Together, We're Stronger

2023 Annual Report

We are a borderless team built on the belief that our collective is our greatest asset. We know that teamwork factors into every triumph. That caring is a currency. That every employee, community member, and the extended Sagicor family are the true sum of our success. They drive us to dream big. To take inspiration. To embrace each individual strength. So we can all soar to new heights.

At Sagicor, our people are our greatest strength and that's why together, we're stronger.

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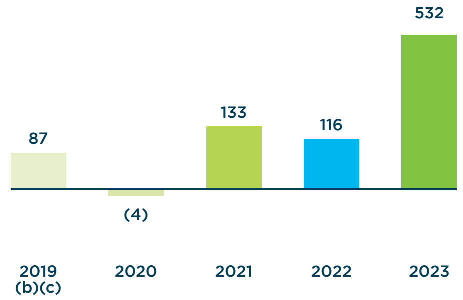
Study Skills

Financial Highlights

Amounts in US$ millions unless otherwise stated.

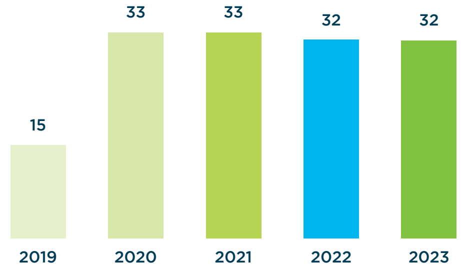
SHAREHOLDER RETURNS

SHAREHOLDER NET INCOME[a]

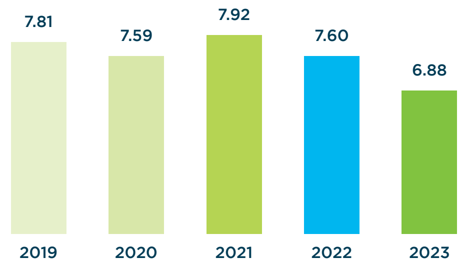


(a) Periods up to and including 2022 on an IFRS 4 basis.
(b) From continuing operations.
(c) Excluding Alignvest Acquisition II Corporation transaction costs.

COMMON DIVIDENDS

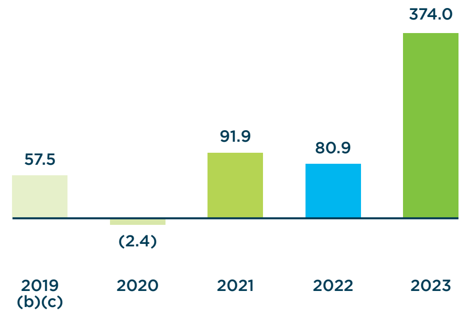


BOOK VALUE PER SHARE (US$)[a]



(a) Periods up to and including 2022 on an IFRS 4 basis.

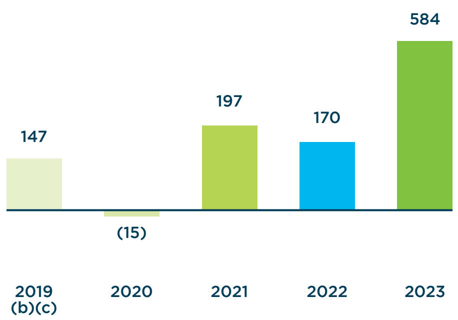
BASIC EARNINGS PER SHARE(US¢)[a]



(a) Periods up to and including 2022 on an IFRS 4 basis.
(b) From continuing operations.
(c) Excluding Alignvest Acquisition II Corporation transaction costs.

GROUP RESULTS

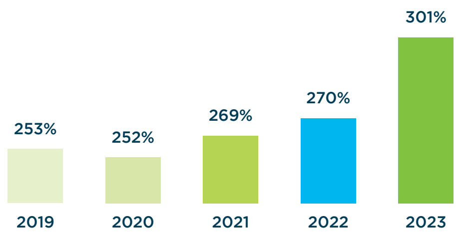
NET INCOME[a]



(a) Periods up to and including 2022 on an IFRS 4 basis.
(b) From continuing operations.
(c) Excluding Alignvest Acquisition II Corporation transaction costs.

MCCSR

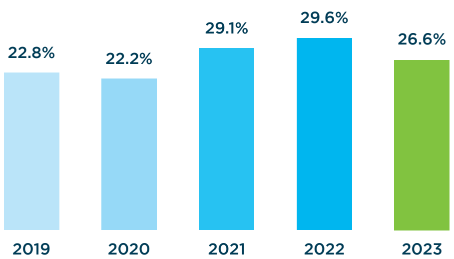
MCCSR[a]



(a) Periods up to and including 2022 on an IFRS 4 basis.

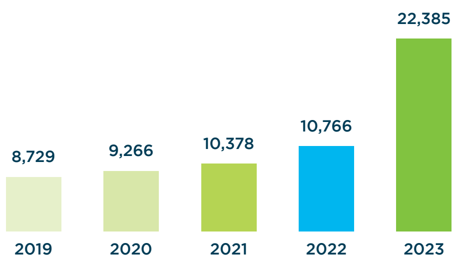
GROUP FINANCIAL POSITION

DEBT TO CAPITAL [a]



(a) Periods up to and including 2022 on an IFRS 4 basis.

ASSETS [a]



(a) Periods up to and including 2022 on an IFRS 4 basis.

A Message from our Chairman

MAHMOOD KHIMJI

Dear Fellow Shareholders,

It is a great pleasure to be writing you as the Chair of the Board of Directors of Sagicor for the third consecutive year. On behalf of the entire Board, I want to express how tremendously proud we are of Sagicor's accomplishments throughout the year.

TO ALL OUR ESTEEMED SAGICOR TEAM MEMBERS ACROSS NORTH AMERICA, THE CARIBBEAN AND BEYOND, THE BOARD RECOGNIZES AND APPRECIATES YOUR UNWAVERING COMMITMENT.

The collective effort of the entire organization is evident by the outstanding results for 2023, marking a record year in numerous regards.

In 2023, we accomplished many critical strategic objectives. Most importantly, we successfully closed the ivari transaction, integrating their team into our operations and effectively doubling the size of our balance sheet. The acquisition represents a significant milestone in Sagicor's history and extends the Company's reach into the Canadian market with a leading franchise.

We extend a warm welcome to the ivari team as they join the Sagicor family. ivari is well positioned for continued growth, and we remain confident that this transaction will be transformative to the future success of our organization. Additionally, Sagicor further expanded our U.S. business, growing both its balance sheet and profitability. In the Caribbean, we are encouraged by management's focus to enhance efficiency and drive growth in our businesses. Furthermore, we are very pleased by the Company's achievement in reclaiming its investment-grade status, a testament to the dedication and accomplishments of the entire Sagicor team.

Our successful transition to IFRS 17 required an immense effort, and we commend management for their dedication in delivering on this endeavor. We believe that the additional disclosures mandated by the new standard will prove beneficial for all shareholders. The Board continues to maintain an active involvement with management, and the depth of information provided to us has reached unprecedented levels. This heightened transparency has led to enhanced engagement, greater participation in strategic planning, and improved oversight of the various strategic initiatives currently underway.
I would like to congratulate our former Chief Executive Officer and current Director, The Most Honorable Dodridge Miller, on being awarded Barbados' highest honor, the Order of the Freedom of Barbados. This prestigious recognition reflects his exceptional contributions to the community and his nation, and it underscores his invaluable role on the Board, including his tenure as Chair of the Corporate Governance and Ethics Committee. We were proud to unveil the renaming of the Mutual Building in Bridgetown, Barbados to The Dodridge Miller Economic Justice Building.

To all our esteemed Sagicor team members across North America, the Caribbean and beyond, the Board recognizes and appreciates your unwavering commitment to serving our clients and supporting your communities. To my fellow Board members, I want to thank you for your invaluable contributions and commitment to empowering Sagicor's management team. To our shareholders, on behalf of the Board of Directors, I would like to express my gratitude and appreciation for your continued trust and confidence. As we diligently execute our mandate, we remain steadfast in driving sustainable growth for the Company and delivering value to you. Lastly, I want to thank Andre Mousseau on a successful first year as Chief Executive Officer of Sagicor. Andre and his team worked tirelessly on the strategic initiatives set before them. The Board has worked closely with the management team, and we continue to see their determination in serving Sagicor's shareholders more broadly. We believe Sagicor is well positioned for continued growth and prosperity in the years ahead.

Sincerely yours,

Mahmood Khimji
Chair of the Board of Directors
Sagicor Financial Company Ltd.

A Message from our President & CEO

ANDRE MOUSSEAU

Dear Shareholders,

It is a privilege to write to you as President and CEO of Sagicor after an exceptional 2023. To our employees and executives, many of whom are fellow shareholders, I extend my thanks and congratulations on your contributions to such a successful year.

2023 in Review

2023 will go down as one of the most transformational of Sagicor's 184 years of history. We executed on several initiatives which have set the foundation for an exciting era of growth in the years to come.

Most importantly, we successfully entered a new major market in Canada through our acquisition of ivari. In so doing we doubled the assets on our balance sheet, providing us significantly more earning power and critical mass for our future growth initiatives. We also improved the relative credit composition of our balance sheet, which was immediately recognized by international ratings agencies who have restored investment grade ratings on Sagicor for the first time in several years. This will enable us to more efficiently access global credit markets to help fund our future growth. As a result of purchasing ivari at a significant discount to its net asset value, we recorded a significant bargain purchase gain. This gain, added on to solid operating results in our other subsidiaries, in particular continued growth in our U.S. subsidiary, resulted in record net income to shareholders of US$532 million for the year.

Another aspect of transformation was imposed on us: a complete redesign of the way in which we present our financial statements. 2023 was the year in which a new accounting standard, IFRS 17, came into effect. IFRS 17 fundamentally altered the financial statements of all insurers using international standards, and in particular affected insurers like Sagicor with a high proportion of long-dated life insurance and annuity policies. Thus, this year's set of financial statements will look quite different than those in past annual reports. Insurers' balance sheets now take a more conservative approach to accounting for insurance policies than under prior accounting guidance, and insurers now must defer much more of their income into future periods. While these new financial statements indeed provide an accurate way for a shareholder to assess the financial health and results of an insurer (when the new standard's nuances are fully understood), they are very difficult to reconcile and compare to prior results. It has been a multi-year project to prepare our systems for this conversion and I tip my hat to all our team members who devoted themselves to completing this project on time.

We also continued to grow our executive infrastructure. Notably we welcomed Kathy Jenkins as our new Chief Financial Officer. In a short period of time Kathy has made a tremendous positive impact on our team. We look forward to continually adding more talent to support the growth of our subsidiaries in the future.

WE EXECUTED ON SEVERAL INITIATIVES WHICH HAVE SET THE FOUNDATION FOR AN EXCITING ERA OF GROWTH IN THE YEARS TO COME.

Our focus on shareholder value

Our success in 2023 has built a foundation upon which we have ample room for future growth. The pillars of this growth include a focus on product pricing and delivery, ensuring we are leveraging our scale to drive operating excellence, the use of technology to improve the experiences of our customers and team members, and a rigorous focus on capital allocation to ensure our highest risk-adjusted return businesses have the resources to prosper. The guiding light for all these initiatives is the development of sustainable, long-term competitive advantage in our markets that will allow us to drive exceptional risk-adjusted returns to our shareholders while continuing to make a positive contribution to the communities in which we operate.

With our significantly improved asset base and profitability, we were pleased to have recently raised our quarterly shareholder dividend to US$0.06 per share. This reflects Sagicor's confidence in our future profitability and is emblematic of our commitment to focus on shareholder value.

We look forward to reaping the benefits of our strong 2023 for years to come. In conclusion, I would like to thank our board for its leadership and support, and once again thank the entire Sagicor team for a 2023 of which to be proud.

Sincerely,

Andre Mousseau
President and Chief Executive Officer
Sagicor Financial Company Ltd.

Board of Directors

WE'RE STRONGER WORKING AS ONE

Board of Directors

MAHMOOD KHIMJI

Chair of the Board of Directors

Mr. Mahmood Khimji is Chair of the Board at Sagicor. Mr. Khimji is a founding Principal of Highgate, a real estate investment and hospitality management company, and has been involved in all aspects of Highgate's development since its founding in 1988. Prior to founding Highgate, Mr. Khimji practiced law at Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Khimji is on the Board of Directors of Playa Hotels & Resorts and American Hotel Income Properties and is a member of the Young Presidents' Organization (YPO) and the Real Estate Forum. He previously held board positions at MeriStar Hospitality Corporation, Interstate Hotels, and Morgans Hotel Group. Mr. Khimji also serves on the boards of Aga Khan Museum and the Asia Society. Additionally, Mr. Khimji serves on the Board of Visitors for Columbia Law School. He attended the University of British Columbia, holds a B.A., summa cum laude, from the University of Houston and a J.D. from Columbia Law School.

ANDRE MOUSSEAU

President and Chief Executive Officer

Andre Mousseau was appointed as President and Chief Executive Officer on April 1, 2023. He is also a director of the Company as well as certain of its subsidiaries. He was appointed President and Chief Executive Officer of Sagicor USA, Inc. in July 2022. Mr. Mousseau previously held the positions of Group Chief Operating Officer and Chief Financial Officer from 2021 to 2023. From 2019 to 2023, Mr. Mousseau's primary responsibilities included oversight of the planning, implementation, and management of the Group's financial activities. Andre's prior directorships include Aurigen Reinsurance, a Bermuda-based life reinsurance provider; Impark Corp., one of North America's largest parking management providers; and Premier Lotteries. He was also an alternate board member of Camelot Group PLC, the operator of UK National Lottery. Mr. Mousseau has 20 years' experience in the financial services industry. His experience includes former roles as a Partner with Alignvest Private Capital, a Portfolio Manager for the Long-Term Equities Group at the Ontario Teachers' Pension Plan and a Principal at EdgeStone Capital Partners, a leading independent private equity manager in Canada. Andre holds an undergraduate degree in Economics from McGill University and an MBA from the Richard Ivey School of Business, University of Western Ontario.

PROFESSOR SIR HILARY MCD BECKLES

Sir Hilary was elected an independent director of SFCL in 2005. He is Vice Chancellor of The University of the West Indies. He is President of Universities Caribbean, Chairman of the Caribbean Examinations Council, Chairman of the Caribbean Community (CARICOM) Commission on Reparation and Social Justice, an editor of the UNESCO General History of Africa series, and a director of the Global Tourism Resilience and Crisis Management Centre. He serves on the Council of the United Nations University and the Association of Commonwealth Universities. Sir Hilary is Professor of Economic History and has received numerous awards, including the Degrees of Honorary Doctor of Letters from Brock University, the University of Glasgow, University of Hull, University of the Virgin Islands, the Kwame Nkrumah University of Science and Technology, Ghana and the University of Johannesburg for his major contribution to academic research on transatlantic slavery, popular culture, and sport. He received the Sisserou Award of Honour from the Government of Dominica for his contribution to education in the Commonwealth of Dominica, the Governor General Award for Excellence in Antigua and the Prestigious Martin Luther King Award for global advocacy for reparatory justice, equality and economic development for marginalized and oppressed ethnicities and nations. The American Historical Association named him 2022 Honorary Foreign Member of the Association.

Board of Directors

DR ARCHIBALD CAMPBELL

Dr Archibald Campbell is a director of the Company. He is currently Chairman of JMMB and most of its subsidiaries. He is Chairman of the Board of Trustees of the JMMB Pension Fund. Prior to this he served as a Director at the University Hospital of the West Indies, a member of the Sugar Industry Divestment negotiation team and also as director of several companies that included Hotels, Property Management, Banks and a number of non-profit organisations. He also served as Bursar of the University of The West Indies and Chief Financial Officer with responsibility for maintaining relations with the seventeen Contributing Caribbean countries with regard to funding. He is a Chartered Accountant and has served as an accounting expert in an arbitration. Archibald is a past president of the Institute of Chartered Accountants of Jamaica. He was awarded the honour of being the 2020 Distinguished Member. Archibald has a Doctorate in Business Administration (DBA) and a M.Sc. in Accounting from the University of the West Indies. In 2021 he was conferred with the Honour of the Order of Distinction, Commander Class by the Government of Jamaica for Exemplary service to the fields of Accounting and Finance.

PETER CLARKE

Mr Clarke is a director of the Company as well as certain of its subsidiaries. Mr Clarke is a Financial Consultant who practiced as a Barrister-at-Law before embarking on a 22-year career in stockbroking. From 1984-2000, he was the Managing Director of Money Managers Limited, and served as the Chief Executive of West Indies Stockbrokers Limited from 2001 to 2005, when he retired. From 2002 to 2005, he was also a director of the Trinidad and Tobago Chamber of Industry and Commerce. From 1995 to 1999, he was Chairman of the Trinidad and Tobago Stock Exchange, and he is currently a director of that organisation. From 1992 to 1995, Mr Clarke served as Deputy Chairman of the Trinidad and Tobago Free Zones Company, and he is currently the Chairman of Guardian Media Limited in Trinidad and Tobago, and a director of several other companies including Heritage Petroleum Company Limited. Mr Clarke is a member of the Finance Council of the Roman Catholic Archdiocese of Port-of-Spain. He obtained a Bachelor of Arts degree from Yale University and a law degree from Downing College, Cambridge University. Mr Clarke was called to the Bar as a member of Gray's Inn in London in 1979, and to the Bar of Trinidad and Tobago in 1980.

KEITH DUNCAN

Keith Duncan is a director of the Company. Since 2005, he has been the Chief Executive Officer of JMMB Group Ltd, with responsibility for the overall performance and charting the strategic direction of the business. Under his leadership, JMMB was conferred with the American Foundation for the University of the West Indies (AFUWI) Award for Excellence in Business Leadership in February 2020, and the 'Best of Chamber Award' from the Jamaica Chamber of Commerce in March 2011. Mr. Duncan served as President of the Private Sector Organisation of Jamaica (PSOJ) between 2019 to 2022 and also served as Vice President of the PSOJ between 2012 to 2014. He is currently Co-Chair of PROJECT STAR, a partnership for social & economic transformation In Jamaica and a private sector led initiative. Mr. Duncan is also a Past President of the Jamaica Securities Dealers' Association (JSDA) and currently chairs the Government of Jamaica's Economic Programme Oversight Committee. In 2020, Mr. Duncan was awarded the National Honour, the Order of Distinction in the rank of Commander by the Government of Jamaica, for his exceptional service in the field of Finance, Business, Youth Empowerment and Community Development. Additionally, in April 2022, Keith Duncan received the International Achievement Award from The American Friends of Jamaica (AFJ) for his leadership and work in the area of National Development. Mr. Duncan holds the Chartered Financial Analyst accreditation.

MONISH DUTT

Monish Dutt is a Consultant on Emerging Markets and a seasoned investment professional. He is a Director of several Sagicor group companies including SFCL, SBJ and SIJL, his relationship with the group commencing in 2012. He is also a Director of Peak Reinsurance of Hong Kong, part of the Fosun Group. Until 2023, he was for several years a Director of FINCA Microfinance USA which operates in Africa and Central Asia. Furthermore, between 2017 and 2019, he was a Director of Ecobank Africa with assets of over US $20 billion. Until 2017, he was for four years a Director of Religare Enterprise, an Indian financial services group with assets of US $4 billion. Earlier, he worked for 25 years (through 2011) with the IFC/World Bank Group. He held various investment positions focused on financial institutions globally with increasing responsibilities over the years, rising to the position of Chief Credit Officer for Global Financial Institutions and Private Equity Funds at the time of his retirement from the organisation in 2011. Before joining the IFC, Monish worked as an auditor for Ernst & Young, London for four years. Monish has an MBA from the London Business School, London University, and a BA in economics from St. Stephen's College, Delhi University. Monish is a Fellow of the Institute of Chartered Accountants, London, England (equivalent to a CPA).

STEPHEN FACEY

Mr Stephen Facey is a Director of the Company, its subsidiary Sagicor Group Jamaica Limited and the Sagicor Foundation Jamaica. He is the Chairman of Pan Jamaica Group Limited and Jamaica Property Company Limited. A director of Jamaica Producer Group Limited, the Chairman of Caribbean Policy Research Institute (CAPRI), Kingston Restoration Company Limited and the New Kingston Civic Association. Mr Facey serves as Chairman of the C.B. Facey Foundation, he is a Director of the National Gallery of Jamaica, Devon House Development Limited and the Institute of Jamaica. A Registered Architect with the Architect Registration Board of Jamaica, he has over 40 years' experience in architecture and urban planning, real estate development and management, and private equity investing. Mr Facey holds a Bachelor's degree in Architecture from Rice University and a Master's degree in Architecture from the University of Pennsylvania. In 2018 he was conferred with the Honour of the Order of Distinction, Commander Class by the Government of Jamaica for outstanding contribution to Real Estate Development, Banking and Financial Insurance Sectors.

DENNIS HARRIS

Dennis Harris is a director and is Chair of the Group's Audit Committee. He is the former Managing Director of Unicomer Jamaica Limited (Courts), with responsibility for the Jamaica and New York operations. Prior to this, he was the Regional Finance Director for Courts Caribbean business heading up finance, treasury, credit and information technology functions across the Caribbean. Mr Harris has also served in senior management roles at Reed Business Publishing Ltd. (UK) where he was employed for 15 years. He has been a director of the JMMB Group Limited since 2000 and currently serves as a director of JMMB Financial Holdings Limited and Chairman of JMMB Bank (Jamaica) Limited, JMMB International Limited and the Group Risk Committee. Mr Harris also serves as a non-executive director on the Board of Gallagher Caribbean Group Limited and is a former director of Unicomer Jamaica Limited. He is a Chartered Accountant (FCCA).

Board of Directors

THE MOST HONOURABLE DODRIDGE D MILLER

The Most Honourable Dodridge D. Miller was Group President and Chief Executive Officer of SFCL and its predecessor company Sagicor Financial Corporation Limited from July 2002 until his retirement on March 31, 2023, and has been a director since December 2002.Mr. Miller joined the Sagicor group of companies in 1989 and has more than 30 years' experience in the banking, insurance, and financial services industries. Mr. Miller is also a director of several subsidiaries within the Sagicor group of companies. Mr. Miller is a Fellow of the Association of Chartered Certified Accountants (FCCA) and obtained his MBA from the University of Wales and the Manchester Business School. He holds an LL.M in Corporate and Commercial Law from the University of the West Indies (UWI). In 2008 he was conferred with an honorary Doctor of Laws degree by the UWI for his contribution to the development of financial services within the Caribbean region., and in November 2023, he was awarded Barbados's highest honour, the Order of Freedom of Barbados, for his exceptional contributions to the country and the region throughout his career. Mr. Miller is a Professor of Practice – Finance with the University of the West Indies and is a special advisor to the Prime Minister of Barbados focusing on Investments and economic growth.

GILBERT PALTER

Gilbert Palter is the Co-Founder and Chief Investment Officer of EdgeStone Capital Partners, an alternative asset management firm. He is also the Chairman and CEO of EGADS Group, which invests in public and private companies. Mr Palter was the founding Chairman of Aurigen Capital Limited, a Bermuda- based life reinsurer, leading the CA $500 million initial funding. He is the former Chairman of Affinion Group Holdings Inc., which operated Affinion Benefits Group, LLC, a U.S. accidental death and dismemberment business. Over his 30-year career as a private equity investor he has served on numerous private company boards and, overseeing EGADS Group's investments on the public boards of Atlantic Power Corporation 2015-2021, RPX Corporation from 2016-2018, and Tenerity Group Inc. since 2017. In his early career Mr Palter worked at Morgan Stanley, McKinsey & Company, Clairvest Group, and Smith Barney. Mr Palter received an MBA from Harvard Business School where he graduated as a Baker Scholar and the winner of the John L Loeb Fellowship in Finance, and he earned a B.Sc. degree in Computer Science and Economics at the University of Toronto, where he was the Gold Medalist in his class. He was a 2003 recipient of "Canada's Top 40 Under 40" award, and a recipient of the Ernst & Young Entrepreneur of The Year® Award 2006.

ALAN RYDER

Alan Ryder is a director of the Company. In 2006 he was a co-founder, and became CEO, of Aurigen Capital Limited, a Bermuda-based holding company focused on the Canadian and US life reinsurance markets. In 2017, this business was acquired by PartnerRe and Mr. Ryder became CEO of its North America Life business unit. Prior to Aurigen, Mr. Ryder served as the President of Employers Reassurance Canada, successfully establishing it in the Canadian life reinsurance market. He began his career in 1980 as a pricing actuary with Munich Re in Toronto. Subsequently, he joined Canadian General Life Insurance Company where he ultimately served as Chief Financial Officer and Chief Actuary. He later established and led the US life reinsurance business of Winterthur Swiss Insurance Company. In addition to his career in the life insurance industry, Mr. Ryder has broad consulting experience focused on market assessment, strategy formulation, capital management, mergers and acquisitions, product development, valuation of liabilities, and asset/liability management. He graduated from the University of Waterloo in 1980, with a Bachelor of Mathematics degree in actuarial science and computer science, and completed his professional training in 1982, being admitted as a Fellow of the Society of Actuaries and as a Fellow of the Canadian Institute of Actuaries. He has extensive board experience with both public and private companies.

REZA SATCHU

Reza Satchu is a director of the Company. He is Managing Partner and co-founder of AMC, a private investment firm. Previously, Mr Satchu was the President, Chief Executive Officer and a director of AQY, where he participated in sourcing, evaluating and executing the qualifying acquisition. He has co-founded, built and/or managed several operating businesses from inception, including AMC; SupplierMarket, a supply chain software company that was sold to Ariba Inc.; StorageNow, which became one of Canada's largest self- storage companies prior to being sold to Instorage REIT; and KGS-Alpha Capital Markets L.P., a U.S. fixed income broker dealer, that was sold to BMO Financial Group. Previously, Mr Satchu was a General Partner at Fenway Partners, a US$1.4 billion private equity firm and was also a Financial Analyst at Merrill Lynch in the High Yield Finance and Restructuring Group. He currently serves as Senior Lecturer at the Harvard Business School where he teaches several courses including The Entrepreneurial Manager and The Founder Mindset. He is also the Founding Chairman of Next Canada, an entrepreneurship Program for Canadian entrepreneurs. He has received Canada's "Top 40 Under 40" Award and the 2011 Management Achievement Award from McGill University. Mr Satchu has a Bachelor's degree in economics from McGill University and an MBA from Harvard University.

AVIVA SHNEIDER

Aviva Shneider is a director of the Company. She is a Principal and Operating Partner with CVC Capital Partners. Prior to joining CVC, she founded Bayes Ventures, a consulting firm. From 2015 to 2018, Ms. Shneider was a part of the private equity team at Caisse de Depot et Placement du Quebec (CDPQ), initially as an Operating Partner and subsequently as Co-Head of Direct Private Equity investments in the United States and Latin America. Prior to this, she spent ten years with Silver Point Capital, a credit and special situation focused hedge fund based in Greenwich, Connecticut, and has also worked at McKinsey & Company. She has previously served on the boards of AlixPartners, Alliant National Title Insurance Co, 2-10 Home Buyers Warranty, LifeCare Hospitals and Cyrus Re among others. Ms. Shneider is a trained actuary (ACAS, ASA), with a Bachelor's degree in Math from the University of Waterloo and an MBA from the Wharton School at the University of Pennsylvania.

Executive Management

WE'RE STRONGER SHARING ONE VISION

Executive Management

ANDRE MOUSSEAU

BA, MBA

President and Chief Executive Officer

- Appointed President and Chief Executive Officer in April 2023.
- Appointed President and Chief Executive Officer of Sagicor USA, Inc. in July 2022.
- He previously held the positions of Group Chief Operating Officer from 2021 to 2023, and Group Chief Financial Officer from 2019 to 2023 with oversight of and primary responsibility for the planning, implementation and management of the Group's financial activities.
- His prior directorships also span the boards of Aurigen Reinsurance, a Bermuda-based life reinsurance provider, Impark Corp., one of North America's largest parking management providers, and Premier Lotteries. He was also an alternate board member of Camelot Group PLC, the operator of UK National Lottery.
- Holds an undergraduate degree in Economics from McGill University, and an MBA from the Richard Ivey School of Business, University of Western Ontario.
- Has 20 years of experience in the financial services industry.
- Formerly a Partner with Alignvest Private Capital, Portfolio Manager for the Long-Term Equities Group at the Ontario Teachers' Pension Plan (OTPP), and Principal at EdgeStone Capital Partners, a leading independent private equity manager in Canada.

DONALD S AUSTIN

FCCA, BSc, MBA

Chief Executive Officer, Sagicor Life (Eastern Caribbean) Inc

- Appointed Chief Executive Officer, Sagicor Life (Eastern Caribbean) Inc. in 2015. Head of Individual Life line of business, Digitilisation Initiative 2021
- Board Member of Sagicor Funds Inc and Sagicor Asset Management Inc.
- Former Chairman of the Boards of Directors of LIME Grenada and LIME Dominica, former Director of LIME Barbados and President & CEO Cable and Wireless, Barbados.
- Holds a BSc Honors in Electronic Engineering, University of Bristol; an MBA from Manchester Business School; International Management, NYU Stern School of Business, New York; a Fellow of the Association of Chartered Certified Accountants.
- A Barbados Exhibition Scholarship winner, a Commonwealth Scholarship winner.

RONALD B BLITSTEIN

BA, MBA

Group Chief Information Officer

- Joined Sagicor Financial Corporation in 2013.
- Holds both a BA in Political Science, and an MBA in Finance from Syracuse University.
- IT professional, with knowledge in all areas of information technology and its application to driving improved business outcomes.
- Previously served as Director, Business Technology and Strategies Practice for a global advisory firm, supporting Fortune 500 clients, national governments and United Nations agencies.
- Held key executive leadership positions at Revlon, Pitney Bowes, BOC Group, and Xerox Corporation.
- Served as a Six Sigma Champion for firms pursuing enterprise operational excellence.

Executive Management

ANTHONY O CHANDLER

CPA, CGA, MBA

Group Chief Financial Controller

- Appointed Group Chief Financial Controller in 2013.
- Member of the Chartered Professional Accountants of British Columbia, Canada and holds an MBA from the University of Manchester.
- Prior to this, he served as Executive Vice President and Chief Financial Officer of Sagicor Life Inc from 2011.
- Joined Sagicor in 1995 as Financial Accountant, and was transferred to the Group subsidiary, Island Life Insurance Company Ltd in 2000.
- Has over 20 years of experience in the insurance industry.
- In 2003, he joined the management of Life of Jamaica as Head of its Internal Audit function, before returning to Barbados in the position of Vice President, Finance, of Sagicor Life Inc later in the same year.
- In 2006 he was promoted to Vice President and Chief Financial Officer of Sagicor Life Inc.

J. ANDREW GALLAGHER

FSA, FCIA, CERA, BMath

**Chief Executive Officer,
Sagicor Reinsurance Bermuda Ltd.**

- Appointed CEO, Sagicor Re Bermuda in December 2018.
- Prior to this appointment, he held the position of Chief Risk Officer for the Group since 2007.
- Joined Sagicor in 1997 as Resident Actuary.
- Holds a Bachelor of Mathematics degree from the University of Waterloo.
- Fellow of Canadian Institute of Actuaries, Fellow of the Society of Actuaries and a Chartered Enterprise Risk Analyst.
- Member of the Caribbean Actuarial Association.
- More than 35 years in the insurance industry.

LYNDA GAUTHIER

B Com, MBA

**Group Chief Risk Officer and
Chief Sustainability Officer**

- Joined Sagicor Financial Company Ltd. in August 2022.
- Prior to joining Sagicor, was VP, Risk Governance and Reporting, for a large global financial institution, where she led the development of risk reports to the board, senior management, regulators, and the financial community, led the advancements of various risks governance, controls, and policies, and oversaw the early development of the organisation's climate-related risk efforts.
- 20 years of experience in the financial services industry, where she held progressively senior positions across risk management, investor relations and capital markets in both Canada and the U.S.
- Holds a BCom (Finance) from Concordia University.
- Holds an MBA from the University of Chicago Booth School of Business.
- Treasurer, Chair of the Finance, Audit & Risk Committee, and Vice Chair of the Board of Directors, Swim Drink Fish (Canada).

ALTHEA C HAZZARD

LL.B (Hons), LL.M (Cantab), FCG, FICA

Executive Vice President, General Counsel and Corporate Secretary

- Appointed Executive Vice President, General Counsel and Corporate Secretary of Sagicor Financial Corporation in 2014, having previously served in the positions of Vice President, Legal and Compliance of Sagicor Life Inc and Corporate Secretary of Life of Barbados Limited.
- An Attorney-at-Law, Chartered Secretary and Compliance Professional, Mrs. Hazzard joined the Group in 1997.
- Holds a Bachelor of Laws Honors Degree from the University of the West Indies and a Certificate in Legal Education from the Hugh Wooding Law School in Trinidad, and was called to the Bar in Barbados and Trinidad and Tobago in 1989. She obtained her Master of Laws degree from the University of Cambridge, United Kingdom, and also holds international diplomas in Compliance and Anti- money Laundering from the International Compliance Association in the United Kingdom and the Executive Diploma in Management from the Sagicor Cave Hill School of Business and Management.
- Fellow of the International Compliance Association and a Fellow of the Chartered Governance Institute of Canada (formerly the Institute of Chartered Secretaries and Administrators in Canada).

KESTON D HOWELL

BSc (Hons), MBA

President and Chief Executive Officer, Sagicor General Insurance Inc

- Holds a BSc Management Studies from University of the West Indies and an MBA from the University of London.
- More than 36 years in the Insurance and Banking industries.
- Joined Sagicor in April 2005 as Executive Vice-President Merchant Banking, responsible for the establishment of Sagicor Merchant Bank and overall Banking Strategy of the Group; in 2007 this role was expanded to include responsibility for Investments and Asset Management for Sagicor Southern Caribbean.
- Assumed executive responsibility for Sagicor Life operations in the Dutch Caribbean and Central America in April 2013.
- Appointed President and Chief Executive Officer of Sagicor General Insurance Inc. in October 2017; in October 2021 he also assumed executive responsibility for Investments, Asset Management, Wealth Management and Risk for Sagicor Southern Caribbean
- Past President of the Securities Dealers Association of Trinidad & Tobago.
- Director - General Insurance of the Association of Insurance Companies of Trinidad & Tobago and a Director of the Securities Dealers Association of Trinidad & Tobago.

R PAUL INNISS

MBA, FCIP, FLIM, CRM

Executive Vice President and General Manager — Sagicor Life Inc Barbados

- Appointed Executive Vice President and General Manager, Sagicor Life Inc Barbados in April, 2020.
- More than 30 years' experience in the insurance and banking industries, both regionally and internationally, with extensive knowledge and experience in leading high- performance teams.
- Councillor - Barbados Chamber of Commerce & Industry.
- Director of The Insurance Association of the Caribbean and the Barbados Jazz Society.
- Previously served as a Director of Insurance, CIBC FirstCaribbean International Bank.
- Previously held the position of Chief Operating Officer of Island Heritage Insurance Company.
- Former General Manager for Barbados & Eastern Caribbean Islands with Pan American Life Insurance Group.
- Former Past President of the General Insurance Association of Barbados (GIAB).
- Fellow of the Life Management Institute.
- Fellow, Chartered Insurance Professional – Specialization, Risk Management.
- Holds an MBA from Heriot-Watt University, Edinburgh Business School.

Executive Management

KATHRYN JENKINS

B COM, CPA, CA

Group Chief Financial Officer

- Appointed Group Chief Financial Officer in March 2023.
- More than 20 years in the Insurance and Financial Services industries.
- Previously held senior finance positions in major global financial services organisations including two major Canadian banks and most recently was CFO of the Investment Management Corporation of Ontario.
- Holds a Bachelor of Commerce from the University of Toronto, as well as Chartered Professional Accountant CPA, CA and Certified Public Accountant, CPA (Illinois) designations. In 2014, she obtained her ICD.D. designation from the Institute of Corporate Directors.
- She is a member of the Business Board of the University of Toronto.

TODD LAWRENCE

B Com (Hons), MBA

President and Chief Executive Officer, ivari

- Joined ivari in 2017 and Appointed President and Chief Executive Officer in 2018.
- Prior to joining ivari, Todd held several senior management positions in the banking industry.
- Seasoned financial professional with over 30 years of experience that spans insurance, reinsurance, mortgages, retail lending, deposits, wealth management, treasury, and regulatory affairs.
- Holds an MBA from the DeGroote School of Business at McMaster University.
- Prior to joining ivari, he served as the President & CEO of the CIBC Life Insurance Company Limited.
- Current and past Director of the Canadian Life and Health Insurance Association (CLHIA) and current Chair of the CLHIA Marketplace Relations Standing Committee.

NARI PERSAD

BSc Actuarial Science, BSc Biochemistry, FSA, FCIA

Group Chief Actuary

- Appointed Group Chief Actuary in August 2017.
- Appointed Senior Vice President and Chief Actuary, Sagicor Life Insurance Company in June 2021.
- Holds a BSc Specialist in Actuarial Science and Biochemistry from the University of Toronto.
- Fellow of the Canadian Institute of Actuaries, Fellow of the Society of Actuaries.
- Member of the Caribbean Actuarial Association.
- Previously served as Partner – Canadian Life Actuarial Practice Leader with Ernst & Young and Principal of Eckler Ltd.
- More than 30 years of experience in the insurance industry, including positions at Crown Life Insurance Company, Canada Life Assurance Company, Toronto Dominion Life Insurance Company, Swiss Re Life and Health and Dion Durrell + Associates.

GEORGE SIPSIS
CFA

Executive Vice President, Corporate Development and Capital Markets

- Appointed Executive Vice President, Corporate Development and Capital Markets in March, 2023.
- Joined Sagicor Financial Company Ltd. in 2021.
- He is responsible for the leadership of Group corporate development and capital market activities including M&A, capital raising, investor relations and rating agencies engagement.
- Prior to joining Sagicor, he held progressively senior roles in the real estate and financial services groups of Scotiabank's investment banking division in Toronto.
- Holds a Masters of Financial Economics degree from the University of Toronto, a Masters of Management of Innovation degree from the University of Toronto, a Bachelor of Medical Sciences degree from Western University and is a CFA® charterholder.

ROBERT J L TRESTRAIL
BA

President and Chief Executive Officer, Sagicor Life Inc

- Appointed President and Chief Executive Officer, Sagicor Life Inc in January 2021.
- Prior to this, he served as Executive Vice President and General Manager, Trinidad & Tobago since 2007.
- Assumed executive responsibility for Dutch Caribbean and Sagicor Life Aruba N.V. in 2017.
- Graduate of the University of Toronto (Bachelor Arts - Economics).
- More than 20 years in the Insurance and Financial Services Industry.
- Board Member of Sagicor Investments Trinidad & Tobago Limited, Nationwide Insurance Company Limited, RGM Limited and several of its subsidiaries.
- President of the Trinidad & Tobago Insurance Institute (TTII) Board of Governors.
- Former President of the Trinidad & Tobago Chamber of Industry and Commerce (TTCIC) 2015-2016, having served as a Board Member of the Trinidad & Tobago Chamber of Industry and Commerce (TTCIC) 2006-2018.

CHRISTOPHER W ZACCA
CD, BSc, MBA

President and Chief Executive Officer, Sagicor Group Jamaica Limited

- Appointed President and CEO of Sagicor Group Jamaica Limited in May 2017.
- Holds a BSc in Engineering from the Massachusetts Institute of Technology and an MBA from the University of Florida.
- Over 30 years' experience in public and private sector management, in particular, from 1982-2009 where he held various senior positions in the private sector namely, Vice President, Engineering - Desnoes & Geddes Limited (t/a Red Stripe); Managing Director - Caribrake Products Limited; Managing Director – Appliance Traders Limited; and Chief Executive Officer, Air Jamaica Limited.
- Served as President of the Private Sector Organisation of Jamaica from December 2006 to June 2009, and from June 2012 to December 2014.
- Former Chairman of the Development Bank of Jamaica and the National Health Fund and also served on numerous State boards, including the Factories Corporation, National Education Trust and JAMPRO.
- Served as special advisor to the Prime Minister of Jamaica from 2009 to 2011.

Environmental, Social and Governance Report

WE'RE STRONGER IN ACTION




Environmental, Social and Governance Report

Sustainability at Sagicor

Sagicor remains committed to sustainability by balancing the present and future needs of our organization, with the desire to create long-term sustainable value for our organization, our clients and our communities.

Environmental

Maintain support to our local governments, clients, and communities to facilitate our collective transition to a climate resilient economy.

- 4.1% exposure to energy sector[3]

Certain countries or regions where we operate are more susceptible to extreme weather-related events, such as hurricanes, earthquakes, and tropical storms.

- ~25% of our assets are located in the Caribbean at year end 2023
- Generated 5.8% of revenue from our property & casualty insurance businesses in 2023

Our risk management practices and operational readiness plans help mitigate the impacts of climate-related disruptions in our more vulnerable regions.

Social

We are an integral part of the communities in which we operate, reflecting their societal values, and contributing to their social and economic well-being.

We contributed US$ 1.8 million[4] in 2023 in support of educational initiatives, community activities, and health and wellness programs.

Diversity and inclusion remains of paramount focus as reflected by our highly diverse workforce.

- 42% female executives[1]

Our products and services are sourced from a diversified base of suppliers. We protect and use responsibly personal information supplied by our clients in accordance with privacy regulations.

Governance

Further strengthened our board composition to ensure a strong mix of skills and expertise.

- 32% female directors[2]

Conducted two education sessions with management and the board on ESG over the course of 2023.

Actively monitored ESG related regulatory developments and emerging reporting requirements.

Sustainability in Action

42% Female executives[1]

32% Female directors[2]

4.1% Energy sector exposure[3]

$1.8m Community donations[4]

[1] Includes Vice President, Senior Vice President, Executive Vice President, President and CEO roles as of December 31, 2023.
[2] Includes directors of Sagicor and its various subsidiaries as of December 31, 2023.
[3] Percentage of total invested assets as of December 21, 2023.
[4] Community donations provided by Sagicor and its various subsidiaries. Prior to the completion of our acquisition, ivari made an additional US$77,000 in community donations in 2023.

Corporate & Social Responsibility

At Sagicor, we're fueled by our Vision, "To be a great company committed to improving the lives of the people in the communities in which we operate." Through the four key pillars of Health, Education, Community & Youth Development and Sport, we hope to enable opportunities for social and economic upliftment. In 2023, our team members helped us to do just that, joining with our partners and other stakeholders to donate to and participate in a myriad of causes and initiatives which allowed us to truly live our Vision and strengthen our outreach.

US $1.8 million donated across our pillars

HEALTH

EDUCATION

COMMUNITY AND YOUTH DEVELOPMENT

SPORT

By supporting our communities, Sagicor continues to provide and facilitate important opportunities and experiences for communities to grow socially and economically.

Corporate & Social Responsibility
HEALTH

With life and health insurance comprising key parts of the business in several of our operating territories, the health of those around us matters. In 2023, our focus on health as a pillar was heightened and our team members rallied together to spotlight breast and prostate cancers. The year also saw the continuation of one of our flagship events, the Sagicor Sigma Corporate Run, which ensures that worthy beneficiaries receive much-needed funds to continue doing their important work among those who need it most.

Jamaica

Sagicor Sigma Corporate Run

The annual Sagicor Sigma Corporate Run, dubbed The 'Legacy' Run in recognition of its 25th anniversary, saw over 21,000 participants coming together to raise approximately US $594,000 for beneficiaries the University Hospital of the West Indies (Paediatric Unit) and the Edna Manley College for the Visual and Performing Arts. The milestone anniversary was celebrated with three events – the Sigma Run Church Service, the Legacy Awards Fundraiser and the in-person Sigma Race Day in February, presenting multiple opportunities for individuals and organizations to support the worthy cause.

THE HEALTH OF THOSE AROUND US MATTERS.

Breast Cancer Awareness Support

The importance of breast health came to the fore when Sagicor Group Jamaica launched its annual Breast Cancer Awareness campaign. Staged under the theme 'Inspiring Hope, Celebrating Resilience,' the initiative featured a vibrant breast cancer tribute bus that embarked on a road tour, sharing life-changing information and raising awareness. Fifteen women visited each of the four Sagicor locations, receiving free mammograms.

Panama

Voluntary Blood Donation Drive

Team members and volunteers assisted in saving lives, through their annual voluntary blood donation day, orchestrated through the blood donor centre, the Dona Vida Foundation. The Foundation distributed the donations to public hospitals across the country, ensuring individuals benefited from the life-saving initiative.

Pink and Blue-Ribbon Campaign

Each year, Sagicor Panama's Pink and Blue-Ribbon campaign raises awareness for breast and prostate cancer. The campaign encourages persons to get their annual screenings done via mammograms and prostate-specific antigen (PSA) tests, covering 100% of the exam fees. In further support of the Pink-Ribbon campaign, a wellness activity was hosted for insurance brokers, suppliers, policyholders, and partners.

Antigua and Barbuda

Silver sponsorship of the Heart and Stroke Foundation's 4th Annual Cardiac Symposium

Sagicor continued to signal its commitment to health and wellness with its silver sponsorship of the 4th Annual Heart Symposium, a virtual and in-person event. The symposium, themed 'Heart Disease and Stroke, Prevention is Crucial,' was hosted by the Heart and Stroke Foundation of Antigua and Barbuda and highlighted the importance of heart health.

1. The team at Sagicor Bank (Barbados) Limited joined the Barbados Prison Fellowship's Angel Tree Christmas Initiative in 2023, providing over 40 gifts for children of incarcerated persons. The team was happy to spread Christmas cheer to the young recipients, ranging in age from 6 months to 16 years.

Belize

Donation to Belize Cancer Society

Taking to the streets to shine a spotlight on cancer, team members of Sagicor Belize turned out in their numbers to support the Belize Cancer Society's annual Cancer Walk. A flagship initiative of the Society, the event draws hundreds who walk in support of survivors, those lost to the fight, caregivers, advocates and more. The team also made a financial donation as part of its annual support.

St. Kitts and Nevis

Partnership with the Windsor School of Medicine Health Fair

Sagicor donated to the Windsor School of Medicine as they hosted their health fair, offering free baseline healthcare tests to members of the St. Kitts and Nevis public. The fair also gave persons the opportunity to learn more about their health, insurance, and other related topics.

2. Team members and volunteers assisted in saving lives, through their annual voluntary blood donation day, orchestrated through the blood donor centre, the Dona Vida Foundation. The Foundation distributed the donations to public hospitals across the country, ensuring individuals benefited from the life-saving initiative.

Corporate & Social Responsibility
EDUCATION

Education empowers communities and provides a pathway to opportunities. Sagicor has a longstanding commitment to providing support at all levels of the educational journey, from early childhood through to tertiary levels. Over the last year, we've met and engaged with numerous educational institutions, stakeholders, and partners to continue playing a role in and fostering relationships that further the development of education in all of the territories wherever we operate. From donations to scholarships, to physical upgrades, our assistance has helped to bolster and strengthen existing educational systems.

Jamaica

Adopt-A-School

Through the Adopt-A-School Program, Sagicor Foundation undertook renovations to three Basic schools across the island: the Free Town Basic School, the Irish Pen Basic School, and the Shrewsbury Early Childhood Institution. The aim of the renovations was to assist the schools in becoming compliant with and qualifying for the Early Childhood Commission Certification. The annual initiative also seeks to engage students and teachers in various fun and wholesome activities throughout the year.

WE'RE PROVIDING SUPPORT AT ALL LEVELS OF THE EDUCATIONAL JOURNEY FROM EARLY CHILDHOOD THROUGH TO TERTIARY LEVELS.

Sagicor Foundation Annual Scholarship Program

23 secondary and tertiary students were awarded with academic scholarships through Sagicor Foundation's annual Scholarship Program. Students were selected based on academic merit and community involvement. As part of the program, students also perform community service alongside members of the Foundation to enrich their academic progress and develop civic responsibility.

Jamaica College Foundation

In honour of the late Dr. The Honourable R. Danny Williams, founder of Life of Jamaica (now Sagicor Life) and former Chairman of Sagicor Foundation Jamaica, a special donation was made by the Sagicor Foundation to the R. Danny Williams Scholarship Endowment Fund at the Jamaica College where Dr. Williams was an alumnus. The donation will serve to transform the lives of several underprivileged students from the Jamaica College, commemorating Dr. Williams' legacy as a Jamaican philanthropist, industry icon and humanitarian.

Panama

Internal and External Scholarship Program

18 Honour Roll students can now boast of having benefitted from Sagicor's external scholarship program. The annual program is also internal, extending to children of team members who have received excellent grades at their respective levels.

USA

Metropolitan Ministries – Scholarships

Sagicor was pleased to donate US $15,000 to the 7th Annual Tampa Bay Food Fight. Proceeds from the event benefitted clients of Metropolitan Ministries by providing eight scholarships in the areas of culinary arts, trade, medical, business/information technology and childcare.

Back to School Clothing and Supply Drive

In mid-July, several team members from Sagicor's Scottsdale office volunteered at Grand Canyon University for the Back-to-School Clothing Drive. Volunteers helped children from kindergarten through sixth grade shop for clothes and supplies to prepare them for the upcoming school year. More than 5,000 students received school supplies ranging from backpacks, school uniforms, shoes, dental kits, and books over a three-day period.

Hillsborough Education Foundation School Supply Drive

Sagicor teamed up with the Hillsborough Education Foundation (HEF) to help support their #EraseTheNeed Back-to-School Donation Drive, which strives to ensure that every child has the tools needed to succeed in the classroom. In addition to this online drive, members of the team volunteered at the Teaching Tools Store, counting and sorting supplies that were being distributed to teachers in the community.

1. Sagicor team members donated books to the Ellerton Primary School in Barbados, under its Adopt-A-School program.

2. Sagicor USA teamed up with the Hillsborough Education Foundation (HEF) to help support their #EraseTheNeed Back-to-School Donation Drive, which strives to ensure that every child has the tools they need to succeed in the classroom.

Corporate & Social Responsibility

EDUCATION

Antigua and Barbuda

AntiguaRecon School Scholarships

Several young people across Antigua and Barbuda are unable to take advantage of the varied opportunities that exist in information technology (IT) due to the high cost of education in this field. Organizations such as AntiguaRecon step in to fill the need, training young Antiguans and Barbudans in the areas of cyber security and agile project management. Sagicor was pleased to support their mandate, ensuring that bright and interested students who may not otherwise have had the financial means, were granted the opportunity through scholarships.

Southern Caribbean

Adopt-A-School

For the academic year 2022-2023, Sagicor adopted six primary schools across the Caribbean for the second year of its revamped Adopt-A-School program. Adopted were the Golden Grove Primary School in Antigua and Barbuda, Ellerton Primary School in Barbados, the Atkinson Primary School in Dominica, Piparo Presbyterian in Trinidad and Tobago, the Boguis Primary School in St. Lucia, and the Deane Glasford Primary School in St. Kitts and Nevis. Through the program, the selected schools, children, and staff benefitted from assistance with several projects including the renovation and refurbishment of outdated facilities, wellness checks, mentorship, and donations of computer equipment and other educational resources.

THROUGH THE PROGRAM, THE SELECTED SCHOOLS, CHILDREN, AND STAFF BENEFITTED FROM ASSISTANCE WITH SEVERAL PROJECTS INCLUDING THE RENOVATION AND REFURBISHMENT OF OUTDATED FACILITIES.

St. Lucia

Sagicor Schools Choir Competition

Sagicor St. Lucia helped to lift the voices of several of the island's students with their title sponsorship of the Sagicor Schools Choir Competition. The sponsorship represents a three-year partnership with the Curriculum and Materials Development Unit (CAMDU) of the Ministry of Education, Sustainable Development, Innovation, Science, Technology and Vocational Training.

The aim of the competition is to create an avenue where the highest level of excellence in choral singing can be experienced and witnessed, rewarding those teachers and students who are committed and devoted to the art of proper choral singing, and providing a performance standard for other school choirs and music teachers to aspire to.

St. Vincent and the Grenadines

Donation to St. Vincent Coast Guard Summer Internship

Sagicor continued its support of the St. Vincent Coast Guard Summer Internship Program. Considered the premier summer internship program on-island, the initiative prepares several young persons for the world of work while also exposing them to topics such as financial literacy, resume writing, interviewing techniques and a host of other skills.

3. In 2023, ivari supported Canadian Feed the Children. Through a personalized approach, and in partnership with 31 Indigenous communities, this registered charity works to increase access to quality education for children, support families to gain greater food security and help build sustainable community resilience.

4. Sagicor partnered with the Ministry of Sports, Culture, and the Arts in Grenada to host “For the Love of Dance.” Here, participants pose for a photo during the workshop.

5. Through the Adopt-A-School Program in Jamaica, Sagicor Foundation undertook renovations to three Basic schools across the island. Here, a Sagicor team member engages with a young pupil of the Free Town Basic School.

Corporate & Social Responsibility
COMMUNITY AND YOUTH DEVELOPMENT

Our goal is to uplift and empower communities by improving quality of life through focused donations, projects, and initiatives. We're also invested in our youth and enable positive environments that help propel them towards the establishment of bright futures.

Dominica

The Sagicor Blue Project – SGI Clean Up of Purple Turtle Beach

For the second consecutive year, Sagicor General Insurance Inc (SGI) launched its coastal cleanup initiative, The Sagicor Blue Project. The initiative saw team members working together to clean up select beaches across its operating territories. In May, a team of 40 volunteers, cleaned Purple Turtle Beach in Dominica, collecting approximately 50 bags of refuse.

Grenada

For the Love of Dance Workshop Sponsorship

Sagicor partnered with the Ministry of Sports, Culture, and the Arts to host 'For the Love of Dance'. The multi-faceted workshop not only exposed students to the possibilities that exist in the fusion of contemporary dance and Caribbean & traditional folk forms, but also to techniques and skills needed to enhance their physical and mental well-being. The program visited each parish in Grenada, engaging youth as young as seven years old through to adults in the informative sessions.

Barbados

Adopt-A-Family

Sagicor was a major financial and in-kind supporter of the Adopt-A-Family program run by the Optimist Club of Barbados. The program seeks to improve the lives of ten disadvantaged families through improved living conditions, provision of food and clothing and educational resources for children.

Homeless Feeding Program – James Street Methodist Church

To help provide well-rounded meals to homeless and less fortunate individuals in and around the church and its immediate surroundings, Sagicor assisted the James Street Methodist Church with purchasing supplies for their Homeless Feeding program. Sagicor was pleased to help revive the initiative which had been in existence for more than 25 years, but was halted due to the COVID-19 pandemic.

Canada (ivari)

United Way

ivari donated more than US $75,000 to the United Way. The organisation's mission is to improve lives and build communities by engaging and mobilizing collective action, which aligns strongly with ivari's fundamental commitment to embodying active citizenship.

Special Initiatives and matching gifts

Each year, ivari's Charitable Giving Committee allocates funds for special initiatives. In 2023, contributions were made towards several initiatives, including the North York Harvest Food Bank, and Red Cross Fires Appeals for the province of Alberta and for Nova Scotia and Atlantic Canada.

OUR GOAL IS TO UPLIFT AND EMPOWER COMMUNITIES BY IMPROVING QUALITY OF LIFE THROUGH FOCUSED DONATIONS, PROJECTS, AND INITIATIVES.

USA

St. Vincent de Paul – Stock the Shelves

The support of Scottsdale team members enabled millions of Arizonians to have access to adequate food and water. Team efforts resulted in the donation of 178 pounds of non-perishable food items and 40 plus cases of water to the Society of St. Vincent de Paul.

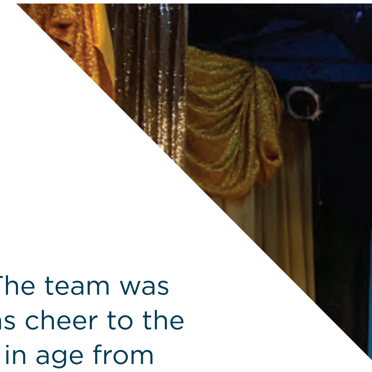
Holiday Drive

Every December, Palomino Primary and Intermediate students receive a special Christmas field trip — a holiday shopping spree at St. Vincent de Paul's Bell Road Thrift Store. The students are awarded the opportunity to purchase gifts for their loved ones through a US $25,000 donation, in addition to receiving a special goodie bag. Serving as volunteers, Sagicor team members also assisted the children with their shopping as well as helped wrap their gifts.

1. Team members of Sagicor Group Jamaica painted the Deliverance Centre Basic School as part of their annual Labour Day activities.

2. Sagicor's Team and volunteers at the Purple Turtle Beach in Dominica after collecting approximately 50 bags of refuse.

3. The Sagicor Heat Relief initiative impacted over 500 students as well as elderly residents across Trinidad and Tobago. Items such as standing fans and bottled water were distributed to the most vulnerable as the country recorded increased temperatures for a prolonged period. Here, a Sagicor team member makes a donation.



Corporate & Social Responsibility

COMMUNITY AND YOUTH DEVELOPMENT

Panama

Patronato de Donación Donation

Sagicor Panama donated US $10,000 to the Nutrition Board, supporting the development of sustainable farms. This donation assists in maintaining the balance between human development and environmental preservation by supporting farming families who live in the mountain areas.

Internal Recycling Campaign

Sagicor launched an internal recycling campaign to recycle plastics, paper, metal, and cardboard and then reinsert the materials into the production system. Through this initiative, certified by the Ministry of Environment of Panama, some 3,800 pounds of recycling material were collected in 2023.

SAGICOR LENDS A HELPING HAND BY PARTNERING WITH THE REGIONAL CORPORATIONS TO MOBILIZE ASSISTANCE TO IMPACTED COMMUNITIES.

Trinidad and Tobago

Disaster Relief Support

Trinidad and Tobago, like many other countries across the region, continue to feel the effects of climate change and experience perennial flooding. With each incident, Sagicor lends a helping hand by partnering with the regional corporations to mobilize assistance to impacted communities. Donations include critical items, such as meal and care packages.

Heat Relief

The Sagicor Heat Relief initiative impacted over 500 students as well as elderly residents across Trinidad and Tobago. Items such as standing fans and bottled water were distributed to the most vulnerable as the country recorded increased temperatures for a prolonged period.

Barbados

Barbados Prison Fellowship Association

The team at Sagicor Bank (Barbados) Limited joined the Barbados Prison Fellowship's Angel Tree Christmas Initiative in 2023, providing over 40 gifts for children of incarcerated persons. The team was happy to spread Christmas cheer to the young recipients, ranging in age from 6 months to 16 years.

4. One of the winning choirs in the Sagicor Schools Choir Competition in St Lucia celebrating their win.

5. ivari was pleased to extend its outreach to the Canadian Institute for the Blind (CNIB). Founded in 1918, the CNIB is a non-profit organization driven to change what it is to be blind today. Armed with innovative programs supported by powerful advocacy, this non-profit organization empowers people impacted by blindness, encouraging them to live their dreams while tearing down barriers to inclusion.

6. After assembling 200 care packages for service members overseas, the Tampa team is all smiles as they pose with members of Operation: Military Matters.

4

5


OPERATION:
MILITARY MATTERS
www.OperationMilitaryMatters.com
"Care Packages From Home"

6

Corporate & Social Responsibility
SPORT

We're a firm believer in sport as a unifying force. We've sought to assist by boosting the talent and potential that exists among our youth. Our contributions have helped give birth to sporting excellence and breakthrough, uplifting teams, programs and initiatives.

Costa Rica

Saprissa Women's Soccer Amateur Team

Sagicor Costa Rica sponsored the Saprissa women's soccer amateur team, supporting their participation in a local tournament organized by Unión Femenina de Futbol – Costa Rica (UNIFFUT). The Saprissa team emerged 3rd in the competition.

Antigua and Barbuda

Sagicor Do Blue Prostate Cancer Awareness Golf Tournament

Sagicor continued its support of the 'Do Blue' Golf Tournament which raises awareness for prostate cancer during prostate cancer awareness month. The tournament attracts participation from golfers representing both individuals and organizations across the island and serves as one of several awareness activities in which the local Sagicor team is involved.

Dominica

Sponsorship of Sagicor South East Football Team

Sagicor Dominica continued its annual sponsorship of a top local football team, Sagicor South East. The championship team, which continues to dominate the local premier division, sees several of its players go on to make Dominica's national team.

OUR CONTRIBUTIONS HAVE HELPED GIVE BIRTH TO SPORTING EXCELLENCE AND BREAKTHROUGH, UPLIFTING TEAMS, PROGRAMS AND INITIATIVES.

Southern Caribbean

Sagicor Junior International Tennis Tournament

Sagicor continued its support of tennis and youth with its title sponsorship of the Sagicor Junior International Tennis Tournament. The tournament, which sees competition by international athletes in the Under 14 and Under 12 categories, is featured on the Central American and Caribbean Tennis Federation (COTECC) calendar. The highly anticipated tournament offers junior athletes an opportunity to compete and also improve their ratings amongst peers.

Jamaica

The JTA/Sagicor National Athletics Championships

Sagicor Foundation continues to contribute to the development of local athletes through its sponsorship of the annual JTA/ Sagicor National Athletics Championships. The two-day track and field championships have become the birthplace of talent for several of the nation's brightest international athletes. In 2023, the Championships reached an exhilarating climax at the National Stadium in Kingston as St. Elizabeth dethroned three-time consecutive champions, St. Andrew, to claim their fourth overall title.

Premiere League Football Sponsorship

For 2023, Sagicor Group Jamaica continued its support of the Jamaica Premier League (JPL) which included being the main sponsor of the Dunbeholden Football Club. Additionally, Sagicor provided primary healthcare coverage and personal accident insurance for the entire league of players, while on and off the field.

Barbados

Sada Williams

Sagicor Bank (Barbados) Limited committed to supporting Barbadian Track Superstar Sada Williams who had struck gold in 2022, winning the Women's 400m event at the Commonwealth Games. As a two-time bronze medalist at the World Championships, Sada is currently preparing for the Paris Olympics and beyond.

1. Winners in the Sagicor Junior International Tennis Tournament pose during a photo opp.

2. Sagicor continued its annual sponsorship of a top football team, Sagicor South East in Dominica. The team continues to dominate the local premier division championships. Here, they pose for a team photo in their Sagicor attire.

People & Culture

WE'RE STRONGER WHEN WE PUT PEOPLE FIRST

People & Culture

Our people strategies are underpinned by confidence that our employee experience has a direct impact on our corporate success, customer perceptions and behaviour, market performance, and impact in the communities in which we operate. The transformation of our culture to ensure it aligns with and drives our strategic objectives has also emerged as a key imperative in our people strategies. During the year our combined team of 4,000+ employees across our Caribbean, USA, and Canadian operations were able to show up for each other, our business, and our communities in several impactful ways; this includes our ivari team members who joined us in the last quarter of 2023.

WE HAVE TAKEN A PURPOSE-DRIVEN APPROACH TO EMPLOYEE WELLBEING.

Across all our markets there were comprehensive people strategies that ensured alignment between the main drivers of employee engagement in the market and the initiatives rolled out. A critical success factor for our people strategies is the quality of our leadership development and the focus on ensuring alignment with current and future business needs.

Total Wellbeing

We have taken a purpose-driven approach to employee wellbeing fully understanding that our team members ability to survive and thrive has a direct impact on their ability to show up and do great work. There has been a group-wide focus on normalizing prioritizing mental well-being with all markets hosting webinars and workshops on mental health. The Employee Assistance Program continues to be an invaluable resource for our team members as they navigate life's challenges.

WE ENABLE OUR PEOPLE LEADERS TO SHOW UP AS THE BEST VERSION OF THEMSELVES.

This mental wellbeing focus was also supported by opportunities for team members to commit to improved and sustainable physical wellness. In some markets this included company subsidized gym memberships, on-site and virtual instructor-led exercise programs, on-site wellness screenings in support of the fight against non-communicable diseases, nutritional seminars, participation in 5k walks/runs, and the unique approach of cash incentives for preventative age-appropriate screenings in our USA operations. There were also many markets that celebrated and raised awareness through initiatives developed in recognition of Mental Health Awareness Month, Breast Cancer Awareness Month, World Heart Day, and similar international recognition days for prostate and other cancers, diabetes, and other illnesses.

Employee Engagement

Employee voice has been central to our people strategies across all markets via the use of surveys, focus groups, and stay interviews. Many invaluable insights were derived from these programs and have been incorporated into initiatives designed to help shape our future workplace, enhance employee engagement, and foster a high-performance culture.

We also sought to connect our team to our corporate vision through providing corporate social responsibility opportunities for them to participate in. These included community volunteering across all markets, participation in the SIGMA Corporate run in Jamaica, and beach cleanup activities in many Sagicor Life Inc countries in the Southern Caribbean.

Additionally, there were many activities aimed at fostering teamwork and enabling collaboration within the context of hybrid work.

Succession Management & Leadership Development

Our people strategies have also been developed to support our brand pillar #3 “people, not just products make us successful”. To this end the past year saw an intentional focus on developing our leadership talent pipeline and enabling our people leaders to show up as the best version of themselves. These developmental opportunities included programs targeted at emerging leaders, mentorship, and executive leadership. This focus allows for the deepening of the pipeline of successor candidates from within the organization.

Learning & Development

Our approach to crafting learning and development opportunities for our team members has at the core a belief that our company will grow as our people grow and perceive that they can attain personal fulfillment during their tenure with us. To this end learning and development continues to be a key pillar of our people strategies. We continue to subsidize and reimburse tuition fees for studies aligned to business needs, as well as provide easily accessible online self-paced learning platforms for our team members as we build a learning culture across the organization.

Diversity, Equity, Inclusion, & Belonging

We remain committed to fostering an environment where all voices not only matter but are confident that they belong on our team. Our people strategies reflect this commitment through ensuring there is equal opportunity for all, inclusive of in our recruitment and selection processes for vacant roles and internal promotions. Our employee voice programs also allow us to confront any challenges arising in the employee experience, and to take immediate corrective actions to ensure that each team member believes that they have equal access to the opportunities that exist. Our team in Canada have led in this area with the establishment of a committee made up of team members who champion and oversee key investments in this regard.

Client Experience

At Sagicor, we put our clients first. Our service to them is at the core of everything we do. We pride ourselves on making personal connections and are committed to always leading with our Vision in mind, to improve the lives of the people in the communities we serve. We are pleased to share some of the highlights across our footprint in the areas of technological advancements, process improvements, enhancements to our client experience and our various social engagements.

Technological Enhancements

Leveraging Technology for Efficiency
Sagicor Bank (Barbados) Limited

The operational backbone of Sagicor Bank is its sophisticated use of technology, which includes cloud-based banking systems and data analytics for decision making. This technology ecosystem allows for a relatively small team to deliver a wide range of banking services, from daily transactions to customer support with exceptional efficiency and reliability. Customers benefit from a user-friendly digital banking experience with the bank receiving a customer satisfaction rating of 95%.

Digital Upgrades
Canada (ivari)

ivari's overall electronic client experience was enhanced with multiple digital upgrades. Upgrades were made to the online Policy Service Application, online Change of Beneficiary form, simplified contract extract for eDelivery and ivari 360, a web-based digital platform. These upgrades make it easier for advisors and their clients to conduct online business with ivari.

Launch of Client and Producer Initiatives
Sagicor Life Insurance Company (USA)

Multiple projects were initiated and launched in 2023 to create an ease of doing business for clients, producers, and distribution partners. This included the launch of eDelivery for annuities, which allows clients to quickly and securely manage annuity contracts. Throughout 2023, eDelivery adoption increased and over 60% of contracts are now delivered electronically. Sagicor USA also launched digital enhancement projects where life insurance and annuity eApplications will be available on additional platforms, broadening the distribution and client reach of Sagicor's products.

Process Improvements

Seamless Onboarding
Sagicor (Bank) Barbados Limited

Sagicor Bank's onboarding process represents a significant leap in customer-centric banking. This streamlined approach not only facilitates easier access to banking services, but also enhances customer engagement by reducing barriers to entry, making financial services more inclusive.

Voice of the Customer Process Improvement program (VoC)
Sagicor General Insurance Inc.

This program is aimed at improving processes and eliminating inefficiencies to improve the client experince. Process improvements included regional empathy training, a digital interaction survey, and a more efficient renewal notice process. Areas benefiting from improvement included new business, claims, digital interactions, remote interactions, producer, and retention.

Client Experience

Enterprise Customer Relationship Information System (ECRIS)
Sagicor Group Jamaica

We implemented over 15 critical enhancements to the Enterprise Customer Relationship Information System (ECRIS) platform complaints register resulting in improved efficiency, enhanced monitoring, reduced regulatory breaches, and improved effectiveness of the documentation of all complaints/feedback logged.

Centralized Processing
Sagicor Life Inc (Southern Caribbean)

We centralized our processing, resulting in service improvements for clients and policy administration operations. There was also renewed focus on a paperless environment, and clients now receive and access notices and statements online.

Enhanced Client Experience

Mystery Shopper Initiative
Sagicor General Insurance Inc.

In a continued effort to measure customer expectations both in branch and via the Call Center, a mystery shopper initiative was conducted in Barbados and Trinidad and Tobago. In both territories the team scored within the 'exceptional performance' range of 80-100%.

Implementation of the Client Experience Index and Internal Net Promoter Score (iNPS)
Sagicor Group Jamaica

There was further integration of the Client Experience team's responsibilities with the implementation of the Client Experience Index and Internal Net Promoter Score for all support departments across all markets and business lines. These tools served to measure internal satisfaction and increased awareness of the importance of service excellence and its impact on the client experience.

Relaunch of Updated Service Quality Policy & Guidelines
Sagicor Life Inc (Southern Caribbean)

We successfully launched our updated service quality policy and guidelines. These guidelines provided for an online channel which clients used to submit concerns, queries, and compliments, creating additional avenues for feedback and connection.

Customer Service Training Program
Sagicor Life Inc (Trinidad and Tobago)

We launched a new Customer Service Training program to continue to cultivate a service-oriented culture across all SLI locations.

Contact Centre Evaluation
Sagicor Life Inc (Barbados)

The Customer Service team continued to evaluate and improve the service rendered via its Contact Centre, resulting in the team achieving an 80% customer satisfaction.

Advisor Education Support
Canada (ivari)

At ivari, Advisors are key to the client experience. As such, continuing education forms a key aspect of the Advisor journey. The support tools provided at ivari are aimed at achieving fair client outcomes to provide an overall positive client experience. In 2023, Advisors across all channels completed more than 60,000 courses. Additionally, Advisors are provided with opportunities to participate in accredited seminars, training modules and workshops throughout the year.

They also earn Continuing Education credits to assist them in meeting regulatory requirements, expanding their knowledge of industry trends, and learning effective financial strategies and ethical business practices. ivari also provides tools and information to assist Advisors in ensuring that clients are sufficiently knowledgeable about recommended products, enabling them to make sound financial decisions.

Social Engagement

Elevated Experiences Program

Sagicor General Insurance Inc.

In 2023, SGI introduced the 'Elevated Experiences' Program. This initiative, designed to add value to the lives of clients, zeroed in on significant life events such as post-surgery recovery, family member loss, birthday celebrations and a host of other situations. The team successfully orchestrated forty-two (42) elevated experiences across the region. The Elevated Experiences Program served to complement the team's existing traditional distribution of birthday cards and pop-up thank-you engagements.

Social Engagements

Sagicor Life Inc (Trinidad and Tobago)

At the heart of Customer Engagement lies creating and building meaningful connections. The team continued to create a positive impact at every touch point, staging various client events throughout the year. Additional activities included the recognition of International Women's Day and the gifting of trees for World Environment Day.

Sagicor Life Inc (Barbados)

During the year, the team continued to support and appreciate clients in various ways. This allowed them to feel appreciated and connected with Sagicor. Initiatives included Crop Over activities, Broker appreciation, birthdays, Independence celebrations, and other initiatives. Additionally, the team assisted over 150 children of clients in preparing for the annual Barbados Secondary School Entrance Examination.

Management Discussion & Analysis

WE'RE STRONGER IN TRANSPARENCY

Management Discussion & Analysis

For the three-month and twelve-month periods ended December 31, 2023 and December 31, 2022 (RESTATED)

About Sagicor

Established in 1840 as The Barbados Mutual Life Assurance Society, Sagicor is one of the oldest providers of insurance in the Americas. Sagicor offers a wide range of products and services including life and health insurance, annuities, pension investment and administration, property and casualty insurance, and a suite of ancillary non-insurance financial products and services, including banking and investment management, which are provided to two client segments, individuals and groups/corporations. Sagicor operates across 20 countries across the Caribbean, the United States of America ("USA"), and Canada.

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Acronyms

Certain acronyms have been used throughout the management discussion and analysis to substitute phrases.

The more frequent acronyms and associated phrases are set out below.

Acronym	Phrase
AA	Appointed Actuary
AC	Amortised Cost
CSM	Contractual Service Margin
EAD	Exposure At Default
ECL	Expected Credit Losses
FCF	Fulfilment Cash Flows
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit and loss
GMM	General Measurement Model
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IFRS IC	International Financial Reporting Standards Interpretation Committee
LGD	Loss Given Default
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
MCCSR	Minimum Continuing Capital and Surplus Requirement
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach
PD	Probability of Default
POCI	Purchase or Originated Credit-Impaired
SICR	Significant Increase in Credit Risk
SOFR	Secured Overnight Financing Rate
SPPI	Solely Payments of Principal and Interest
VFA	Variable Fee Approach

Management Discussion & Analysis

1. Transition to IFRS 17 – Insurance Contracts

Sagicor Financial Company Ltd. and its subsidiaries ("Sagicor", the "Group", or the "Company") transitioned to IFRS 17, *Insurance Contracts*, effective January 1, 2023. Adoption of the new standard has not changed the underlying economics of the business or business strategy, however it has altered the timing and measurement of the recognition of insurance contracts. Presentation and disclosures within the financial statements have been modified under this standard accordingly. Further details regarding the impact of the transition to IFRS 17 are found in Notes 2 and 3 of the Group's 2023 Annual Consolidated Financial Statements.

Another implication of the adoption of this standard is the introduction of greater net earnings volatility with the removal of the direct link between discount rates used to fair value insurance liabilities from the rates used to value the supporting assets.

Sagicor adopted IFRS 9 – Financial instruments on January 1, 2018. With the adoption of IFRS 17, Sagicor elected to designate some financial assets, which were previously held at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL). The Group has restated prior periods to reflect changes in designation or classification of its financial assets held in respect of activities connected with insurance contracts within the scope of IFRS 17 effective January 1, 2022.

Management Discussion & Analysis

2. Highlights

Sagicor recorded net income of US $503.5 million for the three-month period ended December 31, 2023, compared to a loss of US $103.4 million for the corresponding period in 2022. Net income attributable to common shareholders was US $485.3 million compared to US $71.9 million for the same period in the prior year.

Net income and net income attributable to shareholders benefitted from a favourable performance from our Sagicor Canada segment of US $122.1 million in the three-month period ended December 31, 2023. The Group experienced positive mark-to-market movements on financial assets carried at FVTPL. In the prior year, Sagicor reported mark-to-market declines on financial assets resulting from increasing interest rates.

For the year ended December 31, 2023, Sagicor recorded net income of US $584.2 million, compared to a loss of US $133.1 million for the corresponding period in 2022. Net income attributable to common shareholders was US $532.1 million compared to a loss of US $164.4 million for the same period in the prior year. Absent the gain on business acquisition, Group net income and net income attributable to shareholders would have been US $135.9 million and US $83.8 million, respectively for the year ended December 31, 2023. The Return on Equity [1] (annualised) for the year ended December 31, 2023, was 94.5%, (18.5% excluding the gain on business acquisition), compared to a loss of 30.0% for the corresponding period in 2022.

Sagicor intends to disclose a drivers of earnings analysis and adopt a non-IFRS core earnings measure in future quarters. Sagicor believes this will support users' understanding of the underlying financial performance and the long-term performance and valuation of the business.

Total assets grew to US $22,384.9 million at December 31, 2023, from the US $10,621.4 million at December 31, 2022, and reflects the addition of US $9,660.2 million in assets acquired in the business acquisition mentioned above, coupled with positive mark-to-market movements on financial instruments, also mentioned previously. The Group's book value per share[1] closed at US $6.88 per share, compared to US $3.01 per share at December 31, 2022.

Sagicor's capital remains strong, with the Group closing the period with a Minimum Continuing Capital and Surplus Requirement (MCCSR) [1] of 301%, compared to 276% at December 31, 2022 (restated), well above our target capital standards. As of December 31, 2023, Sagicor's LICAT[1] ratio was 136%.

[1] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Management Discussion & Analysis

3. Financial Summary

(in millions of US $, unless otherwise noted)	Three months ended December 31 2023	2022 Restated	Change	Year ended December 31 2023	2022 Restated	Change
Profitability						
Group net income/(loss)	**503.5**	103.4	>100%	**584.2**	(133.1)	>100%
Group net income/(loss) [2]	**55.2**	103.4	(47%)	**135.9**	(133.1)	>100%
Net income/ (loss) attributable to common shareholders	**485.3**	71.9	>100%	**532.1**	(164.4)	>100%
Net income/ (loss) attributable to common shareholders [2]	**37.0**	71.9	(49%)	**83.8**	(164.4)	>100%
Earnings per share:						
Basic earnings	**$3.43**	$0.50	>100%	**$3.74**	($1.15)	>100%
Basic earnings [2]	**$0.26**	N/A	-	**$0.60**	N/A	-
Fully diluted	**$3.37**	$0.50	>100%	**$3.67**	($1.15)	>100%
Fully diluted [2]	**$0.26**	N/A	-	**$0.58**	N/A	-
Return on shareholders' equity (annualised) [3]	**211.0%**	73.6%	137.4 pts	**94.5%**	(30.0%)	124.6 pts
Return on shareholders' equity (annualised) [2, 3]	**30.8%**	N/A	-	**18.5%**	N/A	-
Net Insurance and Investment Result						
Sagicor Life	**14.0**	57.5	(76%)	**65.4**	89.3	(27%)
Sagicor Jamaica	**77.4**	99.8	(22%)	**253.8**	176.7	44%
Sagicor Life USA	**(7.4)**	32.8	(<100%)	**121.9**	(99.2)	>100%
Sagicor Canada	**181.8**	-	-	**181.8**	-	-
Head office, Other and adjustments	**(3.5)**	0.4	(<100%)	**(17.8)**	(36.0)	51%
Total net insurance and investment result	**262.3**	190.5	38%	**605.1**	130.8	>100%
Financial Position						
Total assets	**22,384.9**	10,621.4	>100%	**22,384.9**	10,621.4	>100%
Operating liabilities	**20,110.2**	9,252.4	>100%	**20,110.2**	9,252.4	>100%
Notes and loans payable	**945.7**	632.5	50%	**945.7**	632.5	50%
Book value per common share [3]	**6.88**	3.01	>100%	**6.88**	3.01	>100%

Management Discussion & Analysis

3. Financial Summary (continued)

(in millions of US $, unless otherwise noted)	Three months ended December 31 2023	2022 Restated	Change	Year ended December 31 2023	2022 Restated	Change
Financial Strength						
Debt to capital ratio [3]	**26.6%**	31.0%	(4.3) pts	**26.6%**	31.0%	(4.3) pts
Dividends declared per common share	**0.05625**	0.05625	-	**0.22500**	0.22500	-
Total capital [3]	**3,553.3**	2,043.6	74%	**3,553.3**	2,043.6	74%
CSM balance growth - net [3]	**332.0%**	10.4%	321.6 pts	**89.5%**	16.4%	73.2 pts
CSM balance growth net [3] - excluding growth on ivari acquisition	**9.2%**	N/A	-	**5.9%**	N/A	-
Average common shares outstanding (000's)	**142,246.2**	142,905.5	-	**142,246.2**	142,905.5	-
Outstanding shares, at end of period (000's)	**141,065.2**	142,768.6	(1%)	**141,065.2**	142,768.6	(1%)
MCCSR [3], at end of period	**301%**	276%	25 pts	**301%**	276%	25 pts
LICAT[3] at end of period	**136%**	N/A	-	**136%**	N/A	-

[2] *Excluding gain on ivari acquisition*
[3] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Management Discussion & Analysis

4. General Information

A. Introduction and Notice

This Management's Discussion and Analysis ("MD&A") contains important information about Sagicor's business and its performance for the three-month and twelve-month periods ended December 31, 2023 with comparative analysis for the corresponding periods ended December 31, 2022. This MD&A should be read in conjunction with the Company's annual financial statements, prepared in accordance with IFRS Accounting Standards (IFRS) in effect on the date of such information.

The following discussion is based on the financial condition and results of operations of Sagicor, unless otherwise specified or indicated. Financial information is presented in millions of United States (US) dollars, unless otherwise indicated. Amounts for subtotals, totals and percentage variances included in tables in this MD&A may not sum or calculate using the numbers as they appear in the tables due to rounding.

