.

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### 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 Republic of Ireland" and FRS 103 "Insurance Contracts."



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## **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.

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## **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.

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*PricewaterhouseCoopers Ltd.*

**Chartered Professional Accountants**

Hamilton, Bermuda

April 29, 2024

# Utmost Bermuda Limited

## CONDENSED BALANCE SHEET

Utmost Bermuda Limited

As at **December 31, 2023**

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

LINE No.		2023	2022 (Restated)
1	CASH AND CASH EQUIVALENTS	1,709	2,137
2	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity	-	-
	ii. Other	6,180	5,877
(b)	Total Bonds and Debentures	6,180	5,877
(c)	Equities		
	i. Common stocks	-	-
	ii. Preferred stocks	-	-
	iii. Mutual funds	-	-
(d)	Total equities	-	-
(e)	Other quoted investments	-	-
(f)	Total quoted investments	6,180	5,877
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	29	21
10	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	91	66
(b)	Deferred - not yet due	-	-
(c)	Receivables from retrocessional contracts	-	-
(d)	Total accounts and premiums receivable	91	66
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	386,951	342,843
(d)	Segregated accounts companies - general business	-	-
(e)	Deposit assets	-	-
(f)	Deferred acquisition costs	-	-
(g)	Net receivables for investments sold	-	-
(h)	Other Sundry Assets- Prepayments	23	23
(i)	Other Sundry Assets (Specify)	-	-
(j)	Other Sundry Assets (Specify)	-	-
(k)	Total sundry assets	386,974	342,866

# Utmost Bermuda Limited

## CONDENSED BALANCE SHEET

Utmost Bermuda Limited

As at **December 31, 2023**

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

LINE No.		2023	2022 (Restated)
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	394,983	350,967
<b>TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS</b>			
16	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	-	-
(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	-	-
17	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	-	-
(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	-	-
18	OTHER GENERAL BUSINESS INSURANCE RESERVES	-	-
19	TOTAL GENERAL BUSINESS INSURANCE RESERVES	-	-
<b>LONG-TERM BUSINESS INSURANCE RESERVES</b>			
20	RESERVE FOR REPORTED CLAIMS	-	-
21	RESERVE FOR UNREPORTED CLAIMS	-	-
22	POLICY RESERVES - LIFE	5,418	5,176
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	5,418	5,176
(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)	<b>Total Net Long-Term Business Insurance Reserves</b>	<b>5,418</b>	<b>5,176</b>
<b>OTHER LIABILITIES</b>			
28	INSURANCE AND REINSURANCE BALANCES PAYABLE	-	-
29	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	-	-
30	LOANS AND NOTES PAYABLE	-	-
31	(a) INCOME TAXES PAYABLE	-	-
	(b) DEFERRED INCOME TAXES	-	-
32	AMOUNTS DUE TO AFFILIATES	5	5
33	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	177	96
34	FUNDS HELD UNDER REINSURANCE CONTRACTS:	-	-
35	DIVIDENDS PAYABLE	-	-

<b>CONDENSED BALANCE SHEET</b>			
Utmost Bermuda Limited			
As at		<b>December 31, 2023</b>	
expressed in ['000s]		<b>United States Dollars</b>	
<b>LINE No.</b>		<b>2023</b>	<b>2022 (Restated)</b>
36	SUNDRY LIABILITIES:		
(a)	Derivative instruments	-	-
(b)	Segregated accounts companies	386,951	342,843
(c)	Deposit liabilities	-	-
(d)	Net payable for investments purchased	-	-
(e)	Other sundry liabilities (specify)	-	-
(f)	Other sundry liabilities (specify)	-	-
(g)	Other sundry liabilities (specify)	-	-
(h)	Total sundry liabilities	386,951	342,843
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	387,133	342,944
39	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	392,551	348,120
	<b>CAPITAL AND SURPLUS</b>		
40	TOTAL CAPITAL AND SURPLUS	2,432	2,847
41	TOTAL	394,983	350,967

