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To the General Meeting of The 21st Century Toa Reinsurance Company Limited, Zurich Zurich, 23 March 2022

# Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of The 21st Century Toa Reinsurance Company Limited, which comprise the balance sheet, income statement, cashflow statement and notes, for the year ended 31 December 2021.



## Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.





## Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Licensed audit expert (Auditor in charge)

Licensed audit expert

## Enclosures

- Financial statements (balance sheet, income statement, cash flow statement and notes)
- Proposed appropriation of available earnings

Financial Reporting per 31.12.2021

## Contents

- 1. Balance sheet as at December 31, 2021 and 2020
- 2. Income statement
- 3. Cash Flow
- 4. Notes
- 5. Proposal of the Board of Directors' for the appropriation of available earnings

# 1. Balance sheet as of December 31,

(in Swiss Francs)

	Notes	2021	2020
Assets			
Investments	1	470'515'789	360'975'997
Fixed-income securities		308'325'931	273'432'053
Funds		153'718'250	87'543'944
Insurance linked securities		8'471'608	0
Deposits on reinsurance business	16	12'315'982	9'095'356
Cash and cash equivalents	2	115'089'887	179'236'669
Fixed assets	3	204'060	215'778
Reinsurer's share in technical reserves	6	57'199'903	4'990'580
Provision for unearned premiums		1'209'454	559'758
Claims outstanding & IBNR		55'990'449	4'430'822
Deferred acquisition costs		26'470'285	17'042'917
Receivables from insurance business	4	95'230'683	48'945'853
Receivables from outward business	4	10'929'607	457'512
Other Receivables	5	2'335'593	4'457'154
Other Assets		4'468'438	4'967'414
Reinstatement premium reserve		48'018	3'340'253
Accrued interest income		1'425'287	948'109
Prepayments	_	2'995'133	679'052
Total assets	_	794'760'228	630'385'231

# 1. Balance sheet as of December 31,

Liabilities

Technical provisions Provision for unearned premiums Claims outstanding & IBNR Mathematical reserve Annuity reserve	6	409'217'600 104'158'521 298'067'894 6'991'184 -0	218'973'516 68'853'711 150'119'806 0 0
Non-technical provisions		2'011'245	2'811'135
Provisions for taxation	7	1'379'225	1'577'137
Provisions for unrealised gains		632'020	1'233'998
Liabilities from derivative financial instruments		0	836'057
Payables to insurance business	8	11'782'555	5'171'607
Payables from outward business		12'365'815	2'153'953
Deferred acquisition costs		387'374	104'981
Reinstatement premium reserve		164	11'035
Other liabilities		1'138'726	1'127'745
Other payables		358'772	625'882
Accrued expenses		779'954	501'863
Total liabilities	_	436'903'479	231'190'029
Shareholders' equity	9		
Share capital		243'000'000	243'000'000
Legal capital reserves		152'000'000	152'000'000
Organisation Fund		2'000'000	2'000'000
Reserves from capital contribution		150'000'000	150'000'000
Legal retained earnings		38'650'228	38'650'228
Voluntary retained earnings		-75'793'478	-34'455'026
Result carried forward		-34'455'026	-27'525'746
Result for the period	-	-41'338'453	-6'929'280
Total shareholders' equity		357'856'749	399'195'202
Total liabilities and shareholders' equity	-	794'760'228	630'385'231

# 2. Income statement for the year ended December 31,

(in Swiss Francs)

