

Independent Auditor's Report

The Board of Directors
Centre Solutions (Bermuda) Limited

Our Opinion

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

What We Have Audited

The Company's condensed financial statements comprise:

- the condensed balance sheet as at December 31, 2022;
- the condensed statement of income for the year then ended;
- the condensed statement of capital and surplus as at December 31, 2022; and
- the notes to the condensed financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the condensed financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Reference: Independent Auditor's Report on the condensed financial statements of Centre Solutions (Bermuda) Limited as at December 31, 2022 and for the year then ended.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we note that the condensed financial statements have been prepared in accordance with the financial reporting provisions of the Legislation. The accounting policies used and the disclosures made are not intended to, and do not, comply with all of the requirements of International Financial Reporting Standards (IFRS).

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.

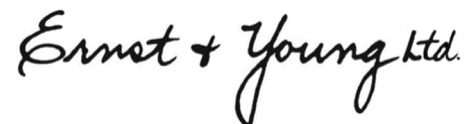
Auditor's Responsibilities for the Audit of the Condensed Financial Statements

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 skepticism 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.



April 26, 2023

Chartered Professional Accountants

Reference: Independent Auditor's Report on the condensed financial statements of Centre Solutions (Bermuda) Limited as at December 31, 2022 and for the year then ended.

CONDENSED BALANCE SHEET

Centre Solutions (Bermuda) Limited

As at December 31, 2022

expressed in units United States Dollars

LINE No.		2022	2021
1.	CASH AND CASH EQUIVALENTS	3,658,810	53,396,174
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
i.	Held to maturity	-	-
ii.	Other	949,073	14,479,181
(b)	Total Bonds and Debentures	949,073	14,479,181
(c)	Equities		
i.	Common stocks	-	-
ii.	Preferred stocks	-	-
iii.	Mutual funds	-	-
(d)	Total equities	-	-
(e)	Other quoted investments	-	-
(f)	Total quoted investments	949,073	14,479,181
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	106,288	175,000
(h)	Total investments in and advances to affiliates	106,288	175,000
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	10,263	75,519
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	87,232,632	42,036,965
(b)	Deferred - not yet due	-	-
(c)	Receivables from retrocessional contracts	-	-
(d)	Total accounts and premiums receivable	87,232,632	42,036,965
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	8	8

CONDENSED BALANCE SHEET

Centre Solutions (Bermuda) Limited

As at December 31, 2022

expressed in units United States Dollars

LINE No.		2022	2021
13.	SUNDRY ASSETS:		
(a)	Derivative instruments	-	-
	Segregated accounts companies		
(b)	- long-term business - variable annuities	-	-
	Segregated accounts companies		
(c)	- long-term business - other	-	-
(d)	Segregated accounts companies - general business	-	-
(e)	Deposit Assets	-	-
(f)	Deferred acquisition costs	-	-
(g)	Net receivables for investments sold	11,940	332
(h)	Prepaid Expenses	15,825	-
(i)		-	-
(j)		-	-
(k)	Total sundry assets	27,765	332
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 instrumen	-	-
15.	TOTAL	91,984,839	110,163,179
TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS			
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	-	642,248
(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	-	642,248
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	6,269,983	39,031,372
(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	6,269,983	39,031,372
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES	-	-
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	6,269,983	39,673,620
LONG-TERM BUSINESS INSURANCE RESERVES			
20.	RESERVE FOR REPORTED CLAIMS	-	-
21.	RESERVE FOR UNREPORTED CLAIMS	-	-
22.	POLICY RESERVES - LIFE	-	-
23.	POLICY RESERVES - ACCIDENT AND HEALTH	-	-
24.	POLICYHOLDERS' FUNDS ON DEPOSIT	-	-
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS	-	-
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVE	-	-
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
(i)	Foreign Affiliates	-	-
(ii)	Domestic Affiliates	-	-
(iii)	Pools and Associations	-	-
(iv)	All Other Insurers	-	-
(c)	Total Reinsurance Recoverable Balance	-	-
(d)	Total Net Long-Term Business Insurance Reserves	-	-