B. General Information

Sagicor Financial Company Ltd. (TSX: SFC) is a leading financial services provider with over 180 years of history which operates across the Caribbean, in the USA, and Canada. Sagicor's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados. Details of Sagicor's holdings and operations are set out in note 4 to the 2023 consolidated financial statements.

Following the demutualisation of The Barbados Mutual Life Assurance Society in November 2002 and the list of Sagicor shares on the Barbados Stock Exchange (BSE: SFC), with subsequent listings on the Trinidad and Tobago Stock Exchange (TTSE: SFC) and the London Stock Exchange (LSE: SFI). Sagicor Financial Corporation moved its corporate domicile from Barbados to Bermuda and continued as Sagicor Financial Corporation Limited (SFCL), an exempted company, on July 20, 2016.

On November 27, 2018, SFCL entered into a definitive arrangement agreement as amended on January 28, 2019 with Alignvest Acquisition II Corporation ("Alignvest") pursuant to which on December 5, 2019, Alignvest acquired all the shares of Sagicor by way of a scheme of arrangement under the laws of Bermuda, where Sagicor is incorporated, and continued as a Bermuda exempted company under the new name, Sagicor Financial Company Ltd.

Sagicor Financial Company Ltd. now trades on the Toronto Stock Exchange under the symbols "SFC" (shares) and "SFC.WT" (warrants). With a listing on the Toronto Stock Exchange, SFCL's common shares, formerly listed on the London and Trinidad and Tobago Stock Exchanges, have ceased trading and have been delisted from the London and the Trinidad and Tobago Stock Exchanges. The former listing on the Barbados Stock Exchange has ceased trading.

Sagicor currently operates in 20 countries and maintains a strong market position in most of the markets where it operates. Sagicor has four reporting operating segments, namely Sagicor Life, Sagicor Jamaica, Sagicor Life USA and Sagicor Canada.

The principal activities of the Sagicor Group are as follows:

- Life and health insurance,
- Annuities and pension administration services,
- Banking and investment management services.

and its principal operating companies are as follows:

- Sagicor Life Inc (Barbados and Trinidad and Tobago),
- Sagicor Life Jamaica Limited (Jamaica),
- Sagicor Bank Jamaica Limited (Jamaica),
- Sagicor Life Insurance Company (USA).
- ivari (Canada)

The Group also underwrites property and casualty insurance in the Caribbean.

Sagicor's objective is to be a leading insurance and financial services provider of world class products and services to better serve its customers and other stakeholders in its markets. Sagicor is focused on growing our business in the markets in which we operate and actively supporting the communities.

Management Discussion & Analysis

C. Results of Operations

An understanding of Sagicor's financial condition and the results and related risks of Sagicor's operations for the periods discussed in this MD&A requires an understanding of Sagicor's business. Accordingly, the following discussion should be read in conjunction with the discussion of these and related matters that appear elsewhere in this MD&A, including under the following headings: (i) Key Factors Affecting Results; (ii) Critical Accounting Estimates and Judgements; and (iii) Risk Management.

D. Non-IFRS Financial Information

Sagicor reports its financial results and statements in accordance with IFRS. It also publishes certain financial measures that are not based on IFRS ("non-IFRS"). A financial measure is considered a non-IFRS measure if it is presented other than in accordance with the generally accepted accounting principles used for the Group's audited financial statements. These non-IFRS financial measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. The Group believes that these non-IFRS financial measures provide additional information to better understand the Group's financial results and assess its growth and earnings potential. Sagicor believes these non-IFRS financial measures assist in understanding its ongoing operating results and provide readers with a better understanding of management's perspective on the Group's performance. These measures enhance the comparability of the Group's financial performance from period to period, as well as measure relative contribution to shareholder value.

Since non-IFRS financial measures do not have standardised definitions and meanings, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Group strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure. Additional information concerning non-IFRS financial measures can be found in section 11 Non-IFRS financial measures.

E. Cautionary Statement Regarding Forward-looking Information

This MD&A includes "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") and assumptions about, among other things, Sagicor's business, operations, and financial performance and condition, approved by the board of directors of Sagicor on the date of this MD&A. This forward-looking information and these assumptions include, but are not limited to, statements about the Group's objectives and strategies to achieve those objectives, and about its beliefs, plans, expectations, anticipations, estimates, or intentions. Additional information concerning forward-looking information as well as potential risk factors can be found in section 12 Cautionary Statement Regarding Forward-Looking Information

F. Additional Information

All documents related to the financial results of Sagicor Financial Company Ltd. are available on the Company's website at Sagicor.com, in the Investor Relations section. Additional information about Sagicor may be found on the SEDAR website at sedar.com, as well as the Company's Annual Information Form, which may be found on the Company's website or the SEDAR website.

The Management's Discussion and Analysis is dated March 26, 2024.

Management Discussion & Analysis

5. Consolidated Group Results

A. Profitability

Group net income/(loss	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Net income/(loss) is attributable to:						
Common shareholders	485.3	71.9	>100%	532.1	(164.4)	>100%
Non-controlling interest	18.2	31.5	(42%)	52.1	31.3	66%
Group net income/(loss)	503.5	103.4	>100%	584.2	(133.1)	>100%
Net income/(loss) attributable to Common shareholders by operating segment						
Sagicor Life	(30.7)	46.7	(<100%)	(13.3)	37.0	(<100%)
Sagicor Jamaica	17.3	30.5	(43%)	49.6	28.8	72%
Sagicor Life USA	(23.0)	14.6	(<100%)	41.1	(122.8)	>100%
Sagicor Canada	122.1	-	-	122.1	-	-
Head office, Other and adjustments	399.6	(19.9)	>100%	332.6	(107.4)	>100%
Net income / (loss)	485.3	71.9	>100%	532.1	(164.4)	>100%
Earnings per common share (EPS):						
Basic earnings	$3.43	$0.50	>100%	$3.74	($1.15)	>100%
Basic earnings [4]	$0.26	N/A	-	$0.60	N/A	-
Fully diluted	$3.37	$0.50	>100%	$3.67	($1.15)	>100%
Fully diluted [4]	$0.26	N/A	-	$0.58	N/A	-
Return on shareholders' equity (ROE) [5]	211.0%	73.6%	137.4 pts	94.5%	(30.0%)	124.6 pts
Return on shareholders' equity (ROE) [4, 5]	30.8%	N/A	-	18.5%	N/A	-

For the three-month period ended December 31, 2023, the Group reported net income of US $503.5 million compared to US $103.4 million for the corresponding period in 2022, an increase of US $400.1 million. Net income attributable to common shareholders totaled US $485.3 million compared to US $71.9 million for the corresponding period in 2022, an improvement of US $413.4 million. Absent the gain on business acquisition previously mentioned, net income was US $55.2 million and net income attributable to common shareholders was US $37.0 million. The Return on Shareholders' equity[5] (annualised), for the quarter was 211.0%, 30.8% excluding the gain on business acquisition, compared to 73.6% (annualised) for the same period in 2022.

For the year ended December 31, 2023, the Group reported net income of US $584.2 million, compared to a loss of US $133.1 million for the corresponding period in 2022. Net income attributable to common shareholders for the year was US $532.1 million, compared to a loss of US $164.4 million reported for the corresponding period in the prior year. Absent the gain on business acquisition previously mentioned, Group net income was US $135.9 million and net income attributable to common shareholders was US $83.8 million. The Return on Shareholders' equity[5] for the year was 94.5%, (18.5% excluding the gain on business acquisition) compared to a loss of 30.0% for the same period in 2022.

The results for the three-month period and year ended December 31, 2023, reflected the gain arising on the business acquisition (US $448.3 million), following the ivari acquisition for cash consideration of US $271.2 million. This acquisition led to the establishment of the Sagicor Canada segment. The results include the post-acquisition financial performance of the Sagicor Canada segment which has net income of US $122.1 million in the quarter, as well as the positive impact of mark-to-market movements on financial assets across the Group. The prior year results included mark-to-market declines due to increasing interest rates.

The Earnings per Share (EPS - basic) for the year ended December 31, 2023 was US $3.74 per share, US $0.60 excluding the gain on business acquisition, compared to a loss of US $1.15 per share for the corresponding period in 2022.

Refer to Section 6: Results by Segment of this Management's Discussion and Analysis for additional information on the Company's profitability for the period ended December 31, 2023.

[4] *Excluding gain on ivari acquisition*
[5] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Management Discussion & Analysis

B. Business Growth

Net insurance and investment result	Three months ended December 31			Year ended December 31		
(in millions of US $)	2023	2022 Restated	Change	2023	2022 Restated	Change
Insurance revenue	**349.1**	164.0	>100%	**862.5**	614.7	40%
Insurance service expenses	**(276.6)**	(119.7)	(<100%)	**(696.0)**	(493.0)	(41%)
Net expenses from reinsurance contracts held	**(52.4)**	(10.9)	(<100%)	**(95.2)**	(37.2)	(<100%)
INSURANCE SERVICE RESULT	**20.1**	33.4	(40%)	**71.3**	84.5	(16%)
(Loss)/ gain on derecognition of amortised cost investments	**(0.3)**	4.2	(<100%)	**-**	4.3	(100%)
(Loss)/gain on derecognition of financial assets carried at FVTOCI	**(0.4)**	(5.2)	92%	**2.3**	(0.7)	>100%
Interest income earned from financial assets measured at amortised cost and FVTOCI	**60.5**	54.5	11%	**224.0**	178.7	25%
Credit impairment loss	**(0.8)**	(2.3)	65%	**(3.9)**	(4.1)	5%
Other investment income/(loss)	**1,076.4**	113.2	>100%	**1,331.3**	(454.2)	>100%
NET INVESTMENT INCOME/(EXPENSES)	**1,135.4**	164.4	>100%	**1,553.7**	(276.0)	>100%
Finance income/(expenses) from insurance contracts issued	**(1,214.9)**	(16.0)	(<100%)	**(1,366.7)**	343.9	(<100%)
Finance income/(expenses) from reinsurance contracts held	**321.8**	8.7	>100%	**346.8**	(21.6)	>100%
Net insurance finance income/(expenses)	**(893.1)**	(7.3)	(<100%)	**(1,019.9)**	322.3	(<100%)
Net insurance and investment result	**262.4**	190.5	38%	**605.1**	130.8	>100%
Total Net insurance and investment result by Operating Segment						
Sagicor Life	**14.0**	57.5	(76%)	**65.4**	89.3	(27%)
Sagicor Jamaica	**77.4**	99.8	(22%)	**253.8**	176.7	44%
Sagicor Life USA	**(7.4)**	32.8	(<100%)	**121.9**	(99.2)	>100%
Sagicor Canada	**181.9**	-	-	**181.8**	-	-
Head office, Other and Adjustments	**(3.5)**	0.4	(<100%)	**(17.8)**	(36.0)	51%
Net insurance and investment result	**262.4**	190.5	38%	**605.1**	130.8	>100%

Net insurance and investment result totalled US $262.3 million for the three-month period ended December 31, 2023, an increase of US $71.8 million, compared to US $190.5 million reported for the same period in 2022. For the year ended December 31, 2023, net insurance and investment result totalled US $605.1 million, compared to US $130.8 million for the corresponding period in 2022. The results for the three-month period and year ended December 2023 reflected results of the recently established Sagicor Canada segment (US $181.8 million), following the ivari acquisition, coupled with the positive impact of mark-to-market movements on financial assets across the Group. The prior year results included mark-to-market declines due to increasing interest rates during the period.

Management Discussion & Analysis

NET INSURANCE AND INVESTMENT RESULT

An analysis of insurance service result for the three-month and twelve-month periods ended December 31, 2023 and 2022, is included in the following tables:

Insurance service result	Three months ended December 31			Year ended December 31		
(in millions of US $)	2023	2022 Restated	Change	2023	2022 Restated	Change
Insurance revenue						
Contracts not measured under the PAA						
Amounts relating to the changes in the LRC:						
Expected incurred claims and other directly attributable expenses after loss component allocation	**157.0**	32.6	>100%	**275.0**	141.4	94%
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	**24.6**	6.8	>100%	**45.9**	25.9	77%
CSM recognised in net income for the services provided	**56.4**	27.1	>100%	**129.9**	83.7	55%
Insurance acquisition cash flows recovery	**9.0**	3.2	>100%	**25.4**	8.6	>100%
Insurance revenue for contracts not measured under the PAA	**247.0**	69.7	>100%	**476.2**	259.6	83%
Insurance revenue from contracts measured under the PAA	**102.1**	94.3	8%	**386.3**	355.1	9%
Total insurance revenue	**349.1**	164.0	>100%	**862.5**	614.7	40%
Insurance service expenses						
Incurred claims and other directly attributable expenses	**(228.4)**	(99.2)	(<100%)	**(555.5)**	(405.3)	(37%)
Losses on onerous contracts and reversal of those losses	**(24.7)**	(4.2)	(<100%)	**(60.5)**	(28.3)	(<100%)
Insurance acquisition cash flows amortisation	**(23.5)**	(16.3)	(44%)	**(80.0)**	(59.4)	(35%)
Total insurance service expenses	**(276.6)**	(119.7)	(<100%)	**(696.0)**	(493.0)	(41%)
Total net expense from reinsurance contracts held	**(52.4)**	(10.9)	(<100%)	**(95.2)**	(37.2)	(<100%)
Total insurance service result	**20.1**	33.4	(40%)	**71.3**	84.5	(16%)
Total insurance service result by Operating Segment						
Sagicor Life	**(8.1)**	(1.0)	(<100%)	**15.2**	26.4	(42%)
Sagicor Jamaica	**19.0**	29.8	(36%)	**52.5**	46.7	12%
Sagicor Life USA	**(14.6)**	3.3	(<100%)	**(20.0)**	11.6	(<100%)
Sagicor Canada	**23.8**	-	-	**23.8**	-	-
Head office, Other and Adjustments	**-**	1.3	(100%)	**(0.2)**	(0.2)	-
Total insurance service result	**20.1**	33.4	(40%)	**71.3**	84.5	(16%)

Quarterly (three-month period) results

Insurance revenue for the three-month period totalled US $349.1 million, compared to US $164.0 million for the same period in 2022, an increase of US $185.1 million with growth observed across all business segments.

Insurance revenue for contracts not measured under the PAA (long term life and annuity business) increased by US $177.3 million, with the recently established Sagicor Canada contributing US $167.9 million to the overall growth. Expected incurred claims and other attributable expenses added US $124.4 million (Sagicor Canada – US $116.7 million). Insurance acquisition cash flows recovery also increased by US $5.8 million.

Insurance revenue from contracts measured under the PAA (short-term life and health and property and casualty business) grew by US $7.8 million, quarter over quarter, and was primarily driven by health insurance premium rate increases reflected in our Jamaica segment and growth in new insurance contracts.

Insurance service expenses increased by US $156.9 million (Sagicor Canada segment - US $106.5 million) during the December 2023 quarter to close at US $276.6 million. The increase was fuelled by higher incurred claims and other directly attributable expenses (US $129.2 million) due to business growth associated with our Sagicor Canada segment (US $105.2 million) as well as increased short-term health and property & casualty businesses in our Jamaica segment and the impact of changes in actuarial assumptions in our Sagicor Life segment. Our Sagicor Life USA segment was impacted by a one-time change in the current allocation of insurance expenses of US $5.9 million. The amortisation of insurance acquisition cash flows resulting from higher growing new business in our Sagicor Life and Sagicor Life USA segments, also increased, quarter on quarter, by US $7.2 million, while losses associated with onerous contracts increased by US $20.5 million, due to the impact of our review of actuarial assumptions mainly in our USA segment (US $9.8 million).

Net expenses from reinsurance held contracts totalled US $52.4 million for the three-month period ended December 31, 2023, compared to US $10.9 million for the corresponding period in 2022, an increase of US $41.5 million, fuelled by business growth associated with our Sagicor Canada segment (US $37.6 million).

The above factors contributed to total insurance service result of US $20.1 million for the fourth quarter of 2023, compared to US $33.4 million reported for the same period in 2022.

Net investment income/(expenses) totalled US $1,135.3 million for the fourth quarter of 2023, an increase of US $970.9 million, when compared to US $164.4 million reported in the prior year. Interest income earned by the Group on financial assets measured at amortised cost and FVTOCI totalled US $60.5 million, an increase of US $6.0 million when compared to that reported in the corresponding period in the prior year. This increase was due to higher interest rates and growth in interest-bearing assets in our Jamaica segment. For the current period, other investment income included net gains on FVTPL investments of US $1,076.1 million, with a significant contribution made by our Sagicor Canada segment (US $796.0 million). In the prior period, the Group reported lower net gains on FVTPL investments of US $115.8 million arising from mark-to-market declines associated with rising interest rates, across all segments.

Net insurance finance expenses totalled US $893.1 million for the three-month period ended December 31, 2023, an increase in expenses of US $885.8 million from US $7.3 million reported for the same period in 2022, with our Sagicor Canada segment contributing US $637.8 million to the variance. The overall increase in net insurance finance expense is driven by the impact of interest rates and was observed across all operating segments.

Year-to-date (twelve-month period) results

Insurance revenue for the year 2023 totalled US $862.5 million, compared to US $614.7 million for the same period in 2022, an increase of US $247.8 million with growth observed across all business segments.

Insurance revenue for contracts not measured under the PAA (long term life and annuity business) increased by US $216.6 million to close at US $476.2 million, with the recently established Sagicor Canada contributing US $167.9 million to the overall increase. Expected incurred claims and other attributable expenses added US $133.6 million (Sagicor Canada – US $116.7 million), representing portfolio growth. The increase in CSM recognised in net income for services provided for the year, was US $46.2 million (Sagicor Canada US $33.3 million) also contributed to the top line. Insurance acquisition cash flows recovery also increased by US $16.8 million.

Management Discussion & Analysis

Insurance revenue from contracts measured under the PAA (short-term life and health and property and casualty business) improved by US $31.2 million, year on year, was primarily due to growth in our Jamaica segment (US $25.0 million) from associated premium rate increases as well as continued growth in the employee benefits and property and casualty lines of business in our Sagicor Life segment (US $6.2 million).

Insurance service expenses increased by US $203.0 million (Sagicor Canada segment - US $106.5 million) during the year ended December 31, 2023, to close at US $696.0 million. The increase was fuelled by higher incurred claims and other directly attributable expenses (US $150.2 million) due to business growth associated with our Sagicor Canada segment (US $105.2 million) as well as increased short-term health and property & casualty businesses in our Jamaica segment and impact of changes in actuarial assumptions in our Sagicor Life segment. The amortisation of insurance acquisition cash flows as a result of higher new business particularly in our Sagicor Life and Sagicor Jamaica segments, also increased, year on year, by US $20.6 million, while losses associated with onerous contracts increased by US $32.2 million, and includes the effect of our review of actuarial assumptions in our Sagicor Life USA segment (US $13.3 million).

Net expenses from reinsurance held contracts totalled US $95.2 million for the year ended December 31, 2023, compared to US $37.2 million for the corresponding period in 2022, an increase of US $58.0 million, was driven primarily by business growth associated with our Sagicor Canada segment (US $37.5 million).

The above factors contributed to an overall total insurance service result which was revenue of US $71.3 million for the year ended December 31, 2023, and was below the revenue of US $84.5 million reported for the corresponding period in 2022.

Net investment income/(expenses) totalled income of US $1,553.7 million for the year ended December 31, 2023, an increase of US $1,829.7million, when compared to the loss of US $276.0 million reported in the prior year. Interest income earned by the Group on financial assets measured at amortised cost and FVTOCI totalled US $224.0 million, an increase of US $45.3 million when compared to the corresponding period in the prior year. This increase was due to higher interest rates and growth in our interest-bearing assets in our Sagicor Jamaica and USA segments. For the year ended December 31, 2023, other investment income included net gains on FVTPL investments of US $1,331.3 million, with a significant contribution made by our Sagicor Canada segment (US $796.0 million). Our Jamaica and Sagicor Life USA segments observed an improved performance over the prior year, reporting net gains on FVTPL investments during the year 2023 of US $73.5 million and US $356.3 million, respectively, due to more favorable market conditions. In the prior year, the Group reported net losses on FVTPL investments of US $456.2 million arising from mark-to-market declines associated with rising interest rates, particularly in our Sagicor Jamaica (US $82.9 million) and Sagicor Life USA (US $388.7 million) segments.

Net insurance finance (expenses)/income was a loss of US $1,019.9 million for the year ended December 31, 2023, down US $1,342.2 million from income of US $322.3 million reported for the same period in 2022, with our Sagicor Canada segment contributing US $637.9 million to the variance. This change was also observed in our Sagicor Jamaica (US $115.3 million) and Sagicor Life USA (US $515.9 million) segments. The significant increases in interest rates experienced in 2022, contributed to higher net insurance finance income being generated in the prior year.

C. Movement in CSM

The Contractual Service Margin (CSM) is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future. Below is an analysis of the movement of the CSM for the three-month and twelve-month periods ended December 31, 2023, and December 31, 2022. The movement includes components which flow directly into the insurance service result reported in the consolidated statement of income.

Management Discussion & Analysis

(in millions of US $)	Three months ended December 31			Year ended December 31		
	2023	2022 Restated	Change	2023	2022 Restated	Change
CSM, beginning of period – Insurance contracts issued	**716.2**	683.9	5%	**713.5**	595.3	20%
Changes that relate to current service						
CSM recognised in net (income)/loss for the services provided	**(56.4)**	(27.1)	(<100%)	**(129.9)**	(83.6)	(55%)
Changes that relate to future service						
Changes in estimates that adjust the CSM	**(5.9)**	9.6	(<100%)	**(49.7)**	(11.2)	(<100%)
Contracts initially recognised in the period	**1,186.8**	40.1	>100%	**1,289.1**	187.4	>100%
	1,124.5	22.6	>100%	**1,109.5**	92.6	>100%
Finance expense from insurance contracts issued	**23.2**	6.0	>100%	**46.2**	22.1	>100%
Effect of exchange rate changes	**37.8**	1.0	>100%	**32.5**	3.5	>100%
Total amounts recognised in total comprehensive income	**1,185.5**	29.6	>100%	**1,188.2**	118.2	>100%
CSM, end of period – Insurance contracts issued	**1,901.7**	713.5	>100%	**1,901.7**	713.5	>100%
CSM, end of period – Reinsurance contracts held	**(623.1)**	(38.8)	(<100%)	**(623.1)**	(38.8)	(<100%)
CSM, end of period – Net [6]	**1,278.6**	674.7	90%	**1,278.6**	674.7	90%
CSM, end of period – Net, attributable to shareholders [6]	**1,135.0**	551.2	>100%	**1,135.0**	551.2	>100%
CSM balance (net) growth [6]	**332.0%**	10.4%	321.6 pts	**89.5%**	16.4%	73.2 pts
CSM balance (net) growth [6] **- excluding growth on ivari acquisition**	**9.2%**	N/A	-	**5.9%**	N/A	-

Quarterly (three-month period) results

The Group reported an increase in the CSM for insurance contracts issued, which closed at US $1,901.7 million at December 31, 2023, up from US $716.2 million at September 30, 2023. During the December 2023 quarter, the Group recognised US $56.4 million in income (of which US $33.3 million related to Sagicor Canada) compared to US $27.1 million recorded in the same period in 2022. Changes in estimates that adjust the CSM was an expense of US $5.9 million for the current quarter (of which an expense of US $20.3 million relates to Sagicor Canada), compared to income of US $9.6 million in the prior year, due mainly to the impact of actuarial basis changes. The impact of new business on the CSM quarter on quarter, saw an increase of US $1,146.7 million, with US $1,186.8 million being reported in the fourth quarter of 2023 compared to US $40.1 million in the same quarter in 2022. As a result of the ivari acquisition, contracts initially recognized for the current quarter includes US $1,152.1 million relating to the contracts acquired on October 3, 2023.

Year-to-date (twelve-month period) results

The Group reported growth in the CSM for insurance contracts issued was US $1,188.2 million. CSM for insurance contracts closed at US $1,901.7 million at December 31, 2023 (December 31, 2022 – US $713.5 million). During the year ended December 31, 2023, the Group recognised US $129.9 million in income compared to US $83.6 million recorded

[6] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

in the same period in 2022. Changes in estimates that adjust the CSM was a loss of US $49.7 million for the current period (of which US $20.3 million relates to Sagicor Canada), compared to a loss of US $11.2 million in 2022, due mainly to the impact of actuarial basis changes. The impact of new business on the CSM year on year, an increase of US $1,101.7 million, with US $1,289.1 million being reported during the year ended December 31, 2023, compared to US $187.4 million in the same period in 2022. Our Sagicor Canada segment contributed US $1,152.1 million to this increase, for those contracts acquired on October 3, 2023.

D. Fees and Other Revenue

Fees and Other Revenue	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Fees and other revenue	27.1	36.4	(25%)	117.6	147.8	(20%)

Quarterly (three-month period) results

The Group generated fees and other revenues of US $27.1 million for the three-month period ended December 31, 2023, US $9.2 million below that reported for the same period in 2022.

Year-to-date (twelve-month period) results

The Group generated fees and other revenues of US $117.6 million for the year ended December 31, 2023, US $30.1 million below that reported for the same period in 2022. While revenue generated from fee income increased on our banking business as economic activity in our Jamaica segment continued to improve, the absence of hotel revenues following the disposal of our investment in Sagicor Real Estate X-Fund in the third quarter of 2022, resulted in the overall decline in fees and other revenues. During the year ended December 31, 2022, the Group generated US $30.4 million in hotel revenues through the Sagicor Real Estate X-Fund.

E. Other Income

Other Income	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Gain arising on business combinations, acquisitions and divestures	**448.3**	-	-	**448.3**	1.7	>100%
Share of income of associates and joint ventures	**3.1**	0.8	>100%	**7.6**	6.1	25%
	451.4	0.8	>100%	**455.9**	7.8	>100%

Quarterly (three-month period) results

Earnings from other sources totalled US $451.4 million, representing the previously mentioned gain on business acquisition of US $448.3 million (December quarter 2022 – nil). The Group's share of income of associates and joint ventures totalled US $3.1 million for the quarter ended December 31, 2023, compared to US $0.8 million for the corresponding period in 2022, with improved performance observed in our Sagicor Life and Sagicor Jamaica segments.

Year-to-date (twelve-month period) results

Earnings from other sources totalled US $455.9 million, mainly representing the previously mentioned gain on business acquisition of US $448.3 million. During the third quarter of 2022, the Group also disposed of its investment in Sagicor Real Estate X Fund which gave rise to a gain of US $1.7 million. The Group's share of income of associates and joint ventures totalled US $7.6 million for the year ended December 31, 2023, compared to US $6.1 million for the corresponding period in 2022. The improved performance reported by our Sagicor Life segment (US $2.9 million) was reduced by lower income reported in our Sagicor Jamaica segment of US $1.6 million, which was due to a higher loss ratio reported by the Costa Rica joint venture in the first quarter of 2023.

Management Discussion & Analysis

F. Other Operating Expenses

Other Operating Expenses	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Administrative expenses	**101.3**	70.2	(44%)	**295.9**	263.2	(12%)
Commissions and related compensation	**1.5**	0.9	(67%)	**3.4**	2.7	(26%)
Asset taxes	**(1.0)**	0.7	>100%	**6.9**	8.4	18%
Depreciation, amortisation and impairment	**29.4**	5.3	(<100%)	**43.9**	23.6	(86%)
Total other operating expenses	**131.2**	77.1	(70%)	**350.1**	297.9	(18%)

Quarterly (three-month period) results

The Group reported other operating expenses for the three-month period ended December 31, 2023, totalling US $131.2 million, compared to US $77.1 million for the same period in 2022, an increase of US $54.1 million. Other operating expenses for the December 2023 quarter includes US $4.1 million relating to the Sagicor Canada segment which was established on October 3, 2023 following the ivari acquisition. Other operating expenses also includes one-off expenses associated with IFRS 17 and the ivari acquisition (US$ 16.5 million, combined).

Depreciation, amortisation and impairment expenses totalled US $29.4 million for the quarter ended December 31, 2023, US $24.1 million above the US $5.3 million reported for the same period in 2022. The increase is driven by the impairment of intangible assets (goodwill) totalling US $29.3 million, in our Sagicor Life segment.

Year-to-date (twelve-month period) results

The Group reported other operating expenses for the year ended December 31, 2023, totalling US $350.1 million, compared to US $297.9 million for the same period in 2022. Administrative expenses for 2022 include hotel expenses of US $22.0 million which are no longer incurred following the disposal of our investment in Sagicor Real Estate X-Fund in the third quarter of 2022. Excluding the hotel expenses incurred in 2022, the adjusted operating expenses for 2022 would have been US $241.2 million, which gives rise to an increase in administrative expenses of US $54.7 million, year on year. The increase in other operating expenses was due to higher communication and technology costs due to increases in software licenses, maintenance fees and data security charges and higher electronic channel charges in our Sagicor Jamaica segment (US $25.3 million). In addition, operating expenses include one-off costs associated with IFRS 17 and the ivari acquisition. Administrative expenses also include operational expenses associated with our subsidiary company Sagicor Bank (Barbados) Limited (US $9.8 million), which opened during the third quarter of 2022 and hence would not have incurred such levels of expenses during the prior year.

Depreciation, amortisation and impairment expenses totalled US $43.9 million for the year ended December 31, 2023, US $20.3 million above the US $23.6 million reported for the same period in 2022. The increase is driven by the impairment of intangible assets (goodwill) totalling US $29.3 million, in our Sagicor Life segment, net of the impact of the absence of depreciation expenses associated with our investment in Sagicor Real Estate X Fund. As mentioned previously, during the third quarter of 2022, the Group disposed of its investment in Sagicor Real Estate X Fund. During 2022, Sagicor Real Estate X-Fund reported US $3.8 million in depreciation and amortisation expenses.

G. Other Interest and Finance Costs

Other Interest and Finance Costs	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Other interest and finance costs	**56.8**	28.3	(100%)	**155.3**	100.9	(54%)

Quarterly (three-month period) results

The Group incurred other interest and finance costs to the tune of US $56.8 million for the three-month period ended December 31, 2023, up US $28.5 million from the US $28.3 million reported for the three-month period ended December 31, 2022. Our new Sagicor Canada segment contributed US $13.9 million to the increase, while our Sagicor Jamaica segment reported an increase of US $2.4 million, quarter on quarter, due mainly to the effects of interest rates increases and growth in deposit and securities liabilities. In addition, our Sagicor Life segment contributed US $2.7 million to the increase observed, due to increased interest charges on other funding instruments due to higher short-term borrowing rates impacting those funding instruments. Finance costs also includes US $10.4 million associated with the revolving credit facility acquired in August 2023 and the floating rate term loan facility acquired on October 3, 2023 (US $9.9 million).

Year-to-date (twelve-month period) results

The Group incurred other interest and finance costs to the tune of US $155.3 million for the year ended December 31, 2023, up US $54.9 million from the US $100.9 million reported for the year ended December 31, 2022. Increased interest cost in our Sagicor Jamaica segment (US $15.7. million) was due to the impact of interest rate increases on funding with the investment and commercial banking business. An increase in the interest costs was also observed for other funding instruments in our USA segment (US $12.4 million) and was due to the impact of higher short-term borrowing rates on other funding instruments. Our Canadian segment also contributed US $13.9 million which represents interest and finance costs on other funding instruments, incurred for the post-ivari acquisition period. Finance costs also includes US $10.4 million associated with the revolving credit facility acquired in August 2023 (US $0.5 million) and the floating rate term loan facility acquired on October 3, 2023 (US $9.9 million).

H. Income taxes

Income taxes	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Income Taxes	**49.5**	18.9	(<100%)	**89.2**	20.7	(<100%)

Quarterly (three-month period) results

Income taxes was US $49.5 million for the three-month period ended December 31, 2023, compared to US $18.9 million for the same period in 2022, an increase of US $30.6 million. Our Sagicor Canada segment contributed US $42.0 million, the impact of which was reduced by lower income taxes reported in our Sagicor Life, Sagicor Jamaica and Sagicor Life USA segments.

Year-to-date (twelve-month period) results

Income taxes was US $89.2 million for the year ended December 31, 2023, compared to US $20.7 million for the same period in 2022, an increase of US $68.5 million, observed mainly in our Sagicor Life USA (US $35.9 million) segment which recorded improved performance over the prior year and our new Sagicor Canada segment contributed US $42.0 million.

Management Discussion & Analysis

I. Total Comprehensive Income

Total Comprehensive Income	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Net Income/(loss)	**503.5**	103.4	>100%	**584.2**	(133.1)	>100%
Other comprehensive income/(loss)						
Items net of tax that may be reclassified subsequently to income:						
Financial assets measured at FVTOCI:						
Gain/(loss) on revaluation	**22.0**	10.2	>100%	**21.8**	(81.9)	>100%
Loss/(gain) transferred to income	**0.5**	4.2	(88%)	**(2.8)**	0.4	(<100%)
Retranslation of foreign currency operations	**30.7**	4.3	>100%	**17.4**	9.2	89%
	53.2	18.7	>100%	**36.4**	(72.3)	>100%
Items net of tax that will not be reclassified subsequently to income:						
Gain/(loss) on revaluation of owner-occupied and owner-managed property	**2.2**	(1.9)	>100%	**5.3**	13.4	(60%)
(Loss)/gain on defined benefit plans	**(4.4)**	(2.4)	(83%)	**(3.8)**	8.8	(<100%)
	(2.2)	(4.3)	49%	**1.5**	22.2	(93%)
Other comprehensive income/(loss)	**51.0**	14.4	>100%	**37.9**	(50.1)	>100%
Total Comprehensive Income/(Loss)	**554.5**	117.8	>100%	**622.1**	(183.2)	>100%

Total Comprehensive Income	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Total comprehensive income/(loss) attributable to:						
Common shareholders	**527.8**	75.7	>100%	**566.8**	(211.4)	>100%
Non-controlling interests	**26.7**	42.1	(37%)	**55.3**	28.2	96%
Total Comprehensive Income/(Loss)	**554.5**	117.8	>100%	**622.1**	(183.2)	>100%

Items recorded within other comprehensive income arise generally from fair value changes of financial assets measured at FVTOCI and from the retranslation of foreign currency operations.

Quarterly (three-month period) results

During the three-month period ended December 31, 2023, the Group reported net mark-to-market gains on financial assets measured at FVTOCI totalling US $22.0 million compared to gains of US $10.2 million for the same quarter in the prior year. Other comprehensive income for the current period also included retranslation gains of US $30.7 million of which US $27.5 million related to the impact of the appreciation of the Canadian dollar against the United States dollar and the remainder of the gain largely related to net impact of the appreciation of the Jamaican dollar against the United States dollar during the quarter.

Year-to-date (twelve-month period) results

During the year ended December 31, 2023, the Group reported net mark-to-market gains on financial assets measured at FVTOCI totalling US $21.8 million compared to losses of US $81.9 million for the same period in the prior year. The prior year was impacted negatively by rising interest rates. Other comprehensive income for the current period reported a retranslation gain of US $17.4 million. Included in the retranslation gain is the amount of US $27.5 million related to the impact of the appreciation of the Canadian dollar against the United States dollar. This translation gain was reduced by the net impact of a 2% depreciation of the Jamaican dollar against the United States dollar during the year.

Management Discussion & Analysis

6. Results by Segment

Sagicor operates its business primarily through four reporting operating segments. These segments are: Sagicor Life, Sagicor Jamaica, Sagicor Life USA and Sagicor Canada. During the year, management made certain reorganizational changes moving its subsidiary, Sagicor General, to be reported as part of the Sagicor Life segment. All related comparative period information has been amended accordingly to reflect this change. Sagicor General was previously reported as part of Head Office and other. The Statement of Income by operating segment is presented on a three-month and twelve-month period basis for 2023 and 2022 as follows:

Fourth Quarter (three-month period) – December 31

(in millions of US $)	Sagicor Life		Sagicor Jamaica		Sagicor Life USA		Sagicor Canada		Head office & other		Adjustments		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Insurance service result	**(8.1)**	(1.0)	**19.0**	29.8	**(14.6)**	3.3	**23.8**	-	**-**	-	**-**	1.3	**20.1**	33.4
Net investment income/ (expenses)	**46.6**	16.3	**85.3**	62.4	**211.1**	86.7	**795.9**	-	**11.3**	28.5	**(14.8)**	(29.5)	**1,135.4**	164.4
Net insurance finance (expenses)/income	**(24.5)**	42.2	**(26.9)**	7.6	**(203.9)**	(57.2)	**(637.8)**	-	**-**	-	**-**	0.1	**(893.1)**	(7.3)
Net insurance and investment result	**14.0**	57.5	**77.4**	99.8	**(7.4)**	32.8	**181.9**	-	**11.3**	28.5	**(14.8)**	(28.1)	**262.4**	190.5
Inter-segment other income and (expenses)	**(0.2)**	(0.1)	**(0.5)**	(0.2)	**(3.3)**	(2.9)	**-**	-	**(5.1)**	(4.9)	**9.1**	8.1	**-**	-
Fees and other income	**1.4**	1.8	**31.8**	33.2	**-**	-	**0.2**	-	**(6.3)**	2.0	**-**	(0.6)	**27.1**	36.4
Gain arising on business combinations, acquisitions and divestures	**-**	-	**-**	-	**-**	-	**-**	-	**448.3**	-	**-**	-	**448.3**	-
Share of income of associates and joint ventures	**2.1**	0.2	**1.0**	0.6	**-**	-	**-**	-	**-**	-	**-**	-	**3.1**	0.8
Other operating expenses	**(41.3)**	(7.6)	**(49.8)**	(48.2)	**(10.6)**	(5.9)	**(4.1)**	-	**(22.9)**	(14.7)	**(2.5)**	(0.7)	**(131.2)**	(77.1)
Other interest and finance costs	**(5.7)**	(3.0)	**(14.0)**	(11.6)	**(5.3)**	(4.3)	**(13.9)**	-	**(17.9)**	(9.4)	**-**	-	**(56.8)**	(28.3)
Segment income / (loss) before taxes	**(29.7)**	48.8	**45.9**	73.6	**(26.6)**	19.7	**164.1**	-	**407.4**	1.5	**(8.2)**	(21.3)	**552.9**	122.3
Income taxes	**(1.0)**	(2.1)	**(10.4)**	(11.7)	**3.6**	(5.1)	**(42.0)**	-	**0.3**	-	**-**	-	**(49.5)**	(18.9)
Segment net income / (loss)	**(30.7)**	46.7	**35.5**	61.9	**(23.0)**	14.6	**122.1**	-	**407.7**	1.5	**(8.2)**	(21.3)	**503.4**	103.4
Net income/(loss) attributable to shareholders	**(30.7)**	46.7	**17.3**	30.5	**(23.0)**	14.6	**122.1**	-	**407.8**	1.4	**(8.2)**	(21.3)	**485.3**	71.9

6. Results by Segment (continued)

Year-to-Date (year ended) – December 31

(in millions of US $)	Sagicor Life		Sagicor Jamaica		Sagicor Life USA		Sagicor Canada		Head office & other		Adjustments		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Insurance service result	**15.2**	26.4	**52.5**	46.7	**(20.0)**	11.6	**23.8**	-	**-**	-	**(0.2)**	(0.2)	**71.3**	84.5
Net investment income/ (expenses)	**142.2**	78.5	**228.3**	41.8	**405.0**	(360.4)	**795.8**	-	**41.5**	31.8	**(59.1)**	(67.7)	**1,553.7**	(276.0)
Net insurance finance (expenses)/income	**(92.0)**	(15.6)	**(27.0)**	88.2	**(263.1)**	249.6	**(637.8)**	-	**-**	-	**-**	0.1	**(1,019.9)**	322.3
Net insurance and investment result	**65.4**	89.3	**253.8**	176.7	**121.9**	(99.2)	**181.8**	-	**41.5**	31.8	**(59.3)**	(67.8)	**605.1**	130.8
Inter-segment other income and expenses	**(0.7)**	(0.6)	**(1.7)**	(1.2)	**(12.8)**	(10.5)	**-**	-	**(20.5)**	(21.6)	**35.7**	33.9	**-**	-
Fees and other income	**8.7**	4.7	**113.6**	138.2	**0.1**	0.1	**0.2**	-	**(5.0)**	4.7	**-**	0.1	**117.6**	147.8
Gain arising on business combinations, acquisitions and divestures	**-**	-	**-**	1.7	**-**	-	**-**	-	**448.3**	-	**-**	-	**448.3**	1.7
Share of income of associates and joint ventures	**6.1**	3.2	**1.6**	2.9	**-**	-	**-**	-	**-**	-	**-**	-	**7.7**	6.1
Other operating expenses	**(69.2)**	(33.3)	**(179.7)**	(185.7)	**(34.4)**	(27.9)	**(4.1)**	-	**(57.5)**	(50.3)	**(5.1)**	(0.7)	**(350.1)**	(297.9)
Other interest and finance costs	**(16.7)**	(12.9)	**(56.1)**	(40.4)	**(22.3)**	(9.9)	**(13.9)**	-	**(46.3)**	(37.7)	**-**	-	**(155.3)**	(100.9)
Segment income / (loss) before taxes	**(6.4)**	50.4	**131.5**	92.2	**52.5**	(147.4)	**164.1**	-	**360.5**	(73.1)	**(28.7)**	(34.5)	**673.3**	(112.4)
Income taxes	**(6.9)**	(13.4)	**(29.2)**	(31.9)	**(11.4)**	24.6	**(42.0)**	-	**0.3**	-	**-**	-	**(89.2)**	(20.7)
Segment net income / (loss)	**(13.3)**	37.0	**102.3**	60.3	**41.1**	(122.8)	**122.1**	-	**360.8**	(73.1)	**(28.7)**	(34.5)	**584.1**	(133.1)
Net income/(loss) attributable to shareholders	**(13.3)**	37.0	**49.6**	28.8	**41.1**	(122.8)	**122.1**	-	**361.3**	(72.9)	**(28.7)**	(34.5)	**532.1**	(164.4)

The performance of these reporting segments for the three-month and twelve-month periods ended December 31, 2023 compared to the same periods in 2022, is discussed in the following sections.

Management Discussion & Analysis

A. Sagicor Life

The Sagicor Life segment conducts life, health insurance, property & casualty insurance, pensions, annuities, and asset management services in Barbados, Eastern Caribbean, Dutch Caribbean, Bahamas, Belize and Trinidad and Tobago. Sagicor Life has a diversified customer base providing financial solutions to both individuals and corporations, mainly through a captive distribution network and local brokers. Sagicor Life's strong corporate image, people, financial strength, and diverse insurance solutions have contributed to Sagicor Life's leading position in the insurance market in the Caribbean.

	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Insurance service result	**(8.1)**	(1.0)	(<100%)	**15.2**	26.4	(42%)
Gain on derecognition of amortised cost investments	**-**	-	-	**-**	0.6	(100%)
(Loss)/gain on derecognition of assets carried at FVTOCI	**-**	(0.4)	100%	**0.5**	(0.1)	>100%
Interest income earned from financial assets measured at amortised cost and FVTOCI	**8.6**	6.3	37%	**21.7**	20.4	6%
Credit impairment recovery	**(1.2)**	(0.6)	(100%)	**(0.3)**	0.4	(<100%)
Other investment income	**33.9**	6.0	>100%	**99.1**	34.9	>100%
Inter-segment investment income	**5.3**	5.0	6%	**21.2**	22.3	(5%)
Net investment income	**46.6**	16.3	>100%	**142.2**	78.5	81%
Net insurance finance expenses	**(24.5)**	42.2	(<100%)	**(92.0)**	(15.6)	(<100%)
Net insurance and investment result	**14.0**	57.5	(76%)	**65.4**	89.3	(27%)
Inter-segment expenses	**(0.2)**	(0.1)	(100%)	**(0.7)**	(0.6)	(17%)
Fees and other income	**1.4**	1.8	(22%)	**8.7**	4.7	85%
Share of income of associates and joint ventures	**2.1**	0.2	>100%	**6.1**	3.2	91%
Other operating expenses	**(41.3)**	(7.6)	(<100%)	**(69.2)**	(33.3)	(<100%)
Other interest and finance costs	**(5.7)**	(3.0)	(90%)	**(16.7)**	(12.9)	(29%)
Segment income before taxes	**(29.7)**	48.8	(<100%)	**(6.4)**	50.4	(<100%)
Income taxes	**(1.0)**	(2.1)	52%	**(6.9)**	(13.4)	49%
Segment net income/(loss)	**(30.7)**	46.7	(<100%)	**(13.3)**	37.0	(<100%)
Net income/(loss) attributable to shareholders	**(30.7)**	46.7	(<100%)	**(13.3)**	37.0	(<100%)
Return on Investments (annualised) [7]	**9.6%**	2.8%	6.8 pts	**7.1%**	3.5%	3.6 pts
Return on Equity (annualised) [7]	**(22.7%)**	34.8%	(57.5) pts	**(2.5%)**	6.9%	(9.4) pts
Return on Shareholder's Equity (annualised) [7]	**(22.7%)**	34.8%	(57.5) pts	**(2.5%)**	6.9%	(9.4) pts

7 Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.

Management Discussion & Analysis

Quarterly (three-month period) results

The Sagicor Life segment generated a net loss attributable to shareholders of US $30.7 million for the three-month period ended December 31, 2023, which was US $77.4 million below that reported for the corresponding period in 2022. The Sagicor Life segment impaired goodwill amounting to US $29.3 million during the quarter, as reported in other operating expenses.

Insurance Service Result

The segment reported insurance service result for the three-month period was a loss of US $8.1 million, compared to a loss of US $1.0 million for the same period in 2022. An analysis of the insurance service result is shown in the table below.

Insurance service result	Three months ended December 31			Year ended December 31		
(in millions of US $)	2023	2022 Restated	Change	2023	2022 Restated	Change
Insurance revenue						
Insurance revenue for contracts not measured under the PAA	**26.9**	24.9	8%	**104.3**	96.3	8%
Insurance revenue from contracts measured under the PAA	**49.8**	47.0	6%	**195.6**	189.4	3%
Total insurance revenue	**76.7**	71.9	7%	**299.9**	285.7	5%
Total insurance service expenses	**(78.7)**	(66.4)	(19%)	**(257.7)**	(232.2)	(11%)
Total net income/(expenses) from reinsurance contracts held	**(5.9)**	(6.6)	11%	**(26.3)**	(26.6)	1%
Inter-segment insurance service result	**(0.2)**	0.1	(<100%)	**(0.7)**	(0.5)	(40%)
Total insurance service result	**(8.1)**	(1.0)	(<100%)	**15.2**	26.4	(42%)

Total insurance revenue grew by 7%, quarter on quarter, to close at US $76.7 million for the fourth quarter of 2023, compared to US $71.9 million for the same period in the prior year, an increase of US $4.8 million. Insurance revenue for contracts not measured under the PAA (the segment's long-term and annuity businesses) and insurance revenue from contracts measured under the PAA, (the segment's short-term business) increased by US $2.0 million and US $2.8 million, respectively.

Total insurance service expenses were US $78.7 million compared to US $66.4 million for the same period in the prior year, an increase of US $12.3 million, driven by the impact of changes in actuarial assumptions, along with higher claims in our property and casualty business.

Net Investment Income/(Expenses)

Net investment income for the Sagicor Life segment closed the period at US $46.6 million compared to US $16.3 million for the same period in the prior year, an increase of US $30.3 million. This increase was fuelled by higher positive mark-to-market movements on financial assets categorised as FVTPL in 2023. Overall, net gains reported for FVTPL investments totalled US $34.1 million for the December 2023 quarter (December 2022 quarter – US $7.6 million).

Net Insurance Finance Income/(Expenses)

Net insurance finance expenses were US $24.5 million compared to income of US $42.2 million for the same period in the prior year, an increase in expenses of US $66.7 million, and was due to the net impact of changes in interest rates and other financial assumptions with the prior period benefiting from rising interest rates while interest rates have remained relatively stable in the current period.

Fees and other income closed the period at US $1.4 million which was slightly below the US $1.8 million reported in the prior period. The decrease of US $0.4 million was due mainly to higher foreign exchange losses reported during the current period.

Other operating expenses increased by US $33.7 million when compared to that reported for the fourth quarter of 2022 and totalled US $41.3 million. The increase is driven by the impairment of intangible assets (goodwill), amounting to US $29.3 million. Additionally operating expenses also includes one off cost relating to IFRS 17.

Management Discussion & Analysis

Year-to-date (twelve-month period) results

The Sagicor Life segment generated a net loss attributable to shareholders of US $13.3 million for the year ended December 31, 2023, which was US $50.3 million below the net income reported for the corresponding period in 2022. This result included the impairment of goodwill amounting to US $29.3 million.

Insurance Service Result

The segment reported total insurance service result for the current year of US $15.2 million, compared to US $26.4 million of the same period, a decline of US $11.2 million or 42%.

Total insurance revenue grew by 5% over the prior year to close at US $299.9 million for the year ended December 31, 2023, compared to US $285.7 million for the same period in the prior year, an increase of US $14.2 million. Overall, insurance revenue for contracts not measured under the PAA (the segment's long-term and annuity businesses) and insurance revenue from contracts measured under the PAA, (the segment's short-term business) increased by US $8.0 million and US $6.2 million, respectively. The increase in insurance revenue from contracts not measured under the PAA reflects the continued portfolio growth driven by new business sales with annualised premium income (API) of US $27.8 million being generated in the year (December 2022 – US $24.9 million) while the increase from contracts measured under the PAA is due to continued growth in the employee benefits and property and casualty lines of business.

Total insurance service expenses were US $257.7 million compared to US $232.2 million for the same period in the prior year, an increase of US $25.5 million. This increase was driven by the impact of changes in actuarial assumptions, general growth in the portfolio, higher claims in our property & casualty business along with higher health claims associated with medical inflation.

Net Investment Income/(Expenses)

Net investment income for the Sagicor Life segment closed the period at US $142.2 million compared US $78.5 million for the same period in the prior year, an increase of US $63.7 million (81%). This increase was driven by higher positive mark-to-market movements on financial assets categorised as FVTPL in 2023. Overall, net gains reported for FVTPL investments totalled US $97.8 million for the year ended December 31, 2023 (2022 – US $35.3 million). The value of fixed income securities was negatively impacted in the prior period by rising interest rates, while the current period experienced a relatively stable interest rate environment allowing for recovery of asset values.

Net Insurance Finance Income/(Expenses)

Net insurance finance expenses were US $92.0 million compared to US $15.6 million for the same period in the prior year, an increase of US $76.4 million, and was due mainly to the net impact of changes in interest rates with the prior period benefiting from rising interest rates, while interest rates have remained relatively stable in the current period.

Fees and other income closed the period at US $8.7 million compared to US $4.7 million in the prior period, an increase of US $4.0 million, due mainly to higher foreign exchange gains (US $2.2 million) reported during the current period coupled with higher miscellaneous income.

Other operating expenses increased by US $35.9 million when compared to that reported for the year ended December 31, 2022, and totalled US $69.2 million for the year ended December 31, 2023. The increase is driven by the impairment of intangible assets (goodwill), amounting to US $29.3 million. Additionally operating expenses also includes one off cost relating to IFRS 17.

Management Discussion & Analysis

Statement of Financial Position	As of		
(in millions of US $)	**December 31, 2023**	**December 31, 2022 Restated**	**Change**
Financial investments	**1,783.4**	1,613.2	11%
Reinsurance contract assets	**21.6**	23.8	(9%)
Insurance contract assets	**0.1**	3.6	(97%)
Other external assets	**342.1**	391.5	(13%)
Inter-segment assets	**509.0**	471.0	8%
Total assets	**2,656.2**	2,503.1	6%
Insurance contract liabilities	**1,520.9**	1,417.9	7%
Reinsurance contract liabilities	**10.9**	31.4	(65%)
Investment contract liabilities	**271.1**	272.3	-
Other external liabilities	**175.0**	94.2	86%
Inter-segment liabilities	**161.3**	142.5	13%
Total liabilities	**2,139.2**	1,958.3	9%
Net assets	**517.0**	544.8	(5%)

Financial investments totaled US $1,783.4 million (December 31, 2022 - US $1,613.2 million) and comprised 67% (December 31, 2022 - 64%) of the segment's total assets, and insurance contract liabilities totaled US $1,520.9 million (December 31, 2022 - US $1,417.9 million) and comprised 71% (December 31, 2022 - 72%) of the segment's total liabilities at the end of December 2023. Net assets include contractual service margin (net) of US $229.9 million as at December 31, 2023. The contractual service margin represents expected future profits on existing insurance contracts held by the segment.

An analysis of the movement of the CSM is shown in the table below.

Contractual Service Margin	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
CSM, beginning of period – Insurance contracts issued	**249.3**	219.6	14%	**230.8**	202.8	14%
Changes that relate to current service						
CSM recognised in net (income)/loss for the services provided	**(6.6)**	(11.1)	41%	**(25.9)**	(27.3)	5%
Changes that relate to future service						
Changes in estimates that adjust the CSM	**(4.1)**	3.7	(<100%)	**(11.9)**	(1.8)	(<100%)
Contracts initially recognised in the year	**10.5**	17.1	(39%)	**48.5**	50.1	(3%)
Finance expense from insurance contracts issued	**2.5**	1.8	39%	**10.2**	7.1	46%
Effect of exchange rate changes	**0.2**	(0.4)	>100%	**0.1**	(0.1)	>100%
Total amounts recognised in total comprehensive income	**2.5**	11.1	(77%)	**21.0**	28.0	(25%)
CSM, end of period – Insurance contracts issued	**251.8**	230.7	9%	**251.8**	230.8	9%
CSM, end of period – Reinsurance contracts held	**(21.9)**	(12.0)	(83%)	**(21.9)**	(12.0)	(83%)
CSM, end of period – Net	**229.9**	218.7	5%	**229.9**	218.8	5%
CSM, end of period – Net, attributable to shareholders	**229.9**	218.7	5%	**229.9**	218.8	5%

Management Discussion & Analysis

Overall, the segment reported a 9% growth in the CSM for insurance contracts moving from US $230.8 million at December 31, 2022 to US $251.8 million as at December 31, 2023. During the current year, US $25.9 million (December quarter 2023 – US $6.6 million) was recognised in income compared to US $27.3 million (December quarter 2022 – US $11.1 million) recorded in the same period in 2022. The impact of new business on the CSM period on period, declined slightly, with US $48.5 million being reported during the year ended December 31, 2023 (December quarter 2023 – US $10.5 million) compared to US $50.1 million (December quarter 2022 – US $17.1 million) for the same period in 2022.

Overall, the net assets of the segment declined by 5% due to the net loss reported for the year ended December 31, 2023, coupled with dividends paid during the period.

B. Sagicor Jamaica

The Sagicor Jamaica segment offers life, health, annuity, property and casualty insurance, pension administration services, retail and commercial banking, investment banking, real estate investment services and cambio and remittance services in the markets of Jamaica, Cayman Islands, and Costa Rica. Sagicor Jamaica's strong brand, together with its wide range of products and highly skilled work force, has allowed it to maintain a leading position in market segments in which it operates. Its retail and commercial banking services are offered through a network of fifteen (15) branches.

(in millions of US $)	Three months ended December 31 2023	2022 Restated	Change	Year ended December 31 2023	2022 Restated	Change
Insurance service result	**19.0**	29.8	(36%)	**52.5**	46.7	12%
(Loss)/gain on derecognition of amortised cost investments	**(0.3)**	4.1	(<100%)	**-**	3.8	(100%)
Gain/(loss) on derecognition of assets carried at FVTOCI	**1.2**	(2.3)	>100%	**3.5**	0.3	>100%
Interest income earned from financial assets measured at amortised cost and FVTOCI	**41.1**	34.6	19%	**150.5**	122.5	23%
Credit impairment loss	**0.6**	(1.5)	>100%	**(2.9)**	(3.7)	22%
Other investment (loss)/income	**42.0**	27.5	53%	**74.8**	(81.1)	>100%
Inter-segment investment income	**0.7**	-	-	**2.4**	-	-
Net investment income/(expenses)	**85.3**	62.4	37%	**228.3**	41.8	>100%
Net insurance finance (expenses)/ income	**(26.9)**	7.6	(<100%)	**(27.0)**	88.2	(<100%)
Net insurance and investment result	**77.4**	99.8	(22%)	**253.8**	176.7	44%
Inter-segment other income and expenses	**(0.5)**	(0.2)	(<100%)	**(1.7)**	(1.2)	(42%)
Fees and other income	**31.8**	33.2	4%	**113.6**	138.2	(18%)
Gain arising on business combinations, acquisitions and divestures	**-**	-	-	**-**	1.7	(100%)
Share of income of associates and joint ventures	**1.0**	0.6	67%	**1.6**	2.9	(65%)
Other operating expenses	**(49.8)**	(48.2)	(3%)	**(179.7)**	(185.7)	3%
Other interest and finance costs	**(14.0)**	(11.6)	(21%)	**(56.1)**	(40.4)	(39%)
Segment income before taxes	**45.9**	73.6	(38%)	**131.5**	92.2	43%
Income taxes	**(10.4)**	(11.7)	11%	**(29.2)**	(31.9)	8%
Segment net income	**35.5**	61.9	(43%)	**102.3**	60.3	69%
Net income attributable to shareholders	**17.3**	30.5	(43%)	**49.6**	28.8	72%
Return on Investments (annualised) [8]	**11.5%**	8.9%	2.5 pts	**7.7%**	1.5%	6.3 pts
Return on Equity (annualised) [8]	**21.7%**	43.8%	(22.1 pts)	**15.8%**	9.1%	6.7 pts
Return on Shareholder's Equity (annualised) [8]	**21.0%**	41.7%	(20.7 pts)	**15.1%**	9.3%	5.8 pts

8 Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.

Management Discussion & Analysis

Quarterly (three-month period) results

The Sagicor Jamaica segment reported net income of US $35.5 million for the three-month period ended December 31, 2023, compared to US $61.9 million for the corresponding period in the prior year.

Net income attributable to shareholders was US $17.3 million, for the three-month period ended December 31, 2023, compared to US $30.5 million, for the fourth quarter of 2022. Net income and net income attributable to shareholders both benefited from an improved performance on the financial investment portfolio, the impact of which was lessened by increased operating, interest and finance costs.

Insurance Service Result

The Insurance service result for the period ended December 31, 2023, was US $19.0 million, compared to US $29.8 million for the corresponding period in 2022. An analysis of the insurance service result is shown in the following table.

Insurance service result	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Insurance revenue						
Insurance revenue for contracts not measured under the PAA	**31.0**	25.8	20%	**117.2**	96.7	21%
Insurance revenue from contracts measured under the PAA	**52.3**	47.2	11%	**190.7**	165.7	15%
Total insurance revenue	**83.3**	73.0	14%	**307.9**	262.4	17%
Total insurance service expenses	**(57.2)**	(36.4)	(57%)	**(231.8)**	(196.3)	(20%)
Total net income / (expenses) from reinsurance contracts held	**(7.1)**	(6.8)	(4%)	**(23.6)**	(19.4)	(22%)
Total insurance service result	**19.0**	29.8	(36%)	**52.5**	46.7	12%

Insurance revenue from contracts not measured under the PAA (primarily from the segment's long-term life and annuity businesses), for the three-month period ended December 31, 2023, was US $31.0 million compared to US $25.8 million, an increase of US $5.2 million due mainly to continued positive experiences for expected claims and expenses (US $4.4 million). Insurance revenue from contracts measured under PAA (primarily relating to the segment's short-term health and property & casualty business) closed the period at US $52.3 million compared to US $47.2 million, an increase of US $5.1 million or 11% largely as a result of increased premium rates.

Insurance service expenses totalled US $57.2 million for the fourth quarter of 2023 (December quarter 2022 – US $36.4 million), an increase of US $20.8 million or 57%, mainly due to an increase in incurred claims and other expenses (US $22.2 million) associated with short term health and property & casualty business net of lower losses on onerous contracts (US $3.6 million). Insurance acquisition cash flows amortised also increased quarter on quarter, by US $2.4 million.

Management Discussion & Analysis

Net expense from reinsurance contracts held was US $7.1 million for the three-month period ended December 31, 2023, compared to US $6.8 million reported for the same period in the prior year, an increase of US $0.3 million.

Net Investment Income/(Expenses)

Net investment income for the three-month period ended December 31, 2023, totalled US $85.3 million, compared to US $62.4 million, for the three-month period ended December 31, 2022. Interest income earned from financial assets measured at amortised cost and FVTOCI during the fourth quarter of 2023 was US $41.1 million, an increase of US $6.5 million, when compared to that reported for the three-month period ended December 31, 2022 (US $34.6 million), due to higher interest rates and growth in interest bearing assets.

Other investment income totalled US $42.0 million for the fourth quarter of 2023, compared to US $27.5 million reported for the same period in 2022. The movement was mainly as a result of fair value gains and interest income recognised on FVTPL securities in the current quarter (US $42.1 million), while net fair value gains and interest income on FVTPL securities recognised in the comparative quarter for 2022 was $28.8 million.

Net Insurance Finance Income/(Expenses)

Net insurance finance income was US $26.9 million for the three-month period ended December 31, 2023, compared to insurance finance income of US $7.6 million for the same period in 2022, an increase in expenses of US $34.5 million, and was mainly driven by the impact of changes in interest rates.

Fees and other income totalled US $31.8 million for the three-month period ended December 31, 2023, compared to US $33.2 million reported in the corresponding period of the prior year, a decrease of US $1.4 million. The Commercial Banking business loans and cards payment portfolios contributed positively to the results in current period.

The Sagicor Jamaica segment's share of income from associates and joint ventures totaled US $1.0 million for the three-month period ended December 31, 2023, compared to the US $0.6 million reported for the same period in 2022.

Other operating expenses for the Sagicor Jamaica segment totaled US $49.8 million for the fourth quarter of 2023, US $1.6 million above the US $48.2 million reported for the fourth quarter of 2022.

Other interest and finance costs for the December 2023 quarter was US $14.0 million, compared to US $11.6 million for the corresponding period in 2022, an increase of US $2.4 million due mainly to the effects of interest rates increases and growth in deposit and securities liabilities, particularly repurchase agreements and customer deposits.

Income taxes decreased by US $1.3 million to close at US $10.4 million for the December 2023 quarter.

Year-to-date (twelve-month period) results

The Sagicor Jamaica segment reported net income of US $102.3 million for the year ended December 31, 2023, compared to US $60.3 million, reported for the corresponding period in the prior year, an improvement of US $42.0 million.

Net income attributable to shareholders was US $49.6 million, for the year ended December 31, 2023, compared to US $28.8 million reported for the year ended December 31, 2022. Net income and net income attributable to shareholders were both impacted by growth in the insurance service result coupled with positive mark-to-market movements reported on FVTPL investments during the current period.

Insurance Service Result

The Insurance service result for the year 2023, was US $52.5 million, up US $5.8 million from the US $46.7 million reported for the corresponding period in 2022.

Insurance revenue from contracts not measured under the PAA (primarily from the segment's long-term life and annuity businesses), for the year ended December 31, 2023, was US $117.2 million compared to US $96.7 million, an increase of US $20.5 million. This increase was due to higher CSM recognised in the profit and loss for services provided during the period (US $5.7 million) coupled with lower expected incurred claims and other expenses (US $11.0 million). Insurance acquisition cash flow recoveries, also improved by US $3.1 million, period on period. Insurance revenue from contracts measured under the PAA (primarily relating to the segment's short-term health and property & casualty business) closed the period at US $190.7 million compared to US $165.7 million, an increase of US $25.0 million or 15% largely due to premium rate increases.

Insurance service expenses totalled US $231.8 million for the year ended December 31, 2023, compared to US $196.3 million reported for the same period in 2022, an increase of US $35.5 million or 20%, mainly due to an increase in incurred claims and other expenses (US $32.9 million) associated with short term health and property & casualty business coupled with higher insurance acquisition cash flows amortisation associated with business growth (US $5.9 million) net of a lower losses on onerous contracts of US $3.2 million, year on year.

Net expense from reinsurance contracts held was US $23.6 million for the year ended December 31, 2023, compared to US $19.4 million reported for the same period in the prior year, an increase of US $4.2 million. This increase is associated with reinsurance expenses associated with contracts measured under PAA.

Net Investment Income/(Expenses)

Net investment income for the year ended December 31, 2023, totalled US $228.3 million, compared to US $41.8 million, reported for the corresponding period in 2022. Interest income earned from financial assets measured at amortised cost and FVTOCI during the year ended December 31, 2023, was US $150.5 million, an increase of US $28.0 million (23%), when compared to that reported for the year ended December 31, 2022 (US $122.5 million), due to higher interest rates and growth in interest bearing assets.

Other investment income totalled US $74.8 million for the year ended December 31, 2023, compared to a loss of US $81.1 million reported for the same period in 2022. During 2022, the segment reported net losses on FVTPL investments of US $82.9 million driven by mark-to-market declines on financial assets due mainly to increasing interest rates, whilst during the year ended December 31, 2023, the segment benefitted from net gains of US $73.5 million.

Net Insurance Finance Income/(Expenses)

Net insurance finance expense was US $27.0 million for the year ended December 31, 2023, compared to insurance finance income of US $88.2 million for the same period in 2022. In 2022, the segment benefitted from income of US $76.8 million, as a result of the impact of increasing interest rates compared to expenses of US $26.9 million in the current period.

Fees and other income totalled US $113.6 million for the year ended December 31, 2023, compared to US $138.2 million reported in the corresponding period of the prior year, a decline of US $24.6 million. While revenue generated from fee income increased on our banking business as economic activity in our Jamaica segment improved over the previous period, the absence of hotel revenues following the disposal of our investment in Sagicor Real Estate X-Fund in the third quarter of 2022, resulted in the overall decline in fees and other income. In 2022, the Jamaica segment generated US $30.4 million in hotel revenues, through the Sagicor Real Estate X-Fund.

Gain arising on business combinations, acquisitions and divestures was nil for the year ended December 31, 2023, compared to US $1.7 million for the corresponding period in the prior year. During the third quarter of 2022, the segment disposed of its investment in Sagicor Real Estate X Fund which gave rise to a gain of US $1.7 million.

Share of income from associates and joint ventures was US $1.6 million for the year ended December 31, 2023, compared to income of US $2.9 million reported for the same period in 2022 and was due to a high loss ratio reported by the Costa Rica joint venture in the first quarter of 2023.

Other operating expenses for the Jamaica segment totaled US $179.7 million for the year ended December 31, 2023, US $6.0 million below the US $185.7 million reported for the corresponding period in 2022. During the year 2023 the segment reported increased other operating expenses due to increases in staff costs primarily due to inflation adjustments, higher communication and technology costs due to increases in software licenses, maintenance fees and data security charges, higher electronic channel charges and one-off costs associated with IFRS 17. During the year ended December 31, 2022, the Sagicor Jamaica segment incurred US $22.0 million in hotel expenses, through the Sagicor Real Estate X-Fund.

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Other interest and finance costs for the year ended December 31, 2023, was US $56.1 million, compared to US $40.4 million for the corresponding period in 2022, an increase of US $15.7 million primarily due to interest rates increases on funding with the investment and commercial banking businesses.

Income taxes decreased by US $2.7 million to close at US $29.2 million for the year ended December 31, 2023.

Statement of Financial Position	**As of**		
(in millions of US $)	**December 31, 2023**	**December 31, 2022 Restated**	**Change**
Financial investments	2,989.0	2,855.1	5%
Reinsurance contract assets	18.1	10.9	66%
Insurance contract assets	1.1	-	-
Other external assets	607.6	549.6	11%
Inter-segment assets	46.7	26.1	79%
Total assets	3,662.5	3,441.7	6%
Insurance contract liabilities	939.8	900.3	4%
Reinsurance contract liabilities	3.9	-	-
Investment contract liabilities	135.4	133.5	1%
Other external liabilities	1,887.4	1,801.7	5%
Inter-segment liabilities	3.5	2.3	52%
Total liabilities	2,970.0	2,837.8	5%
Net assets	692.5	603.9	15%

Financial investments totaled US $2,989.0 million (December 31, 2022 - US $2,855.1 million) and comprised 82% (December 31, 2022 - 83%) of the segment's total assets, and insurance contract liabilities totaled US $939.8 million (December 31, 2022 - US $900.3 million) and comprised 32% (December 31, 2022 - 32%) of the segment's total liabilities at the end of December 2023. Net assets include contractual service margin (net) of US $292.0 million as at December 31, 2023. The contractual service margin represents expected future profits on existing insurance contracts held by the segment. An analysis of the movement of the CSM is shown in the following table.

Contractual Service Margin	**Three months ended December 31**			**Year ended December 31**		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
CSM, beginning of period – Insurance contracts issued	**279.5**	225.3	24%	**245.5**	198.3	24%
Changes that relate to current service						
CSM recognised in net (income)/ loss for the services provided	**(7.7)**	(8.1)	(5%)	**(34.4)**	(28.7)	(20%)
Changes that relate to future service						
Changes in estimates that adjust the CSM	**(0.6)**	14.7	(>100%)	**32.7**	29.6	10%
Contracts initially recognised in the year	**11.7**	10.1	16%	**36.3**	34.9	4%
Finance expense from insurance contracts issued	**3.0**	2.2	36%	**11.0**	7.9	39%
Effect of exchange rate changes	**1.0**	1.4	(29%)	**(4.2)**	3.5	(<100%)
Total amounts recognised in total comprehensive income	**7.4**	20.3	(64%)	**41.4**	47.2	(12%)
CSM, end of period – Insurance contracts issued	**286.9**	245.6	17%	**286.9**	245.5	17%
CSM, end of period – Reinsurance contracts held	**(5.0)**	(3.2)	(56%)	**(5.0)**	(3.2)	(56%)
CSM, end of period – Net	**281.9**	242.4	16%	**281.9**	242.3	16%
CSM, end of period – Net, attributable to shareholders	**138.4**	119.0	16%	**138.4**	119.0	16%

Overall, the segment reported growth in the CSM for insurance contracts issued for the year ended December 31, 2023, moving from US $245.5 million at December 31, 2022 to US $286.9 million as at December 31, 2023. During 2023, US $34.4 million (December quarter 2023 – US $7.7 million) was recognised in profit and loss for services provided, compared to US $28.7 million (December quarter 2022 – US $8.1 million) recorded in the same period in 2022. The impact of new business on the CSM for insurance contracts, was slightly higher than prior year's levels, totalling US $36.3 million for the year ended December 31, 2023 (December quarter 2023 – US $11.7 million versus US $10.1 million for December quarter 2022). The movement in the CSM includes adjustments which totalled US $42.9 million, compared to US $29.6 million, relating to the update of morbidity and mortality assumptions.

Overall net assets for the Sagicor Jamaica segment increased by 15% (US $88.6 million) moving from US $603.9 million as at December 31, 2022 (restated) to US $692.5 million at the end of December 2023. The combined impact of the positive operating results and mark-to-market gains on financial assets, was reduced by dividends declared to shareholders during the period.

C. Sagicor Life USA

Sagicor USA, Inc. and its operating entity, Sagicor Life Insurance Company, (collectively, Sagicor USA) operate in 45 states and the District of Columbia. Sagicor USA is focused on providing life and annuity products to middle market America through independent producers.

Sagicor USA's current product offerings can be broadly placed in three categories:

- **Annuities** – Annuity offerings are single premium products, which include traditional deferred, multi-year guaranteed (MYGA) and immediate annuities. Sagicor Life Insurance Company's annuities allow customers to accumulate assets at fixed interest rates, with no negative market risk.
- **Periodic premium** – This includes products such as non-participating whole life and indexed universal life. Premiums can be paid on a monthly, quarterly, semi-annual, or annual basis, and products are differentiated based on protection and/or accumulation potential.
- **Single premium life** – This includes an indexed universal life product developed for a retiree demographic to transfer wealth and leave a legacy to the next generation, while having access to funds to assist with a chronic illness, if needed.

Management Discussion & Analysis

(in millions of US $)	Three months ended December 31 2023	2022 Restated	Change	Year ended December 31 2023	2022 Restated	Change
Insurance service result	**(14.6)**	3.3	(<100%)	**(20.0)**	11.6	(<100%)
Loss on derecognition of amortised cost investments	**-**	-	-	**-**	(0.1)	100%
Loss on derecognition of assets carried at FVTOCI	**(1.6)**	(2.5)	36%	**(1.8)**	(0.8)	(<100%)
Interest income earned from financial assets measured at amortised cost and FVTOCI	**12.9**	12.1	7%	**48.8**	29.1	68%
Credit impairment loss	**(0.2)**	(0.2)	-	**(0.5)**	(0.7)	(29%)
Other investment income/(loss)	**200.0**	77.3	>100%	**358.5**	(387.9)	>100%
Net investment income/(expenses)	**211.1**	86.7	>100%	**405.0**	(360.4)	>100%
Net insurance finance income/(expenses)	**(203.9)**	(57.2)	(<100%)	**(263.1)**	249.6	(<100%)
Net insurance and investment result	**(7.4)**	32.8	(<100%)	**121.9**	(99.2)	>100%
Inter-segment other income and expenses	**(3.3)**	(2.9)	(14%)	**(12.8)**	(10.5)	(22%)
Fees and other income	**-**	-	-	**0.1**	0.1	-
Other operating expenses	**(10.6)**	(5.9)	(80%)	**(34.4)**	(27.9)	(23%)
Other interest and finance costs	**(5.3)**	(4.3)	(23%)	**(22.3)**	(9.9)	(<100%)
Segment income / (loss) before taxes	**(26.6)**	19.7	(<100%)	**52.5**	(147.4)	>100%
Income taxes	**3.6**	(5.1)	>100%	**(11.4)**	24.6	(<100%)
Segment net income / (loss)	**(23.0)**	14.6	(<100%)	**41.1**	(122.8)	>100%
Net income/(loss) attributable to shareholders	**(23.0)**	14.6	(<100%)	**41.1**	(122.8)	>100%
Return on Investments (annualised) [9]	**18.2%**	8.4%	9.8 pts	**9.1%**	(9.3%)	18.4 pts
Return on Equity (annualised) [9]	**(36.4%)**	30.4%	(66.8 pts)	**18.5%**	(15.5%)	34.0 pts
Return on Shareholder's Equity (annualised) [9]	**(36.4%)**	30.4%	(66.8 pts)	**18.5%**	(15.5%)	34.0 pts

Quarterly (three-month period) results

The Sagicor Life USA segment reported a net loss of US $23.0 million for the three-month period ended December 31, 2023, compared to income of US $14.6 million for the corresponding period in the prior year, a decline of US $37.6 million. Despite positive mark-to-market movements in FVTPL financial assets and interest income earned from other financial assets, net income for the period was adversely affected by higher operating expenses and other interest and finance costs, and to a lesser extent, insurance service result losses.

Included in the quarter is US $18.4 million of finance expenses from insurance contracts issued related to actuarial assumption changes that were made in

[9] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Management Discussion & Analysis

the prior quarter. These adjustments were made in the fourth quarter to ensure consistent application of policy throughout the year.

Insurance Service Result

Insurance service result for the three-month period ended December 31, 2023, was a loss of US $14.6 million, compared to income of US $3.3 million for the corresponding period in 2022, a decrease of US $17.9 million. An analysis of the insurance service result is shown in the table below.

Insurance service result	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Insurance revenue						
Insurance revenue for contracts not measured under the PAA	**21.2**	19.0	12%	**86.8**	66.6	30%
Total insurance revenue	**21.2**	19.0	12%	**86.8**	66.6	30%
Total insurance service expenses	**(34.2)**	(17.0)	(<100%)	**(100.1)**	(64.6)	(55%)
Total net income / (expenses) from reinsurance contracts held	**(1.8)**	2.7	(<100%)	**(7.6)**	8.9	(<100%)
Inter-segment insurance service result	**0.2**	(1.4)	>100%	**0.9**	0.7	29%
Total insurance service result	**(14.6)**	3.3	(<100%)	**(20.0)**	11.6	(<100%)

Insurance revenue from contracts not measured under the PAA (which relates to the segment's life and annuity business), for the three-month period ended December 31, 2023, increased by 12% (US $2.2 million) over that reported for the corresponding period, to close at US $21.2 million, as a result of an increased insurance book of business.

Insurance service expenses totalled US $34.2 million for the fourth quarter of 2023 (December quarter 2022 – US $17.0 million), an increase of US $17.2 million. This was primarily driven by the net impact of future financial (i.e., expense) assumption changes (US $9.8 million), and one time change in current allocation of insurance expenses (US $5.9 million).

Net income from reinsurance contracts held was an expense of US $1.8 million for the fourth quarter of 2023 compared to income of US $2.7 million for the fourth quarter of 2022, an increase in expenses of US $4.5 million.

Net Investment Income/(Expenses)

Net investment income for the three-month period ended December 31, 2023, totalled US $211.1 million, compared to US $86.7 million, for the three-month period ended December 31, 2022. Interest income earned on assets measured at amortised costs and FVTOCI during the fourth quarter of 2023 totalled US $12.9 million which was on par with that reported for the same period in 2022. Other investment income totalled US $200.0 million for the fourth quarter of 2023, compared US $77.3 million reported for the same period in 2022. During the fourth quarter of 2023 the segment benefitted from net gains on FVTPL investments of US $199.3 million (December quarter 2022 - gain of US $77.0 million) due to an increase in the fair value of FVTPL debt and equity securities.

Insurance Finance Income

Net insurance finance expenses totalled US $203.9 million for the three-month period ended December 31, 2023, compared to income of US $57.2 million reported for the fourth quarter of 2022, an increase in expenses of US $146.7 million and was mainly driven by the impact of changes in interest rates.

Overall, net insurance and investment result declined, quarter on quarter to close with a loss of US $7.4 million for the three-month period ended December 31, 2023, compared to income of US $32.8 million, reported for the corresponding period in the prior year.

Management Discussion & Analysis

Operating expenses for the fourth quarter of 2023 were US $10.6 million, US $4.7 million above the US $5.9 million reported for the fourth quarter of 2022. Operating expenses include non-recurring cost associated with the implementation of IFRS 17.

Other interest and finance cost totalled US $5.3 million for the three-month period ended December 31, 2023, compared to US $4.3 million for the fourth quarter of 2022, an increase of US $1.0 million and relates to increased interest charges on other funding instruments due to higher short-term borrowing rates impacting those funding.

Income taxes decreased by US $8.1 million, quarter on quarter, closing with an income tax credit of US $3.6 million for the three-month period ended December 31, 2023. This was due to the decline in the segment's performance when compared to the corresponding quarter in the prior year.

Year-to-date (twelve-month period) results

Sagicor Life USA segment reported net income of US $41.1 million for the year ended December 31, 2023, compared to a loss of US $122.8 million, for the corresponding period in the prior year, an improvement of US $163.9 million. Net income for 2023 was primarily driven by positive mark-to-market movements in FVTPL financial assets and interest income earned from other financial assets which were partially offset by other operating expenses as well as other interest and finance costs. Sagicor Life USA segment was also impacted by assumption changes offset by changes in the methodology used to determine discount rate, in total reducing net income by US $13.3 million.

In 2023, an adjustment was made to actuarial model inputs used at December 31, 2022. If the adjustment had been made in 2022, the impact would have been to reduce net income after tax by US $18.4 million in 2022 with a corresponding increase in net income after tax in 2023 by the same amount.

Insurance Service Result

Insurance service result for the year ended December 31, 2023, was a loss US $20.0 million, compared to income of US $11.6 million for the corresponding period in 2022, a decrease in income of US $31.6 million.

Insurance revenue from contracts not measured under the PAA (which relates to the segment's life and annuity business), for the year ended December 31, 2023, increased by 30% (US $20.2 million) over that reported for the corresponding period, to close at US $86.8 million (2022 – US $66.6 million), as a result of an increased insurance book of business.

Insurance service expenses totalled US $100.1 million for the year ended December 31, 2023, (2022 – US $64.6 million), an increase in expenses of US $35.5 million (55%). This was due to the effect of our review of actuarial assumptions changes (US $13.3 million) and higher amortisation of insurance acquisition cashflows ($9.5 million).

Net expenses from reinsurance contracts held, of US $7.6 million for the year ended December 31, 2023, increased by US $16.5 million over the amount reported in the prior year, driven primarily by data refinements and lower claim recoveries from reinsurers.

