

CONDENSED FINANCIAL STATEMENTS

Canopus Reinsurance Limited
(formerly Canopus Reinsurance AG)
Year Ended December 31, 2020

Canopus Reinsurance Limited
(formerly Canopus Reinsurance AG)

Condensed Financial Statements
Year Ended December 31, 2020

Contents

Report of the Independent Auditor.....	1-2
Condensed Financial Statements:	
Condensed Balance Sheet.....	3-5
Condensed Statement of Income.....	6-7
Condensed Statement of Capital and Surplus.....	8
Notes to the Condensed Financial Statements.....	9

Report of Independent Auditors

The Board of Directors
Canopus Reinsurance Limited

We have audited the accompanying condensed financial statements of Canopus Reinsurance Limited (the “Company”), 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.

Reference: Report of Independent Auditors on the condensed financial statements of Canopus Reinsurance Limited as at December 31, 2020 and 2019, and for the years then ended.

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 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 Canopus Reinsurance Limited 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.



April 15, 2021

Chartered Professional Accountants

CONDENSED BALANCE SHEET

Canopus Reinsurance Limited

As at **December 31, 2020**

expressed in ['000s] **United States Dollars**

LINE No.	2020	2019
1. CASH AND CASH EQUIVALENTS	142,128	167,855
2. QUOTED INVESTMENTS:		
(a) Bonds and Debentures		
i. Held to maturity		
ii. Other	318,341	250,735
(b) Total Bonds and Debentures	318,341	250,735
(c) Equities		
i. Common stocks	15,434	23,560
ii. Preferred stocks		
iii. Mutual funds	59,971	58,125
(d) Total equities	75,405	81,685
(e) Other quoted investments		
(f) Total quoted investments	393,746	332,420
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	3,165	45,721
(h) Total investments in and advances to affiliates	3,165	45,721
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		
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	1,231	2,026
10. ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a) In course of collection	1,050,700	527,480
(b) Deferred - not yet due		
(c) Receivables from retrocessional contracts		
(d) Total accounts and premiums receivable	1,050,700	527,480
11. REINSURANCE BALANCES RECEIVABLE:		
(a) Foreign affiliates		
(b) Domestic affiliates		
(c) Pools & associations		
(d) All other insurers	-	299
(e) Total reinsurance balance receivable	-	299

CONDENSED BALANCE SHEET

Canoplus Reinsurance Limited

As at **December 31, 2020**

expressed in ['000s] **United States Dollars**

LINE No.		2020	2019
12.	FUNDS HELD BY CEDING REINSURERS		
13.	SUNDRY ASSETS:		
(a)	Derivative instruments	-	47
(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	-	-
(g)	Net receivables for investments sold	28,546	222
(h)	Prepaid health insurance and pension	-	562
(i)	Prepaid regulatory fees	274	-
(j)	Tax debtor	131	-
(k)	Total sundry assets	28,951	831
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	1,619,921	1,076,632
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	240,650	239,768
(b)	Less: Ceded unearned premium reserve		
i.	Foreign affiliates		
ii.	Domestic affiliates	92	-
iii.	Pools & associations		
iv.	All other insurers		
(c)	Total ceded unearned premium reserve	92	-
(d)	Net unearned premium reserve	240,558	239,768
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	914,065	348,774
(b)	Less : Reinsurance recoverable balance		
i.	Foreign affiliates		
ii.	Domestic affiliates		
iii.	Pools & associations		
iv.	All other reinsurers		
(c)	Total reinsurance recoverable balance	-	-
(d)	Net loss and loss expense provisions	914,065	348,774
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	1,154,623	588,542
	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		
(iv)	All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-

CONDENSED BALANCE SHEET

Canoplus Reinsurance Limited

 As at **December 31, 2020**

 expressed in ['000s] **United States Dollars**

LINE No.		2020	2019
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	139	-
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	-	359
30.	LOANS AND NOTES PAYABLE		
31.	(a) INCOME TAXES PAYABLE	86	316
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES	5,955	6,717
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	188	1,020
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments	1,298	114
(b)	Segregated accounts companies		
(c)	Deposit liabilities		
(d)	Net payable for investments purchased	28,522	-
(e)		-	-
(f)			
(g)			
(h)	Total sundry liabilities	29,820	114
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	36,188	8,526
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	1,190,811	597,068
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	429,110	479,564
41.	TOTAL	1,619,921	1,076,632

CONDENSED STATEMENT OF INCOME

Canopus Reinsurance Limited

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	356,148	467,181
(b) Assumed gross premiums written		
(c) Total gross premiums written	356,148	467,181
2. REINSURANCE PREMIUMS CEDED	409	9
3. NET PREMIUMS WRITTEN	355,739	467,172
4. INCREASE (DECREASE) IN UNEARNED PREMIUMS	59	(90,262)
5. NET PREMIUMS EARNED	355,798	376,910
6. OTHER INSURANCE INCOME		
7. TOTAL GENERAL BUSINESS UNDERWRITING INCOME	355,798	376,910
GENERAL BUSINESS UNDERWRITING EXPENSES		
8. NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	391,165	317,035
9. COMMISSIONS AND BROKERAGE	8,698	3,182
10. TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	399,863	320,217
11. NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	(44,065)	56,693
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		
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	(44,065)	56,693

