



**UTMOST WORLDWIDE LIMITED, ST PETER PORT  
SWITZERLAND BRANCH, ADLISWIL**

**FINANCIAL CONDITION REPORT**

**FOR THE FINANCIAL YEAR TO 31 DECEMBER 2022**

**A WEALTH *of* DIFFERENCE**

**Utmost Worldwide Limited, Switzerland Branch:** Soodmattenstrasse 4, 8134 Adliswil, Switzerland. Utmost Worldwide Limited, St Peter Port, Switzerland Branch, Adliswil is registered in Switzerland as a Branch of a Foreign Company - Number CHE-477.079.694. Licensed by the Swiss Financial Market Supervisory Authority (FINMA) as an insurer to carry on insurance business in Switzerland. Utmost Wealth Solutions is the trading name used by Utmost Worldwide Limited and a number of Utmost companies. Utmost Worldwide Limited is incorporated in Guernsey under Company Registration No. 27151 and regulated in Guernsey as a Licensed Insurer by the Guernsey Financial Services Commission under the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended). **Registered Head Office:** Utmost House, Hirzel Street, St Peter Port, Guernsey, Channel Islands GY1 4PA.

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SECTION A  
MANAGEMENT REPORT

## INTRODUCTION

This document, entitled "Financial Condition Report", is prepared in accordance with the requirements of FINMA Circular 2016/2 Disclosure of insurers (Public Disclosure) and Articles 111a of the Insurance Supervision Ordinance (ISO; SR 961.011) for the Switzerland Branch of Utmost Worldwide Limited. The report focuses on the 2022 financial year ("reporting period").

This report has been prepared solely to comply with the supervisory reporting obligations. Unless otherwise stated in this report, all statements and information contained therein are based on the circumstances and the state of knowledge as at the reporting date. This also applies to the forward-looking statements and information contained in this report, such as forecasts, expectations, developments, plans, intentions, assumptions, beliefs or outlooks. No representation, warranty or guarantee is given that such statements and information will occur at all or as anticipated.

Forward-looking statements and information are affected by numerous factors. It cannot predict what these factors are or what effect they will have, either alone or in combination with other or in combination with other circumstances. Also, new factors may arise at any time. It is not intended to update forward-looking statements and information as a result of changed circumstances or new statements and information, except as otherwise expressly required by a legal or regulatory obligation.

## BUSINESS ACTIVITIES

### Strategy, objectives and key business segments

Utmost Worldwide Limited, a licensed insurer with its headquarters in Guernsey, Channel Island (hereinafter the "**Company**"), specialises in offering sophisticated life insurance-based wealth management and employee benefit solutions to a global audience, including multinational organisations, international expatriates and local resident populations in the territories where it is additionally licensed.

Its Switzerland Branch (the "**Branch**") holds a Swiss insurance license (class A2) to conduct unit-linked life insurance business on Swiss territory since August 2018 and effectively carries out life insurance business of categories A2.1 (fund unit-linked capital insurance with death or disability protection) and A2.4. (life insurance linked to an internal investment portfolio or other reference values with death or disability benefit) since then.

The principal activity of the Branch is administration of its life insurance policies issued in Switzerland. Management will review the insurance market for potential opportunities with a view to issuing a new life insurance product in the future via intermediaries, to expatriates and high net worth individuals. There are currently three different products administered by the Branch: two unit-linked products, one single and one regular premium (category A2.1), and a single premium open architecture product that allows for a wider range of investments (category A2.4). The Branch is currently not underwriting any new business.

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### **Group and shareholding structure, main locations of business**

The Branch is part of the Utmost Group of Companies. The Utmost Group of Companies is a specialist life assurance group with its head office in London, employing over 1,000 people. The core business lines are Utmost Wealth Solutions, Utmost Corporate Solutions and Utmost Life and Pensions. Utmost Wealth Solutions is located in Ireland, the Isle of Man and Guernsey; Utmost Corporate Solutions is located in Ireland and Guernsey, and Utmost Life and Pensions is located in the UK. As at 31 December 2022, the Utmost Group of Companies has approximately £58.4bn in assets under administration on behalf of about 560,000 customers and a net Solvency II Economic Value is £1,770m.