Net Investment Income/(Expenses)

Net investment income for the year ended December 31, 2023, totalled US $405.0 million, compared to a loss of US $360.4 million, for the corresponding period in the prior year. Interest income earned on assets measured at amortised costs and FVTOCI during the year ended December 31, 2023, totalled US $48.8 million, an increase of US $19.7 million, when compared to that reported for the year ended December 31, 2022 (US $29.1 million), due to higher interest rates coupled with the business growth and related increase of financial assets. Other investment income totalled US $358.5 million for the year ended December 31, 2023, compared to a loss of US $387.9 million reported for the same period in 2022. During 2022 the segment was impacted by net losses on FVTPL investments of US $388.7 million due to mark-to-market declines on financial assets mainly caused by increasing interest rates. During the current period, the segment benefitted from gains of US $356.3 million due to an increase in the fair value of FVTPL debt and equity securities.

Net Insurance Finance Expenses

Net insurance finance expenses totalled US $263.1 million for the year period ended December 31, 2023, compared to income of US $249.6 million reported for the year ended December 31, 2022, an increase in expenses of US $512.7 million and was mainly driven by the impacts of changes in interest rates and business growth.

Management Discussion & Analysis

Overall, net insurance and investment result improved, year on year, to close with a positive result of US $121.9 million for the year ended December 31, 2023, compared to a loss of US $99.2 million, reported for the corresponding period in the prior year.

Operating expenses for the year 2023, increased by US $6.5 million when compared to that reported for the same period in 2022, to close at US $34.4 million. Operating expenses include the impact of the cost of IFRS 17 implementation.

Other interest and finance cost totalled US $22.3 million for the year ended December 31, 2023, compared to US $9.9 million for the corresponding period in 2022, an increase of US $12.4 million and relates to increased interest charges on other funding instruments due to higher short-term borrowing rates impacting those funding instruments coupled with higher interest credited to investment contracts.

Income taxes increased by US $36.0 million, year on year, closing at US $11.4 million for the year ended December 31, 2023. This was due to the improvement in the segment's performance when compared to the corresponding period in the prior year.

Statement of Financial Position	**As of**		
(in millions of US $)	**December 31, 2023**	**December 31, 2022 Restated**	**Change**
Financial investments	4,722.2	4,200.9	12%
Reinsurance contract assets	332.5	481.9	(31%)
Other external assets	221.1	128.4	72%
Inter-segment assets	22.5	33.6	(33%)
Total assets	5,298.3	4,844.8	9%
Insurance contract liabilities	4,405.0	3,930.4	12%
Investment contract liabilities	62.2	66.5	(6%)
Other external liabilities	415.5	469.4	(11%)
Inter-segment liabilities	173.1	177.5	(2%)
Total liabilities	5,055.8	4,643.8	9%
Net assets	242.5	201.0	21%

Overall, the increase in net assets from December 31, 2022, to December 31, 2023, of US $41.5 million (21%) was primarily the result of profitability for the period.

Consistent with prior reporting periods, Sagicor Life USA's financial position is dominated by the liabilities it recognizes on its in force life and annuity policy obligations; 87% of total liabilities as of December 31, 2023 (December 31, 2022 – 85%) and the financial investments that support those liabilities (89% of total assets as of December 31, 2023 and 87% of total assets as of December 31, 2022).

Insurance contract liabilities and the supporting financial investments both grew by 12% for the year ended December 31, 2023, while reinsurance contract assets declined by 31%, primarily due to the run-off of closed blocks of business. Net assets include contractual service margin (net) of US $202.9 million as at December 31, 2023. The contractual service margin represents expected future profits on existing insurance contracts held by the segment. An analysis of the movement of the CSM is shown in the following table.

Management Discussion & Analysis

Contractual Service Margin	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
CSM, beginning of period – Insurance contracts issued	**187.2**	238.8	(22%)	**237.2**	194.2	22%
Changes that relate to current service						
CSM recognised in net (income) / loss for the services provided	**(8.8)**	(7.8)	(13%)	**(36.3)**	(27.6)	(32%)
Changes that relate to future service						
Changes in estimates that adjust the CSM	**19.2**	(8.7)	>100%	**(50.2)**	(39.0)	(29%)
Contracts initially recognised in the year	**5.9**	12.9	(54%)	**45.5**	102.4	(56%)
Finance expense from insurance contracts issued	**2.1**	2.0	5%	**9.4**	7.2	31%
Total amounts recognised in total comprehensive income	**18.4**	(1.6)	>100%	**(31.6)**	43.0	(<100%)
CSM, end of period – Insurance contracts issued	**205.6**	237.2	(13%)	**205.6**	237.2	(13%)
CSM, end of period – Reinsurance contracts held	**(2.7)**	(23.7)	89%	**(2.7)**	(23.7)	89%
CSM, end of period – Net	**202.9**	213.5	(5%)	**202.9**	213.5	(5%)
CSM, end of period – Net, attributable to shareholders	**202.9**	213.5	(5%)	**202.9**	213.5	(5%)

Overall, the segment reported a decline in the CSM for insurance contracts issued, which moved from US $237.2 million at December 31, 2022 to US $202.9 million as at December 31, 2023. During the year 2023, US $36.3 million (December quarter 2023 – US $8.8 million) was recognised in profit and loss for services provided compared to US $27.6 million (December quarter 2022 – US $7.8 million) recorded in the same period in 2022. The impact of new business on the CSM, period on period, declined, with US $45.5 million being reported in 2023 (December quarter 2023 – US $5.9 million) compared to US $102.4 million in the year 2022 (December quarter 2022 – US $12.9 million), due to lower planned annuity sales and the negative impact of increased discount rates. In addition, the segment was adversely impacted by changes in the actuarial assumptions, reducing CSM by US $0.6 million for the year ended December 31, 2023 (December quarter 2023 - positive US $29.0 million), compared to US $39.0 million for the same period in 2022 (December quarter 2022 – US $8.7 million).

D. Sagicor Canada

Effective October 3, 2023, Sagicor Financial Company Ltd. purchased 100% of the shares of Proj Fox Acquisition Inc. which holds ivari through its holding in Wilton Re (Canada) Limited, leading to the establishment of the Sagicor Canada segment. ivari, has operated in the Canadian marketplace for over 90 years. With a national network of thousands of independent advisors, the segment offers life insurance and annuities, health and casualty insurance in Canada.

Management Discussion & Analysis

(in millions of US $)	Three months ended December 31 2023	Year ended December 31 2023
Insurance service result	23.8	23.8
Other investment income/(loss)	795.9	795.9
Net investment income/(expenses)	795.9	795.9
Net insurance finance income/(expenses)	(637.8)	(637.8)
Investment income for segregated funds	35.0	35.0
Insurance finance (expenses) for segregated funds	(35.0)	(35.0)
Investment income (loss) for segregated funds	-	-
Net insurance and investment result	181.9	181.9
Inter-segment other income and expenses	-	-
Fees and other income	0.2	0.2
Other operating expenses	(4.1)	(4.1)
Other interest and finance costs	(13.9)	(13.9)
Segment income / (loss) before taxes	164.1	164.1
Income taxes	(42.0)	(42.0)
Segment net income / (loss)	122.1	122.1
Net income/(loss) attributable to shareholders	122.1	122.1
Return on Investments (annualised) [10]	46.7%	46.7%
Return on Equity (annualised) [10]	62.4%	62.4%
Return on Shareholder's Equity (annualised) [10]	62.4%	62.4%

Post-acquisition (three-month period) results

The Sagicor Canada segment reported net income of US $122.1 million for the three-month period ended December 31, 2023. Net income for the current quarter was primarily driven by positive mark-to-market movements in FVTPL financial assets which were partially offset by operating expenses as well as other interest and finance costs.

Insurance Service Result

Insurance service result for the three-month period ended December 31, 2023, was US $23.8 million. An analysis of the insurance service result is shown in the table below.

Insurance service result (in millions of US $)	Three months ended December 31 2023	Year ended December 31 2023
Insurance revenue		
Insurance revenue for contracts not measured under the PAA	167.9	167.9
Total insurance revenue	167.9	167.9
Total insurance service expenses	(106.5)	(106.5)
Total net income / (expenses) from reinsurance contracts held	(37.6)	(37.6)
Inter-segment insurance service result	-	-
Total insurance service result	23.8	23.8

Insurance revenue from contracts not measured under the PAA (which relates to the segment's life and health business), for the three-month period ended December 31, 2023, totalled US $167.9 million, and was associated with a positive impact from expected incurred claims and other expenses as well as risk adjustment release and CSM recognition in net income for the current period.

Insurance service expenses totalled US $106.5 million, and primarily relates to incurred claims and other expenses (US $105.2 million).

Net expense from reinsurance contracts held was US $37.6 million for the fourth quarter of 2023.

[10] Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.

Net Investment Income/(Expenses)

Other investment income totalled US $795.9 million for the current period, as the segment benefitted from net gains on FVTPL investments of US $795.9 million due to an increase in the fair value of FVTPL debt and equity securities.

Net Insurance Finance Income

Net insurance finance expenses totalled US $637.8 million for the three-month period ended December 31, 2023, and was mainly driven by the impact of changes in interest rates, offset by changes in financial assumptions.

Overall, net insurance and investment result totalled US $181.9 million for the current period.

Other interest and finance cost totalled US $13.9 million for the three-month period ended December 31, 2023, representing interest charges on other funding instruments.

Statement of Financial Position	**As of**		
(in millions of US $)	**December 31, 2023**	**October 3, 2023**	**Change**
Financial investments	**7,428.4**	6,389.9	16%
Reinsurance contract assets	**2,840.7**	2,491.8	14%
Other external assets	**799.6**	778.5	3%
Total assets	**11,068.7**	9,660.2	15%
Insurance contract liabilities	**8,866.5**	7,673.8	16%
Investment contract liabilities	**9.1**	9.4	(3%)
Other external liabilities	**1,323.6**	1,259.4	5%
Total liabilities	**10,199.2**	8,942.6	14%
Net assets	**869.5**	717.6	21%

Overall, the increase in net assets from October 3, 2023, to December 31, 2023, of US $151.9 million (21%) was primarily the result of profitability for the period.

Sagicor Canada's financial position is dominated by the liabilities it recognizes on its in force life and annuity policy obligations; 87% of total liabilities as of December 31, 2023 (October 3, 2023 – 86%) and the financial investments that support those liabilities (67% of total assets as of December 31, 2023 and 66% of total assets as of October 3, 2023).

Insurance contract liabilities and the supporting financial investments both grew by 16% for the period ended December 31, 2023. Net assets include contractual service margin (net) of US $563.7 million as at December 31, 2023. The contractual service margin represents expected future profits on existing insurance contracts held by the segment. An analysis of the movement of the CSM is shown below.

Contractual Service Margin	**Three months ended December 31**	**Year ended December 31**
(in millions of US $)	**2023**	**2023**
Changes that relate to current service		
CSM recognised in net (income) / loss for the services provided	(33.3)	(33.3)
Changes that relate to future service		
Changes in estimates that adjust the CSM	(20.3)	(20.3)
Contracts initially recognised in the period	1,158.8	1,158.8
Finance expense from insurance contracts issued	15.5	15.5
Effect of exchange rate changes	36.6	36.6
Total amounts recognised in total comprehensive income	1,157.3	1,157.3
CSM, end of period – Insurance contracts issued	1,157.3	1,157.3
CSM, end of period – Reinsurance contracts held	(593.6)	(593.6)
CSM, end of period – Net	563.7	563.7
CSM, end of period – Net, attributable to shareholders	563.7	563.7

The segment reported CSM for insurance contracts issued of US $1,157.3 million as at December 31, 2023. During the period ended December 31, 2023, US $33.3 million was recognised in profit and loss for services provided. The impact of new business on the CSM was US $1,158.8 million being reported in 2023, which includes CSM on contracts acquired of US $1,152.1 million. In addition, the segment was adversely impacted by changes in the estimates that adjust the CSM, in the amount of US $20.3 million for the period ended December 31, 2023. This was primarily due to financial results on segregated funds.

7. Financial Position

A. Capital Adequacy

	December 31, 2023	December 31, 2022
Sagicor Consolidated MCCSR [11] (December 2022 – restated)	**301%**	276%
Sagicor Life Jamaica Limited (JA-LICAT) [11]	**155%**	N/A
Sagicor Investments capital base to risk weighted assets [11]	**17%**	15%
Sagicor Bank capital base to risk weighted assets [11]	**13%**	13%
Sagicor Life USA (RBC) [11]	**334%**	330%
Sagicor Canada (LICAT) [11]	**131%**	N/A

Sagicor Consolidated Capital Adequacy

Capital adequacy is managed at both the operating segment level and at the Group level. It is calculated by the company's Appointed Actuary (AA) and reviewed by executive management, the audit committee and the board of directors of the company. In addition, the Group seeks to maintain internal capital adequacy at levels higher than the regulatory or internationally recognised requirements.

To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is a core measure of financial performance. Some jurisdictions within our Group prescribe differing risk-based assessment measures for statutory purposes, and a number of jurisdictions in the Caribbean region have no internationally recognized capital adequacy requirements. Sagicor voluntarily adopted the Canadian Minimum Continuing Capital and Surplus Requirement ("MCCSR") standard as its risk-based assessment measure to provide a consolidated view of capital adequacy. The MCCSR was a standard used by Canadian regulators from 1992 until 2018, when it was superseded by the Life Insurance Capital Adequacy Test (LICAT). When it was in place, the minimum standard recommended by the Canadian regulators was an MCCSR of 150.0%. Canadian practices for calculation of the MCCSR evolved and changed from inception through its replacement. In jurisdictions where the MCCSR is currently prescribed, the MCCSR guidance is not consistent with the most recent Canadian MCCSR guidelines or with current Canadian capital standards under LICAT. Sagicor has made certain interpretations in our calculation of the MCCSR, in consultation with our appointed actuary, which are believed to appropriately reflect the risk-based assessment of our capital position. As the MCCSR is no longer prescribed by Canadian regulators and is interpreted in different ways by our local regulators, there can be no assurance that Sagicor's MCCSR figures are comparable to current reporting by Canadian life insurers or that of Canadian life insurers at any single point in time since the implementation of the MCCSR.

The consolidated MCCSR [11] for the life insurers of the Group as of December 31, 2023, has been estimated as 301% (December 31, 2022 (restated) – 276%). This is the principal standard of capital adequacy used to assess the overall strength of the life insurers of the Group. However, because of the variations in capital adequacy standards across jurisdictions, the consolidated result should be regarded as applicable to the life insurers of the Group and not necessarily applicable to each individual segment, insurance subsidiary or insurance subsidiary branch. The Group complies with all regulatory capital requirements.

Sagicor Life Jamaica Limited

Capital adequacy is calculated monthly by the Appointed Actuary and reviewed by Executive Management and the Board of Directors. Sagicor Life Jamaica Limited seeks to maintain internal capital adequacy at levels higher than the regulatory requirements. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is one of the core measures of financial performance. The risk-based assessment measure is the Jamaican Life Insurance Capital Adequacy Test [11] (JA-LICAT) which became effective January 1, 2023, as per the Insurance Regulations, 2001 amended 2023. Minimum Continuing Surplus and Capital Requirement (MCCSR) was in effect prior to 2023. The minimum standard requirement for LICAT and MCCSR ratio is 100% and 150% respectively. Sagicor Life Jamaica Limited exceeded the standard requirement at year-end.

11 Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.

Management Discussion & Analysis

Sagicor Life Insurance Company (USA)

A risk-based capital (RBC) formula and model have been adopted by the National Association of Insurance Commissioners (NAIC) of the United States. RBC is designed to assess minimum capital requirements and raise the level of protection that statutory surplus provides for policyholder obligations. The RBC formula for life insurance companies measures four major areas of risk: (i) underwriting, which encompasses the risk of adverse loss developments and property and casualty insurance product mix; (ii) declines in asset values arising from credit risk; (iii) declines in asset values arising from investment risks, including concentrations; and (iv) off-balance sheet risk arising from adverse experience from non-controlled assets such as reinsurance guarantees for affiliates or other contingent liabilities and reserve and premium growth. If an insurer's statutory surplus is lower than required by the RBC calculation, it will be subject to varying degrees of regulatory action, depending on the level of capital inadequacy.

The RBC methodology provides for four levels of regulatory action. The extent of regulatory intervention and action increases as the ratio of surplus to RBC falls. The least severe regulatory action is the "Company Action Level" (as defined by the NAIC) which requires an insurer to submit a plan of corrective actions to the regulator if surplus falls below 200% of the RBC amount. Sagicor Life USA has maintained all minimum regulatory capital level ratios as of December 31, 2023, and December 31, 2022, respectively.

Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited

The capital adequacy and the use of regulatory capital are monitored monthly by management employing techniques based on the guidelines developed by the Financial Services Commission (FSC), the Bank of Jamaica (BOJ), Basel II and the Risk Management and Compliance Unit. The required information is filed with the respective regulatory authorities at stipulated intervals. The Bank of Jamaica and the FSC require each regulated entity to hold the minimum level of regulatory capital, and to maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, taking into account, any eligible collateral or guarantees. A similar treatment is adopted for off financial statements exposure, with some adjustments to reflect the more contingent nature of the potential losses. The required capital base to risk weighted assets for both Sagicor Investments and Sagicor Bank is 10% and has been maintained as at December 31, 2023 and December 31, 2022.

Sagicor Canada

The Office of the Superintendent of Financial Institutions in Canada (OSFI) requires federally regulated life insurance companies to apply its Life Insurance Capital Adequacy Test ("LICAT) as the capital adequacy guideline. Companies are required, at a minimum, to maintain a Total Ratio of 90% and OSFI has established a supervisory target ratio level of 100% for Total Capital. Sagicor Canada has exceed all minimum regulatory capital level ratios as of December 31, 2023.

8. Capital

	As of		
(in millions of US $)	**December 31, 2023**	**December 31, 2022 Restated**	**Change**
Total Capital [12]			
Shareholders' equity	**970.9**	429.7	>100%
Non-controlling interest	**358.1**	306.7	17%
Notes and loans payable	**945.7**	632.5	50%
Net contractual service margin [12]	**1,278.5**	674.7	89%
Total capital	**3,553.2**	2,043.6	74%

The Group deploys its capital resources through its operating activities. These operating activities are carried out by subsidiary companies which are either insurance entities or provide other financial services. The capital is deployed in

[12] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

such a manner as to ensure that subsidiaries have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

The Group's objectives are to (i) to comply with capital requirements established by insurance, banking and other financial intermediary regulatory authorities; (ii) to comply with internationally recognised capital requirements for insurance, where local regulations do not meet these international standards; (iii) to safeguard its ability as a going concern to continue to provide benefits and returns to policyholders, depositors, note-holders and shareholders; (iv) to provide adequate returns to shareholders; and (v) to maintain a strong capital base to support the future development of Group operations.

At December 31, 2023, the Group's capital [13] totalled US $3,553.2 million, US $1,509.6 million above the December 31, 2022 restated position (US $2,043.6 million). Shareholders' equity grew by US $541.2 million, year on year and was impacted by total comprehensive income of US $584.2 million net of impact of dividends paid during the period (US $32.0 million). Non-controlling interest increased by US $51.4 million during the year, while notes and loans payable increased by US $313.2 million. On August 2, 2023, Sagicor Financial Company Ltd. entered into a credit agreement for the establishment of a senior unsecured revolving credit facility in an aggregate principal amount of up to US $125 million. In addition, On October 3, 2023, the Company entered into a credit and guarantee agreement to establish a floating rate loan facility in the amount of US $320 million. Net contractual service margin increased by US $603.8 million and includes US $579.6 million net contractual service margin assumed on the ivari acquisition on October 3, 2023.

C. Financial Leverage

	December 31, 2023	December 31, 2022 Restated	Change
Debt / capital [13]	26.6%	31.0%	4.3 pts

The Debt to Capital ratio[13] was 26.6% at December 31, 2023, compared to that reported at December 31, 2022 (restated) (31.0%). This decline in the debt to capital ratio is due to the significant increase in capital reported which was fuelled by the gain on business acquisition reported during the period (US $448.3 million) coupled with the net contractual service margin assumed on the ivari acquisition on October 3, 2023 (US $579.6 million).

D. Ratings

Sagicor Financial Company Ltd., its principal operating subsidiaries, and its debt financing vehicle, have been rated by the rating agencies AM Best, Standard and Poor's, or Fitch. On October 5, 2023, Sagicor announced that S&P Global Ratings ("S&P") upgraded its Issuer Credit Rating (ICR) on the Company to 'BBB' from 'BB+'. S&P also raised the issue-level rating on Sagicor's senior unsecured notes to 'BBB' from 'BB+'. As well, the Group Credit Profile (GCP) was revised upward to 'a-' from 'bbb'. The outlook is stable. Also, Fitch Ratings ("Fitch") upgraded the Issuer Default Rating (IDR) on the Company to 'BBB-' from 'BB'. Fitch also upgraded the senior unsecured debt to 'BB+' from 'BB-'. The rating outlook is stable. The ratings as of the date of issue of this Management Discussion and Analysis are as follows.

[13] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Management Discussion & Analysis

	AM Best Rating [a]	S&P Rating [b]	Fitch Rating [c]
Sagicor Life Inc			
Financial Strength	A- (Excellent)		
Issuer Credit Rating	a- (Excellent)		
Sagicor Life Jamaica Limited			
Financial Strength	B++ (Good)		
Issuer Credit Rating	bbb+ (Good)		
Sagicor Life Insurance Company (USA)			
Financial Strength	A- (Excellent)		
Issuer Credit Rating	a- (Excellent)		
Sagicor Financial Company Ltd			
Issuer Credit Rating	Bbb- (Good)	BBB (Stable)	BBB- (Stable)
Senior Unsecured	Bbb (Good)	BBB (Stable)	BB+ (Stable)
Sagicor General Insurance Inc			
Financial Strength	A- (Excellent)		
Issuer Credit Rating	a- (Excellent)		
Sagicor Reinsurance Bermuda Ltd			
Financial Strength	A- (Excellent)		
Issuer Credit Rating	a- (Excellent)		
ivari			
Financial Strength	A- (Excellent)		A- (Stable)
Issuer Credit Rating	a- (Excellent)		

(a) Updated October 20, 2023; (b) Affirmed December 29, 2023; (c) Affirmed November 7, 2023.

Sagicor's credit ratings constitute the rating agencies' assessment of Sagicor's ability to meet its payment obligations as they become due. The credit ratings, which may be revised or withdrawn at any time, do not represent a recommendation to buy, sell or hold Sagicor's Common Shares. Each rating agency's credit rating should be evaluated independently of credit ratings issued by other rating agencies.

E. Common Shares, Book Value and Market Capitalization

	December 31, 2023	December 31, 2022 Restated	Change
Number of common shares outstanding (million)	**141.1**	142.8	(1%)
Share price	**US $4.52**	US $4.06	11%
Market Capitalization (million) [14]	**US $637.8**	US $579.6	10%
Book value per common share [14]	**US $6.88**	US $3.01	>100%

Outstanding Common Shares

The authorised share capital of the Company is US $200,000,000 divided into 10,000,000,000 common shares of US $0.01 each and 10,000,000,000 preference shares of US $0.01 each.

The number of issued and outstanding common shares at December 31, 2023 was 141,065,216. During the year ended December 31, 2023, the Company repurchased 2,438,427 shares at a total cost of US $9.2 million (1,183,572 shares at a total cost of US $6.0 million for the year ended December 31, 2022), which were subsequently cancelled. Share capital and share premium in equity have been reduced by the cost of the shares repurchased and commission paid on the transactions. The premium on the repurchase of shares has been recorded directly in retained earnings.

The cost of shares totalling US $0.06 million, which were repurchased at the period end date but not cancelled, (US $0.01 million as at December 31, 2022), has been reflected in treasury shares.

Securities convertible, exercisable or exchangeable into common shares

The number of issued and outstanding options at December 31, 2023 was 1,040,000.

The number of issued and outstanding warrants at December 31, 2023 was 34,774,993.

[14] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Dividends

	December 31, 2023	December 31, 2022	Change
Dividends declared during the period, per common share	**US $0.225**	US $0.225	-

The Group declared four dividends to common shareholders during the year ended December 31, 2023.

On March 20, 2023, the Board of Directors declared a dividend of US $0.05625 per share, on issued and outstanding common shares held by registered holders on record at the close of business on April 4, 2023. This dividend was paid on April 27, 2023.

On May 8, 2023, the Board of Directors declared a quarterly dividend of US $0.05625 per common share, on issued and outstanding common shares held by registered holders on record at the close of business on May 24, 2023. This dividend was paid on June 14, 2023.

On August 10, 2023, the Board of Directors declared a quarterly dividend of US $0.05625 per common share, on issued and outstanding common shares held by registered holders on record at the close of business on August 23, 2023. This dividend was paid on September 13, 2023.

On November 9, 2023, the Board of Directors declared a quarterly dividend of US $0.05625 per common share, on issued and outstanding common shares held by registered holders on record at the close of business on November 22, 2023. This dividend was paid on December 13, 2023.

F. Notes and Loans Payable

As of December 31, 2023, Sagicor had US $945.6 million in notes and loans payable compared to US $632.5 million as of December 31, 2022. Summary details of the carrying values of notes and loans payable as of December 31, 2023, and December 31, 2022, respectively are set out in the following table.

	Carrying Value	
(in millions of US $)	**December 31, 2023**	**December 31, 2022**
Notes and loans payable		
5.30% senior notes due 2028	539.1	535.4
6.50% unsecured bond due 2023 [(a)]	-	20.0
5.75% unsecured bond due 2023 [(a)]	-	26.6
7.50% unsecured bond due 2024 [(b)]	21.1	-
10.50% unsecured bond due 2024 [(b)]	29.3	-
6.75% notes due 2024	14.2	14.5
SOFR+200 bps Revolving Credit Facility [(c)]	4.0	-
SOFR+500 bps Term Loan Amortizing [(d)]	301.8	-
Bank loans & other funding instruments	36.1	36.0
Total	945.6	632.5

(a) On May 26, 2023, these facilities carrying annual interest rates of 6.5% and 5.75%, and with original issue date of September 16, 2019, were refinanced and extended per (b) below. At December 31, 2022, Sagicor Investments Jamaica Limited held an investment of US $12.8 million in Tranche A.

(b) The newly extended facilities remain in two Tranches, with Tranche A up to J$4,490,000,000 from previous limit of J$4,895,140,000 and Tranche B up to US $20,973,000 from previous limit of US $26,400,000, carrying updated annual interest rates of 10.50% and 7.50%, respectively. Interest is payable quarterly and commenced on May 26, 2023. The Tranches mature on June 26, 2024.

(c) On August 2, 2023, Sagicor Financial Company Limited entered into a credit agreement to establish a revolving credit facility in the principal amount of up to US$125 million. Interest is payable monthly and based on SOFR+200 bps. The facility is subject to certain covenants and matures on August 2, 2026, or such date to which the facility may be extended. As at December 31, 2023, US$4 million was drawn down from the facility and subsequently repaid in January 2024.

(d) On October 3, 2023, Sagicor Financial Company Ltd. entered into a credit and guarantee agreement to establish a floating rate loan facility in the amount of US $320 million. Interest is payable monthly and based on the SOFR+500 bps. Principal repayments of US$29.714 million are due semi-annually in April and October of each year. This facility is subject to certain covenants and matures on August 24, 2027.

For more details on notes and loans payable, refer to note 17 of the Group's 2023 annual financial statements.

Management Discussion & Analysis

G. Liquidity and Capital Resources

The following discussion is qualified by reference to the consolidated statement of cash flows and note 32 of the 2023 audited financial statements.

Liquidity sources immediately available to the Sagicor Group include: (i) existing cash and cash equivalents; (ii) the Group's portfolio of highly rated, highly liquid investments; (iii) cash flow from operating activities which include net premiums receipts, fee income and investment income; and (iv) borrowing facilities. These funds are used primarily to pay current benefits and operating expenses, service the Group's long-term debt, purchase investments to support future benefits and maturing obligations, and for distribution of dividends. Sagicor expects to have sufficient liquidity to fund its operations and to meet its current business plans. However, should the need arise, additional liquidity sources include further bank loans and new issuances of debt or shares in the private or public markets.

On August 2, 2023, Sagicor Financial Company Ltd. entered into a credit agreement for the establishment of a senior unsecured revolving credit facility in an aggregate principal amount of up to US $125 million.

Cash Flows

The following table summarise the Group's cash flows for the three-month and twelve-month periods ended December 31, 2023, and December 31, 2022, respectively.

	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Net cash flows:						
Operating activities	**(127.2)**	105.7	(<100%)	**(39.5)**	(154.5)	69%
Investing activities	**14.4**	(17.4)	>100%	**6.5**	(26.6)	>100%
Financing activities	**277.4**	(15.5)	>100%	**239.5**	(65.3)	>100%
Effect of exchange rate changes	**6.1**	3.2	91%	**2.2**	2.3	-
	170.7	76.0	>100%	**208.7**	(244.1)	>100%
Cash and cash equivalents:						
Beginning of period	**630.7**	516.7	22%	**592.7**	836.8	(29%)
End of period	**801.4**	592.7	35%	**801.4**	592.7	35%

Fourth Quarter (three-month period) - Cash flows analysis

For the fourth quarter of 2023, Sagicor's net cash outflows associated with operating activities was US $127.2 million compared to inflows of US $105.7 million for the same period in 2022, an increase in outflows of US $232.9 million. Our Sagicor Canada segment, contributed US $158.2 million in cash outflows.

Sagicor's net cash inflows for investing activities was US $14.4 million for the three-month period ended December 31, 2023, compared to outflows of US $17.4 million for the same period in 2022, an increase in inflows of US $31.8 million. Net cash inflows for investing activities was impacted by net cash acquired on the acquisition of ivari. The three months ended December 31, 2023, also include an adjustment to the outflows associated with the acquisition of Alliance Financial Services Limited, following the finalization of the purchase (US $11.9 million).

Sagicor's net cash inflows from financing activities totalled US $277.4 million for the three-month period ended December 31, 2023, compared to outflows of US $15.5 million for the same period in 2022, an increase in inflows of US $292.9 million. On October 3, 2023, the company entered into a credit and guarantee agreement to establish a floating rate loan facility in the amount of US $320 million. Interest is payable monthly and based on the SOFR+500 bps. Principal repayments of US$29.714 million are due semi-annually in April and October of each year. This facility is subject to certain covenants and matures on August 24, 2027. The funds were used to complete the ivari acquisition.

For the three-month period ended December 31, 2023, the effect of exchange rate changes was a gain of US $6.1 million compared to a gain of US $3.2 million for the corresponding period in 2022.

Year-to-date Quarter (twelve-month period) - Cash flows analysis

For the year ended December 31, 2023, Sagicor's net cash outflows associated with operating activities was US $39.5 million compared to outflows of US $154.5 million for the same period in 2022. While our Sagicor Canada segment, contributed US $158.2 million in cash outflows from operating activities, the impact of these outflows was reduced by lower purchases of financial assets particularly in our Sagicor Life USA segment, as the current period was impacted by lower sales, when compared to the prior period.

Sagicor's net cash inflows for investing activities was US $6.5 million for the year ended December 31, 2023, compared to outflows of US $26.6 million for the same period in 2022, an increase in inflows of US $33.1 million. On October 3, 2023, Sagicor Financial Company Ltd. completed its ivari acquisition. On April 1, 2022, the Group finalized its purchased of 100% interest in Alliance Financial Services Limited which gave rise to change in subsidiary and associate holdings, net of cash and cash equivalents totalling US $5.2 million. In addition, during the third quarter of 2022, the Group completed the disposal of its investment in Sagicor Real Estate X Fund Limited for a consideration of US $11.3 million (net of cash and cash equivalents).

Sagicor's net cash inflows from financing activities totalled US $239.5 million for the year ended December 31, 2023, compared to outflows of US $65.3 million for the same period in 2022, an increase of inflows of US $304.8 million. During the first quarter of 2023, the Group's financing activities benefitted from inflows associated with the issuance of a loan in a subsidiary company. On May 26, 2023, the Group refinanced and extended two loans previously issued on October 27, 2020. Refer to note 17 of the Group's 2023 consolidated financial statements for more details. On August 2, 2023, Sagicor Financial Company Ltd. entered into a credit agreement for the establishment of a senior unsecured revolving credit facility in an aggregate principal amount of up to US $125 million. On October 3, 2023, the company entered into a credit and guarantee agreement to establish a floating rate loan facility in the amount of US $320 million. The funds were used to complete the ivari acquisition. On March 24, 2022, Sagicor Jamaica disposed of 191,913,423 shares of Sagicor Real Estate X-Fund Limited ("X-Fund Limited") which represented a shareholding of 4.2% of the company, for proceeds of US $10.3 million.

For the year ended December 31, 2023, the effect of exchange rate changes was a gain of US $2.2 million which was on par with that reported for the corresponding period in 2022.

8. Financial Investments

As of December 31, 2023, the Sagicor Group held US $17,025.1 million of diversified financial assets, compared to US $8,868.4 million at December 31, 2022, an increase of US $8,156.7 million, with our Sagicor Canada segment contributing US $7,428.4 million to the increase, upon closing of the ivari acquisition. The Group recorded net investment income of US $1,553.8 million for the year ended December 31, 2023, compared to a loss of US $276.0 million for the same period in 2022, with our newly established segment, Sagicor Canada, contributing US $796.0 million to total net investment income. The return on investments [15] was 14.1%, compared to a loss of 3.2% for the same period in 2022. During the year ended December 31, 2023, the Group benefitted from net gains associated with FVTPL financial investments totaling US $1,339.7 million (Sagicor Canada – US $809.1 million). During the same period in 2022, the Group was impacted by mark-to-market declines on financial assets, due mainly to rising interest rates which contributed to the US $456.2 million net loss on FVTPL investments. As at December 31, 2023, Sagicor held US $12,628.7 million in debt securities and money market funds (75% of the total financial investments on hand). A summary of net investment income for the three-month and twelve-month periods ended December 31, 2023, and 2022, is shown below.

Net Investment Income	**Three months ended December 31**			**Year ended December 31**		
(in millions of US $, unless otherwise noted)	**2023**	**2022 Restated**	**Change**	**2023**	**2022 Restated**	**Change**
Net investment Income/(Expenses) – Underlying Assets	**1,048.2**	107.8	>100%	**1,280.7**	(335.5)	>100%
Net investment Income/(Expenses) – Other Assets	**86.9**	59.2	>47%	**268.5**	57.5	>100%
Net Investment Income/(Expenses) – Other	**0.3**	(2.6)	>100%	**4.6**	2.0	>100%
Net investment income	**1,135.4**	164.4	>100%	**1,553.8**	(276.0)	>100%
Represented by:						
(Loss)/gain on derecognition of amortised cost investments	**(0.3)**	4.2	(<100%)	**-**	4.3	(100%)
(Loss)/gain on derecognition of assets carried at FVTOCI	**(0.4)**	(5.2)	92%	**2.3**	(0.6)	>100%
Interest income earned from financial assets measured at amortised cost and FVTOCI	**60.5**	54.5	11%	**224.0**	178.6	25%
Credit impairment loss	**(0.8)**	(2.3)	65%	**(3.9)**	(4.1)	5%
Other investment income/(loss)	**1,076.4**	113.2	>100%	**1,331.4**	(454.2)	>100%
Net investment income/(expenses)	**1,135.4**	164.4	>100%	**1,553.8**	(276.0)	>100%

[15] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

Insurance Finance Expenses	Three months ended December 31			Year ended December 31		
(in millions of US $, unless otherwise noted)	2023	2022 Restated	Change	2023	2022 Restated	Change
Finance income/(expenses) from insurance contracts issued	**(1,214.9)**	(16.0)	(<100%)	**(1,366.7)**	343.9	(<100%)
Finance income/(expenses) from reinsurance contracts held	**321.8**	8.7	>100%	**346.8**	(21.6)	>100%
	(893.1)	(7.3)	(<100%)	**(1,019.9)**	322.3	(<100%)

Each principal operating entity within the Group has an investment policy that provides a framework of maximizing investment yield subject to the management of the Asset Liability Management (ALM) risks and the investment regulations of each country.

Management Discussion & Analysis

A. Carrying Values

The table below shows the carrying value of Sagicor's investment portfolio as of December 31, 2023 and December 31, 2022.

	As of December 31, 2023		As of December 31, 2022 Restated	
(in millions of US $, except percentages)	Carrying value	% of Total	Carrying value	% of Total
Investments at FVTOCI:				
Debt securities	**1,454.8**	**8%**	1,540.4	17%
Equity securities	**0.6**	**-**	0.4	-
	1,455.4	**8%**	1,540.8	17%
Investments at FVTPL:				
Money market funds	**203.8**	**1%**	59.5	1%
Debt securities	**10,834.9**	**64%**	4,901.2	55%
Equity securities [(1)]	**2,616.1**	**15%**	765.6	9%
Derivative financial instruments	**17.0**	**-**	10.4	-
Mortgage loans	**22.3**	**-**	23.4	-
	13,694.1	**80%**	5,760.1	65%
Investments at amortised cost:				
Debt securities	**135.2**	**1%**	170.3	2%
Mortgage loans	**775.0**	**5%**	593.6	7%
Finance loans	**682.4**	**4%**	654.9	7%
Securities purchased for re-sale	**13.4**	**-**	32.3	1%
Deposits	**269.6**	**2%**	116.4	1%
	1,875.6	**12%**	1,567.5	18%
Total financial investments	**17,025.1**	**100%**	8,868.4	100%

[1] *Included in equity securities are exchange-traded funds of US $903.8 million as at December 31, 2023 (US $306.3 million as at December 31, 2022).*

Our equities portfolio comprises the following at December 31, 2023:

	As of		
(in millions of US $)	December 31, 2023	December 31, 2022 Restated	Change
Equities	206.7	186.8	11%
Passthrough equities	2,076.8	205.6	>100%
Preference shares	330.6	341.1	(3%)
Corporate bond ETFs	-	32.5	(100%)
Total	2,614.1	766.0	>100%

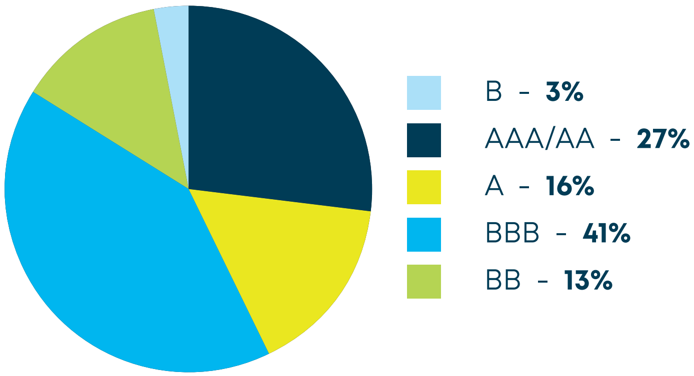
Our debt security portfolios constitute the major asset class of the Group and are reflected in the statement of financial position as follows:

	As of		
(in millions of US $)	December 31, 2023	December 31, 2022 Restated	Change
Debt securities and money market funds			
Measured at fair value through other comprehensive income (FVTOCI)	1,454.8	1,540.4	(6%)
Measured at amortised cost	135.2	170.3	(21%)
Measured at fair value through profit and loss (FVTPL)	11,041.3	4,960.7	>100%
Total	12,631.3	6,671.4	89%
Represented by:			
Government and government-guaranteed debt securities	4,799.8	2,427.7	98%
Collateralised mortgage obligations	1,070.7	798.8	34%
Corporate debt securities	6,454.7	3,277.7	97%
Money market funds	203.8	59.5	>100%
Other securities	102.3	107.7	(5%)
Total	12,631.3	6,671.4	89%

Management Discussion & Analysis

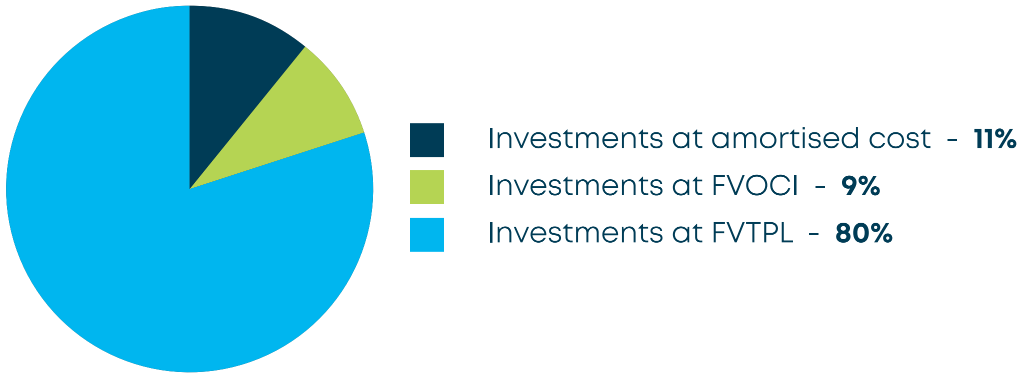
FVTOCI debt securities are held to collect contractual cash flows and to sell periodically to collect gains. These securities primarily support our business in the USA and in Jamaica, where there is reasonable opportunity to realise investment gains. Amortised cost debt securities are held to collect contractual cash flows and are sold infrequently. These securities primarily support our business in the Southern and Eastern Caribbean. The Group has designated some financial assets which support insurance liabilities as FVTPL to better match the assets and liabilities of the business. Other FVTPL debt securities are classified as such when the Group investment contract-holder is credited with the full return on the underlying asset. Debt securities held for trading are also classified as FVTPL. The pie charts below represent a breakdown of the carrying value and risk exposure of Sagicor's consolidated investments portfolio as of December 31, 2023.

Investments Portfolio Risk Exposure
As at December 31, 2023



December 2023 Debt Securities:US $12.6bn

Investments Portfolio as of December 31, 2023
Carrying Value (As a % of Total Investment Portfolio)



December 2023 Financial Investments:US $17.0bn

Management Discussion & Analysis

B. NET INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES

	Three months ended December 31			Year ended December 31		
(in millions of US $)	**2023**	2022 Restated	Change	**2023**	2022 Restated	Change
Investment income						
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS						
Gain on derecognition of amortised cost investments	**-**	3.8	-	**-**	4.3	(100%)
Gain on derecognition of assets carried at FVTOCI	**0.6**	0.4	-	**0.6**	-	-
Interest income earned from financial assets measured at amortised cost and FVTOCI	**3.4**	5.4	(37%)	**16.6**	18.7	(11%)
Net gain/(loss) on FVTPL investments	**1,044.4**	98.0	>100%	**1,263.3**	(358.9)	>100%
Net credit impairment recovery	**(0.2)**	0.2	(<100%)	**0.2**	0.4	(50%)
Net investment income/(expenses) – underlying assets	**1,048.2**	107.8	>100%	**1,280.7**	(335.5)	>100%
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS						
(Loss)/gain on derecognition of amortised cost investments	**(0.3)**	0.4	(<100%)	**-**	-	-
(Loss)/gain on derecognition of assets carried at FVTOCI	**(1.0)**	(5.6)	82%	**1.7**	(0.6)	>100%
Interest income earned from financial assets measured at amortised cost and FVTOCI	**57.1**	49.1	16%	**207.4**	159.9	30%
Net (loss)/gain on FVTPL investments	**31.7**	17.8	78%	**63.5**	(97.3)	>100%
Net credit impairment loss	**(0.6)**	(2.5)	76%	**(4.1)**	(4.5)	9%
Net investment income/(expenses) – other investments	**86.9**	59.2	47%	**268.5**	57.5	>100%
NET INVESTMENT INCOME / (EXPENSES) – OTHER						
Net change in investment contract liabilities	**(0.1)**	-	-	**(0.1)**	-	-
Investment property – rental income	**0.4**	0.4	-	**2.8**	2.4	17%
Other investment income/(expenses)	**-**	(3.0)	100%	**1.9**	(0.4)	>100%
Net investment income – other	**0.3**	(2.6)	>100%	**4.6**	2.0	>100%
Total net investment income/(expenses)	**1,135.4**	164.4	>100%	**1,553.8**	(276.0)	>100%
Return on Investments (annualised) [16]	**28.0%**	7.5%	20.5 pts	**14.0%**	(3.2%)	17.2 pts

[16] *Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.*

(in millions of US $)	Three months ended December 31 2023	2022 Restated	Change	Year ended December 31 2023	2022 Restated	Change
FINANCE INCOME/(EXPENSES) FROM INSURANCE CONTRACTS ISSUED						
Changes in fair value of underlying assets of contracts measured under the VFA	**(1.8)**	(0.1)	(<100%)	**(0.1)**	11.4	(<100%)
Interest accreted	**(204.5)**	(53.9)	(<100%)	**(401.1)**	(184.4)	(<100%)
Effect of changes in interest rates and other financial assumptions	**(1,008.6)**	38.0	(<100%)	**(965.5)**	516.9	(<100%)
Finance (expense)/ income from insurance contracts issued	**(1,214.9)**	(16.0)	(<100%)	**(1,366.7)**	343.9	(<100%)
FINANCE INCOME /(EXPENSES) FROM REINSURANCE CONTRACTS HELD						
Interest accreted	**40.2**	6.3	>100%	**54.5**	22.4	>100%
Effect of changes in interest rates and other financial assumptions	**281.7**	2.4	>100%	**292.4**	(44.0)	>100%
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	**(0.1)**	-	-	**(0.1)**	-	-
Finance income / (expense) from reinsurance contracts held	**321.8**	8.7	>100%	**346.8**	(21.6)	>100%
NET INSURANCE FINANCE INCOME/(EXPENSES)	**(893.1)**	(7.3)	(<100%)	**(1,019.9)**	322.3	(<100%)

C. INSURANCE AND INVESTMENT CONTRACT LIABILITIES

The amount of liabilities held in respect of long-term or recurring insurance or investment contracts is a measure of the quantum of business held from such contracts. The liabilities of such contracts are summarised in the following table.

(in millions of US $)	December 31, 2023	December 31, 2022 Restated	Change
Principal insurance and investment contract liabilities			
Insurance contract liabilities	**15,732.2**	6,248.6	>100%
Investment contract liabilities	**477.9**	472.3	1%
Customer deposits	**1,066.4**	981.6	9%
Securities sold for repurchase	**660.5**	654.7	1%
Other funding instruments	**1,220.8**	539.9	>100%
Structured product contracts	**0.5**	4.4	(89%)
Total	**19,158.3**	8,901.5	>100%

Management Discussion & Analysis

9. Risk Management

Sagicor is exposed to several risks that are inherent in our business activities. Enterprise Risk Management (ERM) provides the framework under which all risk management activities across Sagicor are coordinated. The ERM sets clear responsibilities for identifying, assessing, measuring, mitigating, monitoring, and reporting risks, and is based on the following elements: i) governance and culture; ii) strategy and objective setting; iii) performance; iv) review and revision; and v) information, communication, and reporting. Our ERM is designed to both challenge and enable our organization to understand the risks we face, selectively take risks by optimizing the relationship between risk and reward, and effectively managing these risks to ensure we achieve our overall profitability goals and sustain our long-term financial viability.

The Group defines risk as an uncertain event, or series of events, that should it occur, could have an adverse impact on the value of our organization, including among others the inability to meet or achieve our objectives and the occurrence of losses or interruption of our services.

Risk is also viewed holistically recognizing that one risk event may cause downside deviations in several business segments but also simultaneously causes upside deviations in one or more business segments or may also be highly correlated with a second risk event.

Identified risks are categorized as illustrated in the table below and further classified as key risks or non-key risks. Non-key risks are monitored for any changes in likelihood and/or severity and, if warranted, elevated to key risk status.

FINANCIAL	INSURANCE	OPERATIONAL	STRATEGIC
• Economic • Market • Credit • Liquidity • Capital	• Pricing • Reserving • Underwriting	• Business Continuity / Climate Change • Physical Resources • Fraud / Wrongdoing • Human Resources • Technology / Cybersecurity • Litigation • Compliance • Process / Execution • Model • Third Party	• Strategy • Competitor • Legislation / Regulation • Governance • Strategic / External Relations • International

Risks are assessed both qualitatively and quantitatively. We employ various approaches to quantifying the risks, including among others, point in time views of our risk exposures as well as sensitivity analyses and stress testing to assess the impact on our financial performance and financial condition.

Risk information is regularly communicated to external stakeholders including regulators, rating agencies, and the public. For example, management prepares Own Risk and Solvency Assessment Reports (ORSA) that are shared with Sagicor's Board (or the relevant subsidiaries Board) and our regulators. Management also meets regularly with rating agencies (S&P, Fitch, and A.M. Best) to provide updates on our risk exposures, strategy, and other relevant developments. Sagicor also provides extensive risk disclosures in our Notes to the Financial Statements.

Management Discussion & Analysis

Roles and Responsibilities

Responsibility for ERM permeates throughout our organization, using a three lines of defense governance model. Business and functional units are responsible for monitoring and managing risks within their respective areas. The responsibilities of our ERM teams include but are not limited to: selecting and/or developing adequate ERM tools and techniques; oversight over all key ERM activities; ensuring consistent ERM definitions, concepts, and terminology; acting as a central clearing house for coordinating ERM information; monitoring individual and enterprise risk exposures; and, providing key ERM information to the Board and/or Board Committees (both Group and subsidiary level). The Board is ultimately responsible for the principal risks associated with Sagicor's business and operations, for reviewing management's implementation of appropriate systems to seek to manage these risks, and for reviewing reports by management relating to the operation of, and any material deficiencies in, these systems. The Risk Committee and Audit Committee of the Board facilitate the Board's risk management monitoring as part of their mandates. Risk Committees oversee key risks and exposures and approve key ERM decisions and policies. Internal audit provides independent verification that controls have been established by management and that management is adhering to policies, rules, regulations and laws.

1. ECONOMIC RISK

Sagicor's performance is affected by the general business and economic conditions of the regions where we operate. Our financial performance and financial condition could be adversely be affected by unfavourable movements in interest rates and inflation, a decline in economic activity, higher volatility in financial markets, higher funding costs, lower real estate prices, lower employment levels, lower consumer spending and higher debt levels, and the establishments of government, monetary and/or fiscal policies that could result in greater economic risks, such as economic slowdown and recessions, unfavourable currency movements, and/or more elevated sovereign risks, as well as abrupt changes in geopolitical environment, disruptions in trades, pandemic, or other health crisis.

Sagicor actively monitors general business and economy trends, and the potential triggers it could have on consumer disposable income, employment markets, inflation/deflation, market and credit risks, among other factors.

2. CREDIT RISK

Sagicor takes on exposure to credit risk, which is the risk associated with an obligor's potential inability or unwillingness to fulfill its contractual obligations on a timely basis and may arise from the risk of default of a primary obligor and indirectly from a secondary obligor. Credit risks are primarily associated with our investments, securities, lending, revolving credit, and reinsurance portfolios.

Sagicor in most, but not all instances, bears the risk for investment performance, i.e., return of principal and interest, as premiums, deposits, and other receivables received are invested to pay for future policyholder and other obligations. Any credit defaults or other reductions in the value of debt securities, loans, deposits, and receivables could have a material adverse effect on the Group's business, financial performance and financial condition.

Sagicor has credit risk policies in place to manage credit risk. Specific limits are set for concentration by asset class and issuer, in addition to minimum standards for asset quality. Sagicor deals only with highly rated reinsurers to contain counterparty risk and we seek to minimise credit risk from financial investments through holding a diversified portfolio of investments, purchasing securities, and advancing loans and revolving credit facilities only after careful assessment of borrowers, and placing deposits with financial institutions that have a strong capital base. We also monitor the financial condition of our counterparties on a regular basis.

Sagicor has significant concentrations of credit risk with respect to its holding of bonds and treasury bills issued by governments or government-backed investments (including state and local governments), in Canada, the United States, Jamaica, Barbados, and Trinidad and Tobago. While we have policies in place to limit our single name exposures, many jurisdictions mandate that our operating companies invest a portion of the assets supporting the policy liabilities in government instruments. Sagicor also has significant exposure to certain reinsurers, including Guggenheim Partners, LLC, Hannover Rück S.E., Heritage Life Insurance Company, Munich Reinsurance Company, Optimum Life Reinsurance (Canada), PartnerRe Ltd., Reinsurance Group of America Inc., SCOR S.E., Swiss Re Ltd., and Washington National Insurance Company.

Management Discussion & Analysis

Through our banking and asset management businesses, Sagicor is exposed to credit risk in both its securities and lending activities. In connection with securities activities, Sagicor established various exposure limits and monitors and reports routinely on those limits to prevent concentration in its portfolios. Trading with its counterparties is done on a "delivery versus payment" policy where securities from the Bank of Jamaica and the Government of Jamaica are accepted on a mark-to-market basis. In our lending activities, Sagicor seeks to adequately collateralise our loans, particularly where they exceed certain thresholds. Applicants undergo a thorough screening and credit analysis process before they can access any credit facility from us. Portfolio limits are set and monitored for all credit products which include loans, mortgages and credit card receivables.

The following tables summarise Sagicor's credit exposure for our financial investments as of December 31, 2023. It shows the gross carrying value, the accumulated loss allowance and the net carrying value, analysed by expected credit loss (ECL) staging (see critical accounting estimates and judgements – *1. impairment of financial assets*).

	Credit exposure – December 31, 2023				
	ECL Staging				
(in US $millions)	**Stage 1**	**Stage 2**	**Stage 3**	**POCI [c]**	**Total**
FVOCI [a] debt securities:					
Gross value	1,451.2	17.4	-	10.0	1,478.6
Loss allowance	(0.6)	(0.6)	-	-	(1.2)
Net value	1,450.6	16.8	-	10.0	1,477.4
Debt securities [b]					
Gross value	104.2	21.9	-	9.7	135.8
Loss allowance	(0.2)	(0.3)	-	-	(0.5)
Net value	104.0	21.6	-	9.7	135.3
Mortgage loans [b]					
Gross value	741.9	17.1	21.7	-	780.7
Loss allowance	(2.5)	(0.3)	(2.9)	-	(5.7)
Net value	739.4	16.8	18.8	-	775.0
Finance loans [b]					
Gross value	666.4	17.1	10.1	-	693.6
Loss allowance	(4.7)	(0.7)	(5.7)	-	(11.1)
Net value	661.7	16.4	4.4	-	682.5
Securities purchased for re-sale [b]					
Gross value	13.4	-	-	-	13.4
Loss allowance	-	-	-	-	-
Net value	13.4	-	-	-	13.4
Deposits [b]					
Gross value	272.9	0.4	-	-	273.3
Loss allowance	(3.7)	(0.1)	-	-	(3.8)
Net value	269.2	0.3	-	-	269.5

(a) FVOCI – fair value through other comprehensive income classification.

(b) Financial investments carried at amortised cost.

(c) POCI - purchased or originated credit impaired.

3. MARKET RISK

Sagicor is exposed to market risk, which is defined as the risk that the value or future cash flows of insurance, investment contract liabilities, or financial assets will fluctuate because of changes or volatility in market prices. Market risk includes equity prices, interest rate and credit spread, foreign exchange, inflation risks, and real estate prices, and are managed through policy limits and control activities.

Market risk sensitivities were determined based on the impact of specific changes in market prices and interest rate levels using internal models as at a specific date, and are measured relative to a starting level reflecting Sagicor's assets and liabilities at that date. The market risk sensitivities measure the impact of changing one factor at a time and assume that all other factors remain unchanged. Actual results can differ significantly from these estimates for a variety of reasons, including the interaction among other factors when more than one factor changes; changes in liabilities from updates to non-economic assumptions, changes in business mix, and other market factors; and the general limitations of our internal models. For these reasons, the risk sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined for each risk sensitivities. Given the nature of these calculations, we cannot provide assurance that the actual impact on contractual service margin, net income, and other comprehensive income will be as indicated. The market risk sensitivity results have not changed materially year over year for each operating segment, however, the consolidated market risk sensitivities have changed year over year reflecting the incorporation of ivari's results into our sensitivity results.

a) Equity Risk

Equity risk is the potential adverse impact on Sagicor's earnings or capital due to movements in individual equity prices or general movements in the value of the stock market. Sagicor is exposed to equity risk through the guarantees within our products, and through the impact of policyholder funds invested in accounts which track external equity-related indices such as universal life and segregated funds. We are also exposed to equity risk through our asset management and investment portfolios.

Our equity risk is managed through our investment policies and various internal controls, including among others established concentration limits and performing frequent monitoring. Where possible we use hedging strategies to mitigate our risks.

The following tables set out the potential immediate impacts on, or sensitivity of, our contractual service margin (pre-tax), net income (pre-tax), and other comprehensive income to certain changes in market variable at December 31, 2023. The analysis is based on an instantaneous change in the specific market variable while holding all other assumptions constant. In practice, this is unlikely to occur, as changes in some assumptions might be correlated.

As at December 31, 2023	**Impact from public equity price movements on:**		
(in US $millions, pre-tax)	**Contractual Service Margin (Net)**	**Net Income**	**Other Comprehensive Income**
20% increase	2.1	98.8	0.0
20% decrease	(1.7)	(99.1)	(0.0)

As at December 31, 2023	**Impact from other non-fixed income asset price movements on:**		
(in US $millions, pre-tax)	**Contractual Service Margin (Net)**	**Net Income**	**Other Comprehensive Income**
10% increase	-	0.4	0.0
10% decrease	-	(0.4)	(0.0)

Notes:

- All sensitivities are measured as of Q4 2023 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following period. For non-ivari segments, Q4 2023 insurance contract liability sensitivities were approximated using actual Q3 2023 sensitivities with a scaling adjustment that reflected the movement in liabilities over the quarter. Sagicor Jamaica sensitivity on the insurance contract liabilities are split between public and private equity based on the percentage allocation of public and private equity in the segregated funds. Sagicor USA spread call option sensitivities reflect an average cap rate, rather than the individual cap rate of each option.

- The sensitivities assume all markets/geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.
- The market sensitivity impacts reflect Sagicor's accounting designation of financial assets and insurance contract liabilities. Most assets and all insurance contracts are measured at FVTPL. Market impacts on VFA insurance contracts impact the CSM, until it is exhausted, at which point, the impacts flow through income.
- For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.
- The sensitivities do not reflect any potential management actions.

b) Foreign Exchange Risk

Foreign exchange risk is the result of mismatches in the currency of our assets and liabilities and cash flows. This risk may arise from a variety of sources such as foreign currency transactions and services, investments denominated in foreign currencies, net income from foreign operations, and investments in foreign subsidiaries. Changes or volatility in foreign exchange rates, including a change to currencies that are fixed in value to another currency, could adversely affect our net income, contractual service margin and capital. Additionally, some of the jurisdictions in which Sagicor operates may limit our ability to exchange local currency for US dollars.

Changes in exchange rates can affect our net income when financial results in functional currencies are translated into US dollar. Net income outside of the US is generally not currency hedged and a weakening in the local currency of our foreign operations relative to the US dollar could have a negative impact on our net income reported in US currency. A strengthening in the local currency of our foreign operations relative to the US dollar would have the opposite effect. Our most significant exposure is to the Canadian dollar as a result of our acquisition of ivari. Our other significant exposures are to the Jamaican, Barbadian and Trinidad dollars as a result of our business activities in those markets.

Sagicor operates and issues contracts in the currencies prevailing in the countries where we conduct business. Currencies which are pegged to the US dollar are converted at the pegged rates. Currencies which float are converted to the United States dollar by reference to the average of buying and selling rates quoted by the respective central banks. Exchange rates of the other principal operating currencies to the US dollar are set out in the following table.

Currency exchange rate of US $1.00:	**2023 closing rate**	**2023 average rate**	**2022 closing rate**	**2022 average rate**
Barbados dollar	2.0000	2.0000	2.0000	2.0000
Canadian dollar	1.3226	1.3658	1.3492	1.2923
Eastern Caribbean dollar	2.7000	2.7000	2.7000	2.7000
Jamaica dollar	154.2680	153.5318	151.0082	153.2954
Trinidad and Tobago dollar	6.7158	6.7396	6.7414	6.7402

The following tables shows the Group's significant foreign exchange exposure as of December 31, 2023 and 2022 (restated) by presenting assets and liabilities by the currency in which they are denominated for its continuing operations.

For our Sagicor Canada segment, all non-Canadian financial exposures are reported as Canadian exposure as the foreign currency risk is passthrough to policyholders.

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December 31, 2023	US $million equivalents of balances denominated in							
(in US $millions)	**Barbados $**	**Jamaica $**	**Trinidad $**	**Eastern Caribbean $**	**US $**	**Canada $**	**Other Currencies**	**Total**
ASSETS								
Total monetary assets	411.4	1,769.3	837.4	141.5	6,503.1	8,995.8	177.7	18,836.2
Non-monetary assets	215.5	524.1	70.7	12.1	639.4	2,082.5	4.4	3,548.7
Total assets of continuing operations	626.9	2,293.4	908.1	153.6	7,142.5	11,078.3	182.1	22,384.9
LIABILITIES								
Total monetary liabilities	784.5	1,771.4	978.7	175.7	6,932	10,189.1	193.8	21,025.2
Non-monetary liabilities	0.8	9.0	1.8	1.4	-	16.6	1.0	30.6
Total liabilities of continuing operations	785.3	1,780.4	980.5	177.1	6,932.0	10,205.7	194.8	21,055.8
Net position	(158.4)	513.0	(72.4)	(23.5)	210.5	872.6	(12.7)	1,329.1

December 31, 2022 (restated)	US $million equivalents of balances denominated in							
(in US $millions)	**Barbados $**	**Jamaica $**	**Trinidad $**	**Eastern Caribbean $**	**US $**	**Canada $**	**Other Currencies**	**Total**
ASSETS								
Total monetary assets	370.6	1,581.8	781.9	147.4	6,072.9	4.7	175.6	9,134.9
Non-monetary assets	238.0	498.9	84.1	16.3	650.1	-	(0.9)	1,486.5
Total assets of continuing operations	608.6	2,080.7	866.0	163.7	6,723.0	4.7	174.7	10,621.4
LIABILITIES								
Total monetary liabilities	704.6	1,624.2	954.1	174.7	6,223.2	1.0	182.3	9,864.1
Non-monetary liabilities	1.5	15.3	1.8	1.4	-	-	1.0	21.0
Total liabilities of continuing operations	706.1	1,639.5	955.9	176.1	6,223.2	1.0	183.3	9,885.1
Net position	(97.5)	441.2	(89.9)	(12.4)	499.8	3.7	(8.6)	736.3

To manage the risk associated with movements in currency exchange rates, Sagicor seeks to maintain investments and cash in each operating currency sufficient to match liabilities denominated in the same currency. Sagicor also invests in US dollar assets, which are held to pay liabilities in operating currencies. Management believes that this strategy adequately meets Sagicor's asset and liability management goals with respect to currencies and in the long-term is likely to either maintain capital value or provide satisfactory returns. We also perform sensitivity analysis to assess the impact of our exposure to foreign exchange risk.

Sensitivity

Sagicor is exposed to currency risk in its operating currencies for which values have noticeably fluctuated against the United States dollar (USD). This analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions might be correlated.

For additional details on Sagicor's foreign exchange risk, refer to notes 2.4, 23, and 36.7 of the 2023 consolidated financial statements.

c) *Interest Rate Risk*

Interest rate risk is the potential for financial loss arising from changes or volatility in interest rates or credit/swap spreads when asset and liability cash flows do not coincide in terms of timing and amount. Sagicor is exposed to interest rate risk when the cash flows from assets and the policyholder obligations they support are mismatched as this may result in the need to either sell assets to meet policy obligations and expenses or reinvest excess asset cash flows in unfavourable interest rate environments. The impact of changes or volatility in interest rates or credit/swap spreads are reflected in the valuation of our financial assets and insurance contract liabilities. For products with interest rate guarantee provisions, we may be required to increase liabilities or capital in respect of these contracts.

Movements in short-term and long-term interest rates affect the level and timing of recognition of gains and losses on securities Sagicor holds, and cause changes in realised and unrealised gains and losses. Generally, Sagicor's investment income will be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature, or are sold and the proceeds reinvested at lower rates. During periods of rising interest rates, the market value of Sagicor's existing fixed income securities will generally decrease and Sagicor's realised gains on fixed income securities will likely be reduced. Realised losses will be incurred following significant increases in interest rates only if the securities are sold; otherwise, the losses will be unrealised as assets are fairly matched to similar duration liabilities and may be held to maturity. Conversely, declining interest rates result in unrealised gains in the value of fixed income securities Sagicor continues to hold, as well as realised gains to the extent the relevant securities are sold.

Significant changes or volatility in interest rates or spreads could have a negative impact on the sales of certain insurance and annuity products, and adversely impact the expected pattern of redemption (surrenders) on existing policies. Increase in interest rates or widening credit spreads may increase the risk that policyholders will surrender their contracts, potentially forcing us to liquidate assets at a loss. Negative interest rates may additionally result in losses on our cash and short-term deposits and low or negative returns on our fixed income assets impacting our profitability.

A sustained low interest rate environment may additionally adversely impact our net income, contractual service margin, capital, and our ability to implement our business strategy and plans. This may be realized through lower sales, less profitable new business, changes in patterns of redemptions on existing policies, among other impacts.

Sagicor's primary interest rate exposures relate to our long-term insurance and annuities liabilities as well as funds on deposit. We may incur a loss on certain contracts where the investment return does not exceed the interest credited to the policyholder.

The table below summarises the average interest yields on financial assets and liabilities held during the year.

	2023	2022 (restated)
Financial investments carried at FVTOCI and amortised cost:		
Debt securities	6.3%	5.8%
Mortgage loans	6.3%	5.6%
Finance loans	10.8%	10.3%
Securities purchased for resale	3.2%	4.2%
Deposits	3.0%	1.1%
Financial liabilities carried at amortised cost:		
Investment contract liabilities	4.2%	3.1%
Notes and loans payable	7.0%	6.0%
Other funding instruments	5.6%	2.0%
Deposits	1.7%	1.0%
Securities sold for repurchase	4.7%	3.6%

Sensitivity

Sensitivity to interest rate risk is considered by operating subsidiaries. Sagicor's property and casualty operations are not exposed to a significant degree of interest rate risk since the majority of interest-bearing instruments related to these operations have short-term maturities.

The following table sets out the potential immediate impacts on, or sensitivity of, our contractual service margin (pre-tax), net income (pre-tax), and other comprehensive income to certain changes in market variable at December 31, 2023. The analysis is based on an instantaneous change in the specific market variable while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions might be correlated.

As at December 31, 2023	**Impact from interest rates movements on:**		
(in US $millions, pre-tax)	**Contractual Service Margin (Net)**	**Net Income**	**Other Comprehensive Income**
50 basis point increase	4.5	(29.2)	(31.4)
50 basis point decrease	(5.7)	(23.2)	34.0

Notes:

- All sensitivities are measured as of Q4 2023 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following. For non-ivari segments, Q4 2023 insurance contract liability sensitivities were approximated using actual Q3 2023 sensitivities with a scaling adjustment that reflected the movement in liabilities over the quarter.
- The sensitivities assume all markets/geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.
- The interest rate sensitivities assume a parallel shift in the yield curves, however non-parallel movements may be materially different from the estimated impacts.
- The market sensitivity impacts reflect Sagicor's accounting designation of financial assets and insurance contract liabilities. Most assets and all insurance contracts are measured at FVTPL. Market impacts on VFA insurance contracts impact the CSM, until it is exhausted, at which point, the impacts flow through income.
- For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.
- The sensitivities do not reflect any potential management actions.

For more details on Sagicor's exposures to interest rates, refer to note 36.6 of the Group's 2023 consolidated financial statements.

4. *LIQUIDITY RISK*

Liquidity risk is the possibility that we will not be able to fund all our financial obligations and collateral requirements as they fall due. This includes the risk of being forced to sell assets at depressed values resulting in realized losses on sale. This risk also includes restrictions on our ability to efficiently allocate capital among our subsidiaries due to various market and regulatory constraints on the movement of funds or the lack of marketability of portions of our assets, such as mortgage loans and real estate. Our funding obligations arise in connection with the payment of policyholder obligations, expenses, reinsurance settlements, asset purchases, investment commitments, interest on debt, and dividend payments. Sources of available cash flows include general fund premiums and deposits, investment related inflows, proceed generated from financing activities, as well as dividends and interest payments from subsidiaries.

Sagicor is exposed to daily demands on our available cash resources for payment of policyholder obligations, operating expenses and taxes, loan drawdowns, repayment of borrowings, maturing deposit liabilities and other security obligations. We maintain cash resources in each of our operating currencies to meet what we predict will be required to meet our financial obligations. Demands on our cash resources may exceed our projections.

Sagicor limits concentrations of liabilities in each market segment. Where practical, given our operating environment, we seek to match maturities of assets and liabilities while maintaining a portfolio of short-term, highly liquid securities to meet funding gaps. We also monitor our daily, weekly, and monthly liquidity risk and manage our maturing asset and liability portfolios.

Sagicor uses a combination of investments in Exchange Traded Funds, mutual funds, and derivatives to hedge the risks associated with certain of our products. These options are appropriate to reduce or minimise the market risks associated with adverse fluctuations in the equity markets. Certain hedging transactions are accounted market value, others are accounted for as call options and are originally valued at the premium paid, with the statement carrying value being adjusted to fair value. To minimise potential counterparty risk from the purchase of these customised contracts from broker dealers, Sagicor only transacts with banks and brokers carrying an unsecured debt rating of at least A or P-1 by either Standard and Poor's or Moody's.

Sagicor's monetary insurance liabilities mature in periods which are summarised in the following tables for the years ended December 31, 2023 and 2022 (restated). Amounts are stated at their carrying values recognised in the financial statements and are analysed by their expected due periods, which have been estimated by actuarial or other statistical methods.

(a) Insurance and reinsurance contract liabilities

Sagicor's insurance and reinsurance contract assets and liabilities are expected to mature in periods which are summarised in the following table. For the contract assets, amounts are stated at their carrying values recognised in the financial statements. For the contract liabilities, the discounted cash flows, which have been estimated by actuarial or other statistical methods, are analysed by their expected due period.

	Expected discounted cash flows						
(in US $millions)	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**After 5 years**	**Total**
2023							
Insurance contract assets	1.4	-	-	-	-	(1.2)	0.2
Reinsurance contract assets	181.4	86.2	78.6	68.0	66.4	1,548.3	2,028.9
Total	182.8	86.2	78.6	68.0	66.4	1,547.1	2,029.1
Insurance contract liabilities	488.2	397.4	399.0	464.6	604.9	10,133.1	12,487.2
Reinsurance contract liabilities	(0.2)	1.6	1.4	1.1	0.8	28.0	32.7
Total	488.0	399.0	400.4	465.7	605.7	10,161.1	12,519.9
2022							
Insurance contract assets	2.7	3.0	2.8	2.5	2.3	6.4	19.7
Reinsurance contract assets	87.2	64.7	55.5	45.2	38.2	159.3	450.1
Total	89.9	67.7	58.3	47.7	40.5	165.7	469.8
Insurance contract liabilities	620.2	409.0	484.4	390.4	350.5	2,960.1	5,214.6
Reinsurance contract liabilities	(1.6)	1.2	0.6	0.4	0.5	41.6	42.7
Total	618.6	410.2	485.0	390.8	351.0	3,001.7	5,257.3

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(b) Financial liabilities and commitments

Sagicor's contractual cash flow obligations in respect to our financial liabilities and commitments are summarised in the following table. Amounts are analysed by their earliest contractual maturity dates and consist of the contractual un-discounted cash flows. Where the interest rate of an instrument for a future period has not been determined as of the date of the financial statements, we assume that the interest rate then prevailing continues until final maturity.

	2023 - Contractual un-discounted cash flows			
(in US $millions)	On demand or within 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities:				
Investment contract liabilities	385.2	87.6	21.1	493.9
Notes and loans payable	147.5	801.4	-	948.9
Lease liabilities	10.3	25.7	18.9	54.9
Deposit and security liabilities:				
Other funding instruments	517.3	262.9	1,714.4	2,494.6
Customer deposits	1,080.8	3.3	0.1	1,084.2
Structured products	-	-	-	-
Securities sold for repurchase	625.5	41.1	-	666.6
Derivative financial instruments	0.5	-	-	0.5
Bank overdrafts	2.2	-	-	2.2
Accounts payable and accrued liabilities	285.7	3.2	4.7	293.6
Total financial liabilities	3,055.0	1,225.2	1,759.2	6,039.4
Off financial statement commitments:				
Loan commitments	108.1	12.6	5.9	126.6
Non-cancellable lease and rental payments	0.2	-	-	0.2
Customer guarantees and letters of credit	30.8	-	9.8	40.6
Investment and investment management fees	0.2	-	-	0.2
Total off financial statement commitments	139.3	12.6	15.7	167.6
Total	3,194.3	1,237.8	1,774.9	6,207.0

	2022 - Contractual un-discounted cash flows			
(in US $millions)	On demand or within 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities:				
Investment contract liabilities	390.2	78.5	24.1	492.8
Notes and loans payable	113.8	148.5	564.6	826.9
Lease liabilities	8.5	17.3	23.9	49.7
Deposit and security liabilities:				
Other funding instruments	535.1	13.4	10.1	558.6
Customer deposits	990.6	2.2	-	992.8
Structured products	4.4	-	-	4.4
Securities sold for repurchase	647.4	13.8	-	661.2
Derivative financial instruments	-	-	-	-
Bank overdrafts	1.7	-	-	1.7
Accounts payable and accrued liabilities	197.4	0.4	-	197.8
Total financial liabilities	2,889.1	274.1	622.7	3,785.9
Off financial statement commitments:				
Loan commitments	99.9	16.7	0.6	117.2
Non-cancellable lease and rental payments	0.2	-	-	0.2
Customer guarantees and letters of credit	21.1	5.9	10.0	37.0
Investment and investment management fees	4.4	-	-	4.4
Capital commitments	3.6	-	-	3.6
Total off financial statement commitments	129.2	22.6	10.6	162.4
Total	3,018.3	296.7	633.3	3,948.3

5. *INSURANCE RISK*

Insurance risk is the risk of loss due to actual experience emerging differently than expected in the areas of mortality, morbidity, and longevity. In addition, policyholder behaviour, product design and pricing, expense and reinsurance risks impact multiple risk categories, including insurance risk.

Sagicor manages insurance risk through specific underwriting and claims standards and controls, robust reserving processes, including periodic review of experience studies against our modelling assumptions, review and approval of any recommended changes in actuarial inputs by our Chief Actuary and Appointed Actuary. We also purchase reinsurance for certain risks underwritten by our various businesses.

a) Insurance Product Design and Pricing Risk

Product design and pricing risk arises when a product does not perform as expected, causing adverse financial consequences. The risk may occur from deviation in realized experience versus assumptions used in the pricing of our products. Risks include uncertainty concerning future investment yields, policyholder behaviour, actual claims experience, sales levels, mix of business, expenses, and taxes.

Risks are priced to achieve an adequate return on capital on the insurer's [17] business. To determine the price of an insurance contract, the insurer considers the nature and amount of the risk assumed, and recent experience and industry statistics of the benefits payable. Pricing inadequacy may arise either from the use of inadequate experience and statistical data in deriving pricing factors, from insurance market softening conditions, or from future changes in the economic environment.

Our underwriting process has established pricing guidelines; and may include specific enquiries which determine the insurer's assessment of the risk. Insurers may also establish deductibles and coverage limits for property, casualty and health risks which will limit the potential claims incurred. The pricing of a contract therefore consists of establishing appropriate premium rates, deductibles, and coverage limits. For long-term insurance contracts, Sagicor assesses the future cash flows attributable to each contract.

Sagicor carries significant underwriting risks concentrated in Canada and certain countries within the Caribbean, namely Antigua, Barbados, Cayman Islands, Jamaica, St. Lucia and Trinidad and Tobago.

b) Policyholder Behaviour Risk

Policyholder behaviour risk if the risk of unfavourable variability in the level, trend or volatility of lapse rates or premium payment pattern compared to the assumptions used in the pricing and valuation of products.

Uncertainty in policyholder behaviour can arise from unexpected events in the policyholder's life circumstances, the general level of economic activity, changes in the financial and capital markets, changes in pricing and availability of current products, the introduction of new products, changes in underwriting approaches, as well as changes in our financial strength or reputation. Uncertainty in future cash flows affected by policyholder behaviour can be further exacerbated by unexpected behaviour during times of economic turbulence or at key option exercise points in the life of an insurance contract.

c) Mortality, Morbidity and Longevity Risk

Mortality and morbidity risk is the risk that future experience could be unfavourable relative to the assumptions used in the pricing and valuation of our products. Mortality and morbidity risk can arise in the normal course of business through random fluctuations in realized experience, through catastrophes, as a result of a pandemic, or in association with other risk factors such as product development and pricing risk. Adverse mortality and morbidity experience could also occur through systemic anti-selection, which could arise due to poor plan design or underwriting process failure among other factors.

Several external factors could adversely affect our life, health, critical illness, disability, and long-term care insurance businesses as well as our annuity businesses. For example, morbidity experience could be unfavourably impacted by external events, such as pandemics, increases in disability claims during economic slowdowns, and increases in medical treatment costs. They can introduce potential for adverse financial results.

[17] *Insurer refers to a subsidiary of Sagicor issuing insurance contracts.*

Longevity risk is the potential losses arising from adverse changes in mortality rates relative to the assumptions used in the pricing and valuation of our products. The risk could manifest itself slowly over time as socioeconomic conditions improve and medical advances continue, as a result of a prolonged adverse impact of climate change, or more rapidly through medical developments that extend life expectancy. Longevity risk affects contracts where benefits or costs are based upon the likelihood of survival and higher than expected improvements in insured life expectancy could therefore increase the ultimate cost of these benefits.

For long-term contracts in force, Sagicor invests in assets with cash flow characteristics that closely match the cash flow characteristics of the related policy liabilities. The primary purpose of this matching is to seek to ensure that cash flows from these assets are synchronised with the timing and the amounts of our policyholder obligations.

Policyholder obligations payable under long-term contracts may be triggered by an insurable event (such as a death, disability or critical illness claim) a specified time (for example, for an annuity settlement or a policy maturity) or on the exercise of a surrender or withdrawal request by the policyholder. While settlement of these obligations is therefore expected over the remaining lives of the insureds and annuitants, Sagicor remains subject to uncertainty related to the timing of these cash outflows.

For long-term insurance contracts, significant risks arise from mortality and morbidity experience. Worsening mortality and morbidity will increase the incidence of death and disability claims. Improving mortality rates will lengthen the pay-out period of annuities.

Policy benefits payable under short-term contracts are generally triggered by an insurable event (for example, a medical expense or a death claim). Settlement of these benefits is expected generally within a short period.

d) Property & Casualty (P&C) Insurance Risk

P&C insurance risk arises from coverage provided for motor, marine, property, liability, worker's injury and specialty lines of insurance contracts.

Claims payable under P&C contracts are triggered by an insurable event and may be categorised as:

- attritional losses, which are expected to be of reasonable frequency and are less than established threshold amounts;
- large losses, which are expected to be relatively infrequent and are greater than established threshold amounts;
- catastrophic losses (natural or man-made), which are an aggregation of losses arising from one incident or proximate cause, affecting one or more classes of insurance. These losses are infrequent and are generally very substantial.

Claims risk is the risk that incurred claims may exceed expected losses. Claims risk may arise from: invalid or fraudulent claim submissions; the frequency of incurred claims; the severity of incurred claims; and the development of incurred claims.

Claims may be concentrated in geographic locations, altering the risk profile of the insurer. The most significant exposure for this type of risk arises where a single event could result in very many claims. Concentration of risk is mitigated through risk selection, line sizes, event limits, quota share reinsurance and excess of loss reinsurance. Sagicor reinsures most of our P&C claims risk.

e) Expenses

Expense risk is the risk that future expenses are higher than the assumptions used in the pricing and valuation of products. This risk can arise from general economic conditions, unexpected increases in inflation, slower than anticipated growth, or reduction in productivity leading to increases in unit expenses. Expense risk occurs in products where we cannot or will not pass increased cost onto the policyholder and will manifest itself in the form of a liability increase or a reduction in expected profits. We incorporate changes in expense growth rates into our stressed scenario analyses and monitor expense trajectory carefully.

f) Reinsurance Risk

Reinsurance risk is the risk of financial loss due to adverse developments in reinsurance markets (including discontinuation or reduction of reinsurance capacity, increase in the cost of reinsurance, insolvency of a reinsurer or inadequate reinsurance coverage. While reinsurance arrangements provide for the recovery of claims arising from liabilities ceded, we retain primary responsibility to the policyholder.

Sagicor cedes some risk to reinsurers that have well-established capability to meet their contractual obligations and that generally have high credit ratings, which ratings Sagicor monitors, or Sagicor requires that a trust account be maintained as collateral for the obligations.

Under reinsurance contracts, Sagicor retains some part of the risk (amounts below the "retention limit") and coverage in excess of these limits is ceded to reinsurers. The retention programs used are summarised in notes 36.1 of the annual financial statements. Sagicor also maintains catastrophic reinsurance coverage whereby reinsurance coverage is obtained for multiple claims arising from one event or occurring within a specified period.