# Utmost Bermuda Limited

## CONDENSED STATEMENT OF INCOME

Utmost Bermuda Limited

As at **December 31, 2023**

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

LINE No.		2023	2022 (Restated)
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
1	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	-	-
	(b) Assumed gross premiums written	-	-
	(c) Total gross premiums written	-	-
2	REINSURANCE PREMIUMS CEDED	-	-
3	NET PREMIUMS WRITTEN	-	-
4	INCREASE (DECREASE) IN UNEARNED PREMIUMS	-	-
5	NET PREMIUMS EARNED	-	-
6	OTHER INSURANCE INCOME	-	-
7	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	-	-
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	-	-
9	COMMISSIONS AND BROKERAGE	-	-
10	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	-	-
11	<b>NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS</b>	-	-
	<b>LONG-TERM BUSINESS INCOME</b>		
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	(17)	(14)
14	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life	(17)	(14)
	(b) Annuities	-	-
	(c) Accident and health	-	-
	(d) Total net premiums and other considerations	(17)	(14)
15	OTHER INSURANCE INCOME	-	-
16	TOTAL LONG-TERM BUSINESS INCOME	(17)	(14)
	<b>LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES</b>		
17	CLAIMS - LIFE	-	-
18	POLICYHOLDERS' DIVIDENDS	-	-
19	SURRENDERS	20	21
20	MATURITIES	-	-
21	ANNUITIES	-	-
22	ACCIDENT AND HEALTH BENEFITS	-	-
23	COMMISSIONS	-	-
24	OTHER- POLICY CHARGES	(297)	(337)
25	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	(277)	(316)
26	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life	212	52
	(b) Annuities	-	-
	(c) Accident and health	-	-
	(d) Total increase (decrease) in policy reserves	212	52
27	TOTAL LONG-TERM BUSINESS EXPENSES	(65)	(264)
28	<b>NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS</b>	48	250
29	<b>COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS</b>	48	250



**CONDENSED STATEMENT OF INCOME**

Utmost Bermuda Limited

As at **December 31, 2023**

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

LINE No.		2023	2022 (Restated)
	<b>UNDERNOTED ITEMS</b>		
30	COMBINED OPERATING EXPENSE		
	(a) General and administration	908	444
	(b) Personnel cost	-	-
	(c) Other	-	-
	(d) Total combined operating expenses	908	444
31	COMBINED INVESTMENT INCOME - NET	353	113
32	COMBINED OTHER INCOME (DEDUCTIONS)	95	30
33	COMBINED INCOME BEFORE TAXES	(412)	(51)
34	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	-	-
	(b) Deferred	-	-
	(c) Total	-	-
35	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(412)	(51)
36	COMBINED REALIZED GAINS (LOSSES)	(3)	(17)
37	COMBINED INTEREST CHARGES	-	-
38	NET INCOME	(415)	(68)

# Utmost Bermuda Limited

## CONDENSED STATEMENT OF CAPITAL AND SURPLUS

Utmost Bermuda Limited

As at December 31, 2023

expressed in United States Dollars

LINE No.		2023	2022 (Restated)
<b>1</b>	<b>CAPITAL:</b>		
(a)	Capital Stock		
	(i) Common Shares		
	authorized	500	500
	value	\$ 1,000	
	fully paid	500,000	
		shares of par	
		each issued and	
		shares	
	(ii)		
	(A) Preferred shares:		
	authorized	-	-
	value		
	fully paid		
	aggregate liquidation value for –		
	2023		
	2022 (Restated)		
	(B) Preferred shares issued by a subsidiary:		
	authorized	-	-
	value		
	fully paid		
	aggregate liquidation value for –		
	2023		
	2022 (Restated)		
	(iii) Treasury Shares		
	repurchased	-	-
	value		
		shares of par	
		each issued	
(b)	Contributed surplus	2,873	2,873
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	-	-
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	3,373	3,373
<b>2</b>	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	(526)	(458)
(b)	Add: Income for the year	(415)	(68)
(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	(941)	(526)
<b>3</b>	<b>MINORITY INTEREST</b>	-	-
<b>4</b>	<b>TOTAL CAPITAL AND SURPLUS</b>	2,432	2,847

## General notes to the Condensed Financial Statements

1. Utmost Bermuda Limited ("the Company") is a wholly-owned subsidiary of Utmost PanEurope Designated Activity Company, which is incorporated in Ireland. Utmost PanEurope dac, is an indirect subsidiary of Utmost Group plc. The ultimate parent company which, maintains a majority controlling interest in the group is recognised by the directors as OCM Utmost Holdings Limited, a Cayman incorporated entity.

