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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, 2024, the condensed statements of income for the year then ended, capital and surplus, 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 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.

### *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  
April 30, 2025

**CONDENSED CONSOLIDATED BALANCE SHEET**

White Rock Insurance (SAC) Ltd.

As at **31 December 2024**

expressed in [000s]

**United States Dollars**

| LINE No.  | 2024   | 2023   |
|---|--------|--------|
| 1. CASH AND CASH EQUIVALENTS  | 791    | 787    |
| 2. QUOTED INVESTMENTS:  |        |        |
| (a) Bonds and Debentures  |        |        |
| i. Assets Held to maturity or collection  |        |        |
| 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. Assets Held to maturity or collection  |        |        |
| 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 (equity method)                               | -      | -      |
| (g) Advances to affiliates  |        |        |
| (h) Total investments in and advances to affiliates (equity method)               | -      | -      |
| 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                            | -      | -      |
| 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 RECEIVABLE   | 68     | 62     |
| 11. INSURANCE AND REINSURANCE CONTRACT ASSETS                                     |        |        |
| (a) Insurance contract assets   |        |        |
| (b) Reinsurance contract assets   |        |        |
| (c) Investment contracts with Discretionary Participation Features (DPF) assets   |        |        |
| (d) Total insurance and reinsurance contract assets                               | -      | -      |
| 13. SUNDRY ASSETS:  |        |        |
| (a) Derivative instruments  |        |        |
| (b) Segregated accounts companies - long-term business - variable annuities       |        |        |
| (c) Segregated accounts companies - long-term business - other                    | 32,450 | 53,937 |
| (d) Segregated accounts companies - general business                              |        |        |
| (e) Deposit assets  |        |        |
| (f) Net receivables for investments sold  |        |        |
| (g) Other Sundry Assets (Specify)   |        |        |
| (h) Other Sundry Assets (Specify)   |        |        |
| (i) Other Sundry Assets (Specify)   |        |        |
| (j) Total sundry assets   | 32,450 | 53,937 |
| 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   | 33,309 | 54,786 |
| <b>INSURANCE LIABILITIES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS</b> |        |        |
| <b>INSURANCE LIABILITIES</b>  |        |        |
| 17. GENERAL BUSINESS INSURANCE CONTRACT LIABILITIES                               |        |        |
| 17A. GENERAL BUSINESS REINSURANCE CONTRACT LIABILITIES                            |        |        |
| 18. INVESTMENT CONTRACT WITH DPF LIABILITIES                                      |        |        |

**CONDENSED CONSOLIDATED BALANCE SHEET**

White Rock Insurance (SAC) Ltd.

As at **31 December 2024**

expressed in [000s]

**United States Dollars**

| LINE No. |   | 2024        | 2023        |
|----------|---|-------------|-------------|
| 27.      | LONG-TERM BUSINESS INSURANCE CONTRACT LIABILITIES         |             |             |
| 27A.     | LONG-TERM REINSURANCE CONTRACT LIABILITIES                |             |             |
|          | <b>OTHER LIABILITIES</b>                                  |             |             |
| 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                                 | 15          | 17          |
| 33.      | ACCOUNTS PAYABLE AND ACCRUED LIABILITIES                  | 9           | 9           |
| 35.      | DIVIDENDS PAYABLE   |             |             |
| 36.      | SUNDRY LIABILITIES:                                       |             |             |
| (a)      | Derivative instruments                                    |             |             |
| (b)      | Segregated accounts companies                             | 32,450      | 53,937      |
| (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                                  | 32,450      | 53,937      |
| 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                                   | 32,474      | 53,963      |
| 39.      | TOTAL INSURANCE RESERVES AND OTHER LIABILITIES            | 32,474      | 53,963      |
|          | <b>CAPITAL AND SURPLUS</b>                                |             |             |
| 40.      | TOTAL CAPITAL AND SURPLUS                                 | 835         | 823         |
| 41.      | TOTAL   | 33,309      | 54,786      |
|          |   | <b>TRUE</b> | <b>TRUE</b> |

**Reconciliation of Net Changes in Insurance Contracts Liabilities by Remaining Coverage and Incurred Claim - General Business**

