

To the General Meeting of
The Toa 21st Century Reinsurance Company Ltd., Zurich

Zurich, 31 March 2026

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of The Toa 21st Century Reinsurance Company Ltd. (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of income and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



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Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors 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



Blaise Wägli
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Daniel-Andrei Costia
(Qualified Signature)

ACCA

Enclosures

- Financial statements (statement of financial position, statement of income, statement of cash flows, notes)
- Proposal of the Board of Directors

THE TOA 21ST CENTURY REINSURANCE COMPANY LTD

1. Balance sheet (in Swiss Francs)

	Notes	31/12/2025	31/12/2024
Assets			
Investments	1	814,845,539	719,302,059
Fixed-income securities		687,087,867	615,086,392
Other Investments		127,757,672	104,215,667
Deposits on reinsurance business	15	2,547,314	2,726,713
Cash and cash equivalents	2	45,457,206	18,426,002
Fixed assets		102,798	66,558
Reinsurer's share in technical reserves		104,662,374	78,744,619
Provision for unearned premiums		9,443,808	6,364,361
Claims outstanding & IBNR		95,218,566	72,380,258
Deferred acquisition costs		55,470,608	58,361,700
Receivables from insurance business	3	158,570,470	173,840,273
Receivables from outward business	3	9,630,058	10,702,309
Other Receivables	4	2,035,670	1,795,895
Other Assets		7,030,614	6,570,230
Accrued interest income		6,305,334	5,218,432
Prepayments		725,280	1,351,798
Total assets		<u>1,200,352,651</u>	<u>1,070,536,358</u>
Liabilities			
Technical provisions	5	670,991,554	658,197,600
Provision for unearned premiums		203,904,457	216,107,720
Claims outstanding & IBNR		457,642,312	432,256,776
Mathematical reserve		9,444,785	9,833,104
Non-technical provisions		8,252,267	2,154,623
Provisions for unrealised gains		173,908	2,154,623
Provision for profit commission		8,078,359	0
Payables to insurance business	7	3,607,447	7,087,722
Payables from outward business	7	100,308,922	22,332,366
Deferred acquisition costs		2,489,943	1,690,227
Other liabilities		8,726,201	5,752,555
Tax payables	6	74,381	643,430
Other payables		954,391	841,562
Accrued expenses		7,697,429	4,267,563
Total liabilities		<u>794,376,334</u>	<u>697,215,093</u>
Shareholders' equity	8		
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		-27,673,911	-60,328,963
Result carried forward		-60,328,963	-84,908,107
Result for the period		32,655,052	24,579,144
Total shareholders' equity		<u>405,976,317</u>	<u>373,321,265</u>
Total liabilities and shareholders' equity		<u>1,200,352,651</u>	<u>1,070,536,358</u>

THE TOA 21ST CENTURY REINSURANCE COMPANY LTD

2. Income statement (in Swiss Francs)

	Notes	2025	2024
Gross premiums written		248,255,320	265,367,695
Outward premiums		-55,905,696	-19,341,656
Net premiums written		192,349,624	246,026,039
Gross change in unearned premium		-10,568,958	-34,158,016
Outward change in unearned premium		4,089,801	2,996,607
Net premiums earned		185,870,467	214,864,630
Total income from insurance business		185,870,467	214,864,630
Gross claims paid		-83,788,576	-80,499,625
Outward claims paid		7,296,573	17,259,543
Gross change in technical provisions	9	-46,959,011	-66,152,448
Gross change in claims reserves		-47,277,503	-69,931,858
Change in mathematical reserve		318,612	3,779,410
Change in annuity reserve		-120	0
Outward change in technical provisions	9	25,970,085	-15,504,526
Outward change in claims reserves		25,970,085	-15,504,526
Net claims incurred		-97,480,929	-144,897,056
Acquisition costs		-41,460,711	-41,006,474
Administrative expenses		-3,773,093	-3,567,321
Personnel expenses	10	-21,610,388	-9,671,661
Net acquisition cost and administrative expenses		-66,844,192	-54,245,456
Other technical expenses		-699,075	-1,295,203
Other expenses from insurance business		-699,075	-1,295,203
Total expenses from insurance business		-165,024,196	-200,437,715
Investment income	11	19,620,166	18,822,801
Assets from derivative financial instruments		0	1,214,233
Assets from investments related to insurance business		37,541	667,627
Other investment income		19,582,625	16,940,941
Investment expenses	12	-6,023,031	-9,734,520
Liabilities from derivative financial instruments		0	-3,233,641
Liabilities from investments related to insurance business		-924,646	-1,072,142
Other investment expenses		-5,098,385	-5,428,737
Net investment result		13,597,135	9,088,281
Exchange gains and losses		-1,109,366	1,696,365
Other income		10,879	0
Other financial result		-1,098,487	1,696,365
Operating result		33,344,919	25,211,561
Result before taxes		33,344,919	25,211,561
Direct taxes		-689,867	-632,417
Result after taxes		32,655,052	24,579,144