Sensitivity to Insurance Risks

Insurance risk sensitivities were determined based on the impact of specific changes in policyholder behaviour, mortality, longevity, morbidity, P&C loss ratio, and expense assumptions used in the valuation of insurance contracts. The following sensitivity analysis shows the immediate impact on net income (pre-tax) and contractual service margin of a reasonably possible permanent deterioration in these assumptions, which have the greatest impact on the estimates of future cash flows with all other assumptions unchanged. This analysis presents adverse sensitivities both before and after risk mitigation by reinsurance contracts. An improvement of the same percentage in those assumptions would have a similar impact, but in the opposite direction. Actual results can differ significantly from these estimates for a variety of reasons, including the interaction among other factors when more than one factor changes; changes in liabilities from updates to non-economic assumptions, changes in business mix, and other market factors; and the general limitations of our internal models. For these reasons, the insurance risk sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined for each risk sensitivities. Given the nature of these calculations, we cannot provide assurance that the actual impact on contractual service margin, net income, and other comprehensive income will be as indicated. The insurance risk sensitivity results have not changed materially year over year for each operating segment, however, the consolidated insurance risk sensitivities have changed year over year reflecting the incorporation of ivari's results into our sensitivity results.

As at December 31, 2023	**Impact from changes to policy related assumptions on:**			
(in US $millions, pre-tax)	**Contractual Service Margin**		**Net Income**	
	Gross	**Net**	**Gross**	**Net**
2% adverse change in future mortality rates for insurance liabilities	(114.2)	(4.5)	(12.9)	0.3
2% adverse change in future longevity rates for annuity liabilities	(2.3)	(2.3)	(1.7)	(1.7)
5% adverse change in future morbidity rates	(3.0)	(2.1)	(1.0)	(1.0)
10% multiplicative increase to the P&C loss ratio	-	-	(1.8)	(1.8)
5% increase in future expense levels	(19.4)	(19.2)	(3.1)	(3.0)
10% adverse change in policyholder behaviour (i.e., lapses)	(218.2)	(138.7)	(37.8)	(26.6)

Notes:

- All sensitivities are measured as of Q4 2023 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following period. For non-ivari segments, Q4 2023 insurance contract liability sensitivities were approximated using actual Q3 2023 sensitivities with a scaling adjustment that reflected the movement in liabilities over the quarter.
- The sensitivities assume all markets/geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.
- For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.
- The direction of the policyholder behaviour sensitivity is assessed at the operating segment level.
- The sensitivities do not reflect any potential management actions.

6. *FIDUCIARY RISK*

Sagicor provides investment management, insurance and pension administration, and corporate trust services to corporate customers. Investment management services requires Sagicor to make allocation, purchase and sale decisions in relation to a wide range of investments on behalf of these corporate customers. These services may expose Sagicor to claims for maladministration or underperformance of these investments. As of December 31, 2023, Sagicor administered US $3,728.9 million (2022 – US $3,669.9 million) in assets on behalf of these corporate customers.

7. *OPERATIONAL RISK*

Sagicor is exposed to operational risk, which represents the risk of loss or harm resulting from people, inadequate or failed internal processes, controls, and systems or from external events and is inherent in all our activities and third-party activities. Operational failures can lead to involuntary one-time losses, inefficiencies resulting in recurring losses, reputation damage or lost opportunities. We continue to make advancements in our operational risk management approaches as we seek to ensure we have appropriate and effective internal controls in place, and a trained and competent workforce to mitigate this risk.

Below are examples of operational risks that could impact our organization.

a) Fraud risk:

This represents the risk of loss resulting from acts or activities that are intended to defraud, misappropriate assets, or circumvent laws or regulations by customers, contractors or other third parties, directors, officers, employees, or advisors. Fraud is any intentional dishonest act or omission designed to deceive others, resulting in a victim suffering or being exposed to a loss or the perpetrator achieving a gain. Fraud can result in a financial loss or reputational impact to Sagicor and have other impacts that are detrimental to our customers and other stakeholders. Sagicor faces both internal and external fraud risks which may include identify theft, fraudulent claims, misrepresentation, forgery, and collusion as incident types. Fraud can be difficult to detect due to the continuously evolving external fraud environment and increasingly sophisticated methods of organized criminals, and could harm our business, financial performance or financial condition. Fraud risk is actively monitored and preventative monitoring rules have been implemented in certain of our businesses.

b) Business continuity risk:

This represents the risk of not being able to maintain, continue or restore essential business operations during and/or after an event that prevents us from conducting business in the normal course. Exposure to disruptive operational events interrupts the continuity of our business operations and could negatively impact our results of operations, reputation, client outcomes and/or result in harm to our employees. These operational events could result from the impact of severe weather, pandemics, failed processes, technology failures or cyber threats. Plans and processes have been established across the organization to follow in the event of disaster or business disruption.

c) Technology and cybersecurity risk:

Technology risk is associated with the use, ownership, operation, and adoption of technology that can result in business interruptions, client service disruptions and loss of confidential information causing adverse effects on Sagicor's business, financial performance, reputational damage and regulatory fines and penalties.

Cyber risk is the risk associated with cyber-attacks initiated to disrupt or disable our operations or to expose or damage data. We have a dedicated team of professionals that help protect our organization against breaches and other incidents by ensuring appropriate security and operational controls are in place. We remain vigilant and continue to improve our cybersecurity capabilities and enhance controls.

d) Third party risk:

Third-party risk is the risk third parties fail to provide goods, business activities or services and therefore exposing Sagicor to negative outcomes. The third-party risk scenarios may include insolvency, operational disruption of the third party, geopolitical tensions, breaches or loss of data or corruption, unwillingness to provide the services/products in accordance with the term of their contracts. Key third party providers are closely monitored as part of our ERM.

e) *Model risk:*

Model risk is the risk of inappropriate design, implementation and/or use of a model. While the use of data and models generates value for Sagicor and offers significant business value, it also introduces the risk that a loss might occur or inappropriate decisions might be made due to modelling deficiencies or limitations, improper implementation or utilization, inaccurate or inappropriate data, or incorrect assumptions. Sagicor has established a multi-layered review of our significant models.

f) *Human resources risk:*

Human resources are an essential component in the realization of Sagicor's strategic plan and the implementation of our business strategies. Human resources risk is the risk of loss resulting from a shortage of competent, motivated, and engaged resources (due to capacity, employment practices and the working environment, respectively), in the short to medium term, or labour disputes limiting personnel to carry out the operational activities needed to support the organization's growth. A code of conduct is in place in addition to well-defined policies and procedures with respect to compensation, recruitment, training, employment equity, diversity, as well as occupational health and safety. We also conduct surveys, focus group discussions and interviews to assess employment engagement levels.

g) *Legal & regulatory risk:*

We are subject to extensive regulatory oversight by financial services regulators in the jurisdictions in which we operate. Legal and regulatory risk is the risk that changes to legislations, regulations or government policies, or the way they are interpreted or enforced, may require that we make significant changes to our strategy and may result in higher implementation costs and diversion of resources to implement the changes. These changes could impact financial reporting, accounting processes, capital requirements, the regulatory framework of our products and services, the regulation of selling practices, sales intermediaries and product offerings, solvency requirements, and corporate governance practices and could impose restrictions on our operations. All these changes could have an adverse effect on our business and operations. Our failure to comply with laws or to conduct our business consistent with changing regulatory or public expectations could adversely impact our reputation and may lead to regulatory investigations, examinations, proceeding, settlement, penalties, fines, restrictions on our business, litigation or an inability to execute our business strategies and plans.

8. CONDUCT RISK

Conduct risk is the risk of unfair outcomes for customers as a result of inadequate or failed processes and/or inappropriate behaviours, offerings, or interactions by Sagicor's advisors, brokers and Independent Agents. A failure to identify and mitigate conduct risk impacts not only Sagicor's customers but can also have adverse reputational and financial consequences for Sagicor due to the cost of customer remediation, damage to reputation and/or regulatory fines. A code of conduct is in place which outlines an employee's responsibility to act professionally, treat others with respect, and comply with laws, regulations, and our policies. Anyone who breaches or fails to report an actual or possible breach of the Code of Conduct is subject to corrective or disciplinary action.

9. STRATEGIC RISK

Strategic risk can arise from decisions we make around our product and service offerings, the distribution channels we utilize, the acquisitions and dispositions we pursue, our responses to competitive threats and regulatory changes, and are guided by our ERM. Having a wrong strategy, or poorly executing on the correct strategy, could have adverse effects on Sagicor's business, results of operations, financial condition, and reputation.

The head of business lines are responsible for selecting and successfully implementing business strategies. Oversight of strategic risk is the responsibility of the heads of the operating segments and their operating committees, the Group's leadership team and the Board.

Management Discussion & Analysis

10. Additional Information

A. ECONOMIC ENVIRONMENT

According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) Update, the global economy grew by approximately 3.1% in 2023 compared to 3.5% on record for the year 2022. In addition, the IMF projects global growth during 2024 will expand by approximately 3.1% and also estimates global headline inflation to decelerate to 5.8% in 2024 from approximately 6.8% in 2023.

The Bureau of Economic Analysis' second estimate indicated economic activity in the USA grew by 2.5% in the year 2023, 60 basis points above the growth estimate recorded during 2022. Meanwhile, the unemployment rate in the USA stood at 3.7% by the end of 2023, 20 basis points higher than the value on record at the end of 2022. The target range for the federal funds rate ended 2023 at 5.25% to 5.50% after the Federal Open Market Committee (FOMC) hiked the target range for its federal fund rates by approximately 100 basis points during 2023. By the end of 2023, the cost of living in the USA showed signs of disinflation as the Consumer Price Index for All Urban Consumers increased by 3.4% for the 12 months ending December 2023, compared to 6.5% for the similar period in 2022. By the end of the year the West Texas Intermediate oil prices stood at approximately US $72 per barrel compared to approximately US $80 per barrel at the end of 2022.

Statistique Canada estimated economic activity in Canada grew by approximately 1.2% in 2023. In addition, Canada's unemployment rate ended the year at approximately 5.8%, compared to 5.0% at the end of 2022. The Bank of Canada decided to raise its policy interest rates by 75 basis points during 2023 and this metric ended 2023 at 5.00%. The Consumer Price Index rose by 3.4% on a year over year basis in December 2023, compared to 6.3% for the similar period in 2022.

According to the Eurostat's most recent Economic Bulletin, the first estimation of the annual GDP growth throughout the Euro Area is approximately 0.5% for 2023. The Bank of Japan's January 2024 publication of its Outlook for Economic Activity and Prices indicates economic activity in Japan recorded a 0.7% contraction during the third quarter of 2023 on a quarter-on-quarter basis. In its January 2024 WEO Update, the IMF estimated real GDP in Japan and China expanded by 1.9% and 5.2%, respectively in 2023. The Bank of England's Official Bank Rate ended 2023 at 5.25% after the Bank of England's Monetary Policy Committee voted to hike the Official Bank Rate by 175 basis points during 2023. Meanwhile, Japan's short-term policy interest rate remained unchanged at -0.1% during 2023.

2023 proved to be a favorable year for US stocks – most prominently the "Magnificent 7" comprising of Apple, Amazon, Alphabet, Meta Platforms, Microsoft, Nvidia and Tesla. In light of this, the S&P 500 and NASDAQ Composite Index advanced by 26.29% and 44.64%, respectively, during the year. The Dow Jones Industrial Average Index advanced by 16.18%. Meanwhile, the performance of emerging market equities underperformed US based stock as the MSCI Emerging Market Index returned 9.83% for the year. After the 10-year US Treasury yield peaked at 4.98% in October 2023, by the end of December 2023 the 10-year US Treasury yield stood at 3.88% in line with where it ended 2022.

According to the IMF, over the 3-year period ending 2023, real GDP in the Eastern Caribbean Currency Union grew by nearly 7% on average per year. This level of economic rebound was supported by growth with the tourism sector and investment by public and private sectors. According to the International Monetary Fund, inflation in the Eastern Caribbean Currency Union moderated to approximately 4% in 2023, compared to its peak of 5.5% in 2022. During the year under review, the foreign reserves backing the Eastern Caribbean dollar remain strong as the backing ratio stood at approximately 94.96% at the end of November 2023 - above the statutory minimum requirement of 60%.

Against the backdrop of a thriving tourism performance, preliminary statistics indicate economic growth in Barbados expanded by 4.4% in 2023. This robust growth of the country's GDP resulted in Barbados' public debt-to-GDP ratio decreasing by approximately 4.8% during 2023 to 115.5%. The gross international reserves for Barbados grew to BDS 2,997.4 million or 31.6 weeks of import cover at the end of 2023. The most recent Economic Review from the Central Bank of Barbados indicated the unemployment rate in Barbados increased to 8.3% at the end of September 2023; however, the indicator remains below the historical average of 10.3%. At October 2023, the 12-month moving average inflation in Barbados increased at a pace of 5.2% compared to 4.9% a year earlier.

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According to the Central Bank of Trinidad and Tobago, year-on-year growth in Trinidad and Tobago's Real GDP was estimated at 0.8% and 1.7% in the second and first quarters of 2023, respectively. Throughout the year 2022, the Central Bank of Trinidad and Tobago maintained its repo rate at 3.5% since its implementation in March 2020. At the end of December 2023, Trinidad and Tobago's official reserves remained strong at approximately US $6,257.9 million or 7.8 months of prospective imports of goods and services. Trinidad and Tobago's headline inflation decreased to 0.7% at the end of December 2023. Similarly, Trinidad and Tobago's core inflation decreased to 1.2% in December 2023. The domestic stock market in Trinidad experienced a substantive downturn during the year 2023 and the Trinidad and Tobago Stock Exchange's Composite Price Index fell by approximately 8.87% during 2023.

In the quarter ended September 2023, the Jamaican economy expanded by 2.1% compared to the growth estimates of 2.3% and 4.2% in the second and first quarters of 2023, respectively. Moreover, the Bank of Jamaica's latest estimate indicate real economic activity expanded by 4.7% during the fiscal year 2022/23. Jamaica's annual point-to-point inflation at the end of December 2023 stood at 6.9%. During the year under review, the Bank of Jamaica's Monetary Policy Committee elected to maintain its policy interest rates and at the end of the 2023, the Bank of Jamaica's policy interest rates stood at 7%. Additionally, the Jamaica Stock Exchange Main Market Index declined 8.5% during 2023. In the Junior Market, Jamaica's Junior Market Index fell by 3.5% during 2023. In the fixed income market, the GOJ 180-day Treasury Bill ended 2023 at 8.46%, compared to 8.18% at the end of 2022.

B. QUARTERLY FINANCIAL DISCLOSURES

The following table provides a summary of Sagicor's results from continuing operations for the eight most recent quarters. A more complete discussion of our historical quarterly results can be found in our interim and annual MD&A for the relevant periods.

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(in millions of US $, unless otherwise noted)	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022 Restated	Q3 2022 Restated	Q2 2022 Restated	Q1 2022 Restated
Net insurance service result	**20.1**	23.6	25.2	2.3	33.4	5.2	33.7	12.0
Net investment income/(expenses)	**1,135.4**	82.8	115.9	219.6	164.4	(84.8)	(233.9)	(121.5)
Net insurance finance income/(expense)	**(893.1)**	(8.5)	15.5	(133.7)	(7.3)	52.9	203.6	73.2
Net segregated funds investment result	**-**	N/A	N/A	N/A	N//A	N/A	N/A	N/A
Total insurance and investment result	**262.4**	97.9	156.6	88.2	190.5	(26.7)	3.4	(36.3)
Fees and other income	**27.1**	27.1	31.1	32.5	36.4	35.5	39.3	36.6
Gain arising on business combinations, acquisitions and divestures	**448.3**	-	-	-	-	1.7	-	-
Share of income of associates and joint ventures	**3.1**	1.4	2.6	0.5	0.8	1.1	1.9	2.3
Other operating expenses	**(131.1)**	(70.8)	(73.9)	(74.1)	(77.1)	(65.9)	(83.4)	(71.6)
Other interest and finance costs	**(56.8)**	(33.8)	(34.7)	(30.1)	(28.3)	(25.9)	(24.9)	(21.8)
Income/(loss) before taxes	**553.0**	21.8	81.7	17.0	122.3	(80.2)	(63.7)	(90.8)
Income taxes	**(49.5)**	(10.6)	(21.4)	(7.8)	(18.9)	(6.0)	(4.3)	8.5
Net income/(loss)	**503.5**	11.2	60.3	9.2	103.4	(86.2)	(68.0)	(82.3)
Income/(loss) attributable to shareholders	**485.3**	(3.5)	48.8	1.4	71.9	(74.1)	(81.2)	(81.0)
Basic EPS $	**3.43**	(0.025)	0.342	0.010	0.50	(0.519)	(0.569)	(0.566)
Basic EPS $ [18]	**0.26**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Diluted EPS $	**3.37**	(0.025)	0.339	0.010	0.50	(0.519)	(0.569)	(0.566)
Diluted EPS $ [18]	**0.26**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Return on shareholders' equity (annualised [19]	**211.0%**	(3.1%)	43.9%	1.3%	73.6%	(74.5%)	(64.7%)	(53.0%)
Return on shareholders' equity (annualised) [19]	**30.8%**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dividends declared per share $	**0.05625**	0.05625	0.05625	0.05625	0.05625	0.05625	0.05625	0.05625
Dividends paid per share $	**0.05625**	0.05625	0.11300	-	0.05625	0.05625	0.11300	-
Total assets	**22,384.9**	11,031.0	11,040.5	10,775.0	10,621.4	10,410.3	10,455.2	10,435.5
Total equity attributable to shareholders	**970.9**	442.5	462.5	428.3	429.7	351.9	443.8	559.7
Income/(loss) attributable to shareholders by operating segment:								
Sagicor Life	**(30.7)**	3.6	8.7	6.0	46.7	(10.9)	(0.4)	0.5
Sagicor Jamaica	**17.3**	14.2	10.8	7.3	30.5	(12.5)	13.3	(2.4)
Sagicor Life USA	**(23.0)**	5.1	54.6	4.4	14.6	(26.6)	(35.5)	(75.3)
Sagicor Canada	**122.1**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Head office, other & inter-segment eliminations	**399.6**	(26.4)	(25.3)	(16.3)	(19.9)	(24.1)	(58.6)	(3.8)
Total	**485.3**	(3.5)	48.8	1.4	71.9	(74.1)	(81.2)	(81.0)

[18] Excluding gain on business acquisition
[19] Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.

Third Quarter 2023

In Q3 2023 Sagicor continued momentum in new business production while navigating rising interest rates and some continued adverse experience. Each of our segments delivered strong insurance revenue and new business CSM. Sagicor's Q3 2023 results showed a net loss to shareholders of US $3.5 million and was primarily caused by changes in actuarial assumptions as part of Sagicor's annual review, together with other one-time charges and expenses.

Second Quarter 2023

Sagicor experienced Q2 2023 net income to shareholders of US $48.8 million. New business production in each of our segments was robust, with Sagicor Life USA posting excellent sales during the quarter in a favorable competitive and investment environment. Sagicor Jamaica and Sagicor Life generated net income to shareholders of US $10.8 million and US $8.7 million, respectively. Sagicor Life USA segment reported net income to shareholders of US $54.6 million, due in part to the refinement in the discount rate inputs.

First Quarter 2023

Net income to shareholders for the quarter, excluding one-time costs of US $5.2 million relating to the IFRS 17 implementation, the ivari transaction, the build-out of our digital bank in Barbados and an estimated $0.6 million of net experience loss, was US $7.2 million. Our results were dominated by asset price movement and the revaluation of liabilities under IFRS 17. We experienced positive movement through earnings backing surplus from our shareholding in Playa Hotels & Resorts. This was offset by the accounting mark-to-market volatility from the delinking of asset and liability rates upon the transition of IFRS 17, which resulted in non-economic accounting volatility where the calculated value of our liabilities increased more than the appreciation of our assets backing liabilities.

C. KEY FACTORS AFFECTING RESULTS

A variety of factors affect Sagicor's results, including:

(i) sales of core products and services;
(ii) life insurance and annuity policy lapse experience;
(iii) insurance claims experience;
(iv) investment yields;
(v) asset default;
(vi) country inflation and taxes;
(vii) sensitivity arising from the measurement of contract assets and liabilities;
(viii) Sagicor's expansion into new geographic markets (in the United States and Canada) and product markets (in Jamaica) through portfolio and / or company acquisitions; and
(ix) the continuing availability of appropriately priced reinsurance treaties for life, health and property and casualty insurance.

Sales of core products and services

Growth in sales enables Sagicor to allocate our fixed operating expenses over larger revenues and subsequently increases its profitability. The impact is very significant for the Sagicor Life and Sagicor Jamaica operating segments which sell significant amounts of periodic premium life insurance and annuity policies. The pricing of such products is either fixed at the issue of each policy or may limit the extent of cost recovery over the duration of the policy which can extend over decades. Growth in sales enables Sagicor to contain the growth in unit policy operating expenses.

Lapse experience

With respect to periodic premium life insurance and annuity policies, lapse experience is a factor of profitability. Many of these polices have up-front commission, policy issue and medical underwriting costs which are only recovered in full if the policy is premium paying for the initial years of its duration. If the policy lapses during the initial years, Sagicor will not fully recover our up-front costs and incur a loss on that policy.

For the same reasons that the quantum of sales of insurance policies is an important factor in maintaining insurance policy unit costs of administration, the rates of lapse or termination of inforce policies impacts the policy unit costs incurred. The lower the lapse or termination rate, the more policies are inforce, enabling Sagicor to contain growth in unit policy administrative costs.

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Insurance claims experience

Across all lines of insurance, claims experience is a factor in profitability. In establishing rates of premium, Sagicor provides for appropriate levels of claims experience, be it rates of mortality for life insurance, rates of longevity for annuities, rates of morbidity for disability and health insurance, or rates of contingent losses for property and casualty insurance. Claims rates incurred in excess of pricing have adverse consequences for profitability, and conversely, claims rates incurred at levels below pricing impact profitability positively.

Investment yields

Across applicable lines of insurance and across financial contracts issued by Sagicor, investment yield is important to the profitability of Sagicor. Higher investment yields enable us to achieve higher interest margins (defined as the difference between interest earned and payable) on applicable insurance contracts and financial contracts. With lower investment yields, the interest margins are generally lower and may be eliminated if we are not able to earn a guaranteed rate of interest which is payable under the insurance or financial contract.

For long-term life insurance and annuity contracts, the Appointed Actuaries within the Group determine each segment's contract liabilities at December 31 by discounting the cash flows using the relevant yield.

Asset default

The recognition of an un-anticipated default from an invested asset or loans, may have immediate negative consequences for profitability. Sagicor maintains certain invested assets for which the full return (of capital and of interest) is borne by insurance and /or financial contract-holders. In such instances, Sagicor is generally not exposed to asset default risk. However, for loans and other invested assets, for which Sagicor is exposed to default risk, the default risk may be entirely borne by Sagicor's shareholders, or the risk is shared by Sagicor's shareholders and insurance and /or financial contract-holders. In such instances, the impact on profitability will be negative.

Should asset default rates over time be lower than expected, profitability is impacted positively. Conversely, if asset default rates over time are higher than expected, profitability is impacted negatively.

Country inflation and taxes

As with other key factors affecting profitability, changes in the level of country inflation and taxes impact the operating costs of the Sagicor Group, immediately and in the longer term.

Actuaries within the Group determine each segment's contract liabilities as of December 31 after factoring in expected levels of operating expenses. Higher inflation and taxation levels result is adverse consequences for profitability and lower inflation and taxation levels result in positive consequences for profitability.

Sensitivity arising from the measurement of contract assets and liabilities.

The measurement of contract assets and liabilities is sensitive to the assumptions made. Changes in those assumptions could have a significant effect on the measurement of contract assets and liabilities which are discussed below.

The measurement of contract assets and liabilities of life insurance and annuity contracts is sensitive to:

- insurance risk, (mortality, morbidity, longevity, expense and policyholder decision risk),
- impact of possible movements in key assumptions, and
- Risk adjustment for non-financial risk.

Refer to the Risk Management section for insurance risk sensitivities.

Expansion into new markets and company acquisitions

While Sagicor has endured for over 180 years, its product offerings and geographic markets have evolved. Markets often have different preferences for certain products and any successful venture into new markets need to adapt to market tastes. Sagicor only ventures into new markets or offers new products after extensive research and appraisal.

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Company acquisitions has been a strategy employed by the Sagicor Group over the last twenty years. As a result of these acquisitions, Sagicor's assets include goodwill and other intangibles acquired on company acquisitions. On October 3, 2023, Sagicor Financial Company Ltd. completed its purchase of 100% of the shares of Proj Fox Acquisition Inc. which holds ivari through its holding in Wilton Re (Canada) Limited, for cash consideration of US $271.2 million (the "ivari acquisition"). The ivari acquisition gave rise to an after-tax gain on the business acquisition of US $448.3 million in the fourth quarter of 2023, and to the establishment of the Sagicor Canada segment.

Reinsurance treaties

In order to offer useful insurance coverages to potential customers, the Group holds reinsurance coverages that allow potential policy benefits to exceed amounts which are prudent for Sagicor to undertake the claims risk. Reinsured amounts may be on a per policy basis, (i.e., in excess of a pre-determined insured amount) or may be based on the aggregation of the insured's coverages (i.e., the insured has several policies and the amount reinsured is the aggregate exceeding a pre-determined amount).

The tables below illustrate the gross and net (of reinsurance) total life insurance coverages and annuity liabilities for individual and group polices as of December 31, 2023, and 2022, respectively.

(in US $millions)	**2023**	**2022**
Total life insurance coverage		
Individual contracts - gross	222,222.4	39,120.0
Individual contracts - net	75,210.0	32,888.7
Group contracts – gross	5,068.2	5,699.0
Group contracts - net	4,789.9	5,394.6

Total liability under annuity contracts provides a good measure of longevity risk exposure.

(in US $millions)	**2023**	**2022**
Total liability for annuity contracts		
Individual contracts - gross	4,953.2	4,732.0
Individual contracts - net	4,653.5	4,284.4
Group contracts – gross	575.2	450.6
Group contracts - net	564.2	438.8

For more details, refer to Note 37.1 to the Group's annual financial statements.

D. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Group's reported assets, liabilities, income and other comprehensive income. The items which may have the most effect on the Group's financial statements are set out below.

1. Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group disaggregates information to disclose insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the group is managed.

Management Discussion & Analysis

Contracts not measured under PAA

1.1 Areas of Judgement

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts not measured under PAA are described in subsequent notes.

Definition and classification

- Whether contracts are within the scope of IFRS 17.
- For contracts determined to be within the scope of IFRS 17, what measurement model is applicable. The Group is required to determine the classification of contracts issued in Participating product lines as insurance or investment contracts. The following contracts issued by the Group are considered:
  - Insurance contracts with discretionary participation features, for which the Group applies significant judgement in the determination of whether contracts meet the definition of investment contracts with discretionary participation features.
  - Insurance contracts with direct participation features, based on the Group's assessment of whether contracts that are determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features as follows:
    - whether the pool of underlying items is clearly identified;
    - whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
    - whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.
- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk.

Unit of account

The Group is required to make judgements involved in combination of insurance contracts and separation of distinct components:

- Combination of insurance contracts - whether the contracts with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination.
- Separation – whether components in insurance contracts are distinct (that is, they meet the separation criteria).
- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

Insurance contracts aggregation

The Group is required to make judgements involved in the identification of portfolios of contracts (that is, having similar risks and being managed together). This includes the aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts, and a similar grouping assessment for reinsurance contracts held.

Areas of judgements include:

- The determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group; and
- Judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For contracts not measured under the PAA, the assessment of the likelihood of adverse changes in assumptions that might result in contracts becoming onerous is an area of judgement.

1.2. The methods used to measure insurance contracts

The Group primarily uses deterministic projections to estimate the present value of future cash flows.

The following assumptions are used when estimating future cash flows:

- Mortality and morbidity rates (life insurance and reinsurance business)

  Assumptions are based on standard industry and national tables, (tables from the Canadian Institute of Actuaries) according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

  An increase in expected mortality and morbidity rates will increase the expected life and health claim cost which will reduce future expected profits of the Group.

- Longevity

  Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type. An increase in expected longevity will lead to an increase in expected cost of annuity payments which will reduce future expected profits of the Group.

- Expenses

  Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. Inflation is considered a non-financial assumption and is derived from the long run expense increases based on the Group's experience and management's expectation of the related expense control measures.

  The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational. The overheads are also consistently applied to all costs that have similar characteristics. An increase in the expected level of expenses will reduce future expected profits of the Group.

- Lapse and surrender rates

  Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends.

  An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group.

1.3. Discount rates

The present value of future cash flows for life insurance contract liabilities is determined using discount rates which are composed of an observable component, an assumed ultimate discount rate and interpolation between the two.

During the observable period, a top-down approach was used, where the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. Reference portfolios were selected to reflect the currency of the liabilities, the Group's investment strategies and the characteristics of the liabilities and are comprised of a mix of sovereign and corporate bonds available on the markets. The yield from the reference portfolio is adjusted to remove both expected and unexpected credit risk and, where applicable, other asset characteristics that are not related to the insurance contract liabilities. The illiquidity adjustments are estimated using information from observed historical levels of default for bonds included in the reference portfolio. The adjusted sovereign yield curves, or the risk-free yield curves (wherever they are available) plus an illiquidity premium, are used to discount the liability cash flow.

Where cash flows vary with an underlying item, cash flows are projected assuming returns on the underlying item that are consistent with the discount rate.

1.4. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers non-financial risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. For reinsurance contracts held, the risk adjustment for non financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The Group has estimated the risk adjustment using a margin approach, calibrated to the cost of capital and target confidence levels. The margin approach involves applying shocks to the insurance assumptions used to project expected cash flows so as to produce an increase in the FCF. Shocks are selected using the projected cost of insurance risk capital such that the resulting risk adjustment falls within the Group's target confidence level range.

The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level between 75% to 85% (2022 - between 80% to 85%).

1.5. Amortisation of the Contractual Service Margin

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in net income / (loss) as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group;

  Allocating the CSM at the end of the period (before recognising any amounts in net income / (loss) to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future;

- Recognising in net income/(loss) the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of insurance contracts, the quantity of benefits is the contractually agreed sum insured, maturity benefit or payout over the period of the contracts.

The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum potential loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts held, the CSM amortisation is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

1.6. Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period. Assets for insurance acquisition cash flows not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

1.7. Determination of IFRS 17 Transition Amount

The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. The fair value approach was applied in circumstances where the full retrospective approach was impracticable. The transition approach was determined at the level of group of insurance contracts and affected the approach to calculating the CSM on initial adoption of IFRS 17 as follows:

- Full retrospective approach

  The CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 has always been applied.

- Fair value approach

  The CSM is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at the transition date.

A group of contracts for fair value measurement includes contracts from multiple cohorts and years into a single unit for accounting purposes. For the groups of contracts measured under the fair value approach, the discount rates on initial recognition were determined at January 1, 2022 instead of at the date of initial recognition.

In determining the fair value, the Group has applied the requirements of IFRS 13, Fair Value Measurement. An embedded value approach was used to determine the fair value of groups of insurance contracts for the purposes of applying the fair value approach. Fair value is allocated to groups of contracts based on the present value of future cash flows of the respective contracts. The embedded value is defined to be (a) the fulfilment cash flows plus (b) the cost of capital required to support the insurance contracts less (c) the value of the profits expected to emerge as the obligation is satisfied. The fair value for reinsurance contracts held was determined under the presumption that the market participant is the same market participant that would purchase the underlying direct contracts.

For groups of reinsurance contracts covering onerous underlying contracts measured under the full retrospective approach, the loss-recovery component within the asset for remaining coverage was determined at the transition date by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at that date and the percentage of claims for the underlying insurance contracts the Group expects to recover from the reinsurance contracts held.

Contracts measured under PAA

2. Areas of Judgement

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts measured under PAA are described in subsequent notes.

For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment might involve significant judgement. All contracts measured by the Group under the PAA have a coverage period of one year or less. Thus, no assessment for the PAA is separately required and no judgement was involved. For contracts measured under the PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of judgement. For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous.

All contracts measured by the Group were determined to be non-onerous on initial recognition.

3.1 Liability for incurred claims

Liability for incurred claims (LIC) is deemed a significant estimate for general insurance products as well as group products measured under PAA. The ultimate cost of outstanding claims is calculated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim counts based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

3.2 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally require to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment by using the margin approach. Risk adjustment percentages were determined according to a confidence level range of 70% to 75%.

3.3 Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

At the end of each reporting period, the Group revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

4 Impairment of financial assets

In determining ECL (defined in note 2.10 (c)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in note 2.10 under sections 'Measurement' and 'Forward-looking information'.

a) Establishing staging for debt securities and deposits

The Group's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

The scale is set out in the following table:

<table>
<tr><th colspan="2">Category</th><th>Sagicor Risk Rating</th><th>Classification</th><th>S&P</th><th>Moody's</th><th>Fitch</th><th>AM Best</th></tr>
<tr><td rowspan="7">Non-default</td><td rowspan="3">Investment grade</td><td>1</td><td>Minimal risk</td><td>AAA, AA</td><td>Aaa, Aa</td><td>AAA, AA</td><td>aaa, aa</td></tr>
<tr><td>2</td><td>Low risk</td><td>A</td><td>A</td><td>A</td><td>a</td></tr>
<tr><td>3</td><td>Moderate risk</td><td>BBB</td><td>Baa</td><td>BBB</td><td>bbb</td></tr>
<tr><td rowspan="2">Non-investment grade</td><td>4</td><td>Acceptable risk</td><td>BB</td><td>Ba</td><td>BB</td><td>bb</td></tr>
<tr><td>5</td><td>Average risk</td><td>B</td><td>B</td><td>B</td><td>b</td></tr>
<tr><td rowspan="2">Watch</td><td>6</td><td>Higher risk</td><td>CCC, CC</td><td>Caa, Ca</td><td>CCC, CC</td><td>ccc, cc</td></tr>
<tr><td>7</td><td>Special mention</td><td>C</td><td>C</td><td>C</td><td>c</td></tr>
<tr><td colspan="2" rowspan="3">Default</td><td>8</td><td>Substandard</td><td rowspan="3">D</td><td rowspan="3">C</td><td>DDD</td><td rowspan="3">d</td></tr>
<tr><td>9</td><td>Doubtful</td><td>DD</td></tr>
<tr><td>10</td><td>Loss</td><td>D</td></tr>
</table>

The Group uses its internal credit rating model to determine in which of the three stages an asset is to be categorised for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk, the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or has a Sagicor risk rating of 1-3 is considered low credit risk.

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

b) Establishing staging for other assets measured at amortised cost, lease receivables, loan commitments and financial guarantee contracts.

Exposures are considered to have resulted in a significant increase in credit risk and are moved to stage 2 when:

Qualitative test

- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop criteria

- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into stage 2.

c) Forward-looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Barbados, Eastern Caribbean, Trinidad and Jamaica. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

5 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Group exercises judgement on the quality of pricing sources used. Where no market data is available, the Group may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

6 Recognition and measurement of intangible assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination involve the utilisation of valuation techniques which may be very sensitive to the underlying assumptions utilised. These intangibles may be marketing-related, customer-related, contract-based or technology-based.

For significant amounts of intangibles arising from a business combination, the Group utilises independent professional advisors to assist management in determining the recognition and measurement of these assets.

a) Goodwill

The assessment of goodwill impairment involves the determination of the value of the cash-generating business units to which the goodwill has been allocated. Determination of the value involves the estimation of future cash flows or of income after tax of these business units and the expected returns to providers of capital to the business units and/or to the Group as a whole. For the Sagicor Life reporting segment, the Group uses the value in use methodology for testing goodwill impairment. For the Sagicor Jamaica operating segment, the Group uses the fair value less cost to sell methodology, and for Sagicor General Insurance Inc, the value in use methodology.

The Group updates its business unit financial projections annually and applies discounted cash flow or earnings multiple models to these projections to determine if there is any impairment of goodwill. The assessment of whether goodwill is impaired can be highly sensitive to the inputs of cash flows, income after tax, discount rate, growth rate or capital multiple, which are used in the computation. Further details of the inputs used are set out in note 10.

b) Other intangible assets

The assessment of impairment of other intangible assets involves the determination of the intangible's fair value or value in use. In the absence of an active market for an intangible, its fair value may need to be estimated. In determining an intangible's value in use, estimates are required of future cash flows generated as a result of holding the asset.

E. CHANGES TO ACCOUNTING POLICIES IN 2023

The Group has implemented the following new standard.

New IFRS effective January 1, 2023, applicable to the Group

IFRS 17 - Insurance Contracts

IFRS 17 - Insurance Contracts became effective January 1, 2023, and these financial statements reflect the changes introduced on adoption of this standard. On the implementation of IFRS 17 - Insurance Contracts, the Group elected to change the classification of certain of its financial assets which are accounted for under IFRS 9 - Financial Instruments.

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from January 1, 2023, for the first time. The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts. With the adoption of IFRS 17, the Group has elected to designate some financial assets, which were previously held at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL). Refer to the IFRS 9 – Financial instruments ("IFRS 9") section for further details of changes in the application of this standard which was previously implemented by the Group on January 1, 2018.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

i. Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM unless the contract is onerous.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities.

PAA will mainly be applied to short duration contracts where the policy's contract boundary is one year or less. This includes contracts, such as group life and health and general insurance business. Under PAA, insurance contracts are measured based on unearned premiums and the accounting is broadly similar to the Group's historical approach under IFRS 4. Contracts which are not eligible to be measured under the PAA are primarily measured under the GMM, unless the contracts have direct participating features and are measured under the VFA.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

For an explanation of how the Group accounts for insurance and reinsurance contracts under IFRS 17, see Note 2.3 to the Group's 2023 annual financial statements.

ii. Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Previously, line items presented in the statement of financial position were:

- Reinsurance assets
- Actuarial liabilities, other policy liabilities, and investment contract liabilities, which comprised total policy liabilities.

The line-item descriptions in the statement of income and other comprehensive income have been changed when compared with last year. Previously, the Group reported the following line items:

- Premium revenue
- Reinsurance premium expense
- Net premium revenue
- Policy benefits and change in actuarial liabilities
- Policy benefits and net change in actuarial liabilities reinsured
- Net policy benefits and net change in actuarial liabilities

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Finance income/ expense from insurance contracts issued
- Finance income/ expense from reinsurance contracts held
- Income or expenses from reinsurance contracts held

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in net income / (loss). Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

iii. Transition

The Group adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The Group applied the full retrospective approach or the fair value approach in IFRS 17 to identify, recognise and measure certain groups of contracts at January 1, 2022.The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied.

The Group considers the full retrospective approach impracticable for some contracts under the following circumstances:

- The effects of retrospective application were not determinable because the information required had not been collected (or had not been collected with sufficient granularity) and was unavailable because of system migrations, data retention requirements or other reasons.
- The full retrospective approach required assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight.

The Group identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied and any resulting net difference was recognised in equity.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at January 1, 2022 are presented in the statement of changes in equity.

IFRS 9 Financial Instruments

IFRS 9 – Financial instruments ("IFRS 9") was previously implemented by the Group on January 1, 2018. The Group has restated prior periods to reflect changes in designation or classification of its financial assets held in respect of activities connected with contracts within the scope of IFRS 17 effective January 1, 2022. The Group recognised the difference between the previous carrying amount of those financial assets and the carrying amounts of those financial assets at the transition date in retained earnings.

The principal IFRS 9 accounting policies are described in note 2.10 of the annual consolidated financial statements.

F. LITIGATION OR OTHER MATTERS

The Group is subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated. In respect to claims asserted against the Group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended, cannot be reasonably estimated or will result in exposure to the Group which is immaterial to both the financial position and the results of operations. Details of significant matters have been disclosed in the Group's 2022 audited financial statements.

G. SHARE BUYBACK PROGRAMME

During the year ended December 31, 2023, the Company repurchased 2,438,427 shares at a total cost of US $9.2 million (1,183,572 shares at a total cost of US $6.0 million for the twelve-month period ended December 31, 2022), which were subsequently cancelled. Share capital and share premium in equity have been reduced by the cost of the shares repurchased and commission paid on the transactions. The premium on the repurchase of shares has been recorded directly in retained earnings.

The cost of shares totalling US $0.06 million, which were repurchased at the period end date but not cancelled, (US $0.01 million as at December 31, 2022), has been reflected in treasury shares.

H. RELATED PARTY TRANSACTIONS

Note 43 of the 2023 audited financial statements provides additional information on related party transactions.

I. BOARD OF DIRECTORS

The Company's board has fourteen directors, led by Mr. Mahmood Khimji, as Chairman. Details on each Board of Director are available on the Company's website.

J. ACQUISITION/DISPOSAL OF INTERESTS IN SUBSIDIARIES

ivari

On August 24, 2022, Sagicor entered into a definitive agreement to indirectly acquire ivari, a life insurer in Canada and a subsidiary of Wilton Re Ltd., subject to various customary conditions, including receipt of regulatory approval. ivari provides individual life and critical illness insurance solutions for the Canadian middle-market.

On October 3, 2023, Sagicor acquired 100% ownership of Proj Fox Acquisition Inc. ('Proj Fox') which holds ivari, for cash consideration of US$271.2 million.

The transaction has been financed by new debt in the form of a five-year senior secured loan facility with a syndicate of international and Canadian banks. Certain terms, conditions and covenants came into effect on draw-down. As at December 2023, cumulative fees totaling US$20.0 million (2022 - US$8.1 million) have been incurred in relation to the financing commitment entered into for the acquisition of ivari.

During the year transaction costs of US$12.1 million (2022- US$3.7 million) were expensed and are included in other operating expenses.

	As at October 3, 2023 Total Fair Value
Net assets acquired:	
Cash	32.3
Financial investments	6,389.9
Reinsurance contract assets	2,491.8
Miscellaneous assets and receivables	56.9
Income tax assets	205.2
Intangible assets	14.4
Property, plant and equipment	10.8
Segregated fund assets	458.9
Total assets	9,660.2
Accounts payable and accrued liabilities	(27.7)
Income tax liabilities	(12.7)
Investment contract liabilities	(9.4)
Insurance contract liabilities	(7,673.8)
Deposit and security liabilities	(737.9)
Lease liabilities	(8.4)
Other liabilities / retirement benefit liabilities	(13.8)
Insurance contract liabilities for account of segregated fund holders	(458.9)
Total liabilities	(8,942.6)
Total net identifiable assets	717.6

Net assets acquired, purchase consideration and bargain purchase gain are as follows:

	Fair Value
Net assets acquired	717.6
Purchase consideration:	
- Cash	271.2
- Foreign exchange loss	(1.9)
Gross bargain purchase gain on acquisition of ivari [1]	(448.3)

(1) The gross bargain purchase gain of US$448 million represents the difference between the purchase price paid and the fair value of the identifiable net assets acquired. Foreign exchange losses of US$1.9 million arose on settlement of the transaction. These two items are separately recognised in the consolidated statement of income as gains arising on business combinations, acquisitions and divestiture and fees and other income respectively.

From the acquisition date, Proj Fox contributed US$167.9 million of insurance revenue and US$122.1 million of net income for the year ended December 31, 2023.

If the combination had taken place at the beginning of the year, the contributed insurance revenue would have been US$609.1 million and net income would have been US$121.7 million. This unaudited pro-forma basis was calculated using historical information and assuming fair value adjustments that arose on acquisition would have been the same if the acquisition occurred on January 1, 2023. The unaudited pro-forma amounts exclude acquisition costs and benefits from integration initiatives or synergies and are not necessarily indicative of the results that would have resulted if the acquisition occurred on January 1, 2023, or the results that may be obtained in the future.

K. DISPOSAL OF INSURANCE OPERATIONS

Curacao and St. Maarten

On October 5, 2022, the Group entered into an agreement for the sale of its operations in Curacao and St. Maarten. The sale is subject to receipt of regulatory approval. The effective date of disposal shall be the last business day of the month in which all regulatory approvals are obtained. The agreement may be terminated by either party if regulatory approval is not received.

The purchaser is expected to assume the insurance and other liabilities of the Group's operations in Curacao and St. Maarten as at the effective date, in exchange for assets which shall exceed the value of the liabilities transferred by US $3.0038 million.

Panama

On May 30, 2023, the Group entered into an agreement for the sale of its wholly owned subsidiary, Sagicor Panama S.A., to Sagicor - Capital & Advice Spain S.L, a subsidiary of Sagicor Costa Rica, in which the Group holds a 24.56% ownership interest.

In subsequent developments, effective December 31, 2023, ownership of Sagicor Panama operations was transferred from Sagicor Life Inc to Sagicor Group Jamaica Limited ("SGJ") representing further expansion by SGJ into the Latin American market given Sagicor Jamaica Group's joint venture holding in Sagicor Costa Rica SCR, S.A.

The shares were sold for the book value of Sagicor Panama S.A. as determined at the date of sale. A payment of US$4 million has been made to date and the final payment is due in 2025, based on the final determination of the selling price in relation to Sagicor Panama's financial statements for the period ended December 31, 2024.

L. SUBSEQUENT EVENTS

(i) On January 11, 2024, the Group entered into an agreement with Assuria Levensverzekering (Cur) N.V. and its parent company in Suriname, "Assuria", for the transfer of the insurance portfolio of its Curaçao branch. The transfer is expected to become effective during the quarter ended June 30, 2024, subject to the completion of certain regulatory requirements. See note 33.6 of the Group's 2023 consolidated financial statements.

(ii) Subsequent to the year end, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend increase of 6.7% to US$0.06 per common share payable on April 30, 2024 to the shareholders of record at the close of business on April 10, 2024.

11. Non-IFRS Financial Measures

Return on Shareholders' Equity: IFRS does not prescribe the calculation of return on shareholders' equity and therefore a comparable measure under IFRS is not available. To determine this measure, reported net income/(loss) attributable to shareholders is divided by the average of the opening and closing common shareholders' equity for the period. The quarterly return on shareholders' equity is annualised. This measure provides an indication of overall profitability of the company.

Return on Total Equity: IFRS does not prescribe the calculation of return on total equity and therefore a comparable measure under IFRS is not available. To determine this measure, reported group net income/(loss) is divided by average of the opening and closing total equity for the period. The quarterly return on total equity is annualised.

Return on Investments: IFRS does not prescribe the calculation of return on Investments therefore a comparable measure under IFRS is not available. Return on investments measures the return on the investments relative to the value of the investments for a period. To determine this measure, investment income is divided by the average of opening and closing financial investments.

Book value per share: To determine the book value per share, shareholders' equity is divided by the number of shares outstanding at the period end, net of any treasury shares. All components of this measure are IFRS measures.

Minimum Continuing Capital and Surplus Requirements (MCCSR): Sagicor voluntarily adopted the Canadian Minimum Continuing Capital and Surplus Requirement ("MCCSR") standard as its risk-based assessment measure to provide a consolidated view of capital adequacy. The MCCSR was a standard used by Canadian regulators from 1992 until 2018, when it was superseded by the Life Insurance Capital Adequacy Test (LICAT). When it was in place, the minimum standard recommended by the Canadian regulators was an MCCSR of 150.0%. Canadian practices for calculation of the MCCSR evolved and changed from inception through its replacement. In jurisdictions where the MCCSR is currently prescribed, the MCCSR guidance is not consistent with the most recent Canadian MCCSR guidelines or with current Canadian capital standards under LICAT. Sagicor has made certain interpretations in our calculation of the MCCSR, in consultation with our appointed actuary, which are believed appropriately reflect the risk-based assessment of our capital position, including accounting for CSM in MCCSR. As the MCCSR is no longer prescribed by Canadian regulators and is interpreted in different ways by our local regulators, there can be no assurance that Sagicor's MCCSR figures are comparable to current reporting by Canadian life insurers or that of Canadian life insurers at any single point in time since the implementation of the MCCSR. IFRS does not prescribe the calculation for the MCCSR, therefore a comparable measure under IFRS is not available.

Group Life Insurance Capital Adequacy Test (Group-LICAT): The Group's goal is to maintain adequate levels, at sufficient margins above minimum regulatory capital requirements, to maintain consumer confidence as well as credit ratings with external rating agencies. Management engages the Board with regards to actions necessary to maintain appropriate capital levels. Sagicor has voluntarily elected to follow OSFI's LICAT Guideline, specifically the latest amendment which became effective January 1, 2023. The Group LICAT ratio is well above the regulatory minimum.

Jamaican Life Insurance Capital Adequacy Test (JA-LICAT): Capital adequacy is calculated monthly by the Appointed Actuary and reviewed by Executive Management and the Board of Directors. Sagicor Life Jamaica Limited seeks to maintain internal capital adequacy at levels higher than the regulatory requirements. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is one of the core measures of financial performance. The risk-based assessment measure is the Jamaican Life Insurance Capital Adequacy Test (JA-LICAT) which became effective January 1, 2023, as per the Insurance Regulations, 2001 amended 2023. Minimum Continuing Surplus and Capital Requirement (MCCSR) was in effect prior to 2023. The minimum standard requirement for LICAT and MCCSR ratio is 100% and 150% respectively. Sagicor Life Jamaica Limited exceeded the standard requirement at year-end.

Life Insurance Capital Adequacy Test (LICAT): ivari manages its capital in accordance with its Capital Risk Management Policy and other related policies, which are reviewed and approved by the Board annually. ivari's goal is to maintain adequate levels of available capital to provide sufficient margin over capital levels required by the Office of the Superintendent of Financial Institutions (OSFI) to maintain consumer confidence as well as ratings with external rating agencies. Management engages the Board with regards to actions necessary to maintain appropriate capital levels. OSFI requires federally regulated life insurance companies to apply its LICAT, as the capital adequacy guideline. Companies are required, at a minimum, to maintain a Total Ratio of 90% and OSFI has established a supervisory target ratio level of 100% for Total Capital. ivari's LICAT Ratios have exceeded its Internal Target Capital Ratios and are well above OSFI's supervisory ratio in both periods.

Debt-to-capital ratio: The debt-to-capital ratio is the ratio of notes and loans payable (refer to note 17 to the 2023 audited annual financial statements) to total capital, where capital is defined as the sum of notes and loans payable, contractual service margin and total equity. This ratio measures the proportion of debt a company uses to finance its operations as compared with its capital.

Debt-to-equity ratio: The debt-to-equity ratio is the ratio of notes and loans payable (refer to note 17 to the 2023 audited annual financial statements) to total equity, including accounting for CSM in equity. This ratio measures the proportion of debt a company uses to finance its operations as compared with its equity. IFRS does not prescribe the calculation of debt-to-equity ratio, therefore a comparable measure under IFRS is not available.

Dividend pay-out ratio: This is the ratio of dividends paid per share to basic earnings per common share. IFRS does not prescribe the calculation of dividend pay-out ratio, therefore a comparable measure under IFRS is not available.

Total capital: This measure provides an indicator for evaluating the Company's performance. Total capital is the sum of shareholder's equity, notes and loans payable, contractual service margin and non-controlling interest. This measure is the sum of several IFRS measures.

Market capitalisation: Market capitalisation is the value a company is traded on the stock market. It is calculated by multiplying the total number of shares by the present share price, at a given date. IFRS does not prescribe the calculation of market capitalization, therefore a comparable measure under IFRS is not available.

Capital base to risk-weighted assets: This capital adequacy measure is based on the guidelines developed by the Financial Services Commission (FSC), the Bank of Jamaica (BOJ), Basel II and the Risk Management and Compliance Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals. The BOJ and the FSC require each regulated entity to hold the minimum level of regulatory capital, and to maintain a minimum ratio of total regulatory capital to the risk-weighted assets. The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, considering any eligible collateral or guarantees. IFRS does not prescribe the calculation for Capital base to risk-weighted assets, therefore a comparable measure under IFRS is not available.

CSM balance growth: This ratio measures the growth in expected future profits year on year. IFRS does not prescribe the calculation of CSM balance growth, therefore a comparable measure under IFRS is not available.

Revenues: Revenues is the sum of three IFRS measures: insurance revenue, net investment income, and fees and other income.

New business CSM: This measure is the amount of the contractual service margin added from contracts initially recognised in the period.

Total net CSM: This measure is the balance of the direct contractual service margin net of reinsurance contractual service margin.

Net CSM to shareholders: This measure is the amount of the Total net CSM attributable to shareholders.

Shareholders' equity and net CSM to shareholders: This measure is the sum of common shareholders' equity and net CSM to shareholders and is an important measure for monitoring growth and measuring insurance businesses' value.

12. Cautionary Statement Regarding Forward-looking Information

This forward-looking information and these assumptions include, but are not limited to, statements about the Company's objectives and strategies to achieve those objectives, and about its beliefs, plans, expectations, anticipations, estimates, or intentions. Information included in this MD&A that is not a statement of historical fact is forward-looking information. When used in this MD&A, words such as "believes," "may," "will," "estimate," "would," "should," "shall," "plans," "assumes," "continue," "outlook," "could," "anticipates," "intends," "expects," and words of similar import, are intended to identify statements containing forward-looking statements. These statements appear throughout this MD&A. Such forward-looking statements are based on Sagicor's estimates, assumptions, strategies and projections and subject to known and unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond its control and which may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements.

Risk factors include, but are not limited to, the following: fluctuations in the fixed income markets may adversely affect Sagicor's profitability and financial condition; the success of Sagicor's operations in the United States depends on Sagicor's ability to grow its business; Sagicor's financial targets may prove materially inaccurate or incorrect; Sagicor's exposure to the credit risk of its counterparties could adversely affect its profitability; differences between actual claims experience and estimated claims at the time the product was priced may result in increased losses, and so Sagicor's policy reserves may be insufficient to cover actual policy benefits; Sagicor could be forced to sell investments at a loss to cover policyholder withdrawals; Sagicor's risk management policies and procedures could leave Sagicor exposed to unidentified or unanticipated risks, which could negatively affect Sagicor's business or result in losses; illiquidity of certain investment assets may prevent Sagicor from selling investments at fair prices in a timely manner; Sagicor's fiduciary relationship with certain counterparties could adversely affect its profitability; a prolonged labour dispute could hurt Sagicor's business; disease outbreaks may negatively impact the performance of Sagicor and its subsidiaries; a failure to successfully integrate Sagicor's acquisitions could adversely affect Sagicor's operations and profitability; a failure to successfully execute current and future strategic acquisitions could adversely affect Sagicor's profitability; Sagicor's business is highly regulated and subject to numerous laws and regulations; litigation and regulatory proceedings outcomes could adversely affect Sagicor's business; companies in the financial services industry are sometimes the target of law enforcement investigations and the focus of increased regulatory scrutiny; there may be adverse consequences if the status of Sagicor's independent contractors is successfully challenged; failures to implement or comply with legally required anti-money laundering practices could subject Sagicor to sanctions and/or criminal and civil penalties; the amount of statutory capital that Sagicor's insurance subsidiaries have and the amount of statutory capital that they must hold to maintain their financial strength and credit ratings and meet other requirements can vary significantly from time to time and are sensitive to factors outside of Sagicor's control; a failure to maintain adequate levels of surplus capital may result in increased regulatory scrutiny or a downgrade by the private rating agencies; Sagicor's financial condition may be adversely affected by geopolitical events; Sagicor operates in a highly competitive industry; Sagicor faces significant competition mainly from national and regional insurance companies and from self-insurance, and Sagicor also faces competition from global companies – this competition could limit Sagicor's ability to gain or maintain its position in the industry and could materially adversely affect its business, financial condition and results of operations; brokers that sell Sagicor's products may sell insurance products of Sagicor's competitors and such brokers may choose not to sell Sagicor's products; computer viruses, network security breaches, disasters or other unanticipated events could affect Sagicor's data processing systems or those of its business partners and could damage Sagicor's business and adversely affect its financial condition and results of operations; a financial strength downgrade in Sagicor's A.M. Best ratings or any other negative action by a rating agency may increase policy surrenders and withdrawals, adversely affect relationships with advisors and negatively affect Sagicor's financial condition and results of operations; the unpredictable nature of the property and casualty insurance industry may cause fluctuations in Sagicor's results; Sagicor may be unable to reinsure risks on terms that are commercially reasonable or satisfactory to Sagicor, or Sagicor's reinsurers may fail to meet assumed obligations, increase rates, or be subject to adverse developments, negatively affecting Sagicor's business, financial condition and result of operations; Sagicor's business model depends on the performance of various third parties including actuarial consultants and other service providers; negative publicity in the insurance industry could adversely affect Sagicor; Sagicor depends on key personnel, and if they were to leave Sagicor, Sagicor might have an insufficient number of qualified employees; Sagicor is highly dependent upon economic, political and other conditions and developments in Barbados, Jamaica, Trinidad and Tobago, the United States and the other jurisdictions in which it operates; Sagicor's financial condition and operating results may be adversely affected by foreign exchange fluctuations; foreign exchange controls may restrict Sagicor's ability to receive distributions from its subsidiaries and any such distributions may be subject to foreign withholding taxes; catastrophes and weather-related events, such as hurricanes, may adversely affect Sagicor; the performance of Sagicor's group life insurance may be adversely affected by the characteristics of the employees insured or through unexpected catastrophic events such as natural disasters; Sagicor's credit ratings may be reduced, which may adversely affect Sagicor; Sagicor may be subject to Bermuda tax; Bermuda's compliance with the Organization for Economic Cooperation and Development international tax standards could subject Sagicor to additional taxes; legislation enacted in Bermuda in response to the European Union's review of harmful tax competition could adversely affect Sagicor's operations and financial condition; any additional taxes resulting from changes to tax regulations or the interpretation thereof in countries in which it does business could negatively impact Sagicor's financial condition; Sagicor Financial Company Ltd. is a holding company and is dependent upon distributions from subsidiaries to pay taxes and other expenses.

Additional information about material risk factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in this MD&A under "Risk Management", "Key Factors Affecting Results," and "Critical Accounting Estimates and Judgements" and in the "Financial Risk" and "Insurance Risk" notes to the consolidated financial statements. The forward-looking statements in this document are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, our future operations, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, except as required by law.

13. Historical Financial Disclosures

The following table provides a summary of Sagicor's results from continuing operations for the four most recently completed years.

In US $millions, unless otherwise noted	IFRS 17 2023	IFRS 17 2022 Restated	IFRS 4 2021	IFRS 4 2020
Total revenue	N/A	N/A	2,359.1	1,878.4
Revenues [20, 21]	2,534.0	486.5	N/A	N/A
Net income/(loss) [21]	584.2	(133.1)	196.5	(15.1)
Net income/(loss) attributable to common shareholders [21]	532.1	(164.4)	133.2	(3.6)
Basic EPS	$3.74	($1.15)	$ 0.92	($0.02)
Basic EPS - excluding gain on business acquisition	$0.60	N/A	N/A	N/A
Diluted EPS	$3.67	($1.15)	$ 0.92	($0.02)
Diluted EPS - excluding gain on business acquisition	$0.58	N/A	N/A	N/A
Return on shareholders' equity [20]	94.5%	(30.0%)	12.6%	(0.3%)
Return on shareholders' equity [20, 22]	18.5%	N/A	N/A	N/A
Dividends paid per common share	22.5 ¢	22.5 ¢	22.5 ¢	22.5 ¢
Total assets	22,384.9	10,621.4	10,377.9	9,266.3
Other liabilities	20,110.2	9,252.4	8,028.3	7,136.5
Notes and loans payable	945.7	632.5	683.4	471.6
Total equity attributable to common shareholders	970.9	429.7	1,134.0	1,109.8

In US $millions, unless otherwise noted	IFRS 17 2023	IFRS 17 2022 Restated	IFRS 4 2021	IFRS 4 2020
Net income attributable to common shareholders by operating segment:				
Sagicor Life	(13.3)	37.0	43.9	47.7
Sagicor Jamaica	49.6	28.8	60.4	50.5
Sagicor Life USA	41.1	(122.8)	57.6	(27.1)
Sagicor Canada	122.1	N/A	N/A	N/A
Head office, other & inter-segment eliminations	332.6	(107.4)	(28.7)	(74.7)
Net income attributable to common shareholders	532.1	(164.4)	133.2	(3.6)

Restatements of the Financial Statements (2022)

IFRS 17- Insurance Contracts.

The Group has applied IFRS 17, including any consequential amendments to other standards, from January 1, 2023, for the first time. The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts. The effects of adopting IFRS 17 on the consolidated financial statements at January 1, 2022 are presented in the statement of changes in equity in the Group's 2023 annual financial statements.

IFRS 9 – Financial Instruments.

With the adoption of IFRS 17, the Group has elected to designate some financial assets, which were previously held at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL). IFRS 9 – Financial instruments ("IFRS 9") was previously implemented by the

[20] Represents a non-IFRS measure: refer to Section 11 - Non-IFRS Financial Measures in this document for relevant information about such measures.
[21] Includes gain on business acquisition of US $448.3 million.
[22] Excluding gain on ivari acquisition

Group on January 1, 2018. The Group has restated prior periods to reflect changes in designation or classification of its financial assets held in respect of activities connected with contracts within the scope of IFRS 17 effective January 1, 2022. The Group recognised the difference between the previous carrying amount of those financial assets and the carrying amounts of those financial assets at the transition date in retained earnings.

Consolidated Financial Statements

WE'RE STRONGER WHEN WE EXCEL

Index to the Consolidated Financial Statements

Acronyms

Acronym	Phrase
AA	Appointed Actuary
AC	Amortised Cost
CSM	Contractual Service Margin
EAD	Exposure At Default
ECL	Expected Credit Losses
FCF	Fulfilment Cash Flows
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit and Loss
GMM	General Measurement Model
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	IFRS Accounting Standards
IFRS IC	International Financial Reporting Standards Interpretation Committee
LGD	Loss Given Default
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
MCCSR	Minimum Continuing Capital and Surplus Requirement
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach
PD	Probability of Default
POCI	Purchase or Originated Credit-Impaired
SICR	Significant Increase in Credit Risk
SOFR	Secured Overnight Financing Rate
SPPI	Solely Payments of Principal and Interest
VFA	Variable Fee Approach

Actuary's Report

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Sagicor

SAGICOR FINANCIAL COMPANY LTD.
2022 & 2023 APPOINTED ACTUARY'S REPORT
TO THE SHAREHOLDERS AND POLICYHOLDERS

I have performed or reviewed the valuation of the consolidated policy liabilities of Sagicor Financial Company Ltd. (Sagicor) which includes the policy liabilities of its life insurance subsidiaries, namely:

- Sagicor Life Inc. (Barbados),
- Sagicor Life Insurance Trinidad & Tobago Limited (Trinidad & Tobago),
- Nationwide Insurance Company Limited (Trinidad & Tobago),
- Capital Life Insurance Company Bahamas Limited (Bahamas),
- Sagicor Life Aruba NV,
- Sagicor Panamá SA,
- Sagicor Life (Eastern Caribbean) Inc. *,
- Sagicor Life Jamaica Limited (Jamaica) *,
- Sagicor Life of the Cayman Islands Limited (Cayman Islands) *,
- Sagicor Life Insurance Company (USA) *, and
- Ivari (Canada) *,

for the balance sheets, at 31st December 2022 and 31st December 2023, and their change in the respective consolidated statement of operations, for the years then ended, for each organization and on a consolidated basis in accordance with accepted actuarial practice, including selection of appropriate assumptions and methods, performed using the International Financial Report Standard 17 (**IFRS 17**).

The valuation of Sagicor and its Life Insurance Subsidiaries was conducted by myself, or in some cases by other actuaries (indicated by a "*" above) on whom I relied on, by calculating Best-Estimate Liabilities (**BEL**) together with Risk Adjustment (**RA**) and Contractual Service Margin (**CSM**), in accordance with Accounting Standard IFRS 17 and the Standards of Practice (Life) of the Canadian Institute of Actuaries. For those where other actuaries completed the valuation, I have reviewed and accepted their respective valuation as appropriate, and I have relied on their work in order to issue this certificate.

In my opinion, the amount of policy liabilities (**IFRS 17 Liabilities**) makes appropriate provision for all policyholder obligations and the financial statements fairly represent the results of the valuation.

Sylvain Goulet, FCIA, FSA, MAAA
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries
Member, America Academy of Actuaries

Appointed Actuary of
Sagicor Financial Company Ltd.

Sylvain Goulet
Signature

Toronto, Ontario
25th March 2024
City, Province
Report Date

Auditor's Report

Independent auditor's report

To the Shareholders of Sagicor Financial Company Ltd.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sagicor Financial Company Ltd. (the Company) and its subsidiaries (together 'the Group') as of December 31, 2023 and December 31, 2022 and January 1, 2022, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2023 and December 31, 2022, in accordance with IFRS Accounting Standards.

What we have audited
Sagicor Financial Company Ltd.'s consolidated financial statements comprise:

- the consolidated statements of financial position as of December 31, 2023 and December 31, 2022 and January 1, 2022;
- the consolidated statements of income for the years ended December 31, 2023 and December 31, 2022;
- the consolidated statements of comprehensive income for the years ended December 31, 2023 and December 31, 2022;
- the consolidated statements of changes in equity for the years ended December 31, 2023 and December 31, 2022;
- the consolidated statements of cash flows for the years ended December 31, 2023 and December 31, 2022; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 consolidated 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 Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
T: (246) 626 6700, F: (246) 436 1275, www.pwc.com/bb

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Adoption of IFRS 17, Insurance Contracts *Refer to note 2 - Material accounting policies and note 6 - Insurance, reinsurance and investment contract assets and liabilities, to the consolidated financial statements* On January 1, 2023 the Group adopted IFRS 17 with a transition date of January 1, 2022 and restated comparative information for 2022 applying the transition provisions of IFRS 17. The adoption of the standard significantly impacted how the Group recognizes, measures, presents and discloses insurance contracts. Changes in accounting policies resulting from the adoption of IFRS 17 were applied using a full retrospective approach, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied. These changes required management judgement in developing and implementing accounting policies, including policies specific to transition. We considered this a key audit matter as auditing the Group's transition to IFRS 17 required significant audit effort as it related to the measurement of the Group's insurance contract liabilities. This required the application of management judgement, with the assistance of management's actuarial experts, due to the complexity of the models, and in the determination of key assumptions, specifically the discount rate and risk adjustment relating to the measurement of the insurance contract liabilities, and the development of fair value assumptions used in the determination of the transition Contractual service margin (CSM).	Our approach to addressing the matter, with the assistance of our actuarial experts, included the following procedures, amongst others: • Evaluated the accounting policies and the elections involved in the IFRS 17 transition. • Assessed the appropriateness and consistency of key assumptions used in the measurement of insurance contract liabilities and transition CSM, by comparing to published industry studies, market data, entity specific facts and circumstances, our knowledge of the products and the requirements of IFRS 17. • Tested, on a sample basis, underlying support and documentation such as executed policyholder insurance contracts. • Tested the methodology and calculations of the IFRS 17 insurance contract liabilities and transition CSM through review of the calculation logic within the newly implemented models. • Assessed the disclosures within the consolidated financial statements against the requirements of IFRS 17.

Auditor's Report

pwc

Key audit matter	How our audit addressed the key audit matter

Valuation of insurance contract liabilities - Estimation of fulfilment cash flows
 	
Refer to note 3 - Critical accounting estimates and judgements and note 6 - Insurance, reinsurance and investment contract assets and liabilities, to the consolidated financial statements.
 	
The Group has insurance contract liabilities of $15.7 billion as at December 31, 2023.
 	
Insurance contract liabilities consist of:
1. Fulfilment cash flows (FCFs), which are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. FCFs comprise unbiased and probability weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.
 	
2. Contractual service margin (CSM) is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.
 	
Measurement of the FCFs requires management judgement in estimating the expected future cash flows on a present value basis, in addition to applying a risk adjustment for non-financial risk. Estimates of expected cash flows incorporate best estimate assumptions for mortality and morbidity rates, longevity, expenses, lapse and surrenders, as well as economic assumptions for discount rates and the risk adjustment for non-financial risk. The assumptions are reviewed and updated, at least annually, by management's actuarial experts.
 	
We considered this a key audit matter due to the judgement applied by management when determining the FCFs, which in turn led to a high degree of auditor judgement and effort in evaluating the assumptions with specific reference to mortality rates, lapse and surrenders, economic assumptions for discount rates and the risk adjustment for non-financial risk.
	Our approach to addressing the matter, with the assistance of our actuarial experts, included the following procedures, amongst others:
	
	• Tested the operating effectiveness of certain controls related to the completeness and accuracy of data used in the calculation of FCFs.
	• Tested accuracy and completeness of a sample of data inputs used in the estimates of FCFs.
	• Evaluated a sample of actuarial models used in management's determination of the FCFs, by assessing the appropriateness of the modelling of product features and the application of best-estimate assumptions.
	• Assessed the reasonableness of management's best-estimate assumptions for mortality rates, lapse and surrenders, economic assumptions for discount rates and the risk adjustment for non-financial risk by:
	
	  • Evaluating whether management's assumptions were determined in accordance with the relevant actuarial standards.
	
	  • Evaluating the Group's internal experience studies for appropriateness by considering published industry studies, market data and component specific facts and circumstances.
	
	• Assessed the disclosures within the consolidated financial statements against the requirements of IFRS 17.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report, and the Annual Report (but does not include the consolidated financial statements and our auditor's report theron), which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gerald Mahon.

PricewaterhouseCoopers SRL

PricewaterhouseCoopers SRL
Bridgetown, Barbados
March 28, 2024

Amounts expressed in US $000

	Note	2023	2022 (restated)	January 1, 2022 (restated)
ASSETS				
Cash		486,642	368,137	359,975
Restricted cash		95,564	80,074	78,135
Financial investments	5	16,337,358	8,244,532	7,872,134
Financial investments repledged	5	687,753	623,871	608,343
Reinsurance contract assets	6	3,212,899	516,566	623,819
Insurance contract assets	6	1,273	3,550	3,024
Miscellaneous assets and receivables	7	297,858	226,238	204,565
Income tax assets	8	331,375	135,942	75,291
Associates and joint ventures	9	67,817	60,939	55,261
Intangible assets	10	93,160	105,313	89,101
Investment property	11	85,375	77,359	75,954
Property, plant and equipment	12	195,541	178,855	266,781
Segregated funds assets	38	492,271	-	-
Total assets		**22,384,886**	**10,621,376**	**10,312,383**
LIABILITIES				
Accounts payable and accrued liabilities	13	293,782	198,581	207,435
Income tax liabilities	14	30,380	20,238	22,688
Investment contract liabilities	6	477,858	472,297	468,094
Reinsurance contract liabilities	6	14,800	31,446	35,828
Insurance contract liabilities	6	15,732,214	6,248,594	5,694,649
Deposit and security liabilities	15	2,950,430	2,182,271	1,996,373
Lease liabilities	16	37,987	33,294	32,836
Notes and loans payable	17	945,666	632,535	683,388
Other liabilities / retirement benefit liabilities	18	80,477	65,696	81,513
Insurance contract liabilities on account of segregated fund policyholders	38	492,271	-	-
Total liabilities		**21,055,865**	**9,884,952**	**9,222,804**

	Note	2023	2022 (restated)	January 1, 2022 (restated)
EQUITY				
Share capital	19	1,409	1,426	1,431
Share premium	19	725,029	734,922	737,114
Reserves	20	(73,417)	(115,441)	(71,086)
Retained earnings / (accumulated deficit)		317,913	(191,216)	(3,029)
Total shareholders' equity		970,934	429,691	664,430
Non-controlling interests		358,087	306,733	425,149
Total equity		**1,329,021**	**736,424**	**1,089,579**
Total liabilities and equity		**22,384,886**	**10,621,376**	**10,312,383**

These consolidated financial statements have been approved for issue by the Board of Directors on March 26, 2024.

Director

Director

Amounts expressed in US $000

	Note	2023	2022 (restated)
Insurance revenue	21	862,521	614,726
Insurance service expenses	21	(696,088)	(493,038)
Net expense from reinsurance contracts held	21	(95,227)	(37,163)
INSURANCE SERVICE RESULT		**71,206**	**84,525**
Gain / (loss) on derecognition of amortised cost investments	22	(9)	4,315
Gain / (loss) on derecognition of assets carried at FVTOCI	22	2,334	(685)
Interest income earned from financial assets measured at amortised cost and FVTOCI	22	224,121	178,659
Credit impairment recovery / loss)	22	(3,936)	(4,119)
Other investment income / (loss)	22	1,331,299	(454,203)
NET INVESTMENT INCOME / (EXPENSES)	22	**1,553,809**	**(276,033)**
Finance income / (expenses) from insurance contracts issued	22	(1,366,689)	343,907
Finance income / (expenses) from reinsurance contracts held	22	346,812	(21,555)
NET INSURANCE FINANCE INCOME / (EXPENSES)	22	**(1,019,877)**	**322,352**
NET INVESTMENT RESULT BEFORE SEGREGATED FUNDS		**533,932**	**46,319**
Net investment income / (expenses) for segregated funds	38	34,962	-
Finance income / (expenses) from insurance contracts issued for segregated funds	38	(34,962)	-
NET INVESTMENT RESULT FOR SEGREGATED FUNDS	38	-	-
TOTAL INVESTMENT RESULT		**533,932**	**46,319**

	Note	2023	2022 (restated)
NET INSURANCE AND INVESTMENT RESULT		**605,138**	**130,844**
Gain arising on business combinations, acquisitions and divestitures	33	448,267	1,685
Fees and other income	23	117,712	147,823
Share of income of associates and joint ventures	9	7,656	6,106
Other operating expenses	24	(350,052)	(297,952)
Other interest and finance costs	25	(155,286)	(100,910)
INCOME / (LOSS) BEFORE TAXES		**673,435**	**(112,404)**
Income taxes	28	(89,202)	(20,739)
NET INCOME / (LOSS) FOR THE YEAR		**584,233**	**(133,143)**
Net income / (loss) is attributable to:			
Common shareholders		532,061	(164,386)
Non-controlling interests	4.1	52,172	31,243
		584,233	(133,143)
Earnings per common share:			
Basic earnings per common share	30	374.0 cents	(115.0) cents
Fully diluted earnings per common share	30	367.0 cents	(115.0) cents

Amounts expressed in US $000

	Note	2023	2022 (restated)
NET INCOME / (LOSS) FOR THE YEAR		**584,233**	**(133,143)**
OTHER COMPREHENSIVE INCOME / (LOSS):			
Items net of tax that may be reclassified subsequently to income:	31		
Financial assets measured at FVTOCI:			
Gain / (loss) on revaluation		21,787	(81,902)
(Gain) / loss transferred to income		(2,790)	373
Retranslation of foreign currency operations		17,352	9,203
		36,349	**(72,326)**
Items net of tax that will not be reclassified subsequently to income:	31		
Gain arising on revaluation of owner-occupied property and owner-managed property		5,319	13,444
Gain / (loss) on defined benefit plans		(3,760)	8,856
Other items		34	-
		1,593	**22,300**
Other comprehensive income / (loss)		**37,942**	**(50,026)**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**622,175**	**(183,169)**
Total comprehensive income / (loss) is attributable to:			
Common shareholders		566,799	(211,394)
Non-controlling interests		55,376	28,225
		622,175	**(183,169)**

Amounts expressed in US $000

	Share Capital (note 19)	Share Premium (note 19)	Reserves (note 20)	(Accumulated Deficit) / Retained Earnings (restated)	Total Shareholders' Equity (restated)	Non-controlling Interests (restated)	Total Equity (restated)
2023							
Balance, December 31, 2022							
as previously reported	1,426	734,922	(115,441)	(191,216)	429,691	306,733	736,424
Tax impact on application of IFRS 17 (note 29)	-	-	-	12,375	12,375	12,424	24,799
Restated balance, January 1, 2023	1,426	734,922	(115,441)	(178,841)	442,066	319,157	761,223
Total comprehensive income	-	-	36,372	530,427	566,799	55,376	622,175
Transactions with holders of equity instruments:							
Allotment of common shares (note 19)	7	2,693	-	-	2,700	-	2,700
Repurchase of shares (note 19)	(24)	(12,539)	-	3,407	(9,156)	-	(9,156)
Movement in treasury shares	-	(47)	-		(47)	-	(47)
Changes in reserve for equity compensation benefits	-	-	450	671	1,121	111	1,232
Dividends declared (note 19)	-	-	-	(31,964)	(31,964)	(15,858)	(47,822)
Changes in ownership interest in subsidiaries	-	-	615	(758)	(143)	38	(105)
Transfers and other movements	-	-	4,587	(5,029)	(442)	(737)	(1,179)
Balance, December 31, 2023	1,409	725,029	(73,417)	317,913	970,934	358,087	1,329,021

Amounts expressed in US $000

	Share Capital (note 19)	Share Premium (note 19)	Reserves (note 20) (restated)	Retained Earnings / (Accumulated Deficit) (restated)	Total Shareholders' Equity (restated)	Non-controlling Interests (restated)	Total Equity (restated)
2022							
Balance, December 31, 2021 as previously reported	1,431	737,114	(60,472)	455,897	1,133,970	532,243	1,666,213
Impact of initial application of IFRS 17	-	-	110,113	(661,226)	(551,113)	(158,915)	(710,028)
Impact of application of IFRS 9 policy choices as a result of IFRS 17 implementation	-	-	(120,727)	202,300	81,573	51,821	133,394
Restated balance, January 1, 2022	1,431	737,114	(71,086)	(3,029)	664,430	425,149	1,089,579
Total comprehensive loss	-	-	(47,376)	(164,018)	(211,394)	28,225	(183,169)
Transactions with holders of equity instruments:							
Allotment of common shares (note 19)	7	3,907	-	-	3,914	-	3,914
Repurchase of shares (note 19)	(12)	(6,095)	-	104	(6,003)	-	(6,003)
Movement in treasury shares	-	(4)	-	-	(4)	-	(4)
Changes in reserve for equity compensation benefits	-	-	399	(244)	155	64	219
Dividends declared (note 19)	-	-	-	(32,141)	(32,141)	(20,807)	(52,948)
Changes in ownership interest in subsidiaries	-	-	-	399	399	9,976	10,375
Disposal of interest in subsidiaries (note 33)	-	-	-	-	-	(136,918)	(136,918)
Transfers and other movements	-	-	2,622	7,713	10,335	1,044	11,379
Restated balance, December 31, 2022	1,426	734,922	(115,441)	(191,216)	429,691	306,733	736,424

Amounts expressed in US $000

	Note	2023	2022 (restated)
OPERATING ACTIVITIES			
Income / (loss) before taxes		673,435	(112,404)
Adjustments for non-cash items, interest and dividends	32	(672,749)	89,711
Interest and dividends received		592,104	447,579
Interest paid		(145,839)	(96,315)
Income taxes paid		(54,050)	(47,670)
Net change in investments and operating assets	32	(662,220)	(1,474,156)
Net change in operating liabilities	32	229,712	1,038,752
Net cash flows - operating activities		(39,607)	(154,503)
INVESTING ACTIVITIES			
Property, plant and equipment, net	32	(21,511)	(17,446)
Dividends received from associates and joint ventures		2,251	1,000
Intangible assets, net		(4,704)	(4,353)
Acquisition of subsidiaries, net of cash and cash equivalents	33	30,463	(17,113)
Proceeds on disposal of subsidiary, net of cash and cash equivalents	33	17	11,292
Net cash flows - investing activities		6,516	(26,620)

	Note	2023	2022 (restated)
FINANCING ACTIVITIES			
Repurchase of common shares		(9,156)	(6,003)
Movement in treasury shares		(47)	(4)
Shares (purchased from) / issued to non-controlling interests		(1,057)	903
Changes in ownership of subsidiaries		(1,364)	-
Notes and loans payable, net	32	308,105	(10,014)
Lease liability principal paid	32	(8,266)	(7,600)
Dividends paid to common shareholders		(31,991)	(32,151)
Dividends paid to non-controlling interests		(16,691)	(20,773)
Proceeds on disposal of interest in subsidiary	33	-	10,376
Net cash flows - financing activities		239,533	(65,266)
Effect of exchange rate changes		2,191	2,335
NET CHANGE IN CASH AND CASH EQUIVALENTS		208,633	(244,054)
Cash and cash equivalents, beginning of year		592,737	836,791
CASH AND CASH EQUIVALENTS, END OF YEAR	32	801,370	592,737

1. GENERAL INFORMATION

Sagicor Financial Company Ltd. (TSX: SFC, "Sagicor" or the "Company") is a leading financial services provider in the Caribbean, with over 180 years of history. SFC's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados.