Line 17 and 11(a)

|   | Liability for Remaining Coverage |                | Liabilities for Incurred Claims |   |  | Total |
|---|----------------------------------|----------------|---------------------------------|---|--|-------|
|   | Excluding loss component         | Loss component | Products not under PAA          | (PAA) Estimates of present value of future cash flows | (PAA) Risk adjustment for non-financial risk |       |
| Opening assets  |                                  |                |                                 |   |  | -     |
| Opening liabilities                                     |                                  |                |                                 |   |  | -     |
| <b>Net opening balance</b>                              | -                                | -              | -                               | -   | -  | -     |
| <b>Changes in the statement of income or loss</b>       |                                  |                |                                 |   |  |       |
| <b>Insurance revenue</b>                                |                                  |                |                                 |   |  | -     |
| <b>Insurance service expenses</b>                       |                                  |                |                                 |   |  | -     |
| Amortisation of insurance acquisition cash flows        |                                  |                |                                 |   |  | -     |
| Incurred claims and other insurance service expenses    |                                  |                |                                 |   |  | -     |
| Losses and reversals on onerous contracts               |                                  |                |                                 |   |  | -     |
| Adjustments to liabilities for incurred claims          |                                  |                |                                 |   |  | -     |
| <b>Total insurance service expenses</b>                 | -                                | -              | -                               | -   | -  | -     |
| Investment components                                   |                                  |                |                                 |   |  | -     |
| <b>Insurance service result</b>                         | -                                | -              | -                               | -   | -  | -     |
| Net finance expenses from insurance contracts           |                                  |                |                                 |   |  | -     |
| Effect of movements in exchange rates                   |                                  |                |                                 |   |  | -     |
| <b>Total changes in the statement of income or loss</b> | -                                | -              | -                               | -   | -  | -     |
| <b>Cash flows</b>                                       |                                  |                |                                 |   |  | -     |
| Premiums received                                       |                                  |                |                                 |   |  | -     |
| Insurance acquisition cash flows                        |                                  |                |                                 |   |  | -     |
| Claims and other insurance service expenses paid        |                                  |                |                                 |   |  | -     |
| <b>Total cash flows</b>                                 | -                                | -              | -                               | -   | -  | -     |
| Contracts transferred on acquisition of subsidiary      |                                  |                |                                 |   |  | -     |
| Contracts transferred on disposal of subsidiary         |                                  |                |                                 |   |  | -     |
| <b>Net closing balance</b>                              | -                                | -              | -                               | -   | -  | -     |
| Closing assets  |                                  |                |                                 |   |  | -     |
| Closing liabilities                                     |                                  |                |                                 |   |  | -     |

| CONDENSED CONSOLIDATED BALANCE SHEET       |   |   |   |   |      |      |
|--|---|---|---|---|------|------|
| White Rock Insurance (SAC) Ltd.            |   |   |   |   |      |      |
| As at 31 December 2024                     |   |   |   |   |      |      |
| expressed in ['000s] United States Dollars |   |   |   |   |      |      |
| LINE No.                                   |   |   |   |   | 2024 | 2023 |
| Net closing balance                        | - | - | - | - | -    | -    |
|  |   |   |   |   | -    | True |
|  |   |   |   |   | -    | True |

**CONDENSED CONSOLIDATED BALANCE SHEET**

White Rock Insurance (SAC) Ltd.

