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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of White Rock Insurance (SAC) Ltd.**

### **Opinion**

We have audited the condensed financial statements of White Rock Insurance (SAC) Ltd. ("the Company"), which comprise the condensed balance sheet as at December 31, 2023, the condensed statements of income, capital and surplus for the year then ended, and notes to the condensed financial statements, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying condensed financial statements are prepared, in all material respects, in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Accounts Rules 2016 with respect to condensed general purpose financial statements (the "Legislation").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the condensed financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the condensed 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.

### **Emphasis of matter – basis of accounting**

We draw attention to Note 3 to the condensed financial statements, which describes the basis of accounting. The condensed financial statements are prepared to assist the Company to comply with the financial reporting provisions of the Legislation referred to above. The accounting policies used and the disclosures made are not intended to, and do not, comply with all of the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other matter**

The financial statements of the Company as at and for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on April 26, 2023.

### **Responsibilities of management and those charged with governance for the condensed financial statements**

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

In preparing the condensed 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 responsibilities for the audit of the condensed financial statements**

Our objectives are to obtain reasonable assurance about whether the condensed 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 condensed 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 condensed 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 condensed financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with 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.

*KPMG Audit Limited*

Chartered Professional Accountants  
Hamilton, Bermuda  
August 29, 2024

**CONDENSED BALANCE SHEET**

Windsorock Insurance (S&P) Ltd.

As at **December 31, 2023**

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

LINE No.	2023	2022
1. CASH AND CASH EQUIVALENTS	787	791
2. QUOTED INVESTMENTS:		
(a) Bonds and Debentures		
i. Held to maturity		
ii. Other		
(b) Total Bonds and Debentures	-	-
(c) Equities		
i. Common stocks		
ii. Preferred stocks		
iii. Mutual funds		
(d) Total equities	-	-
(e) Other quoted investments		
(f) Total quoted investments	-	-
3. UNQUOTED INVESTMENTS:		
(a) Bonds and Debentures		
i. Held to maturity		
ii. Other		
(b) Total Bonds and Debentures	-	-
(c) Equities		
i. Common stocks		
ii. Preferred stocks		
iii. Mutual funds		
(d) Total equities	-	-
(e) Other unquoted investments		
(f) Total unquoted investments	-	-
4. INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a) Unregulated entities that conduct ancillary services		
(b) Unregulated non-financial operating entities		
(c) Unregulated financial operating entities		
(d) Regulated non-insurance financial operating entities		
(e) Regulated insurance financial operating entities		
(f) Total investments in affiliates	-	-
(g) Advances to affiliates		
(h) Total investments in and advances to affiliates	-	-
5. INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a) First liens		
(b) Other than first liens		
(c) Total investments in mortgage loans on real estate	-	-
6. POLICY LOANS		
7. REAL ESTATE:		
(a) Occupied by the company (less encumbrances)		
(b) Other properties (less encumbrances)		
(c) Total real estate	-	-
8. COLLATERAL LOANS		
9. INVESTMENT INCOME DUE AND ACCRUED		
10. ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a) In course of collection	62	42
(b) Deferred - not yet due		
(c) Receivables from retrocessional contracts		
(d) Total accounts and premiums receivable	62	42
11. REINSURANCE BALANCES RECEIVABLE:		
(a) Foreign affiliates		
(b) Domestic affiliates		
(c) Pools & associations		
(d) All other insurers		
(e) Total reinsurance balance receivable	-	-
12. FUNDS HELD BY CEDING REINSURERS		
13. SUNDRY ASSETS:		
(a) Derivative instruments		
(b) Segregated accounts companies - long-term business - variable annuities		
(c) Segregated accounts companies - long-term business - other	53,937	13,843
(d) Segregated accounts companies - general business		
(e) Deposit assets		
(f) Deferred acquisition costs		
(g) Net receivables for investments sold		
(h) Other Sundry Assets (Specify)		
(i) Other Sundry Assets (Specify)		
(j) Other Sundry Assets (Specify)		
(k) Total sundry assets	53,937	13,843
14. LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a) Letters of credit		
(b) Guarantees		
(c) Other instruments		
(e) Total letters of credit, guarantees and other instruments	-	-
15. TOTAL	54,786	14,676

**CONDENSED BALANCE SHEET**  
 White Rock Insurance (SSE) Ltd.  
 As at **December 31, 2023**  
 expressed in [000s] **United States Dollars**