CONDENSED BALANCE SHEET

Centre Solutions (Bermuda) Limited

As at **December 31, 2022**expressed in units **United States Dollars**

LINE No.		2022	2021
OTHER LIABILITIES			
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	1,979	1,994
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	52,130,516	50,057,905
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	482,722	482,724
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:	-	-
35.	DIVIDENDS PAYABLE	-	-
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments	-	-
(b)	Segregated accounts companies	-	-
(c)	Deposit liabilities	-	-
(d)	Net payable for investments purchased	-	-
(e)	Deferred Income	129,628	129,628
(f)		-	-
(g)	Other sundry liabilities (specify)	-	-
(h)	Total sundry liabilities	129,628	129,628
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	52,744,845	50,672,251
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	59,014,828	90,345,871
CAPITAL AND SURPLUS			
40.	TOTAL CAPITAL AND SURPLUS	32,970,011	19,817,308
41.	TOTAL	91,984,839	110,163,179

CONDENSED STATEMENT OF INCOME

Centre Solutions (Bermuda) Limited

As at December 31, 2022
expressed in units United States Dollars

LINE No.		2022	2021
	GENERAL BUSINESS UNDERWRITING INCOME		
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	642,248	-
5.	NET PREMIUMS EARNED	642,248	-
6.	OTHER INSURANCE INCOME	-	-
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	642,248	-
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	(13,732,408)	4,321,074
9.	COMMISSIONS AND BROKERAGE	-	-
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	(13,732,408)	4,321,074
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	14,374,656	(4,321,074)
29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	14,374,656	(4,321,074)
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	899,788	1,127,755
	(b) Personnel cost	-	-
	(c) Other	-	-
	(d) Total combined operating expenses	899,788	1,127,755
31.	COMBINED INVESTMENT INCOME - NET	(142,866)	207,574
32.	COMBINED OTHER INCOME (DEDUCTIONS)	(3,521)	1,024
33.	COMBINED INCOME BEFORE TAXES	13,328,481	(5,240,231)
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	-	-
	(b) Deferred	-	-
	(c) Total	-	-
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	13,328,481	(5,240,231)
36.	COMBINED REALIZED GAINS (LOSSES)	9,205	87,748
37.	COMBINED INTEREST CHARGES	-	-
38.	NET INCOME	13,337,686	(5,152,483)

CONDENSED STATEMENT OF CAPITAL AND SURPLUS

Centre Solutions (Bermuda) Limited

As at December 31, 2022
expressed in units United States Dollars

LINE No.		2022	2021
1.	CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares	370,000	370,000
	authorized 3,700,000 shares of par		
	value \$ 0.100 each issued and		
	fully paid 3,700,000 shares		
	(ii)		
	(A) Preferred shares:	-	-
	authorized - shares of par		
	value \$ - each issued and		
	fully paid - shares		
	aggregate liquidation value for —		
	2022 -		
	2021 -		
	(B) Preferred shares issued by a subsidiary:	-	-
	authorized - shares of par		
	value \$ - each issued and		
	fully paid - shares		
	aggregate liquidation value for —		
	2022 -		
	2021 -		
	(iii) Treasury Shares	-	-
	repurchased - shares of par		
	value \$ - each issued		
(b)	Contributed surplus	40,730,361	40,730,361
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	-	-
	(ii) Guarantees and others	-	-
	(iii) Total any other fixed capital	-	-
(d)	Total Capital	41,100,361	41,100,361
2.	SURPLUS:		
(a)	Surplus - Beginning of Year	(21,283,053)	(15,729,824)
(b)	Add: Income for the year	13,337,686	(5,152,483)
(c)	Less: Dividends paid and payable	-	-
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	(184,983)	(400,746)
(e)	Add (Deduct) change in any other surplus	-	-
(f)	Surplus - End of Year	(8,130,350)	(21,283,053)
3.	MINORITY INTEREST	-	-
4.	TOTAL CAPITAL AND SURPLUS	32,970,011	19,817,308

CENTRE SOLUTIONS (BERMUDA) LIMITED
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2022

(expressed in United States dollars)