### **Participations and related party transactions**

Utmost International Group Holdings Limited, domiciled in London, holds 100% of the shareholding in the Company (Utmost Worldwide Limited), domiciled in Guernsey.

The Branch has outsourced most of its business units to the Company, such as Finance, Investment and IT.

### **Auditor**

The Branch's auditor is PricewaterhouseCoopers, Switzerland.

### **Significant unusual events**

There are no unusual events to report for the reporting period.

The company continues to monitor developments in the Ukraine conflict, and as at 31 December 2022, the Company has no direct exposure to Russian assets through its shareholder assets. The Company, and therefore the Branch, has a potential immaterial indirect exposure to Russian assets through its policyholder assets.

## **PERFORMANCE**

In addition to the below, and in particular for quantitative information, we refer to the quantitative template "Performance Solo Life" (Section B of this report) and our financial statements for the financial year ended 31 December 2022 (Section C of this report). Where deemed helpful, reference to the position in the quantitative template has been made by citing the relevant row therein.

### **Underwriting Performance**

*Gross premiums written* amounted to CHF11.2M for the reporting year and was derived largely from the unit-linked life insurance business (category A2.1) with regular ("Vision") and single ("Choice") premiums. Only CHF0.02M was due to top-ups on the A2.4 product ("Portfolio Bond"). Comparing the currency premium amounts for the reporting year to the results for the previous year, the premiums received have reduced by CHF1.8M. The majority of the reduction is due to the portfolio being in run-off.

*Net claims and claim expenses incurred* (corresponding to "expenses for insurance claims for own account") amounted to approx. CHF30M. Compared to the previous year (CHF14.4M), this reflects a decrease of approx. CHF44.5M. Claims are purely client led and will reflect their circumstances.

The overall changes in technical provisions amounts to CHF38.4M, with CHF 25.2M for the technical provisions for unit-linked business (row 17) and a change of CHF 13.2 in technical provisions (row 16). The related positions on the liabilities, amounts to a balance of CHF123.8M for the technical provisions for unit-linked business (row 8) and CHF19.4M for the technical provisions (row 7).

Acquisition costs and administrative expenses (row 18) have decreased by CHF 0.4M to CHF1.8M. As these are mostly internal and re-occurring costs, it is expected that these will remain stable in line with this amount for the reporting year moving forward.


### Financial Performance

*Income from investments* amounted to CHF0.1 (row 19), whereas *expenses from investments* came to CHF1.2M (row 20), this led to a net investment loss of CHF1.1M. A portion of this loss (CHF0.4M) relates to the Company / Branch own held bond portfolio returns over the year.

*Total Equity* (i.e. the head office account) has increased from CHF27.5M to CHF 33.4, and is reflective of the profit in the Branch in the current period.

### Other material income and expenses

*Net capital and interest gains from unit-linked business* came to an expense of CHF26.8M, compared with CHF15.8M gain in the previous year. This reflects the net movement between premiums paid into the unit-linked fund and claims paid out along with the net increases made in investments during the year, which yielded lower than expected returns in 2022, due to unfavourable market yields.



Riccardo Wettstein  
Head of Branch  
Utmost Worldwide Limited, Switzerland Branch



Charles Bangor-Jones  
Chief Financial Officer  
Utmost Worldwide Limited

Adliswil, 24 April 2023

Guernsey, 24 April 2023

**SECTION B**  
**QUANTITATIVE TEMPLATE** (ANNEX 1 TO FINMA CIRCULAR 2016/2)

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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SECTION C  
REPORT OF THE INDEPENDENT AUDITOR

# Utmost Worldwide Limited, St Peter Port, Switzerland Branch, Adliswil

Adliswil

Report of the independent auditor  
to the General Manager on  
the financial statements 2022

# Report of the independent auditor

to the General Manager of Utmost Worldwide Limited, St Peter Port,  
Switzerland Branch, Adliswil

Adliswil

## Report of the independent auditor on the financial statements

As an audit firm under state supervision, we have audited the accompanying financial statements of Utmost Worldwide Limited, St Peter Port, Switzerland Branch, Adliswil, which comprise the statement of financial position as at 31 December 2022, the income statement and the notes for the financial year ending on this date, pursuant to Art. 28 (2) of the Insurance Supervision Act (ISA) and with reference to the supplementary information for audit reporting of insurance companies in Annex 19 to FINMA Circular 13/3 concerning the "Preparation and audit of the financial statements of branches of foreign insurance companies" of 4 November 2020 (the guidelines).