On the 31<sup>st</sup> October 2019 the ownership was transferred from HLI Danube DAC another Utmost Ireland Group entity. Until November 30, 2016, the Company was a wholly-owned subsidiary of The One Life Holding Sàrl (formerly NPG Wealth Management Sàrl.), which is incorporated in Luxembourg. The name of the Company was changed from Altraplan Bermuda Limited on August 31, 2018. Neither the activities of the Company nor the structure was changed upon the change of Company name.

Pursuant to the Company's registration as a segregated accounts company under the Segregated Accounts Companies Act 2000 ("SAC Act"), the general assets of the Company are not available to satisfy liabilities arising from the activities of the segregated policyholder accounts. The segregated assets and liabilities are legally segregated from the general shareholder assets and liabilities of the Company (the "Shareholder Account") and general creditors.

The Company provides both segregated policyholder accounts (the "Policyholders Accounts"), and insurance solutions to its clients.

2. The Company's principal activity was that of promoting and issuing investment orientated life assurance products known as long term insurance business as defined by the Insurance Act 1978 and Related Regulations of Bermuda. Effective September 20, 2011, the Bermuda Monetary Authority has imposed a condition into the Company's registration that no new contracts of insurance and reinsurance can be effected without their prior approval. As of December 31, 2023, gross premiums written amounted to \$0k (2022: \$1k) as a result of premium top-ups from existing segregated policyholders. These transactions are not new contracts of insurance and thus, do not violate said condition. As the premiums relate to segregated policies the premiums are not reflected on the income statement in line with segregated accounting principles.
3. From January 1, 2023, the condensed general purpose financial statements have been prepared in compliance with United Kingdom & Republic of Ireland Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland', FRS 103 'Insurance Contracts'. This is the first year in which the financial statements have been prepared under FRS 102. 2022 balances are restated to FRS102, however there was no impact to the amounts reported in the prior year. The accounts are prepared in accordance with the reporting requirements of the Legislation, which varies in certain respects from FRS102. 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 FRS102; 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 FRS102.

The 2023 accounts and the 2022 comparatives are prepared on a full segregated accounting basis.

## General notes to the Condensed Financial Statements contd

4. The significant accounting policies of the Company are as set out below:

### **SAC Accounting Policy**

The Company accounts for policyholder assets using segregated accounting, no transactions relating to these accounts are reflected in the Condensed Statement of Income and all the assets related to these policies are included on the Condensed Balance Sheet in line 13(b) and the related liabilities are included on line 36(b). Segregated assets or liabilities have no recourse to the assets of the Company.

### **Investment Income**

Investment income includes amounts received and accrued in respect of interest payable to the Company on cash and cash equivalents. Investment management and custody fees are charged against net investment income reported in the Condensed Statement of Income.

### **Claims**

Claims are accounted for upon receipt of notification of the claim. Any amounts recoverable from the reinsurers are recorded in a manner consistent with the underlying liabilities.

### **Reinsurance**

The Company enters reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards business being reinsured.

### **Cash and cash equivalents**

Cash and cash equivalents include money market accounts and highly liquid short term deposits and securities with maturities of 90 days or less at the time of purchase.

### **Investments**

The company has applied the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement

Fixed interest securities, quoted unit-linked investments are stated at bid value at the close of business on the balance sheet date or bid values closest to the balance sheet date. Unquoted unit-linked investments are stated at cost, or at estimated market value or net asset value if these are available. The difference between unrealized gains or losses at the beginning and at the end of the year is debited or credited to the condensed statement of capital and surplus.

