

**NOTES TO CONDENSED CONSOLIDATED GENERAL PURPOSE FINANCIAL  
STATEMENTS (IFRS BASIS)**

**Matters to be set forth in a General Note to the Financial Statements (IFRS Basis)**

1. The name of the shareholder controllers of the insurer. Name and place of incorporation of the insurer's affiliates that are consolidated in these financial statements. Changes to the shareholder controller(s); or to the place of the incorporation of an insurer's affiliates during the relevant year, in this regard, provide the date and details of such change.
2. The general nature of the risks underwritten by the insurer.
3. The accounting standards and principles on which the condensed financial statements are based (i.e. IFRS, US GAAP, etc.)
4. The accounting policies of the insurer, any significant change made during the relevant year to such policies and the effect, if any, of changes to the information contained in the financial statements.
5. The basis of recognition of insurance revenue, investment and other income.
6. The method used to translate amounts denominated in currencies other than the currency of the financial statements, the amounts, if material, gained or lost on such translation and the manner in which those gains or losses are treated in those statements.
7. Any foreign exchange control restrictions affecting assets of the insurer, with particular reference to money balances which cannot be transferred to the insurer due to reasons unrelated to the insurance business conducted by the insurer
8. The nature and amount of any material contingencies or commitments (for example, a commitment involving an obligation requiring abnormal expenditure, pending lawsuit, or the conclusion of a long lease).
9. Any default made by the insurer in relation to the principal, interest, sinking fund or redemption provisions of any securities issue made, or any credit agreement entered into, by it.
10. The gross amount of arrears of dividends on preferred cumulative shares, and the date to which those dividends were last paid.
11. The amount of any loan made during the relevant year by the insurer, to any director or officer of the insurer, not being a loan made in the ordinary course of business.
12. The amount of any obligation in respect of retirement benefits relating to employees of the insurer arising from service prior to the end of the relevant year remaining to be charged against operations, and the basis on which the insurer proposes to charge that amount.
13. Fair value amounts for all quoted and unquoted investment lines. Fair value hierarchy of investments based on the following levels:
  - Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the reporting entity can access at the measurement date
  - Level 2: Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly
  - Level 3: Unobservable inputs
14. The contractual maturity profile of the insurers' fixed maturity and short-term investments:
  - Due within one year
  - Due after one year through five years
  - Due after five years through ten years
  - Due after ten years
15. Related party transactions detailing the nature of the relationship, description of transactions including transactions where no amounts or nominal amounts were ascribed, monetary amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period, and

amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

16. Any transaction made or other event occurring between the end of the relevant year and the date of approval of the financial statements by the board of directors and materially affecting the financial statements, not being a transaction made or an event occurring in the ordinary course of business.
17. Any other information which in the opinion of the board of directors is required to be disclosed if the financial statements are not to be misleading.

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

#### 1(a) Capital Stock

As respects authorized share capital there shall be disclosed severally—

- (a) the number of common shares and preferred shares of each class, the par value, if any, of each class and a brief description of each class;
- (b) the dividend rates applicable to any preference shares, and whether the dividends are cumulative, including the liquidation values of the preference shares;
- (c) the redemption price of any redeemable shares;
- (d) any conversion provisions.

As respects issued share capital there shall be disclosed severally—

- (a) the number of shares in, and the share capital amounts for, each class of common and preferred shares;
- (b) the amounts called and unpaid or otherwise due in respect of those shares;
- (c) the amounts not called on those shares that will become receivable in due course when called

As respects issued share capital there shall be disclosed severally—

- (a) the number of shares repurchased, and the share capital amounts for, each class of common and preferred shares;

#### 1(b) Contributed surplus

The nature of any change in contributed surplus during the relevant year.

#### 2(c) Dividends paid and payable

The amount and nature of any dividend paid during the relevant year that was other than a cash dividend.

There shall also be disclosed in notes the following information—

- (a) details of any change in the authorized share capital of the insurer during the relevant year;
- (b) where an insurer has contracted to issue or re-issue shares or has given options to purchase shares, the class and number of shares affected, the price and date of the issue or re-issue of the shares or the exercise of the options and (shown separately) the total number of shares in respect of which options are held by directors and officers of the insurer;
- (c) details of any share transactions during the relevant year including—
  - (i) the number of shares of each class issued since the date of the last balance sheet, giving the value attributed thereto and distinguishing—
    - (aa) shares issued for cash (showing separately shares issued pursuant to options or warrants);
    - (bb) shares issued directly or indirectly for services; and
    - (cc) shares issued directly or indirectly for other considerations;
  - (ii) the number of shares of each class redeemed since the date of the last balance sheet and the consideration given and, where the consideration was other than cash, the nature of the consideration given and the value attributed thereto.