Gross premiums written     24383542     141997742       Outward premiums     -30098147     -7635802       Net premiums written     1338292     30096       Outward change in unearned premium     -39830293     23936436       Outward change in unearned premium     -39830293     23936436       Outward change in unearned premium     -39830293     23936436       Outward change in unearned premium     173293395     1104557599       Total income from insurance business     1757293395     1104557599       Gross change in technical provisions     10     -69101487     -98092571       Outward change in technical provisions     10     -163131629     8813941       Grass change in technical provisions     10     52946150     3446988       Net claims incurred     -179028'056     857972811     -443930774     -258737       Administrative expenses     -298785429     -21264'004     -21264'004     -21264'004       Administrative expenses     -528'220     -302261     -302261       Total depreciation     -96'674     -98'607     -302'261       Other expenses from insurance		Notes	2021	2020
Net premiums written     213'785'396     134'361'940       Gross change in unearmed premium     -39'830'233     -23'936'436       Outward change in unearmed premium     133'222     30'096       Net premiums earned     175'293'395     110'455'599       Total income from insurance business     175'293'395     110'455'599       Gross claims paid     -69'10'1487     -89'09'571       Outward claims paid     -69'10'1487     -89'09'571       Gross change in technical provisions     10     -163'13'1529     8'8'13'941       Gross change in technical provisions     10     -155'70'067     8'8'13'941       Gross change in technical provisions     10     52'94'6'150     3'44'6'988       Outward change in technical provisions     10     52'94'6'150     3'44'6'988       Outward change in technical reserve     -7'30'96'2     0     0       Outward change end claims reserves     -28'785'429     -21'26'094       Administrative expenses     -28'785'429     -21'26'094       Net claims incurred     -28'785'429     -21'26'094       Administrative expenses     -528'220     -302'261	Gross premiums written		243'883'542	141'997'742
Gross change in unearned premium-39/830/293 1338/292-23/936/436 30/986Net premiums earned17/5/293/395110/455/599Total income from insurance business17/5/293/395110/455/599Gross champs paid-69/10/1497-96/092/571Outward change in atoms paid-69/10/1497-8/80/92/57Gross change in technical provisions10-163/131/6298/81/3941Gross change in technical provisions10-163/131/6298/81/3941Change in mathematical reserve-7/380/96200Outward change in technical provisions105/29/461503/446/988Outward change in technical provisions105/29/461503/446/988Outward change in technical provisions105/29/461503/446/988Outward change in technical provisions105/29/461503/446/988Outward change in technical provisions114/30/774-2/56/7837Net claims incurred-3/269/900-2/99/31/98-2/26/7837Acquisition costs-28/785/429-2/12/84/094-2/56/7837Net acquisition costs-3/269/903-2/86/57/33-2/86/57/33Total depreciation-96/674-98/6070/10/17/30/86/40Other investment income124/389/1071/30/86/40Investment income13-379/869-3/26/783Investment income-3/26/93005-1/13/98/800-2/57/837Other investment expenses-3/32/202-2/53/286Net investment income-3/30/89<	Outward premiums		-30'098'147	-7'635'802
Outward change in uneamed premium     1/382/92     30/096       Net premiums earned     1/3/382/92     30/096       Total income from insurance business     1/0/25/599       Total income from insurance business     1/0/25/599       Gross change in technical provisions     10     -163/31/629     8/13/941       Gross change in technical provisions     10     -163/31/629     8/13/941       Gross change in adims reserves     -1/57/50/667     8/13/941       Change in mathematical reserve     -7/38/092     0     0       Outward change in technical provisions     10     5/29/46/150     3/446/988       Outward change in technical provisions     10     5/29/46/150     3/446/988       Outward change in technical provisions     10     5/29/46/150     3/446/988       Outward change in technical provisions     11     3/3007/4     -2/26/7831       Acquisition costs     -2/21/26/1904     -3/26/86/103     -2/26/85/128       Total depreciation     -96/674     -88/607     -2/26/7831       Total depreciation     -5/28/220     -3/02/261     -3/02/261       Investment income	Net premiums written		213'785'396	134'361'940
Net premiums earned175'293'395110'455'599Total income from insurance business175'293'395110'455'599Gress claims paid-69'101'457-98'092'571Outward claims paid258'911-141'169Gross change in technical provisions10-165'370'667Gress change in technical reserve-7380'9620Change in mathematical reserve-7380'9620Outward change in claims reserves00Outward change in claims reserves1052'946'150Outward change in claims reserves28'785'150Outward change in claims reserves-28'785'429Outward change in claims reserves-28'785'429Outward change in claims reserves-28'785'429Acquisition costs-28'785'429Acquisition costs-28'785'429Acquisition cost and administrative expenses-36'986'103Total depreciation-96'674Other expenses from insurance business-528'220Total expenses from insurance business-216'639'053Charle spenses from insurance business-216'639'053Investment income13-37'98'89Income from derivative financial instruments-250'578Expenses from insurance business-32'69'502Other investment expenses-32'60'502Provisions for unrealied gians60'17'9Other investment expenses-60'9502Charle gians and losses-7'52'3Provisions for unrealed gians60'17'9Other investment expenses-60'979'10	Gross change in unearned premium		-39'830'293	-23'936'436
Total income from insurance business175'293'395110'455'599Gross claims paid-69'101'487-98'092'571Outward claims paid28'811-141'169Gross change in technical provisions1010'55'750'667Robert Change in mathematical reserve-7'30'9620O'Litward change in claims reserves00O'Utward change in claims reserves00O'Utward change in claims reserves00O'Utward change in claims reserves10'52'94'150O'Utward change in claims reserves11'9'028'056Net claims incurred-28'765'429Acquisition costs-28'765'429Acquisition costs-28'765'429Personnel expenses11'9'028'056Personnel expenses-32'99'00'Personnel expenses-36'986'103-26'825'129-21'264'094Total depreciation-96'674Other technical expenses-528'220-302'261-302'261Total expenses from insurance business-528'220-302'261-31'198'809Investment income12'4'389'107Investment income13'3'9'107Net investment expenses-31'308'60Other investment income13'3'3'9'88Expenses from derivative financial instruments-250'573Sepenses from derivative financial instruments-3'23'8'0'0'Seyenses from derivative financial instruments-3'33'8'8'Seyenses from derivative related to insurance business-3'3'30'8'6O'Uter tinvestment result	Outward change in unearned premium		1'338'292	30'096