### Opinion

In our opinion, the financial statements of Utmost Worldwide Limited, St Peter Port, Switzerland Branch, Adliswil, as at 31 December 2022 comply in all material respects with the financial reporting provisions of the Swiss Code of Obligations, the requirements laid down by supervisory law (in particular, FINMASA, ISA, ISO, ISO-FINMA) and the guidelines.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The financial statements were prepared by the General Manager on the basis of the financial reporting provisions of the Swiss Code of Obligations and the guidelines laid down by supervisory law.

Without modifying our audit opinion, we note that the financial statements of Utmost Worldwide Limited, St Peter Port, Switzerland Branch, Adliswil of Utmost Worldwide Limited were drawn up on the basis of the principles specified above. The financial statements were prepared to comply the requirements of Art. 25 (4) ISA. As a result, these financial statements may not be suitable for another purpose.

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

### General Manager's responsibility for the Financial Statements

The General Manager is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the Swiss Code of Obligations, the requirements laid down by supervisory law – in particular, the Financial Market Supervision Act (FINMASA), the Insurance Supervision Act (ISA), the Insurance Supervision Ordinance (ISO) and the Insurance Supervision Ordinance FINMA (ISO-FINMA), as well as the supplementary information for audit reporting at insurance companies in Annex 19 to FINMA Circular 13/3 concerning the "Preparation and audit of financial statements of branches of foreign insurance companies" of 4 November 2020 (the guide-lines) – and for such internal control as the General Manager 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 General Manager 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 General Manager either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Telefon: +41 58 792 44 00, [www.pwc.ch](http://www.pwc.ch)

### Auditor's responsibility 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 mis-statement 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.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.
- Conclude on the appropriateness of the General Manager'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 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 the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

PricewaterhouseCoopers AG



Nebojsa Baratovic  
Audit expert  
Auditor in charge



Ilir Kryeziu  
Audit expert

Zurich, 14 April 2023

Enclosure:

Financial statements (statement of financial position, income statement and notes)

SECTION D  
FINANCIAL STATEMENTS

UTMOST WORLDWIDE LIMITED  
 SWITZERLAND BRANCH  
 STATEMENT OF FINANCIAL POSITION  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022



	Note	2022 CHF	2021 CHF
<b>Assets</b>			
Investments	3	46,180,059	53,926,516
Investments for unit-linked business	4	123,833,970	149,069,501
Cash and cash equivalents	5	8,946,132	7,429,603
Accrued income and prepaid expenses	6	209,934	80,867
<b>Total assets</b>		<b>179,170,095</b>	<b>210,506,487</b>
<b>Liabilities</b>			
Technical provisions	7	19,492,180	32,719,561
Technical provisions for unit-linked business	8	123,833,970	149,069,501
Insurance payables	9	698,765	624,837
Other liabilities	10	1,727,503	518,275
<b>Total Liabilities</b>		<b>145,752,418</b>	<b>182,932,174</b>
<b>Head Office Account</b>	11	<b>33,417,677</b>	<b>27,574,313</b>
<b>Total Liabilities and Head Office Account</b>		<b>179,170,095</b>	<b>210,506,487</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**UTMOST WORLDWIDE LIMITED**  
**SWITZERLAND BRANCH**  
**INCOME STATEMENT**  
**FOR THE FINANCIAL YEAR TO 31 DECEMBER 2022**