CONDENSED STATEMENT OF INCOME

Canopus Reinsurance Limited

As at **December 31, 2020**
expressed in ['000s] **United States Dollars**

LINE No.		2020	2019
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	32,528	48,480
	(b) Personnel cost	(35)	781
	(c) Other		
	(d) Total combined operating expenses	32,493	49,261
31.	COMBINED INVESTMENT INCOME - NET	22,232	28,793
32.	COMBINED OTHER INCOME (DEDUCTIONS)	1,642	(388)
33.	COMBINED INCOME BEFORE TAXES	(52,684)	35,837
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	-	316
	(b) Deferred		
	(c) Total	-	316
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(52,684)	35,521
36.	COMBINED REALIZED GAINS (LOSSES)	2,230	7,221
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME / (LOSS)	(50,454)	42,742

CONDENSED STATEMENT OF CAPITAL AND SURPLUS

Canopus Reinsurance Limited

As at **December 31, 2020**
expressed in ['000s] **United States Dollars**

LINE No.		2020	2019
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares		
	authorized	100,000	100,000
	value	\$ 1,000	
	fully paid	100,000	
		shares of par	each issued and
			shares
	(ii)		
	(A) Preferred shares:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for –		
	2020		
	2019		
	(B) Preferred shares issued by a subsidiary:		
	authorized		
	value		
	fully paid		
	aggregate liquidation value for –		
	2020		
	2019		
	(iii) Treasury Shares		
	repurchased		
	value		
		shares of par	each issued
(b)	Contributed surplus		
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	100,000	100,000
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	379,564	336,822
(b)	Add: Income / (loss) for the year	(50,454)	42,742
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	329,110	379,564
3.	MINORITY INTEREST		
4.	TOTAL CAPITAL AND SURPLUS	429,110	479,564

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

1. Organization

Canopus Reinsurance Limited (the “Company”) continued to Bermuda on June 28, 2019. The Company was formerly Canopus Reinsurance AG, which was incorporated under the laws of Switzerland on November 23, 2015. The Company was registered as a Class 3A insurer under The Insurance Act 1978 (Bermuda) until December 31, 2020 and re-registered as a Class 4 insurer under The Insurance Act 1978 (Bermuda) effective January 1, 2021.

The Company is directly owned by Canopus Group Limited (“CGL”), which continued to Jersey on August 6, 2019. CGL was formerly Canopus AG, which was incorporated under the laws of Switzerland on September 2, 2015.

Effective January 1, 2019, the Company changed its reporting currency from Swiss Francs (“CHF”) to United States Dollars (“USD”). Since January 1, 2019, the results have been presented in USD.

Effective January 1, 2019, the company changed its accounting principles from accounting principles generally accepted in Switzerland (“Swiss GAAP”) to accounting principles generally accepted in the United States of America (“US GAAP”). See Note 3 for Accounting standards and principles.

Under a facility agreement dated February 20, 2018, Canopus AG had granted ING Bank N.V, London Branch a charge over the entire issued share capital of Canopus Reinsurance AG as security for its obligations under that agreement. Upon continuance to Bermuda, the facility agreement was amended so that the charge continued over Canopus Reinsurance Limited.

Prior to continuing to Bermuda, Canopus Reinsurance AG had a Bermuda branch registered as a Class 3B insurer under the Insurance Act 1978 (Bermuda). After continuance to Bermuda and in conjunction with registering as a Class 3A insurer, the Company discontinued its Bermuda branch.

2. Nature of risks underwritten

The bulk of the Company’s business is underwritten through a quota share agreement whereby it assumes 35% (2019: 60%) of the risks underwritten by Flectat Limited (“Flectat”), a wholly owned subsidiary of CGL. This has been ongoing since the 2018 Year of Account. Flectat underwrites as a Corporate Member of Lloyd’s of London on Syndicate 4444 (“Syndicate 4444” or “S4444”) and Syndicate 1861 (“Syndicate 1861” or “S1861”). For the 2020 Year of Account, Flectat had an 88.82% participation in S4444 (2019 Year of Account: 87.14%) and 100% participation in S1861 (2019 Year of Account: 0%).

Syndicate 4444 and Syndicate 1861 underwrote on a split stamp basis for the 2020 Year of Account whereby risks are split in the proportion of 65% for Syndicate 4444 and 35% for Syndicate 1861. A mixture of reinsurance and insurance of property, marine and energy, a range of specialty lines including international medical, trade credit, political risk, and specialist consumer products are underwritten by the Syndicates.