On November 27, 2018, Sagicor Financial Corporation Limited ("SFCL") entered into a definitive arrangement agreement as amended on January 28, 2019 with Alignvest Acquisition II Corporation, a special purpose acquisition company, pursuant to which on December 5, 2019, Alignvest acquired all of the issued and outstanding shares of SFCL by way of an Ontario court approved plan of arrangement and a Bermuda court approved scheme of arrangement. On closing, Alignvest Acquisition II Corporation changed its name to Sagicor Financial Company Ltd., whose operations continue as SFC, and owns 100% of the shares in the capital of SFCL.

The common shares and warrants of Sagicor are listed on the Toronto Stock Exchange and are traded under the symbols "SFC" and "SFC.WT" respectively. With the listing on the Toronto Stock Exchange, Sagicor Financial Corporation Limited's common shares, formerly listed on the London and Trinidad and Tobago Stock Exchanges, have ceased trading and have been delisted from the London and the Trinidad and Tobago Stock Exchanges. The former listing on the Barbados Stock Exchange has ceased trading.

Sagicor and its subsidiaries ("the Group") operate across the Caribbean, the United States of America (USA) and Canada. Details of Sagicor's holdings and operations are set out in note 4.

The principal activities of the Sagicor Group are as follows:

- Life and health insurance,
- Annuities and pension administration services,
- Banking and investment management services,

and its principal operating companies are as follows:

- Sagicor Life Inc (Barbados and Trinidad & Tobago),
- Sagicor Life Jamaica Limited (Jamaica),
- Sagicor Bank Jamaica Limited (Jamaica),
- Sagicor Life Insurance Company (USA),
- ivari (Canada).

The Group also underwrites property and casualty insurance.

For ease of reference, when the term "insurer" is used in the following notes, it refers to either one or more Group subsidiaries that engages in insurance activities.

These consolidated financial statements for the year ended December 31, 2023 have been approved by the Board of Directors on March 26, 2024. Neither the Company's owners nor others have the power to amend the financial statements after issue.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with, and comply with, IFRS Accounting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

All amounts in these financial statements are shown in thousands of United Stated dollars, unless otherwise stated.

The Group has implemented the following new standard.

New IFRS effective January 1, 2023, applicable to the Group

IFRS 17 - Insurance Contracts

IFRS 17 - Insurance Contracts became effective January 1, 2023 and these financial statements reflect the changes introduced on adoption of this standard. On the implementation of IFRS 17 - Insurance Contracts, the Group

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

New IFRS effective January 1, 2023, applicable to the Group (continued)

IFRS 17 - Insurance Contracts (continued)

elected to change the classification of certain of its financial assets which are accounted for under IFRS 9 - Financial Instruments.

The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts. With the adoption of IFRS 17, the Group has elected to designate some financial assets, which were previously held at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL). Refer to the IFRS 9 – Financial instruments ("IFRS 9") section for further details of changes in the application of this standard which was previously implemented by the Group on January 1, 2018.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are summarised below.

i. <u>Recognition, measurement and presentation of insurance contracts</u>

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM unless the contract is onerous.

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities.

PAA is mainly applied to short duration contracts where the policy's contract boundary is one year or less. This includes contracts, such as group life and health and general insurance business. Under PAA, insurance contracts are measured based on unearned premiums and the accounting is broadly similar to the Group's historical approach under IFRS 4. Contracts which are not eligible to be measured under the PAA are primarily measured under the GMM, unless the contracts have direct participating features and are measured under the VFA.

Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

For an explanation of how the Group accounts for insurance and reinsurance contracts under IFRS 17, see Note 2.3.

ii. <u>Changes to presentation and disclosure</u>

For presentation in the consolidated statement of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Previously, line items presented in the statement of financial position were:

- Reinsurance assets
- Actuarial liabilities, other policy liabilities, and investment contract liabilities, which comprised total policy liabilities

The line-item descriptions in the consolidated statement of income and other comprehensive income have been changed when compared with last year. Previously, the Group reported the following line items:

- Premium revenue
- Reinsurance premium expense
- Net premium revenue
- Policy benefits and change in actuarial liabilities

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

New IFRS effective January 1, 2023, applicable to the Group (continued)

IFRS 17 - Insurance Contracts (continued)

ii. Changes to presentation and disclosure (continued)

- Policy benefits and net change in actuarial liabilities reinsured
- Net policy benefits and net change in actuarial liabilities

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Income or expenses from reinsurance contracts held
- Finance income/ expense from insurance contracts issued
- Finance income/ expense from reinsurance contracts held

The Group provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Income and expenses from reinsurance contracts other than reinsurance finance income and expenses are now presented as a single net amount in net income / (loss). Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

iii. Transition

The Group adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The Group applied the full retrospective approach or the fair value approach in IFRS 17 to identify, recognise and measure certain groups of contracts at January 1, 2022. The full retrospective approach was mostly applied to the insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied.

The Group considers the full retrospective approach impracticable for some contracts under the following circumstances:

- The effects of retrospective application were not determinable because the information required had not been collected (or had not been collected with sufficient granularity) and was unavailable because of system migrations, data retention requirements or other reasons.
- The full retrospective approach required assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight.

The Group identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied and any resulting net difference was recognised in equity.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at January 1, 2022 are presented in the statement of changes in equity.

IFRS 9 - Financial Instruments

IFRS 9 – Financial instruments ("IFRS 9") was previously implemented by the Group on January 1, 2018. The Group has restated prior periods to reflect changes in designation or classification of its financial assets held in respect of activities connected with contracts within the scope of IFRS 17 effective January 1, 2022 (see note 5.1). The Group recognised the difference between the previous carrying amount of those financial assets and the carrying amounts of those financial assets at the transition date in retained earnings.

The principal IFRS 9 accounting policies are described in note 2.10.

The Group has adopted the amendments to IFRS and IAS set out in the following tables:

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Amendments to existing IFRS and IAS effective January 1, 2023

Standard	Description of amendment
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. This standard has no material effect on the Group.
IAS 8 – Definition of accounting estimates	This amendment assists entities in distinguishing between accounting policies and accounting estimates. This standard has no material effect on the Group.
IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies	This amendment assists preparers of financial statements in making decisions related to which accounting policies to disclose in financial statements. This standard has no material effect on the Group.

Amendment to existing IAS effective immediately (issued May 2023)

Standard	Description of amendment
IAS 12 - International tax reform – pillar two model rules	This amendment gives entities temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD's) international tax reform. The amendment represents an exception to the requirements in IAS 12 whereby an entity does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. The Group has applied this exception.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued, and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition.

Subsequent ownership changes in a subsidiary, without loss of control, are accounted for as transactions between owners in the statement of changes in equity.

Non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interest.

On an acquisition by acquisition basis, the Group recognises, at the date of acquisition, the components of any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the non-controlling interest component is entitled to a proportionate share of net identifiable assets of the

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

acquiree in the event of liquidation. For certain components of non-controlling interests, other IFRS may override the fair value option.

Non-controlling interest balances are subsequently re-measured by the non-controlling's proportionate share of changes in equity after the date of acquisition.

(b) <u>Sale of subsidiaries</u>

On the sale of or loss of control of a subsidiary, the Group derecognises the related assets, liabilities, non-controlling interest and associated goodwill of the subsidiary. The Group reclassifies its share of balances of the subsidiary previously recognised in other comprehensive income either to income or to retained earnings as appropriate. The gain (or loss) on sale recorded in income is the excess (or shortfall) of the fair value of the consideration received over the derecognised and reclassified balances.

(c) <u>Associates and joint ventures</u>

The investments in associated companies, which are not majority-owned or controlled but where significant influence exists, are included in these consolidated financial statements under the equity method of accounting. Investments in companies are accounted for as associates in instances when significant influence exists even though the shareholding may be less than 20%.

Investments in associate and joint venture companies are originally recorded at cost and include intangible assets identified on acquisition.

Accounting policies of associates and joint ventures have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Assets of certain associates include significant proportions of investment property and financial instruments invested in investment property which are carried at fair value in accordance with the valuation procedures outlined in note 2.6.

The Group recognises in income its share of associate and joint venture companies' post-acquisition income and its share of the amortisation and impairment of intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest.

The Group recognises in other comprehensive income, its share of post-acquisition other comprehensive income. The Group recognises an impairment of its net investment in an associate or a joint venture when there is objective evidence that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the associate's or joint venture's fair value less costs to sell and its value in use.

(d) <u>Pension and investment funds</u>

The Group has issued deposit administration and unit linked contracts in which the full return of the assets supporting these contracts accrues directly to the contract-holders. As these contracts are not operated under separate legal trusts, they have been consolidated in these financial statements.

The Group manages segregated pension funds, mutual funds and unit trusts. These funds are segregated and investment returns on these funds accrue directly to unit-holders. Consequently, the assets, liabilities and activity of these funds are not included in these consolidated financial statements unless the Group has a significant holding in the fund. Where a significant holding exists, the Group either consolidates the assets, liabilities and activity of the fund and accounts for any non-controlling interest as a financial liability or accounts for the fund as an associate.

The Group issues certain segregated funds contracts which allow the policyholders to invest in segregated investment funds managed by the Group for their benefit. The policyholders bear the risks and rewards of the performance of the funds, however the underlying assets of the funds are owned by the Group. The underlying assets are recorded at fair value and the values are based on quoted market prices or, where quoted market prices are not readily available, on prevailing market prices for instruments with similar characteristics and risk profiles or by using internal or external valuation models with observable market-based inputs. The fair value of the net liabilities is set equal to the fair value of the net assets. Segregated funds net assets and net liabilities are presented as separate lines on the statement of financial position. The Group earns a fee for the management of these funds which is included in the determination of expected future cash flows.

(e) <u>Employees share ownership plan (ESOP)</u>

The Company has established an ESOP Trust, which either acquires Company shares on the open market, or is allotted new shares by the Company. The Trust holds the shares on behalf of employees until the employees' retirement or termination from the Group. Until distribution to employees, shares held by the Trust are accounted for as treasury shares. All dividends received by the Trust are applied towards the future purchase of Company shares.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations

Summary of material accounting policies for insurance contracts

(a) Summary of measurement approaches

The Group uses different measurement approaches, depending on the portfolio of contract issued, as follows:

Contracts Issued	Product Classification	Measurement Model
Traditional Life contracts	Insurance contracts	GMM
Universal Life contracts	Insurance contracts without direct participation features	GMM
Universal Life contract with direct participation features	Insurance contracts with direct participation features	VFA
Living Benefits	Insurance contracts	GMM / PAA
Participating life contracts	Insurance contracts without direct participation features	GMM
Single premium health and creditor life	Insurance contracts	GMM
Single premium group creditor	Insurance contracts	GMM
Group Life & Health	Insurance contracts	PAA for policies issued with coverage one year or less
Accumulation annuities, Payout annuities, Endowment without direct participation features	Insurance contracts without direct participation features	GMM
Variable endowments with direct participation features	Insurance contracts with direct participation features	VFA
General Insurance – Accident, Liability, Marine, Property, Motor	Insurance contracts	PAA for policies issued with coverage one year or less
Contracts within the segregated funds portfolio	Insurance contracts with direct participation features	VFA

For underlying direct insurance contracts measured under GMM or VFA, the corresponding reinsurance contract portfolios are measured using GMM. For underlying direct insurance contracts measured under PAA, the corresponding reinsurance contract portfolios are measured using PAA.

(b) Definition and classification

The Group issues insurance contracts that transfer significant insurance risk from the policyholder. The Group defines insurance risk as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract, it remains an insurance contract for its duration, even if the insurance risk reduces significantly over time.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and are not treated as insurance contracts.

Certain life policies issued by the Group contain direct participation features such as universal life contracts with direct participation features and variable endowments with direct participation features which entitle the policyholder to receive additional payments, supplementary to the main insurance benefit. Policy bonuses and policy dividends, together with residual gains in the participating accounts constitute direct participation features. The Group accounts for these contracts under IFRS 17.

An insurance contract with direct participation features is defined by the Group as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified. Contracts within the Segregated Funds portfolio also meet these criteria for insurance contracts with direct participation features (see note 2.3 (j)).

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(b) Definition and classification (continued)

The variability in the cash flows is assessed over the expected duration of a contract. The duration of a contract considers all cash flows within the boundary (see note 2.3 (d)).

IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. Investment components in some Universal Life and Indexed Deferred Annuities comprise policyholder account values less applicable surrender fees. The Group uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the amount of the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders), less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA. The VFA modifies the accounting model in IFRS 17 to reflect that the consideration that an entity receives for the contracts is a variable fee.

All other insurance contracts originated by the Group are without direct participation features.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance and reinsurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

(c) Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts.

Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

1. contracts that are onerous at initial recognition;
2. contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
3. a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. Expected profitability is determined at the contract level, unless the Group has reasonable and supportable information to assess profitability at a higher level. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For contracts measured under the GMA and VFA models, the Group develops rates or prices for the range of insurance contracts that may be issued under a given product form. Rates would typically be intended to result in similar levels of profitability across all insurance contracts issued.

Generally, for contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(c) Unit of account (continued)

circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Similar to the treatment of the direct (underlying) contracts, the Group divides reinsurance contracts held into contracts with similar insurance risk. The risks for reinsurance contracts in the life business are mortality, morbidity, hybrid and longevity risks which correspond to portfolios of direct contracts. The hybrid risk for reinsurance contracts refers to treaties that cover both mortality and lapse benefits and therefore have more than one type of risk. The Group manages all reinsurance treaties on the same basis as it does for line of business reporting described above for direct contracts. Applying the grouping requirements to reinsurance contracts held, the Group's policy is to aggregate reinsurance contracts held concluded within a calendar year (annual cohorts) into groups limited to reinsurance contracts arising from a single treaty. IFRS 17 requires that reinsurance contracts be placed in groups of:

1. contracts for which there is a net gain at initial recognition, if any;
2. contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
3. remaining contracts in the portfolio, if any.

Transition approaches that were applied by the Group on adoption of IFRS 17 with respect to contracts aggregation requirements are included in note 3.1.7.

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

1. cash flows relating to embedded derivatives that are required to be separated;
2. cash flows relating to distinct investment components; and
3. promises to transfer distinct goods or distinct services other than insurance contract services.

The Group applies IFRS 17 to all remaining components of the contract. The Group does not have any contracts that require further separation of insurance contracts.

Groups of insurance contracts issued are initially recognised from the earliest of the following:

1. the beginning of the coverage period;
2. the date when the first payment from the policyholder is due or actually received, if there is no due date; and
3. when the Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination within the scope of IFRS 3 or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer. This treatment is applicable on a going forward basis and not retrospectively.

Groups of reinsurance contracts are recognised at the earlier of:

1. The beginning of the coverage period; and
2. The date at which an onerous group of underlying contracts was recognised if it entered into the reinsurance before that date.

For proportionate contracts, recognition is delayed until the date when the underlying insurance contract is initially recognised, if that date is after the beginning of the coverage period of the group of reinsurance contracts held. Most life reinsurance treaties are proportionate and are entered into on or before the underlying contracts are recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Insurance and reinsurance contracts are derecognised when they are:

1. extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
2. the contract is modified, and additional criteria discussed below are met.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(c) Unit of account (continued)

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
   i. is not within the scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts.

b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition.

c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility, component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;
b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
   i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
   ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
   iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and
c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to net income / (loss):

a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(d) Measurement

Groups of insurance contracts are recognised and measured as the total of the following measurement components:

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(d) Measurement (continued)

a) Fulfilment cash flows which comprise:

- the present value of future cash flows (including the provisions of financial risk), and
- the risk adjustment for non-financial risk; and

b) A CSM, representing the unearned profit that will be recognised in income as insurance contract services are provided.

Under the PAA, insurance contracts are measured based on unearned profits and do not include a CSM.

These measurement components are outlined below, along with insurance acquisition costs which are allocated to groups of contracts.

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

a) represent a probability-weighted mean of the full range of possible outcomes;
b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 3.1.3.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows reflect the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b) both of the following criteria are satisfied:
   - the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(d) Measurement (continued)

Contract Boundary (continued)

- the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

With the exception of contracts that change character, referred to in the discussion below, the Group does not have any contracts where it has the right to reassess the risk or to terminate unilaterally at an individual contract level. For certain universal life and health insurance contracts, the Group has the right to reset premiums to reflect expected experience for the product.

However, the Group does not have the right to reprice at the portfolio level as, within a portfolio, it aggregates contracts with the right to reprice, with contracts for which it does not have the right to reprice.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary. Some insurance contracts issued by the Group provide policyholders with an option to alter the nature of the contract by exchanging one contract for another, for example, a term life contract being exchanged for a permanent contract or a deferred annuity contract being exchanged for a payout annuity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if the related cash flows are within or outside the insurance contract boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The contract boundary for the Group's life proportional treaties aligns with the notice period where the treaty provides for termination resulting in a series of reinsurance contracts related to that treaty all with the contract boundary equal to the notice period. Any direct contract written and ceded during the period covered by the contract boundary becomes an underlying contract for the reinsurance contract. Cash flows falling within the contract boundary will be determined in relation to the cash flows arising from the direct (underlying) contracts. Since most treaties cover the direct contracts, as long as the direct contracts are in force, the associated cash flows will be projected for the life of the direct contracts.

The excess of loss reinsurance contracts held provide coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17.

Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised,

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(d) Measurement (continued)

Insurance acquisition costs (continued)

fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1 an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;

2 in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised in step (1) above.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 3.1.4.

(e) Initial measurement – Groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) and arises from:

a) the initial recognition of the FCF;
b) cash flows arising from the contracts in the group at that date; and
c) the derecognition of any insurance acquisition cash flows asset.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous.

A loss from onerous insurance contracts is recognised in net income / (loss) immediately, with no CSM recognised on the statement of financial position on initial recognition, and a loss component is established in the amount of loss recognised (refer to the “Onerous contracts – Loss component” section in (f) Subsequent measurement – Groups of contracts not measured under the PAA).

For groups of reinsurance contracts held, any net gain or net cost at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in net income / (loss). For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

a) the initial recognition of the FCF; and
b) cash flows arising from the contracts in the group at that date;
c) any income recognised in net income / (loss) when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (c) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(e) Initial measurement – Groups of contracts not measured under the PAA (continued)

Contractual service margin (continued)

insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For insurance contracts acquired in a portfolio transfer or a business combination within the scope of IFRS 3, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

a) the initial recognition of the FCF; and
b) cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

(f) Subsequent measurement – Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

a) the LRC, comprising:
   - the FCF related to future service allocated to the group at that date; and
   - the CSM of the group at that date; and
b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

a) the asset for remaining coverage, comprising:
   - the FCF related to future service allocated to the group at that date; and
   - the CSM of the group at that date; and
b) the asset for the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

a) changes that relate to current or past service are recognised in net income / (loss); and
b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

a) experience adjustments – arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
b) changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
c) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (c) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(f) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes in fulfilment cash flows (continued)

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
b) changes in the FCF relating to the LIC;
c) experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
d) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

a) changes in the amount of the Group's share of the fair value of the underlying items; and
b) changes in the FCF that do not vary based on the returns of underlying items:
   i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
   ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
   iii. changes in estimates of the present value of future cash flows in the LRC.
   iv. differences between loans to a policyholder expected to become repayable in the period and the actual loan to a policyholder that becomes repayable in the period; and
   v. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (ii)-(v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
b) changes in the FCF that do not vary based on the returns of underlying items:
   i. changes in the FCF relating to the LIC; and
   ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
   iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.
b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
d) The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

The Group prepares consolidated financial statements on a quarterly basis. The Group has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Group in previous interim financial statements are not changed when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(f) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

The Group does not publish interim financial statements for the last quarter in the year. If an estimate reported in the previous quarter changes significantly in the fourth quarter, the nature and amount of such changes are disclosed in the annual statements.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.
b) Interest accreted on the carrying amount of the CSM.
c) Income recognised in the statement of income when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
d) Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
e) Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
f) The amount recognised in net income / (loss) for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using an average discount rate determined at initial recognition that is applied to nominal cash flows that do not vary based on the returns of underlying items. The discount rate used for accretion of interest on the CSM is determined using the top-down approach. The locked-in discount rate for a group is determined as the average of the discount rates applied at the beginning and ending of each period.

Adjusting the CSM for changes in the FCF relating to future service

Under the GMM, the CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the ‘Changes in fulfilment cash flows’ section earlier.

Release of the CSM to net income / (loss)

The amount of the CSM recognised in net income / (loss) for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA. The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Group expects these amounts to include an investment return that is achieved by the Group by performing investment activities to generate that investment return.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(f) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

Release of the CSM to net income / (loss) (continued)

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a) the quantity of benefits provided by contracts in the group;
b) the expected coverage period of contracts in the group; and
c) the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage. For investment-return and investment-related services, policyholders' account values are used to determine the quantity of benefits provided.

The Group determines coverage units as follows:

Product	Coverage Units
Traditional Life contracts	Sum insured
Universal Life contracts	Sum insured plus fund value; and net amount at risk plus fund value
Universal Life contract with direct participation features	Sum insured plus fund value
Living Benefits	Sum insured
Participating life contracts	Sum insured plus dividend value
Single premium health and creditor life	Sum insured
Single premium group creditor	Sum insured / maximum benefit
Accumulation annuities, Payout annuities, Endowment without direct participation features	Greater of maturity benefit or sum insured and Payout for Payout annuities
Variable endowments with direct participation features	Sum insured plus fund value
Term life	Sum insured
Whole life	Sum insured
Critical illness	Sum insured
Segregated funds	Greater of current account value and respective minimum guaranteed value

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(f) Subsequent measurement – Groups of contracts not measured under the PAA (continued)

Changes to the contractual service margin (continued)

Release of the CSM to net income / (loss) (continued)

The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items, except for contracts measured under the VFA which use the current discount rate.

For reinsurance contracts held, the CSM is released to net income / (loss) as insurance contract services are received from the reinsurer in the period. The coverage period for these reinsurance contracts is determined based on the coverage period of all underlying contracts for which cash flows are included in the reinsurance contract boundary. Refer to the 'Contract boundary' section in note 2.3 (d) above.

Onerous contracts – Loss component

When negative adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a) expected incurred claims and other liability and other directly attributable expenses for the period;
b) changes in the risk adjustment for non-financial risk for the risk expired; and
c) finance income / (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF relating to the future in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Subsequent increases in FCF are allocated in relation to the entity's share of the fair value of the underlying items. Increases in the FCF relating to the future in subsequent periods increase the loss component.

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, a loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held. The loss-recovery component results in an amount immediately recognised within the statement of income within the net income / (expense) from reinsurance contracts held.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

(g) Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group has determined that contracts within the General Insurance and the Group Life and Health lines of business (with the exception of the Single premium group creditor products) almost always have a coverage period of one year or less and are therefore automatically eligible for PAA. Where contracts measured under the PAA have a coverage period of more than one year, the Group expects that the LRC under PAA will not be materially different from what would be expected using the GMM.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(g) Initial and subsequent measurement – Groups of contracts measured under the PAA (continued)

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a) the LRC; and
b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group has elected not to discount the cash flows within the LIC for certain groups of contracts where the cash flows are expected to be paid within a year of the date on which the claim is incurred. For all groups of contracts, the Group includes an explicit risk adjustment for non-financial risk.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a) the asset for remaining coverage; and
b) the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For non-onerous insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a) increased for premiums received in the period;
b) decreased for insurance acquisition cash flows paid in the period;
c) decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums paid in the period;
b) decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.

The Group adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. The Group will reflect non-performance of reinsurers where it holds a net asset for the reinsurance treaty or where the reinsurance treaty does not provide the right of offset of amounts due from reinsurers against amounts due to reinsurers.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA. For contracts measured under the PAA and GMM, the LIC is measured similarly. Future cash flows are adjusted for the time value of money.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF determined using a methodology similar to the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined using a methodology similar to the GMM relating to the future service and the carrying amount of the LRC without the loss component.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in net income / (loss) and a loss-recovery component is established or adjusted for the amount of income recognised.

The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(h) Amounts recognised in the statement of income within the insurance service result

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:

  a) claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
     i. amounts allocated to the loss component;
     ii. repayments of investment components and policyholder rights to withdraw an amount;
     iii. insurance acquisition expenses; and
     iv. amounts related to the risk adjustment for non-financial risk (see (b));

  b) changes in the risk adjustment for non-financial risk, excluding:
     i. changes included in insurance finance income / (expenses);
     ii. changes that relate to future coverage (which adjust the CSM); and
     iii. amounts allocated to the loss component; and

  c) amounts of the CSM recognised for the services provided in the period.

In-period cash flow variances would go through CSM if they are investment component, premium experiences not related to past service, or policy loan cash flow variances.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the applicable coverage units of each group. For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

a) incurred claims and benefits, excluding investment component and policy loans, reduced by loss component allocations;
b) insurance acquisition cash flows amortisation;
c) changes that relate to past service – changes in the FCF relating to the LIC; and
d) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
e) insurance acquisition cash flows assets impairment net of reversals.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income.

Net income / (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a) reinsurance expenses;
b) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
c) changes that relate to past service – changes in the FCF relating to incurred claims recovery;
d) effect of changes in the risk of reinsurers' non-performance; and

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(h) Amounts recognised in the statement of income within the insurance service result (continued)

Net income / (expenses) from reinsurance contracts held (continued)

e) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
   i. income on initial recognition of onerous underlying contracts;
   ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
   iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses (ceding premiums) are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

For contracts measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
   i. amounts allocated to the loss-recovery component;
   ii. amounts related to the risk adjustment for non-financial risk (see (b));
b) changes in the risk adjustment for non-financial risk, excluding:
   i. changes included in finance income / (expenses) from reinsurance contracts held;
   ii. changes that relate to future coverage (which adjust the CSM); and
   iii. amounts allocated to the loss-recovery component;
c) amounts of the CSM recognised for the services received in the period; and
d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part ceding premiums (reinsurance expenses). Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Premium taxes

Premium taxes (i.e., transaction-based taxes) are cash flows within the boundary of an insurance contract and relate directly to the fulfilment of the insurance contract.

(i) Amounts recognised in the statement of income within net insurance finance income / expenses

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance and reinsurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and
b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a) interest accreted on the FCF and the CSM; and
b) the effect of changes in interest rates and other financial assumptions.

For contracts measured under the VFA, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the LIC; and
b) the effect of changes in interest rates and other financial assumptions.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Insurance Operations (continued)

(i) Amounts recognised in the statement of income within net insurance finance income / expenses (continued)

Insurance finance income or expenses (continued)

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The Group includes all insurance finance income or expenses for the period in net income / (loss) (that is, the profit or loss option (the PL option) is applied.

(j) Segregated funds contracts

Segregated funds contracts provide minimum death, withdrawal and maturity value guarantees to the policyholders. The liabilities associated with these guarantees are included in insurance contract liabilities on account of segregated funds policyholders. See note 2.3 (b).

2.4 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of each reporting unit of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). A reporting unit may be an individual subsidiary, a branch of a subsidiary or an intermediate holding company group of subsidiaries.

The consolidated financial statements are presented in thousands of United States dollars, which is the Group's presentational currency.

(b) Reporting units

The results and financial position of reporting units that have a functional currency other than the Group's presentational currency are translated as follows:

(i) Income, other comprehensive income, movements in equity and cash flows are translated at average exchange rates for the year.
(ii) Assets and liabilities are translated at the exchange rates ruling on December 31.
(iii) Resulting exchange differences are recognised in other comprehensive income.

Currencies which are pegged to the United States dollar are converted to the United States dollar by reference to the pegged rates. Currencies which float are converted to the United States dollar by reference to the average of buying and selling rates quoted by the respective central banks. Exchange rates of the other principal operating currencies to the United States dollar are set out in the following table.

Currency exchange rate of US $1.00:	2023 Closing Rate	2023 Average Rate	2022 Closing Rate	2022 Average Rate
Barbados dollar	2.0000	2.0000	2.0000	2.0000
Canadian dollar	1.3226	1.3658	1.3492	1.2923
Eastern Caribbean dollar	2.7000	2.7000	2.7000	2.7000
Jamaica dollar	154.2680	153.5318	151.0082	153.2954
Trinidad & Tobago dollar	6.7158	6.7396	6.7414	6.7402

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recorded in other comprehensive income. On the disposal or loss of control of a foreign entity, such exchange differences are transferred to income.

Goodwill and other intangible assets recognised on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the rate ruling on December 31.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, which result from the settlement of foreign currency transactions and from the retranslation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Non-monetary assets and liabilities are maintained at the transaction rates of exchange.

The foregoing exchange gains and losses which are recognised in the income statement are included in 'Fees and other income'.

Insurance contracts are monetary items which may give rise to foreign exchange differences. The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. Applying IAS 21 at the end of the reporting period, the carrying amount of the group of insurance contracts, including the CSM, is translated into the functional currency at the closing rate. The Group has chosen to present the resulting foreign exchange differences within the line item 'Fees and other income'.

Exchange differences on the retranslation of the fair value of non-monetary items such as equities held at fair value through income are reported as part of the fair value gain or loss. Exchange differences on the retranslation of the fair value of non-monetary items such as equities held as FVTOCI are reported as part of the fair value gain or loss in other comprehensive income.

2.5 Segments

Reportable operating segments have been defined in accordance with performance and resource allocation decisions of the Group's Chief Executive Officer.

2.6 Investment property

Investment property consists of freehold lands and freehold properties which are held for rental income and/or capital appreciation. Investment property is recorded initially at cost. In subsequent financial years, investment property is recorded at fair values as determined by independent valuation, with the appreciation or depreciation in value being taken to investment income. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at the valuation date. Fair values are derived using the market value approach and the income capitalisation approach, which reference market-based evidence, using comparable prices adjusted for specific factors such as nature, location and condition of property.

Investment property includes property partially owned by the Group and held under joint operations with third parties for which the Group recognises its share of the joint operation's assets, liabilities, revenues, expenses and cash flows.

Transfers to or from investment property are recorded when there is a change in use of the property. Transfers to owner-occupied property or to real estate developed for resale are recorded at the fair value at the date of change in use. Transfers from owner-occupied property are recorded at their fair value and any difference with carrying value at the date of change in use is dealt with in accordance with note 2.7.

Investment property may include property of which a portion is held for rental to third parties and the other portion is occupied by the Group. In such circumstances, the property is accounted for as an investment property if the Group's occupancy level is not significant in relation to the total available occupancy. Otherwise, it is accounted for as an owner-occupied property.

Rental income is recognised in accordance with note 2.11 (a).

2.7 Property, plant and equipment

Property, plant and equipment are recorded initially at cost. Subsequent expenditure is capitalised when it will result in future economic benefits to the Group.

Owner-occupied properties and owner-managed hotel properties are re-valued at least every three years to their fair value as determined by

Amounts expressed in US $000

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

independent valuation. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at valuation date. Revaluation of a property may be conducted more frequently if circumstances indicate that a significant change in fair value has occurred. Movements in fair value are reported in other comprehensive income, unless there is a cumulative depreciation in respect of an individual property, which is then recorded in income. Accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset.

Owner-occupied properties include property held under joint operations with third parties for which the Group recognises its share of the joint operation's assets, liabilities, revenues, expenses and cash flows. On the disposal of the property, the amount included in the fair value reserve is transferred to retained earnings.

The Group, as lessor, enters into operating leases with third parties to lease certain property, plant and equipment. Income from these activities is recognised in accordance with note 2.11(a) in accordance with IFRS 16 - Leases.

Depreciation is calculated on the straight-line method to write down the cost or fair value of property, plant and equipment to residual value over the estimated useful life. Estimated useful lives are reviewed annually and are as follows:

Asset	Estimated useful life
Owner-occupied buildings	40 to 50 years
Owner-managed hotel buildings	40 to 50 years
Furnishings and leasehold improvements	2 to 10 years, or lease term
Computer and office equipment	1 to 10 years
Vehicles	4 to 5 years
Right-of-use assets	1.5 to 12 years

Lands are not depreciated.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Gains or losses recognised in income on the disposal of property, plant and equipment are determined by comparing the net sale proceeds to the carrying value.

2.8 Intangible assets

(a) Goodwill

Goodwill (defined in note 2.2(a)) arising from an acquisition of a subsidiary or insurance business is allocated to appropriate cash generating units which are defined by the Group's operating segments. Goodwill arising in a reportable operating segment is allocated to that segment. Goodwill arising in a Group entity, which is not within a reportable operating segment, is allocated to that entity's own operations, or, if that entity is managed in conjunction with another Group entity, to their combined operations.

Goodwill arising from an investment in an associate is included in the carrying value of the investment.

Goodwill is tested annually for impairment and whenever there is an indication of impairment. Goodwill is carried at cost less accumulated impairment. An impairment loss is recognised for the amount by which the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is the higher of an operating segment's (or operation's) fair value less costs to sell and its value in use.

On the disposal of a subsidiary or insurance business, the associated goodwill is derecognised and is included in the gain or loss on disposal. On the disposal of a subsidiary or insurance business forming part of a reportable operating segment, the proportion of goodwill disposed is the proportion of the fair value of the asset disposed to the total fair value of the operating segment.

(b) Other intangible assets

Other intangible assets identified on acquisition are recognised only if future economic benefits attributable to the asset will flow to the Group and if the fair value of the asset can be measured reliably. In addition, for the purposes of recognition, the intangible asset must be separable from the business being acquired or must arise from contractual or legal rights. Intangible assets acquired in a business combination are initially recognised at their fair value.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Intangible assets (continued)

(b) Other intangible assets (continued)

Other intangible assets, which have been acquired directly, are recorded initially at cost.

On acquisition, the useful life of the asset is estimated. If the estimated useful life is definite, then the cost of the asset is amortised over its life, and the asset is tested for impairment when there is evidence of same. If the estimated useful life is indefinite, the asset is tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The estimated useful lives of recognised intangible assets are as follows:

Class of intangible asset	Asset	Estimated useful life
Customer-related	Customer relationships	5 to 20 years
	Broker relationships	10 years
	Trade names	10 years
Contract-based	Licences	15 years
Technology-based	Software	2 to 5 years

2.9 Real estate developed or held for resale

Lands being made ready for resale along with the cost of infrastructural works are classified as real estate held for resale and are stated at the lower of carrying value and fair value less costs to sell. Real estate acquired through foreclosure is classified as real estate held for resale and is stated at the lower of carrying value and fair value less costs to sell.

Gains and losses realised on the sale of real estate are included in revenue at the time of sale.

2.10 Financial investments

(a) Classification of financial assets

The Group utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortised cost based on the nature of the cash flows of these assets and the Group's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVTOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVTOCI or at FVTPL. Financial assets are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

(b) Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:
- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Therefore, in order to determine the appropriate basis, the following methods may be used:

- *Business model assessment*

Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Group intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Financial investments (continued)

(b) Classification of debt instruments (continued)

- *Solely payments of principal and interest ("SPPI")*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

Measured at amortised cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise, on specified dates, to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Measured at fair value through other comprehensive income (FVTOCI)

Debt instruments held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise, on specified dates, to cash flows that are solely payments of principal and interest are measured at FVTOCI. These comprise primarily debt securities and money market funds.

Measured at fair value through other comprehensive income (FVTOCI)

Debt instruments held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise, on specified dates, to cash flows that are solely payments of principal and interest are measured at FVTOCI. These comprise primarily debt securities and money market funds.

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so classified at inception:

- where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, or the debt instruments meet the "SPPI" criteria but fail to meet the criteria for amortised cost or FVTOCI based on the business model assessment, the debt instruments are classified and measured at FVTPL; and
- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit-taking.

(c) Impairment of financial assets measured at amortised cost and FVTOCI

At initial recognition of a financial asset, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Expected Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are defined as being in default or otherwise credit-impaired and are included in 'stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the lifetime credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available, including information from the past and forward-looking information. Factors, such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment, are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(d) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Group calculates the credit-adjusted effective interest rate, which is calculated based on the fair value origination of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these assets is always measured on a lifetime basis.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Financial investments (continued)

(d) Purchased or originated credit-impaired assets (POCI) (continued)

At each reporting date, the Group shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Group will recognise favourable changes in lifetime expected credit losses as an impairment gain, the gain occurs when the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

(e) Definition of default

The Group determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay, such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(f) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(g) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort, at the reporting date, about past events, current conditions and forecasts of future economic conditions.

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2018, the historical period for such review is limited. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions, remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling, and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, and particularly to changes in economic and credit conditions across wide geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Financial investments (continued)

(g) The general approach to recognising and measuring ECL (continued)

Measurement (continued)

month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage pre-January 1, 2018 processes for estimating losses on impaired loans, however, these processes will be updated as experience develops, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgement.

For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected lifetime losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward-looking information

The estimation and application of forward-looking information will require significant judgement. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a three-year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario will be based on macroeconomic forecasts where available. Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant. Scenarios will be probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis.

(h) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether the new terms are substantially different from the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency in which the loan is denominated.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Financial investments (continued)

(i) Reclassified balances

The Group reclassifies debt instruments when and only where its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

(j) Classification of equity instruments

The Group classifies and subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVTOCI. The Group's policy is to designate equity investments as FVTOCI when those investments are held for purposes other than to generate investment returns.

(k) Embedded derivatives

The Group may hold debt securities and preferred equity securities which may contain embedded derivatives. The embedded derivative of a financial asset is classified in the same manner as the host contract.

(l) Presentation in the statements of income and other comprehensive income (OCI)

Financial instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in other investment income.

Financial instruments measured at amortised cost

- Interest income is included in interest income earned from financial assets measured at amortised cost in the consolidated statement of income.
- Credit impairment losses are presented in the consolidated statement of income.
- Gain or loss on derecognition of debt instruments is presented in the consolidated statement of income.

Financial instruments measured at FVTOCI

- Interest income is included in interest income earned from financial assets measured at FVTOCI in the consolidated statement of income.
- Credit impairment losses are presented in the consolidated statement of income.
- Unrealised gains and losses arising from changes in fair value are presented in OCI.
- On derecognition, the cumulative fair value gain or loss is transferred from OCI and is presented in the consolidated statement of income.

Equity securities measured at FVTOCI

- Dividend income is included in other investment income.
- Unrealised changes in fair value are presented in OCI. Any impairment losses are included with fair value changes.
- On derecognition, the cumulative gain or loss in OCI remains in the fair value reserve for FVTOCI assets.

2.11 Leases

(a) Leases held as lessor

The Group holds finance leases with third parties to lease assets. Finance leases are leases in which the Group has transferred substantially the risks of ownership to the lessee. The finance lease, net of unearned finance income, is recorded as a receivable and the finance income is recognised over the term of the lease using the effective yield method. Impairment of finance lease receivables is measured in accordance with the requirements for amortised cost debt instruments.

The Group holds operating leases primarily for the rental of investment property and certain owner-occupied property. The Group recognises revenue from these activities on a straight-line basis or on another systematic basis if that basis is more representative of the pattern of use of the underlying asset.

(b) Leases held as lessee

At the inception of a rental contract for office space or a contract for the use of an asset, the Group assesses whether the contract contains a lease. A contract is, or contains, a lease if it conveys to the Group the right to control the use of the office space or asset for a time period in exchange for

2 MATERIAL ACCOUNTING POLICIES (continued)

2.11 Leases (continued)

(b) Leases held as lessee (continued)

consideration. The Group has elected to use the exemption for lease periods with a term of 12 months or less, or those leases for which the underlying asset has a low value, in which case the lease payments are recognised in administrative expenses. Low value assets comprise IT equipment and small items of office furniture.

For a contract that contains a lease, the Group may account for the lease component separately from the non-lease component. As a practical expedient, the Group elected, by class of underlying asset, not to separate the non-lease and lease components, and instead account for the contract as a lease.

As of the date the asset is available for use by the Group (the commencement date), a right-of-use asset and a corresponding lease liability are recognised.

The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the Group; and
(d) restoration costs.

The Group recognises the costs described in paragraph (d) as part of the cost of the right-of-use asset when it incurs an obligation for those costs.

Right-of-use assets are presented within property, plant and equipment and are subsequently measured at cost less depreciation. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

At the commencement date, the Group measures the lease liability as the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments, less any lease incentives receivable;
(b) amounts expected to be payable by the lessee under residual value guarantees;
(c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The extension and termination options need to be approved by the lessor. There are no variable lease payments and there were no residual value guarantees on leases.

Lease payments are allocated between principal and finance cost. The Group recognises interest on the lease liability in each accounting period during the lease term, which is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date, the lease liability is measured by:

(a) increasing the carrying amount to reflect interest on the lease liability;
(b) reducing the carrying amount to reflect the principal portion of lease payments made; and
(c) remeasuring the carrying amount to reflect reassessment or lease modifications, or to reflect revised fixed lease payments.

Lease liabilities are included in lease liabilities in the statement of financial position. The associated interest is included in finance costs in the statement of income. Leases give rise to lease liability principal elements and interest elements in the statement of cash flows.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.12 Financial liabilities

During the ordinary course of business, the Group issues investment contracts or otherwise assumes financial liabilities that expose the Group to financial risk.

Classification

Financial liabilities are measured at initial recognition at fair value and are classified as or subsequently measured either at amortised cost, or at fair value through income (FVTPL). Financial liabilities are recognised when the Group becomes a party to the contractual provision of the instrument.

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Unit linked deposit administration contracts and derivative financial liabilities (note 2.13) are carried at FVTPL. All other financial liabilities are carried at amortised cost. It is noted that the financial liabilities measured at FVTPL do not have a cumulative own credit adjustment gain or loss.

The recognition and measurement of the Group's principal types of financial liabilities are disclosed in note 2.3 (a) to (j) and in the following paragraphs.

(a) Securities sold for repurchase

Securities sold for repurchase are treated as collateralised financing transactions and are recorded at the amount at which the securities were sold. Securities sold subject to repurchase are not derecognised but are treated as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the agreements using the effective yield method.

The liability is extinguished when the obligation specified in the contract is discharged, assigned, cancelled or has expired.

(b) Deposit liabilities

Deposits are recognised initially at fair value and are subsequently stated at amortised cost using the effective yield method.

(c) Loans and other debt obligations

Loans and other debt obligations are recognised initially at fair value, being their issue proceeds, net of transaction costs incurred. Subsequently, obligations are stated at amortised cost and any difference between net proceeds the redemption value is recognised in the income statement over the period of the loan obligations using the effective yield method.

Obligations undertaken for the purposes of financing operations and capital support are classified as notes or loans payable. Loan obligations undertaken for the purposes of providing funds for on-lending, leasing or portfolio investments are classified as deposit and security liabilities.

(d) Fair value

Fair value amounts represent the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at valuation date.

(e) Presentation in the statement of income

For notes and loans payable measured at amortised cost, the associated interest is included in finance costs.

For deposit and security liabilities measured at amortised cost, the associated interest expense is included within interest costs.

For financial liabilities measured at FVTPL, the associated interest and fair value changes are included in interest costs.

2.13 Derivative financial instruments and hedging activities

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group transacts derivatives for three primary purposes: to create risk management solutions for customers, for proprietary trading purposes, and to manage its own exposure to credit and market risk.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into, and subsequently are re-measured at their fair value at each financial statement date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair

2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Derivative financial instruments and hedging activities (continued)

values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedging transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges, gains and losses relating to the effective portion of changes in the fair value of derivatives are initially recognised in other comprehensive income; and are transferred to the statement of income when the forecast cash flows affect income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of income.

Gains and losses from changes in the fair value of derivatives that do not qualify for hedge accounting are included in net investment income or interest costs.

2.14 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Presentation of current and non-current assets and liabilities

In note 36.5, the maturity profiles of financial and insurance assets and liabilities are identified. For other assets and liabilities, balances presented in notes 7 to 12, 14, 15, 18 and 28 are non-current unless otherwise stated in those notes.

2.16 Employee benefits

(a) Pension benefits

Group companies have various pension schemes in place for their employees. Some schemes are defined benefit plans and others are defined contribution plans.

The liability in respect of defined benefit plans is the present value of the defined benefit obligation at December 31 less the fair value of plan assets. The defined benefit obligation is computed using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using appropriate interest rates on government bonds for the maturity dates and currency of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income and retained earnings or non-controlling interest in the period in which they arise. Past service costs are charged to income in the period in which they arise.

For defined contribution plans, the Group pays contributions to the pension schemes on a mandatory or contractual basis. Once paid, the Group has no further payment obligations. Contributions are recognised in income in the period in which they are due.

Where a minimum funding requirement exists, the Group assesses the obligation, to determine whether the additional contributions would affect the measurement of the defined benefit asset or liability.

(b) Other retirement benefits

Certain Group subsidiaries provide supplementary health and life insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income and retained earnings or non-controlling interest in the period in which they arise.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Employee benefits (continued)

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on various profit and other objectives of the Group or of individual subsidiaries. An accrual is recognised where there are contractual obligations or where past practice has created a constructive obligation.

(d) Equity compensation benefits

The Group has a number of share-based compensation plans in place for administrative, sales and managerial staff.

(i) Equity-settled share-based transactions with staff

The services received in an equity-settled transaction with staff are measured at the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

If the equity instruments granted vest immediately and the individual is not required to complete a further period of service before becoming entitled to those instruments, the services received are recognised in full on grant date in the income statement for the period, with a corresponding increase in equity.

Where the equity instruments do not vest until the individual has completed a further period of service, the services received are expensed in the income statement during the vesting period.

Non-market vesting conditions are included in assumptions about the number of instruments that are expected to vest. At each reporting financial statement date, the Group revises its estimates of the number of instruments that are expected to vest based on the non-marketing vesting conditions and adjusts the expense accordingly.

Amounts held in the reserve for equity compensation benefits are transferred to share capital or non-controlling interest either on the distribution of share grants or on the exercise of share options.

The grant by the Company of its equity instruments to employees of Group subsidiaries is treated as a capital contribution in the financial statements of the subsidiary. The full expense relating to the grant is recorded in the subsidiary's income statement.

(ii) Cash-settled share-based transactions with staff

The services received in a cash-settled transaction with staff and the liability to pay for those services, are recognised at fair value as the individual renders service. Until the liability is settled, the fair value of the liability is re-measured at the date of the financial statements and at the date of settlement, with any changes in fair value recognised in income during that period.

(iii) Measurement of the fair value of equity instruments granted

The equity instruments granted consist either of grants of, or options to purchase common shares of listed entities within the Sagicor group. For common shares granted, the listed price prevailing on the grant date determines the fair value. For options granted, the fair value is determined by reference to the Black-Scholes valuation model, which incorporates factors and assumptions that knowledgeable, willing market participants would consider in setting the price of the equity instruments.

(e) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the date of the financial statements are discounted to present value.

Amounts expressed in US $000

2. MATERIAL ACCOUNTING POLICIES (continued)

2.17 Taxes

(a) Premium taxes

Insurers are subject to tax on premium revenues generated in certain jurisdictions. The principal rates of tax are summarised in the following table.

Premium tax rates	Life insurance and non-registered annuities	Health insurance	Property and Casualty insurance
Barbados	3% - 6%	4%	4% - 4.75%
Jamaica	Nil	Nil	Nil
Trinidad & Tobago	Nil	Nil	Nil
Canada	2% - 5%	2% - 5%	Nil
United States of America	0.75% - 3.5%	Nil	Nil

Premium tax is recognised in the insurance service result in the consolidated statement of income. See note 2.3(h).

(b) Asset tax

The Group is subject to an asset tax in Jamaica and Barbados. In Jamaica, the asset tax is levied on insurance, securities dealers and deposit-taking institutions, and is 0.25% of adjusted assets held at the end of the year. In Barbados, the asset tax is levied on insurance, deposit-taking institutions and credit unions and is 0.35% of adjusted assets held at the end of a period. Taxes are accrued monthly.

(c) Income taxes

The Group is subject to taxes on income in the jurisdictions in which business operations are conducted. Rates of taxation in the principal jurisdictions for the current year are set out in the next table.

Income tax rates	Life insurance and non-registered annuities	Registered annuities	Other lines of business
Barbados	2% of profit before tax	2% of profit before tax	2% of profit before tax
Jamaica	25% of profit before tax	Nil	25% - 33.33% of profit before tax
Trinidad & Tobago	15% (deductions granted only in respect of expenses pertaining to long-term business investment income)	Nil	30% of net income
Canada	25.86% of net income	25.86% of net income	25.86% of net income
United States of America	21% of net income	Nil	Nil

(i) Current income taxes

Current tax is the expected tax payable on the taxable income for the year, using the tax rates in effect for the year. Adjustments to tax payable from prior years are also included in current tax.

(ii) Deferred income taxes

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are computed at tax rates that are enacted or substantially enacted by the end of the reporting period. Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the asset may be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to do so and they relate to the same entity. Deferred tax, related to fair value re-measurement of FVTOCI investments and cash flow hedges which are recorded in other comprehensive income, is recorded in

2. MATERIAL ACCOUNTING POLICIES (continued)

2.17 Taxes (continued)

other comprehensive income and is subsequently recognised in income together with the deferred gain or loss.

2.18 Other liabilities / Retirement benefit liabilities

Liabilities are recognised when the Group has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.19 Common shares

In exchange for consideration received, the Company has issued common shares that are classified as equity. Incremental costs directly attributable to the issue of common shares are recorded in share capital as a deduction from the share issue proceeds.

Where a Group entity purchases the Company's common shares, the consideration paid, including any directly attributable cost, is deducted from share capital and is recorded as treasury shares. Where such shares are subsequently sold to a third party, the deduction from share capital is reversed, and any difference with net consideration received is recorded in retained earnings.

On the declaration by the Company's directors of common share dividends payable, the total value of the dividend is recorded as an appropriation of retained earnings.

2.20 Statutory reserves

Statutory reserves are established when regulatory accounting requirements result in lower distributable profits or when an appropriation of retained earnings is required or permitted by law to protect policyholders, insurance beneficiaries or depositors.

2.21 Premium / (discount) paid on repurchase of shares

The premium / (discount) paid on repurchase of shares is recorded directly in retained earnings.

2.22 Interest income and interest expense

Interest income (expense) is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments. Dividend income is recorded when declared.

2.23 Fees and other income

The Group earns fee income from:

- the management and administration of third-party investment funds, pension plans and insurance benefit plans (managed funds or administrative service only (ASO) benefit plans);
- the provision of corporate finance, stockbroking, trust and related services.

Other income includes:

- rental income from owner-occupied property;
- foreign exchange gains / (losses).

<u>Service contract income</u>

Income from service contracts includes management and administrative fees. These service contracts generally impose single-performance obligations, each consisting of a series of similar related services to the customer. The Group's performance obligations within these service arrangements are generally satisfied over time as the customers simultaneously receive and consume contracted benefits.

Income from service contracts with customers is recognised when or as the Group satisfies the performance obligation. For obligations satisfied over time, income is recognised monthly or over the applicable period. For performance obligations satisfied at a point in time, service contract income is recognised at that point in time.

Amounts expressed in US $000

2. MATERIAL ACCOUNTING POLICIES (continued)

2.24 Cash flows

The following classifications apply to the cash flow statement.

Cash flows from operating activities consist of cash flows arising from revenues, benefits, expenses, taxes, operating assets and operating liabilities. Cash flows from investing activities consist of cash flows arising from long-term tangible and intangible assets to be utilised in the business and in respect of changes in subsidiary holdings, insurance businesses, and associated company and joint venture investments. Cash flows from financing activities consist of cash flows arising from the issue, redemption and exchange of equity instruments and notes and loans payable and from equity dividends payable to holders of such instruments.

Cash and cash equivalents comprise:

- cash balances,
- call deposits,
- money market funds,
- other liquid balances with maturities of three months or less from the acquisition date, less
- bank overdrafts which are repayable on demand.

Cash equivalents are subject to an insignificant risk of change in value and excludes restricted cash.

2.25 Future accounting developments and reporting changes

Certain new standards and amendments to existing standards have been issued but are not effective for the periods covered by these financial statements. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Group's financial statements are summarised in the following tables.

Amendments	Subject / Comments
IAS 1 – Liabilities as current or non-current, effective January 1, 2024	In January 2020, the IASB made amendments to IAS 1 'Presentation of financial statements' to clarify the criteria for classifying a liability as non-current. These are to be applied retroactively. The impact of this standard on the Group is currently being analysed.
IAS 1 – Non-current liabilities with covenants, effective January 1, 2024	In November 2022, the IASB made further amendments to IAS 1 'Presentation of financial statements' which aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The impact of this standard on the Group is currently being analysed.
IFRS 16 – Leases on sale and leaseback, effective January 1, 2024	In September 2022, the IASB made amendments to IFRS 16 to explain how an entity should account for the lease liability in a sale and leaseback transaction after the transaction date. Sale and leaseback transactions most likely to be impacted are those where some or all of the lease payments are variable lease payments that do not depend on an index or rate. The amendments require that the entity does not recognise any gain or loss that relates to the right of use it retains. However, any gain or loss on partial or full termination of the lease may be recognised in the income statement. These amendments are to be applied retroactively. This standard will have no material effect on the Group.

Amounts expressed in US $000

2. MATERIAL ACCOUNTING POLICIES (continued)

2.25 Future accounting developments and reporting changes (continued)

Amendments	Subject / Comments
IAS 7 and IFRS 7 – Supplier finance, effective January 1, 2024 (with transitional reliefs in the first year)	In May 2023, these amendments were issued to improve the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk, in view of investors' and analysts' concerns that the supplier finance arrangements of some entities are not sufficiently visible. This standard will have no material effect on the Group.
IAS 21 – Lack of exchangeability – effective January 1, 2024	In August 2023, the IASB made amendments to IAS 21 to assist entities in the determination of whether a currency is exchangeable in another currency and to outline requirements entities would need to apply when a currency is not exchangeable into another currency at a measurement date for a specified purpose. This standard will have no material effect on the Group.
IFRS S1 – General requirements for the disclosure of sustainability-related financial information – effective January 1, 2024 (subject to endorsement of the standard by local jurisdictions)	In June 2023, the IASB issued IFRS S1 which includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The impact of this standard on the Group is currently being analysed.
IFRS S2 – Climate-related disclosures – effective January 1, 2024 (subject to endorsement of the standard by local jurisdictions)	In June 2023, the IASB issued IFRS S2 which sets out requirements for entities to disclose information about climate-related risks and opportunities. The impact of this standard on the Group is currently being analysed.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Group's reported assets, liabilities, income and other comprehensive income. The items which may have the most effect on the Group's financial statements are set out below.

3.1. Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group disaggregates information to disclose insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the group is managed.

Contracts not measured under PAA

3.1.1 Areas of Judgement

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts not measured under PAA are described in subsequent notes.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts not measured under PAA (continued)

3.1.1 Areas of Judgement (continued)

Definition and classification

- Whether contracts are within the scope of IFRS 17.
- For contracts determined to be within the scope of IFRS 17, what measurement model is applicable. The Group is required to determine the classification of contracts issued in Participating product lines as insurance or investment contracts. The following contracts issued by the Group are considered:
    - Insurance contracts with discretionary participation features, for which the Group applies significant judgement in the determination of whether contracts meet the definition of investment contracts with discretionary participation features.
    - Insurance contracts with direct participation features, based on the Group's assessment of whether contracts that are determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features as follows:
        - whether the pool of underlying items is clearly identified;
        - whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
        - whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.
- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk.

Unit of account

The Group is required to make judgements involved in combination of insurance contracts and separation of distinct components:

- Combination of insurance contracts - whether the contracts with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination.
- Separation – whether components in insurance contracts are distinct (that is, they meet the separation criteria).
- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

Insurance contracts aggregation

The Group is required to make judgements involved in the identification of portfolios of contracts (that is, having similar risks and being managed together). This includes the aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts, and a similar grouping assessment for reinsurance contracts held.

Areas of judgements include:

- The determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group; and
- Judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For contracts not measured under the PAA, the assessment of the likelihood of adverse changes in assumptions that might result in contracts becoming onerous is an area of judgement.

3.1.2. The methods used to measure insurance contracts

The Group primarily uses deterministic projections to estimate the present value of future cash flows.

The following assumptions are used when estimating future cash flows:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts not measured under PAA (continued)

3.1.2. The methods used to measure insurance contracts (continued)

- Mortality and morbidity rates (life insurance and reinsurance business)

  Assumptions are based on standard industry and national tables, (tables from the Canadian Institute of Actuaries) according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Group's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

  An increase in expected mortality and morbidity rates will increase the expected life and health claim cost which will reduce future expected profits of the Group.

- Longevity

  Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type. An increase in expected longevity will lead to an increase in expected cost of annuity payments which will reduce future expected profits of the Group.

- Expenses

  Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. Inflation is considered a non-financial assumption and is derived from the long run expense increases based on the Group's experience and management's expectation of the related expense control measures.

  The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational. The overheads are also consistently applied to all costs that have similar characteristics. An increase in the expected level of expenses will reduce future expected profits of the Group.

- Lapse and surrender rates

  Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends.

  An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group.

3.1.3. Discount rates

The present value of future cash flows for life insurance contract liabilities is determined using discount rates which are composed of an observable component, an assumed ultimate discount rate and interpolation between the two.

During the observable period, a top-down approach was used, where the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. Reference portfolios were selected to reflect the currency of the liabilities, the Group's investment strategies and the characteristics of the liabilities and are comprised of a mix of sovereign and corporate bonds available on the markets. The yield from the reference portfolio is adjusted to remove both expected and unexpected credit risk and, where applicable, other asset characteristics that are not related to the insurance contract liabilities. The illiquidity adjustments are estimated using information from observed historical levels of default for bonds included in the reference portfolio. The adjusted sovereign yield curves, or the risk-free yield curves (wherever they are available) plus an illiquidity premium, are used to discount the liability cash flow.

Where cash flows vary with an underlying item, cash flows are projected assuming returns on the underlying item that are consistent with the discount rate.

Amounts expressed in US $000

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts not measured under PAA (continued)

3.1.3. Discount rates (continued)

Discount rates which have been applied for the discounting of future cash flows are disclosed below by the relevant territory, represented by the respective currencies as follows:

	Portfolio Duration									
Spot rates	**1 year**		**3 years**		**5 years**		**10 years**		**20 years**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Life insurance and reinsurance contracts issued										
Aruba guilder	3.8%	0.8%	4.4%	1.7%	5.0%	2.9%	5.8%	5.3%	6.2%	7.0%
Barbados dollar	2.6%	3.2%	2.9%	3.6%	3.9%	4.4%	6.1%	6.4%	8.3%	8.3%
Eastern Caribbean dollar	3.4%	3.6%	4.4%	4.0%	5.5%	4.9%	7.1%	6.9%	8.3%	8.8%
Jamaica dollar	6.4%	6.2%	6.1%	6.0%	6.7%	6.5%	8.3%	8.0%	10.0%	9.5%
Trinidad dollar	1.8%	1.0%	3.2%	2.8%	4.2%	4.0%	5.3%	5.4%	7.8%	7.6%
Canada dollar	4.9%	n/a	4.3%	n/a	4.1%	n/a	4.2%	n/a	4.3%	n/a
United States dollar (by territory):										
- Cayman Islands	5.9%	6.4%	5.1%	5.8%	4.9%	5.6%	5.0%	5.5%	5.2%	5.6%
- Jamaica	6.6%	6.8%	5.8%	6.2%	5.6%	5.9%	5.8%	5.9%	5.9%	6.0%
- United States	7.2%	6.9%	6.4%	6.4%	6.2%	6.2%	6.4%	6.1%	6.5%	6.2%

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts not measured under PAA (continued)

3.1.4. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers non-financial risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The Group has estimated the risk adjustment using a margin approach, calibrated to the cost of capital and target confidence levels. The margin approach involves applying shocks to the insurance assumptions used to project expected cash flows so as to produce an increase in the FCF. Shocks are selected using the projected cost of insurance risk capital such that the resulting risk adjustment falls within the Group's target confidence level range.

The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level between 75% to 85% (2022 - between 80% to 85%).

3.1.5. Amortisation of the Contractual Service Margin

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in net income / (loss) as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognising any amounts in net income / (loss) to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future;
- Recognising in net income / (loss) the amount allocated to coverage units provided in the period.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of insurance contracts, the quantity of benefits is the contractually agreed sum insured, maturity benefit or payout over the period of the contracts.

The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum potential loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts held, the CSM amortisation is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

3.1.6. Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period. Assets for insurance acquisition cash flows not yet allocated to a group are assessed for recoverability if facts and

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts not measured under PAA (continued)

3.1.6. Assets for insurance acquisition cash flows (continued)

circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

3.1.7. Determination of IFRS 17 transition amount

The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. The fair value approach was applied in circumstances where the full retrospective approach was impracticable. The transition approach was determined at the level of group of insurance contracts and affected the approach to calculating the CSM on initial adoption of IFRS 17 as follows:

- Full retrospective approach

  The CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 has always been applied.

- Fair value approach

  The CSM is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at the transition date.

A group of contracts for fair value measurement includes contracts from multiple cohorts and years into a single unit for accounting purposes. For the groups of contracts measured under the fair value approach, the discount rates on initial recognition were determined at January 1, 2022 instead of at the date of initial recognition.

In determining the fair value, the Group has applied the requirements of IFRS 13, *Fair Value Measurement*. An embedded value approach was used to determine the fair value of groups of insurance contracts for the purposes of applying the fair value approach. Fair value is allocated to groups of contracts based on the present value of future cash flows of the respective contracts. The embedded value is defined to be (a) the fulfilment cash flows plus (b) the cost of capital required to support the insurance contracts less (c) the value of the profits expected to emerge as the obligation is satisfied. The fair value for reinsurance contracts held was determined under the presumption that the market participant is the same market participant that would purchase the underlying direct contracts.

For groups of reinsurance contracts covering onerous underlying contracts measured under the full retrospective approach, the loss-recovery component within the asset for remaining coverage was determined at the transition date by multiplying the loss component of the liability for remaining coverage for the underlying insurance contracts at that date and the percentage of claims for the underlying insurance contracts the Group expects to recover from the reinsurance contracts held.

Contracts measured under PAA

3.2 Areas of Judgement

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. Specific areas of judgement and estimates impacting contracts measured under PAA are described in subsequent notes.

For insurance contracts with a coverage period of more than one year and for which the entity applies the PAA, the eligibility assessment might involve significant judgement. All contracts measured by the Group under the PAA have a coverage period of one year or less. Thus, no assessment for the PAA is separately required and no judgement was involved. For contracts measured under the PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of judgement. For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous.

All contracts measured by the Group were determined to be non-onerous on initial recognition.

3.3 Liability for incurred claims

Liability for incurred claims (LIC) is deemed a significant estimate for general insurance products as well as group products measured under PAA. The

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts measured under PAA (continued)

3.3 Liability for incurred claims (continued)

ultimate cost of outstanding claims is calculated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim counts based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

3.3.1 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally require to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment by using the margin approach. Risk adjustment percentages were determined according to a confidence level range of 70% to 75%.

3.3.2 Assets for insurance acquisition cash flows

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

At the end of each reporting period, the Group revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

3.4 Impairment of financial assets

In determining ECL (defined in note 2.10 (c)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in note 2.10 under sections 'Measurement' and 'Forward-looking information'.

(a) Establishing staging for debt securities and deposits

The Group's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

The scale is set out in the following table:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts measured under PAA (continued)

3.4 Impairment of financial assets (continued)

	Category	Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa
		2	Low risk	A	A	A	a
		3	Moderate risk	BBB	Baa	BBB	bbb
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb
		5	Average risk	B	B	B	b
	Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	ccc, cc
		7	Special mention	C	C	C	c
Default		8	Substandard			DDD	
		9	Doubtful	D	C	DD	d
		10	Loss			D	

The Group uses its internal credit rating model to determine in which of the three stages an asset is to be categorised for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk, the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or has a Sagicor risk rating of 1-3 is considered low credit risk.

(a) Establishing staging for debt securities and deposits (continued)

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

(b) Establishing staging for other assets measured at amortised cost, lease receivables, loan commitments and financial guarantee contracts

Exposures are considered to have resulted in a significant increase in credit risk and are moved to stage 2 when:

Qualitative test

- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop criteria

- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into stage 2.

(c) Forward-looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Barbados, Eastern Caribbean, Trinidad and Jamaica. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

3.5 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Group exercises judgement on the quality of pricing sources used. Where no market data is available, the Group may value positions using its own models, which are usually based on valuation methods and techniques

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Contracts measured under PAA (continued)

3.5 Fair value of securities not quoted in an active market (continued)

generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

3.6 Recognition and measurement of intangible assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination involve the utilisation of valuation techniques which may be very sensitive to the underlying assumptions utilised. These intangibles may be marketing-related, customer-related, contract-based or technology-based.

For significant amounts of intangibles arising from a business combination, the Group utilises independent professional advisors to assist management in determining the recognition and measurement of these assets.

3.7 Impairment of intangible assets

(a) Goodwill

The assessment of goodwill impairment involves the determination of the value of the cash-generating business units to which the goodwill has been allocated. Determination of the value involves the estimation of future cash flows or of income after tax of these business units and the expected returns to providers of capital to the business units and/or to the Group as a whole. For the Sagicor Life reporting segment, the Group uses the value in use methodology for testing goodwill impairment. For the Sagicor Jamaica operating segment, the Group uses the fair value less cost to sell methodology, and for Sagicor General Insurance Inc, the value in use methodology.

The Group updates its business unit financial projections annually and applies discounted cash flow or earnings multiple models to these projections to determine if there is any impairment of goodwill. The assessment of whether goodwill is impaired can be highly sensitive to the inputs of cash flows, income after tax, discount rate, growth rate or capital multiple, which are used in the computation. Further details of the inputs used are set out in note 10.

(b) Other intangible assets

The assessment of impairment of other intangible assets involves the determination of the intangible's fair value or value in use. In the absence of an active market for an intangible, its fair value may need to be estimated. In determining an intangible's value in use, estimates are required of future cash flows generated as a result of holding the asset.

4. SEGMENTS

The management structure of the Group consists of the parent company Board of Directors, the Group Chief Executive Officer (CEO), subsidiary company Boards of Directors and subsidiary company CEOs. For the parent company and principal subsidiaries, there are executive management committees made up of senior management who advise the respective CEOs. The principal subsidiaries have a full management governance structure, a consequence of them being regulated insurance and financial services entities, and of the range and diversity of their products and services.

The Group CEO serves as Board Chairman or as a Board Member of the principal subsidiaries and is the Group's Chief Operating decision-maker. Through subsidiary company reporting, the Group CEO obtains details of Group performance and of resource allocation needs. Summarisation of planning and results and prioritisation of resource allocation is done at the parent company level where strategic decisions are taken.

In accordance with the relevant financial reporting standard, the Group has determined that there are four principal subsidiary Groups which represent the reportable operating segments of Sagicor. These segments and Head office and other are set out in the following sections.

Amounts expressed in US $000

4. SEGMENTS (continued)

(a) Sagicor Life Inc

This group comprises Sagicor Life Inc, its branches and associates, and certain of its subsidiaries in Barbados, Trinidad & Tobago, Eastern Caribbean, Dutch Caribbean, Bahamas and Central America.

The companies comprising this segment are set out in the following table.

Sagicor Life Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Life Inc	Life and health insurance, annuities and pension administration services	Barbados	100%
Sagicor Life (Eastern Caribbean) Inc.	Life and health insurance, annuities and pension administration services	St. Lucia	100%
Sagicor Life Aruba NV	Life and health insurance, annuities and pension administration services	Aruba	100%
Capital Life Insurance Company Bahamas Limited	Life insurance	The Bahamas	100%
Nationwide Insurance Company Limited	Life insurance	Trinidad & Tobago	100%

Sagicor Life Segment Companies (continued)	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Life Insurance Trinidad & Tobago Limited.(1)	Life insurance	Trinidad & Tobago	100%
Sagicor General Insurance Trinidad & Tobago Limited.(2)	Property and casualty insurance	Trinidad & Tobago	100%
Sagicor General Insurance Inc (3)	Property and casualty insurance	Barbados	99.30%
Sagicor International Management Services, Inc (4)	Investment management	USA	100%
Associates			
FamGuard Corporation Limited	Investment holding company	The Bahamas	20%
Principal operating company: Family Guardian Insurance Company Limited	Life and health insurance and annuities	The Bahamas	20%
RGM Limited	Property ownership and management	Trinidad & Tobago	33%
Primo Holding Limited	Property investment	Barbados	38%

(1) Sagicor Life Insurance Trinidad & Tobago Limited was incorporated on April 4, 2022. Effective January 31, 2023, the entity took over the operations which were carried on by Sagicor Life Inc Trinidad & Tobago branch.

Amounts expressed in US $000

4. SEGMENTS (continued)

(a) Sagicor Life Inc (continued)

[2] Sagicor General Insurance Trinidad & Tobago Limited was incorporated on March 5, 2022. Effective January 31, 2023, the entity took over the operations which were carried on by Sagicor General Insurance Inc Trinidad & Tobago branch.

[3] During the year, management made certain reorganisational changes to its subsidiary, Sagicor General, resulting in the subsidiary now being reported as part of the Sagicor Life segment. All related comparative period information has been amended accordingly to reflect this change. Sagicor General was previously reported as part of Head Office and Other.

[4] Effective November 27, 2023, Sagicor International Management Services, Inc was voluntarily dissolved.

(b) Sagicor Jamaica

This segment comprises the Sagicor Jamaica Group of companies, which conduct life, health, annuity, property and casualty insurance business, pension administration services, banking and financial services, and real estate investment services in Jamaica, Cayman Islands, Costa Rica and USA. The companies comprising this segment are as follows:

Sagicor Jamaica Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Group Jamaica Limited	Group holding company	Jamaica	49.11%
Sagicor Life Jamaica Limited	Life and health insurance and annuities	Jamaica	49.11%
Sagicor Cayman Limited	Holding company	The Cayman Islands	49.11%
Sagicor Life of the Cayman Islands Limited	Life insurance	The Cayman Islands	49.11%
Sagicor Investments Cayman Ltd.	Investment services	The Cayman Islands	49.11%
Sagicor Pooled Investment Funds Limited	Pension fund management	Jamaica	49.11%
Employee Benefits Administrator Limited	Pension administration services	Jamaica	49.11%
Sagicor Re Insurance Limited	Property and casualty insurance	The Cayman Islands	49.11%
Sagicor Insurance Brokers Limited	Insurance brokerage	Jamaica	49.11%
Sagicor International Administrators Limited	Group insurance administration	Jamaica	49.11%
Sagicor Insurance Managers Limited	Captive insurance management services	The Cayman Islands	49.11%
Sagicor Property Services Limited	Property management	Jamaica	49.11%
Sagicor Investments Jamaica Limited	Investment banking	Jamaica	49.11%

Amounts expressed in US $000

4. SEGMENTS (continued)

(b) Sagicor Jamaica (continued)

Sagicor Jamaica Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Bank Jamaica Limited	Commercial banking	Jamaica	49.11%
Alliance Financial Services Limited [1]	Financial services	Jamaica	49.11%
LOJ Holdings Limited	Insurance holding company	Jamaica	100%
Travel Cash Jamaica Limited	Microfinance	Jamaica	25.05%
Phoenix Equity Holdings Limited	Holding Company	Barbados	49.11%
Advantage General Insurance Co. Limited	Property and casualty insurance	Jamaica	29.47%
Bailey Williams Limited	Real estate development	Jamaica	34.38%

[1] Effective April 1, 2022, Sagicor Group Jamaica Limited purchased 100% of the shares of Alliance Financial Services Limited. See Note 33.2.

Sagicor Jamaica Segment Companies (continued)	Principal Activities	Country of Incorporation	Effective Shareholder's Interest
Joint venture			
Sagicor Costa Rica SCR, S.A.	Life insurance	Costa Rica	24.56%
Sagicor - Capital & Advice Spain S.L. [1]	Financial services	Spain	24.56%
Sagicor Panamá, S.A.	Life and health insurance	Panamá	24.56%

Control of Sagicor Group Jamaica Limited is established through the following:

- The Group's effective shareholder's interest gives it the power to appoint the directors of the company and thereby direct relevant activities.
- The Group is exposed to the variable returns from its effective shareholder's interest.
- The Group has the ability to use the power to affect the amount of investor's returns.

[1] Effective December 31, 2023, Sagicor - Capital & Advice Spain S.L., a subsidiary of Sagicor Costa Rica, acquired 100% of the shares of Sagicor Panamá S.A. from Sagicor Life Inc. See Note 33.6.

(c) Sagicor Life USA

This segment comprises Sagicor's life insurance operations in the USA and comprises the following:

Amounts expressed in US $000

4. SEGMENTS (continued)

(c) Sagicor Life USA (continued)

Sagicor Life USA Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Life Insurance Company	Life insurance and annuities	USA - Texas	100%
Sagicor USA Inc	Insurance holding company	USA - Delaware	100%
Sagicor Financial Partners, LLC	Life insurance and annuities	USA - Delaware	51%

(d) Sagicor Canada

This segment comprises Sagicor's life insurance operations in Canada and comprises the following:

Sagicor Canada Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Proj Fox Acquisition Inc. (1)	Insurance holding company	Canada	100%
Wilton Re (Canada) Limited (1)	Insurance holding company	Canada	100%
ivari Holdings Inc. (1)	Insurance holding company	Canada	100%
ivari (1)	Life insurance and annuities, health and casualty insurance	Canada	100%

(1) Effective October 3, 2023, Sagicor Financial Company Ltd. purchased 100% of the shares of Proj Fox Acquisition Inc. which holds ivari. See Note 33.1.

(e) Head office function and other operating companies

Head office and other Group Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Financial Company Ltd.	Group parent company	Bermuda	100%
Sagicor Financial Corporation Limited	Holding company	Bermuda	100%
Sagicor Finance Inc	Loan and lease financing, and deposit-taking	St. Lucia	70%
Sagicor Investments Trinidad & Tobago Limited	Investment management	Trinidad & Tobago	100%
Sagicor Asset Management Inc.	Investment management	Barbados	100%
Sagicor Asset Management (Eastern Caribbean) Limited	Investment management	Barbados	100%
Sagicor Special Opportunity Funds	Investment management	Barbados	100%
Sagicor Bank (Barbados) Limited	Commercial banking	Barbados	100%
Barbados Farms Limited	Farming and real estate development	Barbados	77%
Sagicor Funds Incorporated	Mutual fund holding company	Barbados	100%

Amounts expressed in US $000

4. SEGMENTS (continued)

(e) Head office function and other operating companies (continued)

Head office and other Group Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Finance Limited	Group financing vehicle	The Cayman Islands	100%
Sagicor Finance (2015) Limited	Group financing vehicle	The Cayman Islands	100%
Sagicor Reinsurance Bermuda Limited	Reinsurance	Bermuda	100%
1222948 B.C. Ltd.	Corporate management	Canada	100%
The Estates Group Holdings Limited	Holding company	Barbados	100%
The Estates (Senior Care Services) Limited	Retirement Community	Barbados	100%
The Estates (Senior Care Properties) Limited	Retirement Community	Barbados	100%
The Estates (Residential Properties) Limited	Retirement Community	Barbados	100%
The Estates (Management Services) Limited	Retirement Community	Barbados	100%

Amounts expressed in US $000

4. SEGMENTS (continued)

4.1 Statement of income by segment

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjust-ments	Total
2023							
Insurance revenue	299,961	307,844	86,820	167,896	-	-	862,521
Insurance service expenses	(257,654)	(231,843)	(100,087)	(106,504)	-	-	(696,088)
Net expense from reinsurance contracts held	(26,351)	(23,557)	(7,752)	(37,567)	-	-	(95,227)
Inter-segment insurance service result	(731)	-	935	-	-	(204)	-
Insurance service result	**15,225**	**52,444**	**(20,084)**	**23,825**	**-**	**(204)**	**71,206**
Gain / (loss) on derecognition of amortised cost investments	-	(8)	-	-	(1)	-	(9)
Gain / (loss) on derecognition of assets carried at FVTOCI	525	3,457	(1,751)	-	103	-	2,334
Interest income earned from financial assets measured at amortised cost and FVTOCI	21,727	150,535	48,838	-	3,021	-	224,121
Credit impairment recovery / (loss)	(289)	(2,939)	(531)	-	(177)	-	(3,936)
Other investment income / (loss)	99,038	74,789	358,431	795,965	3,076	-	1,331,299
Inter-segment investment income / (expenses)	21,152	2,485	-	-	35,501	(59,138)	-
Net investment income / (expenses)	**142,153**	**228,319**	**404,987**	**795,965**	**41,523**	**(59,138)**	**1,553,809**
Finance income / (expenses) from insurance contracts issued	(95,977)	(27,839)	(297,620)	(945,253)	-	-	(1,366,689)
Finance income / (expenses) from reinsurance contracts held	5,949	819	32,612	307,432	-	-	346,812
Inter-segment net insurance finance income / (expenses)	(1,940)	-	1,957	-	-	(17)	-
Net insurance finance income / (expenses)	**(91,968)**	**(27,020)**	**(263,051)**	**(637,821)**	**-**	**(17)**	**(1,019,877)**
Net investment result before segregated funds	**50,185**	**201,299**	**141,936**	**158,144**	**41,523**	**(59,155)**	**533,932**
Net investment income / (expenses) for segregated funds	-	-	-	34,962	-	-	34,962
Finance income / (expenses) from insurance contracts issued for segregated funds	-	-	-	(34,962)	-	-	(34,962)
Net investment result for segregated funds	-	-	-	-	-	-	-
Total investment result	**50,185**	**201,299**	**141,936**	**158,144**	**41,523**	**(59,155)**	**533,932**
Net insurance and investment result	**65,410**	**253,743**	**121,852**	**181,969**	**41,523**	**(59,359)**	**605,138**

Amounts expressed in US $000

4. SEGMENTS (continued)

4.1 Statement of income by segment (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjust-ments	Total
2023							
Net insurance and investment result	**65,410**	**253,743**	**121,852**	**181,969**	**41,523**	**(59,359)**	**605,138**
Gain arising on business combinations, acquisitions and divestitures	-	-	-	-	448,267	-	448,267
Fees and other income	8,714	113,726	106	152	(4,991)	5	117,712
Share of income of associates and joint ventures	6,082	1,574	-	-	-	-	7,656
Other operating expenses	(69,200)	(179,753)	(34,427)	(4,044)	(57,526)	(5,102)	(350,052)
Other interest and finance costs	(16,729)	(56,039)	(22,270)	(13,935)	(46,313)	-	(155,286)
Inter-segment other income / (expenses)	(663)	(1,743)	(12,805)	-	(20,524)	35,735	-
Segment income / (loss) before taxes	**(6,386)**	**131,508**	**52,456**	**164,142**	**360,436**	**(28,721)**	**673,435**
Income taxes	(6,949)	(29,235)	(11,370)	(42,000)	352	-	(89,202)
Segment net income / (loss) for the year	**(13,335)**	**102,273**	**41,086**	**122,142**	**360,788**	**(28,721)**	**584,233**
Net income / (loss) attributable to shareholders	**(13,331)**	**49,572**	**41,086**	**122,142**	**361,313**	**(28,721)**	**532,061**
Net income / (loss) attributable to non- controlling interests	**(4)**	**52,701**	**-**	**-**	**(525)**	**-**	**52,172**
Total comprehensive income / (loss) attributable to shareholders	**(10,287)**	**52,335**	**41,219**	**149,166**	**363,094**	**(28,728)**	**566,799**

Amounts expressed in US $000

4. SEGMENTS (continued)

4.1 Statement of income by segment (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjust-ments	Total
2022 (restated)						
Insurance revenue	285,678	262,409	66,639	-	-	614,726
Insurance service expenses	(232,155)	(196,256)	(64,627)	-	-	(493,038)
Net expense from reinsurance contracts held	(26,621)	(19,467)	8,925	-	-	(37,163)
Inter-segment insurance service result	(511)	-	666	-	(155)	-
Insurance service result	**26,391**	**46,686**	**11,603**	**-**	**(155)**	**84,525**
Gain / (loss) on derecognition of financial assets measured at amortised cost	600	3,776	(54)	(7)	-	4,315
Gain / (loss) on derecognition of assets carried at FVOCI	(160)	324	(849)	-	-	(685)
Interest income earned from financial assets measured at amortised cost and FVOCI	20,417	122,597	29,076	6,569	-	178,659
Credit impairment recovery / (loss)	423	(3,794)	(651)	(97)	-	(4,119)
Other investment income / (loss)	34,905	(81,073)	(387,934)	(20,101)	-	(454,203)
Inter-segment investment income / (expenses)	22,327	-	-	45,354	(67,681)	-
Net investment income / (expenses)	**78,512**	**41,830**	**(360,412)**	**31,718**	**(67,681)**	**(276,033)**
Finance income / (expenses) from insurance contracts issued	(15,704)	86,696	272,915	-	-	343,907
Finance income / (expenses) from reinsurance contracts held	(1,130)	1,524	(21,949)	-	-	(21,555)
Inter-segment net insurance finance income / (expenses)	1,197	-	(1,309)	-	112	-
Net insurance finance income / (expenses)	**(15,637)**	**88,220**	**249,657**	**-**	**112**	**322,352**
Net insurance and investment result	**89,266**	**176,736**	**(99,152)**	**31,718**	**(67,724)**	**130,844**

Amounts expressed in US $000

4. SEGMENTS (continued)

4.1 Statement of income by segment (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjust-ments	Total
2022 (restated)						
Net insurance and investment result	**89,266**	**176,736**	**(99,152)**	**31,718**	**(67,724)**	**130,844**
Gain arising on business combinations, acquisitions and divestitures	-	1,685	-	-	-	1,685
Fees and other income	4,665	138,271	124	4,713	50	147,823
Share of income of associates and joint ventures	3,236	2,870	-	-	-	6,106
Other operating expenses	(33,338)	(185,671)	(27,851)	(50,314)	(778)	(297,952)
Other interest and finance costs	(12,870)	(40,430)	(9,919)	(37,691)	-	(100,910)
Inter-segment other income / (expenses)	(615)	(1,195)	(10,538)	(21,586)	33,934	-
Segment income / (loss) before taxes	**50,344**	**92,266**	**(147,336)**	**(73,160)**	**(34,518)**	**(112,404)**
Income taxes	(13,370)	(31,950)	24,568	13	-	(20,739)
Segment net income / (loss) for the year	**36,974**	**60,316**	**(122,768)**	**(73,147)**	**(34,518)**	**(133,143)**
Net income / (loss) attributable to shareholders	**36,950**	**28,802**	**(122,768)**	**(72,852)**	**(34,518)**	**(164,386)**
Net income / (loss) attributable to non-controlling interests	**24**	**31,514**	**-**	**(295)**	**-**	**31,243**
Total comprehensive income / (loss) attributable to shareholders	**21,857**	**16,531**	**(141,965)**	**(73,291)**	**(34,526)**	**(211,394)**

Amounts expressed in US $000

4. SEGMENTS (continued)

4.2 Statement of financial position by segment

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjustments	Total
2023							
Financial investments	1,783,415	2,989,042	4,722,201	7,428,447	102,006	-	17,025,111
Reinsurance contract assets	21,571	18,053	332,538	2,840,737	-	-	3,212,899
Insurance contract assets	140	1,133	-	-	-	-	1,273
Other external assets	342,113	607,599	221,136	799,608	175,147	-	2,145,603
Inter-segment assets	508,954	46,711	22,530	-	149,632	(727,827)	-
Total assets	2,656,193	3,662,538	5,298,405	11,068,792	426,785	(727,827)	22,384,886
Insurance contract liabilities	1,520,852	939,845	4,404,976	8,866,541	-	-	15,732,214
Reinsurance contract liabilities	10,938	3,862	-	-	-	-	14,800
Investment contract liabilities	271,145	135,429	62,182	9,102	-	-	477,858
Other external liabilities	175,001	1,887,400	415,523	1,323,614	1,029,455	-	4,830,993
Inter-segment liabilities	161,254	3,526	173,065	-	389,982	(727,827)	-
Total liabilities	2,139,190	2,970,062	5,055,746	10,199,257	1,419,437	(727,827)	21,055,865
Net assets	517,003	692,476	242,659	869,535	(992,652)	-	1,329,021
Net assets attributable to non-controlling interests	254	345,257	-	-	12,576	-	358,087

Amounts expressed in US $000

4. SEGMENTS (continued)

4.2 Statement of financial position by segment (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjustments	Total
2022 (restated)						
Financial investments	1,613,202	2,855,058	4,200,923	199,220	-	8,868,403
Reinsurance contract assets	23,762	10,936	481,868	-	-	516,566
Insurance contract assets	3,550	-	-	-	-	3,550
Other external assets	391,488	549,552	128,390	163,427	-	1,232,857
Inter-segment assets	471,014	26,100	33,582	181,837	(712,533)	-
Total assets	2,503,016	3,441,646	4,844,763	544,484	(712,533)	10,621,376
Insurance contract liabilities	1,417,886	900,311	3,930,397	-	-	6,248,594
Reinsurance contract liabilities	31,446	-	-	-	-	31,446
Investment contract liabilities	272,267	133,531	66,499	-	-	472,297
Other external liabilities	94,208	1,801,682	469,431	767,294	-	3,132,615
Inter-segment liabilities	142,512	2,317	177,517	390,187	(712,533)	-
Total liabilities	1,958,319	2,837,841	4,643,844	1,157,481	(712,533)	9,884,952
Net assets	544,697	603,805	200,919	(612,997)	-	736,424
Net assets attributable to non-controlling interests	221	293,883	-	12,629	-	306,733

Amounts expressed in US $000

4. SEGMENTS (continued)

4.3 Segment cash flows

Additions to non-current assets by segment

Segment operations include certain non-current assets comprising investment property, property, plant and equipment, investment in associated companies and joint ventures, and intangible assets. Additions to these categories for the year are as follows:

	2023	2022
Sagicor Life	7,533	9,118
Sagicor Jamaica	9,865	12,280
Sagicor Life USA	572	6,149
Sagicor Canada	861	-
Head office and other	22,674	3,575
	41,505	31,122

4.4 Products and services

The Group's products and services comprising the insurance revenue, insurance service result, net investment income, and fees and other income are summarised as follows:

	Insurance revenue		Insurance service result	
	2023	2022 (restated)	2023	2022 (restated)
Life, health and annuity insurance contracts issued to individuals	461,963	244,620	65,226	76,415
Life, health and annuity insurance and pension administration contracts issued to groups	259,280	241,483	2,339	(940)
Property and casualty insurance	141,278	128,623	3,641	9,050
	862,521	614,726	71,206	84,525

Amounts expressed in US $000

4. SEGMENTS (continued)

4.4 Products and services (continued)

	Net investment income		Fees and other income	
	2023	**2022 (restated)**	**2023**	**2022 (restated)**
Life, health and annuity insurance contracts issued to individuals	1,331,770	(331,282)	1,452	145
Life, health and annuity insurance and pension administration contracts issued to groups	56,201	(38,124)	4,126	6,909
Property and casualty insurance	5,642	3,806	336	435
Banking, investment management and other financial services	141,419	119,033	84,342	76,264
Hospitality services	-	11	-	29,671
Unallocated revenues	18,777	(29,477)	27,456	34,399
	1,553,809	(276,033)	117,712	147,823

Amounts expressed in US $000

4. SEGMENTS (continued)

4.5 Geographical areas

The Group operates in certain geographical areas which are determined by the location of the subsidiary or branch initiating the business. Group operations in geographical areas include certain non-current assets comprising investment property, property, plant and equipment, associates and joint ventures, and intangible assets. The insurance revenue, insurance service result, net investment income, fees and other income, and non-current assets by geographical area are summarised below.