The unquoted unit-linked investments are purchased upon the direction of the segregated account policyholders, with the policyholder bearing all of the risk of any changes in valuation of the quoted and unquoted investments underlying the segregated account asset reflected on the Condensed Balance Sheet.

Unquoted unit-linked investments are carried at cost or at the estimated market value or net asset value (where available). The potential lack of information available to value these investments requires management to exercise judgment when determining the carrying value recorded in the Condensed Balance Sheet. To the extent that the value of these assets is greater than or less than the amount recorded in the financial statements, there would be an equal adjustment to the segregated account liability to the policyholder.

**General notes to the Condensed Financial Statements contd**

**Sundry assets and liabilities**

As described in Note 1, in accordance with the Company's incorporation under the SAC Act, assets and liabilities of certain policies are legally segregated. As of December 31, 2023 and 2022, the following assets and liabilities are segregated from the general assets and liabilities of the Company.

	<b>For the year ended December 31, 2023 \$'000'</b>	<b>For the year ended December 31, 2022 (Restated) \$'000'</b>
<u>Segregated assets</u>		
Policyholder invested assets	383,606	338,696
Cash	3,345	4,147
	<u>386,951</u>	<u>342,843</u>
<u>Segregated liabilities</u>		
Policyholder technical provisions	386,406	341,014
Creditors	545	1,829
	<u>386,951</u>	<u>342,843</u>

For the year ended December 31, 2023 and 2022, the segregated accounts recorded the following transactions:

	<b>For the year ended December 31, 2023 \$'000'</b>	<b>For the year ended December 31, 2022 (Restated) \$'000'</b>
Premiums	-	1
Claims	(26,833)	(42,216)
Investment returns/(losses)	74,535	(118,328)
Other income	392	657
Fees and charges	(303)	(369)
Change in Surrenders Payable	(1,012)	(802)
Change in Creditors	(274)	(53)
FX Impacts	(2,397)	(11,498)
Change in Segregated Assets	<u>44,108</u>	<u>(172,608)</u>
Balance 31 December 2022	342,843	
Balance 31 December 2023	<u>386,951</u>	
Movement	<u>44,108</u>	

**Policy reserves**

For unit-linked business (i.e. where the policyholder bears the investment risk) the liability is calculated as the sum of the value of the units allocated to each policy. These are included as part of the segregated liabilities balance.

**Other income**

Other insurance income includes mainly retrocession and management fees.

**General notes to the Condensed Financial Statements contd**

5. The basis for investment income is set out in note 4 above. The Company does not have any premium income or commission income.
6. Assets and liabilities denominated in foreign currencies are translated into USD at the exchange rates in effect at the balance sheet date. Income and charges denominated in foreign currencies are converted into USD at the exchange rate prevailing at the transaction date. Gains and losses arising from foreign exchange translations are recognised in the Condensed Statement of Income, unless related to the segregated accounts.
7. There are no foreign exchange control restrictions affecting the assets of the Company.
8. There are no material contingencies or commitments at the balance sheet date.
9. The Company did not issue any securities or enter any credit agreements during the financial year.
10. The Company does not have any preferred cumulative shares.
11. There was no loan made by the Company to any director or officer of the Company outside the ordinary course of business during the financial year.
12. The Company has no employees.
13. Fair value amounts for all quoted and unquoted investments are as follows:

		<b>December 31, 2023 \$'000'</b>	<b>December 31, 2022 (Restated) \$'000'</b>
<b>Quoted investments:</b>			
2(a) ii.	Bonds - other	6,180	5,877
13 (c)	Sundry assets-Segregated accounts companies long-term business	362,065	326,247
	<b>Total</b>	<b>368,245</b>	<b>332,124</b>
 <b>Unquoted investments:</b>			
13 (c)	Sundry assets-Segregated accounts companies long-term business	24,886	16,596
	<b>Total</b>	<b>24,886</b>	<b>16,596</b>

General notes to the Condensed Financial Statements contd

	December 31, 2023	Fair Value hierarchy of investments:			
		Total \$'000'	Level 1 \$'000'	Level 2 \$'000'	Level 3 \$'000'
2(a) ii.	Bonds - other	6,180	6,180	-	-
13 (c)	Sundry assets - Segregated accounts companies - long-term business	386,951	362,065	-	24,886