General Notes to the Financial Statements

1. Centre Solutions (Bermuda) Limited (the Company) is a wholly-owned subsidiary of Zurich Finance Company AG, which in turn is owned by Zurich Insurance Company Ltd. (ZIC) which is owned by Zurich Insurance Group Ltd. (Group), are all incorporated in Switzerland.
2. The Company historically provided non-traditional customized insurance, reinsurance and financial solutions for clients worldwide. The main line of business was structured finite reinsurance with the majority being credit surety. The Company has been in a managed run-off since 2004. There remain four counterparties where the Company has determined liabilities, two of which are Zurich affiliates.
3. The Condensed General Purpose Financial Statements have been prepared in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the Legislation). The Condensed General Purpose Financial Statements are based upon International Financial Reporting Standards (IFRS) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from IFRS. The more significant variances are as follows:
 - A statement of cash flows is not included;
 - A statement of comprehensive income is not included;
 - The presentation and classification of financial statement line items is in accordance with Schedules IX and XI of the Insurance Account Rules 2016 and differ from the expected presentation and classification under IFRS; and
 - The notes included in the condensed general purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Rules 2016 and exclude certain information required under IFRS.

Certain amounts recorded in the Condensed General Purpose Financial Statements reflect estimates and assumptions made by management. These include assumptions regarding economic factors such as interest and discount rates, currency and credit assumptions, and non-economic factors such as claims frequency and severity expectations. Actual results may differ from the estimates made.

CENTRE SOLUTIONS (BERMUDA) LIMITED
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(expressed in United States dollars)

4. Significant accounting policies are as follows:

(a) Premiums

Premiums are recognized as revenue ratably over the terms of the contracts. Unearned premiums are computed on the monthly pro-rata method. Premiums on the residual value insurance (RVI) deals are earned on the earlier of the strike date or when all the deal is off risk. Future investment income is considered in determining whether a premium deficiency exists.

(b) Losses and loss adjustment expenses

The reserve for losses and loss adjustment expenses represents the present value estimates of the ultimate cost of all losses incurred but not paid through December 31, 2022 and estimates of the total liability incurred under profit/commutation provisions of various prospective contracts. These estimates are continually reviewed and, as adjustments become necessary, such adjustments are reflected in current operations. Since the reserve is based on estimates, the ultimate settlement of losses and the related loss adjustment expenses may vary from the reserve. Loss reserves of \$6.3 million (2021 - \$39.0 million) on prospective contracts are undiscounted. A premium deficiency reserve (PDR) is established for any RVI contracts within 24 months of expiry if it is apparent that a loss is likely to occur upon expiry of the contract.

(c) Investment Income

Investment income is accounted for under the accrual basis.

(d) Investments

Quoted and unquoted investments are carried at fair value. The unrealized gains and losses on available-for-sale securities are reported in a separate component of surplus. Other private equity unquoted investments are carried at fair value unless significant influence exists then they are carried at the underlying equity in net assets of the investee. Investments are assessed quarterly whether there is objective evidence that loss events have occurred that negatively affect the estimated future cash flows of the investment. A financial asset is considered impaired if there is objective evidence of impairment as a result of one or more occurred loss events that have an impact on the estimated future cash flows of the financial asset.

The evaluation of whether an available-for-sale debt security is impaired requires analysis of the credit standing of a particular issuer and involves management

CENTRE SOLUTIONS (BERMUDA) LIMITED
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(expressed in United States dollars)

judgment. When assessing impairment of available-for-sale debt securities, the Group places emphasis on issuer specific factors, such as significant financial difficulty, default or delinquency on interest or principal payments. A credit rating downgrade, worsened liquidity or decline in fair value below the weighted average cost is not by itself considered a loss event, but rather incorporated in the impairment analysis along with other available information.

(e) Cash and cash equivalents

The Company defines cash and cash equivalents as cash and certain highly liquid short-term investments with an original maturity date of three months or less from the date of purchase.

(f) Commutation Policy

Upon commutation of a contract the "loss and loss expense provisions" line on the Company's balance sheet is reduced and a gain or loss is recorded within "net losses incurred and net loss expenses incurred" line within the income statement for the difference between the carried reserve on the contract and the commutation payment. Commutations can account for a significant part of the Company's business.

- 5. Premium income - See 4(a) above.
- Investment income - See 4(c) above.
- Commission income - Not applicable.

- 6. Foreign currency monetary assets and liabilities are translated into U.S. Dollars at the rates of exchange prevailing on balance sheet dates. Revenues and expenses are translated at the rates prevailing on the date of the transactions. Gains or losses arising from foreign currency transactions are credited or charged to income in line 32, Combined Other Income (Deductions).

7.-12. Not Applicable.