Gross claims paid-69'101'487 258'911-98'092'571 258'911Outward claims paid258'911 258'911-141'169 258'911Gross change in claims reserves10 55'750'6678813'941 258'911Change in annuity reserve-7'380'962 0 0 Change in annuity reserve0 0 00 0 0Outward change in claims reserves52'946'150 3446'988 3446'988 Outward change in claims reserves32'946'150 3446'988 34'46'988 32'946'15034'46'988 34'46'988 32'946'150Administrative expenses-179'028'056 85'972'811-28'78'429 -21'264'094 -21'264'094 -21'86'909 -29'91'98 Personnel expenses-28'78'54'29 -21'264'094 -21'86'909 -29'91'98 -29'91'98 Personnel expenses-28'78'54'29 -21'264'094 -21'86'909 -2'99'198 -2'86'8103-26'825'129 -21'86'094 -2'85'837 -26'825'129Total depreciation-96'674 -98'607-98'607 -30'2'261Other technical expenses-528'220 -302'261-302'261 -302'261Total expenses from insurance business-216'639'053 -113'198'869-113'198'869 -8'12'833 -5'593'565 Expenses from derivative financial instruments -250'578 -3'30'89 -3'30'89 -0 Other investment income Net investment expenses-220'578 -3'23'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'202 -2'53'203 -1'13'8640 Other investment expenses -3'30'89 -0 Other investment expenses -3'30'89 -0 -1'11'80 Provisions for unrealised gains -	Net premiums earned		175'293'395	110'455'599
Outward claims paid     28911     -141169       Gross change in technical provisions     10     -1631317629     8813941       Change in mathematical reserves     -730962     0     0       Outward change in nathematical reserves     -730962     0     0       Outward change in technical provisions     10     52946150     3446988       Outward change in claims reserves     52946150     3446988       Outward change in claims reserves     52946150     3446988       Met claims incurred     -179028065     -28785429     -21264094       Administrative expenses     -3269900     -2993198     Personnel expenses     -3269900     -2993198       Personnel expenses     -31     -4990774     -2567837     -267637       Net acquisition cost and administrative expenses     -367986103     -40763900     -2993198       Personnel expenses     -528220     -302261     -302261       Other technical expenses     -528'220     -302261       Other investment income     12     4'389'107     1398'640       Investment income     13     -3799869     -	Total income from insurance business	-	175'293'395	110'455'599
Outward claims paid     28911     -141169       Gross change in technical provisions     10     -1631317629     8813941       Change in mathematical reserves     -730962     0     0       Outward change in nathematical reserves     -730962     0     0       Outward change in technical provisions     10     52946150     3446988       Outward change in claims reserves     52946150     3446988       Outward change in claims reserves     52946150     3446988       Met claims incurred     -179028065     -28785429     -21264094       Administrative expenses     -3269900     -2993198     Personnel expenses     -3269900     -2993198       Personnel expenses     -31     -4990774     -2567837     -267637       Net acquisition cost and administrative expenses     -367986103     -40763900     -2993198       Personnel expenses     -528220     -302261     -302261       Other technical expenses     -528'220     -302261       Other investment income     12     4'389'107     1398'640       Investment income     13     -3799869     -				
Gross change in technical provisions   10   -163'131629   8'813941     Gross change in claims reserves   -155'750'667   8'813941     Change in multipreserve   0   0     Outward change in technical provisions   10   52'946'150   3'446'988     Outward change in technical provisions   10   52'946'150   3'446'988     Net claims incurred   -17'90'28'056   -85'972'311     Acquisition costs   -28'878'229   -21'264'094     Administrative expenses   -3'26'900   -2'99'198     Personnel expenses   -3'6'986'103   -26'625'129     Total depreciation   -96'674   -96'674     Other expenses from insurance business   -528'220   -302'261     Other expenses from insurance business   -216'639'053   -113'198'809     Investment income   12   4'389'107   1'39'64'64     Investment income   13   -3'79'86'90   -2'5'34'2'83     Expenses from derivative financial instruments   -2'5'5'38'   -5'5'33'5'5'3'5'5'5'     Expenses from derivative financial instruments   -3'3'10'80   0     Other investiment expenses   -3'3'10'8'6'   -3'2'3'2'2'2'5'3'	•			
Gross change in claims reserves-155750'6678813'941Change in mathematical reserve-73009620Outward change in technical provisions1052'946'1503446'988Outward change in claims reserves52'946'1503446'988Met claims incurred-17'9'028'056-85'972'811Acquisition costs-28'785'429-21'264'094Administrative expenses-326'9900-2'993'198Personnel expenses-36'986'103-26'825'129Net acquisition cost and administrative expenses-36'986'103-26'825'129Total depreciation-96'674-98'607Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Investment income124'389'1075'108'346Income from derivative financial instruments037'09'705Other investment income13-3'799'869-6'12'833Expenses from derivative financial instruments-25'0578-5'593'565Expenses from derivative financial instruments-3'30'90'000Other investment expenses-3'30'90'05-2'2'34'268Net investment result589'238-3'101'94'88Exchange gains and losses-3'2'36'13-5'80'877Provisions for unrealised gains0-7'752-7'752Opter financial expenses-40'763'943-5'80'877Direct taxes-5'74'510-1'119'403		10		
Change in mathematical reserve   -7'380'962   0     Change in annuity reserve   0   0     Outward change in technical provisions   10   52'946'150   3'446'988     Net claims incurred   -179'028'056   35'972'811     Acquisition costs   -28'785'429   -21'264'094     Administrative expenses   -3'26'980'0   -2'93'198     Personnel expenses   -3'26'986'103   -26'825'129     Total depreciation   -96'674   -98'607     Other technical expenses   -528'220   -302'261     Other technical expenses   -528'220   -302'261     Other technical expenses   -216'639'053   -113'198'809     Investment income   12   4'389'107   5'108'346     Income from derivative financial instruments   0   3'709'705     Other investment income   12   4'389'107   1'398'640     Investment income   -3'20'783   -2'20'783   -5'293'263     Expenses from derivative financial instruments   -2'20'783   -5'293'563   5'218'283     Other investiment expenses   -3'3'089'00   0   0   0'21'27'833     Expenses		10		