	Note	2022 CHF	2021 CHF
Gross premiums written	14	11,279,497	13,024,727
<b>Net premiums written</b>		<b>11,279,497</b>	<b>13,024,727</b>
Change in unearned premium reserves		-	-
<b>Net premiums earned</b>		<b>11,279,497</b>	<b>13,024,727</b>
<b>Total technical income</b>		<b>11,279,497</b>	<b>13,024,727</b>
Gross claims and claim expenses paid to policyholders	15	(8,368,094)	(15,293,291)
Change in technical provisions	16	13,227,382	8,249,963
Change in technical provisions for unit-linked business	17	25,235,533	(7,413,299)
<b>Net claims and claim expenses incurred</b>		<b>30,094,821</b>	<b>(14,456,627)</b>
Acquisition costs and administrative expenses	18	(1,812,331)	(2,260,523)
<b>Net acquisition costs and administrative expenses</b>		<b>(1,812,331)</b>	<b>(2,260,523)</b>
<b>Total technical expenses</b>		<b>28,282,490</b>	<b>(16,717,150)</b>
Income from investments	19	125,369	254,767
Expenses from investments	20	(1,268,194)	(566,392)
<b>Net expenses from investments</b>		<b>(1,142,825)</b>	<b>(311,625)</b>
Capital and interest gains and losses	21	(1,529,980)	18,524,911
Capital and interest gains or losses from unit-linked business	22	(25,235,533)	(2,639,514)
<b>Net capital and interest gains from unit- linked business</b>		<b>(26,765,513)</b>	<b>15,885,397</b>
<b>Operating result</b>		<b>11,653,649</b>	<b>11,881,349</b>
Other income	23	1,793,268	1,492,244
Other expenses	24	(7,986,683)	(3,617,542)
<b>Profit /(Loss) before tax for the year</b>		<b>5,460,234</b>	<b>9,756,051</b>
Income tax expense	25	(1,070,156)	(167,954)
<b>Profit/(Loss) for the year</b>		<b>4,390,078</b>	<b>9,588,097</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## **1. General information**

Utmost Worldwide Limited, St Peter Port, Switzerland Branch, Adliswil (the "Branch") is a branch of Utmost Worldwide Limited (the "Head Office" or the "Company") incorporated in Guernsey, Channel Islands with company registration number 27151. The Branch is not a separately incorporated legal entity.

The Branch is registered in Switzerland - registration number CHE-477.079.694. The registered office address of the Branch is at Soodmattenstrasse 4, 8134 Adliswil.

The ultimate parent company which maintains a majority controlling interest in the Group is recognised by the directors as OCM Holdings Limited, a Cayman incorporated entity. OCM Holdings Limited is an investment vehicle owned by funds, which are managed and advised by Oaktree Capital Management, L.P., a subsidiary of the ultimate controlling party Oaktree Capital Group LLC.

These financial statements are prepared from the records of the Branch and reflect only transactions relating to operations in Switzerland. The Branch obtained a license to conduct unit-linked life assurance business in Switzerland on 22 August 2018.

## **2. Summary of valuation principles and significant accounting policies**

### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations (CO) (Art. 957-963b CO, applicable as of 1 January 2013). Apart from the Swiss Code of Obligations, the provisions of the Swiss Ordinance on the Supervision of Private Insurance Companies (Art. 5-6a AVO-FINMA, applicable as of 15 December 2015) have been applied.

The financial statements have been drawn up under the going concern assumption. Transactions and other events are recognised at their occurrence under the periodic accrual principle.



## 2. Summary of valuation principles and significant accounting policies (continued)

### 2.2 Foreign currency translation

These financial statements are presented in Swiss Francs ("CHF") which is the Branch's functional currency. Transactions in a currency other than CHF ("foreign currency") are translated into CHF using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the income statement.

The year-end exchange rates used are presented below:

	2022	2021
EUR	1.0127	0.9637
GBP	0.8967	0.8107
USD	1.0846	1.0974

### 2.3 Investments

All securities quoted on a stock exchange or with an observable market price in an active market are valued at that price, as of the statement of financial position date, even if this price exceeds the acquisition value or nominal value, with the exception of fixed interest securities.

The investments in fixed income securities are held at the lower of amortised cost and fair market value. Where the fixed income securities are carried at amortised cost, amortisation is recognised as an adjustment to Income from Investments - fixed-income and debt securities in the income statement.

Amortisation of the fixed income securities is calculated using the linear cost amortisation method whereby the difference between acquisition value and the repayment value is distributed in equal amounts on the statement of financial position date as amortisation over the remaining term. The acquisition costs do not include accrued interest.

The investments in note 3, relating to 1.1 Art 5a para. 1, AVO FINMA minimum requirements in the Statement of Financial Position include all Branch-attributed tied asset cash.

Purchases and sales of investments are recognised on the trade date, the date on which the Branch commits to purchase or sell the asset. The financial assets carried at fair value through profit and loss are initially recognised at fair value including transaction costs.

