



More than meets the eye

SEPTEMBER 2022 SIX-MONTH REPORT



ARGUS

Our Interest is You.

More than meets the eye...

For many, Argus is seen as a traditional insurance company serving a small island community in the middle of the Atlantic. But, take a closer look and you will find surprising innovation, vision and ambition for our collective futures. Argus is a business that has quietly gone about rethinking its place, its products and its very purpose. Argus is a business that is poised for growth.



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Message to our Shareholders

Dear Shareholders,

The Argus Group continues to demonstrate its resilience.

With the COVID-19-related financial and operational complexities now behind us, the last six months has presented the Group with a new set of challenges to navigate: rapidly rising interest rates and broad-based cost inflation.

The reported results for the six months to September 2022 are dominated by the impact of these macro-economic factors - notably by the resultant investment market volatility during the period.

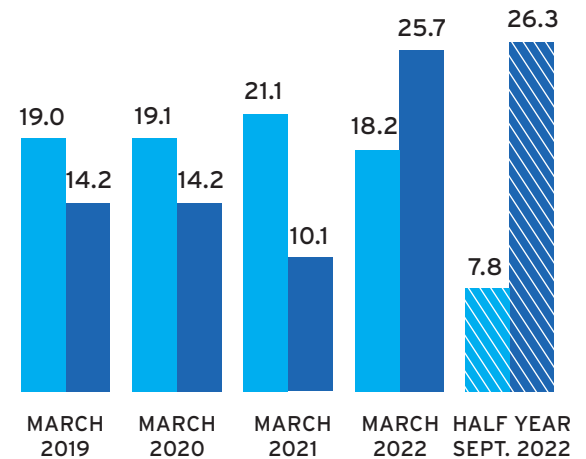
As we've seen in previous periods, significant market shifts and the resultant changes in value of the interest rate sensitive liabilities has a significant impact on reported income. Reported net income for the six months,

including a \$21.1 million reduction in life and annuity reserves, is \$26.3 million.

We report unrealised market movements on most fixed income investments as a component of other comprehensive income. The substantial rises in market interest rates over the six months to September 2022 has resulted in unrealised losses of approximately \$37.8 million and a \$16.2 million decline in consolidated net equity over the period.

The decline in equity, although noteworthy, should be considered primarily as a timing and reporting matter rather than a true economic loss as fixed income assets are high quality and typically held to maturity allowing unrealised losses to unwind over the remaining life of the asset.

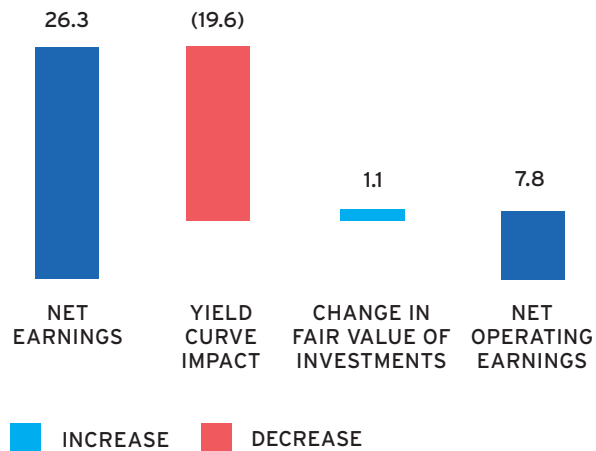
EARNINGS (\$ MILLIONS)



■ NET OPERATING EARNINGS*
■ NET EARNINGS

*Net Operating Earnings - refers to net earnings excluding the impact of external market factors and/or one-off events such as the yield curve impact on the Annuity business, gains from sale of business segments, changes in fair value of investments and investment properties, asset workouts and asset impairments.

**OPERATING EARNINGS RECONCILIATION
(\$ MILLIONS)**



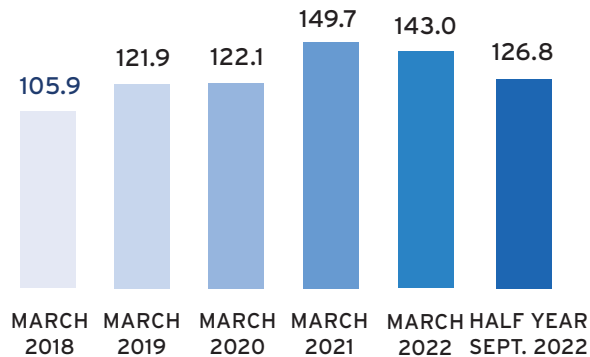
The underlying operations and economics of the Group remain strong and have performed broadly in-line with expectations. Operating earnings - which is our key measure of the profitability of the Group - was \$7.8 million for the period ended September 30, 2022, compared to \$9.8 million for the same period last year. The decrease is primarily from lower fee income resulting from the market-driven drop in Pension assets under management, and higher employee costs.

Despite the negative impact of the rising interest rate environment in the last six months on the Group's net equity, since March 2018, our shareholders' equity has grown from \$105.9 million to \$126.8 million as of September 30, 2022. During this time, we have also returned \$18.2 million to shareholders through dividends.

Our capital exceeds regulatory requirements and our internal targets, and we continue to seek opportunities to strategically deploy our capital to optimise shareholders value.

We remain focused on continuing to deliver attractive and sustainable returns for our investors. Return on average equity on an operating earnings basis is 11.9 percent (annualised).

SHAREHOLDERS' EQUITY (\$ MILLIONS)



Our Business Performance

The key performance metrics for the Argus Group for the period have remained strong. The strength in our insurance operations is reflected in the combined operating ratio, which is a metric to track the overall performance of our underwriting operations by comparing premium income to the cost of claims and operating expenses. For the six months to September 30, 2022, the combined operating ratio for the insurance businesses within the Group was a healthy 76.5 percent, which compares well with our three-year average of 76.3 percent.

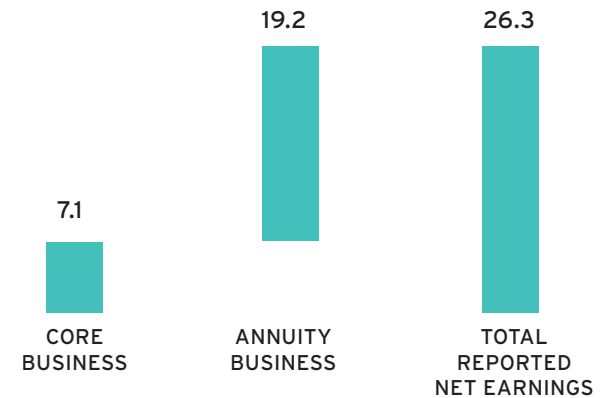
Diligent treasury management has ensured operating cash flows during the period have remained strong with a net operating cash inflow of \$10.5 million compared to net inflow of \$7.0 million over the same period last year. Our core business, which consists of all lines of business except annuities, has continued to demonstrate resilience, delivering net earnings for the six months of \$7.1 million (six months to September 2021 - \$9.0 million). The drop

is mainly from the return to normal claims activity as our communities step away from the restrictions of COVID-19.

The headline net earnings for the period only tells part of the story. To understand the financial results for the period, we must separate out the long-term annuity business. This aspect of our operations continues to generate attractive long-term profits and returns on capital deployed, but the accounting and valuation rules we currently must follow introduce a lot of volatility in the reported net income figure, especially over shorter periods.

In each of our communities we've been delighted to see the return to growth and a sense of normality post-COVID-19, but the economic turmoil and inflationary pressures brought about by the current geopolitical situation present a new set of navigational challenges. The Argus team has and will continue to work tirelessly to retain and acquire new clients through excellent client management and bespoke client solutions.

COMPONENTS OF THE GROUP'S REPORTED NET EARNINGS (\$ MILLIONS)



Core Revenue and Claims

Revenue for the six months to September 2022, from gross insurance premiums in our core health, life and general insurance business increased by \$2.8 million, or approximately 3.4 percent, compared to the same period last year. A successful annual renewal of our health business at desired rates was the major contributor to the revenue increase.

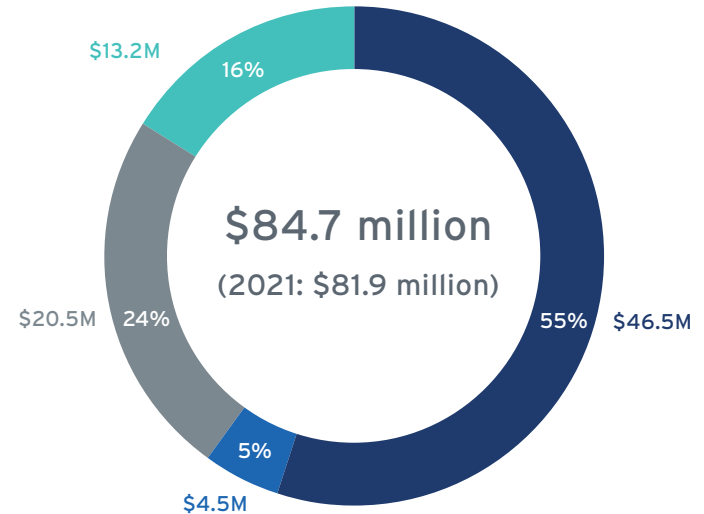
Commission and fee income generated by our core business, as shown in the adjacent chart, has increased by \$0.5 million compared to the prior year. We had deliberate acquisitions in recent years to improve the resilience and diversification of our business by increasing the sources of fee-based income. Income from our medical practices and European insurance brokerage operations have remained robust. Income from our asset management and pension administration businesses were slightly dragged from the recent investment market declines.