	December 31, 2022 (Restated)	Fair value hierarchy of investments:			
		Total \$'000'	Level 1 \$'000'	Level 2 \$'000'	Level 3 \$'000'
2(a) ii.	Bonds - other	5,877	5,877	-	-
2(c) i.	Equities - common stocks	-	-	-	-
13(c)	Sundry assets - Segregated accounts companies - long-term business	342,843	326,247	-	16,596

14. The contractual maturity profile of the Company's fixed maturity and short-term investments are noted below.

	December 31, 2023 \$'000'	December 31, 2022 (Restated) \$'000'
<b>Fixed income securities</b>		
Due within than one year	6,180	5,877
Total	6,180	5,877

15. The Company is a wholly-owned subsidiary of Utmost Pan Europe dac. As at 31 December 2023 the Company owed Utmost Services Ireland Limited \$Nil (2022: Nil) in respect of services provided under the Management Services Agreement (MSA). Utmost Services Ireland Limited provide the staff to administer the Utmost Bermuda Limited policies. Policy administration, investment accounting, computer services and support staff are received from Utmost Administration Limited Isle of Man. As at 31 December 2023, \$5k was owing (2022 \$5k). These creditor balances are included under amounts due to affiliate's line 32 of the condensed balance sheet.

16. There have been no transactions or events occurring outside the ordinary course of business between December 31, 2023 and the date of approval of the condensed financial statements by the Board of Directors which would materially affect the condensed financial statements.

17. 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 falls within the scope of the Bermuda CIT Act but has not recorded any Bermuda CIT related deferred tax assets (DTA) as at December 31, 2023 since those DTAs would be expected to carry a full valuation allowance as a result of the absence of expected future taxable income.

## General notes to the Condensed Financial Statements contd

### Matters to be set forth in Notes to the Condensed Statement of Capital and Surplus

- 1(a) Authorized, issued and fully paid 500,000 (2022 500,000) common shares at par value US\$1 each.
- 1(b) The Company has contributed surplus amounting to \$2,873k (2022: \$2,873k). There was no change to Contributed Surplus during the year.
- 2(c) The Company did not pay dividends in 2023 (2022: \$nil) to the shareholder on record.

### Matters to be set forth in Notes to the Condensed Balance Sheet

1. There are no encumbrances on cash or cash equivalents. Cash and cash equivalents at 31 December 2023 amounted to \$1,709k (2022: \$2,137k).
2. Transferable securities admitted to an official stock exchange listing or traded on another regulated market are valued on the basis of the last available market price. If such securities are listed on several markets, the last known price on the principal market is applied. There are no encumbrances on quoted investments.
3. Transferable securities not admitted to an official stock exchange listing or not traded on another regulated market, and transferable securities admitted to an official stock exchange listing or traded on another regulated market, but for which the last available price is not representative, are valued on the basis of their reasonably foreseeable price determined based on available information provided by the custodian banks, other price providers or in the financial statements of these investments. Unquoted unit-linked investments are stated at cost, or at estimated market value or net asset value if these are available.

The unquoted unit-linked investments are purchased upon the direction of the segregated account policy holder, with the policyholder bearing all of the risk of any changes in valuation of the quoted and unquoted investments underlying the segregated account asset reflected on the Condensed Balance Sheet. Unquoted unit-linked investments are carried at cost or at the estimated market value or net asset value (where available). The potential lack of information available to value these investments requires management to exercise judgment when determining the carrying value recorded in the Condensed Balance Sheet. To the extent that the value of these assets is greater than or less than the amount recorded in the condensed financial statements, there would be an equal adjustment to the segregated account liability to the policyholders.

In situations where information supporting the valuation of the underlying investments is not current or has not been received, following management requests for further information from the policyholder and no further information is available, management may write down the value of the asset (and the corresponding value of the reserve payable included within the segregated account liabilities to the policyholder) and inform the policyholder accordingly. As at December 31, 2023, the company wrote off \$0k (2022 \$0k) of assets having determined that their value was overstated.