The valuation of investments is in accordance with article 93a ISO. Changes in market value are recognised in the income statement under 'Income from investments' and 'Expenses from investments'

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## **2. Summary of valuation principles and significant accounting policies (continued)**

### **2.4 Investments for unit-linked business**

Securities quoted on a stock exchange or with an observable market price in an active market are valued at that price as of the statement of financial position date, even if this price exceeds the acquisition value or nominal value. Units in collective investment schemes are considered to have an observable market price in an active market if the Branch could have redeemed the units at the statement of financial position date without significant delay.

Where an observable price in an active market is not available, the securities are valued at no more than acquisition cost less an allowance for impairment.

The valuation of investments for unit-linked business is in accordance with article 93a ISO. Changes in market value are booked through the income statement.

The investments for unit-linked business in note 4, relating to 1.1 Art 5a para. 1, AVO FINMA minimum requirements of the balance sheet include all policyholder attributed tied asset cash.

Purchases and sales of investments for unit-linked business are recognised on the trade date, the date on which the Branch commits to purchase or sell the asset. The financial assets carried at fair value through profit and loss are initially recognised at fair value including transaction costs.

The valuation of investments is in accordance with article 93a ISO. Changes in market value are recognised in the income statement under 'Capital and interest gains from unit-linked business' and 'Capital and interest losses from unit-linked business'.

### **2.5 Receivables**

Receivables are presented at par value less allowances for impairment. The allowances for significant receivables are considered individually, and the allowances for the other receivables are made using a common set of assumptions. Currently no allowance has been made for impairment based on the nature of the receivables and the empirical experience of the Branch. Please refer to note 6 for detail of any receivables.

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## **2. Summary of valuation principles and significant accounting policies (continued)**

### **2.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash is presented at face value less any allowance for impairment. Please refer to note 5 for details of any cash and cash equivalents.

### **2.7 Taxes**

Income tax is recognised as an expense in the Income Statement for the period at the amount expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Equity tax is recognised on the total equity at year-end, and is calculated as 0.16% of the closing balance of the Head Office account. This is subject to the Head Office account being higher than the minimum taxable equity of 1/7 of the net liabilities. The net liabilities are calculated as the total liabilities less the technical provisions for unit-linked business. Please refer to note 25 for details on taxes.

### **2.8 Technical provisions**

The Branch only issues unit-linked life insurance policies. The technical provisions for this business are recommended / determined by the Responsible Actuary based on generally accepted actuarial principles and are in accordance with the business plan as approved by FINMA. The provisions can be split into the unit reserves and the non-unit reserves. The provisions for the unit reserves are based on the valuation of the assets associated with each policy.

The provisions for the non-unit reserves are made up of several components.

The non-unit reserves include the insurance elements of the contracts and the net position resulting from the change in the liabilities due to product fees considered in combination with the expenses incurred by the Branch in operating its administration systems. The insurance elements include enhancement of policy benefits when paid on the death of the policyholder and / or the refund on death of a proportion of any initial charges that would otherwise accrue wholly to the Branch.

The non-unit reserves also include the enhancement of future benefits should certain conditions be satisfied. Enhancements include features such as loyalty bonuses, retention bonus and enhanced allocation rates, being past contractual commitments that the Branch would be obliged to honour in the future.

In addition to the non-unit reserve, an additional expense reserve is held as a prudent measure to ensure all future expenses are met.

## **2. Summary of valuation principles and significant accounting policies (continued)**

There is also an allowance for the impact of the minimum surrender value relative to the technical provisions, as the technical provisions must always exceed the minimum surrender value at a plan level.

### ***Provisions for other liabilities and charges***

Provisions for other liabilities and charges, other than those relating to insurance contracts, are recognised when the Branch has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are increased, preserved or released according to reappraisals that take place at least yearly.

### **2.9 Gross and net premiums**

Gross recurring and single premiums are recognised as revenue when payable by the policyholder. See note 14.

### **2.10 Gross claims and claim expenses paid**

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders. See note 15.

### **2.11 Head office account**

The head office account represents the amounts contributed by the Company into the Branch in the form of cash contributions and payments of expenses on its behalf. This also includes current and prior period results of operations as reported in the income statement, reduced by the amounts of any repatriation of funds to the Company as the head office. See note 11.