	Insurance revenue		Insurance service result		Net investment income		Fees and other income	
	2023	2022 (restated)	2023	2022 (restated)	2023	2022 (restated)	2023	2022 (restated)
Barbados	116,568	109,581	2,130	17,188	32,506	(8,688)	95	8,961
Jamaica	289,929	249,494	45,994	43,290	206,445	74,396	113,047	107,551
Trinidad & Tobago	103,037	104,012	2,583	5,068	72,294	37,720	1,413	(845)
Other Caribbean	98,371	85,000	17,693	8,042	41,612	(19,050)	2,899	1,607
Canada	167,896	-	23,825	-	795,965	-	152	-
USA	86,820	66,639	(21,019)	10,937	404,987	(360,411)	106	30,549
	862,621	614,726	71,206	84,525	1,553,809	(276,033)	117,712	147,823

Amounts expressed in US $000

4. SEGMENTS (continued)

4.5 Geographical areas (continued)

	Non-current assets	
	2023	2022 (restated)
Barbados	184,607	172,911
Jamaica	122,138	126,109
Trinidad & Tobago	57,953	67,177
Other Caribbean	34,116	36,790
Canada	26,077	n/a
USA	17,002	19,479
	441,893	422,466

4.6 Revenues from fees recognised

The following table discloses revenue from fees recognised by reportable segment.

	Fees recognised		
Year ended December 31, 2023	**- at a point in time**	**- over time**	**Total**
Sagicor Life	-	7,529	7,529
Sagicor Jamaica	62,049	43,330	105,379
Sagicor USA	106	-	106
Sagicor Canada	-	-	-
Head office and other	6,651	3,267	9,918
	68,806	54,126	122,932

	Fees recognised		
Year ended December 31, 2022 (restated)	**- at a point in time**	**- over time**	**Total**
Sagicor Life	-	7,480	7,480
Sagicor Jamaica	59,855	62,607	122,462
Sagicor USA	124	-	124
Head office and other	-	3,150	3,150
	59,979	73,237	133,216

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS

5.1 Analysis of financial investments

	2023		2022 (restated)	
	Carrying value	Fair value	Carrying value	Fair value
Investments at FVTOCI:				
Debt securities	1,454,818	1,454,818	1,540,438	1,540,438
Equity securities	564	564	371	371
	1,455,382	1,455,382	1,540,809	1,540,809
Investments at FVTPL:				
Money market funds	203,779	203,779	59,491	59,491
Debt securities	10,837,515	10,837,515	4,901,205	4,901,205
Equity securities	2,613,505	2,613,505	765,628	765,628
Derivative financial instruments	17,064	17,064	10,350	10,350
Mortgage loans	22,280	22,280	23,406	23,406
	13,694,143	13,694,143	5,760,080	5,760,080
Investments at amortised cost:				
Debt securities	135,257	134,383	170,256	170,296
Mortgage loans	774,961	772,085	593,630	587,638
Finance loans	682,415	655,691	654,863	636,793
Securities purchased for resale	13,361	13,361	32,335	32,335
Deposits	269,592	269,592	116,430	116,430
	1,875,586	1,845,112	1,567,514	1,543,492
Total financial investments	**17,025,111**	**16,994,637**	**8,868,403**	**8,844,381**

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS (continued)

5.1 Analysis of financial investments by operating segments (continued)

	Carrying Value					
2023	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Sagicor Canada**	**Head office and other operating companies**	**Total**
Investments at FVTOCI:						
Debt securities	167,525	864,692	398,723	-	23,878	1,454,818
Equity securities	-	414	-	-	150	564
	167,525	865,106	398,723	-	24,028	1,455,382
Investments at FVTPL:						
Money market funds	12,691	-	24,441	164,198	2,449	203,779
Debt securities	1,231,814	794,030	3,421,527	5,383,341	6,803	10,837,515
Equity securities	28,831	251,490	427,213	1,880,753	25,218	2,613,505
Derivative financial instruments	-	-	16,909	155	-	17,064
Mortgage loans	22,280	-	-	-	-	22,280
	1,295,616	1,045,520	3,890,090	7,428,447	34,470	13,694,143
Investments at amortised cost:						
Debt securities	69,402	61,978	-	-	3,877	135,257
Mortgage loans	203,269	146,735	420,160	-	4,797	774,961
Finance loans	151	657,874	13,228	-	11,162	682,415
Securities purchased for resale	-	13,361	-	-	-	13,361
Deposits	47,452	198,468	-	-	23,672	269,592
	320,274	1,078,416	433,388	-	43,508	1,875,586
Total financial investments	**1,783,415**	**2,989,042**	**4,722,201**	**7,428,447**	**102,006**	**17,025,111**

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS (continued)

5.1 Analysis of financial investments by operating segments (continued)

	Fair Value					
2023	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Sagicor Canada**	**Head office and other operating companies**	**Total**
Investments at FVTOCI:						
Debt securities	167,525	864,692	398,723	-	23,878	1,454,818
Equity securities	-	414	-	-	150	564
	167,525	865,106	398,723	-	24,028	1,455,382
Investments at FVTPL:						
Money market funds	12,691	-	24,441	164,198	2,449	203,779
Debt securities	1,231,814	794,030	3,421,527	5,383,341	6,803	10,837,515
Equity securities	28,831	251,490	427,213	1,880,753	25,218	2,613,505
Derivative financial instruments	-	-	16,909	155	-	17,064
Mortgage loans	22,280	-	-	-	-	22,280
	1,295,616	1,045,520	3,890,090	7,428,447	34,470	13,694,143
Investments at amortised cost:						
Debt securities	69,960	60,553	-	-	3,870	134,383
Mortgage loans	203,929	158,828	404,531	-	4,797	772,085
Finance loans	151	631,680	12,697	-	11,163	655,691
Securities purchased for resale	-	13,361	-	-	-	13,361
Deposits	47,452	198,467	-	-	23,673	269,592
	321,492	1,062,889	417,228	-	43,503	1,845,112
Total financial investments	**1,784,633**	**2,973,515**	**4,706,041**	**7,428,447**	**102,001**	**16,994,637**

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS (continued)

5.1 Analysis of financial investments by operating segments (continued)

	Carrying Value				
2022 (restated)	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Head office and other operating companies**	**Total**
Investments at FVTOCI:					
Debt securities	83,880	920,596	449,917	86,045	1,540,438
Equity securities	-	371	-	-	371
	83,880	920,967	449,917	86,045	1,540,809
Investments at FVTPL:					
Money market funds	9,094	-	38,409	11,988	59,491
Debt securities	1,133,053	759,255	2,996,253	12,644	4,901,205
Equity securities	32,414	265,820	422,906	44,488	765,628
Derivative financial instruments	-	16	10,334	-	10,350
Mortgage loans	23,406	-	-	-	23,406
	1,197,967	1,025,091	3,467,902	69,120	5,760,080
Investments at amortised cost:					
Debt securities	69,998	96,249	-	4,009	170,256
Mortgage loans	206,218	129,943	252,537	4,932	593,630
Finance loans	150	616,618	30,567	7,528	654,863
Securities purchased for resale	-	32,335	-	-	32,335
Deposits	54,989	33,855	-	27,586	116,430
	331,355	909,000	283,104	44,055	1,567,514
Total financial investments	**1,613,202**	**2,855,058**	**4,200,923**	**199,220**	**8,868,403**

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS (continued)

5.1 Analysis of financial investments by operating segments (continued)

	Fair Value				
2022 (restated)	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Head office and other operating companies**	**Total**
Investments at FVTOCI:					
Debt securities	83,880	920,595	449,917	86,046	1,540,438
Equity securities	-	371	-	-	371
	83,880	920,966	449,917	86,046	1,540,809
Investments at FVTPL:					
Money market funds	9,094	-	38,409	11,988	59,491
Debt securities	1,133,053	759,255	2,996,253	12,644	4,901,205
Equity securities	32,414	265,820	422,906	44,488	765,628
Derivative financial instruments	-	16	10,334	-	10,350
Mortgage loans	23,406	-	-	-	23,406
	1,197,967	1,025,091	3,467,902	69,120	5,760,080
Investments at amortised cost:					
Debt securities	71,383	94,901	-	4,012	170,296
Mortgage loans	207,037	138,096	237,573	4,932	587,638
Finance loans	151	600,039	29,075	7,528	636,793
Securities purchased for resale	-	32,335	-	-	32,335
Deposits	54,989	33,855	-	27,586	116,430
	333,560	899,226	266,648	44,058	1,543,492
Total financial investments	**1,615,407**	**2,845,283**	**4,184,467**	**199,224**	**8,844,381**

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS

5.1 Analysis of financial investments (continued)

As at January 1, 2022, certain assets under IFRS 9 were redesignated as FVTPL on implementation of IFRS 17 to effectively reduce the possibility of an accounting mismatch.

	December 31, 2021			January 1, 2022 (restated)
	Carrying value	Amount reclassified as FVTPL	Amount remeasured as FVTPL	Carrying value
Financial assets at FVTOCI				
Money market funds	263,978	(263,978)	-	-
Debt securities	4,217,341	(2,652,026)	-	1,565,315
Equity securities	520	-	-	520
	4,481,839	(2,916,004)	-	1,565,835
Financial assets at FVTPL				
Money market funds	-	263,978	-	263,978
Debt securities	283,534	3,835,806	136,221	4,255,561
Equity securities	889,619	-	-	889,619
Derivative financial instruments	26,246	-	-	26,246
Mortgage loans	24,375	-	-	24,375
	1,223,774	4,099,784	136,221	5,459,779
Financial assets at amortised cost				
Debt securities	1,399,703	(1,183,780)	-	215,923
Mortgage loans	425,548	-	-	425,548
Finance loans	533,460	-	-	533,460
Securities purchased for resale	68,007	-	-	68,007
Deposits	211,925	-	-	211,925
	2,638,643	(1,183,780)	-	1,454,863
Total financial investments excluding policy loans	**8,344,256**	**-**	**136,221**	**8,480,477**
Policy loans previously reported [1]	153,839	-	-	n/a
Total financial investments	**8,498,095**	**-**	**136,221**	**8,480,477**

[1]Under IFRS 17, policy loans are now included within insurance contract liabilities.

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS (continued)

5.1 Analysis of financial investments (continued)

Non-derivative investments at FVTPL	FVTPL mandatory classification	FVTPL designation by election	Total
2023			
Equity securities	2,506,167	107,338	2,613,505
Money market funds	188,639	15,140	203,779
Debt securities	8,892,885	1,944,630	10,837,515
Mortgage loans	-	22,280	22,280
	11,587,691	2,089,388	13,677,079
2022 (restated)			
Equity securities	663,115	102,513	765,628
Money market funds	38,409	21,082	59,491
Debt securities	3,053,351	1,847,854	4,901,205
Mortgage loans	11	23,395	23,406
	3,754,886	1,994,844	5,749,730

	2023	2022 (restated)
Debt securities and money market funds:		
Government & government-guaranteed debt securities	4,799,757	2,427,732
Collateralised mortgage obligations	1,070,716	798,816
Corporate debt securities	6,454,768	3,277,662
Money market funds and other securities	306,128	167,180
	12,631,369	6,671,390
Included in financial investments are:		
Exchange-traded funds included in equity securities	903,806	306,304
Debt securities issued by associates	19,733	24,445
Mutual funds managed by the Group	186,952	186,642

Amounts expressed in US $000

5. FINANCIAL INVESTMENTS (continued)

5.2 Financial investments repledged

Debt securities are pledged as collateral under repurchase agreements with customers and other financial institutions and for security relating to overdraft and other facilities with other financial institutions. Of the assets pledged as security, the following represents the total for those assets pledged for which the transferee has the right by contract or custom to sell or repledge the collateral.

	2023	2022 (restated)
Financial investments repledged	687,753	623,871
Statement of financial position presentation		
Financial investments	16,337,358	8,244,532
Financial investments repledged	687,753	623,871
	17,025,111	8,868,403

Analysis of financial investments repledged

	2023 Pledged value	2022 (restated) Pledged value
Investments at FVTOCI:		
Debt securities	637,083	621,087
Investments at FVTPL :		
Money market funds	50,670	-
Investments at amortised cost :		
Debt securities	-	596
Securities purchased for resale	-	37
Deposits	-	2,151
	-	2,784
Financial investments repledged	687,753	623,871

Amounts expressed in US $000

5.3 Collateral assets

Debt and equity securities include $14,398 (2022 - $17,502) as collateral for loans payable and other funding instruments.

Collateral for the obligation to the Federal Home Loan Bank of Dallas (FHLB) which is included in other funding instruments (note 15), consists of an equity holding in the FHLB with a market value of $16,322 (2022 - $19,594), and mortgages and mortgage backed securities having a total market value of $388,724 (2022 - $450,960).

5.4 Contracts with direct participation features

	2023		2022 (restated)	
	Carrying value	Fair value	Carrying value	Fair value
Contracts with direct participation features				
Underlying assets:				
Debt securities	140,994	140,994	57,099	57,099
Equity securities	195,978	195,978	205,558	205,558
	336,972	336,972	262,657	262,657
Other investments	16,688,139	16,657,665	8,605,746	8,581,724
Total financial investments	17,025,111	16,994,637	8,868,403	8,844,381

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES

The table below presents a summary of insurance, reinsurance and investment contract assets and liabilities held by the Group.

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total	Current portion	Non-current portion	Total
2023								
Insurance contract assets	140	1,133	-	-	**1,273**	1,726	(453)	**1,273**
Insurance contract liabilities	(1,520,852)	(939,845)	(4,404,976)	(8,866,541)	**(15,732,214)**	(391,576)	(15,340,638)	**(15,732,214)**
Reinsurance contract assets	21,570	18,055	332,538	2,840,736	**3,212,899**	175,774	3,037,125	**3,212,899**
Reinsurance contract liabilities	(10,937)	(3,863)	-	-	**(14,800)**	91	(14,891)	**(14,800)**
Investment contract liabilities	(271,144)	(135,430)	(62,182)	(9,102)	**(477,858)**	(393,365)	(84,493)	**(477,858)**
2022								
Insurance contract assets	3,550	-	-	-	**3,550**	357	3,193	**3,550**
Insurance contract liabilities	(1,417,887)	(900,310)	(3,930,397)	-	**(6,248,594)**	(552,273)	(5,696,321)	**(6,248,594)**
Reinsurance contract assets	23,762	10,934	481,870	-	**516,566**	46,769	469,797	**516,566**
Reinsurance contract liabilities	(31,446)	-	-	-	**(31,446)**	(3,242)	(28,204)	**(31,446)**
Investment contract liabilities	(272,266)	(133,532)	(66,499)	-	**(472,297)**	(394,703)	(77,594)	**(472,297)**

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

The following table presents insurance contract and reinsurance contract assets and liabilities and summarises those contracts which are measured under the premium allocation approach (PAA) and those which are not measured under the PAA.

	2023	2022
Insurance contracts issued (includes direct participation contracts)		
Contracts measured under PAA - net (asset) / liability, end of year	146,244	133,295
Contracts not measured under PAA (GMM/ VFA) - net (asset) / liability, end of year	15,584,697	6,111,749
Total - Net (asset) / liability, end of year	**15,730,941**	**6,245,044**
Reinsurance contracts held		
Contracts measured under PAA - net asset / (liability), end of year	27,607	26,234
Contracts not measured under PAA (GMM) - net asset / (liability), end of year	3,170,492	458,886
Total - Net asset /(liability), end of year	**3,198,099**	**485,120**

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

The following tables explain the components of insurance contract and reinsurance contract assets and liabilities, in addition to changes in these balances for the year.

6.1 INSURANCE CONTRACTS ISSUED

(i) Contracts measured under PAA

a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2023					
	LRC		LIC			
Insurance contracts issued Contracts measured under PAA	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Insurance acquisition cash flows asset**	**Total**
Insurance contract liabilities, beginning of year	27,520	-	101,466	4,313	-	133,299
Insurance contract assets, beginning of year	(10)	-	6	-	-	(4)
Net balance – (asset) / liability, beginning of year	27,510	-	101,472	4,313	-	133,295
Insurance revenue	(386,320)	-	-	-	-	(386,320)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	262,798	318	-	263,116
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Impairment losses recognised during the year	-	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-	-
Insurance acquisition cash flows amortisation	54,754	-	-	-	-	54,754
Total insurance service expenses	54,754	-	262,798	318	-	317,870
Total amounts recognised in the insurance services result	(331,566)	-	262,798	318	-	(68,450)
Finance (income) / expenses from insurance contracts issued	-	-	-	-	-	-
Effect of exchange rate changes	(240)	-	(943)	(41)	-	(1,224)
Total amounts recognised in total comprehensive income	(331,806)	-	261,855	277	-	(69,674)
Investment components	-	-	-	-	-	-
Other changes	(4)	-	(1)	-	-	(5)

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(i) Contracts measured under PAA (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2023					
	LRC		LIC			
Insurance contracts issued Contracts measured under PAA	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Insurance acquisition cash flows asset**	**Total**
Cash flows						
Premiums received	393,157	-	-	-	-	393,157
Claims and other directly attributable expenses paid	-	-	(254,323)	-	-	(254,323)
Insurance acquisition cash flows	(55,411)	-	-	-	-	(55,411)
Total cash flows	337,746	-	(254,323)	-	-	83,423
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-
Other movements	7	-	(802)	-	-	(795)
Net balance – (asset) / liability, end of year	33,453	-	108,201	4,590	-	146,244
Insurance contract liabilities, end of year	34,940	-	106,886	4,609	-	146,435
Insurance contract assets, end of year	(1,487)	-	1,315	(19)	-	(191)
Net balance – (asset) / liability, end of year	33,453	-	108,201	4,590	-	146,244

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(i) Contracts measured under PAA (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2022					
	LRC		LIC			
Insurance contracts issued Contracts measured under PAA	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Insurance acquisition cash flows asset**	**Total**
Insurance contract liabilities, beginning of year	23,065	-	100,031	4,244	-	127,340
Insurance contract assets, beginning of year	-	-	-	-	-	-
Net balance – (asset) / liability, beginning of year	23,065	-	100,031	4,244	-	127,340
Insurance revenue	(351,022)	-	(4,128)	-	-	(355,150)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	249,442	29	-	249,471
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Impairment losses recognised during the year	-	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-	-
Insurance acquisition cash flows amortisation	50,773	-	-	-	-	50,773
Total insurance service expenses	50,773	-	249,442	29	-	300,244
Total amounts recognised in the insurance services result	(300,249)	-	245,314	29	-	(54,906)
Finance (income) / expenses from insurance contracts issued	-	-	-	-	-	-
Effect of exchange rate changes	193	-	918	40	-	1,151
Total amounts recognised in total comprehensive income	(300,056)	-	246,232	69	-	(53,755)
Investment components	-	-	-	-	-	-
Other changes	-	-	-	-	-	-

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(i) Contracts measured under PAA (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2022					
	LRC		LIC			
Insurance contracts issued Contracts measured under PAA	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Insurance acquisition cash flows asset**	**Total**
Cash flows						
Premiums received	355,979	-	-	-	-	355,979
Claims and other directly attributable expenses paid	-	-	(244,791)	-	-	(244,791)
Insurance acquisition cash flows	(51,478)	-	-	-	-	(51,478)
Total cash flows	304,501	-	(244,791)	-	-	59,710
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Net balance – (asset) / liability, end of year	27,510	-	101,472	4,313	-	133,295
Insurance contract liabilities, end of year	27,520	-	101,466	4,313	-	133,299
Insurance contract assets, end of year	(10)	-	6	-	-	(4)
Net balance – (asset) / liability, end of year	27,510	-	101,472	4,313	-	133,295

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2023				
	LRC				
Insurance contracts issued Contracts not measured under PAA	**Excluding loss component**	**Loss component**	**LIC**	**Insurance acquisition cash flows asset**	**Total**
Insurance contract liabilities, beginning of year	5,711,360	203,209	200,726	-	6,115,295
Insurance contract assets, beginning of year	(5,119)	514	1,059	-	(3,546)
Net balance – (asset) / liability, beginning of year	5,706,241	203,723	201,785	-	6,111,749
Insurance revenue	(476,201)	-	-	-	(476,201)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(7,014)	299,406	-	292,392
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	60,454	-	-	60,454
Impairment losses recognised during the year	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-
Insurance acquisition cash flows amortisation	25,372	-	-	-	25,372
Total insurance service expenses	25,372	53,440	299,406	-	378,218
Total amounts recognised in the insurance services result	(450,829)	53,440	299,406	-	(97,983)
Finance (income) / expenses from insurance contracts issued	1,356,089	9,478	1,122	-	1,366,689
Effect of exchange rate changes	272,085	(478)	1,913	-	273,520
Total amounts recognised in total comprehensive income	1,177,345	62,440	302,441	-	1,542,226
Investment components	(856,235)	-	856,235	-	-
Other changes	(294)	(635)	40	-	(889)

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2023				
	LRC				
Insurance contracts issued Contracts not measured under PAA	**Excluding loss component**	**Loss component**	**LIC**	**Insurance acquisition cash flows asset**	**Total**
Cash flows					
Premiums received [1]	9,167,288	-	-	-	9,167,288
Claims and other directly attributable expenses paid	-	-	(1,092,714)	-	(1,092,714)
Insurance acquisition cash flows	(142,963)	-	-	-	(142,963)
Total cash flows	9,024,325	-	(1,092, 714)	-	7,931,611
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net balance – (asset) / liability, end of year	15,051,382	265,528	267,787	-	15,584,697
Insurance contract liabilities, end of year	15,050,930	265,528	269,321	-	15,585,779
Insurance contract assets, end of year	452	-	(1,534)	-	(1,082)
Net balance – (asset) / liability, end of year	15,051,382	265,528	267,787	-	15,584,697

[1] Included in 'Premiums received' is $7,825,132 relating to Sagicor Canada

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2022				
	LRC				
Insurance contracts issued Contracts not measured under PAA	**Excluding loss component**	**Loss component**	**LIC**	**Insurance acquisition cash flows asset**	**Total**
Insurance contract liabilities, beginning of year	5,192,027	181,265	194,017	-	5,567,309
Insurance contract assets, beginning of year	(3,910)	886	-	-	(3,024)
Net balance – (asset) / liability, beginning of year	5,188,117	182,151	194,017	-	5,564,285
Insurance revenue	(259,576)	-	-	-	(259,576)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(15,182)	171,059	-	155,877
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	28,291	-	-	28,291
Impairment losses recognised during the year	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-
Insurance acquisition cash flows amortisation	8,626	-	-	-	8,626
Total insurance service expenses	8,626	13,109	171,059	-	192,794
Total amounts recognised in the insurance services result	(250,950)	13,109	171,059	-	(66,782)
Finance (income) / expenses from insurance contracts issued	(351,777)	6,709	1,161	-	(343,907)
Effect of exchange rate changes	8,716	512	321	-	9,549
Total amounts recognised in total comprehensive income	(594,011)	20,330	172,541	-	(401,140)
Investment components	(512,864)	-	512,864	-	-
Other changes	(6,282)	1,242	517	-	(4,523)

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued)

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

	2022				
	LRC		LIC	Insurance acquisition cash flows asset	Total
Insurance contracts issued Contracts not measured under PAA	**Excluding loss component**	**Loss component**			
Cash flows					
Premiums received	1,742,284	-	-	-	1,742,284
Claims and other directly attributable expenses paid	-	-	(678,154)	-	(678,154)
Insurance acquisition cash flows	(111,003)	-	-	-	(111,003)
Total cash flows	1,631,281	-	(678,154)	-	953,127
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net balance – (asset) / liability, end of year	5,706,241	203,723	201,785	-	6,111,749
Insurance contract liabilities, end of year	5,711,360	203,209	200,726	-	6,115,295
Insurance contract assets, end of year	(5,119)	514	1,059	-	(3,546)
Net balance – (asset) / liability, end of year	5,706,241	203,723	201,785	-	6,111,749

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued

6.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of insurance contract balances

	2023					2022				
Insurance contracts issued **Contracts not measured under PAA**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Insurance acquisition cash flows asset**	**Total**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Insurance acquisition cash flows asset**	**Total**
Insurance contract liabilities, beginning of year	5,113,089	298,751	703,455	-	6,115,295	4,683,941	294,085	589,283	-	5,567,309
Insurance contract assets, beginning of year	(19,747)	6,200	10,001	-	(3,546)	(12,665)	3,631	6,010	-	(3,024)
Net balance – (asset) / liability, beginning of year	5,093,342	304,951	713,456	-	6,111,749	4,671,276	297,716	595,293	-	5,564,285
Changes that relate to current service										
CSM recognised in net (income) / loss for the services provided	-	-	(129,900)	-	(129,900)	-	-	(83,691)	-	(83,691)
Change in the risk adjustment for non-financial risk for risk expired	-	(45,922)	-	-	(45,922)	-	(25,880)	-	-	(25,880)
Experience adjustments – relating to insurance service expenses	17,385	-	-	-	17,385	14,498	-	-	-	14,498
	17,385	(45,922)	(129,900)	-	(158,437)	14,498	(25,880)	(83,691)	-	(95,073)
Changes that relate to future service										
Changes in estimate that adjust the CSM	24,211	25,440	(49,654)	-	(3)	9,791	(3,627)	(6,167)	-	(3)
Changes in estimates that result in onerous contract losses or reversal of losses	53,058	2,013	-	-	55,071	20,014	(798)	-	-	19,216
Contracts initially recognised in the year	(2,156,505)	872,837	1,289,054	-	5,386	(204,324)	25,960	187,442	-	9,078
	(2,079,236)	900,290	1,239,400	-	60,454	(174,519)	21,535	181,275	-	28,291
Changes that relate to past service										
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised during the year	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in the insurance service result	(2,061,851)	854,368	1,109,500	-	(97,983)	(160,021)	(4,345)	97,584	-	(66,782)
Finance (income) / expenses from insurance contracts issued	1,206,318	114,116	46,255	-	1,366,689	(376,668)	10,667	22,094	-	(343,907)
Effect of exchange rate changes	210,289	30,475	32,756	-	273,520	5,111	913	3,525	-	9,549
Total amounts recognised in total comprehensive income	(645,244)	998,959	1,188,511	-	1,542,226	(531,578)	7,235	123,203	-	(401,140)
Other changes	127	12	28	-	167	517	-	(5,040)	-	(4,523)

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued

(b) Reconciliation of the measurement components of insurance contract balances

	2023					2022				
Insurance contracts issued **Contracts not measured under PAA**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Insurance acquisition cash flows asset**	**Total**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Insurance acquisition cash flows asset**	**Total**
Cash flows										
Premiums received [1]	9,167,288	-	-	-	9,167,288	1,742,284	-	-	-	1,742,284
Claims and other directly attributable expenses paid	(1,092,714)	-	-	-	(1,092,714)	(678,154)	-	-	-	(678,154)
Insurance acquisition cash flows	(142,963)	-	-	-	(142,963)	(111,003)	-	-	-	(111,003)
Total cash flows	7,931,611	-	-	-	7,931,611	953,127	-	-	-	953,127
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-	-	-	-	-
Other movements	(639)	(112)	(305)	-	(1,056)	-	-	-	-	-
Net balance – (asset) / liability, end of year	12,379,197	1,303,810	1,901,690	-	15,584,697	5,093,342	304,951	713,456	-	6,111,749
Insurance contract liabilities, end of year	12,380,332	1,303,806	1,901,641	-	15,585,779	5,113,089	298,751	703,455	-	6,115,295
Insurance contract assets, end of year	(1,135)	4	49	-	(1,082)	(19,747)	6,200	10,001	-	(3,546)
Net balance – (asset) / liability, end of year	12,379,197	1,303,810	1,901,690	-	15,584,697	5,093,342	304,951	713,456	-	6,111,749

[1] Included in 'Premiums received' is $7,825,132 relating to Sagicor Canada

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

The following tables show the impact of contracts recognised in the year, by segment.

(c) Impact of contracts recognised in the year

	2023					2022				
	Contracts issued		Contracts acquired		Total	Contracts issued		Contracts acquired		Total
Sagicor Life Insurance contracts issued	Non-onerous	Onerous	Non-onerous	Onerous		Non-onerous	Onerous	Non-onerous	Onerous	
Estimates of present value of future cash outflows										
Insurance acquisition cash flows	27,975	4,419	-	-	32,394	23,386	4,337	-	-	27,723
Claims and other directly attributable expenses	89,403	6,904	-	-	96,307	133,587	10,329	-	-	143,916
Estimates of present value of future cash outflows	117,378	11,323	-	-	128,701	156,973	14,666	-	-	171,639
Estimates of present value of future cash inflows	(175,144)	(8,818)	-	-	(183,962)	(215,427)	(10,957)	-	-	(226,384)
Risk adjustment for non-financial risk	9,269	599	-	-	9,868	8,381	768	-	-	9,149
CSM	48,499	-	-	-	48,499	50,076	-	-	-	50,076
Increase / (decrease) in insurance contract liabilities from contracts recognised in the year	2	3,104	-	-	3,106	3	4,477	-	-	4,480

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(c) Impact of contracts recognised in the year

	2023					2022				
	Contracts issued		Contracts acquired		Total	Contracts issued		Contracts acquired		Total
Sagicor Jamaica Insurance contracts issued	Non-onerous	Onerous	Non-onerous	Onerous		Non-onerous	Onerous	Non-onerous	Onerous	
Estimates of present value of future cash outflows										
Insurance acquisition cash flows	26,177	2,272	-	-	28,449	21,011	3,819	-	-	24,830
Claims and other directly attributable expenses	99,060	11,250	-	-	110,310	97,304	25,681	-	-	122,985
Estimates of present value of future cash outflows	125,237	13,522	-	-	138,759	118,315	29,500	-	-	147,815
Estimates of present value of future cash inflows	(168,096)	(12,174)	-	-	(180,270)	(158,951)	(27,899)	-	-	(186,850)
Risk adjustment for non-financial risk	6,537	709	-	-	7,246	5,717	1,132	-	-	6,849
CSM	36,321	-	-	-	36,321	34,918	-	-	-	34,918
Increase / (decrease) in insurance contract liabilities from contracts recognised in the year	(1)	2,057	-	-	2,056	(1)	2,733	-	-	2,732

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(c) Impact of contracts recognised in the year

	2023					2022				
	Contracts issued		Contracts acquired		Total	Contracts issued		Contracts acquired		Total
Sagicor Life USA Insurance contracts issued	Non-onerous	Onerous	Non-onerous	Onerous		Non-onerous	Onerous	Non-onerous	Onerous	
Estimates of present value of future cash outflows										
Insurance acquisition cash flows	37,094	439	-	-	37,533	47,460	1,786	-	-	49,246
Claims and other directly attributable expenses	772,790	796	-	-	773,586	1,046,883	3,144	-	-	1,050,027
Estimates of present value of future cash outflows	809,884	1,235	-	-	811,119	1,094,343	4,930	-	-	1,099,273
Estimates of present value of future cash inflows	(861,237)	(1,058)	-	-	(862,295)	(1,206,059)	(3,756)	-	-	(1,209,815)
Risk adjustment for non-financial risk	5,901	47	-	-	5,948	9,269	691	-	-	9,960
CSM	45,452	-	-	-	45,452	102,447	-	-	-	102,447
Increase / (decrease) in insurance contract liabilities from contracts recognised in the year	-	224	-	-	224	-	1,865	-	-	1,865

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

(c) Impact of contracts recognised in the year

	2023				
	Contracts issued		Contracts acquired		Total
Sagicor Canada Insurance contracts issued	Non-onerous	Onerous	Non-onerous	Onerous	
Estimates of present value of future cash outflows					
Insurance acquisition cash flows	20,650	-	-	-	20,650
Claims and other directly attributable expenses	66,396	-	5,645,490	-	5,711,886
Estimates of present value of future cash outflows	87,046	-	5,645,490	-	5,732,536
Estimates of present value of future cash inflows	(105,573)	-	(7,635,521)	-	(7,741,094)
Risk adjustment for non-financial risk	11,825	-	837,951	-	849,776
CSM	6,702	-	1,152,080	-	1,158,782
Increase / (decrease) in insurance contract liabilities from contracts recognised in the year	-	-	-	-	-

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

The following tables show amounts determined on transition to IFRS 17 for insurance revenue and the CSM by transition method, by segment.

d) Amounts determined on transition to IFRS 17 – Insurance revenue and the CSM by transition method

	2023			2022		
Sagicor Life - Insurance contracts issued	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
Insurance revenue	(38,080)	(66,233)	(104,313)	(28,408)	(67,827)	(96,235)
CSM, beginning of year	147,106	83,687	230,793	117,118	85,719	202,837
Changes that relate to current service						
CSM recognised in net (income) / loss for the services provided	(14,209)	(11,681)	(25,890)	(16,606)	(10,702)	(27,308)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(19,423)	7,547	(11,876)	(8,233)	6,470	(1,763)
Contracts initially recognised in the year	48,377	122	48,499	49,979	97	50,076
	14,745	(4,012)	10,733	25,140	(4,135)	21,005
Finance (income) / expenses from insurance contracts issued	6,647	3,598	10,245	4,633	2,372	7,005
Effect of exchange rate changes	31	92	123	215	(269)	(54)
Total amounts recognised in total comprehensive income	21,423	(322)	21,101	29,988	(2,032)	27,956
CSM, end of year	168,529	83,365	251,894	147,106	83,687	230,793

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

d) Amounts determined on transition to IFRS 17 – Insurance revenue and the CSM by transition method (continued)

	2023			2022		
Sagicor Jamaica - Insurance contracts issued	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
Insurance revenue	(57,062)	(60,111)	(117,173)	(46,357)	(50,345)	(96,702)
CSM, beginning of year	193,989	51,485	245,474	159,080	39,173	198,253
Changes that relate to current service						
CSM recognised in net (income) / loss for the services provided	(28,349)	(6,072)	(34,421)	(22,856)	(5,879)	(28,735)
Changes that relate to future service						
Changes in estimates that adjust the CSM	2,036	30,670	32,706	13,167	16,434	29,601
Contracts initially recognised in the year	36,321	-	36,321	34,918	-	34,918
	10,008	24,598	34,606	25,229	10,555	35,784
Finance (income) / expenses from insurance contracts issued	9,673	1,348	11,021	6,901	957	7,858
Effect of exchange rate changes	(3,355)	(850)	(4,205)	2,779	800	3,579
Total amounts recognised in total comprehensive income	16,326	25,096	41,422	34,909	12,312	47,221
CSM, end of year	210,315	76,581	286,896	193,989	51,485	245,474

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

d) Amounts determined on transition to IFRS 17 – Insurance revenue and the CSM by transition method (continued)

	2023			2022		
Sagicor Life USA - Insurance contracts issued	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
Insurance revenue	(60,949)	(25,871)	(86,820)	(41,641)	(24,998)	(66,639)
CSM, beginning of year	226,772	10,417	237,189	176,722	17,481	194,203
Changes that relate to current service						
CSM recognised in net (income) / loss for the services provided	(35,137)	(1,142)	(36,279)	(26,300)	(1,348)	(27,648)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(46,833)	(3,342)	(50,175)	(32,898)	(6,147)	(39,045)
Contracts initially recognised in the year	45,452	-	45,452	102,448	-	102,448
	(36,518)	(4,484)	(41,002)	43,250	(7,495)	35,755
Finance (income) / expenses from insurance contracts issued	9,060	336	9,396	6,800	431	7,231
Effect of exchange rate changes	-	-	-	-	-	-
Total amounts recognised in total comprehensive income	(27,458)	(4,148)	(31,606)	50,050	(7,064)	42,986
CSM, end of year	199,314	6,269	205,583	226,772	10,417	237,189

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.1 INSURANCE CONTRACTS ISSUED (continued)

d) Amounts determined on transition to IFRS 17 – Insurance revenue and the CSM by transition method (continued)

	2023		
Sagicor Canada - Insurance contracts issued	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
Insurance revenue	(167,895)	-	(167,895)
Changes that relate to current service			
CSM recognised in net (income) / loss for the services provided	(33,310)	-	(33,310)
Changes that relate to future service			
Changes in estimates that adjust the CSM	(20,309)	-	(20,309)
Contracts initially recognised in the year	1,158,782	-	1,158,782
	1,105,163	-	1,105,163
Finance (income) / expenses from insurance contracts issued	15,548	-	15,548
Effect of exchange rate changes	36,606	-	36,606
Total amounts recognised in total comprehensive income	1,157,317	-	1,157,317
CSM, end of year	1,157,317	-	1,157,317

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD

(i) Contracts measured under PAA (continued)

(a) Reconciliation of the remaining coverage and the incurred claims components

	2023					2022				
	Remaining coverage		Incurred claims		Total	Remaining coverage		Incurred claims		Total
Reinsurance contracts held Contracts measured under the PAA	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**		**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	
Reinsurance contract liabilities, beginning of year	(1,326)	-	120	-	(1,206)	(2,776)	-	2,062	19	(695)
Reinsurance contract assets, beginning of year	10,073	-	16,619	748	27,440	6,261	-	13,325	709	20,295
Net balance – asset / (liability), beginning of year	8,747	-	16,739	748	26,234	3,485	-	15,387	728	19,600
Net income / (expenses) from reinsurance contracts held										
Reinsurance expenses	(80,559)	-	-	-	(80,559)	(65,669)	-	-	-	(65,669)
Other incurred directly attributable expenses	(4,915)	-	-	175	(4,740)	(3,643)	-	-	31	(3,612)
Claims recovered	-	-	29,375	(13)	29,362	-	-	24,012	(16)	23,996
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	-	-	-	-	-	-
Loss – recovery of onerous underlying contracts and adjustments	-	-	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-	-	-
Net income / (expenses) from reinsurance contracts held	(85,474)	-	29,375	162	(55,937)	(69,312)	-	24,012	15	(45,285)
Finance income / (expenses) from reinsurance contracts held	-	-	-	-	-	-	-	-	-	-
Effect of exchange rate changes	(105)	-	(78)	(6)	(189)	58	-	121	5	184
Total amounts recognised in total comprehensive income	(85,579)	-	29,297	156	(56,126)	(69,254)	-	24,133	20	(45,101)
Investment components	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	5	12	17	-	-	-	-	-

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(i) Contracts measured under PAA (continued)

(a) Reconciliation of the remaining coverage and the incurred claims components

	2023					2022				
	Remaining coverage		Incurred claims		Total	Remaining coverage		Incurred claims		Total
Reinsurance contracts held Contracts measured under the PAA	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk		Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
Cash flows										
Premiums paid net of ceding commissions and other directly attributable expenses paid	85,705	-	-	-	85,705	74,516	-	-	-	74,516
Recoveries from reinsurance	-	-	(28,223)	-	(28,223)	-	-	(22,781)	-	(22,781)
Total cash flows	85,705	-	(28,223)	-	57,482	74,516	-	(22,781)	-	51,735
Net balance – asset / (liability), end of year	8,873	-	17,818	916	27,607	8,747	-	16,739	748	26,234
Reinsurance contract liabilities, end of year	(2,035)	-	415	17	(1,603)	(1,326)	-	120	-	(1,206)
Reinsurance contract assets, end of year	10,908	-	17,403	899	29,210	10,073	-	16,619	748	27,440
Net balance – asset / (liability), end of year	8,873	-	17,818	916	27,607	8,747	-	16,739	748	26,234

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 INSURANCE CONTRACTS HELD (continued)

(ii) Contracts not measured under PAA (continued)

(a) Reconciliation of the remaining coverage and the incurred claims components

Reinsurance contracts held Contracts not measured under the PAA	**2023**				**2022**			
	Remaining coverage		**Incurred claims**	**Total**	**Remaining coverage**		**Incurred claims**	**Total**
	Excluding loss recovery component	**Loss recovery component**			**Excluding loss recovery component**	**Loss recovery component**		
Reinsurance contract liabilities, beginning of year	(29,784)	68	(524)	(30,240)	(39,375)	(247)	4,489	(35,133)
Reinsurance contract assets, beginning of year	425,562	7,964	55,600	489,126	555,458	11,882	36,184	603,524
Net balance – asset / (liability), beginning of year	395,778	8,032	55,076	458,886	516,083	11,635	40,673	568,391
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(136,427)	-	-	(136,427)	(9,198)	-	-	(9,198)
Other incurred directly attributable expenses	-	(3)	(6,389)	(6,392)	-	(132)	8	(124)
Claims recovered	-	(350)	92,567	92,217	(6)	(3,193)	21,987	18,788
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	-	-	-	-
Changes that relate to future service – changes in the FCF do not adjust the CSM for the group of underlying insurance contracts	-	11,320	-	11,320	5	(1,349)	-	(1,344)
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-
Net income / (expenses) from reinsurance contracts held	(136,427)	10,967	86,178	(39,282)	(9,199)	(4,674)	21,995	8,122
Finance income / (expenses) from reinsurance contracts held	346,436	376	-	346,812	(21,979)	423	1	(21,555)
Effect of exchange rate changes	87,113	511	2,174	89,798	(717)	602	15	(100)
Total amounts recognised in total comprehensive income	297,122	11,854	88,352	397,328	(31,895)	(3,649)	22,011	(13,533)
Investment components	(161,745)	-	161,745	-	(111,067)	-	111,067	-
Other changes	114	(1)	-	113	(133)	46	8,253	8,166

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(ii) Contracts not measured under PAA (continued)

(a) Reconciliation of the remaining coverage and the incurred claims components

Reinsurance contracts held Contracts not measured under the PAA	2023				2022			
	Remaining coverage		Incurred claims	Total	Remaining coverage		Incurred claims	Total
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid (1)	2,520,312	-	-	2,520,312	22,790	-	-	22,790
Recoveries from reinsurance	-	-	(206,147)	(206,147)	-	-	(126,928)	(126,928)
Total cash flows	2,520,312	-	(206,147)	2,314,165	22,790	-	(126,928)	(104,138)
Net balance – asset / (liability), end of year	3,051,581	19,885	99,026	3,170,492	395,778	8,032	55,076	458,886
Reinsurance contract liabilities, end of year	(12,253)	243	(1,187)	(13,197)	(29,784)	68	(524)	(30,240)
Reinsurance contract assets, end of year	3,063,834	19,642	100,213	3,183,689	425,562	7,964	55,600	489,126
Net balance – asset / (liability), end of year	3,051,581	19,885	99,026	3,170,492	395,778	8,032	55,076	458,886

(1) Included in 'Premiums paid net of ceding commissions and other directly attributable expenses paid' is $2,493,353 relating to Sagicor Canada

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of reinsurance contract balances

	2023				2022			
Reinsurance contracts held **Contracts not measured under the PAA**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
Reinsurance contract liabilities, beginning of year	(42,801)	4,548	8,013	(30,240)	(47,935)	6,651	6,151	(35,133)
Reinsurance contract assets, beginning of year	433,571	24,743	30,812	489,126	568,846	25,308	9,370	603,524
Net balance – asset / (liability), beginning of year	390,770	29,291	38,825	458,886	520,911	31,959	15,521	568,391
Changes that relate to current service								
CSM recognised in net income / (loss) for the services received	-	-	(22,256)	(22,256)	-	-	(1,162)	(1,162)
Change in the risk adjustment for non-financial risk for risk expired	-	(12,715)	-	(12,715)	-	(2,581)	-	(2,581)
Experience adjustments	(15,631)	-	-	(15,631)	13,209	-	-	13,209
	(15,631)	(12,715)	(22,256)	(50,602)	13,209	(2,581)	(1,162)	9,466
Changes that relate to future service								
Changes in estimate that adjust the CSM	(2,996)	13,825	(10,830)	(1)	(12,522)	(1,039)	13,559	(2)
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	17,713	(408)	(338)	16,967	736	2,332	(351)	2,717
Contracts initially recognised in the year	(1,063,462)	467,156	596,332	26	(14,519)	243	14,312	36
Changes in the contractual service margin due to recognition of a loss-recovery component from onerous underlying contracts	-	-	(4,824)	(4,824)	-	-	(4,095)	(4,095)
Changes in the contractual service margin due to reversal of a loss-recovery component from onerous underlying contracts	-	-	(848)	(848)	-	-	-	-
	(1,048,745)	480,573	579,492	11,320	(26,305)	1,536	23,425	(1,344)
Changes that relate to past service								
Changes that relate to past service – adjustments to the incurred claims	-	-	-	-	-	-	-	-
Experience adjustments – arising from ceded premiums paid during the year	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of reinsurance contract balances

	2023				2022			
Reinsurance contracts held Contracts not measured under the PAA	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
Net income / (expenses) from reinsurance contracts held	(1,064,376)	467,858	557,236	(39,282)	(13,096)	(1,045)	22,263	8,122
Finance income / (expenses) from reinsurance contracts held	283,252	55,138	8,422	346,812	(20,427)	(1,620)	492	(21,555)
Effect of exchange rate changes	54,270	16,821	18,707	89,798	(35)	(3)	(62)	(100)
Total amounts recognised in total comprehensive income	(726,854)	539,817	584,365	397,328	(33,558)	(2,668)	22,693	(13,533)
Other changes	137	(15)	(9)	113	7,555	-	611	8,166
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	2,520,312	-	-	2,520,312	22,790	-	-	22,790
Recoveries from reinsurance	(206,147)	-	-	(206,147)	(126,928)	-	-	(126,928)
Total cash flows	2,314,165	-	-	2,314,165	(104,138)	-	-	(104,138)
Net balance – asset / (liability), end of year	1,978,218	569,093	623,181	3,170,492	390,770	29,291	38,825	458,886
Reinsurance contract liabilities, end of year	(33,202)	4,077	15,928	(13,197)	(42,801)	4,548	8,013	(30,240)
Reinsurance contract assets, end of year	2,011,420	565,016	607,253	3,183,689	433,571	24,743	30,812	489,126
Net balance – asset / (liability), end of year	1,978,218	569,093	623,181	3,170,492	390,770	29,291	38,825	458,886

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

The following tables show the impact of contracts recognised in the year, by segment.

(c) Impact of contracts recognised in the year

	2023					2022				
	Contracts held		Contracts acquired		Total	Contracts held		Contracts acquired		Total
Sagicor Life Reinsurance contracts held	Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain		Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain	
Estimates of present value of future cash inflows	-	3,058	-	-	3,058	-	2,064	-	-	2,064
Estimates of present value of future cash outflows	-	(1,158)	-	-	(1,158)	-	(1,156)	-	-	(1,156)
Risk adjustment for non-financial risk	-	(157)	-	-	(157)	-	(83)	-	-	(83)
CSM	(25)	(1,743)	-	-	(1,768)	(31)	(830)	-	-	(861)
Increase / (decrease) in reinsurance contract assets from contracts recognised in the year	(25)	-	-	-	(25)	(31)	(5)	-	-	(36)

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(c) Impact of contracts recognised in the year (continued)

	2023					2022				
	Contracts held		Contracts acquired			Contracts held		Contracts acquired		
Sagicor Jamaica Reinsurance contracts held	Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain	Total	Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain	Total
Estimates of present value of future cash inflows	242	-	-	-	242	340	-	-	-	340
Estimates of present value of future cash outflows	(414)	-	-	-	(414)	(557)	-	-	-	(557)
Risk adjustment for non-financial risk	38	-	-	-	38	34	-	-	-	34
CSM	134	-	-	-	134	184	-	-	-	184
Increase / (decrease) in reinsurance contract assets from contracts recognised in the year	-	-	-	-	-	1	-	-	-	1

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(c) Impact of contracts recognised in the year (continued)

	2023					2022				
	Contracts held		Contracts acquired			Contracts held		Contracts acquired		
Sagicor Life USA Reinsurance contracts held	Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain	Total	Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain	Total
Estimates of present value of future cash inflows	1,021	-	-	-	1,021	607	-	-	-	607
Estimates of present value of future cash outflows	(6,759)	-	-	-	(6,759)	(14,001)	-	-	-	(14,001)
Risk adjustment for non-financial risk	176	-	-	-	176	126	-	-	-	126
CSM	5,562	-	-	-	5,562	13,267	-	-	-	13,267
Increase / (decrease) in reinsurance contract assets from contracts recognised in the year	-	-	-	-	-	(1)	-	-	-	(1)

	2023				
	Contracts held		Contracts acquired		
Sagicor Canada Reinsurance contracts held	Contracts not in a net gain	Contracts in a net gain	Contracts not in a net gain	Contracts in a net gain	Total
Estimates of present value of future cash inflows	22,099	-	2,402,255	-	2,424,354
Estimates of present value of future cash outflows	(19,213)	-	(1,349,489)	-	(1,368,702)
Risk adjustment for non-financial risk	(4,845)	-	(461,940)	-	(466,785)
CSM	1,959	-	(590,827)	-	(588,868)
Increase / (decrease) in reinsurance contract assets from contracts recognised in the year	-	-	(1)	-	(1)

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(d) Amounts determined on transition to IFRS 17 – The CSM by transition method

	2023			2022		
Sagicor Life - Reinsurance contracts held	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
CSM, beginning of year	912	11,066	11,978	(3)	5,607	5,604
Changes that relate to current service						
CSM recognised in net income / (loss) for the services received	(126)	793	667	(59)	192	133
Changes that relate to future service						
Changes in estimates that adjust the CSM	7,089	1,038	8,127	288	5,201	5,489
Contracts initially recognised in the year	1,699	69	1,768	804	57	861
Loss- recovery component recognised on onerous underlying contracts	-	-	-	-	-	-
Reversal of loss-recovery component from onerous underlying contracts	(60)	(820)	(880)	(58)	(176)	(234)
	8,602	1,080	9,682	975	5,274	6,249
Finance income / (expenses) from reinsurance contracts held	37	211	248	6	184	190
Effect of exchange rate changes	31	1	32	(66)	1	(65)
Total amounts recognised in total comprehensive income	8,670	1,292	9,962	915	5,459	6,374
CSM, end of year	9,582	12,358	21,940	912	11,066	11,978

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(d) Amounts determined on transition to IFRS 17 – The CSM by transition method (continued)

	2023			2022		
Sagicor Jamaica - Reinsurance contracts held	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
CSM, beginning of year	4,327	(1,145)	3,182	-	903	903
Changes that relate to current service						
CSM recognised in net income / (loss) for the services received	(69)	(243)	(312)	(18)	(158)	(176)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(3,566)	5,902	2,336	4,139	(1,771)	2,368
Contracts initially recognised in the year	134	-	134	184	-	184
Loss- recovery component recognised on onerous underlying contracts	-	-	-	-	-	-
Reversal of loss-recovery component from onerous underlying contracts	-	(306)	(306)	-	(117)	(117)
	(3,501)	5,353	1,852	4,305	(2,046)	2,259
Finance income / (expenses) from reinsurance contracts held	104	-	104	17	-	17
Effect of exchange rate changes	(73)	(35)	(108)	5	(2)	3
Total amounts recognised in total comprehensive income	(3,470)	5,318	1,848	4,327	(2,048)	2,279
CSM, end of year	857	4,173	5,030	4,327	(1,145)	3,182

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(d) Amounts determined on transition to IFRS 17 – The CSM by transition method (continued)

	2023			2022		
Sagicor Life USA - Reinsurance contracts held	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
CSM, beginning of year	13,448	10,217	23,665	-	9,014	9,014
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(5,062)	(629)	(5,691)	(33)	(1,086)	(1,119)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(9,556)	(6,648)	(16,204)	1,333	4,980	6,313
Contracts initially recognised in the year	5,562	-	5,562	13,267	-	13,267
Loss- recovery component recognised on onerous underlying contracts	4,420	(9,244)	(4,824)	(1,199)	(2,896)	(4,095)
Reversal of loss-recovery component from onerous underlying contracts	-	-	-	-	-	-
	(4,636)	(16,521)	(21,157)	13,368	998	14,366
Finance income / (expenses) from reinsurance contracts held	(10)	159	149	80	205	285
Effect of exchange rate changes	-	-	-	-	-	-
Total amounts recognised in total comprehensive income	(4,646)	(16,362)	(21,008)	13,448	1,203	14,651
CSM, end of year	8,802	(6,145)	2,657	13,448	10,217	23,665

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.2 REINSURANCE CONTRACTS HELD (continued)

(d) Amounts determined on transition to IFRS 17 – The CSM by transition method (continued)

	2023		
Sagicor Canada - Reinsurance contracts held	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
Changes that relate to current service			
CSM recognised in net income / (loss) for the services provided	(16,920)	-	(16,920)
Changes that relate to future service			
Changes in estimates that adjust the CSM	(5,089)	-	(5,089)
Contracts initially recognised in the year	588,868	-	588,868
Loss- recovery component recognised on onerous underlying contracts	-	-	-
Reversal of loss-recovery component from onerous underlying contracts	-	-	-
	566,859	-	566,859
Finance income / (expenses) from reinsurance contracts held	7,921	-	7,921
Effect of exchange rate changes	18,774	-	18,774
Total amounts recognised in total comprehensive income	593,554	-	593,554
CSM, end of year	593,554	-	593,554

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.3 SUMMARY OF LOSS COMPONENT, PRESENT VALUE OF FUTURE CASH FLOWS, RISK ADJUSTMENT AND CSM

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
2023					
LRC - Excluding loss component	1,272,052	771,760	4,241,255	8,799,768	15,084,835
LRC - Loss component	55,745	91,916	117,867	-	265,528
Present value of future cash flows	1,118,301	557,486	4,085,788	6,725,823	12,487,398
Risk adjustment for non-financial risk	133,380	78,013	113,605	983,402	1,308,400
CSM	251,894	286,896	205,583	1,157,317	1,901,690

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Total
2022				
LRC - Excluding loss component	1,194,410	744,199	3,795,142	5,733,751
LRC - Loss component	35,160	87,623	80,940	203,723
Present value of future cash flows	1,039,107	582,899	3,572,808	5,194,814
Risk adjustment for non-financial risk	128,623	60,241	120,400	309,264
CSM	230,793	245,474	237,189	713,456

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.4 LIABILITY FOR INCURRED CLAIMS BY SEGMENT

Summary of LIC by segment	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
2023					
Gross LIC:					
Insurance contracts issued	190,068	75,034	45,854	66,774	377,730
Reinsurers' share of LIC:					
Reinsurance contracts held	16,776	9,117	22,349	69,440	117,682
2022					
Gross LIC:					
Insurance contracts issued	115,152	68,488	54,315	-	237,955
Reinsurers' share of LIC:					
Reinsurance contracts held	19,050	8,361	47,160	-	74,571

The liability for incurred claims represented by insurance lines of business is as follows:

	Gross LIC		Reinsurers' share	
	2023	**2022**	**2023**	**2022**
Individual life	300,591	109,020	101,994	54,547
Group life and health	19,493	73,245	3,266	8,864
Property and casualty (note 37.2)	57,646	55,690	12,422	11,160
	377,730	237,955	117,682	74,571

Amounts expressed in US $000

6. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

6.5 INVESTMENT CONTRACT LIABILITIES

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
2023					
Movement for the year:					
Balance, beginning of year	272,267	133,531	66,499	-	472,297
Amounts assumed on acquisition (note 33.1)	47	-	-	9,462	9,509
Contributions received	19,161	17,823	9,201	-	46,185
Benefits paid	(32,303)	(19,081)	(18,587)	(703)	(70,674)
Investment return from underlying assets	12,717	6,089	5,069	55	23,930
Asset management fees charged	(1,382)	(87)	-	-	(1,469)
Effect of exchange rate changes	638	(2,846)	-	288	(1,920)
Balance, end of year	271,145	135,429	62,182	9,102	477,858

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Total
2022				
Movement for the year:				
Balance, beginning of year	277,753	125,758	64,583	468,094
Contributions received	24,721	17,536	17,413	59,670
Benefits paid	(40,552)	(16,522)	(17,095)	(74,169)
Investment return from underlying assets	10,345	5,155	1,598	17,098
Asset management fees charged	-	(901)	-	(901)
Effect of exchange rate changes	-	2,505	-	2,505
Balance, end of year	272,267	133,531	66,499	472,297

Amounts expressed in US $000

7. MISCELLANEOUS ASSETS AND RECEIVABLES

	2023	2022 (restated)
Net defined benefit assets (note 27)	20,693	20,898
Real estate developed or held for resale	101,927	109,435
Prepaid and deferred expenses [(i)]	38,432	33,324
Legal claim (note 13)	348	353
Finance leases	1,297	1,109
Other assets and accounts receivable	135,161	61,119
	297,858	226,238

Amounts due from managed funds included in receivables	4,473	3,790
Amounts expected to be realised within one year included in real estate developed or held for resale	36,130	82,621

(i) Amounts are expected to be realised within one year.

8. INCOME TAX ASSETS

	2023	2022 (restated)
Deferred income tax assets (note 29)	268,729	83,082
Income and withholding taxes recoverable	62,646	52,860
	331,375	135,942

Income and withholding taxes recoverable are expected to be recovered within one year of the financial statements' date.

Amounts expressed in US $000

9. ASSOCIATES AND JOINT VENTURES

9.1 Interest in Associates and Joint Ventures

Name of Entity	Country of Incorporation	% interest recognised		Nature of relationship	Measurement Method	Carrying Amount	
		2023	2022			2023	2022 (restated)
RGM Limited	Trinidad & Tobago	33%	33%	Associate	Equity Method	28,048	28,017
FamGuard Corporation Limited [1]	Bahamas	20%	20%	Associate	Equity Method	24,506	20,506
Primo Holding Limited	Barbados	38%	38%	Associate	Equity Method	289	298
Sagicor Costa Rica SCR, S.A.	Costa Rica	50%	50%	Joint Venture	Equity Method	14,974	12,118
						67,817	60,939

[1] FamGuard Corporation Limited is listed on the Bahamas International Securities Exchange. The proportionate share of market value calculated on the basis of the year-end closing rate of $4.20 per share was $25,200 (2022 – $22,440).

The reconciliation of carrying amounts for the year of the investment in associates and joint ventures is as follows:

	RGM Limited		FamGuard Corporation Limited		Primo Holding Limited		Sagicor Costa Rica SCR, S.A	
	2023	2022	2023	2022 (restated)	2023	2022	2023	2022 (restated)
Reconciliation to carrying amounts:								
Investment, beginning of year	28,017	26,854	20,506	19,462	298	305	12,118	8,640
Dividends received	(1,371)	-	(880)	(1,000)	-	-	-	
Share of income / (loss)	1,692	1,414	4,399	1,829	(9)	(7)	1,574	2,870
Share of amortisation or impairment of intangible assets which were identified on acquisition	-	-	(10)	(10)	-	-	-	-
Share of income taxes	(398)	(340)	-	-	-	-	-	-
Share of other comprehensive income	-	-	491	225	-	-	1,552	393
Effects of exchange rate changes	108	89	-	-	-	-	(270)	215
Investment, end of year	28,048	28,017	24,506	20,506	289	298	14,974	12,118

Amounts expressed in US $000

9. ASSOCIATES AND JOINT VENTURES (continued)

9.1 Interest in Associates and Joint Ventures (continued)

The reconciliation of the share of net assets based on the summarised financial information to carrying amounts of the investment in associates and joint ventures is as follows:

	RGM Limited		FamGuard Corporation Limited		Primo Holding Limited		Sagicor Costa Rica SCR, S.A.	
	2023	**2022**	**2023**	**2022 (restated)**	**2023**	**2022**	**2023**	**2022 (restated)**
Net Assets	84,146	84,057	122,475	119,303	760	784	29,947	24,237
% Interest	33%	33%	20%	20%	38%	38%	50%	50%
Share of net assets	28,048	28,017	24,495	23,861	289	298	14,974	12,118
Goodwill arising from investment in associate	-	-	11	19	-	-	-	-
Change in net assets on restatement	-	-	-	(3,374)	-	-	-	-
Investment, end of year	28,048	28,017	24,506	20,506	289	298	14,974	12,118

9.2 Commitments and contingent liabilities

Other commitments at the year-end if called are $211 (2022 – $206) and contingent liabilities exist of $51 (2022 – $51).

Amounts expressed in US $000

9. ASSOCIATES AND JOINT VENTURES (continued)

9.3 Summarised Financial Information

Summarised financial information from the financial statements of associates and joint ventures is set out in the three tables which follow.

Entities with insurance operations reflect restatements of certain 2022 comparative balances as a result of the implementation of IFRS 17.

	RGM Limited		FamGuard Corporation Limited		Primo Holding Limited		Sagicor Costa Rica SCR, S.A	
	2023	2022	2023	2022 (restated)	2023	2022	2023	2022 (restated)
ASSETS								
Property, plant and equipment	1,344	1,196	28,394	29,287	-	-	368	154
Financial investments	-	-	311,330	305,284	-	-	27,693	10,766
Reinsurance contract assets	-	-	8,195	8,094	-	-	589	633
Insurance contract assets	-	-	-	-	-	-	-	-
Cash resources	6,322	9,258	13,609	13,987	-	-	2,110	1,184
Other investments and assets	120,674	121,070	15,249	13,990	1,000	1,000	2,894	23,655
Total assets	128,340	131,524	376,777	370,642	1,000	1,000	33,654	36,392
LIABILITIES								
Insurance contract liabilities	-	-	244,740	240,315	-	-	351	8,550
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
Investment contract liabilities	-	-	595	535	-	-	-	-
Notes and loans payable	-	-	-	-	-	-	-	3,586
Other liabilities	44,194	47,467	8,967	10,489	240	216	3,356	19
Total liabilities	44,194	47,467	254,302	251,339	240	216	3,707	12,155
Net assets	84,146	84,057	122,475	119,303	760	784	29,947	24,237

Amounts expressed in US $000

9. ASSOCIATES AND JOINT VENTURES (continued)

9.3 Summarised Financial Information (continued)

	RGM Limited		FamGuard Corporation Limited		Primo Holding Limited		Sagicor Costa Rica SCR, S.A	
	2023	2022	2023	2022 (restated)	2023	2022	2023	2022 (restated)
WORKING CAPITAL								
Current assets	13,179	15,995	18,487	17,860	-	-	18,161	25,374
Current liabilities	4,605	6,849	8,967	10,489	44	44	1,659	8,550
Net current assets / (liabilities)	8,574	9,146	9,520	7,371	(44)	(44)	16,502	16,824
Cash and cash equivalents included in current assets	6,322	9,258	13,609	13,987	-	-	2,110	1,184
Current financial liabilities (excluding trade and other payables and provisions) included in current liabilities	1,095	2,570	-	-	-	-	1,308	-
NON-CURRENT ASSETS / LIABILITIES								
Non-current assets	115,161	115,529	358,290	352,782	1,000	1,000	15,493	11,018
Non-current liabilities	39,589	40,618	245,335	240,850	196	172	2,048	3,605
Non-current financial liabilities (excluding trade and other payables and provisions) included in non-current liabilities	39,589	40,618	245,335	240,850	-	-	2,049	3,605

Amounts expressed in US $000

9. ASSOCIATES AND JOINT VENTURES (continued)

9.3 Summarised Financial Information (continued)

	RGM Limited		FamGuard Corporation Limited		Primo Holding Limited		Sagicor Costa Rica SCR, S.A	
	2023	**2022**	**2023**	**2022 (restated)**	**2023**	**2022**	**2023**	**2022 (restated)**
Summarised statement of comprehensive income								
Insurance service result	-	-	11,257	8,744	-	-	13,709	13,421
Net investment income	28,523	25,101	19,322	14,826	-	-	(472)	(303)
Net insurance finance expense	-	-	(15,505)	(11,773)	-	-	-	-
Net insurance and investment result	28,523	25,101	15,074	11,797	-	-	13,237	13,118
Fees and other income	-	-	-	-	-	-	-	1,457
Other income	-	-	2,083	2,298	-	-	-	-
Other operating expenses	(20,038)	(17,314)	(12,021)	(9,898)	(24)	(19)	(8,455)	(7,308)
Other finance costs	(3,285)	(3,689)	-	-	-	-	-	-
Income before taxes	5,200	4,098	5,136	4,197	(24)	(19)	4,782	7,267
Income taxes	(1,194)	(904)	-	-	-	-	(1,634)	(1,527)
Net income / (loss) for the year	4,006	3,194	5,136	4,197	(24)	(19)	3,148	5,740
Other comprehensive income	-	-	-	-	-	-	2,563	1,313
Total comprehensive income	4,006	3,194	5,136	4,197	(24)	(19)	5,711	7,053
Interest income	-	-	19,322	14,826	-	-	1,756	1,200
Interest expense	3,285	3,808	-	-	-	-	(199)	(195)

Amounts expressed in US $000

10. INTANGIBLE ASSETS

10.1 Analysis of intangible assets and changes for the year

	Goodwill	Customer & broker relationships	Trade names	Software	Syndicate capacity & licences	Total
2023						
Net book value, beginning of year	74,973	11,357	2,680	16,303	-	105,313
Additions at cost	-	-	-	4,704	-	4,704
Assumed on acquisition (note 33.1)	-	-	-	14,393	7	14,400
Transfer from property, plant and equipment (note 12)	-	-	-	8,531	-	8,531
Amortisation/impairment charges	(29,265)	(2,262)	(5)	(7,741)	-	(39,273)
Effects of exchange rate changes	(683)	(170)	(57)	395	-	(515)
Net book value, end of year	45,025	8,925	2,618	36,585	7	93,160
Represented by:						
Cost or valuation	47,253	36,510	6,096	127,072	7	216,938
Accumulated depreciation and impairments	(2,228)	(27,585)	(3,478)	(90,487)	-	(123,778)
	45,025	8,925	2,618	36,585	7	93,160

Amounts expressed in US $000

10. INTANGIBLE ASSETS (continued)

10.1 Analysis of intangible assets and changes for the year (continued)

	Goodwill	Customer & broker relationships	Trade names	Software	Total
2022					
Net book value, beginning of year	56,996	10,432	2,638	19,035	89,101
Additions at cost	-	161	-	4,234	4,395
Identified on acquisition:					
- Alliance Financial Services Limited (note 33.2)	17,389	4,488	65	-	21,942
Transfer from property, plant and equipment (note 12)	-	-	-	804	804
Derecognised on disposal of subsidiary:					
- X-Fund Limited (note 33.4)	-	(1,752)	-	-	(1,752)
Amortisation/impairment charges	-	(2,177)	(77)	(7,900)	(10,154)
Divestitures and disposals	-	-	-	(9)	(9)
Effects of exchange rate changes	588	205	54	139	986
Net book value, end of year	74,973	11,357	2,680	16,303	105,313
Represented by:					
Cost or valuation	77,973	37,422	6,228	98,798	220,421
Accumulated depreciation and impairments	(3,000)	(26,065)	(3,548)	(82,495)	(115,108)
	74,973	11,357	2,680	16,303	105,313

Amounts expressed in US $000

10. INTANGIBLE ASSETS (continued)

10.2 Impairment of intangible assets

Goodwill arises from past acquisitions and is allocated to cash-generating units (CGUs). Goodwill is tested annually for impairment. The recoverable amount of a CGU is determined as the higher of its value in use or its fair value less costs to sell.

For those CGU's where the fair value less costs of disposal methodology is used, financial projections are used as inputs to determine maintainable earnings over time to which is applied an appropriate earnings' multiple. For those CGU's where the value in use methodology is used, cash flows are extracted from financial projections to which are applied appropriate discount factors and residual growth rates, or alternatively, the cash flows from the financial projections are extended to 50 years using an actuarial appraisal value technique which incorporates appropriate discount rates and solvency capital requirements. As disclosed in note 2.8(a), goodwill is allocated to the Group's reportable operating segments.

The Group obtains independent professional advice in order to select the relevant discount factors, residual growth rates and earnings multiples.

The carrying values of goodwill and the impairment test factors used are considered in the following sections.

(a) Sagicor Life operating segment

	2023	2022
Carrying value of goodwill	-	26,582

(i) Years ended December 31, 2023 & 2022

An actuarial appraisal value technique was adopted to test goodwill impairment. The principal assumptions included the following:

- Discount rates of 10% (2022 – 10%) for individual life and annuity in force business;
- New individual life and annuity business was included for the seven-year period 2024 to 2030, (seven-year period 2023 to 2029);
- Annual growth rates for new individual life and annuity business were -46% to 5% for 2024 and -1% to 8% from 2025 to 2030 (2022: – 49% to 10% for 2023 and 5% to 11% from 2024 to 2029);
- Discount rates of 14% (2022 – 14%) for new individual life and annuity business;
- Minimum Continuing Capital and Surplus Ratio (MCCSR) of 175% (2022 – 175%).

The appraisal value, based on the actuarial assumptions and interest rate environment at year end, suggested the goodwill was fully impaired. As at December 31, 2023, there is no further goodwill remaining in the Sagicor Life operating segment.

(b) Sagicor Jamaica operating segment

	2023	2022
Carrying value of goodwill	45,025	45,710

The fair value less costs of disposal methodology was adopted to test goodwill impairment in both years. The after-tax multiple used for the segment 10.0 (2022 – 9.8) was derived from a pre-tax factor of 7.0 (2022 – 7.0) using an iterative method.

Amounts expressed in US $000

10. INTANGIBLE ASSETS (continued)

10.2 Impairment of intangible assets (continued)

Sensitivity

The possible impairment of goodwill is sensitive to changes in earnings multiples and after-tax earnings. This is illustrated in the following table.

	2023 test		
	Scenario 1	**Scenario 2**	**Scenario 3**
After-tax earnings multiples	10.0	9.0	8.0
Reduction in forecast earnings	n/a	10.0%	10.0%
Excess of recoverable amount (of 49.11% interest)	79,921	25,689	n/a
Impairment (of 49.11% interest)	Nil	Nil	(13,276)

(c) Sagicor General Insurance Inc

	2023	**2022**
Carrying value of goodwill	-	2,681

The value-in-use methodology has been used to test goodwill impairment in both years. The pre-tax discount factor was 17.2% (2022 – 17.2%) which was derived from an after-tax factor of 14.5% (2022 – 15.0%) using an iterative method. The residual growth rate was 2% (2022 – 2.0%).

Based on the results of the testing, goodwill amounting to $2,681 was impaired. There is no further goodwill remaining on Sagicor General.

11. INVESTMENT PROPERTY

The movement in investment property for the year is as follows:

	2023	**2022**
Balance, beginning of year	77,359	75,954
Additions at cost	9,431	-
Amounts assumed on acquisition	10	-
Transfer from real estate developed for resale (note 7)	-	1,707
Transfer from (to) property, plant and equipment (note 12)	599	(235)
Disposals	(1,617)	(480)
Fair value changes recorded in net investment income	(217)	175
Effects of exchange rate changes	(190)	238
Balance, end of year	85,375	77,359

Investment property includes $7,428 (2022 - $7,374) which represents the Group's proportionate interest in joint operations summarised in the following table.

Country	**Description of property**	**Percentage ownership recognised**
Barbados	Freehold lands	50%
	Freehold office buildings	33%
Trinidad & Tobago	Freehold office buildings	60%

Pension Funds managed by the Group own the remaining 50% interest in freehold lands in Barbados, and a 33% interest in a freehold office building in Barbados.

Amounts expressed in US $000

12. PROPERTY, PLANT AND EQUIPMENT

	2023				
	Owner-occupied properties	Owner-managed hotel properties	Office furnishing, equipment & vehicles	Right-of-use assets	Total
Net book value, beginning of year	108,197	-	40,961	29,697	178,855
Additions at cost	10,155	-	12,571	4,644	27,370
Additions arising from acquisitions	4	-	3,875	6,738	10,617
Asset retirement obligation	-	-	-	-	-
Transfer from (to) investment property (note 11)	(599)	-	-	-	(599)
Transfer to intangible assets (note 10)	-	-	(8,531)	-	(8,531)
Other transfers	-	-	(2)	441	439
Disposals and divestitures	(681)	-	(571)	(485)	(1,737)
Fair value changes recorded in OCI	5,408	-	-	-	5,408
Depreciation charge	(968)	-	(8,233)	(6,452)	(15,653)
Effects of exchange rate changes	(401)	-	(182)	(45)	(628)
Net book value, end of year	121,115	-	39,888	34,538	195,541
Represented by:					
Cost or valuation	123,631	-	164,213	60,779	348,623
Accumulated depreciation	(2,516)	-	(124,325)	(26,241)	(153,082)
	121,115	-	39,888	34,538	195,541

Owner-occupied properties consist mainly of commercial offices but include lands of $35,878 (2022 -$34,388) utilised largely in farming operations.

Owner-occupied properties, equipment & vehicles include operating leases held as lessor.

Amounts expressed in US $000

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	2022				
	Owner-occupied properties	**Owner-managed hotel properties**	**Office furnishing, equipment & vehicles**	**Right-of-use assets**	**Total**
Net book value, beginning of year	108,480	88,235	43,590	26,476	266,781
Additions at cost	537	97	17,000	9,254	26,888
Additions arising from acquisitions	-	-	68	-	68
Asset retirement obligation	-	-	-	34	34
Transfer from investment property (note 11)	235	-	-	-	235
Transfer to intangible assets (note 10)	-	-	(804)	-	(804)
Transfer to real estate developed or held for sale (note 7)	(880)	-	-	-	(880)
Other transfers	-	-	-	(9)	(9)
Derecognised on disposal of subsidiary: - X-Fund Limited (note 33.4)	-	(101,922)	(6,432)	-	(108,354)
Disposals and divestitures	(106)	-	(225)	(498)	(829)
Fair value changes recorded in OCI	475	16,572	-	-	17,047
Depreciation charge	(978)	(1,592)	(12,428)	(5,788)	(20,786)
Effects of exchange rate changes	434	(1,390)	192	228	(536)
Net book value, end of year	108,197	-	40,961	29,697	178,855
Represented by:					
Cost or valuation	110,488	-	162,591	51,271	324,350
Accumulated depreciation	(2,291)	-	(121,630)	(21,574)	(145,495)
	108,197	-	40,961	29,697	178,855

Amounts expressed in US $000

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022 (restated)
Suspense and other amounts due	42,744	37,904
Legal claim [(i)]	348	353
Other accounts payable and accrued liabilities	250,690	160,324
	293,782	198,581

(i) On March 17, 2014, the Supreme Court of Jamaica granted judgement in favour of a claimant in a case brought against Sagicor Bank Jamaica Limited (”the Bank”), (formerly RBC Royal Bank Jamaica Limited). This claim pre-dated the acquisition of the Bank by Sagicor Group Jamaica Limited, and also pre-dated the acquisition of control of the Bank by RBTT from Finsac Limited (“Finsac”) in 2001.