As at **31 December 2024**

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

| LINE No.  | 2024                             |                |                        |   |  | 2023  |
|---|----------------------------------|----------------|------------------------|---|--|-------|
|   | Liability for Remaining Coverage |                |                        | Liabilities for Incurred Claims                       |  |       |
|   | Excluding loss component         | Loss component | Products not under PAA | (PAA) Estimates of present value of future cash flows | (PAA) Risk adjustment for non-financial risk | Total |
| Opening assets  |                                  |                |                        |   |  | -     |
| Opening liabilities                                     |                                  |                |                        |   |  | -     |
| <b>Net opening balance</b>                              | -                                | -              | -                      | -   | -  | -     |
| <b>Changes in the statement of income or loss</b>       |                                  |                |                        |   |  |       |
| <b>Insurance revenue</b>                                |                                  |                |                        |   |  |       |
|   |                                  |                |                        |   |  | -     |
| <b>Insurance service expenses</b>                       |                                  |                |                        |   |  |       |
| Amortisation of insurance acquisition cash flows        |                                  |                |                        |   |  | -     |
| Incurred claims and other insurance service expenses    |                                  |                |                        |   |  | -     |
| Losses and reversals on onerous contracts               |                                  |                |                        |   |  | -     |
| Adjustments to liabilities for incurred claims          |                                  |                |                        |   |  | -     |
| <b>Total Insurance service expenses</b>                 | -                                | -              | -                      | -   | -  | -     |
| Investment components                                   |                                  |                |                        |   |  | -     |
| <b>Insurance service result</b>                         | -                                | -              | -                      | -   | -  | -     |
| Net finance expenses from insurance contracts           |                                  |                |                        |   |  | -     |
| Effect of movements in exchange rates                   |                                  |                |                        |   |  | -     |
| <b>Total changes in the statement of income or loss</b> | -                                | -              | -                      | -   | -  | -     |
| <b>Cash flows</b>                                       |                                  |                |                        |   |  |       |
| Premiums received                                       |                                  |                |                        |   |  | -     |
| Insurance acquisition cash flows                        |                                  |                |                        |   |  | -     |
| Claims and other insurance service expenses paid        |                                  |                |                        |   |  | -     |
| <b>Total cash flows</b>                                 | -                                | -              | -                      | -   | -  | -     |
| Contracts transferred on acquisition of subsidiary      |                                  |                |                        |   |  | -     |
| Contracts transferred on disposal of subsidiary         |                                  |                |                        |   |  | -     |
| <b>Net closing balance</b>                              | -                                | -              | -                      | -   | -  | -     |
| Closing assets  |                                  |                |                        |   |  | -     |
| Closing liabilities                                     |                                  |                |                        |   |  | -     |
| <b>Net closing balance</b>                              | -                                | -              | -                      | -   | -  | -     |
|   |                                  |                |                        |   |  | True  |
|   |                                  |                |                        |   |  | True  |

**Reconciliation of Changes in Net Reinsurance Contracts Assets by Remaining Coverage and Incurred Claims- General Business**

Line 11b and 17A

|   | Assets for Remaining Coverage     |                         |                        | Assets for Incurred Claims                           |  | Total |
|---|-----------------------------------|-------------------------|------------------------|--|--|-------|
|   | Excluding loss-recovery component | Loss recovery component | Products not under PAA | (PAA) Estimates of present value of future cashflows | (PAA) Risk adjustment for non-financial risk |       |
| Opening assets  |                                   |                         |                        |  |  | -     |
| Opening liabilities   |                                   |                         |                        |  |  | -     |
| <b>Net opening balance</b>  | -                                 | -                       | -                      | -  | -  | -     |
| <b>Changes in the statement of income or loss</b>                             |                                   |                         |                        |  |  |       |
| Allocation of reinsurance premiums paid                                       |                                   |                         |                        |  |  |       |
|   |                                   |                         |                        |  |  | -     |
| <b>Amounts recovered from reinsurers</b>                                      |                                   |                         |                        |  |  |       |
| Recoveries on incurred claims and other incurred reinsurance service expenses |                                   |                         |                        |  |  | -     |
| Recoveries and reversals of recoveries of losses on onerous contracts         |                                   |                         |                        |  |  | -     |
| Adjustments to assets for incurred claims                                     |                                   |                         |                        |  |  | -     |
| <b>Total Amounts recovered from reinsurers</b>                                | -                                 | -                       | -                      | -  | -  | -     |
| Investment components and premium refunds                                     |                                   |                         |                        |  |  | -     |
| Effect of changes in non-performance risk of reinsurers                       |                                   |                         |                        |  |  | -     |
| <b>Net expenses from reinsurance contracts held</b>                           | -                                 | -                       | -                      | -  | -  | -     |
| Net Finance income or expenses from reinsurance contracts                     |                                   |                         |                        |  |  | -     |
| Effect of movements in exchange rates   |                                   |                         |                        |  |  | -     |
| <b>Total changes in the statement of income or loss</b>                       | -                                 | -                       | -                      | -  | -  | -     |
| <b>Cash flows</b>   |                                   |                         |                        |  |  |       |
| Premiums paid   |                                   |                         |                        |  |  | -     |
| Amounts received from reinsurers relating to incurred claims                  |                                   |                         |                        |  |  | -     |
| <b>Total cash flows</b>   | -                                 | -                       | -                      | -  | -  | -     |
| <b>Net closing balance</b>  | -                                 | -                       | -                      | -  | -  | -     |