Change in annulty reserve     0     0       Outward change in technical provisions     10     52'946'150     3'446'988       Outward change in claims reserves     52'946'150     3'446'988       Net claims incurred     -179'028'056     -85'972'811       Acquisition costs     -287'85'429     -21'264'094       Administrative expenses     -3'269'900     -2'93'198       Personnel expenses     11     4'930'74     -2'56'783'       Personnel expenses     -36'986'103     -26'825'129       Total depreciation     -96'6'74     -88'607       Other expenses from insurance business     -528'220     -302'261       Total expenses from insurance business     -216'639'053     -113'198'809       Investment income     12     4'389'107     5'108'346       Income from derivative financial instruments     -250'57'8     -553'250       Other investment income     -3'236'202     -253'26'20       Investment expenses     -3'13'98'69     0       Other investment income     -3'236'202     -253'26'20       Investment income     13'37'99'869     -8'127'833 <tr< td=""><td></td><td></td><td></td><td></td></tr<>				
Outward change in technical provisions     10     52'946'150     3'446'988       Net claims incurred     17'9'028'056     3'446'988       Acquisition costs     -28'785'429     -21'264'094       Administrative expenses     3'26'980'00     -2993'198       Personnel expenses     11     4'930'774     -25'67'837       Net acquisition cost and administrative expenses     -3'6'98'103     -26'825'129       Total depreciation     -96'674     -98'607       Other technical expenses     -528'220     -302'261       Other expenses from insurance business     -528'220     -302'261       Investment income     12     4'389'107     5'108'346       Investment income     13     -37'99'869     -8'12''833       Expenses from derivative financial instruments     -25'57'8 -5'593'565     -5'593'565       Other investment expenses     -3'13'089     0     0       Other investment expenses     -3'23'20'20'     -2'5'3'23'       Expenses from derivative financial instruments     -2'5'5'8'     -5'59'5'6'       Expenses from derivative financial instruments     -2'5'6''3'3''     -5'593'565'	-			
Outward change in claims reserves52'946'1503'44'988Net claims incurred-179'028'056-35'972'8'11Acquisition costs-28'785'429-21'264'094Administrative expenses114'930'77-2'967'83'1Personnel expenses114'930'77-2'67'83'1Net acquisition cost and administrative expenses-36'96'103-26'825'129Total depreciation-96'674-98'607Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'106'346Income from derivative financial instruments03709'705Other investment income13-3799'866-8'12'838'Investment expenses13-3799'869-11'1396'640Investment expenses13-3739'8690Other investment expenses-313'08800Other investment expenses-313'08900Other investment expenses-323'6'202-2'53'4'263Net investment expenses-3'23'8'202-2'53'4'263Net investment expenses-7'523-4'7'180Operating result-0'763'943-5'809'877Provisions for unrealised gains601'9790Other financial expenses-7'523-4'7'180Operating result-40'763'943-5'809'877Direct taxes-574'510-1'119'403<	<b>o i</b>	10	-	
Net claims incurred-179'028'056-85'972'811Acquisition costs Administrative expenses-28'785'429-21'264'094Administrative expenses-3'269'900-2'993'198Personnel expenses11-4'930'774-25'67'837Net acquisition cost and administrative expenses11-4'930'774-26'825'129Total depreciation-96'674-98'607Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1071'386'40Investment income13-3'799'869-8'12'7'83Investment income13-3'799'869-8'12'7'83Expenses from derivative financial instruments-250'578-5'53'565Expenses from derivative financial instruments-250'578-5'53'565Expenses from derivative financial instruments-3'236'202-2'54'268Net investment expenses-3'236'202-2'54'268Net investment expenses-3'236'202-2'54'268Exchange gains and losses-609'502-47'180Provisions for unrealised gains60'1'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-40'763'943-5'809'877		10		
Administrative expenses-3'269'900-2'93'198Personnel expenses114'930'774-2'56'783'Net acquisition cost and administrative expenses114'930'774-2'56'783'Net acquisition cost and administrative expenses-36'986'103-26'825'129Total depreciation-96'674-98'607Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'108'346Investment income13-3'799'869-8'12'7833Expenses from derivative financial instruments2-250'578-5'593'565Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-31'30890Other investment expenses-32'36'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Result before taxes-60'763'943-5'809'877Direct taxes-574'510-1'119'403	•			
Administrative expenses-3'269'900-2'93'198Personnel expenses114'930'774-2'56'783'Net acquisition cost and administrative expenses114'930'774-2'56'783'Net acquisition cost and administrative expenses-36'986'103-26'825'129Total depreciation-96'674-98'607Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'108'346Investment income13-3'799'869-8'12'7833Expenses from derivative financial instruments2-250'578-5'593'565Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-31'30890Other investment expenses-32'36'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Result before taxes-60'763'943-5'809'877Direct taxes-574'510-1'119'403	Acquisition costs		28'785'420	21'264'004
Personnel expenses     11     4/930/774     -2567837       Net acquisition cost and administrative expenses     11     4/930/774     -2667837       Net acquisition cost and administrative expenses     -36'986'103     -26'825'129       Total depreciation     -96'674     -98'607       Other expenses from insurance business     -528'220     -302'261       Total expenses from insurance business     -216'639'053     -113'198'809       Investment income     12     4'389'107     5'108'346       Investment income     13     -37'99'869     -8'12'7'833       Expenses from derivative financial instruments     0     3709'705       Other investment expenses     13     -37'99'869     -8'12'7'833       Expenses from derivative financial instruments     250'578     -559'3565       Expenses from derivative related to insurance business     -31'30'89     0       Other investment expenses     -32'8'220     -253'226'20     -253'254'268       Net investment result     589'238     -30'19'488     Exchange gains and losses     -609'502     -47'180       Provisions for unrealised gains     601'1979     0	•			
