

**Chubb INA Overseas Insurance
Company Ltd.**

(Incorporated in Bermuda)

Condensed General Purpose Financial Statements
December 31, 2020 and 2019
(in thousands of dollars)



April 28, 2021

Report of Independent Auditors

To the Board of Directors of Chubb INA Overseas Insurance Company Ltd.

We have audited the accompanying condensed financial statements of Chubb INA Overseas Insurance Company Ltd., which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2020 and 2019, and the related condensed statements of income for the years then ended, and the related notes to the condensed financial statements.

Management's responsibility for the condensed financial statements

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the 'Legislation'). Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the condensed financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the condensed financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the condensed financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the condensed 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 Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the condensed financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for adverse opinion on U.S. generally accepted accounting principles

As described in Note 3 of the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



Adverse opinion on U.S. generally accepted accounting principles

In our opinion, because of the significance of the matter discussed in the “Basis for adverse opinion on U.S. generally accepted accounting principles” paragraph, the condensed financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2020 and 2019, or the results of its operations or its cash flows for the years then ended.

Opinion on regulatory basis of accounting

In our opinion, the condensed financial statements referred to above present fairly, in all material respects, the financial position of Chubb INA Overseas Insurance Company Ltd. as of December 31, 2020 and 2019, and the results of its operations for the years then ended in accordance with the financial reporting provisions of the Legislation described in Note 3.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Chubb INA Overseas Insurance Company Ltd.

Condensed Consolidated Balance Sheet

At December 31, 2020

CONDENSED BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd.

As at December 31, 2020

expressed in
[‘000s]

United States Dollars

LINE No.		2020	2019
1.	CASH AND CASH EQUIVALENTS	144,749	134,269
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity	-	-
	ii. Other	131,683	66,351
(b)	Total Bonds and Debentures	131,683	66,351
(c)	Equities		
	i. Common stocks	-	-
	ii. Preferred stocks	-	-
	iii. Mutual funds	-	-
(d)	Total equities	-	-
(e)	Other quoted investments	-	-
(f)	Total quoted investments	131,683	66,351
3.	UNQUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity	-	-
	ii. Other	-	-
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks	-	-
	ii. Preferred stocks	-	-
	iii. Mutual funds	-	-
(d)	Total equities	-	-
(e)	Other unquoted investments	-	-
(f)	Total unquoted investments	-	-
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a)	Unregulated entities that conduct ancillary services	-	-
(b)	Unregulated non-financial operating entities	-	-
(c)	Unregulated financial operating entities	-	-
(d)	Regulated non-insurance financial operating entities	-	-
(e)	Regulated insurance financial operating entities	-	-
(f)	Total investments in affiliates	-	-
(g)	Advances to affiliates	12,211	-
(h)	Total investments in and advances to affiliates	12,211	-
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens	-	-
(b)	Other than first liens	-	-
(c)	Total investments in mortgage loans on real estate	-	-
6.	POLICY LOANS	-	-

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet ...continued

At December 31, 2020

CONDENSED BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd.

As at
expressed in
['000s]

December 31, 2020

United States Dollars

LINE No.		2020	2019
7.	REAL ESTATE:		
(a)	Occupied by the company (less encumbrances)	-	-
(b)	Other properties (less encumbrances)	-	-
(c)	Total real estate	-	-
8.	COLLATERAL LOANS	-	-
9.	INVESTMENT INCOME DUE AND ACCRUED	714	470
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	46,004	22,445
(b)	Deferred - not yet due	-	-
(c)	Receivables from retrocessional contracts	-	-
(d)	Total accounts and premiums receivable	46,004	22,445
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates	1,507	-
(b)	Domestic affiliates	-	-
(c)	Pools & associations	-	-
(d)	All other insurers	6,585	3,076
(e)	Total reinsurance balance receivable	8,092	3,076
12.	FUNDS HELD BY CEDING REINSURERS	-	-
13.	SUNDRY ASSETS:		
(a)	Derivative instruments	-	-
(b)	Segregated accounts companies - long-term business - variable annuities	-	-
(c)	Segregated accounts companies - long-term business - other	-	-
(d)	Segregated accounts companies - general business	-	-
(e)	Deposit assets	-	-
(f)	Deferred acquisition costs	11,018	14,317
(g)	Net receivables for investments sold	-	-
(h)		-	-
(i)		-	-
(j)		-	-
(k)	Total sundry assets	11,018	14,317
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit	-	-
(b)	Guarantees	-	-
(c)	Other instruments	-	-
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	354,471	240,928

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet ...continued

At December 31, 2020

CONDENSED BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd.