In addition to this the Company underwrote a small portfolio of third party property reinsurance/retrocession catastrophe excess of loss business as well as an intra-group transaction with Canopus US Insurance Inc. an affiliated company within the Canopus Group.

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

3. Accounting standards and principles

The Condensed 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 Financial Statements are based upon accounting principles generally accepted in the United States of America (“US GAAP”) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from US 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 US 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 US GAAP.

4. Significant accounting policies

As described in Note 1, the Company follows US GAAP accounting standards. The following notes summarise the significant accounting and reporting policies adopted by the Company.

The Company has adopted the following accounting policies:

(a) Use of estimates

The preparation of financial statements in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities, and disclosure of contingent assets and liabilities as of the date of the financial statements and the amounts of revenues and expenses reported during the period. Actual results could differ materially from those estimates.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash held in banks and other short-term, highly liquid investments with original maturity dates of ninety days or less.

(c) Loss and loss adjustment expense reserves

The Company’s loss and loss adjustment expense reserves include case reserves and reserves for losses incurred but not yet reported (“IBNR reserves”). Case reserves are established for losses that have been reported, but not yet paid. IBNR reserves represent the estimated loss and loss adjustment expenses that have been incurred by reinsureds but not yet reported to the reinsurer, including unknown future developments on loss and loss adjustment expenses that are known to the reinsurer.

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

4. Significant accounting policies (continued)

(c) Loss and loss adjustment expense reserves (continued)

IBNR reserves are established by management based on actuarially determined estimates of ultimate loss and loss adjustment expenses.

Inherent in the estimate of ultimate loss and loss adjustment expenses are expected trends in claim severity and frequency and other factors that may vary significantly as claims are settled. Accordingly, ultimate loss and loss adjustment expenses may differ materially from the amounts recorded in the financial statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are recorded in the statements of income in the period in which they become known.

(d) Fair value measurement

The Company determines the fair value of financial instruments in accordance with current accounting guidance, which defines fair value and establishes a three level fair value hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Fair value is defined as the price that the Company would receive to sell an asset or would pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Company determines the estimated fair value of each individual security utilizing the highest level inputs available.

The fair value of the Company's assets and liabilities, which qualify as financial instruments, approximates the carrying amounts presented in the Condensed Balance Sheet.

The three level hierarchy of inputs is summarised below:

Level 1 – Quoted prices available in active markets/exchanges for identical assets or liabilities as of the reporting date.

Level 2 – Observable inputs to the valuation methodology other than unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 inputs include, but are not limited to, prices quoted for similar assets or liabilities in active markets/exchanges, prices quoted for identical or similar assets or liabilities in markets that are not active and fair values determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs unobservable for assets or liabilities include activities where there is little, if any, market activity for the asset or liability. The inputs applied in the determination of fair value require significant management judgment and estimation.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk; for example, the risk inherent in a particular valuation technique used to measure fair value. Inputs may be observable or unobservable.

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

4. Significant accounting policies (continued)

(d) Fair value measurement (continued)

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on observable market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of observable input that is significant to the fair value measurement.

5. Revenue recognition

(a) Premiums

Gross premiums written relates to business incepting during the year and adjustments to premium booked in prior years. Unearned premiums represent the portion of premiums written in the year that related to unexpired terms of policies in force at the balance sheet date, calculated by reference to the expected incidence of insurance risk over the period of cover.

(b) Investment income

The Company's investment portfolio comprises of fixed income securities, equities and holdings in collective investment schemes. These are classified as held for trading and are carried at fair value with any net unrealized gains/losses included in the Condensed Statement of Income. Purchases and sales of investments are recorded on their trade date.

Fair values of U.S. government securities are based on quoted market prices and fair value of fixed income securities are based on bid prices and matrix pricing for less liquid securities. Realized gains and losses are recognized in income using the specific identification method.

Fair values of equities and exchange-trade investment companies are based on quoted market bid prices. Realized gains and losses are recognized on the basis of specific identification.

Investments in holdings in collective investment schemes are carried at net asset value. The collective investment schemes that the Company invests in generally carry their trading positions and investments at fair value as determined by their respective investment managers. All changes in net asset values are included in the Condensed Statement of Income.

Interest income is accrued to the Condensed Balance Sheet date.

Dividends are accrued on the ex-dividend date.

Canopius Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

6. Foreign currency transactions

Effective January 1, 2019, the Company transitioned its reporting currency from Swiss Francs to United States Dollars. The Company's functional and reporting currency is US Dollars ("USD"). USD reflects the currency in which the Company primarily generates and expends cash and therefore represents the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated to USD at the exchange rate in effect on the transaction date. Monetary assets and liabilities in foreign currencies are re-measured at the exchange rates in effect at the balance sheet date. Exchange gains or losses are included in the determination of net income.