Net acquisition cost and administrative expenses-36'986'103-26'825'129Total depreciation-96'674-98'607Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'108'346Income from derivative financial instruments03709'705Other investment income4'389'1071'398'640Investment expenses13-3'799'869Expenses from derivative financial instruments-250'578Expenses from derivative related to insurance business-313'089Other investment result589'238Exchange gains and losses-609'502Provisions for unrealised gains601'979Other financial expenses-7'523Other financial expenses-7'523Operating result-40'763'943-5'809'877Direct taxesDirect taxes-574'510	•	11		
Other technical expenses-528'220-302'261Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'108'346Income from derivative financial instruments037709'705Other investment income13-3799'869-81'27'833Expenses from derivative financial instruments-250'578-5593'565Expenses from derivative related to insurance business-313'0890Other investment expenses-313'0890Other investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-40'763'943-5'809'877	•			
Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'108'346Income from derivative financial instruments03'709'705Other investment income13-3'799'869-8'12'7833Investment expenses13-3'799'869-8'12'7833Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-313'0890Other investment expenses-3'236'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-40'763'943-5'809'877	Total depreciation		-96'674	-98'607
Other expenses from insurance business-528'220-302'261Total expenses from insurance business-216'639'053-113'198'809Investment income124'389'1075'108'346Income from derivative financial instruments03'709'705Other investment income13-3'799'869-8'12'7833Investment expenses13-3'799'869-8'12'7833Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-313'0890Other investment expenses-3'236'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-40'763'943-5'809'877	Other technical expenses		-528'220	-302'261
Investment income124'389'1075'108'346Income from derivative financial instruments03709'705Other investment income4'389'1071'398'640Investment expenses13-3'799'869-8'127'833Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-3'13'0890Other investment expenses-3'236'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-40'763'943-5'809'877	•		-528'220	-302'261
Income from derivative financial instruments03'709'705Other investment income4'389'1071'398'640Investment expenses13-3'799'869-8'127'833Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-313'0890Other investment expenses-3'236'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-574'510-1'119'403	Total expenses from insurance business	-	-216'639'053	-113'198'809
Income from derivative financial instruments03'709'705Other investment income4'389'1071'398'640Investment expenses13-3'799'869-8'127'833Expenses from derivative financial instruments-250'578-5'593'565Expenses from derivative related to insurance business-313'0890Other investment expenses-3'236'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-574'510-1'119'403		10	110001407	514001040
Other investment income     4'389'107     1'398'640       Investment expenses     13     -3'799'869     -8'127'833       Expenses from derivative financial instruments     -250'578     -5'593'565       Expenses from derivative related to insurance business     -313'089     0       Other investment expenses     -3'236'202     -2'534'268       Net investment result     589'238     -3'019'488       Exchange gains and losses     -609'502     -47'180       Provisions for unrealised gains     601'979     0       Other financial expenses     -7'523     -47'180       Operating result     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403		12		
Investment expenses   13   -3'799'869   -8'127'833     Expenses from derivative financial instruments   -250'578   -5'593'565     Expenses from derivative related to insurance business   -313'089   0     Other investment expenses   -3'236'202   -2'534'268     Net investment result   589'238   -3'019'488     Exchange gains and losses   -609'502   -47'180     Provisions for unrealised gains   601'979   0     Other financial expenses   -7'523   -47'180     Operating result   -40'763'943   -5'809'877     Direct taxes   -574'510   -1'119'403			-	
Expenses from derivative financial instruments   -250'578   -5'593'565     Expenses from derivative related to insurance business   -313'089   0     Other investment expenses   -3'236'202   -2'534'268     Net investment result   589'238   -3'019'488     Exchange gains and losses   -609'502   -47'180     Provisions for unrealised gains   601'979   0     Other financial expenses   -7'523   -47'180     Operating result   -40'763'943   -5'809'877     Direct taxes   -40'763'943   -5'809'877		10		
Expenses from derivative related to insurance business-313'0890Other investment expenses-3'236'202-2'534'268Net investment result589'238-3'019'488Exchange gains and losses-609'502-47'180Provisions for unrealised gains601'9790Other financial expenses-7'523-47'180Operating result-40'763'943-5'809'877Direct taxes-574'510-1'119'403	•	13	0-010	
Other investment expenses     -3'236'202     -2'534'268       Net investment result     589'238     -3'019'488       Exchange gains and losses     -609'502     -47'180       Provisions for unrealised gains     601'979     0       Other financial expenses     -7'523     -47'180       Operating result     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403				
Net investment result     589'238     -3'019'488       Exchange gains and losses     -609'502     -47'180       Provisions for unrealised gains     601'979     0       Other financial expenses     -7'523     -47'180       Operating result     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403				
Provisions for unrealised gains     601'979     0       Other financial expenses     -7'523     -47'180       Operating result     -40'763'943     -5'809'877       Result before taxes     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403	•			
Provisions for unrealised gains     601'979     0       Other financial expenses     -7'523     -47'180       Operating result     -40'763'943     -5'809'877       Result before taxes     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403	Exchange gains and losses		-609'502	-47'180
Other financial expenses     -7'523     -47'180       Operating result     -40'763'943     -5'809'877       Result before taxes     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403				
Result before taxes     -40'763'943     -5'809'877       Direct taxes     -574'510     -1'119'403	-			
Direct taxes -574'510 -1'119'403	Operating result		-40'763'943	-5'809'877
	Result before taxes		-40'763'943	-5'809'877
Result after taxes     -41'338'453     -6'929'280	Direct taxes		-574'510	-1'119'403
	Result after taxes		-41'338'453	-6'929'280