LINE No.		2023	2022
	<b>TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS</b>		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves		
(b)	Less: Ceded unearned premium reserve		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other insurers		
(c)	Total ceded unearned premium reserve	-	-
(d)	Net unearned premium reserve	-	-
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions		
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates		
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other reinsurers		
(c)	Total reinsurance recoverable balance	-	-
(d)	Net loss and loss expense provisions	-	-
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	-	-
	<b>LONG-TERM BUSINESS INSURANCE RESERVES</b>		
20.	RESERVE FOR REPORTED CLAIMS		
21.	RESERVE FOR UNREPORTED CLAIMS		
22.	POLICY RESERVES - LIFE		
23.	POLICY RESERVES - ACCIDENT AND HEALTH		
24.	POLICYHOLDERS' FUNDS ON DEPOSIT		
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES	-	-
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign Affiliates		
	(ii) Domestic Affiliates		
	(iii) Pools and Associations		
	(iv) All Other Insurers		
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	<b>Total Net Long-Term Business Insurance Reserves</b>	-	-
	<b>OTHER LIABILITIES</b>		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE		
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE		
30.	LOANS AND NOTES PAYABLE		
31.	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES	17	
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	9	7
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments		
(b)	Segregated accounts companies	53,937	13,843
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
(e)	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	53,937	13,843
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	53,963	13,850
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	53,963	13,850
	<b>CAPITAL AND SURPLUS</b>		
40.	TOTAL CAPITAL AND SURPLUS	823	826
41.	TOTAL	54,786	14,676
		TRUE	TRUE

## CONDENSED STATEMENT OF INCOME

White Rock Insurance (SAC) Ltd.  
As at December 31, 2023  
expressed in '000s United States Dollars

LINE No.		2023	2022
	<b>GENERAL BUSINESS UNDERWRITING INCOME</b>		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written		
	(b) Assumed gross premiums written		
	(c) Total gross premiums written	-	-
2.	REINSURANCE PREMIUMS CEDED		
3.	NET PREMIUMS WRITTEN	-	-
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS		
5.	NET PREMIUMS EARNED	-	-
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	-	-
	<b>GENERAL BUSINESS UNDERWRITING EXPENSES</b>		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED		
9.	COMMISSIONS AND BROKERAGE		
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	-	-
11.	<b>NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS</b>	-	-
	<b>LONG-TERM BUSINESS INCOME</b>		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED		
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	<b>LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES</b>		
17.	CLAIMS - LIFE		
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS		
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	<b>NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS</b>	-	-
29.	<b>COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS</b>	-	-
	<b>UNDERNOTED ITEMS</b>		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	65	33
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	65	33
31.	COMBINED INVESTMENT INCOME - NET	62	41
32.	COMBINED OTHER INCOME (DEDUCTIONS)		
33.	COMBINED INCOME BEFORE TAXES	(3)	8
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current		
	(b) Deferred		
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	(3)	8
36.	COMBINED REALIZED GAINS (LOSSES)		
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	(3)	8

**CONDENSED STATEMENT OF CAPITAL AND SURPLUS**

White Rock Insurance (SAC) Ltd.  
 As at December 31, 2023  
 expressed in ['000s] United States Dollars

LINE No.		2023	2022
1.	<b>CAPITAL:</b>		
(a)	Capital Stock		
	(i) Common Shares		
	authorized <input type="text" value="500"/> shares of par	<input type="text" value="380"/>	<input type="text" value="380"/>
	value \$ <input type="text" value="1,000"/> each issued and		
	fully paid <input type="text" value="500"/> shares		
	(ii)		
	(A) Preferred shares:		
	authorized <input type="text"/> shares of par		
	value <input type="text"/> each issued and		
	fully paid <input type="text"/> shares		
	aggregate liquidation value for –		
	2023 <input type="text"/>		
	2022 <input type="text"/>		
	(B) Preferred shares issued by a subsidiary:		
	authorized <input type="text"/> shares of par		
	value <input type="text"/> each issued and		
	fully paid <input type="text"/> shares		
	aggregate liquidation value for –		
	2023 <input type="text"/>		
	2022 <input type="text"/>		
	(iii) Treasury Shares		
	repurchased <input type="text"/> shares of par		
	value <input type="text"/> each issued		
(b)	Contributed surplus	<input type="text" value="28"/>	<input type="text" value="28"/>
(c)	Any other fixed capital		
	(i) Hybrid capital instruments		
	(ii) Guarantees and others		
	(iii) Total any other fixed capital	<input type="text" value="-"/>	<input type="text" value="-"/>
(d)	Total Capital	<u><input type="text" value="408"/></u>	<u><input type="text" value="408"/></u>
2.	<b>SURPLUS:</b>		
(a)	Surplus - Beginning of Year	<input type="text" value="418"/>	<input type="text" value="410"/>
(b)	Add: Income for the year	<input type="text" value="(3)"/>	<input type="text" value="8"/>
(c)	Less: Dividends paid and payable		
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments		
(e)	Add (Deduct) change in any other surplus		
(f)	Surplus - End of Year	<u><input type="text" value="415"/></u>	<u><input type="text" value="418"/></u>
3.	<b>MINORITY INTEREST</b>		
4.	<b>TOTAL CAPITAL AND SURPLUS</b>	<u><input type="text" value="823"/></u>	<u><input type="text" value="826"/></u>