Claims activity across our core insurance businesses has continued its return to more normal levels after COVID-19 during the first six months of our fiscal year.

Our economic model for our general insurance business involves ceding much of the insurance risk to reinsurers. Our extensive reinsurance programme significantly reduces our exposure to large risk events and results in low volatility underwriting income - even when catastrophes occur. As a result, Hurricane Fiona and Ian did not have a material net impact to our results.

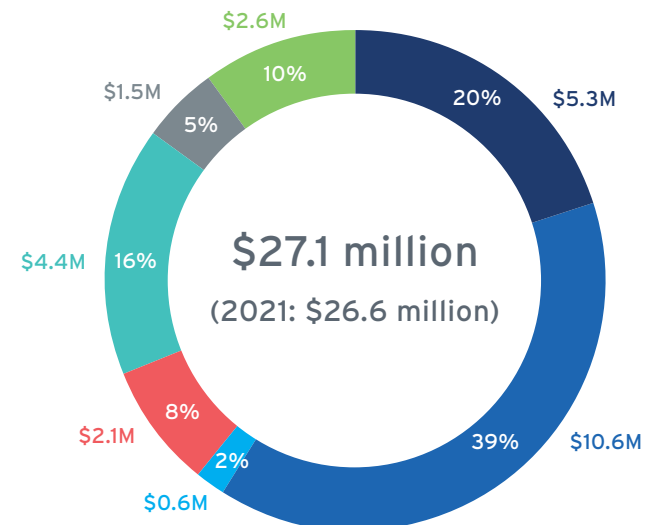
GROSS PREMIUMS WRITTEN - CORE BUSINESS
(SIX MONTHS TO SEPTEMBER 30, 2022)

- HEALTH
- GROUP LIFE
- GENERAL INSURANCE: BERMUDA
- GENERAL INSURANCE: EUROPE



COMMISSION & FEE INCOME - CORE BUSINESS
(SIX MONTHS TO SEPTEMBER 30, 2022)

- PENSIONS
- HEALTH
- DOMESTIC LIFE
- WEALTH MANAGEMENT
- P&C BERMUDA
- P&C EUROPE
- BROKERAGE EUROPE



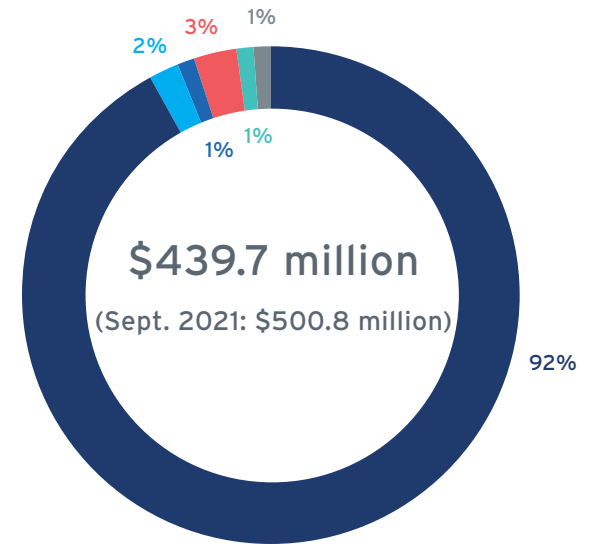
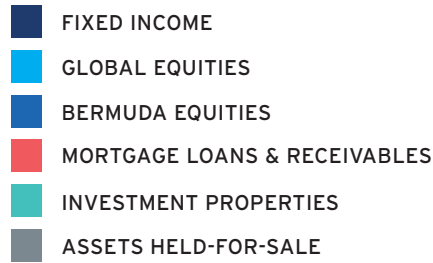
Investments

The Argus Group’s investment philosophy is to invest in a diversified asset mix that optimises our risk-adjusted returns, whilst ensuring that future liability payments are met and strong capital levels are maintained. We act as careful and diligent stewards of policyholder and shareholder assets. We have a clear objective to maximise sustainable long-term, risk-adjusted returns via appropriate asset allocation and active investment management, without taking inappropriate levels of risk.

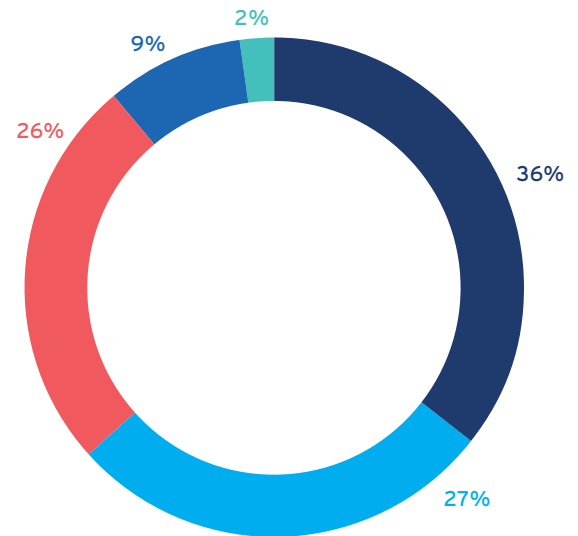
The recent surges of inflationary pressures around the world have led to sharp declines in equity and bond prices. Whilst this caused unrealised losses in the value of our fixed income portfolio in particular, we generally hold our bonds to maturity and so in the longer term this should be a temporary decline only. Our investments continued to provide stable income, recorded through the income statement and, overall, the Group’s portfolio performed in line with expectations.

Against this backdrop, the Group’s investment portfolio generated a total loss of \$33.4 million for the six months to September 30, 2022 - \$4.4 million of income reported through the income statement, and \$37.8

INVESTMENT ASSETS
AT SEPTEMBER 30, 2022



FIXED INCOME PORTFOLIO RATINGS
AT SEPTEMBER 30, 2022



million of unrealised losses reported as other comprehensive income on the balance sheet.

The Argus Group continues to hold a high quality, diversified, global investment portfolio. 92 percent of the Group’s investments are in fixed income bonds, of which 98 percent are classified as investment grade.

Dividends and Shareholders Value

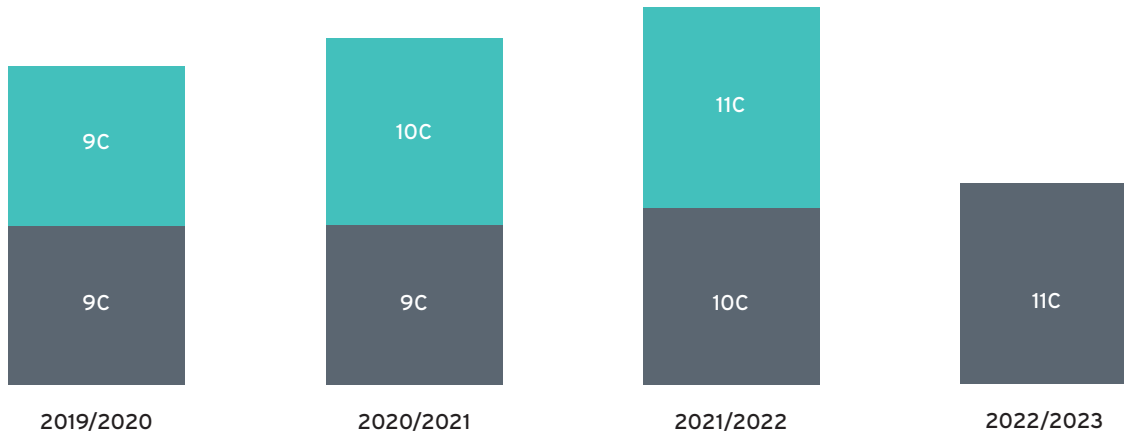
The Board has declared a dividend of eleven cents per share, payable on January 27, 2023, for shareholders of record on December 30, 2022. This results in a 10 percent increase in the dividends declared for the 2022-23 fiscal year compared to the prior year.

ANNUALISED SHAREHOLDERS RETURN (Based on share price and dividends)



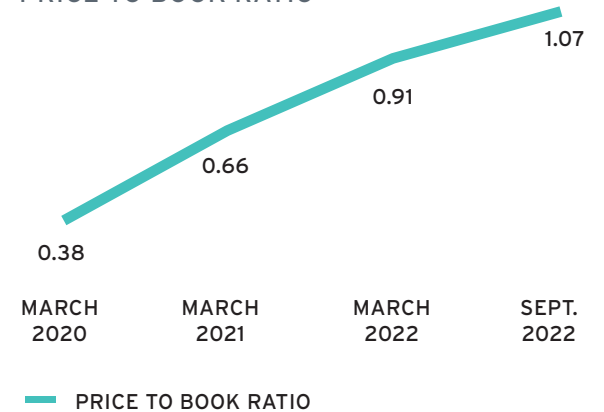
We have continued to grow value for our shareholders. Since fiscal 2019-20 we have seen a strong improvement to our price-to-book ratio, leading to shareholders return (share price growth and dividends) of 10 percent over the last twelve months, and annualised returns of 33 percent over the last three years.

