Nordica Life (Bermuda) Ltd.

Financial Statements and
Independent Auditors' Report

December 31, 2022

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Nordica Life (Bermuda) Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nordica Life (Bermuda) Ltd. (the Company), which comprise the balance sheet as at December 31, 2022, and the statement of operations, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Chartered Professional Accountants of Bermuda that are relevant to our audit of the financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Predecessor Auditor's Opinion on 2021 Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2021 were audited by another auditor whose report, dated April 27, 2022, expressed an unmodified opinion on those statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters Description

The Company has a provision for future policy benefits of $1,208,744 as at December 31, 2022. The provision for future policy benefits represents management's best estimate of the Company's liability for death claims on underlying policies in force at the balance sheet date. The Company utilizes the services of an independent actuary to develop an estimate using an actuarial model. The key assumption used in the actuarial model is various stress test scenarios and a worst-case scenario. The key input used in the actuarial model is account value of wealth management assets related to separated accounts totaling $298,663,228 as at December 31, 2022. Based on this, the key audit matters include the evaluation of actuarial methodology (model), assumptions (scenarios) and key input (account value).

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to actuarial methodology, assumptions and key input included the following, among others:

- Evaluated the design and implementation of the control over the use of an independent actuary, the control over accuracy and completeness of the key input and the management's review control.

- With the assistance of our actuarial specialists, we evaluated the competency of the independent actuary and also evaluated the reasonability of the actuarial model and key assumptions.

- Using our actuarial specialists, we evaluated the Company's methodology against recognized actuarial practices, tested the mathematical accuracy of the actuarial model and assessed the stress tests for reasonableness against prior experience and industry knowledge.

To test the key input, i.e., account value of wealth management assets related to separated accounts, the following procedures were performed on a sample basis:

- We verified the coverage for the future policy benefits by reviewing the underlying policies.

- We verified the existence of quoted investments through confirmations and statements.

- We verified the valuation of quoted investments through independent sources.

- We verified rights and obligations and account value of private investments through share agreements/ title deeds/initial policy documentation.

Key Audit Matters Outcome

Based on the work performed and evidence obtained, we concluded that the provisions of future policy benefits is appropriately estimated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Ltd.

June 29, 2023

NORDICA LIFE (BERMUDA) LTD.
BALANCE SHEET
DECEMBER 31, 2022
(Expressed in United States dollars)

	Notes	December 31 2022 $	December 31 2021 $
ASSETS			
Cash and cash equivalents		3,322,307	3,183,756
Fees receivable		271,159	439,378
Funds received on policies not yet accepted		15,000	15,000
Wealth management client assets held in separated accounts	3	298,912,784	431,521,102
		302,521,250	435,159,236
LIABILITIES			
Accounts payable and accrued liabilities	5	234,733	270,092
Commissions payable		175,662	214,473
Provision for future policy benefits		1,208,744	1,282,373
Funds received on policies not yet accepted		15,000	15,000
Liabilities related to separated accounts	3	298,912,784	431,521,102
		300,546,923	433,303,040
EQUITY			
Contributed equity	4	650,000	650,000
Retained earnings		1,324,327	1,206,196
		1,974,327	1,856,196
		302,521,250	435,159,236

See accompanying notes to the financial statements.

Approved by the Board of Directors:

Allan Klotz (Jun 29, 2023 18:33 GMT+2) *Director*

Director

NORDICA LIFE (BERMUDA) LTD.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

	Notes	December 31 2022 $	December 31 2021 $
Revenues			
Fee income	2	1,021,110	1,369,448
Life insurance premiums	2	32,864	42,323
Foreign exchange gain		-	13,357
Interest income		207	-
		1,054,181	1,425,128
Expenses			
Acquisition costs		178,597	289,691
Foreign exchange loss		184,264	-
Interest expenses		-	11,305
General and administrative expenses	5,6	573,189	593,937
		936,050	894,933
Net income ($0.18 per share (2021 – $0.82 per share)		118,131	530,195

See accompanying notes to the financial statements.

NORDICA LIFE (BERMUDA) LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

	Notes	December 31 2022 $	December 31 2021 $
Contributed equity			
Common stock - $1 par value			
Authorised - 650,000 shares			
Issued - 650,000 shares	4	650,000	650,000
Retained earnings			
Balance, beginning of year		1,206,196	676,001
Net income		118,131	530,195
Dividends paid ($0.00 per share (2021 – $0.00 per share)		-	-
Balance, end of year		1,324,327	1,206,196
		1,974,327	1,856,196

See accompanying notes to the financial statements.