# The TOA 21st Century

# Reinsurance Company Ltd. CASH FLOW STATEMENT

	31.12.2021	31.12.2020
CASH FLOW FROM OPERATING ACTIVITIES		
NET INCOME	-41'338'453	-6'929'280
	11000100	0 020 200
ADJUSTMENTS FOR	0	300'511
Unrealized gain provision	0	300'511
CHANGES IN OPERATIONAL ASSETS AND LIABILITIES	86'731'463	-19'388'810
Unearned premium reserve (retrocession)	-649'696	-92'715
Claims outstanding (retrocession)	-51'559'627	-3'503'274
Reinsurance premium receivables	-49'505'456	-24'879'309
Other technical reserves	3'281'364	6'374'422
Receivables from outward business	-6'038'057	-457'512
Other receivables	2'121'561	147'433
Accrued interest	-477'178	1'205'260
Deferred policy acquisition costs	-9'144'974	-5'098'152
Prepayments	-2'316'081	-457'296
Unearned premium reserve	35'304'811	22'480'248
Claims outstanding	154'939'273	-11'540'226
Local taxes payable	-197'911	1'126'099
Reinsurance losses payable	12'388'772	-3'768'772
Other payables	-1'103'167	-348'968
Accrued liabilities	278'091	-1'790'220
Fixed assets	11'718	-19'827
Unrealized gain provision	-601'978.74	1'233'998
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	45'393'010	-26'017'579
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of fixed maturities	58'793'009	16'149'120
Purchases of fixed maturities available-for-sale	-93'686'887	-28'750'211
Purchases of funds	-66'174'306	-87'543'944
Purchase of insurance linked securities	-8'471'608	
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	-109'539'792	-100'145'035
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contribution	0	150'000'000
Dividends to shareholder	0	0
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	0	150'000'000
CHANGE IN CASH AND CASH EQUIVALENTS	-64'146'781	23'837'385
Cash and cash equivalents at beginning of period	179'236'669	155'399'283
CASH AND CASH EQUIVALENTS AT END OF PERIOD	115'089'887	179'236'669

#### 4. Notes

#### (in Swiss Francs)

The Toa 21st Century Reinsurance Company Ltd. (hereinafter "TTFC") was incorporated on 23 January 2002 in Chur and moved to Zurich on 23 January 2017. Since 27 November 2019 the registered office is at Kreuzplatz 16, CH – 8008 Zurich.

#### General

These financial statements were prepared according to the provisions on commercial accounting of the Swiss Code of Obligations (Art.957-963b, applicable as of 1 January 2015), as well as according to the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies, applicable as of 15 December 2015.

Due to rounding, there may be difference of CHF 1.

#### Key accounting and valuation principles

The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

#### Foreign currency items and translation for presentation purposes

The currency in which TTFC operates is CHF (functional currency). Transactions in other currencies are converted into the functional currency at the exchange rate on the date the transaction takes place.

Monetary assets and liabilities in other currencies are converted into the functional currency at the exchange rate as of the balance sheet date. Foreign exchange gains arising from the revaluation of the opening balance sheet as well as from the adjustments from application of balance sheet date rates are deferred and booked under provision for currency fluctuation. Foreign exchange losses are directly recognised in the income statement.