DIVIDENDS DECLARED



■ FINAL DIVIDEND
■ INTERIM DIVIDEND

PRICE TO BOOK RATIO



Environmental, Social and Governance

It is no longer sufficient to only be a profitable, well-run business with a strong balance sheet. Sustainability is essential to address the emerging environmental and social issues that lie ahead. As such, we have recently published the 2022 Sustainability Report which outlines the 2022 Sustainability Principles, comprised of:

- Our People
- Our Customers and Patients
- Our Shareholders
- Our Communities
- Our Environment
- Trusted and Responsible Business

To review the report and learn more about Argus's sustainability reporting, please visit: argus.bm/sustainability or email sustainability@argus.bm

On behalf of the Board and Management we thank our shareholders and clients for their continued support and our staff for their steadfast commitment.

DAVID A. BROWN
CHAIR, ARGUS GROUP



ALISON S. HILL
GROUP CEO



PETER J. DUNKERLEY
GROUP CFO



Our Board of Directors

Our Directors are dedicated to promoting collaboration, sustainability and innovation throughout the Company. They are focused on the goals of adding value for our shareholders and ensuring exceptional experiences for our customers and employees. They are committed to setting Argus apart as a leader in the industry.



DAVID A. BROWN, CPA, FCA
Chair



BARBARA J. MERRY, BA, ACA
Independent Director



KEITH W. ABERCROMBY, BSC, FIA
Independent Director



CONSTANTINOS MIRANTHIS,
MA (Cantab), FIA
Independent Director



PETER R. BURNIM, MBA
Independent Director



EVERARD BARCLAY SIMMONS,
LLB, MBA
Independent Director



GARRETT P. CURRAN
Independent Director
Managing Director
Equilibria Capital Management



KIM R. WILKERSON, JP, CPCU
Independent Director
Senior Vice President
Regional Head of Claims Insurance
XL Bermuda Ltd. AXA XL



TIMOTHY C. FARIES, BA, LLB, LLM
Independent Director
Chief Executive Officer
Appleby Global Services



PAUL C. WOLLMANN, MBA, CPCU,
ARE, ARM
Independent Director
President & Chief Underwriting Officer
Essent Reinsurance Ltd.



ALISON S. HILL, FCMA, CGMA
Chief Executive Officer
Argus Group Holdings Limited

Officers & Committees

ARGUS GROUP HOLDINGS LIMITED

David A. Brown (Chair)

Keith W. Abercromby

Peter R. Burnim

Garrett P. Curran

Timothy C. Faries

Alison S. Hill

Barbara J. Merry

Constantinos Miranthis

E. Barclay Simmons

Kim R. Wilkerson

Paul C. Wollmann

OFFICERS

Chair - David A. Brown

Deputy Chair - Peter R. Burnim

Chief Executive Officer - Alison S. Hill

Chief Financial Officer - Peter J. Dunkerley

Chief Investment & Governance Officer -

Simon J. A. Giffen

Company Secretary - Janice Fernandes

Assistant Secretary - Sasha Castle-Siddiq

BOARD COMMITTEES

Audit Committee

Keith W. Abercromby (Chair)

David A. Brown

Garrett P. Curran

Alison S. Hill

Paul C. Wollmann

Governance

Timothy C. Faries (Chair)

Alison S. Hill

Barbara J. Merry

People & Compensation

Kim R. Wilkerson (Chair)

David A. Brown

Garrett P. Curran

Alison S. Hill

Risk Committee

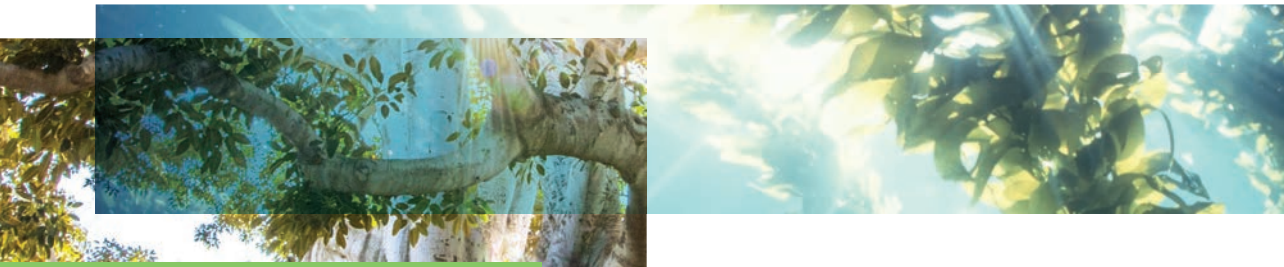
E. Barclay Simmons (Chair)

Peter R. Burnim

Alison S. Hill

Barbara J. Merry

Constantinos Miranthis



Our Leadership Team



ALISON S. HILL
Chief Executive Officer
Argus Group Holdings Limited



PETER J. DUNKERLEY
Chief Financial Officer
Argus Group Holdings Limited



TYRONE MONTOVIO
Chief Executive
Argus Europe



SIMON GIFFEN
Chief Investment &
Governance Officer



PETER LOZIER
Chief Executive
Argus Americas



DAVID SIMONS
Managing Director
Centre of Excellence



ONESIMUS NZABALINDA
Chief Global Compliance
& Audit Officer



HANNAH ROSS
Chief Strategy &
Capital Officer



TORY RICHARD
Chief Information Officer



SHEENA SMITH
Chief Human Capital
& Culture Officer



Our Principal Operating Subsidiaries: ARGUS AMERICAS

Argus Insurance Company Limited

Paul C. Wollmann (Chair)
Peter J. Dunkerley
Alison S. Hill
Peter Lozier
Constantinos Miranthis

Centurion Insurance Services Limited

Barbara J. Merry (Chair)
Garrett P. Curran
Peter J. Dunkerley
Ryan Eve
Alison S. Hill

Bermuda Life Insurance Company Limited I.H.S. Laboratories Ltd.

Timothy C. Faries (Chair)
Peter J. Dunkerley
Alison S. Hill
Constantinos Miranthis
E. Barclay Simmons
Kim R. Wilkerson

Island Health Services Limited

David A. Brown (Chair)
Dr. Gerhard L. Boonstra
Peter J. Dunkerley
Alison S. Hill
Peter Lozier
Dr. Jeffrey L. MacLeod

Argus Wealth Management Limited

Peter R. Burnim (Chair)
Peter J. Dunkerley
Alison S. Hill
Paul C. Wollmann

CANADA SUBSIDIARY

One Team Health, Inc.

Peter R. Burnim (Chair)
Peter J. Dunkerley
Alison S. Hill
Peter Lozier
Kim R. Wilkerson



Our Principal Operating Subsidiaries: ARGUS EUROPE

GIBRALTAR SUBSIDIARIES

Argus Insurance Company (Europe) Limited

Keith W. Abercromby (Chair)
Peter R. Burnim
Peter J. Dunkerley
Alison S. Hill
Michael Macelli
Constantinos Miranthis
Tyrone Montovio
Hanno Vlok (subject to regulatory approval)

WestMed Insurance Services Limited

Alison S. Hill (Chair)
Peter J. Dunkerley
Tyrone Montovio
Hanno Vlok (subject to regulatory approval)

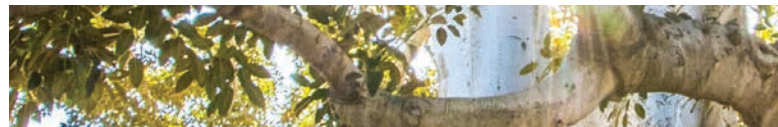
Argus Group Holdings (Europe) Limited

Alison S. Hill (Chair)
Peter J. Dunkerley
Tyrone Montovio

MALTA SUBSIDIARY

Antes Insurance Brokers Limited

Barbara J. Merry (Chair)
Kevin Galea Pace
Garrett P. Curran
Peter J. Dunkerley
Alison S. Hill
Tyrone Montovio
Lawrence Pavia





Financial Statements

Condensed Consolidated Balance Sheets

<i>(In \$ thousands)</i>	Note	SEPTEMBER 30 2022 <i>(Unaudited)</i>	MARCH 31 2022 <i>(Audited)</i>	<i>(In \$ thousands)</i>	Note	SEPTEMBER 30 2022 <i>(Unaudited)</i>	MARCH 31 2022 <i>(Audited)</i>
Assets				Liabilities			
Cash and short-term investments		54,981	55,849	Insurance balances payable		24,109	24,063
Interest and dividends receivable		2,991	2,526	Taxes payable		248	216
Assets held-for-sale	3	4,240	4,240	Accounts payable and accrued liabilities		35,123	37,368
Investments	4	432,692	472,498	Lease liabilities		3,106	3,742
Receivable for investments sold		3,003	2,400	Insurance contract liabilities	7	213,782	234,555
Insurance balances receivable		23,636	24,509	Investment contract liabilities		242,979	246,544
Reinsurers' share of:				Post-employment benefit liability	8	2,810	3,271
Claims provisions	7	13,770	14,908	TOTAL GENERAL FUND LIABILITIES		522,157	549,759
Unearned premiums	7	13,358	12,838	Segregated fund liabilities	10	1,016,567	1,203,738
Other assets		11,396	11,971	TOTAL LIABILITIES		1,538,724	1,753,497
Deferred policy acquisition costs		1,772	1,973	Equity			
Investment properties		2,774	2,774	Attributable to shareholders of the Company			
Investment in associates		2,908	2,908	Share capital		15,540	15,472
Property and equipment		53,396	54,073	Contributed surplus		55,015	54,915
Right-of-use assets		2,801	3,411	Retained earnings		114,954	90,964
Intangible assets		25,210	25,875	Accumulated other comprehensive income/(loss)	12	(58,738)	(18,357)
TOTAL GENERAL FUND ASSETS		648,928	692,753	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		126,771	142,994
Segregated fund assets	10	1,016,567	1,203,738	TOTAL EQUITY		126,771	142,994
TOTAL ASSETS		1,665,495	1,896,491	TOTAL EQUITY AND LIABILITIES		1,665,495	1,896,491