# WHITE ROCK INSURANCE (SAC) LTD.

## NOTES TO CONDENSED FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2023

### General

#### 1. Background

White Rock Insurance (SAC) Ltd. (the “Company”) was incorporated under the name Three Star Insurance Company Limited under the laws of Bermuda on November 30, 1982 and is authorized to conduct business pursuant to the provisions of the Segregated Accounts Companies Act (2000). The Company is a wholly owned subsidiary of Aon Insurance Managers (Bermuda) Ltd. (“Parent”), a company incorporated in Bermuda. The Parent is ultimately owned by Aon plc incorporated in Ireland.

Effective August 15, 2012 the Company received its long-term Class C license under the Insurance Act, 1978, as amended, of Bermuda (“Act”). The Company is also licensed as a Class 3 general business insurer under the Act.

#### 2. Description of Business

As at December 31, 2023, the Company had established one-segregated account for its long-term business.

Each segregated account writes insurance that does not result in the transfer of risk between accounts. Losses incurred by each segregated account are limited to the assets available within that segregated account. The general account earns program fee income for the administration of these segregated accounts.

The Company earns program fee income for the administration of the segregated accounts pursuant to the Shareholder’s Agreement and Cell Management Agreement.

#### 3. Basis of Preparation

The financial statements are based on the financial reporting provisions of The Insurance Act 1978, amendments thereto and the Insurance Account Amendment Rules 2024 with respect to Condensed General Purpose Financial Statements (the “Legislation”). The recognition and measurement principles applied are based upon International Financial Reporting Standards (“IFRS”) but are in accordance with the reporting requirements of the legislation, which varies in certain aspects from IFRS. The more significant variances are as follows:

- The presentation and classification of financial statement line items is in accordance with schedules IX and X of the Insurance Account Amendment Rules 2024 and differ from the expected presentation and classification under IFRS;
- Statement of cash flows or equivalent is not included;
- The notes included in the condensed general-purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Amendment Rules 2024 and exclude certain information required under IFRS; and
- A statement of Comprehensive income is not included.

# WHITE ROCK INSURANCE (SAC) LTD.

## NOTES TO CONDENSED FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2023

### 3. Basis of Preparation (continued)

The functional and reporting currency of the Company is the United States dollar.

### 4. Summary of Significant Accounting Policies

These financial statements are prepared in conformity with accounting practices prescribed by the Insurance Act, 1978 of Bermuda, amendments thereto and related regulations, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

This basis of presentation differs from International Financial Reporting Standards (“IFRS”) in respect to the treatment of prepaid expenses, deferred acquisition costs and deferred income tax which are non-admitted assets under the Insurance Act 1978 and related regulations. In addition, for statutory purposes, losses recoverable from reinsurers are netted against loss and loss expense provisions and incurred losses recovered or recoverable from reinsurers are netted against losses and loss expenses incurred. Also, these statutory financial statements do not include a statement of cash flows and certain other footnote disclosures required by IFRS.

New standards, amendments, and interpretations to published standards and forthcoming requirements that are not relevant to the Company have not been disclosed.

#### a) Financial assets and liabilities

Financial assets and liabilities are recognized on the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instruments. The Company’s financial assets and liabilities are recorded initially at fair value. Financial assets are derecognized when the Company no longer has rights to cash flows, the risk and rewards of ownership or control of the assets. Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or it expires.

#### b) Cash and cash equivalents

Cash and cash equivalents include amounts held in banks and funds having short term liquidity. The carrying value approximates fair market value because of the short-term liquidity.

#### c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.



# WHITE ROCK INSURANCE (SAC) LTD.

## NOTES TO CONDENSED FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2023

### 4. Summary of Significant Accounting Policies (continued)

#### d) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are recognized when due and measured on initial recognition at fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost. Amounts due to segregated account participants relates to funds received by the Company on behalf of segregated accounts and are recorded in this category of financial liability.

#### e) Revenue recognition

Program fee income is recorded as earned, of which 50% is earned outright and the remaining 50% on a pro-rata basis over the term of each segregated account underwriting policy agreement. The portion that will be earned in the future periods is recorded as deferred program fee income.

Investment income is comprised of interest income, which is accrued to the balance sheet date.

#### f) Assets held in and liabilities related to segregated account participants

The Company operates segregated accounts, each of which insure certain risks of the owners of that segregated account. Losses incurred by each segregated account are limited to the assets available within that segregated account. The segregated accounts do not transfer insurance risk to the Company. Accordingly, the result of operations of the segregated accounts are not included within these financial statements, as the Company's shareholder does not control nor have an economic interest in the net results, assets or liabilities of the segregated accounts.