Net realized foreign exchange gains of \$2,732 (2019: \$1,444) and net unrealized foreign exchange losses of \$1,435 (2019: \$1,757) have been included in Combined Other Income / (Deductions). Total net foreign exchange gains of \$1,297 (2019: total net foreign exchange losses of \$313) were recognized in the Condensed Statements of Income. Foreign exchange gains/losses originate primarily from the revaluation of certain of the Company's insurance reserves, intercompany receivables, and foreign denominated investments.

7. Foreign exchange control restrictions

At December 31, 2020 there are no foreign exchange control restrictions, unrelated to the insurance business conducted by the Company, affecting the assets of the Company (2019: none).

8. Contingencies and commitments

At December 31, 2020 the Company had no contingencies or commitments (2019: none).

9. Default

N/A

10. Dividends

During 2020 no dividends were declared or paid to CGL (2019: none). There were no unpaid dividends at December 31, 2020 (2019: none).

11. Loans

There were no loans made during the year by the insurer to any director or officer of the insurer (2019: none).

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

12. Retirement Obligations

N/A

13. Investments

The fair values of Quoted Investments in marketable securities as at December 31, 2020 are as follows:

<u>Type of Security</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds and debentures	122,915	195,426	-	318,341
Equity shares	15,434	-	-	15,434
Total quoted investments, at fair value	138,349	195,426	-	333,775
Assets excluded from fair value hierarchy*				59,971
Total quoted investments				393,746
Derivative assets	-	-	-	-
Derivative liabilities	-	(1,298)	-	(1,298)

The fair values of Quoted Investments in marketable securities as at December 31, 2019 are as follows:

<u>Type of Security</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds and debentures	111,787	138,948	-	250,735
Equity shares	23,560	-	-	23,560
Total quoted investments, at fair value	135,347	138,948	-	274,295
Assets excluded from fair value hierarchy*				58,125
Total quoted investments				332,420
Derivative assets	47	-	-	47
Derivative liabilities	-	(114)	-	(114)

* *Holdings in collective investment schemes comprise of investments where the net asset value, as provided to the Company, has been used as a practical expedient of fair value.*

Net realized gains on investments in securities held for trading was \$4,812 (2019: \$10,131). This is included within combined realized gains / (losses) in the Condensed Statement of Income.

Net unrealized gains on investments in securities held for trading was \$6,544 (2019: \$14,135). This is included within combined investment income-net in the Condensed Statement of Income.

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

13. Investments (continued)

As at December 31, 2020, approximately 29.5% (2019: 17.1%) of the Company's fixed income investment portfolio was composed of asset-backed securities (including government agency asset-backed securities) and at December 31, 2020 these investments had a weighted average rating of AAA by Fitch (2019: weighted average rating of AAA by Standard & Poor's). The Company's investments in asset-backed securities were comprised primarily of collateralised loan obligations originating in the United States and at December 31, 2020 these investments had a weighted average rating of AAA by Fitch (2019: weighted average rating of AAA by Standard & Poor's).

The Company has made use of valuation techniques and assumptions in estimating the fair value of financial instruments as well as the general classification of these financial instruments pursuant to the fair value hierarchy.

The fair values of the Company's fixed income securities are valued using pricing services that utilize transaction prices for securities that have quoted prices in active markets. For those securities that are not actively traded, the pricing services use market accepted valuation pricing models to determine fair value.

The fair values of the Company's equity securities are based upon quoted market prices.

The fair value of holdings in collective investment schemes are valued based upon net asset values as provided by their investment managers.

14. Maturity of fixed income and short-term investments

The fair values of fixed income securities shown by contractual maturity are as follows:

	<u>2020</u>	<u>2019</u>
Due in one year or less	72,259	3,765
Due after one year through three years	40,858	73,252
Due after three years through five years	58,394	96,870
Due after five years through ten years	56,892	2,475
Due after ten years through twenty years	65,515	59,251
Due after twenty years	24,423	15,122
Total fixed income securities	<u>318,341</u>	<u>250,735</u>

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties, and the lenders may have the right to put the securities back to the borrower.

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

15. Related party transactions

The Company has service agreements with Canopus Services Limited (“CSL”) and Canopus Underwriting Bermuda Limited (“CUBL”). Both entities are wholly-owned subsidiaries of CGL.

The service agreement with CSL, which is recharged through Canopus Holdings UK Limited (“CHUKL”), covers investment management, accounting services, claims analysis, legal, human resources, information technology, actuarial, capital modelling and other general corporate services. The service agreement with CUBL covers Bermuda staffing, office expenses as well as services involving underwriting, modelling, operations, claims authorizations and accounting services.