Approved by the Board of Directors



David A. Brown
Chair



Alison S. Hill
Chief Executive Officer

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Operations

<i>For the six months ended September 30 (In \$ thousands)</i>	Note	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
Revenue			
Gross premiums written		88,280	85,011
Reinsurance ceded		(21,434)	(22,503)
Net premiums written		66,846	62,508
Net change in unearned premiums		(2,216)	(2,170)
Net premiums earned		64,630	60,338
Investment income	4	4,377	8,138
Gain from the sale of subsidiaries	13	-	986
Income/(loss) from associates		-	71
Commissions, management fees and other	11	27,077	27,639
TOTAL REVENUE		96,084	97,172
Expenses			
Policy benefits		8,162	8,011
Claims and adjustment expenses		40,081	36,029
Reinsurance recoveries		(4,273)	(2,876)
Gross change in contract liabilities		(19,098)	6,506
Change in reinsurers' share of claims provisions		428	(1,708)
NET BENEFITS AND CLAIMS		25,300	45,962
Commission expenses		3,040	3,181
Operating expenses		38,015	35,869
Amortisation, depreciation and impairment		3,201	3,732
TOTAL EXPENSES		69,556	88,744
EARNINGS BEFORE INCOME TAXES		26,528	8,428
Income tax expense		184	313
NET EARNINGS FOR THE PERIOD		26,344	8,115
Attributable to:			
Shareholders of the Company		26,344	8,100
Non-controlling interests		-	15
		26,344	8,115
Earnings per share:			
Basic	9	1.23	0.37
Fully diluted		1.23	0.37

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Operations

<i>For the six months ended September 30 (In \$ thousands)</i>	Note	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
Net earnings for the period		26,344	8,115
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified to net earnings/(loss):			
Post-employment medical benefit obligation remeasurement		459	(70)
Items that are or may subsequently be reclassified to net earnings/(loss):			
Change in unrealised gains/(losses) on available-for-sale investments		(37,763)	3,170
Change in unrealised gains/(losses) on translating financial statements of foreign operations		(3,077)	(286)
Realised gains on available-for-sale investments	13	-	(1,619)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(40,381)	1,195
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(14,037)	9,310
OTHER COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Shareholders of the Company		(40,381)	1,195
Non-controlling interests		-	-
		(40,381)	1,195
COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Shareholders of the Company		(14,037)	9,295
Non-controlling interests		-	15
		(14,037)	9,310

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity

<i>For the six months ended September 30 (In \$ thousands)</i>	<i>2022 (Unaudited)</i>	<i>2021 (Unaudited)</i>
Share Capital		
Authorised:		
25,000,000 common shares of \$1.00 each (2020 - 25,000,000)	25,000	25,000
Issued and fully paid, beginning of period 22,638,867 shares (2021 - 22,451,224 shares)	22,639	22,451
Add: Shares issued under the dividend reinvestment plan 82,511 shares (2021 - 105,671 shares)	83	106
Deduct: Shares held in Treasury, at cost 1,253,270 shares (2021 - 868,859 shares)	(7,182)	(4,712)
BALANCE, NET OF SHARES HELD IN TREASURY, END OF PERIOD	15,540	17,845
Contributed Surplus		
Balance, beginning of period	54,915	54,005
Stock-based compensation expense	87	76
Treasury shares granted to employees	(428)	(284)
Shares issued under the dividend reinvestment plan	441	597
BALANCE, END OF PERIOD	55,015	54,394
Retained Earnings		
Balance, beginning of period	90,964	69,580
Net earnings/(loss) for the period	26,344	8,100
Dividends	(2,354)	(2,155)
BALANCE, END OF PERIOD	114,954	75,525
Accumulated Other Comprehensive Income/(Loss)		
Balance, beginning of period	(18,357)	8,526
Other comprehensive income/(loss)	(40,381)	1,195
BALANCE, END OF PERIOD	(58,738)	9,721
TOTAL ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	126,771	157,485
Attributable to Non-controlling Interests		
Balance, beginning of period	-	135
Net earnings for the period	-	15
Elimination of non-controlling interest on disposal of subsidiaries	-	(150)
TOTAL EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-	-
TOTAL EQUITY	126,771	157,485

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

<i>(In \$ thousands)</i>	Note	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>	<i>(In \$ thousands)</i>	Note	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i>
OPERATING ACTIVITIES				OPERATING ACTIVITIES			
Earnings before income taxes		26,528	8,428	Interest income received		5,069	4,825
Adjustments to reconcile net earnings/(loss) to cash basis				Dividend income received		129	142
Bad debt expense		518	14	Income tax paid		(216)	(151)
Interest income		(6,187)	(5,733)	CASH GENERATED FROM OPERATING ACTIVITIES		10,451	7,033
Dividend income		(129)	(71)	INVESTING ACTIVITIES			
Investment income related to deposit administration pension plans		416	504	Purchase of investments		(78,272)	(81,480)
Net realised and unrealised gains on investments		1,250	(3,687)	Sale, maturity and paydown of investments		74,319	59,604
Amortisation of mortgages and net premium of bonds		271	790	Sale of subsidiaries, net of cash disposed of	13	-	3,438
Income/(loss) from associates, including impairment		-	(71)	Purchase of property and equipment		(1,572)	(916)
Change in the fair value of contingent liability		208	288	CASH USED IN INVESTING ACTIVITIES		(5,525)	(19,354)
Gain from the sale of subsidiaries	13	-	(986)	FINANCING ACTIVITIES			
Amortisation, depreciation and impairment		3,201	3,732	Dividends paid to shareholders		(1,844)	(1,512)
Expense on vesting of stock-based compensation		87	76	Interest expense paid		(96)	(147)
Interest expense on leases		96	100	Acquisition of shares held in Treasury		(584)	(95)
Interest expense on note payable		-	47	Repayment of borrowings		-	(34)
		(269)	(4,997)	Principal elements of the lease payments		(354)	(463)
				CASH USED IN FINANCING ACTIVITIES		(2,878)	(2,251)
Change in operating balances				EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND SHORT-TERM INVESTMENTS			
Insurance balances receivable		(1,156)	1,985			(2,916)	(293)
Reinsurers' share of:				NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS			
Claims provisions		468	(1,706)			(868)	(14,865)
Unearned premiums		(1,130)	(1,923)	CASH AND SHORT-TERM INVESTMENTS, beginning of period		55,849	78,648
Other assets		246	(727)	CASH AND SHORT-TERM INVESTMENTS, end of period		54,981	63,783
Deferred policy acquisition costs		(67)	(75)				
Insurance balances payable		1,582	9,790				
Accounts payable and accrued liabilities		(1,115)	(944)				
Insurance contract liabilities		(16,051)	(1,042)				
Investment contract liabilities		(3,565)	(6,550)				
Post-employment benefit liability		(2)	(22)				
		(20,790)	(1,214)				

The accompanying notes form part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

September 30, 2022

(Amounts in tables are expressed in thousands of Bermuda dollars, except for per share amounts and where otherwise stated)