December 31, 2020

As at
expressed in
['000s]

United States Dollars

LINE No.		2020	2019
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	186,818	176,773
(b)	Less: Ceded unearned premium reserve		
	i. Foreign affiliates	13,520	12,697
	ii. Domestic affiliates	100	63
	iii. Pools & associations	-	-
	iv. All other insurers	89,941	96,322
(c)	Total ceded unearned premium reserve	103,561	109,082
(d)	Net unearned premium reserve	83,257	67,691
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	259,966	91,720
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates	12,502	3,436
	ii. Domestic affiliates	-	-
	iii. Pools & associations	-	-
	iv. All other reinsurers	148,636	53,084
(c)	Total reinsurance recoverable balance	161,138	56,520
(d)	Net loss and loss expense provisions	98,828	35,200
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES	-	-
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	182,085	102,891
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVE FOR REPORTED CLAIMS	-	-
21.	RESERVE FOR UNREPORTED CLAIMS	-	-
22.	POLICY RESERVES - LIFE	-	-
23.	POLICY RESERVES - ACCIDENT AND HEALTH	-	-
24.	POLICYHOLDERS' FUNDS ON DEPOSIT	-	-
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS	-	-
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES	-	-
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign Affiliates	-	-
	(ii) Domestic Affiliates	-	-
	(iii) Pools and Associations	-	-

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Balance Sheet ...continued

At December 31, 2020

CONDENSED BALANCE SHEET

Chubb INA Overseas Insurance Company Ltd.

As at December 31, 2020

expressed in
['000s]

United States Dollars

	(iv) All Other Insurers	-	-
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-
OTHER LIABILITIES			
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	78,162	55,565
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	-	-
30.	LOANS AND NOTES PAYABLE	-	-
31.	(a) INCOME TAXES PAYABLE	-	-
	(b) DEFERRED INCOME TAXES	-	-
32.	AMOUNTS DUE TO AFFILIATES	-	29,901
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	87	455
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:	3,601	1,116
35.	DIVIDENDS PAYABLE	-	-
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments	-	-
(b)	Segregated accounts companies	-	-
(c)	Deposit liabilities	-	-
(d)	Net payable for investments purchased	-	-
(e)		-	-
(f)		-	-
(g)		-	-
(h)	Total sundry liabilities	-	-
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit	-	-
(b)	Guarantees	-	-
(c)	Other instruments	-	-
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	81,850	87,037
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	263,935	189,928
CAPITAL AND SURPLUS			
40.	TOTAL CAPITAL AND SURPLUS	90,536	51,000
41.	TOTAL	354,471	240,928

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Statements of Income

For the year ended December 31, 2020

CONDENSED STATEMENT OF INCOME

Chubb INA Overseas Insurance Company Ltd.

As at December 31, 2020

expressed in ['000s] United States Dollars

LINE No.		2020	2019
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	-	-
	(b) Assumed gross premiums written	505,131	414,598
	(c) Total gross premiums written	505,131	414,598
2.	REINSURANCE PREMIUMS CEDED	318,936	282,428
3.	NET PREMIUMS WRITTEN	186,195	132,170
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS	(13,742)	(49,317)
5.	NET PREMIUMS EARNED	172,453	82,853
6.	OTHER INSURANCE INCOME	-	-
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	172,453	82,853
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	79,189	36,993
9.	COMMISSIONS AND BROKERAGE	51,607	30,648
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	130,796	67,641
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	41,657	15,212
	LONG-TERM BUSINESS INCOME		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	-	-
	(b) Assumed gross premiums and other considerations	-	-
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED	-	-
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life	-	-
	(b) Annuities	-	-
	(c) Accident and health	-	-
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME	-	-
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17.	CLAIMS - LIFE	-	-
18.	POLICYHOLDERS' DIVIDENDS	-	-

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Statements of Income ... continued

For the year ended December 31, 2020

CONDENSED STATEMENT OF INCOME

Chubb INA Overseas Insurance Company Ltd.

As at December 31, 2020

expressed in ['000s] United States Dollars

19.	SURRENDERS	-	-
20.	MATURITIES	-	-
21.	ANNUITIES	-	-
22.	ACCIDENT AND HEALTH BENEFITS	-	-
23.	COMMISSIONS	-	-
24.	OTHER	-	-
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life	-	-
	(b) Annuities	-	-
	(c) Accident and health	-	-
	(d) Total increase (decrease) in policy reserves	-	-
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	-	-
29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	41,657	15,212
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	22,001	13,934
	(b) Personnel cost	4,506	2,854
	(c) Other	-	-
	(d) Total combined operating expenses	26,507	16,788
31.	COMBINED INVESTMENT INCOME - NET	2,223	1,355
32.	COMBINED OTHER INCOME (DEDUCTIONS)	18,120	14,406
33.	COMBINED INCOME BEFORE TAXES	35,493	14,185
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	-	-
	(b) Deferred	-	-
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	35,493	14,185
36.	COMBINED REALIZED GAINS (LOSSES)	(4,973)	(238)
37.	COMBINED INTEREST CHARGES	-	-
38.	NET INCOME	30,520	13,947

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Condensed Statement of Capital and Surplus

For the year ended December 31, 2020

CONDENSED STATEMENT OF CAPITAL AND SURPLUS

Chubb INA Overseas Insurance Company Ltd.