By virtue of the Share Sale Agreement between Finsac, RBTT Financial Holdings Limited and RBTT International Limited, Finsac agreed to fully indemnify RBTT International Limited against any loss the bank may suffer in this matter. As the current owner of Sagicor Bank Jamaica Limited, Sagicor group is the current beneficiary of the Indemnity. The Indemnity from Finsac is further supported by a Government of Jamaica Guarantee on a full indemnity basis.

Sagicor Jamaica appealed the Supreme Court decision and judgement was delivered on July 31, 2018, which ruled that the award previously made to the Claimant be reduced with costs to the Claimant, subject to an accounting exercise to determine the apportionment of costs between the parties. This reduced award took into account lower interest rates, applying simple interest rather than compounding interest. The issue of costs remains to be determined by the courts following a subsequent application to amend the judgement which was delivered in January 2019. The amount previously awarded to the Claimant has been recorded as payable to the Claimant, plus accrued interest, and a corresponding receivable from Finsac / Government of Jamaica has been recorded (note 7).

On July 1, 2019, the Claimant filed an application for conditional leave to appeal to the Privy Council on the issue of costs, with final leave being granted on October 26, 2020.

The Privy Council heard the matter in May 2022 and delivered its judgement on December 8, 2022. The parties were invited by the Privy Council to make submissions as to costs.

On March 2, 2023, the Privy Council ordered an interim payment to be made to the Claimant which was duly paid by the Government of Jamaica. The substantive award, which is indemnified by the Government of Jamaica, is subject to an accounting exercise by the Privy Council.

14. INCOME TAX LIABILITIES

	2023	2022 (restated)
Deferred income tax liabilities (note 29)	4,386	4,131
Income taxes payable	25,994	16,107
	30,380	20,238

Income taxes payable are expected to be settled within a year of the financial statements’ date.

Amounts expressed in US $000

15. DEPOSIT AND SECURITY LIABILITIES

	Carrying Value					
2023	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Sagicor Canada**	**Head office and other operating companies**	**Total**
Liabilities at amortised cost:						
Other funding instruments	-	98,325	357,745	764,706	-	1,220,776
Customer deposits	1,777	1,013,685	-	-	50,981	1,066,443
Securities sold for repurchase	71,796	588,724	-	-	-	660,520
Bank overdrafts	2,153	-	-	-	-	2,153
	75,726	1,700,734	357,745	764,706	50,981	2,949,892
Liabilities at fair value through FVTPL:						
Derivative financial instruments (note 36.9)	-	-	-	538	-	538
	-	-	-	538	-	538
	75,726	1,700,734	357,745	765,244	50,981	2,950,430

	Fair Value					
2023	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Sagicor Canada**	**Head office and other operating companies**	**Total**
Liabilities at amortised cost:						
Other funding instruments	-	98,086	357,745	903,249	-	1,359,080
Customer deposits	1,777	1,016,720	-	-	50,981	1,069,478
Securities sold for repurchase	71,796	588,724	-	-	-	660,520
Bank overdrafts	2,153	-	-	-	-	2,153
	75,726	1,703,530	357,745	903,249	50,981	3,091,231
Liabilities at fair value through FVTPL:						
Structured products	-	-	-	-	-	-
Derivative financial instruments (note 36.9)	-	-	-	538	-	538
	-	-	-	538	-	538
	75,726	1,703,530	357,745	903,787	50,981	3,091,769

Amounts expressed in US $000

15. DEPOSIT AND SECURITY LIABILITIES (continued)

	Carrying Value				
2022	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Head office and other operating companies**	**Total**
Liabilities at amortised cost:					
Other funding instruments	-	111,536	428,315	-	539,851
Customer deposits	-	965,737	-	15,836	981,573
Securities sold for repurchase	-	578,681	-	76,067	654,748
Bank overdrafts	1,737	-	-	-	1,737
	1,737	1,655,954	428,315	91,903	2,177,909
Liabilities at fair value through FVTPL:					
Structured products	-	4,346	-	-	4,346
Derivative financial instruments (note 36.9)	-	16	-	-	16
	-	4,362	-	-	4,362
	- 1,737	1,660,316	428,315	91,903	2,182,271

	Fair Value				
2022	**Sagicor Life**	**Sagicor Jamaica**	**Sagicor Life USA**	**Head office and other operating companies**	**Total**
Liabilities at amortised cost:					
Other funding instruments	-	111,608	428,315	-	539,923
Customer deposits	-	965,737	-	15,836	981,573
Securities sold for repurchase	-	578,681	-	76,067	654,748
Bank overdrafts	1,737	-	-	-	1,737
	1,737	1,656,026	428,315	91,903	2,177,981
Liabilities at fair value through FVTPL:					
Structured products	-	4,346	-	-	4,346
Derivative financial instruments (note 36.9)	-	16	-	-	16
	-	4,362	-	-	4,362
	1,737	1,660,388	428,315	91,903	2,182,343

Amounts expressed in US $000

15. DEPOSIT AND SECURITY LIABILITIES (continued)

Other funding instruments consist of loans from banks and other financial institutions and include balances of $357,745 (2022 - $428,315) due to the Federal Home Loan Bank of Dallas (FHLB). The Group participates in the FHLB programme in which funds received from the Bank are invested in mortgages and mortgage-backed securities.

Included in other funding instruments is an amount on deposit from a reinsurer which is part of the net identifiable assets acquired from the ivari acquisition in October this year. The deposit is repayable according to a prescribed repayment schedule to year 2077 and an annual interest rate of about 8.54% is applied to the outstanding deposit balance monthly. The deposit was recorded at fair value with the ivari acquisition and subsequently measured at amortised cost. The carrying amount as at December 31, 2023 was $764,706.

Structured products are offered by a banking subsidiary. A structured product is a pre-packaged investment strategy created to meet specific needs that cannot be met from the standardised financial instruments available in the market. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio, or to capitalise on current market trends.

Collateral for other funding instruments and securities sold under agreements to resell is set out in note 5.3.

16. LEASE LIABILITIES

The lease liabilities recognised are as follows:

	December 31, 2023	December 31, 2022
Current lease liabilities	9,419	7,394
Non-current lease liabilities	28,568	25,900
	37,987	33,294

The lease liabilities relate to the following right-of-use assets:

	December 31, 2023	December 31, 2022
Land & buildings	33,625	28,457
Office furnishing, equipment & vehicles	913	1,240
Total right-of-use assets[1]	34,538	29,697

[1] Included in property, plant and equipment

Amounts expressed in US $000

17 NOTES AND LOANS PAYABLE

The following table presents the carrying values of notes and loans payable.

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
5.30% senior notes due 2028 (a)	539,124	537,306	535,421	507,055
6.50% unsecured bond due 2023 (b)	-	-	19,963	19,839
5.75% unsecured bond due 2023 (b)	-	-	26,613	26,321
10.50% unsecured bond due 2024 (c)	29,304	30,035	-	-
7.50% unsecured bond due 2024 (c)	21,060	21,332	-	-
6.75% notes due 2024 (d)	14,251	14,299	14,559	14,414
Bank loans and other funding instruments (e)	36,092	36,092	35,979	35,979
SOFR+200 bps revolving credit facility (f)	4,007	4,007	-	-
SOFR+500 bps term loan (g)	301,828	301,828	-	-
	945,666	944,899	632,535	603,608

(a) Senior Notes Due 2028

On May 13, 2021, Sagicor Financial Company Ltd. issued US$400 million of senior notes due 2028 (the “New Notes”). The New Notes are due May 13, 2028 and bear interest at an annual rate of 5.30%.

The Company used partial proceeds of the transaction to repurchase US$318 million principal amount of 8.875% Notes due 2022 which were issued by its subsidiary, Sagicor Finance 2015 Limited. In May 2021, the Group made a cash tender offer for the Notes and cash tenders totalling US$130 million were accepted. On August 11, 2021, the Company redeemed all of the remaining US$188 million principal amount of the 2022 notes at an aggregate redemption price of US$188 million.

On December 15, 2021, the Group issued an additional US$150 million principal amount of the New Notes. These New Notes are also due May 13, 2028 and bear interest at an annual rate of 5.30%.

The Group had, in total, US$550 million principal amount of the New Notes outstanding at the year end.

Pursuant to the terms of the New Notes, the Group may redeem the New Notes under the scenario as summarised below:

Optional Redemption with an Applicable Premium - At any time on or after May 13, 2024, the Group may redeem the New Notes in whole or in part at specified redemption prices, plus accrued and unpaid interest, if any, on the New Notes redeemed, to the applicable date of redemption.

At December 31, 2023, the Group has estimated the fair value of the optional redemption embedded derivative at US$7.2 million (2022 – US$9.4 million).

17 NOTES AND LOANS PAYABLE (continued)

(b) On May 26, 2023, these facilities carrying annual interest rates of 6.50% and 5.75%, and with original issue date of September 16, 2019, were refinanced and extended per (c) below. At December 31, 2023, Sagicor Investments Jamaica Limited held an investment of US$ Nil (2022 - US$12.8 million) in Tranche A.

(c) The newly extended facilities remain in two Tranches, with Tranche A up to J$4,490,000,000 from previous limit of J$4,895,140,000 and Tranche B up to US$20,973,000 from previous limit of US$26,400,000, carrying updated annual interest rates of 10.50% and 7.50% respectively. Interest is payable quarterly and commenced on May 26, 2023. The Tranches mature on June 26, 2024.

(d) On August 16, 2019, Sagicor Investments Jamaica Limited issued J$4.4 billion notes in two Tranches, Tranche A J$2.22 billion and Tranche B J$2.18 billion, carrying annual rates of 5.00% and 6.75% respectively. Tranche A matured on September 16, 2020 and the remaining Tranche B has a maturity date of August 16, 2024.

(e) Bank loans and other funding instruments include the following:

(i) On May 24, 2019, Sagicor General Insurance Inc entered into a US$12 million loan agreement. The interest rate is 3.50% per annum and the loan matures on July 31, 2024.

(ii) On October 1, 2020, The Estates (Residential Properties) Limited issued cumulative preference shares in the amount of US$9 million. Dividends accrue at a rate of 6.75% per annum and are payable semi-annually. The preference shares are redeemable on September 30, 2027.

(iii) On May 3, 2021, The Estates (Residential Properties) Limited entered into a US$17 million construction loan agreement with First Caribbean International Bank (Barbados) Limited. The interest rate is 3.50% per annum and the loan was repayable on June 11, 2023, 2 years from the date of issuance. The facility was available in multiple drawdowns over this period. As a result of delays in relation to the project, the date for full repayment of the loan has been extended to March 15, 2024.

(iv) On February 24, 2023, an additional loan of US$12.5 million was issued to The Estates (Residential Properties) Limited by First Caribbean International Bank (Barbados) Limited. The loan bears interest at a rate of 3.50% per annum and is repayable on August 24, 2025. The facility is available in multiple drawdowns over this period.

(f) On August 2, 2023, Sagicor Financial Company Ltd. entered into a credit agreement to establish a revolving credit facility in the principal amount of up to US$125 million. Interest is payable monthly and based on SOFR+200 bps. The facility is subject to certain covenants and matures on August 2, 2026 or such date to which the facility may be extended. As at December 31, 2023, US$4 million was drawn down from the facility and subsequently repaid in January 2024.

(g) On October 3, 2023, Sagicor Financial Company Ltd. entered into a credit and guarantee agreement to establish a floating rate loan facility in the amount of US $320 million. Interest is payable monthly and based on the SOFR+500 bps. Principal repayments of US$29.7 million are due semi-annually in April and October of each year. This facility is subject to certain covenants and matures on August 24, 2027.

Amounts expressed in US $000

17. NOTES AND LOANS PAYABLE (continued)

Movement for the year to December 31:	2023	2022
Balance, beginning of year	632,535	683,388
Valuation of call option embedded derivative	2,225	1,925
Additions:		
Gross principal	385,619	62,138
Less: Expenses	(20,295)	(404)
	365,324	61,734
Repayments:		
Principal	(57,219)	(71,748)
Interest	(43,341)	(35,149)
	(100,560)	(106,897)
Derecognised on disposal of subsidiary, X-Fund Limited (note 33.4)	-	(44,655)
Amortisation during the year	3,594	1,838
Accrued interest	43,161	35,155
Effects of exchange rate changes	(613)	47
Balance, end of the year	945,666	632,535

18. OTHER LIABILITIES / RETIREMENT BENEFIT LIABILITIES

	2023	2022
Net defined benefit liabilities (note 27)	73,854	65,458
Other provisions	6,623	238
	80,477	65,696

Amounts expressed in US $000

19. COMMON SHARES

The authorised share capital of the Company is US$200,000,000 divided into 10,000,000,000 common shares of US$0.01 each and 10,000,000,000 preference shares of US$0.01 each.

The common shares issued are as follows:

	2023			
	Number in 000's	Share capital	Share premium	Total
Issued and fully paid:				
Balance, beginning of year	142,768	1,427	735,206	736,633
Repurchase of shares (note 19.1)	(2,438)	(24)	(12,539)	(12,563)
	140,330	1,403	722,667	724,070
Allotments arising from:				
Common shares	735	7	2,693	2,700
Balance, end of year	141,065	1,410	725,360	726,770
Treasury shares:				
Shares held for LTI and ESOP, end of year (note 26.1)	(50)	(1)	(275)	(276)
Shares repurchased but not cancelled	(13)	-	(56)	(56)
Total	141,002	1,409	725,029	726,438

Amounts expressed in US $000

19. COMMON SHARES (continued)

	2022			
	Number in 000's	**Share capital**	**Share premium**	**Total**
Issued and fully paid:				
Balance, beginning of year	143,184	1,432	737,394	738,826
Repurchase of shares (note 19.1)	(1,184)	(12)	(6,095)	(6,107)
	142,000	1,420	731,299	732,719
Allotments arising from:				
Common shares	768	7	3,907	3,914
Balance, end of year	142,768	1,427	735,206	736,633
Treasury shares:				
Shares held for LTI and ESOP, end of year (note 26.1)	(50)	(1)	(275)	(276)
Shares repurchased but not cancelled	(2)	-	(9)	(9)
Total	142,716	1,426	734,922	736,348

Amounts expressed in US $000

19. COMMON SHARES (continued)

19.1 Share buyback programme

In 2020, the board of directors of SFC authorised a share buyback programme that allows the Company to repurchase its common shares (the "NCIB Shares"). The Toronto Stock Exchange (the "TSX") accepted the Company's notice of intention to make a normal course issuer bid ("NCIB") through which the Company was authorised to purchase up to 8,000,000 of the NCIB Shares during the 12-month period commencing June 22, 2020 and ending June 21, 2021.

On June 22, 2022, the Company announced that the TSX accepted the Company's notice of intention to renew its normal course issuer bid ("NCIB") through which the Company may purchase up to 9,134,417 of the NCIB Shares during the 12-month period commencing June 24, 2022 and ending June 23, 2023. Under the NCIB, purchases may be made on the open market through the facilities of the TSX and/or alternative Canadian trading systems at the market price at the time of acquisition, as well as by other means as may be permitted by TSX rules and applicable securities laws.

During the year, the Company repurchased 2,438,427 shares at a total cost of US$9.2 million (2022 - 1,183,572 shares at a total cost of US$6.0 million) which were subsequently cancelled. Share capital and share premium in equity have been reduced by the cost of the shares repurchased and commission paid on the transactions. The premium on the repurchase of shares has been recorded directly in retained earnings.

The cost of shares totaling US$0.06 million, which were repurchased at the period end date but not cancelled, US$0.01 million (2022 - US$0.009 million), has been reflected in treasury shares.

19.2 Common share dividends

Common share dividends declared and paid are set out in the following table.

	2023		2022	
	Per share	Total	Per share	Total
Dividends declared and paid during the year:				
Three-month period ended:				
– March 31	5.625¢	8,010	5.625¢	8,035
– June 30	5.625¢	8,018	5.625¢	8,052
– September 30	5.625¢	7,995	5.625¢	8,024
– December 31	5.625¢	7,941	5.625¢	8,030
Total		31,964		32,141

Amounts expressed in US $000

20. RESERVES

	Fair value reserves						
	Owner-occupied and owner-managed property	**FVTOCI assets**	**Cash flow hedges**	**Currency translation reserves**	**Warrant reserve[1]**	**Other reserves**	**Total reserves**
2023							
Restated balance as at December 31, 2022	24,771	(53,908)	(35)	(168,508)	20,062	62,177	(115,441)
Total comprehensive income	3,271	9,723	-	23,378	-	-	36,372
Transactions with holders of equity instruments:							
Allocated to reserve for equity compensation benefits	-	-	-	-	-	4,546	4,546
Eliminated from reserve for equity compensation benefits	-	-	-	-	-	(4,096)	(4,096)
Changes in ownership interest in subsidiaries	3	158	-	439		15	615
Transfers to retained earnings and other movements	-	-	-	-	-	4,587	4,587
Balance as at December 31, 2023	28,045	(44,027)	(35)	(144,691)	20,062	67,229	(73,417)

[1] The Group has 34,774,993 (2022 - 34,774,993) warrants outstanding which have an exercise price of CDN $11.50 per share. These warrants expire on December 5, 2024. The warrants are listed on the Toronto Stock Exchange.

Amounts expressed in US $000

20. RESERVES (continued)

	Fair value reserves							
	Owner-occupied and owner-managed property	**FVTOCI assets**	**Actuarial liabilities**	**Cash flow hedges**	**Currency translation reserves**	**Warrant reserve (1)**	**Other reserves**	**Total reserves**
2022 (restated)								
Balance as at December 31, 2021								
as previously reported	25,469	119,739	(114,384)	(35)	(169,254)	20,062	57,931	(60,472)
Impact of initial application of IFRS 17	-	-	114,384	-	(4,271)	-	-	110,113
Impact of application of IFRS 9 policy choices as a result of IFRS 17 implementation	-	(120,727)	-	-	-	-	-	(120,727)
Restated balance as at January 1, 2022	25,469	(988)	-	(35)	(173,525)	20,062	57,931	(71,086)
Total comprehensive income	527	(52,920)	-	-	5,017	-	-	(47,376)
Transactions with holders of equity instruments:								
Allocated to reserve for equity compensation benefits	-	-	-	-	-	-	5,575	5,575
Eliminated from reserve for equity compensation benefits	-	-	-	-	-	-	(5,176)	(5,176)
Transfers to retained earnings and other movements	(1,225)	-	-	-	-	-	3,847	2,622
Restated balance as at December 31, 2022	24,771	(53,908)	-	(35)	(168,508)	20,062	62,177	(115,441)

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES

(a) Insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held, by reporting segment, is included in the following tables.

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
2023					
Insurance revenue					
Contracts not measured under the PAA					
Amounts relating to the changes in the LRC:					
Expected incurred claims and other directly attributable expenses after loss component allocation	58,708	71,209	28,413	116,677	275,007
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	13,091	7,196	9,056	16,579	45,922
CSM recognised in net income / (loss) for the services provided	25,890	34,421	36,279	33,310	129,900
Insurance acquisition cash flows recovery	6,624	4,347	13,072	1,329	25,372
Insurance revenue for contracts not measured under the PAA	104,313	117,173	86,820	167,895	476,201
Insurance revenue from contracts measured under the PAA	195,648	190,672	-	-	386,320
Total insurance revenue	**299,961**	**307,845**	**86,820**	**167,895**	**862,521**
Insurance service expenses					
Incurred claims and other directly attributable expenses	(199,791)	(201,588)	(48,954)	(105,175)	(555,508)
Losses on onerous contracts and reversal of those losses	(20,080)	(2,313)	(38,061)	-	(60,454)
Insurance acquisition cash flows amortisation	(37,783)	(27,942)	(13,072)	(1,329)	(80,126)
Total insurance service expenses	**(257,654)**	**(231,843)**	**(100,087)**	**(106,504)**	**(696,088)**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(a) Insurance service result (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
2023					
Net income / (expenses) from reinsurance contracts held					
Reinsurance expenses – contracts not measured under the PAA					
Amounts relating to the changes in the remaining coverage:					
Expected claims and other directly attributable expenses recovery	689	(1,277)	(12,842)	(88,026)	(101,456)
Change in the risk adjustment recognised for the risk expired	659	(207)	(2,879)	(10,288)	(12,715)
CSM recognised in net income / (loss) for the services received	667	(312)	(5,691)	(16,920)	(22,256)
Reinsurance expenses – contracts not measured under the PAA	2,015	(1,796)	(21,412)	(115,234)	(136,427)
Reinsurance expenses – contracts measured under the PAA	(41,949)	(38,610)	-	-	(80,559)
Other incurred directly attributable expenses	-	(2,440)	(8,692)	-	(11,132)
Claims recovered	14,143	19,354	10,414	77,668	121,579
Changes in fulfilment cash flows which relate to onerous underlying contracts	(552)	(66)	11,938	-	11,320
Reversals of loss-recovery component other than changes in fulfilment cash flows	(8)	-	-	-	(8)
Total net income / (expenses) from reinsurance contracts held	**(26,351)**	**(23,558)**	**(7,752)**	**(37,566)**	**(95,227)**
Total insurance service result	**15,956**	**52,444**	**(21,019)**	**23,825**	**71,206**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(a) Insurance service result (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Total
2022				
Insurance revenue				
Contracts not measured under the PAA				
Amounts relating to the changes in the LRC:				
Expected incurred claims and other directly attributable expenses after loss component allocation	52,553	60,187	28,639	141,379
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	12,554	6,552	6,774	25,880
CSM recognised in net income / (loss) for the services provided	27,308	28,735	27,648	83,691
Insurance acquisition cash flows recovery	3,820	1,228	3,578	8,626
Insurance revenue for contracts not measured under the PAA	96,235	96,702	66,639	259,576
Insurance revenue from contracts measured under the PAA	189,444	165,706	-	355,150
Total insurance revenue	**285,679**	**262,408**	**66,639**	**614,726**
Insurance service expenses				
Incurred claims and other directly attributable expenses	(185,451)	(168,742)	(51,155)	(405,348)
Losses on onerous contracts and reversal of those losses	(12,857)	(5,540)	(9,894)	(28,291)
Insurance acquisition cash flows amortisation	(33,846)	(21,975)	(3,578)	(59,399)
Total insurance service expenses	**(232,154)**	**(196,257)**	**(64,627)**	**(493,038)**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(a) Insurance service result (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Total
2022				
Net income / (expenses) from reinsurance contracts held				
Reinsurance expenses – contracts not measured under the PAA				
Amounts relating to the changes in the remaining coverage:				
Expected claims and other directly attributable expenses recovery	(4,860)	(1,096)	448	(5,508)
Change in the risk adjustment recognised for the risk expired	(362)	(180)	(2,039)	(2,581)
CSM recognised in net income / (loss) for the services received	133	(176)	(1,119)	(1,162)
Other net cost / gain recognised in profit and loss	53	-	-	53
Reinsurance expenses – contracts not measured under the PAA	(5,036)	(1,452)	(2,710)	(9,198)
Reinsurance expenses – contracts measured under the PAA	(37,595)	(28,074)	-	(65,669)
Other incurred directly attributable expenses	-	(3,736)	-	(3,736)
Claims recovered	16,172	13,981	12,631	42,784
Changes in fulfilment cash flows which relate to onerous underlying contracts	(162)	(186)	(996)	(1,344)
Total net income / (expenses) from reinsurance contracts held	**(26,621)**	**(19,467)**	**8,925**	**(37,163)**
Total insurance service result	**26,904**	**46,684**	**10,937**	**84,525**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(b) Amounts determined on transition to IFRS 17

The following table shows an analysis of insurance revenue and CSM by transition method, by reporting segments.

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
2023					
INSURANCE CONTRACTS ISSUED					
Insurance revenue					
New contracts and contracts measured under the full retrospective approach at transition	38,080	57,062	60,949	167,895	323,986
Contracts measured under the fair value approach at transition	66,233	60,111	25,871	-	152,215
	104,313	**117,173**	**86,820**	**167,895**	**476,201**
CSM, end of year					
New contracts and contracts measured under the full retrospective approach at transition	168,529	210,315	199,314	1,157,317	1,735,475
Contracts measured under the fair value approach at transition	83,365	76,581	6,269	-	166,215
	251,894	**286,896**	**205,583**	**1,157,317**	**1,901,690**
REINSURANCE CONTRACTS HELD					
CSM, end of year					
New contracts and contracts measured under the full retrospective approach at transition	9,582	857	8,802	593,554	612,795
Contracts measured under the fair value approach at transition	12,358	4,173	(6,145)	-	10,386
	21,940	**5,030**	**2,657**	**593,554**	**623,181**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(b) Amounts determined on transition to IFRS 17 (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other operating companies	Total
2022					
INSURANCE CONTRACTS ISSUED					
Insurance revenue					
New contracts and contracts measured under the full retrospective approach at transition	28,408	46,357	41,641	-	116,406
Contracts measured under the fair value approach at transition	67,827	50,345	24,998	-	143,170
	96,235	**96,702**	**66,639**	**-**	**259,576**
CSM, end of year					
New contracts and contracts measured under the full retrospective approach at transition	147,106	193,989	226,772	-	567,867
Contracts measured under the fair value approach at transition	83,687	51,485	10,417	-	145,589
	230,793	**245,474**	**237,189**	**-**	**713,456**
REINSURANCE CONTRACTS HELD					
CSM, end of year					
New contracts and contracts measured under the full retrospective approach at transition	912	4,327	13,448	-	18,687
Contracts measured under the fair value approach at transition	11,066	(1,145)	10,217	-	20,138
	11,978	**3,182**	**23,665**	**-**	**38,825**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(c) Expected recognition of the contractual service margin

The following tables summarise the expected recognition of the contractual service margin based on the estimate of the CSM using discounted coverage units to allocate the CSM to each year, by reporting segment.

INSURANCE CONTRACTS ISSUED	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
Contracts not measured under the PAA					
2023					
Number of years until expected to be recognised					
1	14,178	23,095	12,673	125,235	175,181
2	11,454	19,978	15,995	111,036	158,463
3	9,400	17,216	15,163	98,649	140,428
4	7,906	15,166	12,837	87,990	123,899
5	6,669	13,642	10,971	78,861	110,143
6-10	28,063	53,916	63,504	289,205	434,688
>10	174,224	143,883	74,440	366,341	758,888
Total	**251,894**	**286,896**	**205,583**	**1,157,317**	**1,901,690**
2022					
Number of years until expected to be recognised					
1	23,952	19,942	20,781	-	64,675
2	22,894	18,439	19,930	-	61,263
3	21,835	17,183	19,237	-	58,255
4	20,800	16,157	16,981	-	53,938
5	19,894	15,247	13,435	-	48,576
6-10	73,613	64,845	60,348	-	198,806
>10	47,805	93,661	86,477	-	227,943
Total	**230,793**	**245,474**	**237,189**	-	**713,456**

Amounts expressed in US $000

21. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(c) Expected recognition of the contractual service margin (continued)

REINSURANCE CONTRACTS HELD	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Total
Contracts not measured under the PAA					
2023					
Number of years until expected to be recognised					
1	5,104	302	1,063	65,936	72,405
2	2,924	293	793	57,945	61,955
3	1,829	264	961	51,413	54,467
4	1,250	240	943	45,715	48,148
5	931	223	792	40,804	42,750
6-10	2,853	906	1,885	148,336	153,980
>10	7,049	2,802	(3,780)	183,405	189,476
Total	**21,940**	**5,030**	**2,657**	**593,554**	**623,181**
2022					
Number of years until expected to be recognised					
1	4,380	248	778	-	5,406
2	2,420	246	3,998	-	6,664
3	1,435	224	1,628	-	3,287
4	904	207	20,539	-	21,650
5	571	192	(722)	-	41
6-10	862	652	(1,629)	-	(115)
>10	1,406	1,413	(927)	-	1,892
Total	**11,978**	**3,182**	**23,665**	**-**	**38,825**

Amounts expressed in US $000

22. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES

An analysis of net investment income and net insurance finance expenses, by reporting segment, is presented in the following tables:

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other operating companies	Total
2023						
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS						
Gain / (loss) on derecognition of amortised cost investments	-	(8)	-	-	-	(8)
Gain / (loss) on derecognition of assets carried at FVTOCI	-	619	-	-	-	619
Interest income earned from financial assets measured at amortised cost and FVTOCI	8,719	7,841	-	-	-	16,560
Net gain / (loss) on FVTPL investments	85,057	70,548	311,697	796,020	-	1,263,322
Net credit impairment recovery / (loss)	184	1	-	-	-	185
Net investment income / (expenses) – underlying assets	**93,960**	**79,001**	**311,697**	**796,020**	**-**	**1,280,678**
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS						
Gain / (loss) on derecognition of amortised cost investments	-	-	-	-	(1)	(1)
Gain / (loss) on derecognition of assets carried at FVTOCI	525	2,838	(1,751)	-	103	1,715
Interest income earned from financial assets measured at amortised cost and FVTOCI	13,008	142,694	48,838	-	3,021	207,561
Net gain / (loss) on FVTPL investments	12,728	2,972	44,595	-	2,905	63,200
Net credit impairment recovery / (loss)	(473)	(2,940)	(531)	-	(177)	(4,121)
Net investment income – other investments	**25,788**	**145,564**	**91,151**	**-**	**5,851**	**268,354**
NET INVESTMENT INCOME / (EXPENSES) – OTHER						
Net change in investment contract liabilities	-	-	-	(55)	-	(55)
Investment property – rental income	1,902	452	-	-	292	2,646
Investment property – realised gains	71	-	-	-	-	71
Investment property – unrealised gains	(994)	1,205	-	-	-	211
Other investment income	273	(387)	2,139	-	(121)	1,904
Net investment income – other	**1,252**	**1,270**	**2,139**	**(55)**	**171**	**4,777**
TOTAL NET INVESTMENT INCOME / (EXPENSES)	**121,000**	**225,835**	**404,987**	**795,965**	**6,022**	**1,553,809**

Amounts expressed in US $000

22. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other operating companies	Total
2023						
FINANCE INCOME / (EXPENSES) FROM INSURANCE CONTRACTS ISSUED						
Changes in fair value of underlying assets of contracts measured under the VFA	-	(57)	-	-	-	(57)
Interest accreted	(45,091)	(22,857)	(220,235)	(112,954)	-	(401,137)
Effect of changes in interest rates and other financial assumptions	(50,886)	(4,925)	(77,385)	(832,299)	-	(965,495)
Finance income/ (expenses) from insurance contracts issued	**(95,977)**	**(27,839)**	**(297,620)**	**(945,253)**	**-**	**(1,366,689)**
FINANCE INCOME / (EXPENSES) FROM REINSURANCE CONTRACTS HELD						
Interest accreted	(1,387)	1	19,485	36,433	-	54,532
Effect of changes in interest rates and other financial assumptions	7,336	923	13,127	270,999	-	292,385
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	(105)	-	-	-	(105)
Finance income/ (expenses) from reinsurance contracts held	**5,949**	**819**	**32,612**	**307,432**	**-**	**346,812**
NET INSURANCE FINANCE INCOME / (EXPENSES)	**(90,028)**	**(27,020)**	**(265,008)**	**(637,821)**	**-**	**(1,019,877)**
SUMMARY OF THE AMOUNTS RECOGNISED IN THE STATEMENT OF INCOME						
Net investment income / (expenses) – underlying assets	93,960	79,001	311,697	796,020	-	1,280,678
Net investment income / (expenses) – other investments	25,788	145,564	91,151	-	5,851	268,354
Net investment income / (expenses) – other	1,252	1,270	2,139	(55)	171	4,777
Net insurance finance income / (expenses)	(90,028)	(27,020)	(265,008)	(637,821)	-	(1,019,877)
	30,972	**198,815**	**139,979**	**158,144**	**6,022**	**533,932**

Amounts expressed in US $000

22. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other operating companies	Total
2022 (restated)					
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS					
Gain / (loss) on derecognition of amortised cost investments	567	3,777	-	-	4,344
Gain / (loss) on derecognition of assets carried at FVTOCI	(418)	438	-	-	20
Interest income earned from financial assets measured at amortised cost and FVTOCI	11,822	6,947	-	-	18,769
Net gain / (loss) on FVTPL investments	29,701	(70,733)	(317,923)	-	(358,955)
Net credit impairment recovery / (loss)	373	1	-	-	374
Net investment income / (expenses) – underlying assets	**42,045**	**(59,570)**	**(317,923)**	**-**	**(335,448)**
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS					
Gain / (loss) on derecognition of amortised cost investments	32	-	(54)	(7)	(29)
Gain / (loss) on derecognition of assets carried at FVTOCI	259	(115)	(849)	-	(705)
Interest income earned from financial assets measured at amortised cost and FVTOCI	8,595	115,650	29,076	6,569	159,890
Net gain / (loss) on FVTPL investments	5,645	(12,184)	(70,808)	(19,913)	(97,260)
Net credit impairment recovery / (loss)	51	(3,796)	(651)	(97)	(4,493)
Net investment income – other investments	**14,582**	**99,555**	**(43,286)**	**(13,448)**	**57,403**
NET INVESTMENT INCOME / (EXPENSES) – OTHER					
Investment property – rental income	1,914	372	-	-	2,286
Investment property – unrealised gains	(1,399)	1,530	-	(14)	117
Other investment income	(955)	(59)	797	(174)	(391)
Net investment income – other	**(440)**	**1,843**	**797**	**(188)**	**2,012**
TOTAL NET INVESTMENT INCOME / (EXPENSES)	**56,187**	**41,828**	**(360,412)**	**(13,636)**	**(276,033)**

Amounts expressed in US $000

22. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (continued)

	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other operating companies	Total
2022 (restated)					
FINANCE INCOME / (EXPENSES) FROM INSURANCE CONTRACTS ISSUED					
Changes in fair value of underlying assets of contracts measured under the VFA	-	11,354	-	-	11,354
Interest accreted	(25,791)	(18,699)	(139,887)	-	(184,377)
Effect of changes in interest rates and other financial assumptions	10,087	94,041	412,802	-	516,930
Finance income/(expenses) from insurance contracts issued	**(15,704)**	**86,696**	**272,915**	**-**	**343,907**
FINANCE INCOME / (EXPENSES) FROM REINSURANCE CONTRACTS HELD					
Interest accreted	(839)	(21)	23,307	-	22,447
Effect of changes in interest rates and other financial assumptions	(291)	1,545	(45,256)	-	(44,002)
Finance income/(expenses) from reinsurance contracts held	**(1,130)**	**1,524**	**(21,949)**	**-**	**(21,555)**
NET INSURANCE FINANCE INCOME / (EXPENSES)	**(16,834)**	**88,220**	**250,966**	**-**	**322,352**
SUMMARY OF THE AMOUNTS RECOGNISED IN THE STATEMENT OF INCOME					
Net investment income / (expenses) – underlying assets	42,045	(59,570)	(317,923)	-	(335,448)
Net investment income / (expenses) – other investments	14,582	99,555	(43,286)	(13,448)	57,403
Net investment income / (expenses) – other	(440)	1,843	797	(188)	2,012
Net insurance finance income / (expenses)	(16,834)	88,220	250,966	-	322,352
	39,353	**130,048**	**(109,446)**	**(13,636)**	**46,319**

Amounts expressed in US $000

23. FEES AND OTHER INCOME

	Fees recognised		Other income	Total
	a point in time	over time		
2023				
Service contract income	42,513	49,008	-	91,521
Fee income – assets under administration	-	3,267	-	3,267
Commission income on insurance and reinsurance contracts	-	(5)	186	181
Other fees and commission income	19,536	1,856	7,419	28,811
Finance leases income	-	-	120	120
Foreign exchange gains / (losses)	-	-	(1,577)	(1,577)
Other operating and miscellaneous income	6,757	-	(11,368)	(4,611)
	68,806	54,126	(5,220)	117,712
2022 (restated)				
Service contract income	36,913	47,431	-	84,344
Fee income – assets under administration	-	3,150	-	3,150
Commission income on insurance and reinsurance contracts	-	-	165	165
Other fees and commission income	15,982	1,756	12,707	30,445
Finance lease income	-	-	89	89
Foreign exchange gains / (losses)	-	-	(1,849)	(1,849)
Hotel revenue	6,960	20,932	2,504	30,396
Other operating and miscellaneous income	124	(33)	992	1,083
	59,979	73,236	14,608	147,823

Amounts expressed in US $000

24. EXPENSES BY NATURE

An analysis of the expense incurred by the Group is included in the below table:

	2023			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Employee expenses	45,134	43,966	124,931	214,031
Commissions and related compensation	97,166	36,145	3,380	136,691
Asset taxes	709	1,001	6,929	8,639
Claims adjustment expenses	-	224,148	-	224,148
Depreciation, amortisation and intangible asset impairment charges	2,811	2,315	43,937	49,063
Audit, legal and other professional fees	6,019	7,054	30,361	43,434
Other administrative expenses	36,942	27,778	140,514	205,234
	188,781	342,407	350,052	881,240

	2022			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Employee expenses	40,377	33,662	113,905	187,944
Commissions and related compensation	91,338	34,384	2,712	128,434
Asset taxes	-	-	8,354	8,354
Claims adjustment expenses	-	182,618	-	182,618
Depreciation, amortisation and intangible asset impairment charges	4,187	2,860	23,678	30,725
Audit, legal and other professional fees	6,785	4,488	21,147	32,420
Other administrative expenses	29,810	21,079	128,156	179,045
	172,497	279,091	297,952	749,540

Amounts expressed in US $000

24.1 EMPLOYEE COSTS

Included in employee expenses and commissions and related compensation are the following:

	2023	2022
Administrative staff salaries, directors' fees and short-term benefits	179,088	150,455
Social security and defined contribution retirement costs	16,397	13,286
Equity-settled compensation benefits (note 26.1 to 26.2)	8,459	6,946
Cash-settled compensation benefits	(469)	(342)
Defined benefit expense (note 27 (b))	8,028	9,798
	211,503	180,143

25. OTHER INTEREST AND FINANCE COSTS

Other interest and finance costs are comprised as follows:

	2023	2022
Other interest costs (note 25.1)	105,640	61,284
Finance costs (note 25.2)	49,646	39,626
	155,286	100,910

25.1 Other Interest costs

	2023	2022
Interest expense (amortised cost liabilities):		
Investment contracts	14,040	10,481
Other funding instruments	32,635	10,623
Customer deposits	17,319	9,772
Securities sold for repurchase	31,151	19,273
Other	484	2,858
	95,629	53,007
Fair value changes and interest expense (FVTPL liabilities)	10,011	8,277
	105,640	61,284

Amounts expressed in US $000

25. OTHER INTEREST AND FINANCE COSTS (continued)

25.2 Finance costs

	2023	2022
5.30% senior notes due 2028	30,628	30,548
5.50% unsecured bond due 2022	-	601
6.25% unsecured bond due 2022	-	726
6.50% unsecured bond due 2023	839	798
5.75% unsecured bond due 2023	665	1,126
10.50% unsecured bond due 2024	1,921	-
7.50% unsecured bond due 2024	1,009	-
6.75% notes due 2024	963	960
Bank loans & other funding instruments	1,694	1,609
SOFR+200 bps revolving credit facility	481	-
SOFR+500 bps term loan	9,930	-
Mortgage loans	-	1,727
Lease liabilities [1]	1,516	1,531
	49,646	39,626

[1] Interest expense arising from lease liabilities recognised in conformity with IFRS 16.

26. EQUITY COMPENSATION BENEFITS

26.1 Sagicor Financial Company Ltd.

Effective December 31, 2005, SFCL introduced the LTI plan and the ESOP. A total of 26,555,274 common shares of SFCL (or 10% of shares then in issue) has been set aside for the purposes of the long-term incentive (LTI) plan and the Employee Share Ownership Plan (ESOP).

In 2017, the shareholders of SFCL approved the increase in the number of SFCL's shares reserved for the LTI and ESOP from 26,555,274 common shares to 40,400,000 common shares.

On December 5, 2019, concurrent with the closing of the transaction between Alignvest Acquisition II Corporation ("Alignvest") and Sagicor Financial Corporation Limited ("SFCL"), restricted share grants, share options and ESOP awards were exchanged for grants, options and awards in SFC. SFCL common shares not purchased for cash were exchanged for common shares of SFC on an exchange ratio of one SFC common share for 4.328 of SFCL common shares ("Exchange Ratio"). 3,680,687 restricted share grants were exchanged for 850,276 restricted share grants and 2,297,517 ESOP awards were exchanged for 526,831 ESOP awards in SFC (the "Replacement Grants"). 20,250,604 options were exchanged for 4,678,152 options to purchase common shares of Sagicor Financial Company Ltd (the "Replacement Options"). The Replacement Options provide an optionee the ability to purchase common shares of Sagicor Financial Company Ltd at a price per share linked to the award year (as adjusted by the exchange ratio), and the terms and conditions of the Replacement Options have remained the same as the initial terms and conditions. The terms of the Replacement Grants remain unchanged. Since these modifications did not increase the total fair value of the Replacement Options or the Replacement Grants, the Sagicor group continues to account for the cost of compensation services received as consideration for the equity instruments granted as if the replacement had not occurred.

The fair value of stock options granted is estimated at the date of grant using the Black-Scholes option pricing model as disclosed in section (b) below.

26. EQUITY COMPENSATION BENEFITS (continued)

26.1 Sagicor Financial Company Ltd. (continued)

(a) LTI plan (2005) – share grants

At inception, restricted share grants have been granted to designated key management of the Sagicor group. Share grants may vest over a four-year period beginning at the grant date. The vesting of share grants is conditional upon the relative profitability of the Sagicor group as compared to a number of peer companies. Relative profitability is measured with reference to the financial year preceding the vesting date.

In 2023, a revision was made to the LTI (2005) restricted share grants plan. For performance year 2023 and onwards the LTI shall be delivered in share units, 50% of which are Restricted Share Units ('RSUs') and 50% of which are Performance Share Units ('PSUs'). The RSU vest equally over a three-year period beginning at the grant date. The PSU however, vest only at the end of the three-year period following the grant date.

This approach is applied prospectively. All grants issued previously will continue to vest based on the criteria in place at the grant date.

The movement in share grants during the year is as follows:

	2023		2022	
	Number of grants '000	Weighted average price	Number of grants '000	Weighted Average price
Balance, beginning of year	804	US$4.54	792	US$4.83
Grants issued	593	US$4.95	779	US$4.35
Grants vested	(296)	US$4.67	(608)	US$4.65
Grants lapsed/forfeited	(37)	US$4.78	(159)	US$4.74
Balance, end of year	1,064	US$4.72	804	US$4.54

Grants issued may be satisfied out of new shares issued by Sagicor Financial Company Ltd. or by shares acquired in the market. No shares were utilised during the year. Shares acquired and classified as treasury shares were as follows:

	2023		2022	
	Number in 000's	$000	Number in 000's	$000
Balance, beginning of year and end of year	40	206	40	206

(b) LTI plan – share options

No share options have been granted to designated key management of the Group during the year. Options were granted at the fair market price of SFCL shares prevailing one year before the option is granted. Options vest over four years, 25% each on the first four anniversaries of the grant date. Options are exercisable up to 10 years from the grant date.

Amounts expressed in US $000

26. EQUITY COMPENSATION BENEFITS (continued)

26.1 Sagicor Financial Company Ltd. (continued)

The movement in share options for the year and details of the share options and assumptions used in determining their pricing are as follows:

	2023		2022	
	Number of options '000	**Weighted average exercise price**	**Number of options '000**	**Weighted average exercise price**
Balance, beginning of year	1,040	US$4.68	1,365	US$4.65
Options exercised	-	-	(272)	US$4.52
Options adjustments	-	-	(53)	US$4.66
Balance, end of year	1,040	US$4.76	1,040	US$4.68
Exercisable at the end of the year	871	US$4.69	871	US$4.69
Share price at grant date	US$3.72 - 10.82		US$3.72 - 10.82	
Fair value of options at grant date	US$0.67 - 2.99		US$0.67 - 2.99	
Expected volatility	18.6% - 35.8%		18.6% - 35.8%	
Expected life	7.0 years		7.0 years	
Expected dividend yield	2.6% - 4.7%		2.6% - 4.7%	
Risk-free interest rate	4.5% - 6.8%		4.5% - 6.8%	

The expected volatility of options is based on statistical analysis of monthly share prices over the 7 years prior to grant date.

(c) LTI plan (2019) – restricted share grants

On December 5, 2019, also concurrent with the closing of the transaction between Alignvest Acquisition II Corporation and Sagicor Financial Corporation Limited, the Company introduced a replacement award for years 2020, 2021 and 2022 under a Sagicor Financial Company Ltd. equity-based plan, in lieu of the foregoing award of restricted share units of the LTI plan introduced for certain executives in December 31, 2005.

Under the plan, certain executives are awarded a number of restrictive share units of Sagicor Financial Company Ltd. which will vest in accordance with the conditions noted below:

(a) Subject to the executives' continued employment on the first, second and third anniversary dates of the vesting commencement date;

(b) Subject to the Company achieving its return on equity target for the relevant year, as laid out in the Company's strategic plan or executive award agreement approved by the Company.

(c) Subject to the shares of the Company trading above Canadian $12.00 per share for 20 out of any 30-day consecutive trading days prior to December 31, 2024.

26. EQUITY COMPENSATION BENEFITS (continued)

26.1 Sagicor Financial Company Ltd. (continued)

The movement in these restricted share grants during the year is as follows:

	2023		2022	
	Number of grants '000	**Weighted average price**	**Number of grants '000**	**Weighted average price**
Balance, beginning of year	715	US$5.01	406	US$5.25
Grants issued [(1)]	500	US$4.44	502	US$4.63
Grants vested	(421)	US$4.62	(193)	US$4.73
Balance, end of year	794	US$4.69	715	US$5.01

[(1)] Grants issued during the year represent a special award issued to designated key management. The shares will vest subject to the executives' continued employment for 3 years post grant date.

(d) ESOP

From 2006, SFCL approved awards under the ESOP in respect of permanent administrative employees and sales agents of SFCL and certain subsidiaries. The ESOP is administered by SFC and the amount awarded is used to acquire Sagicor Financial Company Ltd. shares. Shares vest over a four-year period in equal tranches and are issued as they vest. No shares were utilised during the year. Shares acquired and classified as treasury shares were as follows:

	2023		2022	
	Number in 000's	**$000**	**Number in 000's**	**$000**
Balance, beginning of year and end of year	10	70	10	70

Amounts expressed in US $000

26. EQUITY COMPENSATION BENEFITS (continued)

26.1 Sagicor Financial Company Ltd. (continued)

(e) LTI plan (2023) – share options

In April 2023, Sagicor Financial Company Ltd. granted share options to designated key management of the Group. Options vest over four years, (25% per year) starting December 31, 2023, with continued vesting on each anniversary following the first vesting date. Options are exercisable up to 10 years from the grant date.

The movement in share options for the year and details of the share options and assumptions used in determining their pricing are as follows:

	2023	
	Number of grants ‘000	**Weighted average price**
Balance, beginning of year	-	-
Options granted	4,000	US$5.91
Options exercised	-	-
Balance, end of year	4,000	US$5.91
Exercisable at the end of the year	1,000	US$5.91
Share price at grant date	US$4.43 - 7.39	
Fair value of options at grant date	US$0.17 - 0.37	
Expected volatility	28.10%	
Expected life	10.0 years	
Expected dividend yield	6.3%	
Risk-free interest rate	3.3%	

The expected volatility of options is based on statistical analysis of monthly share prices over the 10 years prior to grant date.

26.2 Sagicor Group Jamaica Limited (SGJ)

(a) Long-term incentive plan

Sagicor Group Jamaica Limited offers stock grants and stock options to senior executives as part of its long-term incentive plan. The group has set aside 150,000,000 of its authorised but un-issued shares at no par value for the stock grants and stock options.

In January 2007, the group introduced a new long-term incentive (LTI) plan which replaced the previous Stock Option plan. Under the LTI plan, executives are entitled but not obliged to purchase the group stock at a pre-specified price at some future date. The options are granted each year on the date of the Board of Directors Human Resources Committee meeting following the performance year at which the stock option awards are approved. Stock options vest in 4 equal instalments beginning the first December 31 following the grant date and for the next three December 31 dates thereafter (25% per year).

Options are not exercisable after the expiration of 7 years from the date of grant. The number of stock options in each stock option award is calculated based on the LTI opportunity via stock options (percentage of applicable salary) divided by the Black-Scholes value of a stock option of Sagicor Group Jamaica Limited stock on March 31 of the measurement year. The exercise price of the options is the closing bid price on March 31 of the measurement year.

Amounts expressed in US $000

26. EQUITY COMPENSATION BENEFITS (continued)

26.2 Sagicor Group Jamaica Limited (SGJ) (continued)

Details of the share options outstanding are set out in the following table. J$ represents Jamaica dollars.

	2023		2022	
	Number of options '000	Weighted average exercise price	Number of options '000	Weighted average exercise price
Balance, beginning of year	10,526	J$40.15	10,253	J$33.73
Options granted	2,650	J$57.00	2,660	J$51.88
Options exercised	(859)	J$28.00	(2,387)	J$25.63
Balance, end of year	12,317	J$44.60	10,526	J$40.15
Exercisable at the end of the year	7,992	J$39.00	6,815	J$38.08

Further details of share options and the assumptions used in determining their pricing are as follows:

	2023	2022
Fair value of options outstanding	J$46,140,926	J$43,468,000
Share price at grant date	J$23.65 - 57.44	J$10.49 - 51.88
Exercise price	J$23.65 - 57.44	J$10.49 - 51.88
Standard deviation of expected share price returns	28.0%	29.0%
Remaining contractual term	0.25 - 7 years	0.25 - 7 years
Risk-free interest rate	6.3%	5.4%

The expected volatility is based on statistical analysis of daily share prices over seven years.

(b) Employee share purchase plan

Sagicor Group Jamaica Limited has in place a share purchase plan which enables its administrative and sales staff to purchase shares at a discount. The proceeds from shares issued under this plan totalled J$137,834,000 (2022 - Nil).

27. EMPLOYEE RETIREMENT BENEFITS

The Group maintains a number of defined contribution and defined benefit retirement benefit plans for eligible sales agents and administrative employees. The plans for sales agents and some administrative employees provide defined contribution benefits. The plans for administrative employees in Barbados, Jamaica, Trinidad and certain other Caribbean countries provide defined benefits based on final salary and number of years of active service. The plans in Canada also provide defined benefits for eligible long-term employees. Also, in these countries, retired employees may be eligible for medical and life insurance benefits which are partially or wholly funded by the Group. The principal defined benefit retirement plans are as follows:

Funded Plans	Unfunded Plans
Sagicor Life Barbados & Eastern Caribbean Pension	Sagicor Life Trinidad Pension
Sagicor Life Jamaica Pension	Sagicor Life (Heritage Life of Barbados - Barbados & Eastern Caribbean) Pension
Sagicor Investments Jamaica Pension	Group medical and life plans
ivari Holdings Inc. Retirement Plan for Employees (NN Life RPP)	ivari Holdings Inc. Supplemental Retirement Plan (ivari SERP)
ivari Holdings Inc and Affiliates Retirement Plan for Employees (ivari RPP).	The NN Life Supplemental Pension Plan (NNL Life SERP)
	Non-Pension Post Retirement Plan
	Non-Pension Post Employment Plan

27. EMPLOYEE RETIREMENT BENEFITS (continued)

The above plans also incorporate employees of the Company and other subsidiaries, whose attributable obligations and attributable assets are separately identified for solvency, contribution rate and reporting purposes.

The assets of the Sagicor Life Trinidad and Sagicor Life (Heritage Life of Barbados) pension plans are held under deposit administration contracts with Sagicor Life Inc and because these assets form part of the Group's assets, these plans are presented as unfunded in accordance with IAS 19 (revised). The assets of the Canadian pension plans are valued in accordance with IAS 19.

The above pension plans are registered with the relevant regulatory authorities in the Caribbean and are governed by Trust Deeds which conform with the relevant laws. The Canadian pension plans are registered with the Canada Revenue Agency and the Financial Services Regulatory Authority of Ontario. The plans are managed by the Group under the direction of appointed Trustees and Custodians.

The group medical and life obligations arise from employee benefit insurance plans where benefits are extended to eligible retirees.

All disclosures in sections 27 (a) to (f) of this note relate only to defined benefit plans.

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Amounts Recognised in the statement of financial position

	2023	2022
Present value of funded pension obligations	332,734	281,135
Fair value of retirement plan assets	(346,360)	(300,609)
	(13,626)	(19,474)
Present value of unfunded pension obligations	36,447	31,493
Present value of unfunded medical and life benefits	27,525	20,020
Impact of minimum funding requirement / asset ceiling	2,815	12,521
Net liability	53,161	44,560
Represented by:		
Amounts held on deposit by the Group as deposit administration contracts	28,307	29,715
Other recognised liabilities	45,547	35,743
Total recognised liabilities (note 18)	73,854	65,458
Recognised assets (note 7)	(20,693)	(20,898)
Net liability	53,161	44,560

Pension plans have purchased annuities from insurers in the Group to pay benefits to plan retirees. These obligations which amount to $40,260 (2022 - $34,426) are included in insurance contract liabilities in the statement of financial position and are included as retirement plan assets in this note.

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Movements in balances

	2023				
	Medical and life benefits	**Retirement obligations**	**Retirement plan assets**	**Funding requirement / asset ceiling**	**Total**
Net liability / (asset), beginning of year	20,020	312,628	(300,609)	12,521	44,560
Current service cost	464	6,382	66	-	6,912
Interest expense / (income)	2,506	28,171	(31,162)	1,601	1,116
Past service cost and gains / losses on settlements	-	-	-	-	-
Net expense recognised in income	2,970	34,553	(31,096)	1,601	8,028
(Gains) / losses from changes in assumptions	4,351	17,089	(8,064)	-	13,376
(Gains) / losses from changes in experience	(178)	(13,644)	15,340	(11,088)	(9,570)
Return on plan assets excluding interest income	-	-	1,446	-	1,446
Change in asset ceiling excluding interest expense / (income)	-	-	-	-	-
Net (gains) / losses recognised in other comprehensive income	4,173	3,445	8,722	(11,088)	5,252
Contributions made by the Group	-	-	(6,883)	-	(6,883)
Contributions made by employees and retirees	-	8,051	(7,906)	-	145
Benefits paid	(984)	(18,938)	18,736	-	(1,186)
Assumed on acquisitions	1,734	25,439	(23,963)	-	3,210
Other items	-	6,410	(6,171)	-	239
Effect of exchange rate movements	(388)	(2,407)	2,810	(219)	(204)
Other movements	362	18,555	(23,377)	(219)	(4,679)
Net liability / (asset), end of year	27,525	369,181	(346,360)	2,815	53,161

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Movements in balances (continued)

	2022				
	Medical and life benefits	**Retirement obligations**	**Retirement plan assets**	**Funding requirement / asset ceiling**	**Total**
Net liability / (asset), beginning of year	31,573	348,039	(322,094)	-	57,518
Current service cost	916	7,109	6	-	8,031
Interest expense / (income)	2,490	22,874	(23,609)	-	1,755
Past service cost and gains / losses on settlements	-	12	-	-	12
Net expense recognised in income	3,406	29,995	(23,603)	-	9,798
(Gains) / losses from changes in assumptions	(16,516)	(43,824)	12,158	-	(48,182)
(Gains) / losses from changes in experience	2,042	(14,924)	22,762	12,334	22,214
Return on plan assets excluding interest income	-	-	10,880	-	10,880
Change in asset ceiling excluding interest expense / (income)	-	(631)	900	-	269
Net (gains) / losses recognised in other comprehensive income	(14,474)	(59,379)	46,700	12,334	(14,819)
Contributions made by the Group	-	-	(7,385)	-	(7,385)
Contributions made by employees and retirees	-	7,619	(7,619)	-	-
Benefits paid	(910)	(20,477)	20,277	-	(1,110)
Other items	-	3,590	(3,398)	-	192
Effect of exchange rate movements	425	3,241	(3,487)	187	366
Other movements	(485)	(6,027)	(1,612)	187	(7,937)
Net liability / (asset), end of year	20,020	312,628	(300,609)	12,521	44,560

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(c) Retirement plan assets

	2023	2022
Equity unit linked pension funds under Group management:		
Sagicor Equity Fund (Barbados)	(45,448)	(46,870)
Sagicor Bonds Fund (Barbados)	(28,395)	(27,759)
Sagicor Eastern Caribbean Fund (St Lucia)	(10,544)	(9,644)
Sagicor Pooled Investment Funds (Jamaica):		
Equity Funds	(44,091)	(53,014)
Mortgage & Real Estate Fund	(32,118)	(29,810)
Fixed Income Fund	(18,653)	(14,370)
Foreign Currency Funds	(20,962)	(22,142)
Money Market Fund	(5,147)	(2,926)
Other Funds	(30,962)	(23,222)
	(236,320)	(229,757)
Other assets	(110,040)	(70,852)
Total plan assets	(346,360)	(300,609)

The equity unit linked pension funds are funds domiciled in Barbados and Jamaica. Annual reports of these funds are available to the public.

Amounts expressed in US $000

27. **EMPLOYEE RETIREMENT BENEFITS (continued)**

(d) Significant actuarial assumptions

The significant actuarial assumptions for the principal geographic areas as of December 31, 2023 were as follows:

Pension plans	**Barbados & Eastern Caribbean**	**Jamaica**	**Trinidad**	**Canada**
Discount rate - local currency benefits	7.50% - 7.75%	11.00%	6.00%	4.75%
Discount rate - US$ indexed benefits	n/a	7.50%	n/a	n/a
Expected return on plan assets	7.50% - 7.75%	11.00%	6.00%	4.75%
Future promotional salary increases	0.00%	9.50%	0.00%	0.00%
Future inflationary salary increases	3.00%	9.50%	3.00%	2.50%
Future pension increases	2.00%	0.50%	0.00%	0.00%
Future increases in National Insurance Scheme Ceilings	3.00%	n/a	3.50%	2.50%
Mortality table	UP94 with projection scale AA	American 1994 Group Annuitant Mortality (GAM94S) table with 5-year improvement	UP94 with projection scale AA	CPM2014PRIV with generational improvements using MI-2017 (sex-distinct rates)
Termination of active members	3% up to age 30, 1% at age 50, 0% at age 51	2% - 5.8% up to age 30, 3.8% - 5.8% at age 50, 3.0% - 3.8% at age 51	3% up to age 30, reducing to 1% up to age 50, 0% at age 51	n/a
Early retirement	100% at the earliest possible age to receive unreduced benefits	2.7% - 3.0% at the earliest possible age to receive unreduced benefits	n/a	NN Plan - Reduced by 4% per year to age 60 if the member has 20 years of service. TA Plan – Reduced by 3% per year to age 62.

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(d) Significant actuarial assumptions (continued)

The significant actuarial assumptions for the principal geographic areas as of December 31, 2022 were as follows:

Pension plans	Barbados & Eastern Caribbean	Jamaica	Trinidad
Discount rate - local currency benefits	7.50% - 7.75%	13.00%	6.00%
Discount rate - US$ indexed benefits	n/a	10.00%	n/a
Expected return on plan assets	7.75%	5.50%	6.00%
Future promotional salary increases	0.00%	9.50%	0.00%
Future inflationary salary increases	2.00% - 2.50%	9.50%	2.50%
Future pension increases	2.00%	0.50%	0.00%
Future increases in National Insurance Scheme Ceilings	3.00% - 3.50%	n/a	3.50%
Mortality table	UP94 with projection scale AA	American 1994 Group Annuitant Mortality (GAM94S) table with 5-year improvement	UP94 with projection scale AA
Termination of active members	3% - 18.4% up to age 30, reducing to 1% - 7.2% at age 50, 0% at age 51	2% - 5.8% up to age 30, 3.8% - 5.8% at age 50, 2.7% - 3.8% at age 51	3% up to age 30, reducing to 1% at age 50, 0% at age 51
Early retirement	100% at the earliest possible age to receive unreduced benefits	n/a	100% at the earliest possible age to receive unreduced benefits

	2023			2022	
Group medical and life plans	Barbados	Jamaica	Canada	Barbados	Jamaica
Long-term increase in health costs	4.25%	8.50%	4.05%	4.25%	8.50%

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(e) Sensitivity of actuarial assumptions

The sensitivity of the pension retirement benefit obligations to individual changes in actuarial assumptions is summarised below:

	December 31, 2023			
	Barbados & Eastern Caribbean	Jamaica	Trinidad	Canada
Base pension obligation	101,726	181,860	20,232	27,589
Change in absolute assumption	**Increase / (decrease) in pension obligations**			
Decrease discount rate by 1.0%	8,999	1,043	2,344	3,879
Increase discount rate by 1.0%	(7,169)	(803)	(1,672)	(3,879)
Decrease salary growth rate by 0.5%	(950)	(21)	(441)	(108)
Increase salary growth rate by 0.5%	1,127	25	548	108
Increase average life expectancy by 1 year	1,543	(18)	255	634
Decrease average life expectancy by 1 year	(1,555)	13	(258)	(634)

	December 31, 2022		
	Barbados & Eastern Caribbean	Jamaica	Trinidad
Base pension obligation	100,096	162,713	18,326
Change in absolute assumption	**Increase / (decrease) in pension obligations**		
Decrease discount rate by 1.0%	8,451	3,080	1,900
Increase discount rate by 1.0%	(6,647)	(2,368)	(1,311)
Decrease salary growth rate by 0.5%	(616)	(83)	(297)
Increase salary growth rate by 0.5%	769	154	359
Increase average life expectancy by 1 year	1,753	262	314
Decrease average life expectancy by 1 year	(1,919)	(279)	(335)

Amounts expressed in US $000

27. EMPLOYEE RETIREMENT BENEFITS (continued)

(e) Sensitivity of actuarial assumptions (continued)

The sensitivity of the medical and life benefits obligations to individual changes in actuarial assumptions is summarised below:

	December 31, 2023	
	Jamaica	**Canada**
Base medical and life obligation	25,414	3,974
Change in absolute assumption	**Increase / (decrease) in medical and life obligations**	
Decrease discount rate by 1.0%	1,620	215
Increase discount rate by 1.0%	(1,265)	(215)
Decrease salary growth rate by 0.5%	(1)	-
Increase salary growth rate by 0.5%	-	-
Increase average life expectancy by 1 year	231	67
Decrease average life expectancy by 1 year	(232)	(67)

	December 31, 2022
	Jamaica
Base medical and life obligation	19,871
Change in absolute assumption	**Increase / (decrease) in medical and life obligations**
Decrease discount rate by 1.0%	2,766
Increase discount rate by 1.0%	(2,277)
Decrease salary growth rate by 0.5%	(158)
Increase salary growth rate by 0.5%	182
Increase average life expectancy by 1 year	527
Decrease average life expectancy by 1 year	(527)

(f) Amount, timing and uncertainty of future cash flows

In addition to the annual actuarial valuations prepared for the purpose of annual financial statement reporting, full actuarial valuations of pension plans are conducted every 3 years. These full valuations contain recommendations for Group and employee contribution levels which are implemented by the Group.

For the 2024 financial year, the total Group contributions to its defined benefits pension plans are estimated at $14,281.

Amounts expressed in US $000

28. INCOME TAXES

Group companies are taxed according to the taxation rules of the countries where the operations are carried out. The principal rates of taxation are summarised in note 2.17(c). The income tax expense is set out in the following table.

	2023	2022 (restated)
Current tax:		
Current tax on profits for the year	45,222	46,653
Adjustments to current tax of prior periods	(40)	325
Total current tax expense	45,182	46,978
Deferred tax:		
Decrease / (increase) in deferred tax assets (note 29)	45,340	(28,157)
Increase / (decrease) in deferred tax liabilities (note 29)	(1,718)	1,578
Total deferred tax expense	43,622	(26,579)
Share of tax of associated companies	398	340
Total tax expense	89,202	20,739

Income tax on the total income subject to taxation differs from the theoretical amount that would arise as follows:

	2023	2022 (restated)
Income before income tax expense	673,435	(112,404)
Taxation at the applicable rates on income subject to tax	114,051	346
Adjustments to current tax for items not subject to or allowed for tax	(29,452)	(5,164)
Other current tax adjustments	1,021	(554)
Adjustments for current tax of prior periods	(914)	473
Movement in unrecognised deferred tax assets	941	7,661
Deferred tax relating to the origination of temporary differences	(68)	(10)
Deferred tax relating to changes in tax rates or new taxes	(404)	1,740
Deferred tax that arises from the write-down of a tax asset	(309)	24
Other taxes	4,336	16,223
	89,202	20,739

In addition to the above, the income tax on items in other comprehensive income is set out in note 31.

Amounts expressed in US $000

29 DEFERRED INCOME TAXES

The analysis and movement for the year of deferred tax asset balances are set out in the following table.

	Defined benefit liabilities	Unrealised losses on financial investments	Unused tax losses	Off-settable tax liabilities relating to policy liabilities timing differences and other items	Other items	Total
2023						
Balance, beginning of year as previously reported	4,231	20,972	12,231	39,758	5,890	83,082
Tax impact on application of IFRS 17 [(1)]	-	-	25,797	-	-	25,797
Restated balance, beginning of year	4,231	20,972	38,028	39,758	5,890	108,879
(Charged)/credited to:						
Income	265	1,495	(4,968)	(40,438)	(1,694)	(45,340)
Other comprehensive income	1,908	(7,224)	-	-	165	(5,151)
Assumed on acquisition	82	1	359	196,165	9,653	206,260
Effect of exchange rate changes	(103)	(708)	(544)	5,296	140	4,081
Balance, end of year	6,383	14,536	32,875	200,781	14,154	268,729
Balance expected to be recovered within one year						109,271
2022 (restated)						
Balance, beginning of year as previously reported	9,020	545	78	-	3,339	12,982
Impact of initial application of IFRS 17	-	(3,352)	14,318	17,203	(39)	28,130
Restated balance, beginning of year	9,020	(2,807)	14,396	17,203	3,300	41,112
(Charged)/credited to:						
Income	1,068	1,474	(2,165)	25,254	2,526	28,157
Other comprehensive income	(5,959)	22,077	-	-	(34)	16,084
Effect of exchange rate changes	102	228	-	(2,699)	98	(2,271)
Restated balance, end of year	4,231	20,972	12,231	39,758	5,890	83,082
Balance expected to be recovered within one year						82,005

[(1)] The measurement of revenue and the ultimate determination of profits under IFRS 17, will result in profits recorded in prior periods being subject to corporation tax twice in the Sagicor Group Jamaica segment. To address this, a “tax transitional amount” has been determined as the difference between retained earnings under IFRS 4 and the restated amount. Deferred income tax was recorded on this amount.

Amounts expressed in US $000

29 DEFERRED INCOME TAXES (continued)

Unrecognised tax losses and potential deferred income tax assets are as follows:

	2023	2022
Expiry period for unrecognised tax losses:		
2023	-	87,170
2024	55,845	55,909
2025	63,252	63,679
2026	59,974	59,835
2027	66,118	66,019
2028	62,532	62,900
2029	71,837	69,012
2030	74,362	-
	453,920	464,524
Potential deferred income tax assets on tax losses expected to be utilised	12,258	12,865

Amounts expressed in US $000

29 DEFERRED INCOME TAXES (continued)

The analysis and movement for the year of deferred tax liability balances are set out in the following table.

	Accelerated tax depreciatio n	Net insurance / reinsurance contract liabilities taxable in the future	Defined benefit assets	Accrued interest	Unrealised gains / (losses) on financial investments	Off-settable tax assets relating to unused tax losses and other items	Other Items	Total
2023								
Balance, beginning of year as previously reported	440	-	237	320	(18)	-	3,152	4,131
Tax impact on application of IFRS 17	-	998	-	-	-	-	-	998
Restated balance, beginning of year	440	998	237	320	(18)	-	3,152	5,129
Charged/(credited) to:								
Income	(1,405)	-	(143)	207	(412)	-	35	(1,718)
Other comprehensive income	62	-	739	5	161	-	-	967
Amounts assumed on acquisition	(7)	-	82	-	-	-	7	82
Effect of exchange rate changes	5	(21)	(2)	1	1	-	(58)	(74)
Balance, end of year	(905)	977	913	533	(268)	-	3,136	4,386
Balance to be settled within one year								4,386
2022 (restated)								
Balance, beginning of year as previously reported	10,570	40,011	(28)	304	34,985	(31,986)	(2,149)	51,707
Impact of initial application of IFRS 17	36	(40,011)	94	106	(28,405)	31,986	14	(36,180)
Restated balance, beginning of year	10,606	-	66	410	6,580	-	(2,135)	15,527
Charged/(credited) to:								
Income	919	-	172	36	6	-	445	1,578
Other comprehensive income	3,409	-	-	(62)	(6,279)	-	-	(2,932)
Amounts assumed on acquisition	(14,678)	-	-	(32)	(352)	-	4,771	(10,291)
Effect of exchange rate changes	184	-	(1)	(32)	27	-	71	249
Restated balance, end of year	440	-	237	320	(18)	-	3,152	4,131
Balance to be settled within one year								4,131

30. EARNINGS PER COMMON SHARE

The computation of diluted earnings per common share recognises the dilutive impact of LTI share grants and share options (note 26.1), ESOP shares grants (note 26.1) and share warrants. In computing diluted earnings per share, the weighted average number of common shares is adjusted by the dilutive impacts of the afore-mentioned share grants, share warrants and options.

	2023	**2022 (restated)**
Income attributable to common shareholders	532,061	(164,386)
Weighted average number of shares in issue (in thousands)	142,246	142,905
LTI restricted share grants, performance share grants and share options (in thousands)	2,316	1,468
ESOP shares (in thousands)	413	475
Adjusted weighted average number of shares in issue (in thousands)	144,975	144,848
Basic earnings per common share	**374.0 ¢**	**(115.0) ¢**
Fully diluted earnings per common share	**367.0 ¢**	**(115.0) ¢**

For the year ended December 31, 2023 and December 31, 2022, certain instruments which are considered to be antidilutive have been excluded from the computation of fully diluted earnings per share. This treatment is in accordance with IAS 33 – Earnings Per Share, which indicates that such instruments are antidilutive only when the exercise price is exceeded by the market price of common shares.

Amounts expressed in US $000

31. OTHER COMPREHENSIVE INCOME

Analysis of OCI:

	2023			
		After tax OCI is attributable to		
	OCI tax impact	**Share-holders**	**Non-controlling interests**	**Total after tax OCI**
Items that may be reclassified subsequently to income:				
FVTOCI assets:				
Gains / (losses) arising on revaluation	(7,344)	10,657	11,130	21,787
(Gains) / losses transferred to income	(124)	(934)	(1,856)	(2,790)
Retranslation of foreign currency operations	-	23,378	(6,026)	17,352
	(7,468)	33,101	3,248	36,349
Items that will not be reclassified subsequently to income:				
Gains / (losses) arising on revaluation of owner-occupied and owner-managed property	(173)	3,271	2,048	5,319
Defined benefit plan gains / (losses)	1,492	(1,668)	(2,092)	(3,760)
Other items	31	34	-	34
	1,350	1,637	(44)	1,593
Total OCI movements	(6,118)	34,738	3,204	37,942
Allocated to equity reserves		36,372		
Allocated to retained earnings		(1,634)		
		34,738		

Amounts expressed in US $000

31. OTHER COMPREHENSIVE INCOME (continued)

Analysis of OCI:

	2022 (restated)			
		After tax OCI is attributable to		
	OCI tax impact	**Share-holders**	**Non-controlling interests**	**Total after tax OCI**
Items that may be reclassified subsequently to income:				
FVTOCI assets:				
Gains / (losses) arising on revaluation	29,214	(53,375)	(28,527)	(81,902)
(Gains) / losses transferred to income	(634)	455	(82)	373
Retranslation of foreign currency operations	-	5,017	4,186	9,203
	28,580	(47,903)	(24,423)	(72,326)
Items that will not be reclassified subsequently to income:				
Gains / (losses) arising on revaluation of owner-occupied and owner-managed property	(3,601)	527	12,917	13,444
Defined benefit plan gains / (losses)	(5,963)	368	8,488	8,856
	(9,564)	895	21,405	22,300
Total OCI movements	19,016	(47,008)	(3,018)	(50,026)
Allocated to equity reserves		(47,376)		
Allocated to retained earnings		368		
		(47,008)		

Amounts expressed in US $000

32. CASH FLOWS

	2023	2022 (restated)
Operating activities		
Adjustments for non-cash items, interest and dividends:		
(Income) / loss from financial investments	(1,444,384)	272,442
Gain arising on business combinations, acquisitions and divestitures	(448,267)	(1,685)
Interest costs and finance costs	1,175,163	(221,442)
Credit impairment loss	3,936	4,119
Depreciation and amortisation	54,936	30,950
Other items	(14,133)	5,327
	(672,749)	89,711
Net change in investments and operating assets:		
Deposits	(82,982)	(12,388)
Securities purchased for resale	(309)	10,680
Finance loans	(43,797)	(115,864)
Mortgage loans	(182,010)	(165,587)
Equity securities	10,902	13,235
Debt securities	(564,131)	(1,223,293)
Reinsurance contract assets	242,201	89,064
Insurance contract assets	3,408	(719)
Other assets and receivables	(21,742)	(69,764)
Investment property	(7,781)	480
Segregated funds invested assets	(15,979)	-
	(662,220)	(1,474,156)

Amounts expressed in US $000

32. CASH FLOWS (continued)

The gross changes in investment property, debt securities and equity securities are as follows:

	2023	2022 (restated)
Investment property:		
Purchases	(9,431)	-
Disposal proceeds	1,650	480
	(7,781)	480
Debt securities:		
Purchases	(3,485,053)	(2,398,350)
Disposal proceeds	2,920,922	1,175,057
	(564,131)	(1,223,293)
Equity securities:		
Purchases	(119,162)	(243,561)
Disposal proceeds	130,064	256,796
	10,902	13,235
Net change in operating liabilities:		
Other liabilities and payables	83,863	13,053
Investment contract liabilities	(2,998)	1,970
Reinsurance contract liabilities	(17,141)	(7,410)
Insurance contract liabilities	127,585	886,905
Securities sold for repurchase	9,953	33,689
Deposits	96,325	91,395
Other funding instruments	(83,854)	19,150
Insurance contract liabilities on account of segregated fund policyholders	15,979	-
	229,712	1,038,752

Amounts expressed in US $000

32. CASH FLOWS (continued)

	2023	2022 (restated)
Investing activities		
Property, plant and equipment:		
Purchases	(22,726)	(17,634)
Disposal proceeds	1,215	188
	(21,511)	(17,446)
Financing activities		
Notes and loans payable:		
Proceeds	365,324	61,734
Repayments	(57,219)	(71,748)
	308,105	(10,014)
Lease liability payments		
Principal paid	(8,266)	(7,600)
Interest paid	(1,667)	(1,485)
	(9,933)	(9,085)
Cash and cash equivalents		
Cash	486,642	368,137
Call deposits and other liquid balances	316,881	226,337
Bank overdrafts	(2,153)	(1,737)
	801,370	592,737

Amounts expressed in US $000

33. CHANGES IN SUBSIDIARY AND ASSOCIATE HOLDINGS

33.1 ivari

On August 24, 2022, Sagicor entered into a definitive agreement to indirectly acquire ivari, a life insurer in Canada and a subsidiary of Wilton Re Ltd., subject to various customary conditions, including receipt of regulatory approval. ivari provides individual life and critical illness insurance solutions for the Canadian middle-market.

On October 3, 2023, Sagicor acquired 100% ownership of Proj Fox Acquisition Inc. ('Proj Fox') which holds ivari, for cash consideration of US$271.2 million.

The transaction has been financed by new debt in the form of a five-year senior secured loan facility with a syndicate of international and Canadian banks. Certain terms, conditions and covenants came into effect on draw-down. As at December 2023, cumulative fees totalling US$20.0 million (2022 - US$8.1 million) have been incurred in relation to the financing commitment entered into for the acquisition of ivari.

During the year transaction costs of US$13.4 million (2022 - US$3.7 million) were expensed and are included in other operating expenses.

The following table summarises the consideration and the fair value of the assets acquired and liabilities assumed as at the acquisition date:

	Total Fair Value
Net assets acquired:	
Cash	32,260
Financial investments [1]	6,389,873
Reinsurance contract assets	2,491,832
Miscellaneous assets and receivables	56,894
Income tax assets	205,264
Intangible assets	14,400
Property, plant and equipment	10,782
Segregated funds assets	458,940
Total assets	9,660,245
Accounts payable and accrued liabilities	(27,738)
Income tax liabilities	(12,641)
Investment contract liabilities	(9,425)
Insurance contract liabilities	(7,673,836)
Deposit and security liabilities	(737,931)
Lease liabilities	(8,380)
Other liabilities / retirement benefit liabilities	(13,770)
Insurance contract liabilities for account of segregated fund holders	(458,940)
Total liabilities	(8,942,661)
Total net identifiable assets	717,584

[1] Included in Financial Investments acquired is cash equivalents of US$270 million.

Amounts expressed in US $000

33. CHANGES IN SUBSIDIARY AND ASSOCIATE HOLDINGS (continued)

33.1 ivari (continued)

Net assets acquired, purchase consideration and bargain purchase gain are as follows:

	Fair Value
Net assets acquired	717,584
Purchase consideration:	
- Cash	(271,217)
- Foreign exchange loss	1,900
Gross bargain purchase gain on acquisition of ivari [1]	448,267

[1] The gross bargain purchase gain of US$448 million represents the difference between the purchase price paid and the fair value of the identifiable net assets acquired. Foreign exchange losses of US$1.9 million arose on settlement of the transaction. These two items are separately recognised in the consolidated statement of income as gains arising on business combinations, acquisitions and divestiture and fees and other income respectively.

From the acquisition date, Proj Fox contributed US$167,899 of insurance revenue and US$122,144 of net income for the year ended December 31, 2023.

If the combination had taken place at the beginning of the year, the contributed insurance revenue would have been US$609,076 and net income would have been US$121,675. This unaudited pro-forma basis was calculated using historical information and assuming fair value adjustments that arose on acquisition would have been the same if the acquisition occurred on January 1, 2023. The unaudited pro-forma amounts exclude acquisition costs and benefits from integration initiatives or synergies and are not necessarily indicative of the results that would have resulted if the acquisition occurred on January 1, 2023, or the results that may be obtained in the future.

33.2 Alliance Financial Services Limited

On February 9, 2022, Sagicor announced that Sagicor Group Jamaica Limited ("SGJ") had entered a definitive agreement for the purchase of 100% of the shares of Alliance Financial Services Limited ("AFSL"). The arrangement was subject to due diligence and regulatory approval and SGJ applied for relevant licences from the Bank of Jamaica.

Effective April 1, 2022, the purchase of 100% of the shares of AFSL by SGJ was finalised. On April 4, 2022, following the successful completion of due diligence procedures and receipt of regulatory approval, AFSL resumed its operations.

AFSL is a provider of cambio and remittance services in Jamaica. The acquisition represented a move into a new business segment and afforded the Sagicor Jamaica Group the opportunity to expand its product offerings to its customers. The purchase consideration included an initial cash consideration of US$16.8 million with provision for contingent cash consideration up to a total consideration of US$22.6 million, based on specified performance criteria.

Details of the net assets acquired are as follows:

	Total Fair Value	Acquiree's Carrying Value
Net assets acquired:		
Cash resources	1,773	1,773
Financial investments	3,037	3,037
Miscellaneous assets and receivables	2,996	2,996
Intangible assets (note 10.1)	4,553	-
Property, plant and equipment	93	93
Accounts payable and accrued liabilities	(340)	(340)
Income tax liabilities	(1,606)	(88)
Deposit and security liabilities	(6,551)	(6,551)
Total net assets	3,955	920

Amounts expressed in US $000

33 CHANGES IN SUBSIDIARY AND ASSOCIATE HOLDINGS (continued)

33.2 Alliance Financial Services Limited (continued)

The share of net assets acquired, purchase consideration and goodwill are as follows:

	Fair Value
Share of net assets acquired	3,955
Purchase consideration	21,344
Goodwill arising on acquisition (note 10.1)	17,389

The acquiree's net income / (loss) and total revenue are as follows:

	Net income / (loss)	Total Revenue
For the period from January 1, 2022 to December 31, 2022	(9,893)	4,157
Consolidated from the date of acquisition to December 31, 2022	449	4,549

33.3 Alliance Investment Management Limited

On April 25, 2022, SGJ announced that its subsidiary, Sagicor Investments Jamaica Limited (SIJL), entered into a definitive agreement for the purchase of the securities dealer book of business of Alliance Investment Management Limited (AIML).