NORDICA LIFE (BERMUDA) LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

	December 31 2022 $	December 31 2021 $
OPERATING ACTIVITIES:		
Net income	118,131	530,195
Adjustments for non-cash items and working capital changes:		
Increase in fees receivable	168,219	(11,274)
Increase (decrease) in accounts payable and accrued liabilities	(35,359)	148,555
Increase (decrease) in commissions payable	(38,811)	6,290
(Decrease) increase in provision for future policy benefits	(73,629)	(57,221)
Net cash from operating activities	138,551	616,545
Net increase in cash and cash equivalents	138,551	616,545
Cash and cash equivalents, beginning of year	3,183,756	2,567,211
Cash and cash equivalents, end of year	3,322,307	3,183,756

***See accompanying notes to the financial statements*.**

1. General

Nordica Life (Bermuda) Ltd. (the "Company") was incorporated under the laws of Bermuda on October 14, 1996. The Company holds a long-term license under the 1978 Insurance Act of Bermuda to write life insurance and is governed by the Nordica Life (Bermuda) Ltd. Act, 1997. This Private Act of Parliament enables a wealth management client to request the establishment of a separate wealth management fund/ policy account (termed "separated account" under the Act). The effect of creating these separate accounts is to ensure that the assets linked to each wealth management client's funds/policies are available only to the wealth management policyholder or beneficiary on this specific policy, and not to other creditors of the Company, general or otherwise.

In addition to wealth management, the Company writes unit-linked life insurance products that provide for a death benefit consisting of a fixed amount or a percentage of the policy value. At December 31, 2022, the Company's average exposure per policy is $15,249 (2021 - $21,285).

In addition to premiums written for its own account, the Company receives a fee based on a percentage of invested assets or a flat fee, earned for structuring, facilitating and providing ongoing management of the wealth management programs introduced by external brokers. In addition to brokers fees settled, the Company has, in turn, appointed a related company as Administrator to whom certain agreed fees are paid.

Effective December 31, 2015, the Company obtained approval "no objection" from the Bermuda Monetary Authority to complete a merger with QLI Limited under the provisions of the Companies Act 1981 and in accordance with the terms of the Merger Agreement (the "Merger Agreement"). The Company was issued with a Certificate of Merger by the Registrar of Companies effective December 31, 2015 naming Nordica Life (Bermuda) Ltd. as the "Surviving Company".

The Merger Agreement held that the Company and QLI Limited (together, the "Parties") agreed to merge (the "Merger") pursuant to the provisions of The Companies Act 1981 and that the Merger Agreement and the combined undertaking, property and liabilities of both companies shall vest in the Company as the Surviving Company of the Merger. The Company shall continue as an exempted company incorporated in Bermuda and registered as a Class C insurer under the Insurance Act 1978. QLI Limited shall thereafter be struck off the register of companies maintained by the Registrar of Companies.

Also effective on the date of Merger per the Merger Agreement:

- The authorized share capital of the Surviving Company was agreed to be US$650,000 divided into 650,000 shares of par value US$1.00 each.

- All of the 650,000 shares of the Company, par value US$1.00 each, were converted into 650,000 common shares, par value US$1.00 each, in the Surviving Company and all the issued and outstanding shares of QLI Limited were cancelled without the repayment of capital in respect of such shares.

On December 31, 2015, a liability to the shareholders of QLI Limited is recognised amounting it $708,815 which is QLI Limited's net equity of $633,615 and provision for future policy benefits of $75,200 at the date of the Merger. The Company settled this liability on April 29,2016.

The registered office of the Company is located at Crawford House, 50 Cedar Avenue, Hamilton, HM 11, Bermuda. The Company is listed on the Bermuda Stock Exchange Mezzanine Market and its majority shareholder is Nordica Administration Services Ltd.

2. Significant accounting policies

The Company's significant accounting policies, which have been applied consistently throughout the year, are summarized as follows:

Basis of presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. These financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income. The Company's functional and presentation currency is US Dollars. The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues earned and expenses incurred during the reporting period. Actual results could differ from those estimates.

Separated accounts assets and liabilities held in trust

Separated accounts assets held in trust are in respect of wealth management clients. Separated accounts assets are legally insulated from the Company's general funds and other policy holder funds held in trust by the Company.