4. Not applicable.
5. Not applicable.
6. Not applicable.
7. Not applicable.



**Matters to be set forth in Notes to the Condensed Balance Sheet contd**

8. Not applicable.
9. Accrued income on investments amounted to \$29k (2022: \$21k) at the end of the year. This relates to interest earned on the bond for December 2023, received in January 2024.
10. a) None of the accounts and premium receivable balance was collateralized.  
 b) The Company had \$nil accounts and premium receivable balances with affiliates. Total fees receivable amounted to \$91k (2022: \$66k) at the end of the year.
11. Not applicable.
12. Not applicable.
13. Sundry assets include amounts backing segregated account liabilities. These are assets linked to individual accounts separate from the main company's funding. The current balances are shown below.

	<b>December 31, 2023 \$'000'</b>	<b>December 31, 2022 (Restated) \$'000'</b>
Cash and time deposits	3,345	4,147
Quoted equities	358,720	322,101
Unquoted equities	21,977	13,791
Promissory notes	2,909	2,804
Total	<u>386,951</u>	<u>342,843</u>

14. Not applicable.
15. Not applicable.
16. Not applicable.
17. Not applicable.
18. Not applicable.
19. Not applicable.
20. Not applicable.
21. Not applicable.

**Matters to be set forth in Notes to the Condensed Balance Sheet contd**

22. The following are the assumptions underlying the Expense Reserve:

An expense reserve was determined by forecasting the total income and expenses of the Company. The annual income was projected for a 25-year time horizon, allowing for surrenders and assuming that market values fall by 25% at the valuation date.

Expenses were projected assuming an ongoing fixed expense, together with a variable amount changing with the projected number of in-force policies. The reserve was determined by discounting the projected net income to the valuation date.

The basis used in these calculations was:

Gross future fund growth	2.5%
USD expense inflation	2.5%
EUR expense inflation	2.5%
Discount rate	3.3%

Traditional business consists of term, whole life and endowment assurances and annuity contracts under which premiums and policyholder benefits were fixed at the outset of the contract. The reserves have been determined by projecting forward the income and outgoes of the policy to determine the reserves required to meet any shortfall. The reserve was calculated at a policy level using a cashflow projection with monthly time steps and allowing for mortality and longevity assumptions. A reserve is also held for death benefits above the unit value on unit linked contracts.

The level of the reserves and the underlying calculations have been formally reviewed by the Company's approved actuary.

23. Not applicable.

24. Not applicable.

25. Not applicable.

26. Not applicable.

27. Not applicable.

28. There are no balances payable to the Company's affiliates included in line 28. These are included within line 32.

29. Not applicable.

30. Not applicable.

31. Not applicable.

32. As noted in note 15, these balances are due to Utmost Services Ireland Limited \$Nil (2022: \$Nil) and Utmost Administration Limited Isle of Man \$5k (2022: \$5k).

33. Accounts payable and accrued liabilities total \$177k (2022: \$96k) and includes general expenses payable. No amounts are owed to affiliates.

34. Not applicable.

35. Not applicable.

**Matters to be set forth in Notes to the Condensed Balance Sheet contd**

36. Sundry liabilities include amounts covering segregated accounts companies. These are liabilities linked to individual accounts backed up by segregated assets separate from the main company's funding as shown below.

	<b>December 31, 2023</b>	<b>December 31, 2022 (Restated)</b>
	<b>\$'000'</b>	<b>\$'000'</b>
Policyholder Technical Provisions	386,406	341,014
Surrenders	491	1,786
Creditors	54	43
<b>Total</b>	<b>386,951</b>	<b>342,843</b>

37. Not applicable

**Matters to be set forth in Notes to the Condensed Statement of Income**

6. Not applicable

15. Not applicable

32. Combined other income of \$95k (2022: \$30k). Relates to rebates received/receivable for the year. 2022 the company changed custodians in August 2022, and received rebates from that date.

36. The realized loss is \$3k (2022: (\$17k)). These realized losses incurred during the year.