As at December 31, 2020

expressed in ['000s] United States Dollars

LINE No.		2020	2019
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares		
	authorized	120,000	120,000
	value	1	
	fully paid	120,000	
		shares of par	each issued and
			shares
	(ii)		
	(A) Preferred shares:		
	authorized	-	-
	value	-	-
	fully paid	-	-
		shares of par	each issued and
			shares
	aggregate liquidation value for –		
	2020	-	-
	2019	-	-
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
		shares of par	each issued and
			shares
	aggregate liquidation value for –		
	2020		
	2019		
	(iii) Treasury Shares		
	repurchased		
	value		
		shares of par	each issued
(b)	Contributed surplus	34,880	34,880
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	-	-
	(ii) Guarantees and others	-	-
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	35,000	35,000
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	16,000	57
(b)	Add: Income for the year	30,520	13,947
(c)	Less: Dividends paid and payable	-	-
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	3,626	742
(e)	Add (Deduct) change in any other surplus	5,390	1,254
(f)	Surplus - End of Year	55,536	16,000
3.	MINORITY INTEREST	-	-
4.	TOTAL CAPITAL AND SURPLUS	90,536	51,000

The accompanying notes are an integral part of these condensed financial statements.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in General Note to the Financial Statements

December 31, 2020

1. *General*

Chubb INA Overseas Insurance Company Ltd. (CIOIC or the Company) incorporated under the laws of Bermuda on January 24, 2018, and registered as a Class 3A insurer on April 3, 2018. The company, which was capitalized with \$35 million of cash, is a wholly-owned subsidiary of ACE INA Overseas Insurance Company Ltd. (AIOIC), a Bermuda exempted company. AIOIC is a wholly-owned subsidiary of Chubb INA International Holdings, Ltd., who in turn is ultimately wholly-owned by Chubb Limited (Chubb), a company incorporated in Switzerland.

2. *Nature of risks Underwritten*

The Company writes property and casualty reinsurance business and acts as an affiliate reinsurer with respect to business written by international affiliates.

3. *Accounting standards & policies*

Basis of presentation

The condensed general purpose financial statements have been prepared in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the "Legislation"). The condensed general purpose financial statements are based upon accounting principles generally accepted in the United States of America (U.S. GAAP) but are in accordance with the reporting requirement of the Legislation, which varies in certain respects from U.S. GAAP. The more significant variances are as follows:

- A statement of cash flows is not included;
- A statement of comprehensive income is not included;
- The presentation and classification of financial statement line items is in accordance with Schedules IX and XI of the Insurance Account Rules 2016 and differ from the expected presentation and classification under U.S. GAAP; and
- The notes included in the condensed general purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Rules 2016 and exclude certain information required under U.S. GAAP.

The preparation of Condensed General Purpose Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amounts included in the Condensed Financial Statements reflect the Company's best estimates and assumptions; actual amounts could differ materially from these estimates. The Company's principal estimates include:

- unpaid loss and loss expense expenses;
- amortization of deferred policy acquisition costs;
- reinsurance recoverable, including a valuation allowance for uncollectible reinsurance;
- the assessment of risk transfer for certain reinsurance contracts; and
- the valuation of the investment portfolio and assessment of valuation allowance for expected credit losses.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in General Note to the Financial Statements

December 31, 2020

4. Significant accounting policies

(a) Investments

Bonds and debentures (including fixed maturities and short-term investments)

Bonds and debentures are classified as available for sale (AFS) and are reported at fair value with changes in fair value recorded as change in unrealized appreciation (depreciation) of investments in Condensed Statement of Capital and Surplus.

Short-term investments comprise securities due to mature within one year of the date of purchase and are recorded at fair value which typically approximates cost.

Interest, dividend income, amortization of fixed maturity market premiums and discounts related to these securities are recorded in combined investment income, net of investment management and custody fees, in the Condensed Statement of Income.

Valuation allowance for fixed income securities

Management evaluates expected credit losses (ECL) for AFS securities when fair value is below amortized cost. AFS securities are evaluated for potential credit loss on an individual security level but the evaluation may use assumptions consistent with expectations of credit losses for a group of similar securities. If management has the intent to sell or will be required to sell the security before recovery, the entire impairment loss will be recorded through income to net realized gains and losses. If management does not have the intent to sell or will not be required to sell the security before recovery, an allowance for credit losses is established and is recorded through income to net realized gains and losses, and the non-credit loss portion is recorded through other comprehensive income.

Examples of criteria that are collectively evaluated to determine if a credit loss has occurred include the following:

- The extent to which the fair value is less than amortized cost;
- Adverse conditions related to the security, industry, or geographic area;
- Downgrades in the security's credit rating by a rating agency; and
- Failure of the issuer to make scheduled principal or interest payments

AFS securities that meet any one of the criteria included above will be subject to a discounted cash flow analysis by comparing the present value of expected future cash flows with the amortized cost basis. Projected cash flows are driven primarily by assumptions regarding probability of default and the timing and amount of recoveries associated with defaults. Chubb developed the projected cash flows using market data, issuer-specific information, and credit ratings. In combination with contractual cash flows and the use of historical default and recovery data by Moody's Investors Service (Moody's) rating category we generate expected cash flows using the average cumulative issuer-weighted global default rates by letter rating.

If the present value of expected future cash flows is less than the amortized cost, a credit loss exists and an allowance for credit losses will be recognized. If the present value of expected future cash flows is equal to or greater than the amortized cost basis, management will conclude an expected credit loss does not exist.