- 13. The fair value hierarchy of investments is based on the following levels:

Level 1 - includes assets and liabilities for which fair values are determined directly from unadjusted current quoted prices resulting from orderly transactions in active markets for identical assets/liabilities.

Level 2 - includes assets and liabilities for which fair values are determined using significant inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable market inputs.

CENTRE SOLUTIONS (BERMUDA) LIMITED
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(expressed in United States dollars)

Level 3 – includes financial assets for which the fair value is determined using valuation techniques with at least one significant input not being based on observable market data. In circumstances when there is little, if any, market activity for a certain instrument, the Company is required to develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability. This would normally apply in the case of investments in asset backed securities for which very limited market activity is observed and long-dated derivatives.

<i>Fair Value Hierarchy</i>	<i>for the year ended December 31</i>	2022			
		Level 1	Level 2	Level 3	Total
	Assets				
	<i>Available-for-sale securities</i>				
	Bonds and Debentures	-	949,073	-	949,073
	Total Available-for-sale securities	-	949,073	-	949,073
	Total assets	-	949,073	-	949,073

<i>Fair Value Hierarchy</i>	<i>for the year ended December 31</i>	2021			
		Level 1	Level 2	Level 3	Total
	Assets				
	<i>Available-for-sale securities</i>				
	Bonds and Debentures	-	14,479,181	-	14,479,181
	Total Available-for-sale securities	-	14,479,181	-	14,479,181
	Total assets	-	14,479,181	-	14,479,181

14. The following table shows fair value of debt securities held at December 31 by contractual maturity:

<i>Debt securities by maturity</i>	<i>for the years ended December 31</i>	2022	2021
	Due within one year	-	1,302,884
	Due after one year through five years	-	6,796,666
	Due after five years through ten years	949,073	1,769,105
	Due after ten years	-	4,610,526
	Total	949,073	14,479,181

CENTRE SOLUTIONS (BERMUDA) LIMITED
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(expressed in United States dollars)

15. The below table sets forth the related party transactions reflected in the Statement of Income. All related party transactions are with Zurich affiliate companies.

<i>Statement of Income</i>	<i>for the year ended December 31</i>	2022		
		Affiliate	3rd Party	Total
	Increase (decrease) in unearned premiums	642,247	-	642,247
	Net losses incurred and net loss expenses incurred	(13,732,408)	-	(13,732,408)
	Combined operating expense	1,062,861	(163,073)	899,788
	Combined Investment Income - Net	(1,141,617)	998,751	(142,866)

<i>Statement of Income</i>	<i>for the year ended December 31</i>	2021		
		Affiliate	3rd Party	Total
	Increase (decrease) in unearned premiums	-	-	-
	Net losses incurred and net loss expenses incurred	4,320,420	654	4,321,074
	Combined operating expense	1,018,252	109,503	1,127,755
	Combined Investment Income - Net	(64,242)	271,816	207,574

Included in general and administrative expense is \$1.1 million (2021 - \$ 1.0 million) of expenses allocated from Zurich affiliated companies. The allocation is based primarily on the usage by the Company of facilities and other administrative services provided by or for the affiliate.

The investment expenses relate to investment management fee agreements with Zurich affiliated companies. Aggregate management fee expense during 2022 under such agreements was \$0.01 million (2021 - \$0.01 million).

The respective notes below disclose any related party transactions on the balance sheet.

16. Not applicable.
17. (a) The Company utilizes reinsurance and retrocessional agreements to reduce its exposure to risk of loss. These agreements provide for recovery of a portion of losses and expenses from reinsurers and retrocessionaires. The Company remains liable to the extent that the reinsurers and retrocessionaires do not meet their obligations under these agreements and therefore provisions are made for amounts considered potentially uncollectible.
- (b) The Company continually monitors its positions with, and the credit quality of counterparties to its financial instruments. The counterparties to these instruments expose the Company to credit loss in the event of nonperformance. As at December 31, 2022 the Company did not anticipate any nonperformance.