| <b>CONDENSED CONSOLIDATED BALANCE SHEET</b>       |  |  |  |  |             |             |
|---|--|--|--|--|-------------|-------------|
| White Rock Insurance (SAC) Ltd.                   |  |  |  |  |             |             |
| As at <b>31 December 2024</b>                     |  |  |  |  |             |             |
| expressed in ['000s] <b>United States Dollars</b> |  |  |  |  |             |             |
| <b>LINE No.</b>                                   |  |  |  |  | <b>2024</b> | <b>2023</b> |
| Closing assets                                    |  |  |  |  |             | -           |
| Closing liabilities                               |  |  |  |  |             | -           |
| <b>Net closing balance</b>                        |  |  |  |  |             | -           |

**CONDENSED CONSOLIDATED BALANCE SHEET**

White Rock Insurance (SAC) Ltd.

As at **31 December 2024**  
expressed in [000s] **United States Dollars**

LINE No.

2024

2023

-

True

-

True

**Reconciliation of Changes in Net Reinsurance Contracts Assets by Remaining Coverage and Incurred Claims- Long Term**

Line 11b and 27A

**Assets for Remaining Coverage**

|   | Excluding loss-<br>recovery<br>component | Loss recovery<br>component | Amounts<br>recoverable:<br>Incurred claims | Total |
|---|--|----------------------------|--|-------|
| Opening assets  |  |                            |  | -     |
| Opening liabilities   |  |                            |  | -     |
| <b>Net opening balance</b>  | -  | -                          | -  | -     |
| <b>Changes in the statement of income or loss</b>                             |  |                            |  |       |
| Allocation of reinsurance premiums paid                                       |  |                            |  | -     |
| <b>Amounts recovered from reinsurers</b>                                      |  |                            |  |       |
| Recoveries on incurred claims and other incurred reinsurance service expenses |  |                            |  | -     |
| Recoveries and reversals of recoveries of losses on onerous contracts         |  |                            |  | -     |
| Adjustments to assets for incurred claims                                     |  |                            |  | -     |
| <b>Total Amounts recovered from reinsurers</b>                                | -  | -                          | -  | -     |
| Investment components and premium refunds                                     |  |                            |  | -     |
| Effect of changes in non-performance risk of reinsurers                       |  |                            |  | -     |
| <b>Net expenses from reinsurance contracts held</b>                           | -  | -                          | -  | -     |
| Net Finance income or expenses from reinsurance contracts                     |  |                            |  | -     |
| Effect of movements in exchange rates   |  |                            |  | -     |
| <b>Total changes in the statement of income or loss</b>                       | -  | -                          | -  | -     |
| <b>Cash flows</b>   |  |                            |  |       |
| Premiums paid   |  |                            |  | -     |
| Amounts received from reinsurers relating to incurred claims                  |  |                            |  | -     |
| <b>Total cash flows</b>   | -  | -                          | -  | -     |
| <b>Net closing balance</b>  | -  | -                          | -  | -     |
| Closing assets  |  |                            |  | -     |
| Closing liabilities   |  |                            |  | -     |
| <b>Net closing balance</b>  | -  | -                          | -  | -     |

-

True

-

True



**CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS**

White Rock Insurance (SAC) Ltd.