Management reviews credit losses and the valuation allowance for expected credit losses each quarter. When all or a portion of a fixed maturity security is identified to be uncollectible and written off, the valuation allowance for expected credit losses is reduced by the same amount. In general, a security is considered uncollectible no later than when all efforts to collect contractual cash flows have been exhausted.

Below are considerations for when a security may be deemed uncollectible:

- We have sufficient information to determine that the issuer of the security is insolvent;
- We receive notice that the issuer of the security has filed for bankruptcy, and the collectability is expected to be adversely impacted by the bankruptcy;
- The issuer of a security has violated multiple debt covenants;
- Amounts have been past due for a specified period of time with no response from the issuer;
- A significant deterioration in the value of the collateral has occurred;

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in General Note to the Financial Statements

December 31, 2020

- We have received correspondence from the issuer of the security indicating that it doesn't intend to pay the contractual principal and interest.

We elected to not measure an allowance for accrued investment income as uncollectible balances are written off in a timely manner, typically 30 to 45 days after uncollected balances are due.

Prior to January 1, 2020, fixed income securities were evaluated individually for other-than-temporary impairment (OTTI) and a realized loss was recognized once certain criteria were met.

(b) Cash

The Company has agreements with a third party bank provider which implemented two international multi-currency notional cash pooling programs. In the program, participating-Chubb entities establish deposit accounts in different currencies with the bank provider and each day the credit or debit balances in every account are notionally translated into a single currency (U.S. dollars) and then notionally pooled. The bank extends overdraft credit to any participating Chubb entity as needed, provided that the overall notionally-pooled balance of all accounts in each pool at the end of each day is at least zero. Actual cash balances are not physically converted and are not commingled between legal entities. Any overdraft balances incurred under this program by a Chubb entity would be guaranteed by Chubb Limited (up to \$300 million in the aggregate). The Company's syndicated letter of credit facility allows for same day drawings to fund a net pool overdraft should participating Chubb entities overdraw contributed funds from the pool. The Company is a participating Chubb entity.

(c) Reinsurance

The Company assumes and cedes reinsurance with other insurance companies to provide greater diversification of business and minimize the net loss potential arising from large risks. Ceded reinsurance contracts do not relieve the Company of its primary obligation to policyholders.

For both ceded and assumed reinsurance, risk transfer requirements must be met in order to account for a contract as reinsurance, principally resulting in the recognition of cash flows under the contract as premiums and losses. To meet risk transfer requirements, a reinsurance contract must include insurance risk, consisting of both underwriting and timing risk, and a reasonable possibility of a significant loss for the assuming entity. To assess risk transfer for certain contracts, the Company generally develops expected discounted cash flow analyses at contract inception.

Reinsurance balances receivable and reinsurance recoverable includes balances due from reinsurance companies for paid and unpaid losses and loss expenses that will be recovered from reinsurers, based on contracts in force. The method for determining the reinsurance recoverable on unpaid losses and loss expenses incurred but not reported (IBNR) involves actuarial estimates consistent with those used to establish the associated liability for unpaid losses and loss expenses as well as a determination of the Company's ability to cede unpaid losses and loss expenses under the terms of the reinsurance agreement.

Reinsurance balances receivable and reinsurance recoverable is generally presented net of a valuation allowance for uncollectible reinsurance determined based upon a review of the financial condition of the reinsurers and other factors. The valuation allowance for uncollectible reinsurance is based on an estimate of the reinsurance recoverable balance that the Company will ultimately be unable to recover due to reinsurer insolvency, a contractual dispute, or any other reason. The valuation of this allowance includes several judgments including certain aspects of the allocation of reinsurance recoverable on IBNR claims by reinsurer and a default analysis to estimate uncollectible reinsurance. The primary components of the default analysis are reinsurance recoverable balances by reinsurer, net of collateral, and default factors used to determine the portion of a reinsurer's balance deemed uncollectible. The definition of collateral for this purpose requires some judgment and is generally limited to assets held in trust, letters of credit, and liabilities held by the Company with the same legal entity for which it believes there is a contractual right of offset. The determination of the default factor is principally based on the financial strength rating of the reinsurer. Default factors require considerable judgment and are determined using the current financial strength rating, or rating equivalent, of each reinsurer as well as other key considerations and assumptions. Changes in the valuation allowance for uncollectible reinsurance recoverables are recorded in Losses and loss expenses in the

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in General Note to the Financial Statements

December 31, 2020

Consolidated statement of income. The evaluation of the valuation allowance at December 31, 2019 was consistent with the new accounting guidance adopted January 1, 2020, therefore, there was no material change to the valuation allowance upon adoption. Refer to footnote 4(h) below. The more significant considerations include, but are not necessarily limited to, the following:

- For reinsurers that maintain a financial strength rating from a major rating agency, and for which recoverable balances are considered representative of the larger population (i.e., default probabilities are consistent with similarly rated reinsurers and payment durations conform to averages), the financial rating is based on a published source and the default factor is based on published default statistics of a major rating agency applicable to the reinsurer's particular rating class. When a recoverable is expected to be paid in a brief period of time by a highly rated reinsurer, such as certain property catastrophe claims, a default factor may not be applied;
- For balances recoverable from reinsurers that are both unrated by a major rating agency and for which management is unable to determine a credible rating equivalent based on a parent, affiliate, or peer company, the Company determines a rating equivalent based on an analysis of the reinsurer that considers an assessment of the creditworthiness of the particular entity, industry benchmarks, or other factors as considered appropriate. The Company then applies the applicable default factor for that rating class. For balances recoverable from unrated reinsurers for which the ceded reserve is below a certain threshold, the Company generally applies a default factor of 34 percent, consistent with published statistics of a major rating agency;
- For balances recoverable from reinsurers that are either insolvent or under regulatory supervision, the Company establishes a default factor and resulting provision for uncollectible reinsurance based on reinsurer-specific facts and circumstances. Upon initial notification of insolvency, the Company generally recognizes an expense for a substantial portion of all balances outstanding, net of collateral, through a combination of write-offs of recoverable balances and increases to the provision for uncollectible reinsurance. When regulatory action is taken on a reinsurer, the Company generally recognizes a default factor by estimating an expected recovery on all balances outstanding, net of collateral. When sufficient credible information becomes available, the Company adjusts the provision for uncollectible reinsurance by establishing a default factor pursuant to information received; and
- For other recoverables, management determines the provision for uncollectible reinsurance based on the specific facts and circumstances.

The methods used to determine the valuation allowance for uncollectible high deductible recoverable amounts are similar to the processes used to determine the provision for uncollectible reinsurance recoverable. For additional information on high deductible policies, refer to section e) Unpaid losses and loss expenses, below.

Ceded unearned reinsurance premiums represent the portion of premiums ceded to reinsurers applicable to the unexpired coverage terms of the reinsurance contracts in force.

(d) Deferred policy acquisition costs

Policy acquisition costs consist of commissions (direct and ceded) and certain underwriting costs related directly to the successful acquisition of new or renewal insurance contracts. Policy acquisition costs on property and casualty (P&C) contracts are generally amortized ratably over the period in which premiums are earned. The effect of changes in estimates of expected gross profits is reflected in the period the estimates are revised. Policy acquisition costs are reviewed to determine if they are recoverable from future income, including investment income. Unrecoverable policy acquisition costs are expensed in the period identified.

(e) Losses and loss expense provisions

A liability is established for the estimated unpaid losses and loss expenses under the terms of, and with respect to, the Company's policies and agreements. Similar to premiums that are recognized as revenues over the coverage period of the policy, a liability for unpaid losses and loss expenses is recognized as expense when insured events occur over the coverage period of the policy. The liability includes a provision for both reported claims (case

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Notes to Condensed General Purpose Financial Statements

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reserves) and incurred but not reported claims (IBNR reserves). IBNR reserve estimates are generally calculated by first projecting the ultimate cost of all losses that have occurred (expected losses), and then subtracting paid losses, case reserves, and loss expenses. The methods of determining such estimates and establishing the resulting liabilities are reviewed regularly and any adjustments are reflected in the statement of income in the period in which they become known. Future developments may result in losses and loss expenses materially greater or less than the recorded amounts.

Our loss reserves are presented net of contractual deductible recoverable amounts due from policyholders. Under the terms of certain high deductible policies which we offer, such as workers' compensation and general liability, our customers are responsible to reimburse us for an agreed-upon dollar amount per claim. In nearly all cases we are required under such policies to pay covered claims first, and then seek reimbursement for amounts within the applicable deductible from our customers. We generally seek to mitigate this risk through collateral agreements.

Prior period development arises from changes to loss estimates recognized in the current year that relate to loss reserves first reported in previous calendar years and excludes the effect of losses from the development of earned premium from previous accident years.

For purposes of analysis and disclosure, management views prior period development to be changes in the nominal value of the loss estimates from period to period, net of premium and profit commission adjustments on loss sensitive contracts. Prior period development generally excludes changes in loss estimates that do not arise from the emergence of claims, such as those related to uncollectible reinsurance, unallocated loss adjustment expenses or foreign currency. Accordingly, specific items excluded from prior period development include the following: gains/losses related to foreign currency remeasurement; losses recognized from the early termination or commutation of reinsurance agreements that principally relate to the time value of money; changes in the value of reinsurance business assumed reflected in losses incurred but principally related to the time value of money; and losses that arise from changes in estimates of earned premiums from prior accident years. Except for foreign currency remeasurement, which is included in Combined realized gains (losses), these items are included in current year losses.

(f) **Premiums**

Premiums are generally recorded as written upon inception of the policy. For multi-year policies for which premiums written are payable in annual installments, only the current annual premium is included as written at policy inception due to the ability of the insured/reinsured to commute or cancel coverage within the policy term. The remaining annual premiums are recorded as written at each successive anniversary date within the multi-year term.

For property and casualty (P&C) reinsurance products, premiums written are primarily earned on a pro-rata basis over the policy terms to which they relate. Unearned premiums reserves represent the portion of premiums written applicable to the unexpired portion of the policies in force. For retrospectively-rated policies, written premiums are adjusted to reflect expected ultimate premiums consistent with changes to incurred losses, or other measures of exposure as stated in the policy, and earned over the policy coverage period.