Non-monetary assets and liabilities are converted to the functional currency at the historical foreign exchange rate at the time of the original transaction. In case the foreign exchange rate as of the balance sheet date is lower than the historical foreign exchange rate, a foreign exchange loss is recorded in the income statement.

#### Fixed-income securities

Comprise out of bonds and are evaluated at amortized cost from 1 January 2021. These securities were previously held at lower of amortized cost or market value.

#### Funds

Funds are evaluated at market value.

#### Insurance Linked Securities

Insurance linked securities are evaluated at acquistion value and monitored against the market value. Should there be a significant decrease in market value, an impairment process would be initiated.

#### **Technical reserves**

The technical reserves of TTFC are calculated in line with the TTFC's reserving policy.

#### Deferred commissions

The revised reserving policy of TTFC explicitly states that the unearned premium reserves are shown gross of deferred acquisition costs. Therefore deferred commissions will be shown separately as an asset on the balance sheet.

The deferred commissions shown in the balance sheet as at December 31, 2020 are related only to non-life business. From January 1, 2021, deferred commissions related to both life and non-life business.

#### 1 Investments

	2021	2020
Government Bonds	85'268'423	22'960'267
Corporate Bonds	223'057'508	250'471'787
	308'325'931	273'432'053
Bond credit rating		
(Moody's, if available, otherwise S&P)	2021	2020
Bonds, rating AAA	84'680'925	80'525'680
Bonds, rating AA	58'960'734	53'037'793
Bonds, rating A	74'269'126	58'851'681
Bonds, rating BBB	45'021'969	45'811'812
Bonds, unrated	45'393'176	35'205'087
	308'325'931	273'432'053
	2021	2020
Swisscanto fund	56'792'725	57'453'691
UBS fund	29'937'664	30'090'253
Aberdeen liquidty fund EUR	37'993'203	0
Aberdeen liquidty fund GBP	28'994'658	0
	153'718'250	87'543'944

	2021	2020
Insurance linked securities	8'471'608	0
	8'471'608	0
2 Cash and cash equivalents		
	2021	2020
Cash and cash equivalents held in CHF	70'390'991	104'120'836
Cash and cash equivalents held in JPY	33'019'418	3'096'849
Cash and cash equivalents held in EUR	2'225'693	32'446'195
Cash and cash equivalents held in GBP	4'844'810	32'325'332
Cash and cash equivalents held in other currencies	4'608'975	7'247'456
	115'089'887	179'236'669

#### 3 Fixed assets

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With the activation of TTFC in 2018, the company has its own office and therefore fixed assets. The fixed assets of the company consist of furniture, hardware, software, and from 2021, a company car. Furniture is depreciated at a rate of 25%. Hardware, software and the company car are depreciated at a rate of 40%. In the final year, the residual balance will be depreciated down to a value of zero.

#### 4 Receivables from insurance business

	2021	2020
Due from insurance business	95'230'683	48'945'853
from related parties	1'480'701	7'407'367
from third parties	93'749'982	41'538'486
Due from outward business	10'929'607	457'512
from related parties	6'392'418	0
from third parties	4'537'189	457'512
Other Receivables		
	2021	2020
State tax	1'393'998	4'116'178
Withholding tax	837'825	269'083
Rental deposit	88'715	66'875
Reimbursed costs from related parties	15'055	5'019
	2'335'593	4'457'154

There is an overpayment of the 2017 and 2018 state taxes. A prepayment for 2017 taxes was paid in 2017 for the sum of both state and federal tax. An additional payment to settle the invoiced federal tax was made in 2018, leading to an overpayment for state tax being booked at the Zurich tax office for tax year 2017. In 2018, a prepayment was paid for tax year 2018 based on the prior year's results. Due to the fact that TTFC had a loss in 2018, and therefore no income tax would be due, an overpayment for state tax was booked at the Zurich tax office for tax year 2018.

In 2021, the tax office reimbursed the overpayments for all tax years up to and including 2019. The receivable balance is made up of the residual balance allocated to tax years 2020 and 2021.

#### 6 Technical provisions

	Gross technical reserves		technical reserves Reinsurers share of Technical reserves		Net technic	al reserves
	2021	2020	2021	2020	2021	2020
Unearned premiums	104'158'521	68'853'711	-1'209'454	-559'758	102'949'067	68'293'952
Outstanding claims reserves	126'038'385	79'222'531	-26'070'274	-2'057'410	99'968'111	77'165'121
IBNR reserves	170'970'727	70'554'333	-29'920'175	-2'373'412	141'050'553	68'180'921
Unallocated loss adjustment expenses reserve	1'058'782	342'942	0	0	1'058'782	342'942
Mathematical reserve	6'991'184	0	0	0	6'991'184	0
Annuity reserve	-0	0	0	0	-0	0
Total	409'217'600	218'973'517	-57'199'903	-4'990'580	352'017'697	213'982'936