A wealth management clients' account would normally include initial funds (termed "premiums") paid into an investment program offered by custodian banks, investment gains (losses) attributable to the underlying assets, less a risk assessed premium due to the Company, less certain calculated and agreed net assets based fees for structuring, facilitating and provision of ongoing management of the wealth management programs provided by the Company (a portion of which is paid to the Company's brokers, administrator and advisors) less withdrawals (termed "surrenders") paid to either the wealth management client or designee.

The Company has adopted the method of "deposit accounting" relating to its wealth management transactions where the assets and liabilities of these wealth management transactions move in tandem.

Premiums and surrenders

Risk based premiums due to the Company's account are recorded by the Company on the accruals basis.

Under deposit accounting, wealth management client funds (premiums) are recorded when received and surrenders are recorded when paid. Where such premiums are received in respect of proposals, which were not accepted (by agreement or policy terms) at the balance sheet date, these funds are reflected as *"Funds received on policies not yet accepted"* with the matching offsetting liability similarly described.

Provision for future policy benefits

The provision for future policy benefits represents management's best estimate of the Company's liability for death claims on underlying policies in force at the balance sheet date, which are subject to review annually by an independent actuary. These estimates are continually reviewed and are necessarily subject to the impact of future changes in such factors as claims severity and frequency. While management believes that the amount is adequate, the ultimate liability may be in excess of, or less than, the amounts provided and any adjustments will be reflected in the periods in which they become known.

2. Significant accounting policies *(continued)*

Investment valuation policies

In accordance with IFRS 9, the Company classifies and measures general investments at fair value, with changes in fair value recognized in profit and loss as they arise, unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value Through Other Comprehensive Income. The Company does not have general investments as at reporting year-end.

With respect to separated accounts assets held in trust, the wealth management client bears all investment risk thus the Company is not exposed to any market, credit, currency, or interest rate risk on these investments. The Company therefore uses all reasonable means to record the underlying wealth management client's assets at fair value with the exception of promissory note interest which may or may not be reflected, unquoted investments which are primarily valued at cost (which may or may not be representative of fair value) and certain other private investments which are also recorded at managements best estimate of fair value. Valuation of quoted investments comprises values as derived from reports from the appointed custodian banks and fund administrators which may or may not be reflective of fair value since specific valuation methods (bid pricing, last reported pricing or mean pricing evaluations) will vary depending on the wealth management product chosen and/or because of custodian bank pricing models adopted. Investments in collective investment schemes are primarily based on reports from the fund administrators, which are subject to price timing differences.

Determination of income

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled for providing services including policy administration and life insurance coverage. Each insurance policy is a contract entered into by the Company and its client where the Company identifies the policy with a client; identifies the performance obligations in the policy; determines the annual administration fee and risk premium; and recognizes revenue as the Company satisfies the performance obligations in the policies.

Investment income derived from general cash and cash equivalents is recognised as earned and interest income on the Company's general interest-bearing instruments is recorded on the accrual basis using the effective yield method.

Unrealised gains and losses arising from changes in the fair value of the Company's general investments is recognised in a separate component of equity until sold unless the recoverable amount of the investment is considered permanently impaired whereupon an impairment loss is recognised in the statement of operations.

Realised gains (losses) arising on disposal of the Company's general investments are calculated using the specific identification method and recorded in income as they arise.

All purchases and sales of investments are recorded on the trade date basis.

The Company uses deposit accounting with respect to all investment income arising on investments included in separated accounts assets and non-separated account assets held in trust.

2. Significant accounting policies *(continued)*

Fee income and life insurance premiums

Fee income includes facilitation, separate account set up and on-going fees recognised on the accrual basis as earned and recovered from wealth management clients separated account funds and non-separated accounts funds held in trust on a policy-by-policy basis based upon on the investment valuation policies adopted.

Life insurance premiums are recorded at the inception of the policy period and recovered from wealth management clients separated account funds and non-separated accounts funds held in trust on a policy-by-policy basis.

Acquisition and administrative expenses

Acquisition expenses comprise commissions paid to the Company's brokers under various arrangements, which are recognised when incurred, with any prepaid portion deferred in the balance sheet. Administrative expenses charged by a company under common control are recorded as incurred on the accruals basis under agreement.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies have been converted into US dollars at rates ruling at the balance sheet date. Income and expenses are translated at rates of exchange approximating the transaction date rates. Foreign exchange gains and losses are recognised in the separated accounts assets and non-separated accounts assets held in trust and statement of operations as appropriate.

Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Cash equivalents are investments with original maturity of three months or less from the date of acquisition. The carrying value of these investments approximates their fair value because of their short maturity.

Cash potentially exposes the Company to credit risk. In management's opinion, the risk of loss due to credit risk is not significant as cash and cash equivalents are placed with high credit quality financial institutions.

Fair values

The fair value of cash and cash equivalents, fees receivable, other accounts receivable, funds received on policies not yet accepted, accounts payable and accrued expenses and commissions payable, approximates their carrying value due to their relative short term nature.

Management considers that it is not practicable to estimate the fair value of all investments in separated accounts and non-separated accounts held in trust.

2. Significant accounting policies *(continued)*

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Company would actually realize in a current market exchange or indicative of the fair value of the wealth management account net assets. Any differences may or may not be material. Certain instruments such as the provision for future policy benefits are excluded from fair value disclosure. Thus the total fair value amounts cannot be aggregated to determine underlying economic value of the Company.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within a relatively short period of time of recognition.

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions pertain to expenses paid or are owed to a company related through common control and are entered into on an arm's length basis.

Risks

Legal/regulatory risk is the risk that the legal or regulatory environment in which an insurer operates will change or that the tax rulings relevant to the Company's business model may change and create additional loss costs or expenses not anticipated by the insurer in pricing its products. That is, regulatory initiatives designed to reduce insurer profits or new legal theories may create costs for the insurer beyond those recorded in the financial statements or the Company may not continue in its current form due to amended tax legislation. The Company mitigates this risk through its review of underwriting and loss adjusting practices and regularly reviews tax legislation, which identifies and minimizes the adverse impact of these risks.

Credit risk is the risk that issuers of securities owned by the Company will default, or other parties that owe the Company money, will not pay. The Company minimizes this risk by adhering to a conservative investment strategy, by maintaining sound credit and collection policies, and by providing for any amounts deemed uncollectible.

2. Significant accounting policies *(continued)*

Taxation

As an entity organized under the laws of Bermuda, the Company is not currently subject to taxation in Bermuda, as Bermuda does not impose any form of direct taxation on receipts, dividends, capital gains, gifts or net income. In the event that such direct forms of taxation eventuate, the Company has received a tax exemption certificate, valid through March 2035.

Subsequent events

Any post-year-end event that provides additional information about the Company's position at the balance sheet date (adjusting event), is reflected in the financial statements. Any post-year-end that is not adjusting event is disclosed when material to the financial statements.

New accounting pronouncement adopted during the year

The adoption of IFRS 17 is postponed from January 1, 2021 to January 1, 2023.

Amendments to References to the Conceptual Framework in IFRS Standards

In March 2018, the International Accounting Standards Board (IASB) has published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. Instead, the IASB focused on topics that were not yet covered or that showed obvious shortcomings that needed to be dealt with. The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020. The adoption of the revised Conceptual Framework did not have a material impact on the Company's overall financial statements presentation.

New accounting pronouncement not yet adopted

IFRS 17 Insurance Contracts

In May 2017, the International Accounting Standards Board (IASB) has published a new standard, IFRS 17 'Insurance contracts'. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 'Insurance Contracts' and related interpretations and is effective for periods beginning on or after January 1, 2021, with earlier adoption permitted if both IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have also been applied. Management is currently evaluating the potential impact of the adoption of IFRS 17, but does not currently expect this standard to have a material impact on the Company's overall financial statements presentation.

3. Separated accounts assets held in trust

Separated accounts assets held in trust are maintained on a policy-by-policy basis. As at December 31, 2022, and 2021, the summary totals of these wealth management assets, broken down by valuation method are as follows:

	2022	2021
	$	$
Wealth management separated accounts:		
Investments held at reported market value	251,818,775	383,409,749
Investments held at estimated cost	47,094,009	48,111,353
	298,912,784	431,521,102

Certain separated wealth management accounts utilize margin trading.

From time to time, the assets maintained on the separated accounts may be pledged as collateral to secure loans acquired for that specific account. This is a normal practice in the Company's course of business and does not restrict the general assets of the Company.