#### g) Amendments to accounting standards

The Company anticipate that the adoption of these standards in future periods will have no material impact on the financial statements of the Company.

#### h) Taxation

Under current Bermuda law the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in event of any such taxes being imposed the Company will be exempted from taxation until the year 2035. Changes to Bermuda's tax legislation, effective for fiscal years beginning on or after January 1, 2025, are discussed further under Balance Sheet Note 31.

### 5. Income is recognized on the following basis:

a) Premiums – N/A.

b) Investment income is accounted for on an accrual basis.

c) Commission income – N/A.

### 6. Translation of Foreign Currencies – N/A

**WHITE ROCK INSURANCE (SAC) LTD.**

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2023**

7. N/A
8. The Company is not subject to current matters in connection with which the Company believes (1) material loss (including interest and costs) is probable, (2) material loss (including interest and costs) is reasonably possible (that is, more than remote but not probable), or (3) there exists the reasonable possibility of material loss (including interest and costs) greater than the accrued amount. The Company includes in the current matters described below certain matters in which it believes a material loss is remote but in which the claimed amounts are significant. Although management at present believes that the ultimate outcome of such matters, individually or in the aggregate, will not have a material adverse effect on the financial position of the Company, legal proceedings are subject to inherent uncertainties and unfavorable rulings or other events.

Current Matters:

In August 2023, the Company initiated arbitration proceedings against Vesttoo Ltd. and its subsidiaries which are beneficial owners of certain segregated cells, in relation to fraudulent letters of credit. The proceedings have been stayed in connection with bankruptcy proceedings filed by Vesttoo in the Bankruptcy Court for the U.S. District of Delaware.

In addition, in August 2023, joint provisional liquidators were appointed with respect to certain segregated accounts that were impacted by the allegedly fraudulent letters of credit issued by Vesttoo Ltd. In July 2024, the joint provisional liquidators were released from their appointment following an order made by the Bermuda Supreme Court.

In August 2024, the Company initiated proceedings against China Construction Bank Corporation Ltd. and its subsidiaries, in relation to its role related to the fraudulent letters of credit provided by Vesttoo Ltd. The proceedings were filed in the New York State Supreme Court (County of New York).

- 9-17. N/A

# WHITE ROCK INSURANCE (SAC) LTD.

## NOTES TO CONDENSED FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2023

### Statement of Capital and Surplus

- 1 (a) The Company's authorized share capital comprises 500k common shares of par value \$1 each and 100k non-voting preference shares of \$1 or \$10 each.

In 2013, 500k common shares, of which 120k shares was allocated to general account and the remaining 380k shares was allocated to long term account, were issued and fully paid.

(b) The Company's contributed surplus balance of 28k as of December 31, 2023 did not change from previous year's balance.

- 2 (c) N/A

### Condensed Balance Sheet

1-12. N/A

13. See General Note 4(d).

14-30. N/A

31. In December 2023, the Bermuda Corporate Income Tax Act 2023 (the "CIT") was enacted into a law. The Act introduces a corporate income tax of 15%, which will apply to Bermuda businesses that are part of multinational enterprise groups with annual revenue of €750M or more. The tax is effective January 1, 2025. The Act contains an Economic Transition Adjustment ('ETA') that intends to provide a fair transition for in scope companies into the new CIT regime. On February 23, 2024 the Bermuda Monetary Authority directed all limited purpose insurers to not reflect the impact of the CIT Act in their Capital and Solvency Return (specifically, in their Statutory Financial Statements, Economic Balance Sheet and solvency position) for the year ended December 31, 2023. As such the ETA to the new CIT Regime has not been reflected in these statutory financial statements.

The Company is currently assessing the potential impact of the CIT Act, but based on current analysis, expects that it will not be subject to the CIT Act once it becomes effective. Should the Company be in scope for CIT, these changes may repeal the current tax exemption once they become effective.

32. This relates to the program fee of Segregated account Optima Re, which is split equally between the Company and Aon Insurance Managers (Guernsey) Limited via its incorporated cell companies. As of December 31, 2023 the balance is \$17k (2022 - \$0), which relates to the fixed and deal fees. The amount has no fixed repayment terms, no interest and no collateral is held.

**WHITE ROCK INSURANCE (SAC) LTD.**

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2023**

33. Accounts payable and accrued liabilities of \$9k (2022: \$7k) represent accrual for actuarial fee.

34-35. N/A

36. See General Note 4(f).

37. N/A

**Condensed Statement of Income**

6 N/A

15 N/A

32 Other Income comprise 2023 earned program fee income.

36 N/A