**Matters to be set forth in Notes to the Consolidated Balance Sheet (IFRS Basis)**

**- Class 3A, Class C, and Class D**

1. Cash and cash equivalents  
Any encumbrance on cash or cash equivalents must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate; any other use restriction such that the funds in question are held in escrow or in a custodial account.
2. Quoted investments  
The method of valuation of quoted investment must be described. Any encumbrance on quoted investments must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate.
3. Unquoted investments  
The method of valuation of any unquoted investment must be described. Any encumbrance on unquoted investments must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate.
4. Investment in and advances to affiliates  
The method of valuation must be described. Repayment terms and the rates of interest applicable to advances must also be given.
5. Investments in mortgage loans on real estate  
The range of interest rates and the range of maturity dates for mortgage loans on real estate must be disclosed.
7. Real estate  
As regards real estate -
  - (a) (i) the method of valuation; and (ii) where there are encumbrances, the value of the real estate before encumbrances, the amount and nature of the encumbrances and the repaying terms and interest rates applicable to the encumbrances, shall be disclosed.
  - (b) To the extent permitted by the accounting standards and principles on which the condensed financial statements are based, where an independent appraisal has been made, real estate may be valued at the appraisal value net of the amount of any encumbrances. In such a case, full details of the appraisal (including the date of the appraisal, the name of the appraiser, the basis of valuation and the disposition of any amounts added to or deducted from the book value) shall be disclosed.
  - (c) where other properties (i.e., properties not occupied by the insurer) are included in the balance sheet, the nature of the investments represented by those properties (for example whether held for investment return, or as a result of default of mortgage, or for speculative gain) shall be disclosed.
8. Collateral loans  
Description and amount of the collateral loans.
9. Investment income due and accrued  
Accrued investment income shall be included here.
10. Accounts receivable  
Accounts receivable shall include non-insurance related receivable
11. Insurance, reinsurance and investment contract with DPF assets  
Insurance, reinsurance and investment contract with DPF assets shall include contract balances in asset positions and there shall be disclosed severally  
The nature and terms of these assets.
  - (a) Insurance contract assets: Direct insurance contract balances or Assumed Reinsurance contracts (inwards) in asset position
  - (b) Reinsurance contract assets: this shall include general business and long-term business reconciliation of changes in net reinsurance contracts assets by coverage and incurred claims
  - (c) Investment contract with DPF assets: insurance balances from investment contracts with discretionary participation features in asset position

13. Sundry assets
  - (a) The nature and terms of these assets.
  - (b) For derivatives and embedded derivatives, if any the following must be disclosed—
    - (i) a description of the policies surrounding the use of derivatives; and
    - (ii) market value and nominal exposure of each derivative by issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.
14. Letters of credit, guarantees and other instruments  
Any other assets not disclosed in lines 1 through 13 should be instruments disclosed here. The nature and the method of valuation should be disclosed.
17. General Business insurance contract liabilities  
This shall include
  - (i) a reconciliation net changes in general business insurance contracts liabilities by remaining coverage and incurred claims
  - (ii) For insurance contracts not measured using the PAA approach to complete reconciliation of net changes in (re)insurance contracts liabilities by measurement components – non-PAA contracts
- 17A. General Business reinsurance contract liabilities  
This shall include general business reinsurance contracts held (outwards) in a liability position and shall form part of the reconciliation of the net changes in general business reinsurance contracts held asset balances – Line 11(b).
18. Investment contract with DPF Liabilities  
This line shall include investment contracts that includes discretionary participation features that exposes policyholder obligations based on market risks relating to the underlying instruments.
27. Long-Term Business insurance contract liabilities  
This shall include
  - (i) a reconciliation net changes in long-term business insurance contracts liabilities by remaining coverage and incurred claims
  - (ii) For insurance contracts not measured using the PAA approach to complete reconciliation of net changes in (re)insurance contracts liabilities by measurement components – non-PAA contracts
- 27A. Long-Term Business reinsurance contract liabilities  
This shall include long-term business reinsurance contracts held (outwards) in a liability position and shall form part of the reconciliation of the net changes in general business reinsurance contracts held asset balances – Line 11(b).
29. Commissions, expenses, fees and taxes payable  
All unearned commissions shall be disclosed.
30. Loans and notes payable  
This shall be comprised of repayment terms, rates of interest and the nature of collateral given, if any.
31. (a) Income taxes payable  
(b) Deferred income taxes  
Details of the deferred income tax provision
32. Amounts due to affiliates  
This shall be comprised of repayment terms, rates of interest and the nature of collateral given, if any.
33. Accounts payable and accrued liabilities  
All accounts payable and accrued liabilities shall be disclosed.
35. Dividends payable  
All dividends payable shall be disclosed.
36. Sundry liabilities
  - (a) The nature of these liabilities and the repayment terms;

- (b) For derivatives and embedded derivatives, if any, the following must be disclosed—
  - (i) a description of the policies surrounding the use of derivatives; and
  - (ii) market value and nominal exposure of each derivative by issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.

37. Letters of credit, guarantees and other instruments

- (a) The nature and valuation method for the letters of credit, guarantees, and other instruments. These should only be included to the extent that they would be recognized under the insurer's GAAP accounting standards.
- (b) the name of the entity granting the letter of credit, guarantee or other instrument, and the name of the entity in whose favour the letter of credit, guarantee or other instrument was granted;
- (c) the amount of the letter of credit, guarantee or other instrument;
- (d) the purpose for which the letter of credit, guarantee or other instrument was granted