The annual summary transactions in separated accounts assets and non-separated accounts assets held in trust for the years ended December 31, 2022, and 2021 comprise the following:

	2022	2021
	$	$
Additions to wealth management accounts:		
Funds (premiums) contributed	39,827,836	62,009,056
Foreign exchange translation adjustments	-	-
Investment income and revaluation gain	-	71,790,174
	39,827,836	133,799,230
Deductions from wealth management accounts:		
Funds (surrenders) withdrawn	38,890,125	49,727,097
Company fees recovered and/or due for settlement	1,021,110	1,369,448
Foreign exchange translation adjustments	54,517,673	34,157,700
Life insurance premiums for the Company's account	32,864	42,323
Investment and revaluation loss	77,974,382	-
	172,436,154	85,296,568
(Decrease) increase in wealth management accounts in the year	(132,608,318)	48,502,662
Separated accounts, beginning of year	431,521,102	383,018,440
Separated accounts, end of year	298,912,784	431,521,102
	298,912,784	431,521,102

4. Contributed equity

The Company's contributed equity consists of 650,000 (2021 - 650,000) authorized common shares with a par value of $1 each. At the balance sheet date, there are 650,000 (2021 - 650,000) issued and fully paid common shares outstanding.

5. Related party transactions

Included within the Company's general and administrative expenses are administration fees of $315,853 (2021 - $403,687) paid to a company related through common control, of which $77,790 (2021 - $118,461) is included in accounts payable and accrued liabilities as at December 31, 2022. The Company's management considers such general and administrative expenses to be on an arms-length basis.

6. Expenses

Included within the Company's general and administrative expenses are administration fees of $162,538 (2021 - $151,309) paid in Bermuda.

7. Statutory requirements

The Company is required by its Insurance license to maintain capital and surplus greater than $500,000. Actual statutory capital and surplus is $1,974,327 of which $650,000 relates to issued and outstanding share capital and, accordingly there is no restriction on the amount of retained earnings available for the payment of dividends to the shareholder.

8. Financial risk management

(a) Market risk

(i) *Currency risk*

The Company does not hold any investments which are denominated in a foreign currency; therefore, it is not exposed to any foreign currency risk.

The majority of the Company's cash balances are held in USD accounts, with smaller amounts in SEK, EUR, GBP, CAD and DKK denominated accounts. A 1% strengthening of the USD against these currencies would have resulted in an estimated decrease in the Company's equity and profit of $12,575. Likewise, a 1% weakening would have resulted in an estimated increase in the Company's equity and profit of $12,575.

(ii) *Interest rate risk*

The Company did not hold any interest bearing investments at December 31, 2022.

The impact of interest rate movements on wealth management clients' assets has not been considered as the Company's equity and profit are not impacted by changes in the values of these assets.

8. Financial risk management *(continued)*

(b) Credit risk

Credit risk arises mainly from investments held by the Company. The carrying amount of these financial assets represents the maximum credit exposure.

(c) Liquidity risk

The Company maintains sufficient cash balances to meet its working capital requirements as monitored by the Board of Directors. However, due to the nature of the Company's liabilities, it is not possible to realistically estimate the due dates of the insurance liabilities.

It should be noted that liquid assets as reported on the balance sheet far exceed the Company's liabilities when the liabilities relating to wealth management client accounts are ignored.

(d) Capital management

The Company has not invested its own capital but is holding it in cash placed on bank accounts in the different Custodian Banks. The money held in these accounts is managed to obtain the highest possible interest income. The Company has no debts besides the liabilities to the policyholders, as most fixed expenses are prepaid, and commissions and administrative expenses are paid when earned.

9. Commitments and contingencies

It is noted that the Company merged with QLI Limited in December 2015. QLI Limited was a party to a claim from a former Belgium policyholder of QLI Limited and has received information that the subject policy has been declared null and void under Belgian law with judgment pronounced against QLI Limited for return of premium, less policy surrenders, and interest thereon.

This claim has been settled out of court and without any expense for the Company.

QLI Limited is also among the five respondents of another similar case. The case is still pending and the litigation has not initiated yet. It is difficult to assess the outcome of the case at this time.

10. Subsequent events

The Company evaluated events and transactions occurring after December 31, 2022, through June 29, 2023, for potential recognition or disclosure in the notes to financial statements.

Management believes that there are no other post-year-end events that need to be reflected in the financial statements or disclosed in the notes to the financial statements.