The Company writes a 35% whole account quota share with Flectat in respect to its participation on S4444 and S1861 for the 2020 underwriting year, a 60% whole account quota share with Flectat in respect to its participation on S4444 for the 2018 and 2019 underwriting years and a catastrophe excess of loss contract with Canopus U.S. Insurance, Inc. (“CUSI”), both wholly owned subsidiaries of CGL.

CGL has an agreement with an investment manager to facilitate the management of a hedging portfolio which utilizes a range of derivative based hedging strategies and permitted assets to provide CGL with the desired exposures to allow it to manage its investment risks. CGL in turn has a facility in place with the Company outlining how CGL will utilize this arrangement for the Company. The Company provides collateral to CGL under this agreement and receives the benefits/losses of the allocated derivatives.

On March 1, 2019, the Company entered into a loan agreement with CGL where the Company agreed to lend CGL up to \$20m with an interest rate calculated on a daily basis at 2.5% per annum for the duration of the loan. On September 25, 2019, the loan amount was increased to up to \$40m. The loan was repayable by June 30, 2020 or immediately upon demand. This loan was repaid April 9, 2020.

On January 29, 2018, the Company entered into a loan agreement with S4444 where S4444 loaned the Company \$5m to provide collateral for a LOC, for business transferred to the Syndicate, with an interest rate of 0.55% per annum. The loan will be repaid within 10 business days of the LOC being cancelled.

Upon continuance to Bermuda, the Company transferred \$1,122 to Canopus Europe Limited (“CEL”) to cover remaining payroll on the Company’s behalf for departing Swiss employees. This amount is being drawn down as payments are made.

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

15. Related Party Transactions (continued)

Balances with related parties have been recorded in the Condensed Balance Sheet as at December 31, 2020 as follows:

<u>Entity</u>	<u>Due from</u> <u>Affiliates</u>	<u>Due to</u> <u>Affiliates</u>	<u>Accounts</u> <u>and</u> <u>Premiums</u> <u>Receivable</u>	<u>Sundry</u> <u>Assets</u>	<u>Unearned</u> <u>Premiums</u> <u>Reserve</u>	<u>Loss</u> <u>Provisions</u>	<u>Sundry</u> <u>Liabilities</u>
CSL	-	77	-	-	-	-	-
CHUKL	-	318	-	-	-	-	-
CUBL	-	641	-	-	-	-	-
Flectat	-	-	1,046,651	-	240,413	874,926	-
CUSI	-	-	1,171	-	237	-	-
S4444	-	4,919	-	-	-	-	-
CGL	3,137	-	-	-	-	-	-
CEL	28	-	-	-	-	-	-
Total	3,165	5,955	1,047,822	-	240,650	874,926	-

Balances with related parties have been recorded in the Condensed Balance Sheet as at December 31, 2019 as follows:

<u>Entity</u>	<u>Due from</u> <u>Affiliates</u>	<u>Due to</u> <u>Affiliates</u>	<u>Accounts</u> <u>and</u> <u>Premiums</u> <u>Receivable</u>	<u>Sundry</u> <u>Assets</u>	<u>Unearned</u> <u>Premiums</u> <u>Reserve</u>	<u>Loss</u> <u>Provisions</u>	<u>Sundry</u> <u>Liabilities</u>
CSL	-	1,008	-	-	-	-	-
CHUKL	-	-	-	-	-	-	-
CUBL	-	652	-	-	-	-	-
Flectat	-	-	520,955	-	239,499	296,237	-
CUSI	-	-	281	-	269	1,680	-
S4444	-	5,057	-	-	-	-	-
CGL	45,180	-	-	47	-	-	114
CEL	541	-	-	-	-	-	-
Total	45,721	6,717	521,236	47	239,768	297,917	114

Canopus Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

15. Related Party Transactions (continued)

Transactions with related parties have been recorded in the Condensed Statement of Income during the year to December 31, 2020 as follows:

<u>Entity</u>	<u>Net</u> <u>Premiums</u> <u>Earned</u>	<u>Net Losses/</u> <u>(Recoveries)</u>	<u>Commission</u> <u>and</u> <u>Brokerage</u>	<u>Admin</u> <u>Expenses</u>	<u>Combined</u> <u>Net</u> <u>Investment</u> <u>Income</u>	<u>Combined</u> <u>Realized</u> <u>Gains</u> <u>(Losses)</u>
CSL	-	-	-	-	-	-
CHUKL	-	-	-	1,191	-	-
CUBL	-	-	-	1,194	-	-
Flectat	355,036	392,127	8,619	27,841	13,385	-
CUSI	265	(2,800)	-	-	-	-
S4444	-	-	-	-	81	-
CGL	-	-	-	-	323	(206)
Total	355,301	389,327	8,619	30,226	13,789	(206)

Transactions with related parties have been recorded in the Condensed Statement of Income during the year to December 31, 2019 as follows:

<u>Entity</u>	<u>Net</u> <u>Premiums</u> <u>Earned</u>	<u>Net Losses/</u> <u>(Recoveries)</u>	<u>Commission</u> <u>and</u> <u>Brokerage</u>	<u>Admin</u> <u>Expenses</u>	<u>Combined</u> <u>Net</u> <u>Investment</u> <u>Income</u>	<u>Combined</u> <u>Realized</u> <u>Gains</u> <u>(Losses)</u>
CSL	-	-	-	182	519	-
CHUKL	-	-	-	-	-	-
CUBL	-	-	-	652	-	-
Flectat	374,716	328,021	-	45,424	11,469	-
CUSI	446	(900)	-	-	-	-
S4444	-	-	-	-	28	-
CGL	-	-	-	-	234	(1,472)
Total	375,162	327,121	-	46,258	12,250	(1,472)

Canopius Reinsurance Limited
General Note to the Condensed Financial Statements
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

16. Subsequent events

There were no transactions or events beyond those addressed in these Notes to the Condensed Financial Statements that were outside of events occurring in the ordinary course of business, between December 31, 2020 and the date of approval of these Condensed Financial Statements by the board of directors that materially affected the Condensed Financial Statements, except for the following:

Effective January 1, 2021, the Company re-registered as a Class 4 insurer under the Insurance Act 1978 (Bermuda).

17. Other information

There is no information, beyond that which has already been disclosed herein, that in the opinion of the board of directors is required to be disclosed if the Condensed Financial Statements are not to be misleading.

Canopus Reinsurance Limited
Notes to the Condensed Statement of Capital and Surplus
For the Year Ending December 31, 2020
(expressed in U.S. Dollars, in thousands)

1(a). Capital and Surplus

The Company's authorized capital is 100,000 shares of par value \$1.00 each. Effective January 1, 2019, the par value of shares was changed from CFH1.00 each to USD1.00 each. All shares are fully paid.

	<u>2020</u>	<u>2019</u>
Common Shares		
Balance, beginning and end of year	100,000	100,000
Surplus		
Balance, beginning of year	379,564	336,822
Net (loss)/income	<u>(50,454)</u>	<u>42,742</u>
Balance, end of year	329,110	379,564
Total Capital and Surplus	<u>429,110</u>	<u>479,564</u>

1(b). Contributed Surplus

N/A

2(c). Dividends

During 2020, no dividends were declared or paid to CGL (2019: none).

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

1. Cash and cash equivalents

Cash and cash equivalents consist of cash held in banks and other short-term, highly liquid investments with original maturity dates of ninety days or less. At December 31, 2020, cash & cash equivalents held as encumbered assets for policyholder obligations was \$124,063 (2019: \$141,439) and cash & cash equivalents held as collateral for lines of credit and pledge accounts was \$14,479 (2019: \$20,406).

2. Quoted investments

The Company determines the fair value of financial instruments in accordance with current accounting guidance, which defines fair value and establishes a three level fair value hierarchy based upon whether inputs used in the valuation of an asset or liability are observable or unobservable. Fair value is defined as the price that the Company would receive to sell an asset or would pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Company determines the estimated fair value of each individual security utilizing the most observable inputs available.

At December 31, 2020, quoted investments held as encumbered assets for policyholder obligations were \$368,744 (2019: \$306,675).

Funds at Lloyd's ("FAL")

In consideration for the Company entering into a limited liability quota share reinsurance agreement with Fleclat, the Company has provided for 35% of Fleclat's FAL requirement. The Company provides assets under a security and trust deed charged to Lloyd's of London ("Lloyd's"), to meet its share of liabilities that may occur from Fleclat's interests in Syndicate 4444 and Syndicate 1861.

At December 31, 2020, the Company's limit, as established under the quota share agreement, was \$440,000 (2019: \$380,000). At December 31, 2020, the market value of the Company's FAL contribution was \$487,896 (2019: \$443,861), which was comprised of \$124,063 (2019: \$141,439) of cash and cash equivalents and \$363,833 (2019: \$302,422) of investments.

Pledge Accounts

To support its run-off French mutual business, the Company has established pledge accounts to cover expected claims under these policies. As at December 31, 2020, the market value in these pledge accounts is \$4,921, (2019: \$4,259) which was comprised of \$10 (2019:\$6) of cash and cash equivalents and \$4,911 (2019: \$4,253) of investments.

Letter of Credit

The Company has established a letter of credit with Barclays Bank PLC. Under this letter of credit, the Company can post collateral of \$20,000 (2019: \$20,000). As at December 31, 2020, the value in the letter of credit account is \$14,469 (2019: \$20,400) and is included in cash and cash equivalents.

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

3. Unquoted investments

The Company held no unquoted investments at December 31, 2020 (2019: none).

4. Investment in and advances to affiliates

The Company had \$3,165 advances to affiliates at December 31, 2020 (2019: \$45,721), which included no loans to affiliates (2019: \$40,000).