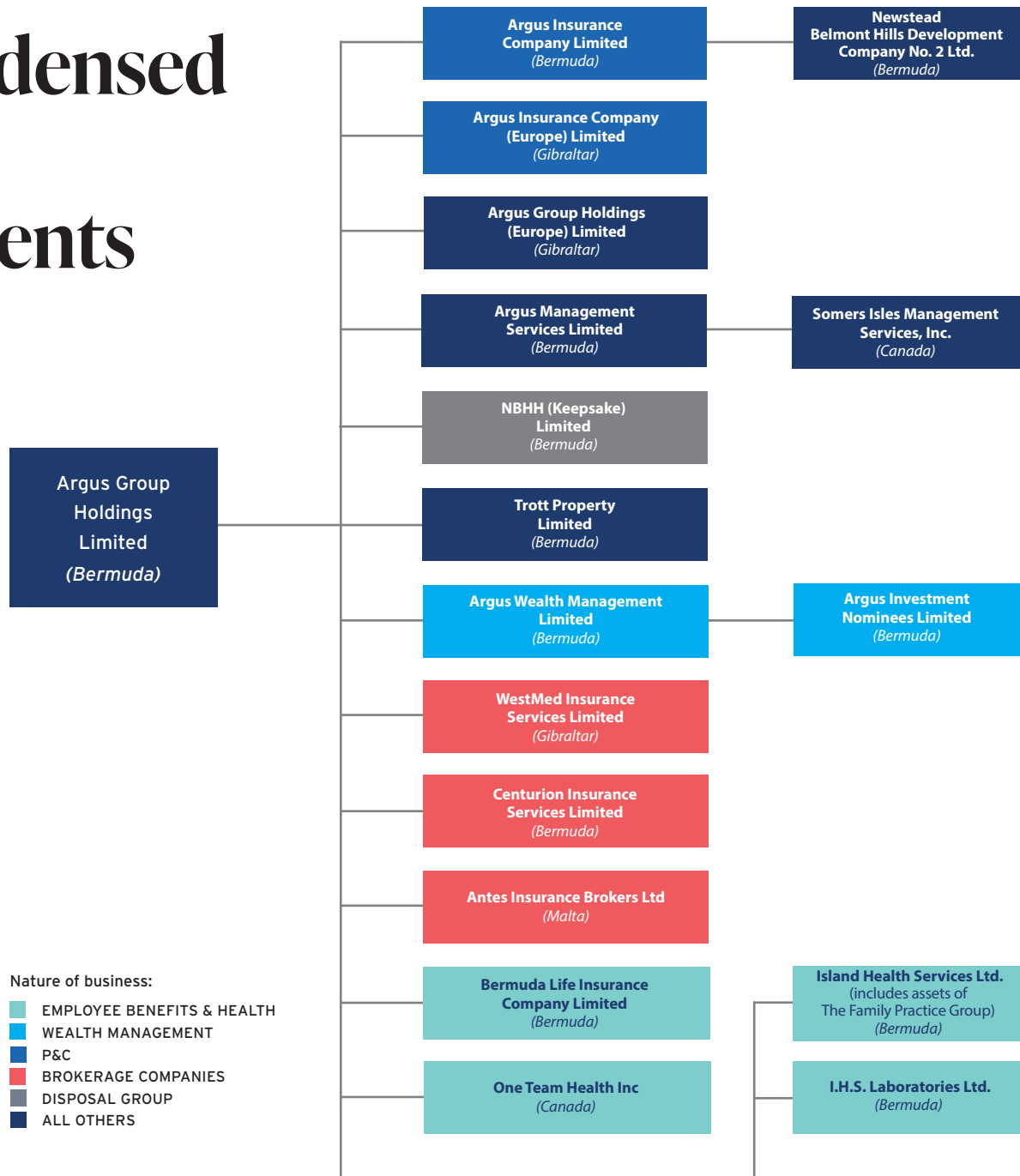
1 Operations

Argus Group Holdings Limited (the Company) was incorporated in Bermuda with limited liability on May 26, 2005, as a holding company and has its registered office at the Argus Building, 14 Wesley Street, Hamilton HM 11, Bermuda. The Company's shares are traded on the Bermuda Stock Exchange. At September 30, 2022, it had 1,409 shareholders; 81.2 percent of whom were Bermudian, holding 85.0 percent of the issued shares.

The Company and its subsidiaries (the Group) operates predominantly in Bermuda, Gibraltar, Malta and Canada underwriting life, health, property and casualty insurance (P&C). The Group also provides investment, savings and retirement products, administrative services and insurance broker services.

1.1 GROUP COMPOSITION

The table provides details of the significant subsidiaries as at September 30, 2022, which are directly and indirectly held by the Company.



2 Significant Accounting Policies

2.1 BASIS OF PRESENTATION

These unaudited consolidated interim financial statements have been prepared on a condensed basis in accordance with International Accounting Standard 34 (IAS 34), *Interim Financial Reporting* and do not include all of the information required for full annual financial statements.

All amounts are in Bermuda dollars, which is the Group's presentation currency and which are on par with United States (U.S.) Dollars. The Condensed Consolidated Balance Sheets are presented in order of decreasing liquidity.

These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as our March 31, 2022, audited consolidated financial statements and should be read in conjunction with the latter, except for any changes discussed in Note 2.2.

2.2 NEW AND REVISED ACCOUNTING POLICIES AND STANDARDS

There are amendments to existing standards and interpretations that are mandatory for the first time for financial periods beginning April 1, 2022, as discussed in the March 31, 2022, audited consolidated financial statements. However, these do not impact the condensed consolidated interim financial statements of the Group.

2.3 SEASONALITY OF OPERATIONS

The Group underwrites a range of risks, some of which are subject to potential seasonal variation. The most material of these is the Group's exposure to North Atlantic hurricanes, which are largely concentrated in the second and third quarters of the fiscal year. In contrast, a majority of gross premium income written in the lines of business impacted occurs during the first quarter of the fiscal year. If any catastrophic events do occur, it is likely that the Group will share some of the market's losses, net of reinsurance.

Details of the Group's recent exposures to these lines of business are disclosed in the March 31, 2022 annual report.

3 Assets and Liabilities Held-for-Sale

Management committed to a plan for the sale of certain property units held by the Group as investment properties, discussions are on going. The carrying value of these properties at September 30, 2022 is \$4.2 million (March 31, 2022 - \$4.2 million).

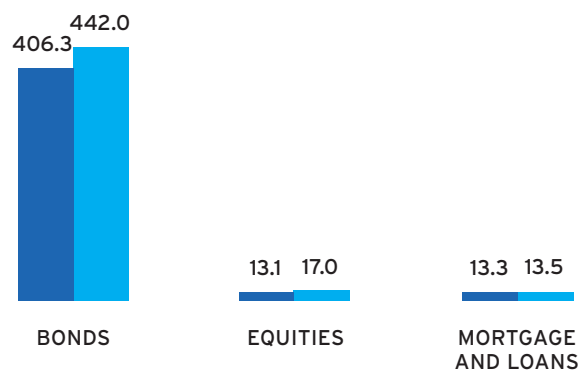
4 Investments

4.1 CARRYING VALUES AND ESTIMATED FAIR VALUES OF INVESTMENTS

	SEPTEMBER 30, 2022		MARCH 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Available-for-sale				
Bonds	388,502	388,502	426,217	426,217
Equities	11,830	11,830	15,598	15,598
	400,332	400,332	441,815	441,815
Investments at FVTPL ⁽¹⁾				
Bonds	17,801	17,801	15,779	15,779
Equities	1,304	1,304	1,441	1,441
	19,105	19,105	17,220	17,220
Loans and receivables				
Mortgages and loans	13,214	13,741	13,422	13,899
Policy loans	41	41	41	41
	13,255	13,782	13,463	13,940
TOTAL INVESTMENTS	432,692	433,219	472,498	472,975

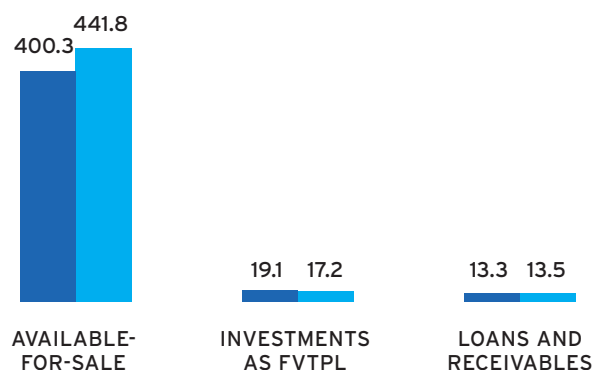
(1) Fair value through profit or loss (FVTPL)

INVESTMENT COMPOSITION (\$ MILLIONS)



■ SEPT. 2022 ■ MARCH 2022

INVESTMENT CLASSIFICATION (\$ MILLIONS)



■ SEPT. 2022 ■ MARCH 2022

Included in Bonds and Mortgages and loans are investments that support the investment contract liabilities associated with deposit administration pension plans of \$223.0 million (March 31, 2022 - \$229.0 million). These investments are maintained under a separate account to provide the policyholders certain protections from creditors of the Group.

Investments that meet the SPPI criterion

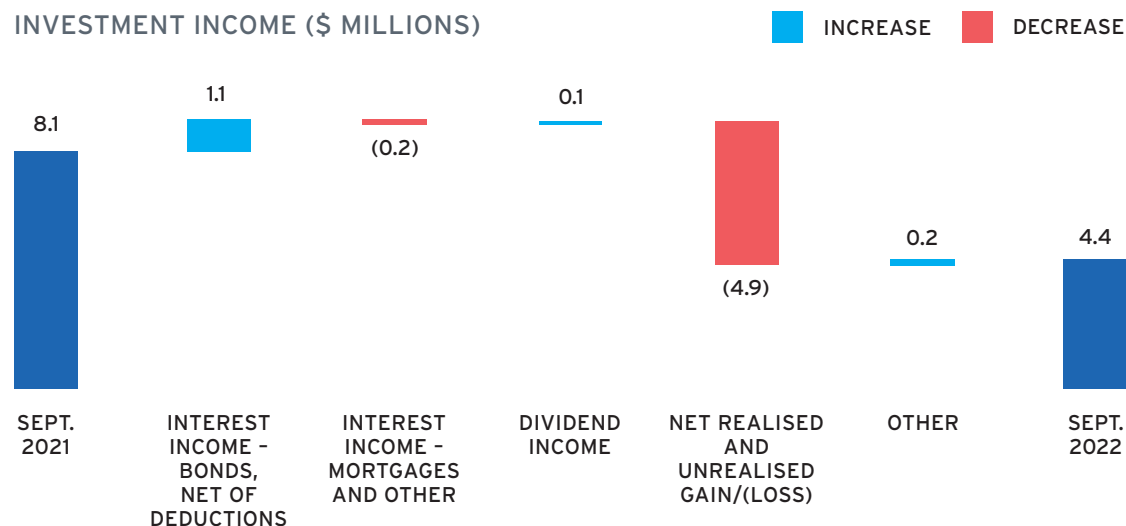
The Group has investments of \$399.2 million (March 31, 2022 - \$397.4 million) that meet the SPPI criterion. This refers to bonds, mortgages and loans, and policy loans. The change in the fair value of these invested assets during the period is a loss of \$35.0 million (March 31, 2022 - a loss of \$22.0 million). In terms of credit quality of such assets (excluding mortgages and policy loan), 98 percent (March 31, 2022 - 99 percent) investments are above investment grade assets and the remaining 2 percent (March 31, 2022 - 1 percent) are below investment grade assets.