Reinsurance premiums assumed are based on information provided by ceding companies supplemented by the Company's own estimates of premium when the Company has not received ceding company reports. Estimates are reviewed and adjustments are recorded in the period in which they are determined. Premiums are earned over the coverage terms of the related reinsurance contracts and range from one to three years.

(g) **Foreign currency remeasurement and translation**

Transactions in currencies other than the Company's functional currency are remeasured into the functional currency and the resulting foreign exchange gains and losses are reflected in combined realized gain (losses) in the Condensed Statement of Income. Functional currency assets and liabilities are translated into the reporting currency, U.S. dollars, using period end exchange rates and the related translation adjustments are recorded as change in any other surplus in Condensed Statement of Capital and Surplus. Functional statement of operations amounts expressed in functional currencies are translated using average exchange rates.

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(h) New accounting pronouncements

Adopted in 2020

Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments

Effective January 1, 2020, we adopted, on a modified retrospective basis, new guidance on the accounting for credit losses of financial instruments that are measured at amortized cost, including held to maturity securities, reinsurance recoverables, and high deductible receivables, by applying an approach based on the current expected credit losses (CECL). The estimate of expected credit losses considers historical information, current information, as well as reasonable and supportable forecasts, including estimates of prepayments. In addition, the guidance also amended the current available for sale (AFS) debt security other-than-temporary impairment model by requiring an estimate of the expected credit loss (ECL) only when the fair value is below the amortized cost of the asset. The length of time the fair value of an AFS security has been below the amortized cost no longer impacts the determination of whether a potential credit loss exists. The AFS security model also requires the use of a valuation allowance as compared to the current practice of writing down the asset. During the first quarter of 2020, we established a valuation allowance for credit losses, and there is no cumulative effect adjustment on the beginning retained earnings.

Accounting guidance not yet adopted

Effects of Reference Rate Reform on Financial Reporting

In March 2020, the FASB issued guidance which provides optional expedients and exceptions for applying GAAP to investments, derivatives, or other transactions that reference the London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued because of reference rate reform. Along with the optional expedients, the amendments include a general principle that permits an entity to consider contract modifications due to reference reform to be an event that does not require contract re-measurement at the modification date or reassessment of a previous accounting determination. Additionally, a company may make a one-time election to sell, transfer, or both sell and transfer debt securities classified as held to maturity that reference a rate affected by reference rate reform and that were classified as held to maturity before January 1, 2020. This standard may be elected over time through December 31, 2022 as reference rate reform activities occur. Our exposure to LIBOR is limited and, accordingly, we do not expect reference rate reform to have a material impact on our consolidated financial statements.

5. *Revenue Recognition*

For revenue recognition of premium, investment and commission income, see Note 4(a), (c) and (f) in the general note to the financial statements.

6. *Foreign Currency Transactions*

For foreign currency transactions, see Note 4(g) in the general note to the financial statements. Transaction gains and losses resulting from foreign currency transactions are recorded in combined realized gains (losses). There were \$(5.0) million and \$(0.3) million of foreign exchange gains (losses) during the year of 2020 and 2019, respectively.

7. *Foreign Exchange Control Restrictions*

Not applicable

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Notes to Condensed General Purpose Financial Statements

Matters to be set forth in General Note to the Financial Statements

December 31, 2020

8. *Commitments, Contingencies, and Guarantees*

(a) **Concentrations of credit risk**

In accordance with industry practice, we generally pay amounts owed on claims to brokers who, in turn, remit these amounts to the insured or ceding insurer. Although the law is unsettled and depends upon the facts and circumstances of the particular case, in some jurisdictions, if a broker fails to make such a payment, we might remain liable to the insured or ceding insurer for the deficiency. Conversely, in certain jurisdictions, if the brokers do not remit premiums paid for these policies over to us, these premiums might be considered to have been paid and the insured or ceding insurer will no longer be liable to us for those amounts, whether or not we have actually received the premiums from the broker. Consequently, we assume a degree of credit risk associated with brokers with whom we transact business. However, due to the unsettled and fact-specific nature of the law, we are unable to quantify our exposure to this risk. To date, we have not experienced any material losses related to these credit risks.

Under the terms of certain high-deductible policies which we offer, such as general liability, our customers are responsible to reimburse us for an agreed-upon dollar amount per claim. In nearly all cases we are required under such policies to pay covered claims first, and then seek reimbursement for amounts within the applicable deductible from our customers. This obligation subjects us to credit risk from these customers. While we generally seek to mitigate this risk through collateral agreements and maintain a provision for uncollectible accounts associated with this credit exposure, an increased inability of customers to reimburse us in this context could have an adverse effect on our financial condition and results of operations. In addition, a lack of credit available to our customers could impact our ability to collateralize this risk to our satisfaction, which in turn, could reduce the amount of high-deductible policies we could offer.