As at 31 December 2024

expressed in ['000s] United States Dollars

| LINE No. |  | 2024 | 2023 |
|----------|--|------|------|
| 1.       | <b>CAPITAL:</b>  |      |      |
| (a)      | Capital Stock  |      |      |
|          | (i) Common Shares  | 380  | 380  |
|          | authorized 500 shares of par   |      |      |
|          | value \$ 1.000 each issued and   |      |      |
|          | fully paid 500 shares  |      |      |
|          | (ii)   |      |      |
|          | (A) Preferred shares:  |      |      |
|          | authorized _____ shares of par   |      |      |
|          | value _____ each issued and  |      |      |
|          | fully paid _____ shares  |      |      |
|          | aggregate liquidation value for –  |      |      |
|          | 2024 _____   |      |      |
|          | 2023 _____   |      |      |
|          | (B) Preferred shares issued by a subsidiary:                                 |      |      |
|          | authorized _____ shares of par   |      |      |
|          | value _____ each issued and  |      |      |
|          | fully paid _____ shares  |      |      |
|          | aggregate liquidation value for –  |      |      |
|          | 2024 _____   |      |      |
|          | 2023 _____   |      |      |
|          | (iii) Treasury Shares  |      |      |
|          | repurchased _____ shares of par  |      |      |
|          | value _____ each issued  |      |      |
| (b)      | Contributed surplus  | 28   | 28   |
| (c)      | Any other fixed capital  |      |      |
|          | (i) Hybrid capital instruments   |      |      |
|          | (ii) Guarantees and others   |      |      |
|          | (iii) Total any other fixed capital  | -    | -    |
| (d)      | Total Capital  | 408  | 408  |
| 2.       | <b>SURPLUS:</b>  |      |      |
| (a)      | Surplus - Beginning of year  | 415  | 418  |
| (b)      | Add: Income for the year   | 12   | (3)  |
| (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  | 427  | 415  |
| 3.       | <b>MINORITY INTEREST</b>   |      |      |
| 4.       | <b>TOTAL CAPITAL AND SURPLUS</b>   | 835  | 823  |

# WHITE ROCK INSURANCE (SAC) LTD.

## NOTES TO CONDENSED FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2024

### 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, 2024, the Company had 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 2024

### 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 2024

### 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 2024

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. The Company includes in the current matters described below certain matters in which it believes a material loss (including interest and costs) is reasonably possible (that is, more than remote but not probable) and non-estimable or 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 consolidated 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 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 suspended in connection with bankruptcy proceedings filed by Vesttoo Ltd. and its affiliated entities in the United States Bankruptcy Court for the District of Delaware. On February 29, 2024, the Bankruptcy Court confirmed a Plan of Liquidation for the Vesttoo entities, which created a Liquidating Trust to pursue any claims that the Vesttoo entities may have against third parties, including any potential claims that may be brought against the Company.

In addition, in August 2023, joint provisional liquidators were appointed over the Company 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.

On November 30, 2023, Clear Blue Insurance Company and certain of its affiliates filed a lawsuit in New York State Supreme Court against affiliates of the Company, Aon plc and Aon Insurance Managers (Bermuda) Ltd., and on July 19, 2024, Clear Blue Specialty Insurance Company filed a complaint against BPI Credit, LLC (an affiliate of the Baupost Group) in the Suffolk County Superior Court in Massachusetts. Both lawsuits relate to reinsurance policies issued by the Company, but do not assert claims against the Company.

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

9-17. N/A

# WHITE ROCK INSURANCE (SAC) LTD.

## NOTES TO CONDENSED FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2024

### 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, 2024 did not change from the 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 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. The Company does not have an ETA reflected in these statutory financial statements, nor does it apply to the Company.

The Company based on current analysis, expects that it will not be subject to the CIT Act.

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, 2024, the balance is \$15k (2023 - \$17k), which relates to the fixed and deal fees. The amount has no fixed repayment terms, no interest and no collateral is held.
33. Accounts payable and accrued liabilities of \$9k (2023: \$9k) represent accrual for actuarial fee.

34-35. N/A

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

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**AS AT 31ST DECEMBER 2024**

36. See General Note 4(f).

37. N/A

**Condensed Statement of Income**

6 N/A

15 N/A

32 Other Income comprise 2024 earned program fee income.

36 N/A