Investments with a carrying value of \$20.0 million (March 31, 2022 - \$58.0 million) do not have SPPI qualifying cash flows as at September 30, 2022. The change in the fair value of these invested assets during the period is a loss of \$0.8 million (March 31, 2022 - a loss of \$2.1 million).

Equities with a carrying value of \$13.0 million (March 31, 2022 - \$17.0 million) do not meet the SPPI criterion as at September 30, 2022.

4.2 INVESTMENT INCOME

FOR THE SIX MONTHS ENDED SEPTEMBER 30	2022	2021
Interest income		
Bonds - available-for-sale	5,755	5,229
Bonds - at FVTPL	50	71
Mortgages and loans	101	270
Cash and other	281	163
	6,187	5,733
Dividend income		
Equities - available-for-sale	129	71
	129	71
Net realised and unrealised (losses)/gains on investments		
Bonds - available-for-sale	(2,225)	1,330
Bonds - at FVTPL	(790)	392
Equities - at FVTPL	(137)	-
Equities - available-for-sale	1,902	1,965
	(1,250)	3,687
Other		
Amortisation of mortgages and net premium on bonds	(271)	(790)
Rental income and other	206	229
Change in the fair value of contingent liability	(208)	(288)
	(273)	(849)
INVESTMENT INCOME BEFORE DEDUCTIONS	4,793	8,642
Deductions		
Investment income relating to Deposit administration pension plans	(416)	(504)
INVESTMENT INCOME	4,377	8,138

INVESTMENT INCOME (\$ MILLIONS)

5 Fair Value Measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group determines the estimated fair value of each individual security utilising the highest level inputs available. Prices for the majority of the Group's investment portfolio are provided by a third-party investment accounting firm whose pricing processes and the controls thereon are subject to an annual audit on both the operation and the effectiveness of those controls. The audit reports are available to clients of the firm and the report is reviewed annually by Management. In accordance with their pricing policy, various reputable pricing sources are used, including broker-dealers and pricing vendors. The pricing sources use bid prices where available, otherwise indicative prices are quoted based on observable market trade data. The prices provided are compared to the investment managers' pricing.

The Group has not made adjustments to any pricing provided by independent pricing services or its third-party investment managers for either period ended September 30, 2022, and year ended March 31, 2022.

Level 1 investments are securities with quoted prices in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group determines securities classified as Level 1 to include highly liquid U.S. treasuries, certain highly liquid short-term investments and quoted equity securities.

Level 2 investments are securities with quoted prices in active markets for similar assets or liabilities or securities valued using other valuation techniques for which all significant inputs are based on observable market data. Instruments included in Level 2 are valued via independent external sources using modelled or other valuation methods. Such methods are typically industry accepted standard and include:

- broker-dealer quotes;
- pricing models or matrix pricing;
- present values;
- future cash flows;
- yield curves;
- interest rates;
- prepayment speeds; and
- default rates.


Other similar quoted instruments or market transactions may be used.

The Group determines securities classified as Level 2 to include short-term and fixed maturity investments and certain derivatives such as:

- U.S. corporate bonds;
- Municipal, other government and agency bonds;
- Foreign corporate bonds;
- Mortgage/asset-backed securities;
- Bond and equity funds with listed underlying assets; and
- Derivatives, such as options, forward foreign exchange contracts, interest rate swaps and credit default swaps.

The fair value of investment properties was determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment properties annually. Fair value is based on market data from recent comparable transactions. These assets are classified as Level 2.

Fair value of the Investment contract liabilities (Deposit accounted annuity policies) is determined by using valuation techniques,



such as discounted cash flow methods. A variety of factors are considered in the valuation techniques, including yield curve, credit spread and default assumptions, which have market observable inputs. Accordingly, Investment contract liabilities are classified under Level 2.

The carrying values of certain short-term assets and liabilities approximate fair value and are classified as Level 2.

The fair value of the majority of the investments for accounts of segregated fund holders is based on net asset values reported by third parties, such as investment managers and fund administrators. The fair value hierarchy of direct investments within investments for accounts of segregated fund holders, such as short-term securities, local equities and corporate debt securities, is determined according to valuation methodologies and inputs described above in the respective asset type sections.

The Group determines whether transfers have occurred between levels of the fair value hierarchy by re-assessing the categorisation at the end of each reporting period based on the lowest level input that is significant to the fair value measurement as a whole.

Level 3 investments are securities for which valuation techniques are not based on observable market data. The Group classifies unquoted/private equities as Level 3 assets as the valuation technique incorporates both

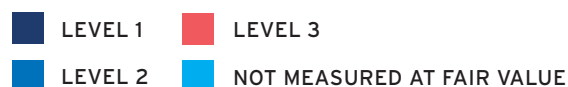
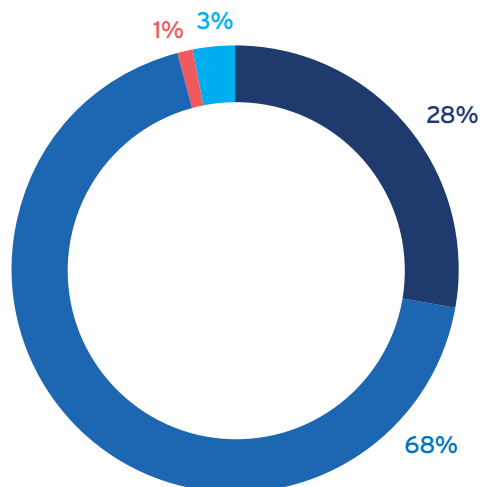
observable and unobservable inputs. These investments may be subject to certain lock-up provisions. The type of underlying investments held by the investee, which form the basis of the net asset valuation, include assets such as private business ventures, to which the Group does not have access. The Group considers net asset value as a reasonable approximate of fair value.

The Group has an established control framework with respect to the measurement of fair values. This includes an investment validation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The Group's investment validation process includes a review of price movements relative to the market. Any significant discrepancies are investigated and discussed with investment managers and a valuation specialist. The process also includes regular reviews of significant observable inputs and valuation adjustments. Significant valuation issues are reported to the Board of Directors.

5.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table presents fair value of the Group's assets and liabilities measured at fair value in the Condensed Consolidated Balance Sheets, categorised by level under the fair value hierarchy.

ASSET FAIR VALUE LEVELLING SEPTEMBER 2022

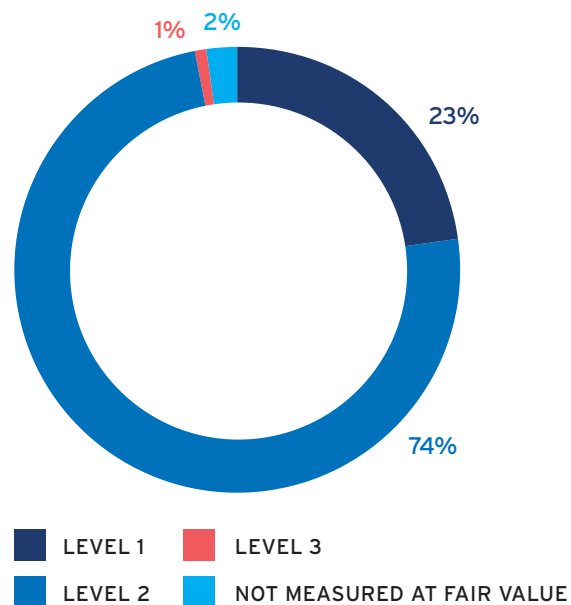


SEPTEMBER 30, 2022	Level 1	Level 2	Level 3	Total Fair Value
Cash and short-term investments	54,981	-	-	54,981
Interest and dividends receivable				
Available-for-sale investments				
Bonds				
U.S. government	58,649	-	-	58,649
U.S. corporates	-	89,039	-	89,039
Municipal, other government and agency	-	46,923	-	46,923
Foreign corporates	-	126,850	-	126,850
Mortgage/asset-backed securities	-	67,041	-	67,041
Total Available-for-sale Bonds	58,649	329,853	-	388,502
Equities				
Global listed equities	2,166	-	-	2,166
Investment in equity funds	6,222	-	-	6,222
Preferred stock	692	-	-	692
Private equity funds and unquoted equities	-	-	2,750	2,750
Total Available-for-sale equities	9,080	-	2,750	11,830
TOTAL AVAILABLE-FOR-SALE INVESTMENTS	67,729	329,853	2,750	400,332
FVTPL				
Bonds				
U.S. government	17,801	-	-	17,801
FVTPL				
Private equity funds and unquoted equities	-	-	1,304	1,304
TOTAL INVESTMENTS AT FVTPL	17,801	-	1,304	19,105
Receivable for investments sold	-	3,003	-	3,003
Investment properties	-	2,774	-	2,774
TOTAL ASSETS AT FAIR VALUE	140,511	335,630	4,054	480,195
Liabilities				
Investment contract liabilities	-	84	-	84
TOTAL LIABILITIES AT FAIR VALUE	-	84	-	84
SEGREGATED FUNDS	3,883	1,012,684		1,016,567
	3,883	1,012,684	-	1,016,567