### **2.12 Insurance receivables and payables**

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. See note 9.

### **2.13 Acquisition costs and administrative expenses**

The acquisition costs and administration expenses are charged directly to the income statement in the period for which they relate. The breakdown of the acquisition costs and administration expenses can be found in note 18.

## 2. Summary of valuation principles and significant accounting policies (continued)

### 2.14 Value Added Tax (VAT)

VAT is paid annually at the standard rate of 7.7% on the amount of expenses charged by the Head Office to the Branch for services provided in administering the Swiss policies outside of Switzerland.

## 3. Investments

	31 December 2022 CHF	31 December 2021 CHF
Fixed income and debt securities	32,975,684	33,301,217
Valuation adjustment – investment expense – amortised cost (AC) to market value (MV)	(31,675)	(50,174)
	<u>32,944,009</u>	<u>33,251,043</u>
Collective investment schemes	6,127,777	7,004,046
	<u>39,071,786</u>	<u>40,255,089</u>
Tied asset cash – Branch	7,108,273	13,671,427
<b>Total Investments</b>	<u>46,180,059</u>	<u>53,926,516</u>

## 4. Investments for unit-linked business

Investments held to back the unit-linked insurance policies include the following:

	31 December 2022 CHF	31 December 2021 CHF
Equities	714,765	847,920
Money market investment funds	8,158,532	8,034,420
Collective investment schemes	113,911,087	139,479,092
	<u>122,784,384</u>	<u>148,361,432</u>
Tied asset cash - Policyholder	1,049,586	708,069
<b>Total investments for unit-linked business</b>	<u>123,833,970</u>	<u>149,069,501</u>

5. Cash and cash equivalents

	31 December 2022	31 December 2021
	CHF	CHF
Cash held at non-tied asset bank accounts	5,363,451	3,841,841
Cash held in organisational fund bank account	2,982,681	2,987,762
Cash held in surety bank account	600,000	600,000
<b>Total cash and cash equivalents</b>	<b>8,946,132</b>	<b>7,429,603</b>

Based on the credit rating and standing of the Branch's banking counterparties, no impairment allowance was considered necessary at the statement of financial position date.

6. Accrued income and prepaid expenses

	31 December 2022	31 December 2021
	CHF	CHF
Accrued income	21,794	25,332
Prepaid commission	-	26,023
Other receivables	153,404	-
Prepayments	34,736	29,512
	<b>209,934</b>	<b>80,867</b>

7. Technical Provisions

No risk has been ceded to reinsurers and the provisions shown are entirely for the Branch's own account.

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Unearned premium reserve	-	-	-	-	-	-
Loss reserves	-	-	-	-	-	-
Other technical provisions	-	-	-	-	-	-
Actuarial reserves	19,492,180	32,719,561	-	-	19,492,180	32,719,561
Provision for policyholder	-	-	-	-	-	-
<b>Total</b>	<b>19,492,180</b>	<b>32,719,561</b>	<b>-</b>	<b>-</b>	<b>19,492,180</b>	<b>32,719,561</b>

## 8. Technical Provisions for unit linked business

No risk has been ceded to reinsurers and the provisions shown are entirely for the Branch's own account.

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Unearned premium reserve	-	-	-	-	-	-
Loss reserves	-	-	-	-	-	-
Other technical provisions	-	-	-	-	-	-
Actuarial reserves	123,833,970	149,069,501	-	-	123,833,970	149,069,501
Provision for policyholder	-	-	-	-	-	-
<b>Total</b>	<b>123,833,970</b>	<b>149,069,501</b>	<b>-</b>	<b>-</b>	<b>123,833,970</b>	<b>149,069,501</b>

## 9. Insurance payables

	31 December 2022 CHF	31 December 2021 CHF
Policyholder	512,450	550,609
Agents and brokers	186,315	74,228
	<b>698,765</b>	<b>624,837</b>

## 10. Other liabilities

	31 December 2022 CHF	31 December 2021 CHF
Accrued operating expenses	287,049	235,497
Unsettled trades	236,259	-
Tax payable	1,114,173	168,054
VAT	39,150	53,956
Other payables	50,872	60,768
	<b>1,727,503</b>	<b>518,275</b>