THE TOA 21ST CENTURY REINSURANCE COMPANY LTD

3. Cash flow statement

(in Swiss Francs)

	2025	2024
Cash flow from operating activities		
Net income	32,655,052	24,579,144
Adjustments for	0	6,891,958
Net derivative financial instruments	0	2,685,263
Receivables from ILS derivatives	0	4,206,695
Changes in operational asset and liabilities	89,919,632	60,196,890
Unearned premium reserve (retrocession)	-3,079,447	-3,080,596
Claims outstanding (retrocession)	-22,838,308	11,691,691
Reinsurance premium receivables	15,449,202	-18,833,761
Other technical reserves	0	21,985
Receivables from outward business	1,072,251	-1,188,965
Other receivables	-239,775	-552,508
Accrued interest	-1,086,902	-1,708,189
Deferred policy acquisition costs	3,690,808	-11,533,622
Prepayments	626,518	-709,123
Unearned premium reserve	-12,203,263	43,056,713
Technical reserves (excl. UPR)	24,997,217	79,663,238
Local taxes payable	-569,049	215,004
Reinsurance losses payable	74,496,281	-41,746,328
Other payables	112,829	510,405
Accrued liabilities	3,429,866	2,133,627
Fixed assets	-36,240	102,696
Unrealized gain provision	-1,980,715	2,154,623
Provision for profit commission	8,078,359	0
Cash provided by (used in) operating activities	122,574,684	91,667,992
Cash flow from investing activities		
Proceeds from sales and maturities of fixed income securities	87,551,798	113,468,841
Purchases of fixed income securities	-159,553,273	-326,921,166
Purchases of other investments	-23,542,005	28,054,640
Net cash (used in) provided by investing activities	-95,543,480	-185,397,685
Cash flow from financing activities	0	0
Change in cash and cash equivalents	27,031,204	-93,729,693
Cash and cash equivalents at beginning of period	18,426,002	112,155,695
Cash and cash equivalents at end of period	45,457,206	18,426,002

THE TOA 21ST CENTURY REINSURANCE COMPANY LTD

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 Insurance Supervisory Ordinance of FINMA (Art. 84 and 85 AVO-FINMA), applicable as of 26 June 2024.

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. Unrealized 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 unrealised gains. Foreign exchange losses are directly recognised in the income statement.

When the transaction occurs that results in partial or full liquidation of the foreign currency asset the difference between the functional currency amount recorded on the transaction date and the amount on the settlement date is recognized in the income statement as a realized foreign currency gain or loss.

Fixed-income securities

Comprise out of bonds and are evaluated at amortized cost.

Fixed Income securities are subject to impairment at least annually if fair value has fallen below the amortised cost and its value is not expected to recover through the holding period.

Funds traded in active market

Funds traded in the active market are evaluated at market value.

Funds not traded in the active market

Funds not traded in the active market are evaluated at lower of fair value and cost.

Technical reserves

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

Unearned Premium Reserve (UPR)

The Unearned Premium Reserve represents the portion of written premiums relating to future coverage periods. Premiums are recognized based on underwritten premium expectations. The unearned portion is recorded as a liability and is calculated on a pro-rata temporis basis over the period of risk, with the remaining amount relating to future periods recognized in the balance sheet.

Outstanding Claims Reserves

Outstanding Claims Reserves cover the estimated cost of claims reported but not yet settled at the reporting date. These reserves are primarily based on case reserves reported by cedants.

IBNR (Incurred But Not Reported)

IBNR reserves cover claims that have occurred before the reporting date but have not yet been reported. They are estimated by the actuarial department using historical claims data, statistical models, and actuarial assumptions, typically based on claims development patterns.

ULAE (Unallocated Loss Adjustment Expenses)

ULAE represents provisions for claims handling and administrative expenses that cannot be allocated to individual claims. The reserve is estimated using actuarial methods based on historical relationships between claims expenses and claims amounts.

Mathematical Reserves

Mathematical reserves represent the present value of future obligations arising from long-term insurance contracts in life insurance. They are calculated using actuarial valuation methods based on assumptions regarding mortality, interest rates, expenses, and policyholder behavior.