#### 7 Provisions for taxation

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	2021	2020
State tax	1'301'340	1'541'357
VAT	77'885	35'779
	1'379'225	1'577'137
Payables to insurance business		
	2021	2020
Due to insurance companies	11'782'555	5'171'607
to related parties	7'177'665	5'515'028
to third parties	4'604'890	-343'421
Due to outward business	12'365'815	2'153'953
to related parties	1'479	0
to third parties	12'364'337	2'153'953

### 9 Statement of changes in Equity

	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Shareholders´ equity
Balance 01.01.2020	243'000'000	2'000'000	38'650'228	-27'525'746	256'124'482
Approp. of prior period result			0	0	0
Dividend payment				0	0
Capital injection		150'000'000			150'000'000
Result for the period				-6'929'280	-6'929'280
Balance 31.12.2020	243'000'000	152'000'000	38'650'228	-34'455'026	399'195'202
Balance 01.01.2021	243'000'000	152'000'000	38'650'228	-34'455'026	399'195'202
Approp. of prior period result			0	0	0
Dividend payment				0	0
Capital injection		0			0
Result for the period				-41'338'453	-41'338'453
Balance 31.12.2021	243'000'000	152'000'000	38'650'228	-75'793'479	357'856'749

#### Information related to items on the income statement

#### 10 Changes in technical provisions

U	Changes in technical provisions							
		Gross technica	Gross technical provisions		Reinsurers share of technical provisions		Net technical provisions	
		2021	2020	2021	2020	2021	2020	
	Change in outstanding claims reserves	-52'826'257	-11'197'705	25'108'699	1'984'474	-27'717'557	-9'213'231	
	Change in IBNR reserves	-102'197'339	20'267'700	27'837'450	1'462'514	-74'359'889	21'730'214	
	Change in ULAE reserves	-727'071	-256'054	0	0	-727'071	-256'054	
	Change in mathematical reserve	-7'380'962	0	0	0	-7'380'962	0	
	Change in annuity reserve	0	0	0	0	0	0	
	Total	-163'131'629	8'813'941	52'946'150	3'446'988	-110'185'479	12'260'929	

#### 11 Personnel expenses

With the activation of TTFC in 2018, the company has its own employees. Personnel expenses consist of salaries and bonus paid to employees, as well as expenses for social insurances (AHV, UVG, KTG, BVG). Accruals for personnel expenses are included in the balance sheet under "Accrued expenses."

#### 12 Investment income

	Earnings		Appreciation		Realized gains	
	2021	2020	2021	2020	2021	2020
Bonds	2'428'304	683'330	-19'292	63'300	881'968	376'345
Forward contracts	0	0	0	0	0	3'709'705
Funds	1'093'966	275'666	0	0	0	0
fx transactions	1'007	0	0	0	0	0
Other interest	3'154	0	0	0	0	0
					2021	2020

	2	2021 2020
Total Investment income	4'389	'107

#### 13 Investment expenses

	Investment re	lated costs	Deprecia	tion	Realized	losses
	2021	2020	2021	2020	2021	2020
Bonds	-944'288	-379'308	-62'789	-86'005	-25'264	-18'870
Forward contracts	0	0	0	0	-250'578	-5'593'565
Funds	-13'475	0	-1'541'398	-135'239	0	0
fx transactions	-3'912	0	0	0	0	0
Other interest	-645'074	-414'846	0	0	0	0
Other costs	0	-1'500'000	0	0	0	0
Derivatives related to insurance business	-313'089	0	0	0	0	0

	2021	2020
Total Investment expenses	-3'799'869	-8'127'833
14 Fees for audit services		
	2021	2020
External Audit Fees	135'532	97'684
Internal Audit Fees	18'309	8'616
Total Fees for audit services	153'841	106'300

#### Other information

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#### 15 Liabilities to pension schemes

Profond Vorsorgeeinrichtung	<b>2021</b> -4'987	<b>2020</b> 454
Total Liabilities to pension schemes	-4'987	454
Deposits on reinsurance business	2021	2020
Other collateral assignments	12'315'982	9'095'356
Total Deposits on reinsurance business	12'315'982	9'095'356

### 17 Letters of Credit

At December 31, 2021 there were three Letters of Credit in place acting as collaterals for the benefit of cedents, meeting associated reinsurance agreements requirements:

	2021	Expiration date
The Bank of Nova Scotia	2'303'495	December 31, 2022
UBS AG, Stamford Branch	2'924'661	December 31, 2022
UBS AG, Stamford Branch	1'147'330	December 31, 2022
Total Letters of Credit	6'375'486	

No such letters of credit existed in 2020

### 18 Full-time equivalents

The TTFC has an annual average of less than 50 full-time positions (previous year: less than 50 full-time positions).

# 5. Proposal of the Board of Directors' for the appropriation of available earnings

(in Swiss Francs)

	2021	2020
Movements of retained earnings		
Result brought forward Profit / Loss for the business period <b>Available earnings</b>	-34'455'026 -41'338'453 <b>-75'793'478</b>	-27'525'747 -6'929'280 <b>-34'455'026</b>
Allocation to general legal reserve	0	0
Dividend payment	0	0

Retained earnings to be carried forward	-75'793'478	-34'455'026
J		