11. Head office account

2022	Capital Reserves CHF	Organisational Fund CHF	Surety CHF	Total CHF
<b>Balance at 1 January 2022</b>	<b>23,974,313</b>	<b>3,000,000</b>	<b>600,000</b>	<b>27,574,313</b>
Contribution of cash from head office	738,601	-	-	738,601
*Non-cash contribution from head office	714,685	-	-	714,685
Profit for the year	4,390,078	-	-	4,390,078
<b>Balance at 31 December 2022</b>	<b>29,817,677</b>	<b>3,000,000</b>	<b>600,000</b>	<b>33,417,677</b>

2021	Capital Reserves CHF	Organisational Fund CHF	Surety CHF	Total CHF
<b>Balance at 1 January 2021</b>	<b>13,526,633</b>	<b>3,000,000</b>	<b>600,000</b>	<b>17,126,633</b>
Contribution of cash from head office	27,729	-	-	27,729
*Non-cash contribution from head office	831,854	-	-	831,854
Loss for the year	9,588,097	-	-	9,588,097
<b>Balance at 31 December 2021</b>	<b>23,974,313</b>	<b>3,000,000</b>	<b>600,000</b>	<b>27,574,313</b>

\*Expenses paid by head office on behalf of the Branch and treated as a capital contribution.



**12. Audit fees**

	31 December 2022 CHF	31 December 2021 CHF
Audit services to incumbent audit firm	203,627	218,870
	<b>203,627</b>	<b>218,870</b>

All audit fees are recognised in acquisition and administrative expenses on the income statement.

**13. Personnel expenses**

	31 December 2022 CHF	31 December 2021 CHF
Wages, salaries and staff benefits	242,133	402,041
Employer's defined contribution payments	40,316	34,617
	<b>282,449</b>	<b>436,658</b>

All personnel expenses are recognised in administrative expenses on the income statement.

**14. Gross premiums written**

	31 December 2022 CHF	31 December 2021 CHF
Gross premiums written	11,279,497	13,024,727
Total gross premiums written	<b>11,279,497</b>	<b>13,024,727</b>

**15. Gross claims and expenses paid to policyholders**

	31 December 2022 CHF	31 December 2021 CHF
Gross surrenders paid	8,368,094	15,293,291
Total gross claims and expenses paid	<b>8,368,094</b>	<b>15,293,291</b>

**16. Change in Technical Provisions**

No risk has been ceded to reinsurers and the provisions shown are entirely for the Branch's own account.

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Unearned premium reserve	-	-	-	-	-	-
Loss reserves	-	-	-	-	-	-
Other technical provisions	-	-	-	-	-	-
Actuarial reserves	(13,227,382)	(8,249,963)	-	-	(13,227,382)	(8,249,963)
Provision for policyholder	-	-	-	-	-	-
Provision for surplus funds	-	-	-	-	-	-
Total	<b>(13,227,382)</b>	<b>(8,249,963)</b>	<b>-</b>	<b>-</b>	<b>(13,227,382)</b>	<b>(8,249,963)</b>

## 17. Change in Technical Provisions for unit linked business

No risk has been ceded to reinsurers and the provisions shown are entirely for the Branch's own account.

	Technical provisions (gross)		Reinsurers' share		Technical provisions written (net)	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Unearned premium reserve	-	-	-	-	-	-
Loss reserves	-	-	-	-	-	-
Other technical provisions	-	-	-	-	-	-
Actuarial reserves	(25,235,533)	7,413,299	-	-	(25,235,533)	7,413,299
Provision for policyholder	-	-	-	-	-	-
Provision for surplus funds	-	-	-	-	-	-
<b>Total</b>	<b>(25,235,533)</b>	<b>7,413,299</b>	<b>-</b>	<b>-</b>	<b>(25,235,533)</b>	<b>7,413,299</b>

## 18. Acquisition costs and administrative expenses

	31 December 2022 CHF	31 December 2021 CHF
Acquisition costs	492,042	654,236
Head office expenses allocated to the Branch	508,438	700,724
Administrative expenses	811,851	905,563
<b>Total acquisition costs and administrative expenses</b>	<b>1,812,331</b>	<b>2,260,523</b>