5. Investments in mortgage loans on real estate

N/A

6. Policy loans

N/A

7. Real estate

N/A

8. Collateral Loans

N/A

9. Investment income due and accrued

At December 31, 2020 investment income of \$1,231 (2019: \$2,026) has been accrued.

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

10. Accounts and premiums receivable

Accounts and premiums receivable consisted of the following:

	<u>2020</u>	<u>2019</u>
Flectat	1,046,651	520,955
CUSI	1,171	281
Direct business	<u>2,878</u>	<u>6,244</u>
Total	<u>1,050,700</u>	<u>527,480</u>

Accounts and premiums receivable due from Flectat have increased significantly when compared to prior year, as the balance includes a reinsurance to close premium for the additional reserves the Company assumed as part of Flectat 2018 Year of Account quota share whereby the 2017 Year of Account reserves reinsured into the 2018 Year of Account upon the closure as at December 31, 2019.

The reinsurance to close premium received is equal to the sum of net notified outstanding claims, provision for claims incurred but not reported (“IBNR”) and any unearned premiums on the 2017 Year of Account as at 31 December 2019, the split is as follows:

	<u>2020</u>
Net notified outstanding claims	360,846
Provision for claims incurred but not reported	159,904
Unearned premiums	<u>31,141</u>
Reinsurance to close premium received	<u>551,891</u>

11. Reinsurance balances receivable

At December 31, 2020 the Company held \$nil (2019: \$299) of reinsurance balances receivable.

12. Funds held by ceding reinsurers

N/A.

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

13. Sundry assets

Sundry assets consisted of the following:

	<u>2020</u>	<u>2019</u>
Receivables for investments sold	28,546	222
Prepaid health insurance and pension	-	562
Prepaid regulatory fees	274	-
Unrealized derivatives	-	47
Tax debtor	131	-
Total	<u>28,951</u>	<u>831</u>

As discussed in General Note 15, CGL manages a portfolio of derivatives to manage investment risk on behalf of the Company. At December 31, 2020, the Company did not have any derivative assets (2019: the Company held two exchange traded options with a fair market value of \$47).

14. Letters of credit, guarantees and other

N/A

16. General business: Unearned premium reserve

Premiums written are earned over the exposure period in proportion to the period of risk covered. Unearned premiums represent the portion of premiums written that relate to the remaining term of the underlying policies in force.

Changes in premium estimates are expected and may result in adjustments in any reporting period. These estimates change over time as additional information regarding the underlying business volume is obtained. Any subsequent adjustments arising on such estimates are recorded in the period in which they are determined.

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

17. General business: Loss and loss expense provisions

The Company's loss and loss adjustment expense reserves include case reserves and reserves for losses incurred but not yet reported ("IBNR reserves").

Case reserves are established for losses that have been reported but not yet paid. IBNR reserves represent the estimated loss and loss adjustment expenses that have been incurred by reinsureds but not yet reported to the reinsurer, including unknown future developments on loss and loss adjustment expenses that are known to the reinsurer. IBNR reserves are established by management based on actuarially determined estimates of ultimate loss and loss adjustment expenses.

Inherent in the estimate of ultimate loss and loss adjustment expenses are expected trends in claim severity and frequency and other factors that may vary significantly as claims are settled. Accordingly, ultimate loss and loss adjustment expenses may differ materially from the amounts recorded in the Condensed Financial Statements. These estimates are reviewed regularly and, as experience develops and new information becomes known, the reserves are adjusted as necessary. Such adjustments, if any, are recorded in the Condensed Statement of Income in the period in which they become known.

	<u>2020</u>	<u>2019</u>
Balance at January 1	348,774	228,546
Acquisition of loss reserves (net):	520,750	-
Net losses incurred related to:		
Current year	145,814	148,208
Prior years	245,351	168,827
Total net losses incurred	<u>391,165</u>	<u>317,035</u>
Net losses paid related to:		
Current year	(24,563)	(29,256)
Prior years	(342,553)	(174,377)
Total net losses paid	<u>(367,116)</u>	<u>(203,633)</u>
Effect of foreign exchange and other movements	20,492	6,826
Balance at December 31	<u>914,065</u>	<u>348,774</u>

Acquisition of loss reserves relates to the additional reserves the Company assumed as part of Flectat 2018 Year of Account quota share whereby the 2017 Year of Account reserves reinsured into the 2018 Year of Account upon the closure as at December 31, 2019. The Company received a reinsurance to close premium equal to the reserves plus any unearned premiums. This is detailed further in Note 10 to the Condensed Balance Sheet.

The Company experienced deterioration during 2020 largely related to COVID-19 losses in the Flectat 2019 Year of Account quota share, which primarily shows in the prior years' losses lines.