5.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

continued

ASSET FAIR VALUE LEVELLING MARCH 2022



MARCH 31, 2022	Level 1	Level 2	Level 3	Total Fair Value
Cash and short-term investments	55,849	-	-	55,849
Interest and dividends receivable	-	2,526	-	2,526
Available-for-sale investments				
Bonds				
U.S. government	45,289	-	-	45,289
U.S. corporates	-	205,040	-	205,040
Municipal, other government and agency	-	50,126	-	50,126
Foreign corporates	-	15,274	-	15,274
Mortgage/asset-backed securities	-	73,097	-	73,097
Other ⁽¹⁾	-	37,391	-	37,391
Total Available-for-sale bonds	45,289	380,928	-	426,217
Equities				
Global listed equities	4,394	-	-	4,394
Investment in equity funds	-	8,679	-	8,679
Private equity funds and unquoted equities	-	-	2,525	2,525
Total Available-for-sale equities	4,394	8,679	2,525	15,598
TOTAL AVAILABLE-FOR-SALE INVESTMENTS	49,683	389,607	2,525	441,815
FVTPL				
Bonds				
U.S. government	15,779	-	-	15,779
Equities				
Private equity funds and unquoted equities	-	-	1,441	1,441
TOTAL INVESTMENTS AT FVTPL	15,779	-	1,441	17,220
Receivable for investment sold	-	2,400	-	2,400
Investment properties	-	2,774	-	2,774
TOTAL ASSETS AT FAIR VALUE	121,311	397,307	3,966	522,584
LIABILITIES				
Investment contract liabilities	-	156	-	156
TOTAL LIABILITIES AT FAIR VALUE	-	156	-	156
SEGREGATED FUNDS	8,313	1,195,425	-	1,203,738
TOTAL SEGREGATED FUNDS	8,313	1,195,425	-	1,203,738

(1) Investment in bond funds.

The following table provides a roll forward for the General fund assets measured at fair value for which significant unobservable inputs (Level 3) are used in the fair value measurement.

SEPTEMBER 30, 2022			
	At FVTPL Equities	Available- for-sale Equities	Total
Balance, beginning of year	1,441	2,525	3,966
Included in Investment income	(137)	-	(137)
Included in Other comprehensive income	-	225	225
Sales/Write Off	-	-	-
	1,304	2,750	4,054

MARCH 31, 2022			
	At FVTPL Equities	Available- for-sale Equities	Total
Balance, beginning of year	1,441	1,922	3,363
Included in Investment income	-	79	79
Included in Other comprehensive income	-	441	441
Purchases	-	161	161
Sales/Write Off	-	(78)	(78)
	1,441	2,525	3,966

5.2 ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

For assets and liabilities not measured at fair value in the Condensed Consolidated Balance Sheets, the adjacent table discloses summarised fair value information categorised by the level in the preceding hierarchy, together with the related carrying values.

5.3 TRANSFERS OF ASSETS AND LIABILITIES WITHIN THE FAIR VALUE HIERARCHY

The Group's policy is to record transfers of assets and liabilities between levels at their fair values as at the end of each reporting period, consistent with the date of determination of fair value. Assets are transferred out of Level 1 when they are no longer transacted with sufficient frequency and volume in an active market. Conversely, assets are transferred from Level 2 to Level 1 when transaction volume and frequency are indicative of an active market. There were no transfers between Levels 1, 2 and 3 during the period ended September 30, 2022 (March 31, 2022 - nil).

SEPTEMBER 30, 2022	Level 1	Level 2	Level 3	Total Fair Value	Carrying Value
ASSETS					
Mortgages and loans ⁽¹⁾	-	13,741	-	13,741	13,214
Policy loans	-	41	-	41	41
TOTAL ASSETS DISCLOSED AT FAIR VALUE	-	13,782	-	13,782	13,255
LIABILITIES					
Investment Contract liabilities ⁽²⁾	-	228,787	-	228,787	242,895
TOTAL LIABILITIES DISCLOSED AT FAIR VALUE	-	228,787	-	228,787	242,895
MARCH 31, 2022					
	Level 1	Level 2	Level 3	Total Fair Value	Carrying Value
ASSETS					
Mortgages and loans ⁽¹⁾	-	13,899	-	13,899	13,422
Policy loans	-	41	-	41	41
TOTAL ASSETS DISCLOSED AT FAIR VALUE	-	13,940	-	13,940	13,463
LIABILITIES					
Investment Contract liabilities ⁽²⁾	-	237,601	-	237,601	246,388
TOTAL LIABILITIES DISCLOSED AT FAIR VALUE	-	237,601	-	237,601	246,388

(1) Fair value of mortgages and loans is determined by discounting expected future cash flows using current market rates.

(2) Fair value of Investment contract liabilities is based on the following methods:

- Deposit administration pension plans - based on a discounted cash flow method. Factors considered in the valuation include current yield curve, plus appropriate spreads which have market observable inputs; and
- Self-funded group health policies - the carrying value approximates the fair value due to the short-term nature of these investment contract liabilities.

6 Operating Segments

Transactions between segments consists primarily of rental and internal financing agreements and insurance contracts. Inter-segment income has been omitted in the following table as immaterial.

6.1 RESULTS BY SEGMENT

FOR THE SIX MONTHS ENDED SEPTEMBER 30		AMERICAS					EUROPE			CORE		Consolidated Total
		Employee Benefits and Health	Wealth Management	Property and Casualty	Disposal Groups ⁽¹⁾	Total	Property and Casualty	Brokerage Companies	Total	All other	Elimination	
Segment revenues	2022	69,782	2,099	10,319	-	82,200	10,447	2,702	13,149	-	(3,642)	91,707
	2021	65,862	2,181	9,534	387	77,964	10,631	2,443	13,074	90	(3,151)	87,977
Investment income	2022	5,295	83	(1,011)	-	4,367	263	1	264	(40)	(214)	4,377
	2021	5,909	1	572	329	6,811	205	-	205	(167)	1,289	8,138
Gain from the sale of subsidiaries	2022	-	-	-	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-	(10,071)	11,057	986
Income/(loss) from associates	2022	-	-	-	-	-	-	-	-	-	-	-
	2021	-	-	71	-	71	-	-	-	-	-	71
TOTAL SEGMENT REVENUES	2022	75,077	2,182	9,308	-	86,567	10,710	2,703	13,413	(40)	(3,856)	96,084
	2021	71,771	2,182	10,177	716	84,846	10,836	2,443	13,279	(10,148)	9,195	97,172
Amortisation, depreciation and impairment	2022	1,681	-	121	-	1,802	228	80	308	431	660	3,201
	2021	1,749	-	92	63	1,904	250	88	338	620	870	3,732
Income tax expense	2022	(45)	-	-	-	(45)	62	151	213	16	-	184
	2021	-	-	-	-	-	52	240	292	36	(15)	313
Segment earnings/(loss) attributable to shareholders, after tax	2022	34,023	259	2,566	-	36,848	539	235	774	(10,061)	(1,217)	26,344
	2021	11,388	126	3,843	164	15,521	537	124	661	(19,180)	11,098	8,100

(1) Disposal groups refer to certain groups of assets and liabilities, which are held-for-sale (Note 3).

GEOGRAPHIC INFORMATION ON SEGMENT REVENUES:

FOR THE SIX MONTHS ENDED SEPTEMBER 30		Bermuda	Europe	Total
Segment revenues	2022	82,671	13,413	96,084
	2021	83,893	13,279	97,172

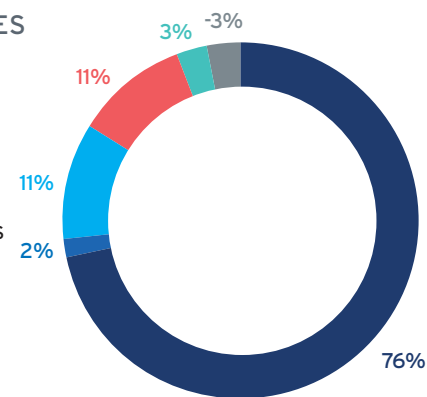
Management considers its external customers to be the individual policyholders and corporations and, as such, the Group is not reliant on any individual customer.