Deferred commissions

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.

Deferred commissions relate to both life and non-life business.

Fixed assets

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%. If an asset's depreciated value falls below CHF 500, it is reduced to zero. Similarly, if the initial purchase value of a fixed asset is less than CHF 500, it is also written down to zero.

1 Investments

Fixed-income securities	31/12/2025	31/12/2024
Government Bonds	77,803,865	111,964,308
Corporate Bonds	609,284,002	503,122,084
Total Fixed-income securities	687,087,867	615,086,392
Fixed-income securities	31/12/2025	31/12/2024
Bond credit rating		
(S&P, if available, otherwise Moody's, Fitch or Fedafin)		
Bonds, rating AAA	164,756,419	185,692,691
Bonds, rating AA	170,109,069	163,535,044
Bonds, rating A	247,883,160	189,511,430
Bonds, rating BBB	104,339,219	76,347,227
Bonds, unrated	0	0
Total Fixed-income securities	687,087,867	615,086,392
Other Investments	31/12/2025	31/12/2024
Liquidity Funds	113,106,036	104,215,667
Swisscanto fund CHF	19,532,453	46,858,371
Aberdeen liquidity fund EUR	4,900,164	11,044,777
Aberdeen liquidity fund USD	11,683,422	22,052,698
Aberdeen liquidity fund GBP	76,989,997	24,259,822
Real Estate Funds	14,651,636	0
Swiss Life Real Estate Fund	14,651,636	0
Total Other Investments	127,757,672	104,215,667

Information related to items on the income statement

9 Changes in technical provisions

	Gross technical provisions		Reinsurers share of technical provisions		Net technical provisions	
	2025	2024	2025	2024	2025	2024
Change in outstanding claims reserves	-2,128,237	-31,911,970	-17,409,361	-2,256,720	-19,537,598	-34,168,689
Change in IBNR reserves	-44,887,086	-37,749,711	43,379,447	-13,247,806	-1,507,640	-50,997,517
Change in ULAE reserves	-262,179	-270,176	-	-	-262,179	-270,176
Change in mathematical reserve	318,612	3,779,410	-	-	318,612	3,779,410
Change in annuity reserve	-120	-	-	-	-120	-
Total	-46,959,011	-66,152,448	25,970,085	-15,504,526	-20,968,926	-81,656,974

10 Personnel expenses

Personnel expenses consist of salaries, bonus paid to employees including PC scheme provision, as well as expenses for social insurances (AHV, UVG, KTG, BVG). Accruals for personnel expenses are included in the balance sheet under "Accrued expenses".

11 Investment income

	Earnings		Unrealized gains		Realized gains	
	2025	2024	2025	2024	2025	2024
Bonds	14,814,408	12,641,560	-	-	717,615	491,327
Forward contracts	-	-	-	-	-	1,214,233
Funds traded in active market	3,279,738	1,732,831	-	1,056,115	233,319	934,754
Funds not traded in active market	420,218	-	-	-	-	-
FX transactions	-	-	-	-	-	23,304
Other interest	117,327	61,050	-	-	-	-
Investments related to insurance business	37,541	667,627	-	-	-	-
Total Investment income					19,620,166	18,822,801

12 Investment expenses

	Investment related costs		Unrealized losses		Realized losses	
	2025	2024	2025	2024	2025	2024
Bonds	-2,033,653	-2,730,760	-	-	-1,031,898	-2,006,693
Forward contracts	-	-	-	-	-	-3,233,642
Funds traded in active market	-	-	-790,871	-	-	-2
Funds not traded in active market	-375,000	-	-	-	-	-
FX transactions	-	-	-	-	-	-
Other interest	-2,026	-3,548	-	-	-	-
Other costs	-864,937	-687,734	-	-	-	-
Investments related to insurance business	-924,646	-1,072,142	-	-	-	-
Total Investment expenses					-6,023,031	-9,734,520

13 Fees for audit services

	2025	2024
	External Audit Fees	176,270
Internal Audit Fees	46,807	41,078
Total Fees for audit services	223,078	275,888

Other information

14 Liabilities to pension schemes

	31/12/2025	31/12/2024
	Profond Vorsorgeeinrichtung	245,577
Total Liabilities to pension schemes	245,577	229,627

15 Deposits on reinsurance business

	31/12/2025	31/12/2024
	Other collateral assignments	2,547,314
Total Deposits on reinsurance business	2,547,314	2,726,713

16 Letters of Credit

At December 31, 2025 there were 25 Letters of Credit in place acting as collaterals for the benefit of cedents, meeting associated reinsurance agreements requirements.