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

20. Long-term business: Reserves for reported claims

N/A

21. Long-term business: Reserves for unreported claims

N/A

22. Policy reserves life

N/A

23. Policy reserves accident and health

N/A

24. Policyholders' funds on deposit

N/A

25. Liability for future policyholders' dividends

N/A

26. Other insurance reserves - long term

N/A

27. Total long-term business insurance reserves

N/A

28. Insurance and reinsurance balances payable

Insurance and reinsurance balances payable include amounts due to reinsurers of \$139 (2019: \$nil).

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

29. Commissions, expenses, fees and taxes payable

Commissions, expenses, fees and taxes payable include an accrual for profit commissions of \$nil (2019: \$359).

30. Loans and notes payable

N/A

31. Taxes payable

Income taxes payable represents the taxes payable under final tax assessment of Canopus Reinsurance AG with the Swiss tax authorities.

Under current Bermuda law, the Company is not subject to any income or capital gains taxes. In the event that such taxes are imposed, the Company would be exempted from any such taxes until March 2035 pursuant to the Tax Assurance Certificates issued to such entities pursuant to the Bermuda Exempted Undertakings Tax Protection Act of 1966, as amended.

As of December 31, 2020, the Company did not have any uncertain tax liabilities (2019: none).

32. Amounts due to affiliates

Amounts due to affiliates include a loan from S4444 to provide line of credit services, which pays the Company interest at 0.55% per annum for this service and is to be repaid within 10 business days of the cancellation of the related line of credit. All other amounts due to affiliates do not bear interest and do not have specific repayment terms.

33. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consisted of the following:

	<u>2020</u>	<u>2019</u>
Accrued salaries payable	-	619
Accrued audit fees	94	244
Accrued investment management fees	94	157
Total	188	1,020

Canopus Reinsurance Limited
Notes to the Condensed Balance Sheet
As of December 31, 2020
(expressed in U.S. Dollars, in thousands)

34. Funds held under reinsurance contracts

N/A

35. Dividends payable

N/A

36. Sundry liabilities

At December 31, 2020 the Company had unrealized foreign currency contracts payable of \$1,298 included in sundry liabilities (2019: \$114).

The notional values are as at December 31, 2020 are as follows:

<u>Currency</u>	<u>Amount</u>	<u>Currency</u>	<u>Amount</u>	<u>Counterparty</u>	<u>Settlement date</u>	<u>Unrealized gain (loss)</u>
GBP	(18,750)	USD	24,262	Barclays	January 5, 2021	(1,342)
GBP	18,750	USD	(25,630)	Barclays	January 5, 2021	(12)
CAD	210	USD	(157)	Barclays	January 5, 2021	7
CAD	(210)	USD	165	Barclays	January 5, 2021	0
EUR	560	USD	(658)	Barclays	January 5, 2021	26
EUR	(560)	USD	685	Barclays	January 5, 2021	(2)
USD	(218)	CHF	200	Barclays	January 5, 2021	8
USD	226	CHF	(200)	Barclays	January 5, 2021	(1)
GBP	(18,750)	USD	25,647	Barclays	April 6, 2021	15
CAD	210	USD	(165)	Barclays	April 6, 2021	0
EUR	560	USD	(687)	Barclays	April 6, 2021	2
USD	(227)	CHF	200	Barclays	April 6, 2021	1
Total						<u>(1,298)</u>

The notional values are as at December 31, 2019 are as follows:

<u>Currency</u>	<u>Amount</u>	<u>Currency</u>	<u>Amount</u>	<u>Counterparty</u>	<u>Settlement date</u>	<u>Unrealized gain (loss)</u>
GBP	22,000	USD	(29,225)	Barclays	April 2, 2020	(120)
CAD	(3,300)	USD	2,545	Barclays	April 2, 2020	7
EUR	6,600	USD	(7,453)	Barclays	April 2, 2020	-
USD	934	CHF	(900)	Barclays	April 2, 2020	(1)
Total						<u>(114)</u>

37. Letters of credit, guarantees and other instruments

N/A

Canopius Reinsurance Limited
Notes to the Condensed Statement of Income
For the Year Ending December 31, 2020
(expressed U.S. Dollars, in thousands)

1. Gross premiums written

Included within gross premiums written is premium equal to the unearned premium assumed under the reinsurance to close of the 2017 Year of Account by the 2018 Year of Account under the quota share between the Company and Flectat (\$31,141). This is detailed further in Note 10 to the Condensed Balance Sheet.

6. Other insurance income

N/A

15. Other insurance income

N/A

32. Combined other income (deductions)

At December 31, 2020, the Company recognized realized and unrealized foreign exchange losses of \$1,642 (2019: \$388).

Foreign exchange gains/losses originate from the revaluation of the Company's quota share balances, intercompany receivables, foreign denominated investments held as Funds at Lloyd's ("FAL"), plus any foreign currency contract gains or losses.

36. Combined realized gains (loss)

At December 31, 2020 the Company recognized net realized gains of \$2,230 (2019: \$7,221) on the sale of certain investments.