6.2 ASSETS AND LIABILITIES BY SEGMENT

	AMERICAS				Total	EUROPE		Total	All other	Elimination	Consolidated Total
	Employee Benefits and Health	Wealth Management	Property and Casualty	Disposal Groups		Property and Casualty	Brokerage Companies				
SEPTEMBER 30, 2022:											
Total General Fund Assets	471,339	293	65,260	4,240	541,132	48,621	13,941	62,562	182,164	(136,930)	648,928
Segregated Fund Assets	1,016,567	-	-	-	1,016,567	-	-	-	-	-	1,016,567
Total General Fund Liabilities	426,640	395	33,234	-	460,269	33,951	11,974	45,925	16,094	(131)	522,157
Segregated Fund Liabilities	1,016,567	-	-	-	1,016,567	-	-	-	-	-	1,016,567
MARCH 31, 2022:											
Total General Fund Assets	498,644	782	59,146	4,240	562,812	57,679	14,040	71,719	194,497	(136,275)	692,753
Segregated Fund Assets	1,203,738	-	-	-	1,203,738	-	-	-	-	-	1,203,738
Total General Fund Liabilities	450,859	443	29,337	-	480,639	38,290	12,048	50,338	19,177	(395)	549,759
Segregated Fund Liabilities	1,203,738	-	-	-	1,203,738	-	-	-	-	-	1,203,738

SEGMENT REVENUES

- EMPLOYEE BENEFITS
- WEALTH MANAGEMENT
- AMERICAS P&C
- EUROPE P&C
- BROKERAGE
- ELIMINATION & OTHERS



7 Insurance Contract Liabilities

The Group's Insurance contract liabilities and Reinsurers' share of claims provisions and unearned premiums are comprised of:

SEPTEMBER 30, 2022	Gross	Ceded	Net
Life and annuity policy reserves	149,701	3,950	145,751
Provision for unpaid and unreported claims	38,370	9,820	28,550
	188,071	13,770	174,301
Unearned premiums	25,711	13,358	12,353
TOTAL INSURANCE CONTRACT LIABILITIES	213,782	27,128	186,654

MARCH 31, 2022	Gross	Ceded	Net
Life and annuity policy reserves	171,363	4,289	167,074
Provision for unpaid and unreported claims	39,047	10,619	28,428
	210,410	14,908	195,502
Unearned premiums	23,358	12,838	10,520
Premium rebates liabilities	787	-	787
TOTAL INSURANCE CONTRACT LIABILITIES	234,555	27,746	206,809

7.1 LIFE AND ANNUITY POLICY RESERVES

The decrease in the Insurance contract liabilities is mainly driven by the Life and annuity policy reserves. The changes in the net Life and annuity policy reserves for the period are as follows:

	For the six months ended September 30, 2022	For the year ended March 31, 2022
Balance, beginning of year	167,074	177,592
Changes due to:		
Issuance of new policies	2,939	7,626
Normal in-force movement	(4,068)	(12,201)
Mortality/morbidity assumptions	-	(317)
Interest rate assumptions	(20,194)	(6,772)
Expense assumptions	-	1,146
	145,751	167,074

8 Post-employment Benefit Liability

The Group operates a post-employment medical benefit plan in Bermuda, which provides medical benefits to eligible retired employees and their spouses. The amount of benefits provided depends on future cost escalation and the Company meeting the benefit payment obligation as it falls due. Actuarial valuation to determine the defined benefit obligation is performed quarterly.

The plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and healthcare cost inflation risks. Responsibility for governance of the plan lies with the Company. Risks are managed through plan design and eligibility changes, which limit the size and growth of the defined benefit obligation.

The movement in the defined benefit liability is as follows:

	For the six months ended September 30 2022	For the year ended March 31 2022
Balance, beginning of year	3,271	3,938
Movements during the period/ year recognised in Operating expense:		
Current service cost	8	22
Interest cost on benefit liability	80	137
	88	159
Remeasurement during the period/year included in Other comprehensive income:		
Actuarial gain arising from experience adjustment	(459)	(660)
Benefit payments	(90)	(166)
BALANCE, END OF PERIOD/YEAR	2,810	3,271

As at September 30, 2022, the present value of the defined benefit obligation was comprised of \$0.3 million (March 31, 2022 - \$0.4 million) relating to active employees and \$2.5 million (March 31, 2022 - \$2.9 million) relating to members in retirement.

Components of the change in benefit liabilities year on year and other employee future benefit expense are as follows:

- (i) Current service cost represents benefits earned in the current period. These are determined with reference to the current workforce eligible for benefits and the amount of benefits to which they will be entitled upon retirement, based on the provisions of the Group's benefit plan.
- (ii) Interest cost on the benefit liability represents the increase in the liability that results from the passage of time.
- (iii) Each quarter, the actuaries recalculate the benefit liability and compare it to that estimated as at the prior period end. Any differences resulting from changes in assumptions, or from plan experience being different from expectations of management at the previous year end, are considered actuarial gains or losses.

The significant actuarial assumptions in measuring the Group's accrued benefit liability are estimated as follows:

	SEPTEMBER 30 2022	MARCH 31 2022
Discount rate	5.0%	3.6%
Health care cost trend rate	5.5%	5.5%

9 Earnings Per Share

The following table reflects the net earnings/(loss) and share data used in the basic and diluted earnings per share computations:

FOR THE SIX MONTHS ENDED SEPTEMBER 30 (in 000's)	2022	2021
Net earnings/(loss) for the period	26,344	8,100

FOR THE SIX MONTHS ENDED SEPTEMBER 30 (Number of shares)	2022	2021
Weighted average outstanding common shares	21,401,378	21,601,998
Common shares and common share equivalents	21,468,108	21,688,036

10 Segregated Funds and Separate Accounts

The assets for contracts held under the Segregated Funds are allocated to Separate Accounts as authorised by the Bermuda Life Insurance Company Limited (Separate Accounts) Consolidation and Amendment Act 1998.

Changes to Segregated Funds are as follows:

	For the six months ended September 30, 2022	For the year ended March 31, 2022
Additions to Segregated Funds		
Contributions and transfers	71,733	176,275
Return on investments	(178,253)	187,073
Segregated funds acquired	-	3,790
	(106,520)	367,138
Deductions from Segregated Funds		
Withdrawals, benefit payments and transfers to the General Fund	75,119	311,034
Operating expenses	5,532	27,054
Segregated funds disposed of on sale of subsidiaries	-	527,084
	80,651	865,172
Net additions/(deductions) to Segregated Funds for the period	(187,171)	(498,034)
Segregated Funds, beginning of period	1,203,738	1,701,772
SEGREGATED FUNDS, END OF YEAR	1,016,567	1,203,738

11 Commissions, Management Fees and Other

Commissions, management fees and other income recognised during the period are as follows:

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022	Employee Benefits and Health	Wealth Management	Americas Property and Casualty	Disposal Groups	Europe Property and Casualty	Europe Brokerage Companies	All Other	Total
Fee income from service contracts								
pensions and policyholder administration	15,712	-	-	-	-	-	-	15,712
Investment management	-	2,087	-	-	-	-	-	2,087
Brokerage income	-	-	525	-	397	2,702	-	3,624
Total fee income from service contracts	15,712	2,087	525	-	397	2,702	-	21,423
Reinsurance commission income	743	-	3,850	-	1,061	-	-	5,654
	16,455	2,087	4,375	-	1,458	2,702	-	27,077

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021	Employee Benefits and Health	Wealth Management	Americas Property and Casualty	Disposal Groups	Europe Property and Casualty	Europe Brokerage Companies	All Other	Total
Fee income from service contracts								
pensions and policyholder administration	15,506	-	-	1,051	-	-	91	16,648
Investment management	-	2,148	-	-	-	-	-	2,148
Brokerage income	-	-	354	-	802	2,384	-	3,540
Total fee income from service contracts	15,506	2,148	354	1,051	802	2,384	91	22,336
Reinsurance commission income	405	-	3,732	-	1,166	-	-	5,303
	15,911	2,148	4,086	1,051	1,968	2,384	91	27,639

12 Components of Accumulated Other Comprehensive Income

	SEPTEMBER 30 2022	MARCH 31 2022
Remeasurement of post-employment medical benefit obligation	(216)	(675)
Available-for-sale investments	(52,208)	(14,445)
Translation of financial statements of foreign operations	(6,314)	(3,237)
NET ACCUMULATED OTHER COMPREHENSIVE INCOME	(58,738)	(18,357)

13 Disposal of subsidiaries

On July 1, 2021, the Group completed the sale of the International Division, which includes Argus International Life Bermuda Limited and its subsidiaries, Argus International Life Insurance Limited and Bermuda Life Worldwide Limited (the "Division") to an unrelated party.

(a) Net cash inflow from sale of subsidiaries

Proceeds from sale	5,861
Less: Cash and short-term investments	(2,423)
Net Cash inflow	3,438

(b) Gain from sale of subsidiaries:

Proceeds from sale	5,861
Less payable to non-controlling Interest	(65)
Net proceeds from sale	5,796
Net assets disposed of on sale of subsidiaries	(4,810)
Gain from the sale of subsidiaries	986

As part of the sale, previously held available-for-sale investments were sold, resulting in \$1.6 million of accumulated gains which were recognised into net earnings.

14 Directors and Officers Holdings and Restricted Stock

At September 30, 2022 the Directors and Officers of the Company had combined interests totalling 150,363 shares out of 22,721,378 shares (2021 - 140,330 shares out of 22,556,895 shares) in issue on that date.

In the six-month period ended September 30, 2022 there were 15,300 (2021 - 15,734) restricted shares granted to Directors and Officers.

15 Subsequent Events

The Board has declared dividend of eleven cents per share, payable on January 27, 2023, for shareholders of record on December 30, 2022. This results in a 10 percent increase in the dividends declared for the 2022-23 fiscal year compared to the prior year.



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