Issuing bank	LOC reference	Expiration date	2025	2024
The Bank of Nova Scotia	WAGA-A08755-1MOE	31/12/2026	6,113,831	6,678,041
The Bank of Nova Scotia	WAGA-A09116-1MOE	31/12/2026	701,739	610,753
The Bank of Nova Scotia	WAGA-A09125-1MOE	20/12/2026	33,788	36,906
UBS AG, Stamford Branch	WAGA-A08788-1MOE	31/12/2026	3,804,931	3,864,927
UBS AG, Stamford Branch	WAGA-A08789-1MOE	31/12/2026	14,799,583	15,337,388
UBS AG, Stamford Branch	WAGA-A09109-1MOE	01/11/2026	1,864,475	2,134,480
UBS AG, Stamford Branch	WAGA-A09110-1MOE	01/11/2026	122,353	105,407
UBS AG, Stamford Branch	WAGA-A09115-1MOE	01/11/2026	729,273	834,883
UBS AG, Stamford Branch	WAGA-A09122-1MOE	19/12/2026	4,975,928	5,696,518
UBS AG, Stamford Branch	WAGA-A09124-1M9U	01/11/2026	151,949	214,309
UBS AG, Stamford Branch	WAGA-A09132-1M9U	01/11/2026	323,584	351,267
UBS AG, Stamford Branch	WAGA-A09423-1MOE	19/11/2026	3,677,587	4,210,157
UBS AG, Stamford Branch	WAGA-A09424-1MOE	19/11/2026	19,738	22,596
UBS AG, Stamford Branch	WAGA-A09425-1MOE	19/11/2026	35,270	40,378
UBS AG, Stamford Branch	WAGA-A09461-1MOE	07/12/2026	457,109	523,305
UBS AG, Stamford Branch	WAGA-A09462-1MOE	10/12/2026	936,073	1,071,631
UBS AG, Stamford Branch	WAGA-A09476-1481	27/12/2026	2,740,148	3,136,963
UBS AG, Stamford Branch	WAGA-A09478-1481	27/12/2026	658,128	753,435
UBS AG, Stamford Branch	WAGA-A09123-1M9U	01/12/2026	1,004,405	725,545
UBS AG, Stamford Branch	WAGA-A09513-1MOE	31/12/2026	673,730	771,297
UBS AG, Stamford Branch	WAGA-A10652-1MOE	31/12/2026	20,393	18,889
UBS AG, Stamford Branch	WAGA-A10749-1733	31/12/2026	298,149	90,735
UBS AG, Stamford Branch	WAGA-A10919-1365	26/01/2027	581,076	-
UBS AG, Stamford Branch	WAGA-A12666-1325	31/12/2026	183,143	-
UBS AG, Stamford Branch	WAGA-A12665-1325	31/12/2026	164,807	-
Total Letters of Credit			45,071,190	47,229,809

17 Full-time equivalents

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

18 Contingent liability

TTFC maintains a credit of USD 75,000 with ZKB in the form of Letter of Credit in relation to FET exemption under IRS regulation in United States.

	31/12/2025	31/12/2024
	59,443	68,051
Total ZKB Letter of Credit	59,443	68,051

19 Liabilities from Lease obligations

TTFC has an open lease obligation with expiry date 31.12.2029.

	31/12/2025	31/12/2024
	818,792	951,090
Total Lease Liability	818,792	951,090

20 Changes to the financial statements

In order to better align with the statutory reporting framework and FINMA requirements we made the following changes to the financial statements:

Balance Sheet

- Position "Funds" has been moved under "Other investments"
- Provisions for taxation has been renamed as "Tax payables" and moved under Other liabilities

Profit & Loss

- Position "Depreciation" has been moved under "Administrative Expenses"

21 Subsequent events

TTFC Executive Management has evaluated subsequent events until 31st March 2026. No events occurred subsequent to 31st December 2025 that would require adjustment to or disclosure in the financial statements. In regard to escalation of the conflict in Middle East TTFC does not expect any material impact.

THE TOA 21ST CENTURY REINSURANCE COMPANY LTD

5. Proposal of the Board of Directors for the appropriation of available earnings (in Swiss Francs)

	31/12/2025	31/12/2024
Movements of retained earnings		
Result brought forward	-60,328,963	-84,908,107
Profit / Loss for the business period	32,655,052	24,579,144
Loss carried forward	-27,673,911	-60,328,963
Allocation to general legal reserve	0	0
Dividend payment	0	0
Retained earnings to be carried forward	-27,673,911	-60,328,963