CENTRE SOLUTIONS (BERMUDA) LIMITED
NOTES TO THE CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(expressed in United States dollars)

Notes to the Balance Sheet

1. There were no irrevocable letters of credit (2021- \$0.1 million) outstanding at December 31, 2022.
2. See General Note 4(d) above.
3. Other private equity unquoted investments are carried at fair value unless significant influence exists then they are carried at the underlying equity in net assets of the investee. Investments are adjusted for any decline in value that is impaired. See General Note 4(d) above.
4. There are no investments in affiliates. Advances to affiliates are unsecured, interest free have no specific terms of repayment and are carried at cost.
5. Not applicable.
6. Not applicable.
7. Not applicable.
8. Not applicable.
9. Investment income due and accrued is \$0.01 million (2021 - \$0.1 million).
10.
 - (a) There are no collateralized balances.
 - (b) The \$87.2 million (2021 - \$42 million) relates to salvage proceeds receivable from a Zurich affiliate.
11. Not applicable.
12. The funds held by ceding reinsurers with affiliates is \$nil. (2021 - \$nil).
13.
 - (a) Sundry Assets comprise of net receivables for investments sold relating to pending trades, and prepaid expenses for corporate administrative fees.
 - (b) Not applicable
14. Not applicable.
16. See General Note 4 (a) above. The unearned premium balance with affiliates is \$nil (2021

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- \$0.6 million).

17. (a) Movements in loss and loss expense provisions for the current and previous years are summarized as follows:

As at December 31 <i>expressed in United States Dollars</i>	2022	2021
Gross loss and loss expense provisions at beginning of year	39,031,372	39,031,372
Less: Reinsurance recoverable at beginning of year	-	-
Net loss and loss expense provisions at beginning of year	39,031,372	39,031,372
Net losses incurred and net loss expenses incurred related to:		
Current year	-	-
Prior years	(13,732,408)	4,321,074
Total net incurred losses & loss expenses	(13,732,408)	4,321,074
Net losses and loss expenses paid or payable related to:		
Current year	-	-
Prior years	(19,028,981)	(4,320,420)
Total losses and loss expenses paid or payable	(19,028,981)	(4,320,420)
Foreign exchange and other	-	(654)
Net loss and loss expense provisions at end of year	6,269,983	39,031,372
Add: Reinsurance recoverable at end of year	-	-
Gross loss and loss expense provisions at end of year	6,269,983	39,031,372

- (b) The Company is currently in a managed run-off, therefore, it is expected to experience changes in the net losses incurred and net loss expenses incurred related to prior years. Net premiums earned of \$0.6m (2021 - nil) was from one of the RVI deals that reached the strike date during the year. The change in the net losses incurred and net loss expenses relating to prior years is due the increase in value of the salvage recoverable resulting to a favorable income of \$13.7 million.
- (c) Not applicable.

20-27. Not applicable.

28. The insurance and reinsurance balance payable with affiliates is \$0.002 million (2021 -

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\$0.002 million).

- 29. Not applicable.
- 30. Not applicable.
- 31. Not applicable.
- 32. Included in Amounts due to affiliates is a \$52.0 million loan which is due to mature on June 30, 2026 and is carried at cost. Interest is computed at 2.31110% per annum and is payable quarterly. The remaining amounts due to affiliates are interest free and have no specific terms of repayment.
- 33. The accounts payable and accrued liabilities are \$0.5 million (2021 - \$0.5 million).
- 34. Not applicable.
- 35. Not applicable.
- 36. (a) The deferred income of \$0.1 million (2021 - \$0.1 million) represents the novation of an affiliate's letters of credit to the Company. The balance is collateralized and is expected to be released in due course.

(b) Not applicable, no derivatives or embedded derivatives.
- 37. Not applicable.

Notes to the Statement of Income

- 6. Not applicable.
- 15. Not applicable.
- 32. The majority of the balance is comprised of net gains (losses) from foreign currency transactions.
- 36. The amount comprises of net gains and losses on the sale of quoted and unquoted bonds, and any impairment on quoted or unquoted investments.

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Notes to the Statement of Capital and Surplus

1. (a) Capital Stock

Authorized share capital

- (a) Authorized capital stock is comprised of 3,700,000 voting common shares of \$0.10 par value each.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.

Issued share capital

- (a) Issued, called up and fully paid 3,700,000 voting common shares of \$0.10 par value each.
- (b) Not applicable.
- (c) Not applicable.

Issued share capital

- (a) Not applicable, no shares were repurchased in 2022 and 2021.

1. (b) Contributed Surplus

No change in contributed surplus during 2022.

2. (c) Not applicable, as there were no dividends paid and payable during the year.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.