(b) **Legal proceedings**

The Company may be subject to arbitration proceedings involving disputed interpretations of treaty coverage. These arbitration proceedings, involving disputed interpretations of treaty coverage and/or claims on policies issued by ceding companies, are typical to the reinsurance industry in general and in the normal course of business and are considered in the Company's loss and loss expense reserves. In addition to arbitration proceedings, the Company may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on assumed reinsurance treaties. This category of business litigation could involve, amongst other things, allegations of underwriting errors or misconduct, employment claims, regulatory activity or disputes arising from business ventures. In the opinion of the Company's management, the ultimate liability for these matters could be, but we believe is not likely to be, material to the Company's condensed financial condition and results of operations.

(c) **Letters of Credit**

Chubb and its participating subsidiaries (including the Company) have access to credit facility that provides for up to \$4.0 billion of availability with a sub-limit of \$1.9 billion for revolving credit. The Company's existing facility has a remaining term expiring in October 2022. At December 31, 2020, outstanding LOC's issued under this facility were \$578 million.

9. *Default*

Not applicable

10. *Dividends on Preferred Shares*

Not applicable

11. *Loans*

Not applicable

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

Matters to be set forth in General Note to the Financial Statements

December 31, 2020

12. Retirement Obligation

CIOIC provides pension benefits to employees through defined contribution plans. Under these plans, employees' contributions may be supplemented by company matching contributions based on the level of employee contribution. These contributions are invested at the election of each employee in one or more of several investment portfolios offered by a third-party investment advisor.

13. Fair Value Measurements

Effective January 1, 2020, we adopted new accounting guidance that requires a valuation allowance for credit losses to be established for fixed maturity securities classified as held to maturity (HTM) or available for sale (AFS). The following table presents, by valuation hierarchy, the financial instruments measured at fair value on a recurring basis:

December 31, 2020	Quoted Prices in Active Markets for Identical Assets or Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
	(in thousands of U.S. dollars)			
Assets:				
<u>Fixed maturities available for sale</u>				
Foreign	\$ -	\$ 131,046	\$ -	\$ 131,046
Corporate securities	-	226	-	226
Short-term investments	411	-	-	411
Total quoted investments at fair value	\$ 411	\$ 131,272	\$ -	\$ 131,683

December 31, 2019	Quoted Prices in Active Markets for Identical Assets or Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
	(in thousands of U.S. dollars)			
Assets:				
<u>Fixed maturities available for sale</u>				
Foreign	\$ -	\$ 62,310	\$ -	\$ 62,310
Short-term investments	909	3,132	-	4,041
Total quoted investments at fair value	\$ 909	\$ 65,442	\$ -	\$ 66,351

14. Contractual Maturity

The following table presents bond and debentures by contractual maturity at December 31, 2020 and 2019.

	2020	2019
	Fair Value	Fair Value
	(in thousands of U.S. Dollars)	(in thousands of U.S. Dollars)
<u>Available for sale; maturity period</u>		
Due in 1 year or less	\$ 11,806	\$ 5,447
Due after 1 year through 5 years	59,887	32,169

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Due after 5 years through 10 years	57,194	28,454
Due after 10 years	2,796	281
	<u>\$ 131,683</u>	<u>\$ 66,351</u>

Expected maturities could differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties.

15. Related Party Transactions

The Company assumes and cedes premiums and losses and loss expenses under various quota share agreements relating to multinational business which is written by various affiliates. Balances are interest free and repayable on demand. Significant statement of income amounts and balance sheet account balances for and at the years ended December 31, 2020 and 2019 that have been affected by these intercompany reinsurance agreements are as follows:

(in thousands of U.S. dollars)	2020	2019
Assets:		
Accounts and premiums receivable	\$ 45,990	22,374
Ceded unearned premium reserves	13,620	12,760
Reinsurance recoverable on loss and loss expense	12,502	3,436
Liabilities:		
Loss and loss expense provisions	259,966	91,720
Unearned premiums	186,818	176,773
Reinsurance balances payable	4,726	3,119
Statement of Income:		
Gross premiums written	505,131	414,598
Reinsurance premiums ceded	(20,181)	(17,056)
Net premiums earned	471,208	252,591
Losses and loss expenses	252,432	104,688
Policy acquisition costs	52,878	31,207

There are amounts due from related parties of \$12.2 million at December 31, 2020 and amounts due to related parties of \$2.4 million at December 31, 2019.

16. Subsequent events

The Company has performed an evaluation of subsequent events through April 30, 2021, which is the date that the financial statements were issued. No significant subsequent events were identified.

17. Other Information

Not applicable

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2020

1. *(a) Capital Stock*

Common Shares

Authorized: 120,000 shares of \$1 par value

Issued and fully paid: 120,000 shares

Preferred Shares

Not applicable

(b) Contributed Surplus

On January 24, 2018, CIOIC was incorporated and ultimately capitalized with \$35 million in cash.

There is no change in contributed surplus during the year ended December 31, 2020.

2. *Dividends paid and Payable*

Not applicable

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2020

1. Cash and Cash equivalents

There was no restricted cash at December 31, 2020 and 2019.

2. Quoted Investments

Refer to General Note 4(a) to the Condensed Financial Statements for method of valuation. At December 31, 2020 and 2019, there were restricted investments of \$96.8 million and \$33.6 million, respectively.

3. Unquoted Investments

Not applicable

4. Investment in and advances to affiliates

Refer to General Note 15 to the Condensed Financial Statements.

