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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDER OF CG UNITED INSURANCE LTD.

Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the 15 month period then ended and related notes, are derived from the complete audited consolidated financial statements of CG United Insurance Ltd. for the 15 months ended 31 December 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 30 April 2023.

The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Note 1.

Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

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BARBADOS
30 April 2023



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**CG United Insurance Ltd.
Consolidated Statement of Financial Position as at
December 31, 2022 (with comparatives as at
September 30, 2021)**

(expressed in thousands of Barbados dollars)

	2022	2021
	\$	\$
Assets		
Property and equipment	19,358	22,545
Right-of-use assets	867	1,117
Intangible assets	1,398	1,806
Deferred tax asset	942	984
Corporation tax refundable	2,698	2,610
Investment in associated company - held for sale	-	9,946
Accounts receivable	287,145	339,707
Financial assets	120,899	147,198
Short-term deposits	54,809	58,492
Cash and cash equivalents	128,577	89,083
Total assets	616,693	673,488
Liabilities		
General insurance liabilities	328,515	394,537
Lease liabilities	970	1,176
Pension and medical plan liability	-	5,494
Accounts payable	122,989	106,187
Corporation tax payable	3,068	3,986
	455,542	511,380
Equity		
Share capital	8,900	8,900
Retained earnings	129,570	120,969
Property catastrophe reserve	20,100	14,252
Currency translation reserve	(4,085)	(4,085)
Revaluation surplus	6,666	7,072
	161,151	147,108
Non-controlling interest	-	15,000
Total equity and liabilities	616,693	673,488

Approved by the Board of Directors on April 24, 2023

 Director
  Director

CG United Insurance Ltd.

Consolidated Statement of Changes in Equity

For the 15 month period ended December 31, 2022 (with comparatives for the year ended September 30, 2021)

(expressed in thousands of Barbados dollars)

	Share capital	Retained earnings	Revaluation surplus	Property catastrophe reserve	Currency translation reserve	Total	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as of October 1, 2020	8,900	97,978	7,072	26,092	(4,085)	135,957	15,000	150,957
Total comprehensive income for the year	-	17,151	-	-	-	17,151	-	17,151
Dividend paid in the year	-	(6,000)	-	-	-	(6,000)	-	(6,000)
Transfer from property catastrophe reserve	-	11,840	-	(11,840)	-	-	-	-
Balance as of September 30, 2021	8,900	120,969	7,072	14,252	(4,085)	147,108	15,000	162,108
Total comprehensive income for the year	-	11,149	(406)	-	-	10,743	-	10,743
Dividend paid in the period	-	(11,700)	-	-	-	(11,700)	-	(11,700)
Purchase of non-controlling interest	-	15,000	-	-	-	15,000	(15,000)	-
Transfer to property catastrophe reserve	-	(5,848)	-	5,848	-	-	-	-
Balance as of December 31, 2022	8,900	129,570	6,666	20,100	(4,085)	161,151	-	161,151

CG United Insurance Ltd.

Consolidated Statement of Comprehensive Income

For the 15 month period ended December 31, 2022 (with comparatives for the year ended September 30, 2021)

(expressed in thousands of Barbados dollars)

	2022	2021
	\$	\$
Revenue		
Gross premium earned	652,987	416,812
Reinsurance premium ceded	(484,117)	(298,979)
Net premiums earned	168,870	117,833
Reinsurance commission	73,783	40,956
Net investment income	2,510	12,606
Expected credit loss	(1,517)	-
Property (expense)/income	-	(254)
Other income	4,106	3,129
	247,752	174,270
Expenses		
Losses incurred	135,803	84,689
Losses recoverable from reinsurers	(38,842)	(25,198)
Net claims incurred	96,961	59,491
Policy acquisition costs	78,616	47,944
General and administrative expenses	54,479	46,022
	230,056	153,457
Income from operating activities	17,696	20,813
Share of income from associated companies	-	626
Income before taxation	17,696	21,439
Taxation	(6,547)	(5,342)
Net income for the period/year	11,149	16,097
Other comprehensive income/(loss):		
Defined benefit plans	-	1,054
Revaluation of building	(406)	-
Total comprehensive income for the year	10,743	17,151

Note 1

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under the criteria, management discloses the summary consolidated statements of financial position; changes in equity; comprehensive income and cash flows which have been derived from the audited consolidated financial statements of the Company for the 15-month period ended December 31, 2022.

CG United Insurance Ltd.

Consolidated Statement of Cash Flows For the 15 month period ended Dec. 31, 2022
(with comparatives for the year ended September 30, 2021)

(expressed in thousands of Barbados dollars)

	2022	2021
	\$	\$
Cash flows from operating activities		
Income before taxation	17,696	21,439
Adjustments for:		
Depreciation	4,873	3,244
Investment income	(6,450)	(6,398)
Expected credit loss	1,517	-
Impairment	605	-
Gain on disposal of investments	(2,281)	(3,977)
Unrealised loss/(gain) on investments	5,616	(2,231)
Share of income from associated companies	-	(626)
Pension plan expense	-	482
Other post-retirement benefit expense	-	211
(Gain)/loss on disposal of fixed assets	-	(76)
Amortisation of customer list intangibles	408	327
Operating income before working capital changes	21,984	12,395
Decrease/(increase) in accounts receivable	52,562	(41,467)
Increase/(decrease) in accounts payable	22,802	(9,877)
(Decrease)/increase in general insurance liabilities	(66,022)	47,684
Cash from operations	31,326	8,735
Pension and other post retirement contributions paid	-	(538)
Settlement of pension and medical liability	(5,494)	-
Income taxes paid	(7,511)	(4,643)
Net cash generated from operating activities	18,321	3,554
Cash flows from investing activities		
Purchase of property and equipment	(1,306)	(1,598)
Purchase of investments	(98,746)	(70,564)
Sale/maturities of investments	118,578	68,788
Proceeds from sale in associate	9,946	-
Proceeds from sale of property and equipment	33	103
Net change in short-term deposits	3,683	(18,479)
Investment income received	7,460	9,268
Net cash from/(used in) investing activities	39,648	(12,482)
Cash flows used in financing activities		
Dividend paid	(17,700)	-
Principal repayments on lease liabilities	(775)	(669)
Net cash used in financing activities	(18,475)	(669)
Net increase/(decrease) in cash and cash equivalents	39,494	(9,597)
Cash and cash equivalents - beginning of the year	89,083	98,680
Cash and cash equivalents - end of year	128,577	89,083