19. Income from investments

2022	Income CHF	Unrealised gains CHF	Realised gains CHF	Total CHF
Income from Investments	75,196	31,674	-	106,870
Movement in change in valuation - market value to amortised cost - Fixed income and debt securities	-	18,500	-	18,500
	<b>75,196</b>	<b>50,174</b>	<b>-</b>	<b>125,369</b>
2021	Income CHF	Unrealised gains CHF	Realised gains CHF	Total CHF
Income from Investments - fixed interest securities	134,663	25,865	17,703	178,231
Movement in change in valuation - market value to amortised cost - Fixed income and debt securities	-	76,536	-	76,536
	<b>134,663</b>	<b>102,401</b>	<b>17,703</b>	<b>254,767</b>

20. Expenses from investments

2022	Expenses CHF	Unrealised (losses) CHF	Realised (losses) CHF	Total CHF
Expenses from Investments - Fixed income and debt securities	-	(1,122,730)	(145,464)	(1,268,194)
	<b>-</b>	<b>(1,122,730)</b>	<b>(145,464)</b>	<b>(1,268,194)</b>
2021	Expenses CHF	Unrealised (losses) CHF	Realised (losses) CHF	Total CHF
Expenses from Investments - Fixed income and debt securities	-	(377,002)	(189,390)	(566,392)
	<b>-</b>	<b>(377,002)</b>	<b>(189,390)</b>	<b>(566,392)</b>

21. Capital and interest gains or losses

2022	Income/ Expenses CHF	Unrealised (losses) CHF	Realised gains CHF	Total CHF
Capital and interest gains from unit linked business	(298,215)	(273,445)	(958,320)	(1,529,980)
	<b>(298,215)</b>	<b>(273,445)</b>	<b>(958,320)</b>	<b>(1,529,980)</b>

2021	Income CHF	Unrealised gains CHF	Realised gains CHF	Total CHF
Capital and interest gains from unit linked business	195,701	14,369,518	3,959,692	18,524,911
	<b>195,701</b>	<b>14,369,518</b>	<b>3,959,692</b>	<b>18,524,911</b>

22. Capital and interest gains or losses from unit linked business

2022	Income /Expenses CHF	Unrealised (losses) CHF	Realised (losses) CHF	Total CHF
Capital and interest expenses from unit linked business	-	(25,235,533)	-	(25,235,533)
	<b>-</b>	<b>(25,235,533)</b>	<b>-</b>	<b>(25,235,533)</b>

2021	Expenses CHF	Unrealised (losses) CHF	Realised (losses) CHF	Total CHF
Capital and interest expenses from unit linked business	-	(2,462,209)	(177,305)	(2,639,514)
	<b>-</b>	<b>(2,462,209)</b>	<b>(177,305)</b>	<b>(2,639,514)</b>

**23. Other Income**

	31 December 2022	31 December 2021
	CHF	CHF
FX revaluation gain	390	12,222
Interest income	34,312	-
Fee and commission income	1,758,566	1,480,022
	<b>1,793,268</b>	<b>1,492,244</b>

**24. Other expenses**

	31 December 2022	31 December 2021
	CHF	CHF
Foreign exchange revaluation loss	7,922,485	3,095,143
Miscellaneous expense	-	376,810
Administration and service charge	25,048	38,466
Interest expenses	-	53,167
VAT expense	39,150	53,956
	<b>7,986,683</b>	<b>3,617,542</b>

**25. Taxes**

The Branch has a profit before tax of CHF 5,460,234 (2021: CHF 9,756,051) which it will offset against any income tax losses from previous years.

Income tax expense/ (credit) is as follows:

	31 December 2022	31 December 2021
	CHF	CHF
Income tax	1,017,563	123,635
Tax on equity	52,593	44,319
	<b>1,070,157</b>	<b>167,954</b>

**26. Residual amount of operating lease obligations**

The future minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

	31 December 2022	31 December 2021
	CHF	CHF
Not later than one year	-	33,617
Later than one year but not later than five years	-	-
	<b>-</b>	<b>33,617</b>

**27. Full-time equivalents**

The annual average number of full-time equivalent staff employed for the reporting year was 1 (2021: 2).

**28. Events after the balance sheet date**

No subsequent events have been identified which have a significant effect after the balance sheet date.