5. Investments in Mortgage loans on Real Estates

Not applicable

6. Policy Loans

Not applicable

7. Real Estate

Not applicable

8. Collateral Loans

Not applicable

9. Investment Income due and Accrued

At December 31, 2020 and 2019, there were \$0.7 and \$0.5 million accrued investment income included in the Condensed Balance Sheet.

10. Accounts and Premiums Receivable

At December 31, 2020 and 2019, there were \$46.0 and \$22.4 million accounts and premiums receivable with affiliates included in the Condensed Balance Sheet.

11. Reinsurance Balances Receivable

There was \$8.1 million and \$3.1 million of reinsurance balance receivable, and \$3.6 million and \$1.7 million inward collateral At December 31, 2020 and 2019, respectively. Included in inward collateral are trust funds and letters of credit.

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2020

12. Funds Held by Ceding Reinsurers

Not applicable

13. Sundry Assets

At December 31, 2020, and 2019, there were \$11.0 million and \$14.3 million of deferred acquisition cost included in the Condensed Balance Sheet. Refer to General Note 4(d) to the Condensed Financial Statements for additional information.

14. Letters of Credit, Guarantees and other

Not applicable.

16. Unearned Premium Reserve

Refer to General Note 4(f) to the Condensed Financial Statements for additional information.

17. Loss and loss Expense Provisions

The following table presents a reconciliation of unpaid losses and loss expenses for the years ended December 31, 2020 and 2019.

(in thousands of U.S. dollars)

	<u>2020</u>	<u>2019</u>
Gross losses and loss expense provisions at beginning of year	\$ 91,720	798
Reinsurance recoverable on unpaid losses at beginning of year	(56,520)	(145)
Net losses and loss expense provisions at beginning of year	<u>35,200</u>	<u>653</u>
Net losses and loss expenses incurred in respect of losses occurring in:		
Current year	79,559	37,103
Prior years	(370)	(110)
Total	<u>79,189</u>	<u>36,993</u>
Net losses and loss expenses paid in respect of losses occurring in:		
Current year	8,463	2,427
Prior years	8,155	76
Total	<u>16,618</u>	<u>2,502</u>
Foreign currency revaluation	1,059	56
Net losses and loss expense provisions on at end of year	98,828	35,200
Reinsurance recoverable on unpaid losses	161,138	56,520
Gross losses and loss expenses provision at end of year	<u>\$ 259,966</u>	<u>91,720</u>

Net losses and loss expenses incurred includes \$0.4 million and \$0.1 million of net favorable prior period development in the years ended December 31, 2020 and 2019, respectively.

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Notes to Condensed General Purpose Financial Statements

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

December 31, 2020

The Company utilizes trust funds in certain transactions where the trust funds are set up for the benefit of the ceding companies and generally take the place of letter of credit requirements. See Note 2 to the Condensed Balance Sheet for additional information. At December 31, 2020 and 2019, there were trust funds of \$96.8 million and \$33.6 million that were restricted, respectively.

There were \$68.4 million and \$16.8 million of inward collateral at December 31, 2020 and 2019, respectively. Included in inward collateral are trust funds and letter of credits.

20. Reserves for Reported Claims

Not applicable.

21. Reserves for Unreported Claims

Not applicable.

22. Policy Reserves - Life

Not applicable.

23. Policy Reserves for Accident and Health

Not applicable.

24. Policyholders' funds on deposit

Not applicable.

25. Liability for Future Policyholders' dividends

Not applicable.

26. Other Insurance Reserves – Long term

Not applicable.

27. Total Long-term Business Insurance Reserves

Not applicable.

28. Insurance and Reinsurance Balance Payable

At December 31, 2020 and 2019, there were \$4.7 and \$3.1 million of insurance and reinsurance balance payable with affiliates included in the Condensed Balance Sheet.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

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

December 31, 2020

29. *Commissions, expenses, fees and taxes payable*

Not applicable.

30. *Loans and Notes Payable*

Not applicable.

31. *Income Taxes*

Not applicable

32. *Amounts due to Affiliates*

The amount due to affiliate is interest free and payable on demand.

33. *Accounts Payable and Accrued Liabilities*

At December 31, 2020 and 2019, there were \$0.1 million and \$0.5 million of accounts payable and accrued liabilities included in the Condensed Consolidated Balance Sheets.

34. *Funds Held under Reinsurance Contracts*

At December 31, 2020 and 2019, there were no funds held under Reinsurance Contracts with affiliates included in the Condensed Balance Sheet.

35. *Dividends Payable*

Not applicable

36. *Sundry Liabilities*

Not applicable

37. *Letters of Credit, Guarantees and other instruments*

Not applicable.

Chubb INA Overseas Insurance Company Ltd.

Notes to Condensed General Purpose Financial Statements

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

December 31, 2020

6. *Other Insurance Income*

Not applicable

15. *Other Insurance Income*

Not applicable

32. *Combined Other Income (Deductions)*

Other income includes policy fees earned in connection with Multinational programs.

36. *Combined Realized Gains (Loss)*

Realized gains (losses) include foreign exchange losses and capital gain during the year.