In August 2022, SGJ further announced that the purchase of the securities dealer book of business of AIML had been completed, following the completion of due diligence procedures and having met all regulatory requirements. The purchase of the portfolio expands SIJL's business and provides an opportunity to serve a wider client base.

The purchase price for the portfolio was US$0.1 million and the carrying value of net assets assumed in the transaction was US$0.1 million.

33.4 Sagicor Real Estate X-Fund Limited

On March 24, 2022, SGJ sold 191,913,423 shares of Sagicor Real Estate X-Fund Limited ("X-Fund Limited") to related parties, Sagicor Sigma Global Unit Trust and Sagicor Pooled Investment Fund Limited, at market value. Net proceeds were US$10.3 million, resulting in a gain of US$0.8 million as at March 31, 2022.

During the quarter ended September 30, 2022, SGJ sold the remaining 281,500,577 shares of X-Fund Limited to Sagicor Sigma Global Unit Trust and Sagicor Pooled Investment Fund Limited, at market value, for net proceeds of US$25.0 million, representing a gain of US$1.7 million.

Amounts expressed in US $000

33 CHANGES IN SUBSIDIARY AND ASSOCIATE HOLDINGS (continued)

33.4 Sagicor Real Estate X-Fund Limited (continued)

Details of the net assets which have been derecognised and the gain on disposal of X-Fund Limited are as follows:

	Total Carrying Value
Net assets derecognised on disposal of X-Fund Limited:	
Cash resources	(21,227)
Financial investments	(46,936)
Miscellaneous assets and receivables	(5,726)
Income tax assets	(839)
Intangible assets (note 10.1)	(1,752)
Property, plant and equipment (note 12)	(108,354)
Accounts payable and accrued liabilities	4,733
Income tax liabilities	11,869
Notes and loans payable (note 17)	44,655
Total net assets derecognised	(123,577)
Gain on disposal of X-Fund Limited:	
Net proceeds received on disposal of X-Fund Limited	25,036
Share of net assets derecognised	(24,347)
	689
Net unrealised foreign exchange gains in OCI recycled to income	994
Gain on disposal of X-Fund Limited	1,683

33.5 Jamziv MoBay Jamaica Portfolio Limited

On June 13, 2022, a resolution was passed for the wind-up of Jamziv MoBay Jamaica Portfolio Limited ("Jamziv"), a subsidiary of Sagicor Real Estate X-Fund Limited in the Sagicor Jamaica Group. This resulted in the cancellation of a promissory note of US$37.4 million, issued by holders of the non-controlling interest in Jamziv, and the removal of the non-controlling interest from the statement of financial position.

33.6 Disposal of Insurance Operations

Curaçao and St. Maarten

On October 5, 2022, the Group entered into an agreement for the sale of its operations in Curaçao and St. Maarten. The sale is subject to receipt of regulatory approval. The effective date of disposal shall be the last business day of the month in which all regulatory approvals are obtained. The agreement may be terminated by either party if regulatory approval is not received.

The purchaser is expected to assume the insurance and other liabilities of the Group's operations in Curaçao and St. Maarten as at the effective date, in exchange for assets which shall exceed the value of the liabilities transferred by US$3.038 million. (See note 44 for an update on the transaction).

Panama

On May 30, 2023, the Group entered into an agreement for the sale of its wholly-owned subsidiary, Sagicor Panama S.A., to Sagicor - Capital & Advice Spain S.L., a subsidiary of Sagicor Costa Rica SCR, S.A. in which the Group holds a 24.56% ownership interest.

Effective December 31, 2023, ownership of Sagicor Panama operations was transferred from Sagicor Life Inc to Sagicor Group Jamaica Limited ("SGJ") given Sagicor Jamaica Group's joint venture holding in Sagicor Costa Rica SCR, S.A.

The shares were sold for the book value of Sagicor Panama S.A. as determined at the date of sale. A payment of US$4 million has been made to date and the final payment is due in 2025, based on the final determination of the selling price in relation to Sagicor Panama's financial statements for the period ended December 31, 2024.

Amounts expressed in US $000

34. LITIGATION, CONTINGENT LIABILITIES AND COMMITMENTS

Guarantee and financial facilities at the date of the financial statements for which no provision has been made in these financial statements include the following:

	2023	2022
Customer guarantees and letters of credit [(1)]	40,612	36,985

[(1)] There are equal and offsetting claims against customers in the event of a call on the above commitments for customer guarantees and letters of credit.

(a) Legal proceedings

The Group is subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended, cannot be reasonably estimated or will result in exposure to the Group which is immaterial to both the financial position and results of operations.

Significant matters are outlined below:

(i) Suit has been filed by a customer against one of the Group's subsidiaries for breach of contract, and breach of trust in the amount of US$8,928 being loss allegedly suffered as a result of what the claimants say is the unlawful withholding of insurance proceeds by the subsidiary. No provision was made in these financial statements for this claim as the matter has not been heard.

(ii) Suit has been filed by an independent contractor against one of the Group's subsidiaries for breach of contract arising from alleged contractual agreement. The Claimant alleges that the subsidiary failed to pursue initiatives contemplated by the contract with a third party and that by not doing so, it caused the Claimant company significant losses which they have estimated at over US$300,000. No provision was made in the financial statements for this claim as the claim had been stayed to accommodate arbitration as required under the Agreement between the parties. On December 1, 2023, the Claimant filed a Notice of Discontinuance which has brought the matter to conclusion.

(iii) The Sagicor Jamaica Group owns a 4.5% shareholding in Cornerstone Financial Holdings Limited (CFHL), a company registered in Barbados. A suit has been filed by Sagicor Investments Jamaica (SIJL) against Cornerstone Financial Holdings Limited (CFHL), for damages suffered as a result of a rights issue being offered to only those shareholders that had participated in the rights issue of an affiliated company. In July 2020, Cornerstone United Holdings Limited (CUHL), a company registered in Jamaica, offered a rights issue to raise US$21 million at US$1.40 per share. SIJL chose not to participate in this rights issue. CFHL subsequently allotted shares to the shareholders that participated in the CUHL rights issue at a price of less than one cent per share when the shares had a book value of approximately US$7.80 per share. This had the effect of reducing the value of SIJL's shareholding in CFHL by approximately US$4 million and SIJL's shareholding was diluted from 4.5% to 3.47%. CFHL has argued this was justifiable because of an agreement to maintain similar shareholding structures. A second rights issue was completed on a similar basis thus reducing the company's shareholding to 2.82%.

The Sagicor Jamaica Group is contesting the rights issues in CFHL on the basis of their legality and therefore valued its shareholding at 4.5% in these financial statements as at December 31, 2023. Should the courts rule against the Group, then the value of its holding will need to be written down by US$5 million.

Amounts expressed in US $000

34 LITIGATION, CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(a) Legal proceedings (continued)

Based on legal opinion, the company has a high probability of success in this matter. No adjustment to the carrying value of the holdings has been recorded in the financial statements in respect of this suit as at December 31, 2023.

(b) Tax assessments

The Group is also subject to tax assessments during the normal course of business. Adequate provision has been made for all assessments received to date and for tax liabilities accruing in accordance with management's understanding of tax regulations. Potential tax assessments may be received by the Group which are in addition to accrued tax liabilities. No provisions have been made in these financial statements for such potential tax assessments.

(c) Commitments

(i) Effective June 25, 2020, the Group entered into a letter of credit arrangement with a facility up to the amount of US$40 million, whereby an irrevocable standby letter of credit was issued on behalf of Sagicor Reinsurance Bermuda Ltd (SRBL) in favour of Sagicor Life Insurance Company (SLIC), USA, in support of a coinsurance agreement between the two parties. The letter of credit facility is guaranteed by Sagicor Financial Corporation Limited and SRBL. The letter of credit expires annually on June 26 and is deemed to be automatically extended for one-year periods, subject to notice of the intention to terminate the facility being given sixty days prior to an expiration date. The facility was automatically extended on June 26, 2023.

The Group is required to comply with the following covenant in respect of the facility:

COVENANT	DESCRIPTION
Cash Collateralisation Event (Under this requirement, the Group must fully collateralise the facility if the noted conditions are breached.)	The credit rating of the Group must not fall below a specific predetermined level. The Group will maintain the following financial ratios: (i) A Debt to Capitalization Ratio equal to or less than 35%. (ii) An Aggregate MCCSR Ratio not less than 175%. (iii) An RBC Ratio for the USA Segment of not less than 275%. (iv) A Total LICAT Ratio for our Canada Segment of not less than 103%. (v) A minimum Consolidated Net Worth of the Group.
Event of Default	Upon an Event of Default, the Bank may declare the Obligations due and payable.

Amounts expressed in US $000

34 LITIGATION, CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(c) Commitments (continued)

(ii) Effective May 3, 2022, the Group entered into a letter of credit arrangement up to the amount of US$10 million, whereby an irrevocable and unconditional standby letter of credit, except for any stated condition therein, was issued on behalf of Sagicor Reinsurance Bermuda Ltd. (SRBL). The letter of credit expires on May 4, 2024. A condition of the letter of credit is that it will be automatically extended for periods of one year, without amendment, from the relevant expiration date, unless notice is sent in writing at least six months prior to the relevant expiration date.

35. FAIR VALUE OF PROPERTY

35.1 Property

Investment property and owner-occupied property are carried at fair value as determined by independent valuations using internationally recognised valuation techniques. Direct sales comparisons, when such data is available, and income capitalisation methods, when appropriate, are included in the assessment of fair values. The highest and best use of a property may also be considered in determining its fair value.

Some tracts of land are currently used for farming operations or are undeveloped or are leased to third parties. In determining the fair value of all lands, their potential for development within a reasonable period is assessed, and if such potential exists, the fair value reflects that potential. These lands are mostly in Barbados and the Group has adopted a policy of orderly development and transformation to realise their full potential over time.

The fair value hierarchy has been applied to the valuations of the Group's property. The different levels of the hierarchy are as follows:

- Level 1 - fair value is determined by quoted unadjusted prices in active markets for identical assets;
- Level 2 - fair value is determined by inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly;
- Level 3 - fair value is determined from inputs that are not based on observable market data.

Applying the fair value hierarchy to the Group's property, results in a classification of Level 3 to all properties as set out below:

	2023	2022
	Level 3	**Level 3**
Investment property	85,375	77,359
Owner-occupied properties	121,115	108,197
Total properties	206,490	185,556

Amounts expressed in US $000

35. FAIR VALUE OF PROPERTY (continued)

35.1 Property (continued)

For Level 3 investment property, reasonable changes in fair value would affect net income. For Level 3 owner-occupied properties reasonable changes in fair value would affect other comprehensive income. The movements for the year in investment property and owner-occupied properties are set out in notes 11 and 12.

The following table shows the sensitivity of fair value measurements to changes in unobservable inputs for Level 3 investment property and owner-occupied properties.

	Fair value		Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2023	**2022**		**2023**	**2022**	
Investment property	85,375	77,359	Comparable sales	5%	5%	(1)
Owner-occupied properties	121,115	108,197	Comparable sales	5%	5%	(1)
Total properties	206,490	185,556				

(1) Increases or decreases in comparable sale prices will have a direct correlation to the fair value.

36. FINANCIAL RISK

As a diversified financial services company operating in the United States, Canada and the Caribbean, Sagicor is exposed to several financial risks that are inherent in its business activities, such as credit, market, liquidity and capital risks. Effectively managing the risks that Sagicor takes, by optimising the relationship between risk and reward, is integral to the Group's overall profitability and long-term financial viability. The Group's policies and procedures for managing these risks are disclosed in the "Risk Management" section of the Management Discussion and Analysis for the year ended December 31, 2023.

36.1 Credit risk

Credit risk is the exposure resulting from an obligor's potential inability or unwillingness to fulfil its contractual obligations on a timely basis, thereby causing financial loss to the Group. It may arise from the risk of default of a primary obligor and indirectly from a secondary obligor. Credit risks are associated primarily with investments, securities, lending, revolving credit, and reinsurance portfolios.

Credit risk is managed through risk management practices and controls, which include:

- Credit risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Committee;
- Risk limits have been established for credit risk;
- Specific investment diversification requirements are in place, such as defined investment limits for asset class, geography, and industry;
- Risk-based credit portfolio, counterparty, and sector exposure limits have been established and credit analyses conducted;
- Compliance monitoring practices and procedures including reporting against pre-established investment limits are in place;
- Reinsurance exposures are monitored to ensure that no single reinsurer represents an undue level of credit risk;
- Stress-testing techniques, such as Financial Condition Testing ("FCT"), are used to measure the effects of large and sustained adverse credit developments;
- Insurance contract liabilities are established in accordance with Canadian actuarial standards of practice;
- Internal capital targets are established and monitored to ensure they exceed internal targets.

Investment portfolio assets are mostly unsecured except for securities purchased under agreement to resell, for which title to the securities is transferred to the Group for the duration of each agreement.

For mortgage loans, the collateral is real estate property, and the approved loan limit is 75% to 95% of collateral value. For finance loans, the collateral often comprises a vehicle or other form of security and the approved loan limit is 50% to 100% of the collateral value.

The Group may foreclose on overdue mortgage loans and finance loans by repossessing the pledged asset. The Group will seek to dispose of the pledged asset by sale. In some instances, the Group may provide re-financing to a new purchaser on customary terms.

Policy loans are advanced on the security of the underlying insurance policy cash values. Cash loans are advanced to a maximum of 80% to 100% of the cash surrender value. Automatic premium loans may be advanced to the extent of available cash surrender value.

<u>Renegotiated assets</u>

The Group may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty. Arrangements to waive, adjust or postpone scheduled amounts due may be entered into. The Group classifies these amounts as past due, unless the original agreement is formally revised, modified or substituted.

<u>Reinsurance contracts held</u>

The Group enters into reinsurance contracts to manage its insurance risk but should a reinsurance counterparty be unable or unwilling to fulfil its contractual obligations credit risk could arise. The Group has credit risk arising from reinsurance contracts held. Credit risk associated with future premium inflows from insurance contracts issued is mitigated by the Group's ability to terminate insurance contract services when policyholders fail to meet their premium payment obligations, resulting in insignificant credit risk exposures to the Group.

36. FINANCIAL RISK (continued)

Reinsurance contracts held (continued)

36.1 Credit risk (continued)

To limit its exposure of potential loss on an insurance policy, the Group may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have well-established capability to meet their contractual obligations and which generally have a Sagicor credit risk rating of 1 or 2. The Group also places reinsurance coverage with various reinsurers to limit its exposure to any one reinsurer. Reinsurance ceded does not discharge the insurer's liability and failure by a reinsurer to honour its commitments could result in losses to the Group.

To limit the potential loss for single-policy claims and for aggregations of catastrophe claims, the Group may cede certain levels of risk to a reinsurer. Reinsurance however does not discharge the insurer's liability. Reinsurance risk is the risk that reinsurance is not available to mitigate the potential loss on an insurance policy. The risk may arise from:

- the credit risk of holding a recovery from a reinsurer;
- the unavailability of reinsurance cover in the market at adequate levels or prices;
- the failure of a reinsurance layer upon the occurrence of a catastrophic event.

The reinsurance programmes are negotiated annually with reinsurers for coverage generally over a 12-month period. It is done by class of insurance, though for some classes there is aggregation of classes and/or subdivision of classes by the location of risk.

Property risk

For property risks, insurers use quota share and excess of loss catastrophe reinsurance treaties to obtain reinsurance cover. Catastrophe reinsurance is obtained for multiple claims arising from one event or occurring within a specified time period. However, treaty limits may apply and may expose the insurer to further claim exposure. Under some treaties, when treaty limits are reached, the insurer may be required to pay an additional premium to reinstate the reinsurance coverage. Excess of loss catastrophe reinsurance treaties typically cover up to four separate catastrophic events per year.

For other insurance risks, insurers limit their exposure, by event or per person, by excess of loss or quota share treaties.

Retention limits represent the level of risk retained by the insurer. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit. Claim amounts in excess of reinsurance treaty limits revert to the insurer.

36. FINANCIAL RISK (continued)

36.1 Credit risk (continued)

Reinsurance contracts held (continued)

Property risk (continued)

Principal features of retention programmes used by Sagicor General and Advantage General for their property insurance class are summarised in the following tables.

Property Risk (currency amounts in thousands)	
Retention by Sagicor General Insurance	**Retention by Advantage General Insurance Co. Limited**
• maximum retention of $4,500 for a single risk; • maximum retention of $5,000 for a catastrophic event; • quota share retention to maximum of 20% in respect of proportional treaty limits; • Net retention is further reduced to a maximum of $375 per risk.	• maximum quota share treaty retention of $2,400 for a single event; • maximum excess of loss retention of $1,000 for a catastrophic event; • quota share retention to maximum of 30% in respect of treaty limits.

Life and health contracts

The principal features of retention programs used by insurers for life and health insurance contracts are summarised in the following table.

Type of insurance contract	Retention by insurers - currency amounts in thousands
- Individuals	
Life insurance contracts with individuals	Retention per individual life to a maximum of $945
Health insurance contracts with individuals	Retention per individual to a maximum of $378
- Groups	
Life insurance contracts with groups	Retention per individual life to a maximum of $227
Health insurance contracts with groups	Retention per individual to a maximum of $88

The effects of reinsurance ceded are disclosed in note 21 and information on reinsurance balances is included in note 6.

In sections 36.2, 36.3 and 36.4, we set out for the Group its credit risk exposures and credit impairments.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.2 Credit risk exposure

The total credit risk exposures of the Group by operating segment is as follows:

	2023					
	Sagicor Life	Sagicor Jamaica	Sagicor USA	Sagicor Canada	Head office & other	Total
Investment portfolios	1,523,100	1,967,805	3,865,978	5,547,539	38,011	12,942,433
Lending portfolios	228,966	815,881	434,918	-	16,750	1,496,515
Cash	123,147	241,822	144,834	33,610	38,793	582,206
Reinsurance contract assets	21,570	18,055	332,538	2,840,736	-	3,212,899
Insurance contract assets	141	1,132	-	-	-	1,273
Receivables	17,835	31,389	4,537	71,970	9,778	135,509
Derivative financial assets	-	-	16,909	155	-	17,064
Total financial statement exposures	1,914,759	3,076,084	4,799,714	8,494,010	103,332	18,387,899
Lending commitments	33,672	91,034	-	-	-	124,706
Customer guarantees and letters of credit	-	40,612	-	-	-	40,612
Other	1,888	216	-	-	-	2,104
Total off financial statement exposures	35,560	131,862	-	-	-	167,422
Total	1,950,319	3,207,946	4,799,714	8,494,010	103,332	18,555,321

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.2 Credit risk exposure (continued)

	2022 (restated)				
	Sagicor Life	**Sagicor Jamaica**	**Sagicor USA**	**Head office & other**	**Total**
Investment portfolios	1,359,998	1,914,194	3,505,752	142,413	6,922,357
Lending portfolios	233,195	758,812	284,103	13,063	1,289,173
Cash	152,840	227,436	43,883	24,052	448,211
Reinsurance contract assets	23,761	10,937	481,868	-	516,566
Insurance contract assets	3,550	-	-	-	3,550
Receivables	16,108	31,947	3,142	10,275	61,472
Derivative financial assets	-	16	10,334	-	10,350
Total financial statement exposures	1,789,452	2,943,342	4,329,082	189,803	9,251,679
Lending commitments	21,203	96,020	-	54	117,277
Customer guarantees and letters of credit	-	36,985	-	-	36,985
Other	4,352	165	-	-	4,517
Total off financial statement exposures	25,555	133,170	-	54	158,779
Total	1,815,007	3,076,512	4,329,082	189,857	9,410,458

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.2 Credit risk exposure (continued)

For assets measured at FVTOCI or amortised cost, credit risk exposure is the gross carrying amount. For assets measured at FVTPL, the Group's credit risk exposure is the carrying amount. The components of investment and lending portfolios by accounting classification are summarised below by operating segment.

	2023					
	Sagicor Life	**Sagicor Jamaica**	**Sagicor USA**	**Sagicor Canada**	**Head office & other**	**Total**
Investment portfolios:						
Debt securities FVTOCI	157,872	899,598	420,010	-	1,188	1,478,668
Debt securities at amortised cost	69,564	62,323	-	-	3,890	135,777
Securities purchased for resale	-	13,361	-	-	-	13,361
Deposits at amortised cost	51,159	198,492	-	-	23,682	273,333
Money market funds FVTPL	12,691	-	24,441	164,198	2,449	203,779
Debt securities at FVTPL	1,231,814	794,031	3,421,527	5,383,341	6,802	10,837,515
	1,523,100	1,967,805	3,865,978	5,547,539	38,011	12,942,433
Lending portfolios:						
Mortgage loans at amortised cost	206,535	147,257	421,644	-	5,213	780,649
Finance loans at amortised cost	151	668,624	13,274	-	11,537	693,586
Mortgage loans at FVTPL	22,280	-	-	-	-	22,280
	228,966	815,881	434,918	-	16,750	1,496,515

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.2 Credit risk exposure (continued)

	2022 (restated)				
	Sagicor Life	Sagicor Jamaica	Sagicor USA	Head office & other	Total
Investment portfolios:					
Money market funds FVTPL	9,094	-	38,409	11,988	59,491
Debt securities FVTOCI	89,331	992,206	471,090	86,169	1,638,796
Debt securities at amortised cost	70,175	96,542	-	4,019	170,736
Securities purchased for resale	-	32,335	-	-	32,335
Deposits at amortised cost	58,345	33,855	-	27,594	119,794
Debt securities at FVTPL	1,133,053	759,256	2,996,253	12,643	4,901,205
	1,359,998	1,914,194	3,505,752	142,413	6,922,357
Lending portfolios:					
Mortgage loans at amortised cost	209,638	131,307	253,429	5,350	599,724
Finance loans at amortised cost	151	627,505	30,674	7,713	666,043
Mortgage loans at FVTPL	23,406	-	-	-	23,406
	233,195	758,812	284,103	13,063	1,289,173

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.2 Credit risk exposure – financial investments subject to impairment

Financial assets carried at amortised cost or FVTOCI are subject to credit impairment losses which are recognised in the statement of income. The following tables summarise the credit risk exposure of financial investments for which an ECL allowance is recognised. The gross carrying amounts of investments below represent the Group's maximum exposure to credit risk on these assets.

	2023				
	Performing		Impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities					
Investment grade	820,648	-	-	-	820,648
Non-investment grade	734,651	39,300	-	19,607	793,558
Watch	80	-	-	155	235
Non-rated	-	-	-	4	4
Total	1,555,379	39,300	-	19,766	1,614,445
Allowance for credit losses on assets measured at amortised cost	(208)	(297)	-	(15)	(520)
Allowance for credit losses on assets measured at FVTOCI	(627)	(627)	-	-	(1,254)
Total, net of allowance	1,554,544	38,376	-	19,751	1,612,671
Mortgage loans					
Investment grade	561,797	7,765	-	-	569,562
Non-investment grade	180,044	8,773	3,507	-	192,324
Watch	47	552	7,708	-	8,307
Default	-	-	10,456	-	10,456
Total	741,888	17,090	21,671	-	780,649
Allowance for credit losses on assets measured at amortised cost	(2,505)	(293)	(2,890)	-	(5,688)
Total, net of allowance	739,383	16,797	18,781	-	774,961
Finance loans					
Investment grade	15,059	-	-	-	15,059
Non-investment grade	651,302	17,142	580	-	669,024
Watch	-	-	8	-	8
Default	-	-	9,495	-	9,495
Total	666,361	17,142	10,083	-	693,586
Allowance for credit losses on assets measured at amortised cost	(4,727)	(713)	(5,731)	-	(11,171)
Total, net of allowance	661,634	16,429	4,352	-	682,415
Other invested assets					
Investment grade	46,136	-	-	-	46,136
Non-investment grade	226,953	-	-	-	226,953
Watch	12,690	371	-	-	13,061
Non-rated	544	-	-	-	544
Total	286,323	371	-	-	286,694
Allowance for credit losses on assets measured at amortised cost	(3,674)	(67)	-	-	(3,741)
Total, net of allowance	282,649	304	-	-	282,953

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.2 Credit risk exposure – financial investments subject to impairment (continued)

	2022 (restated)				
	Performing		Impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities					
Investment grade	941,991	-	-	-	941,991
Non-investment grade	823,620	23,188	10	19,883	866,701
Watch	80	-	-	178	258
Non-rated	574	-	-	8	582
Total	1,766,265	23,188	10	20,069	1,809,532
Allowance for credit losses on assets measured at amortised cost	(400)	(60)	-	(20)	(480)
Allowance for credit losses on assets measured at FVTOCI	(1,519)	(590)	-	-	(2,109)
Total, net of allowance	1,764,346	22,538	10	20,049	1,806,943
Mortgage loans					
Investment grade	374,973	25,176	2,474	-	402,623
Non-investment grade	163,832	6,903	135	-	170,870
Watch	1,033	1,106	11,563	-	13,702
Default	195	-	12,326	-	12,521
Total	540,033	33,185	26,498	-	599,716
Allowance for credit losses on assets measured at amortised cost	(1,705)	(631)	(3,750)	-	(6,086)
Total, net of allowance	538,328	32,554	22,748	-	593,630
Finance loans					
Investment grade	30,825	-	-	-	30,825
Non-investment grade	603,987	20,478	-	-	624,465
Watch	-	1,981	-	-	1,981
Default	-	-	8,772	-	8,772
Total	634,812	22,459	8,772	-	666,043
Allowance for credit losses on assets measured at amortised cost	(5,682)	(676)	(4,822)	-	(11,180)
Total, net of allowance	629,130	21,783	3,950	-	654,863
Other invested assets					
Investment grade	72,132	-	-	-	72,132
Non-investment grade	73,688	254	-	-	73,942
Watch	5,153	371	-	-	5,524
Non-rated	531	-	-	-	531
Total	151,504	625	-	-	152,129
Allowance for credit losses on assets measured at amortised cost	(3,293)	(71)	-	-	(3,364)
Total, net of allowance	148,211	554	-	-	148,765

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation, including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

The following tables contain analyses of the movement of total credit loss allowances in respect of financial investments subject to impairment.

ALLOWANCES FOR CREDIT LOSS

	2023					2022				
	Performing		Impaired	POCI	Total	Performing		Impaired	POCI	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
Balance at beginning of year	12,599	2,028	8,572	20	23,219	10,310	2,145	8,114	25	20,594
Provision for credit losses										
Transfers from:										
Stage 1 to stage 2	(186)	186	-	-	-	(235)	235	-	-	-
Stage 1 to stage 3	(238)	238	-	-	(454)	-	454	-	-	
Stage 2 to stage 1	477	(477)	-	-	438	(438)	-	-		
Stage 2 to stage 3	-	(61)	61	-	-	-	(75)	75	-	-
Stage 3 to stage 2	-	75	(75)	-	-	-	209	(209)	-	-
Stage 3 to stage 1	66	-	(66)	-	-	523	-	(523)	-	-
Purchases	3,700	-	-	-	3,700	3,318	-	-	-	3,318
Sales & maturities	(2,065)	(89)	(1,334)	-	(3,488)	(1,128)	(233)	(2,645)	-	(4,006)
Write-offs	-	-	-	-	-	-	-	(77)	-	(77)
Changes in ECL inputs, models and / or assumptions	(2,469)	335	1,339	(5)	(800)	(283)	192	3,296	(5)	3,200
Exchange rate and other	(143)	-	(114)	-	(257)	110	(7)	87	-	190
Balance at end of year	11,741	1,997	8,621	15	22,374	12,599	2,028	8,572	20	23,219

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

CREDIT EXPOSURE

	2023				
	Performing		Impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities - FVTOCI					
Gross value	1,451,209	17,427	-	10,032	1,478,668
Loss allowance	(627)	(627)	-	-	(1,254)
Net value	1,450,582	16,800	-	10,032	1,477,414
Debt securities - amortised cost					
Gross value	104,170	21,873	-	9,734	135,777
Loss allowance	(208)	(297)	-	(15)	(520)
Net value	103,962	21,576	-	9,719	135,257
Mortgage loans					
Gross value	741,888	17,090	21,671	-	780,649
Loss allowance	(2,505)	(293)	(2,890)	-	(5,688)
Net value	739,383	16,797	18,781	-	774,961
Finance loans					
Gross value	666,361	17,142	10,083	-	693,586
Loss allowance	(4,727)	(713)	(5,731)	-	(11,171)
Net value	661,634	16,429	4,352	-	682,415
Securities purchased for resale					
Gross value	13,361	-	-	-	13,361
Loss allowance	-	-	-	-	-
Net value	13,361	-	-	-	13,361
Deposits					
Gross value	272,962	371	-	-	273,333
Loss allowance	(3,674)	(67)	-	-	(3,741)
Net value	269,288	304	-	-	269,592

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

CREDIT EXPOSURE (continued)

	2022				
	Performing		Impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities - FVTOCI					
Gross value	1,613,000	15,858	-	9,938	1,638,796
Loss allowance	(1,519)	(590)	-	-	(2,109)
Net value	1,611,481	15,268	-	9,938	1,636,687
Debt securities - amortised cost					
Gross value	153,265	7,330	10	10,131	170,736
Loss allowance	(400)	(60)	-	(20)	(480)
Net value	152,865	7,270	10	10,111	170,256
Mortgage loans					
Gross value	540,041	33,185	26,498	-	599,724
Loss allowance	(1,705)	(631)	(3,750)	-	(6,086)
Net value	538,336	32,554	22,748	-	593,638
Finance loans					
Gross value	634,812	22,459	8,772	-	666,043
Loss allowance	(5,682)	(676)	(4,822)	-	(11,180)
Net value	629,130	21,783	3,950	-	654,863
Securities purchased for resale					
Gross value	32,335	-	-	-	32,335
Loss allowance	-	-	-	-	-
Net value	32,335	-	-	-	32,335
Deposits					
Gross value	119,169	625	-	-	119,794
Loss allowance	(3,293)	(71)	-	-	(3,364)
Net value	115,876	554	-	-	116,430

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment

(a) Economic variable assumptions

The macroeconomic indicators for all sectors were maintained and continue to produce regressions which reasonably explain the relationship between the respective default rates and the macroeconomic variables.

The GBP USD and NZD USD currency pairs continue to enhance the explanation of the default rates in the respective sectors. This is considered critical given that currency risk and sovereign risk vary between currency pairs. Currency shocks can have adverse implications on companies leading to their inability to meet debt service obligations.

In addition to the currency pairs, it is noted that market indices such as the S&P 500 Financial Index and the Dow Jones Industrial Average Index have demonstrated a stronger correlation to the performance of Sagicor's investments in the financial and industrial sectors.

In summary, the variables utilised have maintained the model's robustness in promoting a reliable and supportable fit between the default rate and the macroeconomic variables.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

(a) Economic variable assumptions (continued)

Sagicor has selected seven economic factors which provide the overall macroeconomic environment in considering forward-looking information for base, upside and downside forecasts. These are as follows:

	As of December 31, 2023			As of December 31, 2022		
	2024	2025	2026	2023	2024	2025
GDP Growth (USA)						
Base	1.9%	1.5%	1.8%	0.9%	1.6%	1.5%
Upside	1.9%	1.5%	1.8%	0.9%	1.6%	1.5%
Downside	-1.6%	2.4%	3.9%	-1.0%	2.9%	3.2%
World GDP						
Base	2.9%	3.2%	3.2%	2.7%	3.2%	3.4%
Upside	4.5%	4.9%	4.9%	4.1%	4.8%	5.1%
Downside	2.1%	2.4%	2.4%	1.9%	2.3%	2.4%
WTI Oil Prices/10						
Base	$7.17	$6.82	$6.53	$7.73	$7.25	$6.86
Upside	$13.11	$12.47	$11.94	$9.35	$9.35	$9.35
Downside	$2.78	$2.65	$2.54	$3.14	$2.95	$2.79

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

(a) Economic variable assumptions (continued)

	As of December 31, 2023			As of December 31, 2022		
	2024	**2025**	**2026**	**2023**	**2024**	**2025**
DOW Jones Industrial Average Index EPS						
Base	$2,055.53	$2,281.45	$2,496.78	$1,820.84	$2,014.89	$2,233.13
Upside	$3,405.85	$3,780.18	$4,136.96	$3,052.22	$3,377.50	$3,743.33
Downside	$1,198.18	$1,329.87	$1,455.38	$1,059.05	$1,171.92	$1,298.85
S&P 500 Financial Index - EPS						
Base	$42.40	$45.93	$45.23	$39.66	$47.06	$51.64
Upside	$67.56	$73.18	$72.08	$63.68	$75.56	$82.91
Downside	$27.10	$29.35	$28.91	$25.90	$30.74	$33.73
GBP/USD						
Base	$1.27	$1.28	$1.28	$1.22	$1.21	$1.21
Upside	$1.38	$1.44	$1.49	$1.35	$1.41	$1.45
Downside	$1.17	$1.12	$1.07	$1.08	$1.02	$0.96
NZD/USD						
Base	$0.63	$0.63	$0.63	$0.63	$0.63	$0.62
Upside	$0.70	$0.72	$0.74	$0.72	$0.74	$0.76
Downside	$0.56	$0.53	$0.51	$0.55	$0.51	$0.48

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

(a) Economic variable assumptions (continued)

Sagicor's lending operations in Barbados, Trinidad, and Jamaica have limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

As of December 31, 2023				
	Expected state for the next 12 months	**Scenario**		
		Barbados	**Trinidad**	**Jamaica**
Unemployment rate	Base	Negative	Negative	Stable
	Upside	Stable	Stable	Stable
	Downside	Super Negative	Super Negative	Negative
GDP growth	Base	Negative	Negative	n/a
	Upside	Stable	Stable	n/a
	Downside	Super Negative	Super Negative	n/a
Interest rate	Base	n/a	n/a	Stable
	Upside	n/a	n/a	Positive
	Downside	n/a	n/a	Stable

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

(a) Economic variable assumptions (continued)

As of December 31, 2022

	Expected state for the next 12 months	**Scenario**		
		Barbados	**Trinidad**	**Jamaica**
Unemployment rate	Base	Negative	Negative	Stable
	Upside	Stable	Stable	Stable
	Downside	Super Negative	Super Negative	Negative
GDP growth	Base	Negative	Negative	n/a
	Upside	Stable	Stable	n/a
	Downside	Super Negative	Super Negative	n/a
Interest rate	Base	n/a	n/a	Stable
	Upside	n/a	n/a	Positive
	Downside	n/a	n/a	Stable

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

(b) Significant increase in credit risk (SICR)

The ECL impact of a SICR for debt securities has been estimated as follows:

SICR criteria (see note 3.1)	**Actual threshold applied**	**Change in threshold**	**ECL impact of change in threshold**
			2023
Investments	2-notch downgrade since origination	1-notch downgrade since origination	288

The staging for lending products is based primarily on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

(b) Loss given default (LGD)

From the inception of IFRS 9, the Group has used the LGD for sovereigns as provided by Moody's. The LGD in Moody's current report represents the losses derived using the average trading prices method. Due to the limited trading activity of sovereign debt in our portfolio which require ECL calculations, we do not believe it is appropriate to use the average trading price method. An analysis of this calculation shows that this LGD includes losses for places such as Greece, Russia and African countries and does not truly reflect a Caribbean experience.

Sagicor Life Inc's sovereign exposure is primarily in the Caribbean region where bond markets are very thinly traded. For this reason, an internal valuation method is used to produce reasonable fixed income prices. This methodology is essentially a discounted cash flow exercise and these valuations form part of our requisite disclosures for financial reporting purposes.

Using Moody's NPV method results in a loss given default (LGD) of approximately 35% regardless of the inclusion of members of CARICOM solely or all global defaults. Furthermore, Barbados, the most recent defaulted bond issuer in the Caribbean suffered a maximum loss of approximately 36% on the restructured domestic debt which is in line with the LGD using the NPV method.

In light of the above, we adopted the NPV method for determining the LGD for Caribbean Sovereigns and reduced the LGD to 35% as derived from the calculation.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.3 Credit impairment losses – financial investments subject to impairment (continued)

The ECL impact of changes in LGD rates is summarised as follows:

	2023			
	LGD		ECL impact of	
Debt securities	Rate applied	Change in rate	increase in value	decrease in value
Corporate	53%	(- /+ 5) %	254	(254)
Sovereign, excluding Barbados and Jamaica	35%	(- /+ 5) %	103	(103)
Sovereign – Barbados, excluding BAICO bonds	17%	(- /+ 5) %	1	(1)
Sovereign - Jamaica	15%	(- /+ 5) %	275	(275)

(d) Scenario design

The weightings assigned to each economic scenario as at December 31, 2023 are set out in the following table. These weightings are unchanged from the prior year.

	Base	Upside	Downside
Sagicor Life portfolios	80%	10%	10%
Sagicor Jamaica portfolios	80%	10%	10%
Sagicor Life USA	80%	10%	10%

The results of varying the upside and downside scenarios are as follows:

	Base – 80% Upside – 5% Downside – 15%	Base – 80% Upside – 15% Downside – 5%
	Increase in ECL	Decrease in ECL
	2023	2023
Debt securities	138	(138)
Lending products	32	(41)

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.4 Gross Carrying Values – reinsurance assets exposure

(a) Reinsurance asset – Sagicor USA

The reinsurance asset for recovery of incurred claims, is secured by assets held in a trust. The fair value of the trust assets compared to the carrying value of the reinsurance asset is as follows:

	2023	2022 (restated)
Fair value of trust assets	327,138	460,586
Carrying value of reinsurance asset	(292,817)	(394,149)
	34,321	66,437

(b) Reinsurance asset – Sagicor Canada

The reinsurance asset for recovery of incurred claims, is secured by assets held in a trust. The fair value of the trust assets compared to the carrying value of the reinsurance asset is as follows:

	2023
Fair value of trust assets	933,532
Carrying value of reinsurance asset	(2,961,750)
	(2,028,218)

36.5 Liquidity risk

Liquidity risk is the exposure that the Group may encounter difficulty in meeting obligations associated with financial or insurance liabilities that are settled by cash or by another financial asset, as a result of the inability to generate sufficient cash or its equivalents in a timely and cost-effective way. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns and from mismatches in the timing and value of on-balance sheet or off-balance sheet cash flows.

Asset liability matching is a tool used by the Group to mitigate liquidity risks, particularly in operations with significant maturing short-term liabilities. For long-term insurance contracts, the Group has adopted a policy of investing in assets with cash flow characteristics that closely match the cash flow characteristics of its expected future cash flows. The primary purpose of this matching is to ensure that cash flows from these assets are synchronised with the timing and the amounts of payments that must be paid to policyholders.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.5 Liquidity risk (continued)

Group companies monitor cash inflows and outflows in each operating currency. Through experience and monitoring, the Group is able to maintain sufficient liquid resources to meet current obligations. Following are maturity analyses showing the net cash flows for insurance contracts issued and reinsurance contracts held.

(a) Insurance and reinsurance contract liabilities

Expected discounted cash flows which have been estimated by actuarial or other statistical methods are analysed based on maturity for insurance and reinsurance contract liabilities in the following table.

	Expected discounted cash flows						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years	Total
2023							
Reinsurance contract liabilities	(189)	1,639	1,447	1,081	805	28,004	32,787
Insurance contract liabilities	488,210	397,437	398,983	464,599	604,904	10,133,085	12,487,218
Total	488,021	399,076	400,430	465,680	605,709	10,161,089	12,520,005
2022							
Reinsurance contract liabilities	(1,612)	1,212	602	417	460	41,602	42,681
Insurance contract liabilities	620,153	408,990	484,415	390,427	350,504	2,960,066	5,214,555
Total	618,541	410,202	485,017	390,844	350,964	3,001,668	5,257,236

Amounts payable on demand

Amounts payable on demand, totalling $75,973 and $352 (2022 – nil and nil) for insurance and reinsurance contract liabilities respectively, relate to policy cash surrender values.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.5 Liquidity risk (continued)

(b) Financial liabilities and commitments

Contractual cash flow obligations of the Group in respect of its financial liabilities and commitments are summarised in the following table. Amounts are analysed by their earliest contractual maturity dates and consist of the contractual un-discounted cash flows. Where the interest rate of an instrument for a future period has not been determined as of the date of the financial statements, it is assumed that the interest rate then prevailing continues until final maturity.

	2023 - Contractual un-discounted cash flows			
	On demand or within 1 year	**1 to 5 years**	**After 5 years**	**Total**
Financial liabilities:				
Accounts payable and accrued liabilities	285,705	3,183	4,670	293,558
Investment contract liabilities	385,236	87,642	21,110	493,988
Deposit and security liabilities:				
Bank overdrafts	2,153	-	-	2,153
Derivative financial instruments	538	-	-	538
Securities sold for repurchase	625,512	41,060	-	666,572
Customer deposits	1,080,820	3,269	134	1,084,223
Other funding instruments	517,290	262,899	1,714,426	2,494,615
Lease liabilities	10,294	25,714	18,889	54,897
Notes and loans payable	207,052	1,026,008	-	1,233,060
Total financial liabilities	3,114,600	1,449,775	1,759,229	6,323,604
Off financial statement commitments:				
Loan commitments	108,134	12,610	5,871	126,615
Non-cancellable lease and rental payments	216	-	-	216
Customer guarantees and letters of credit	30,804	29	9,779	40,612
Investment and investment management fees	229	-	-	229
Total off financial statement commitments	139,383	12,639	15,650	167,672
Total	3,253,983	1,462,414	1,774,879	6,491,276

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.5 Liquidity risk (continued)

(b) Financial liabilities and commitments (continued)

	2022 (restated) - Contractual un-discounted cash flows			
	On demand or within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities:				
Accounts payable and accrued liabilities	197,423	360	-	197,783
Investment contract liabilities	390,190	78,498	24,106	492,794
Deposit and security liabilities:				
Bank overdrafts	1,737	-	-	1,737
Derivative financial instruments	16	-	-	16
Securities sold for repurchase	647,429	13,754	-	661,183
Structured products	4,369	-	-	4,369
Customer deposits	990,621	2,220	3	992,844
Other funding instruments	535,070	13,398	10,137	558,605
Lease liabilities	8,474	17,296	23,850	49,620
Notes and loans payable	113,821	148,523	564,575	826,919
Total financial liabilities	2,889,150	274,049	622,671	3,785,870
Off financial statement commitments:				
Loan commitments	99,944	16,710	625	117,279
Non-cancellable lease and rental payments	165	-	-	165
Customer guarantees and letters of credit	21,107	5,889	9,989	36,985
Investment and investment management fees	4,353	-	-	4,353
Capital commitments	3,579	-	-	3,579
Total off financial statement commitments	129,148	22,599	10,614	162,361
Total	3,018,298	296,648	633,285	3,948,231

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.5 Liquidity risk (continued)

(c) Reinsurance and insurance contract assets

The expected maturity periods of reinsurance and insurance contract assets are summarised in the following table. Amounts are stated at their carrying values recognised in the financial statements.

	Expected discounted cash flows						
	Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**After 5 years**	**Total**
2023							
Reinsurance contract assets	181,354	86,199	78,627	67,961	66,370	1,548,312	2,028,823
Insurance contract assets	(1,398)	(17)	-	6	1	1,228	(180)
Total	179,956	86,182	78,627	67,967	66,371	1,549,540	2,028,643
2022							
Reinsurance contract assets	87,244	64,731	55,517	45,192	38,246	159,260	450,190
Insurance contract assets	2,729	3,036	2,809	2,512	2,260	6,395	19,741
Total	89,973	67,767	58,326	47,704	40,506	165,655	469,931

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Liquidity risk (continued)

(d) Financial assets

The contractual maturity periods of monetary financial assets are summarised in the following table. Amounts are stated at their carrying values recognised in the financial statements.

	2023 – Contractual or expected discounted cash flows			
	Maturing within 1 year	**Maturing 1 to 5 years**	**Maturing after 5 years**	**Total**
Cash resources	582,206	-	-	582,206
Derivative financial instruments	17,064	-	-	17,064
Deposits	259,310	10,282	-	269,592
Securities purchased for resale	13,361	-	-	13,361
Finance loans	225,804	283,027	173,584	682,415
Mortgage loans	44,562	194,492	558,187	797,241
Money market funds	203,619	-	160	203,779
Debt securities	1,716,433	2,091,665	8,619,492	12,427,590
Other assets and accounts receivable	134,881	348	-	135,229
Total	3,197,240	2,579,814	9,351,423	15,128,477

	2022 (restated) – Contractual or expected discounted cash flows			
	Maturing within 1 year	**Maturing 1 to 5 years**	**Maturing after 5 years**	**Total**
Cash resources	448,211	-	-	448,211
Derivative financial instruments	10,350	-	-	10,350
Deposits	116,051	379	-	116,430
Securities purchased for resale	32,335	-	-	32,335
Finance loans	199,320	282,529	173,014	654,863
Mortgage loans	46,908	191,360	378,768	617,036
Money market funds	59,491	-	-	59,491
Debt securities	973,318	1,523,134	4,115,447	6,611,899
Other assets and accounts receivable	62,484	488	-	62,972
Total	1,948,468	1,997,890	4,667,229	8,613,587

36. FINANCIAL RISK (continued)

36.6 Interest rate risk

The Group is exposed to interest rate risks. Cash flow interest rate risk is the risk that future cash flows of a financial instrument or an insurance contract will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The occurrence of an adverse change in interest rates on invested assets may result in financial loss to the Group in fulfilling the contractual returns on insurance and financial liabilities.

The return on investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

Guaranteed minimum returns exist within cash values of long-term traditional insurance contracts, long-term universal life insurance contracts, annuity options, deposit administration liabilities and policy funds on deposit. Where the returns credited exceed the guaranteed minima, the insurer usually has the option to adjust the return from period to period. For other financial liabilities, returns are usually contractual and may only be adjusted on contract renewal or contract re-pricing.

The Group is therefore exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase or decrease as a result of such changes. Interest rate changes may also result in losses if asset and liability cash flows are not closely matched with respect to timing and amount.

The Group is exposed to risk under embedded derivatives contained in a host insurance contract. These risks include exposures to investment returns which may produce losses to the insurer arising from the following contract features:

- minimum annuity rates which are guaranteed to be applied at some future date;
- minimum guaranteed death benefits which are applicable when the performance of an interest-bearing or unit linked fund falls below expectations;
- minimum guaranteed returns in respect of cash values and universal life investment accounts.

The Group manages its interest rate risk by various measures including, where feasible, the selection of assets which best match the maturity of liabilities; the offering of investment contracts which match the maturity profile of assets; the re-pricing of interest rates on loans receivable; policy contracts and financial liabilities in response to market changes. In certain Caribbean markets, where availability of suitable investments is often a challenge, the Group holds many of its fixed-rate debt securities to maturity and therefore mitigates the transient interest rate changes in these markets.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

The table following summarises the exposures to interest rates on the Group's monetary financial liabilities. It includes liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	2023				
	Exposure within 1 year	Exposure 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
Accounts payable and accrued liabilities	54,297	348	-	239,137	293,782
Investment contract liabilities	379,050	81,451	17,295	62	477,858
Deposit and security liabilities:					
Bank overdrafts	2,153	-	-	-	2,153
Derivative financial instruments	-	-	-	538	538
Securities sold for repurchase	479,119	181,181	-	220	660,520
Customer deposits	1,042,988	7,508	74	15,873	1,066,443
Other funding instruments	445,046	4,213	5,998	765,519	1,220,776
Lease liabilities	6,938	13,535	8,998	8,516	37,987
Notes and loans payable	125,857	815,543	-	4,266	945,666
Total	2,535,448	1,103,779	32,365	1,034,131	4,705,723

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

	2022				
	Exposure within 1 year	Exposure 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
Accounts payable and accrued liabilities	32,711	356	-	165,514	198,581
Investment contract liabilities	380,945	62,271	29,015	66	472,297
Deposit and security liabilities:					
Bank overdrafts	1,569	-	-	168	1,737
Derivative financial instruments	16	-	-	-	16
Securities sold for repurchase	641,739	12,808	-	201	654,748
Structured products	4,346	-	-	-	4,346
Customer deposits	976,197	1,998	2	3,376	981,573
Other funding instruments	486,954	44,810	5,993	2,094	539,851
Lease liabilities	7,023	13,098	11,772	1,401	33,294
Notes and loans payable	68,100	28,853	535,421	161	632,535
Total	2,599,600	164,194	582,203	172,981	3,518,978

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

The Group's exposure to insurance and reinsurance contract liabilities which are sensitive to interest rate risk is categorised based on expected maturities. These liabilities are stated at carrying amounts as follows:

	2023				
	Exposure within 1 year	Exposure 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
Reinsurance contract liabilities	(1,151)	4,914	27,474	(16,437)	14,800
Insurance contract liabilities	331,751	1,843,376	10,141,417	3,415,670	15,732,214
Total	330,600	1,848,290	10,168,891	3,399,233	15,747,014

	2022				
	Exposure within 1 year	Exposure 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
Reinsurance contract liabilities	2,263	5,494	33,872	(10,183)	31,446
Insurance contract liabilities	426,993	1,770,326	3,551,059	500,216	6,248,594
Total	429,256	1,775,820	3,584,931	490,033	6,280,040

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

The Group's exposure to insurance and reinsurance assets which are sensitive to interest rate risk is categorised based on expected maturities. These assets are stated at carrying amounts as follows:

	2023				
	Exposure within 1 year	Exposure 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
Reinsurance contract assets	165,401	302,764	1,544,275	1,200,459	3,212,899
Insurance contract assets	(84)	(9)	1,228	138	1,273
Total	165,317	302,755	1,545,503	1,200,597	3,214,172

	2022				
	Exposure within 1 year	Exposure 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
Reinsurance contract assets	82,851	224,174	173,067	36,474	516,566
Insurance contract assets	8,651	28,377	(14,672)	(18,806)	3,550
Total	91,502	252,551	158,395	17,668	520,116

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

The following table summarises the exposures to interest rate and reinvestment risks of the Group's monetary financial assets. Assets are stated at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	2023				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Money market funds	203,779	-	-	-	203,779
Debt securities	1,669,069	2,061,675	8,567,060	129,786	12,427,590
Equity securities	-	-	-	2,614,069	2,614,069
Mortgage loans	184,263	177,726	430,809	4,443	797,241
Finance loans	650,486	20,209	9,175	2,545	682,415
Securities purchased for resale	13,256	-	-	105	13,361
Deposits	252,683	15,989	357	563	269,592
Derivative financial instruments	-	-	-	17,064	17,064
Other assets and accounts receivable	13,498	348	-	121,383	135,229
Cash resources	146,642	703	-	434,861	582,206
Total	3,133,676	2,276,650	9,007,401	3,324,819	17,742,546

	2022 (restated)				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Money market funds	59,490	-	-	1	59,491
Debt securities	898,209	1,503,443	4,098,685	111,562	6,611,899
Equity securities	-	-	-	765,999	765,999
Mortgage loans	172,124	175,128	265,903	3,881	617,036
Finance loans	612,358	30,689	9,493	2,323	654,863
Securities purchased for resale	32,098	-	-	237	32,335
Deposits	111,199	4,395	507	329	116,430
Derivative financial instruments	16	-	-	10,334	10,350
Other assets and accounts receivable	11,404	488	-	51,080	62,972
Cash resources	124,474	-	-	323,737	448,211
Total	2,021,372	1,714,143	4,374,588	1,269,483	9,379,586

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

The table below summarises the average interest yields on financial investments and liabilities held during the year.

	2023	2022
Financial investments carried at FVTOCI and amortised cost:		
Debt securities	6.3%	5.8%
Mortgage loans	6.3%	5.6%
Finance loans	10.8%	10.3%
Securities purchased for resale	3.2%	4.2%
Deposits	3.0%	1.1%
Financial liabilities carried at amortised cost:		
Investment contract liabilities	4.2%	3.1%
Notes and loans payable	7.0%	6.0%
Other funding instruments	5.6%	2.0%
Deposits	1.7%	1.0%
Securities sold for repurchase	4.7%	3.6%

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.6 Interest rate risk (continued)

Sensitivity

Sensitivity to interest rate risk is considered by operating subsidiaries. The Group's property and casualty operations are not exposed to a significant degree of interest rate risk, since the majority of their interest-bearing instruments have short-term maturities. The effects of changes in interest rates are disclosed in the following tables.

The following table sets out the potential immediate impacts on, or sensitivity of, the contractual service margin (pre-tax), net income (pre-tax), and other comprehensive income to certain changes in the specific market variable at December 31, 2023. The analysis is based on an instantaneous change in the specific market variables while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions might be correlated.

2023 (pre-tax)	Impact from interest rate movements on:		
	Contractual service margin (net)	Net income	Other comprehensive income
50 basis points increase	4,546	(29,242)	(31,408)
50 basis points decrease	(5,707)	(23,155)	33,984

36.7 Foreign exchange risk

The Group is exposed to foreign exchange risk as a result of fluctuations in exchange rates as its financial assets and liabilities, and insurance and reinsurance contracts, are denominated in different currencies.

In order to manage the risk associated with movements in currency exchange rates, the Group seeks to maintain investments and cash in each operating currency, which are sufficient to match liabilities denominated in the same currency. Exceptions are made to invest amounts in United States dollar assets which are held to back liabilities in Caribbean currencies. Management considers that these assets diversify the range of investments available in the Caribbean, and in the long-term are likely to either maintain capital value and/or provide satisfactory returns.

For the Sagicor Canada segment, all non-Canadian financial exposures are reported as Canadian exposure as the direct foreign currency risk is passed through to the policyholders.

36. FINANCIAL RISK (continued)

36.7 Foreign exchange risk (continued)

Assets and liabilities by currency are summarised in the following tables.

2023	US $000 equivalents of balances denominated in							
	Barbados $	Jamaica $	Trinidad $	US $	Canada [3] $	Eastern Caribbean $	Other Currencies	Total
ASSETS								
Cash resources	33,846	113,258	28,469	301,955	41,132	11,588	51,958	582,206
Financial investments [1]	366,761	1,625,197	799,147	5,831,186	5,549,707	124,873	114,171	14,411,042
Reinsurance contract assets [1]	(26)	9,213	5,726	349,043	2,840,736	-	8,207	3,212,899
Insurance contract assets	-	50	-	(45)	-	54	1,214	1,273
Receivables [1]	10,864	21,590	4,055	20,938	71,970	4,942	2,167	136,526
Segregated funds assets	-	-	-	-	492,271	-	-	492,271
Total monetary assets	411,445	1,769,308	837,397	6,503,077	8,995,816	141,457	177,717	18,836,217
Other assets [2]	215,467	524,118	70,681	639,405	2,082,511	12,120	4,367	3,548,669
Total assets	626,912	2,293,426	908,078	7,142,482	11,078,327	153,577	182,084	22,384,886
LIABILITIES								
Accounts payable and accruals	42,336	104,793	26,540	72,224	31,104	10,986	5,586	293,569
Provisions	18,493	25,413	17,711	1,720	10,050	-	7,090	80,477
Investment contracts	23,668	88,891	180,530	108,662	9,102	55,644	11,361	477,858
Reinsurance contract liabilities	3,017	1,905	(231)	5,221	73	-	4,815	14,800
Insurance contract liabilities	625,327	559,765	681,807	4,750,597	8,867,256	94,872	152,590	15,732,214
Deposit and security liabilities	34,407	933,172	71,921	1,113,947	770,886	14,186	11,911	2,950,430
Lease liabilities	1,134	13,895	461	13,588	8,393	28	488	37,987
Notes and loans payable	36,092	43,555	-	866,019	-	-	-	945,666
Insurance contract liabilities on account of segregated fund policyholders	-	-	-	-	492,271	-	-	492,271
Total monetary liabilities	784,474	1,771,389	978,739	6,931,978	10,189,135	175,716	193,841	21,025,272
Other liabilities [2]	814	9,003	1,831	-	16,560	1,352	1,033	30,593
Total liabilities	785,288	1,780,392	980,570	6,931,978	10,205,695	177,068	194,874	21,055,865
Net position	(158,376)	513,034	(72,492)	210,504	872,632	(23,491)	(12,790)	1,329,021

[1] Monetary balances only

[2] Non-monetary balances, income tax balances and retirement plan assets

[3] Includes net US$ position of $731,690

36. FINANCIAL RISK (continued)

36.7 Foreign exchange risk (continued)

2022 (restated)	US $000 equivalents of balances denominated in							
	Barbados $	Jamaica $	Trinidad $	US $	Canada $	Eastern Caribbean $	Other Currencies	Total
ASSETS								
Cash resources	18,983	82,812	67,723	202,803	2,957	9,020	63,913	448,211
Financial investments [(1)]	340,556	1,471,443	710,385	5,344,360	1,824	126,510	107,326	8,102,404
Reinsurance contract assets [(1)]	3,698	5,954	973	498,466	(86)	3,329	4,232	516,566
Insurance contract assets	-	-	-	-	-	3,550	-	3,550
Receivables[(1)]	7,352	21,600	2,813	27,234	-	4,960	122	64,081
Total monetary assets	370,589	1,581,809	781,894	6,072,863	4,695	147,369	175,593	9,134,812
Other assets [(2)]	237,984	498,859	84,122	650,136	-	16,348	(885)	1,486,564
Total assets	608,573	2,080,668	866,016	6,722,999	4,695	163,717	174,708	10,621,376
LIABILITIES								
Accounts payable and accruals	40,673	74,625	19,118	49,173	-	10,812	3,388	197,789
Provisions	17,778	19,870	16,008	2,334	-	664	9,042	65,696
Investment contracts	25,739	85,391	174,418	114,998	-	61,338	10,413	472,297
Reinsurance contract liabilities	6,310	-	15,865	3,186	-	162	5,923	31,446
Insurance contract liabilities	576,168	548,437	651,741	4,249,031	963	86,538	135,716	6,248,594
Deposit and security liabilities	529	847,121	76,789	1,225,462	3	15,165	17,202	2,182,271
Lease liabilities	1,426	14,196	136	16,948	-	-	588	33,294
Notes and loans payable	35,979	34,522	-	562,034	-	-	-	632,535
Total monetary liabilities	704,602	1,624,162	954,075	6,223,166	966	174,679	182,272	9,863,922
Other liabilities [(2)]	1,536	15,315	1,773	1	-	1,374	1,031	21,030
Total liabilities	706,138	1,639,477	955,848	6,223,167	966	176,053	183,303	9,884,952
Net position	(97,565)	441,191	(89,832)	499,832	3,729	(12,336)	(8,595)	736,424

[(1)] Monetary balances only

[(2)] Non-monetary balances, income tax balances and retirement plan assets

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.7 Foreign exchange risk (continued)

The Group is exposed to currency risk in its operating currencies for which values have noticeably fluctuated against the United States dollar (USD).

The exposure to currency risk may result in three types of risk, namely:

- Currency risk relating to the future cash flows of monetary balances

This occurs when a monetary balance is denominated in a currency other than the functional currency of the reporting unit to which it belongs. In this instance, a change in currency exchange rates results in the monetary balances being retranslated at the date of the financial statements and the exchange gain or loss is taken to income (note 23).

- Currency risk of reported results of foreign operations

This occurs when a reporting unit's functional currency depreciates or appreciates in value when retranslated to USD, which is the Group's presentational currency. In this instance, the conversion of the reporting unit's results at a different rate of exchange results in either less or more income being consolidated in the Group's income statement.

- Currency risk of the Group's investment in foreign operations

This occurs when a reporting unit's functional currency depreciates or appreciates in value when retranslated to the USD, which is the Group's presentational currency. In this instance, the conversion of the reporting unit's assets and liabilities at a different rate of exchange results in a currency loss or gain which is recorded in the currency translation reserve (note 20). If the reporting unit is disposed of, either wholly or in part, then the corresponding accumulated loss or gain in the currency translation reserve would be transferred to income or retained earnings.

The operating currencies for which value noticeably fluctuates against the USD are the Jamaica dollar (JMD), the Trinidad dollar (TTD) and the Canadian dollar (CAD) (Note 2.4).

Exchange rates of the other principal operating currencies to the US dollar are set out in the following table.

Currency exchange rate of US $1.00:	**2023 Closing Rate**	**2023 Average Rate**	**2022 Closing Rate**	**2022 Average Rate**
Barbados dollar	2.0000	2.0000	2.0000	2.0000
Canadian dollar	1.3226	1.3658	1.3492	1.2923
Eastern Caribbean dollar	2.7000	2.7000	2.7000	2.7000
Jamaica dollar	154.2680	153.5318	151.0082	153.2954
Trinidad & Tobago dollar	6.7158	6.7396	6.7414	6.7402

36.8 Fair value of financial instruments

The fair value of financial instruments is measured according to a fair value hierarchy which reflects the significance of market inputs in the valuation. This hierarchy is described and discussed in sections (i) to (iii) below.

(i) *Level 1 – unadjusted quoted prices in active markets for identical instruments*

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(ii) *Level 2 – inputs that are observable for the instrument, either directly or indirectly*

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

In estimating the fair value of non-traded financial assets, the Group uses a variety of methods such as obtaining dealer quotes and using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are discounted at market derived rates for government securities in the same country of issue as the security; for non-government securities, an interest spread is added to the derived rate for a similar government security rate according to the perceived additional risk of the non-government security.

In assessing the fair value of non-traded financial liabilities, the Group uses a variety of methods including obtaining dealer quotes for specific or similar instruments and the use of internally developed pricing models, such as the use of discounted cash flows. If the non-traded liability is backed by a pool of assets, then its value is equivalent to the value of the underlying assets.

(iii) *Level 3 – inputs for the instrument that are not based on observable market data*

A financial instrument is classified as Level 3 if:

- The fair value is derived from quoted prices of similar instruments that are observable and which would be classified as Level 2; or
- The fair value is derived from inputs that are not based on observable market data.

Level 3 assets designated at FVTPL include mortgage loans, debt securities and equities for which the full income return and capital returns accrue to holders of unit linked policy and deposit administration contracts. These assets are valued with inputs other than observable market data.

The techniques and methods described in the preceding section (ii) for non-traded financial assets and liabilities may also be used in determining the fair value of Level 3 instruments.

Amounts expressed in US $000

36.8 FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

The results of applying the fair value hierarchy to the Group's financial instruments are set out in the tables below:

(a) Financial instruments carried at fair value

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
FVTOCI investments:				
Debt securities	232,357	1,120,671	101,790	1,454,818
Equity securities	375	-	189	564
	232,732	1,120,671	101,979	1,455,382
FVTPL investments:				
Money market funds	29,645	174,134	-	203,779
Debt securities	152,850	9,629,900	1,054,765	10,837,515
Equity securities	2,038,204	541,004	34,297	2,613,505
Derivative financial instruments	-	155	16,909	17,064
Mortgage loans	-	-	22,280	22,280
	2,220,699	10,345,193	1,128,251	13,694,143
Total assets	2,453,431	11,465,864	1,230,230	15,149,525
Total assets by percentage	16%	76%	8%	100%
FVTPL investment contracts:				
Unit linked deposit administration liabilities	-	-	165,562	165,562
FVTPL deposit and security liabilities:				
Derivative financial instruments	-	538	-	538
Total liabilities	-	538	165,562	166,100
Total liabilities by percentage	-	-	100%	100%

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

(a) Financial instruments carried at fair value (continued)

	2022 (restated)			
	Level 1	**Level 2**	**Level 3**	**Total**
FVTOCI investments:				
Debt securities	236,835	1,218,896	84,707	1,540,438
Equity securities	331	-	40	371
	237,166	1,218,896	84,747	1,540,809
FVTPL investments:				
Money market funds	38,864	20,627	-	59,491
Debt securities	130,311	3,808,879	962,015	4,901,205
Equity securities	177,116	554,593	33,919	765,628
Derivative financial instruments	-	16	10,334	10,350
Mortgage loans	-	-	23,406	23,406
	346,291	4,384,115	1,029,674	5,760,080
Total assets	583,457	5,603,011	1,114,421	7,300,889
Total assets by percentage	8%	77%	15%	100%
FVTPL investment contracts:				
Unit linked deposit administration liabilities	-	-	159,681	159,681
FVTPL deposit and security liabilities:				
Structured products	-	-	4,346	4,346
Derivative financial instruments	-	-	16	16
	-	-	4,362	4,362
Total liabilities	-	-	164,043	164,043
Total liabilities by percentage	-	-	100%	100%

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.9 Fair value of financial instruments (continued)

(a) Financial instruments carried at fair value (continued)

The following table shows the sensitivity of fair value measurements to changes in unobservable inputs for Level 3 financial instruments:

	Fair value		Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2023	**2022 (restated)**		**2023**	**2022 (restated)**	
FVTOCI Investments						
Debt securities	101,790	84,707	Adjustments to yields	10%	10%	(1)
Equity securities	189	40	Adjustments to net assets	10%	10%	(2)
	101,979	84,747				
FVTPL Investments						
Debt securities	1,054,765	962,015	Adjustments to yields	10%	10%	(1)
Equity securities	34,297	33,919	Adjustments to net assets	10%	10%	(2)
Derivative financial instruments	16,909	10,334	Adjustments to yields	10%	10%	(1)
Mortgage loans	22,280	23,406	Adjustments to yields	10%	10%	(1)
	1,128,251	1,029,674				
Total assets	1,230,230	1,114,421				
Unit linked deposit administration	165,562	159,681	Adjustments to yields	10%	10%	(1)
Structured products	-	4,346	Adjustments to yields	10%	10%	(1)
Derivative financial instruments	-	16	Adjustments to yields	10%	10%	(1)
Total liabilities	165,562	164,043				

(1) Adjustments to yields will have a direct correlation to the fair value.

(2) Increases or decreases in adjusted net assets of the underlying entities will have a direct correlation to the fair value.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

(a) Financial instruments carried at fair value (continued)

Movements in Level 3 Instruments

For Level 3 instruments, reasonable changes in inputs which could be applied to the valuation of FVTOCI securities would affect other comprehensive income. Reasonable changes in inputs which could be applied to the valuations of investments designated at FVTPL are largely offset in income, since the changes in fair value are borne by contract holders. Changes in the valuations of structured products reflect changes in the underlying securities and are borne by the contract holders.

The following tables present movements in Level 3 instruments for the year:

	2023				2022 (restated)
	FVTOCI investments	FVTPL investments	Derivative financial instruments	Total assets	Total assets
Balance, beginning of year	84,747	1,019,340	10,334	1,114,421	1,043,801
Additions	28,437	224,288	14,151	266,876	162,953
Fair value changes recorded in net investment income	-	15,893	11,653	27,546	(40,218)
Fair value changes recorded in other comprehensive income	92	-	-	92	(239)
Disposals and divestitures	(11,581)	(150,895)	(19,229)	(181,705)	(53,201)
Transfers to instruments carried at amortised cost	-	-	-	-	(414)
Effect of exchange rate changes	284	2,716	-	3,000	1,739
Balance, end of year	101,979	1,111,342	16,909	1,230,230	1,114,421
Fair value changes recorded in investment income for instruments held at the end of the year	-	15,736	3,937	19,673	(22,075)

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

(a) Financial instruments carried at fair value (continued)

	2023				2022 (restated)
	Policy liabilities - Unit linked deposit administration	**Structured products**	**Derivative financial instruments**	**Total liabilities**	**Total liabilities**
Balance, beginning of year	159,681	4,346	16	164,043	163,956
Gains (losses) recorded in net investment income	-	-	(16)	(16)	(94)
Gains (losses) recorded in interest expense	679	(13)	-	666	(659)
Issues	19,765	-	-	19,765	21,675
Settlements	(10,785)	(4,375)	-	(15,160)	(20,279)
Transfers from (to) instruments carried at amortised cost	(4,404)	-	-	(4,404)	-
Movements arising from business acquisitions and divestitures	43	-	-	43	-
Effect of exchange rate changes	583	42	-	625	(556)
Balance, end of year	165,562	-	-	165,562	164,043
Fair value changes recorded in interest expense for instruments held at end of year	679	-	-	679	(579)

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

(b) Financial instruments carried at amortised cost

The carrying values of the Group's non-traded financial assets and financial liabilities carried at amortised cost approximate their fair value in notes 7 and 13. The fair value hierarchy of other financial instruments carried at amortised cost as of December 31, 2023 is set out in the following tables.

	2023			
Financial assets at amortised cost	**Level 1**	**Level 2**	**Level 3**	**Total**
Debt securities	15,031	60,183	59,169	134,383
Mortgage loans	3,856	-	768,229	772,085
Finance loans	8,124	-	647,567	655,691
Securities purchased for resale	-	-	13,361	13,361
	27,011	60,183	1,488,326	1,575,520

Financial liabilities at amortised cost	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment contracts:				
Deposit administration liabilities	-	-	24,540	24,540
Notes and loans payable	-	843,142	101,757	944,899
Deposit and security liabilities:				
Other funding instruments	-	357,745	1,001,335	1,359,080
Customer deposits	13,305	1,777	1,054,396	1,069,478
Securities sold for repurchase	-	71,796	588,724	660,520
	13,305	431,318	2,644,455	3,089,078
	13,305	1,274,460	2,770,752	4,058,517
	-	31%	69%	100%

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

(b) Financial instruments carried at amortised cost (continued)

	2022 (restated)			
Financial assets at amortised cost	**Level 1**	**Level 2**	**Level 3**	**Total**
Debt securities	-	102,710	67,586	170,296
Mortgage loans	-	-	587,638	587,638
Finance loans	-	-	636,793	636,793
Securities purchased for resale	-	-	32,335	32,335
	-	102,710	1,324,352	1,427,062
Financial liabilities at amortised cost	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment contracts:				
Deposit administration liabilities	-	-	45,789	45,789
Other investment contracts	-	-	123,799	123,799
	-	-	169,588	169,588
Notes and loans payable	-	521,470	82,138	603,608
Deposit and security liabilities:				
Other funding instruments	-	428,315	111,608	539,923
Customer deposits	-	15,834	965,739	981,573
Securities sold for repurchase	-	76,067	578,681	654,748
	-	520,216	1,656,028	2,176,244
	-	1,041,686	1,907,754	2,949,440
	-	35%	65%	100%

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.8 Fair value of financial instruments (continued)

(c) Equity price risk

The Group is exposed to equity price risk arising from changes in the market values of its equity securities. The Group mitigates this risk by establishing overall limits of equity holdings for each investment portfolio and by maintaining diversified holdings within each portfolio of equity securities.

The Group is also exposed to equity risk through the guarantees within its products such as Universal Life and segregated funds. The Group has hedged substantially all of the segregated fund equity exposure and currency exposure (see note 36.9).

The following table sets out the potential immediate impacts on, or sensitivity of, the contractual service margin (pre-tax), net income (pre-tax), and other comprehensive income to certain changes in the specific market variable at December 31, 2023. The analysis is based on an instantaneous change in the specific market variable while holding all other assumptions constant. In practice, this is unlikely to occur, as changes in some assumptions might be correlated.

Sensitivity

2023 (Pre-tax)	**Impact from public equity price movements on:**		
	Contractual service margin (net)	**Net income**	**Other comprehensive income**
20% increase	2,131	98,803	18
20% decrease	(1,742)	(99,113)	(18)

2023 (Pre-tax)	**Impact from other non-fixed income asset price movements on:**		
	Contractual service margin (net)	**Net income**	**Other comprehensive income**
10% increase	-	381	1
10% decrease	-	(381)	-

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.9 Derivative financial instruments and hedging activities

The Group's derivative activities give rise to open positions in portfolios of derivatives. These positions are managed to ensure that they remain within acceptable risk levels, with matching deals being utilised to achieve this, where necessary.

Derivatives are carried at fair value and presented in the financial statements as separate assets and liabilities. Asset values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour assuming that all relevant counterparties default at the same time and that transactions can be replaced instantaneously.

Liability values represent the cost to the Group counterparties of replacing all their transactions with the Group with a fair value in their favour, if the Group were to default. Derivative assets and liabilities on different transactions are only set off if the transactions are with the same counterparty, a legal right of set-off exists, and the cash flows are intended to be settled on a net basis.

The contract or notional amounts of derivatives and their fair values are set out below.

	Contract / notional amount	Fair value	
		Assets	Liabilities
2023			
Derivatives held for trading:			
Equity indexed options	427,162	16,909	-
Currency forwards	(52,575)	155	538
Exchange-traded futures	478,795	-	-
	853,382	17,064	538
2022			
Derivatives held for trading:			
Equity indexed options	636,966	10,350	16

(i) Equity indexed options

The Group held equity indexed options in respect of structured products.

For certain structured product contracts with customers (note 15), equity indexed options give the holder the ability to participate in the upward movement of an equity index while being protected from downward risk.

For certain universal life and annuity insurance contracts, the Group has purchased custom call options that are selected to materially replicate the policy benefits that are associated with the equity indexed components within the policy contract. These options are appropriate to reduce or minimise the risk of movements in specific equity markets. Both the asset and the associated actuarial liability are valued at fair market value on a consistent basis, with the change in values being reflected in the income statement. The valuations combine external valuations with internal calculations.

(ii) Foreign exchange derivatives

Foreign exchange forward contracts (currency forward contracts) are over-the-counter contracts in which one counterparty contracts with another to exchange a specified amount of one currency for a specified amount of a second currency, at a future date or range of dates. The Group enters into currency forward contracts to assist in managing exposures related to the death benefit and maturity guarantees of some of its segregated funds contracts.

(iii) Hedges for segregated funds

Equity futures and currency forwards are used to hedge exposures related to the death benefit, maturity and withdrawal guarantees of its segregated fund contracts. The equity futures and currency forwards are carried at market value, with gains (losses) recognised immediately in investment income. In addition, interest is earned on short-term investments that are pledged as collateral for the futures.

38.10 Offsetting Financial Assets and Liabilities

The Group is eligible to present certain financial assets and financial liabilities on a net basis on the statement of financial position pursuant to criteria described in note 2.14. The following tables provide information on the impact of offsetting on the consolidated statement of financial position, as well as the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement as well as available cash and financial instrument collateral.

Amounts expressed in US $000

36. FINANCIAL RISK (continued)

36.10 Offsetting Financial Assets and Liabilities (continued)

	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts as presented in the statement of financial position	Impact of master netting arrangements	Impact of offsetting financial instrument collateral	Net amount
2023						
ASSETS						
Non-derivative financial investments	16,994,686	-	16,994,686	(564,128)	(455,716)	15,974,842
Securities purchased for resale	13,361	-	13,361	-	-	13,361
Derivative financial instruments	17,064	-	17,064	-	-	17,064
	17,025,111	-	17,025,111	(564,128)	(455,716)	16,005,267
LIABILITIES						
Non-derivative deposit and security liabilities	2,949,892	-	2,949,892	(564,128)	(357,745)	2,028,019
Derivative financial instruments	538	-	538	-	-	538
	2,950,430	-	2,950,430	(564,128)	(357,745)	2,028,557
2022 (restated)						
ASSETS						
Non-derivative financial investments	8,825,718	-	8,825,718	(589,652)	(470,554)	7,765,512
Securities purchased for resale	32,335	-	32,335	-	-	32,335
Derivative financial instruments	10,350	-	10,350	-	(16)	10,334
	8,868,403	-	8,868,403	(589,652)	(470,570)	7,808,181
LIABILITIES						
Non-derivative deposit and security liabilities	2,182,255	-	2,182,255	(589,652)	(428,315)	1,164,288
Derivative financial instruments	16	-	16	-	(16)	-
	2,182,271	-	2,182,271	(589,652)	(428,331)	1,164,288

37. INSURANCE RISK

37.1 Contracts not measured under PAA

The Group offers traditional life, universal life, living benefits and various annuity contracts, as well as life reinsurance contracts.

The main risks that the Group is exposed to are, as follows:

- Mortality risk – risk of loss arising due to the incidence of policyholder death being different than expected.
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected.
- Longevity risk – risk of loss arising due to the annuitant living longer than expected.
- Expense risk – risk of loss arising from expense experience being different than expected.
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of outwards reinsurance arrangements.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance held (outward reinsurance) is placed on a proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business.

Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

For the life insurance and life reinsurance contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

For immediate annuity contracts, the most significant factor that could increase the amount and frequency of claims is continued improvement in medical science and social conditions that would increase longevity.

The Group reinsures its immediate annuity contracts on a quota-share basis to mitigate its risk.

The nature of the Group's exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

Mortality risk may be concentrated in geographic locations, affecting the risk profile of the insurer. The most significant exposure for this type of risk arises where a single event or pandemic could result in very many claims.

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.1 Contracts not measured under PAA (continued)

Total insurance coverage on insurance policies provides a quantitative measure of absolute mortality risk. However, claims arising in any one year are a very small proportion in relation to the total insurance coverage provided. The total amounts insured by the Group in respect of both contracts with or without direct participating features at December 31, gross and net of reinsurance, are summarised by geographic area below.

Total insurance coverage		2023		2022 (restated)	
		Individual contracts	Group contracts	Individual contracts	Group contracts
Barbados	Gross	4,806,966	1,371,208	4,745,105	1,462,441
	Net	4,542,354	1,321,160	4,483,403	1,414,579
Jamaica	Gross	12,401,419	-	11,522,909	-
	Net	12,173,843	-	11,321,438	-
Trinidad & Tobago	Gross	4,775,793	2,199,668	4,221,795	2,537,139
	Net	4,181,887	2,037,951	3,663,506	2,348,381
Other Caribbean	Gross	9,929,674	1,474,856	9,542,766	1,675,813
	Net	8,866,224	1,408,407	8,526,291	1,608,238
Canada	Gross	181,674,273	-	-	-
	Net	40,807,041	-	-	-
USA	Gross	8,634,301	22,423	9,087,465	23,544
	Net	4,638,655	22,333	4,894,022	23,434
Total	Gross	222,222,426	5,068,155	39,120,040	5,698,937
	Net	75,210,004	4,789,851	32,888,660	5,394,632

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.1 Contracts not measured under PAA (continued)

Total liability under annuity contracts provide a good measure of longevity risk exposure.

Total liability under annuity contracts		2023		2022 (restated)	
		Individual contracts	Group contracts	Individual contracts	Group contracts
Barbados	Gross	305,181	55,337	285,896	54,883
	Net	305,181	55,337	285,896	54,883
Jamaica	Gross	517	503,877	790	378,735
	Net	517	503,877	790	378,735
Trinidad & Tobago	Gross	531,335	-	753,293	-
	Net	531,335	-	753,293	-
Other Caribbean	Gross	107,383	-	86,158	-
	Net	107,383	-	86,158	-
Canada	Gross	126,610	-	-	-
	Net	126,610	-	-	-
USA	Gross	3,882,203	16,010	3,605,884	16,951
	Net	3,582,438	5,005	3,158,270	5,194
Total	Gross	4,953,229	575,224	4,732,021	450,569
	Net	4,653,464	564,219	4,284,407	438,812

37. INSURANCE RISK (continued)

37.1 Contracts not measured under PAA (continued)

Sensitivities

The Group's contractual service margin and financial results can be impacted by possible movements in key assumptions, such as the discount rate, timing of cash flows, and rates of lapse and mortality. The correlation of assumptions will have a significant effect in determining the ultimate impacts. Sensitivity information will also vary according to the current economic assumptions. See note 37.3 for further information.

The Group's financial results will be affected by changes in the rates of mortality, morbidity, lapse, other policyholder behavior and expenses (insurance risks). The nature of those impacts and the extent to which they impact current period earnings depend on the change, the extent to which it relates to past, current or future periods and, where applicable, the extent to which the change impacts onerous or non-onerous groups of contracts.

Changes in the rates of current or future insurance risk that relate to the LIC relate to past service and will impact earnings in the period that those changes are realised. Changes in the rates of insurance risk experienced in the current period that related to the LRC will also impact earnings in the period that those changes are realised.

Changes in the rates of insurance risk expected in the future and changes in the rates of insurance risk experienced in the current period, in relation to the LRC, will affect expected cash flows. To the extent that the changes relate to onerous groups of contracts, or the CSM on non-onerous groups is insufficient to offset any adverse impact of the changes, the impact of the changes will be recognised in earnings in the period realised. Where the changes impact non-onerous groups of contracts, the impact of changes in the LRC will be offset by changes in the CSM with a corresponding change in the CSM release that will be expected in future periods. For contracts under the GMM, given that the CSM is determined at locked-in rates, the CSM release will partially offset the changes in the LRC.

Where the insurance contracts are reinsured, the impacts of changes on direct contracts will be offset to the extent of the reinsurance.

37.2 Contracts measured under PAA

Property and casualty insurance contracts

Sagicor General Insurance ('SGI') and Advantage General Insurance ('AGI') are the principal insurers within the Group's operations that issue property and casualty insurance contracts. They operate mainly in Barbados, Trinidad and Tobago and Jamaica.

For non-life insurance contracts, risks arise from loss events such as accidents, fires, floods, tropical storms, hurricanes and other extreme weather events. Risk can also arise from inflation on expenses and claims. As a result, there is a risk that our actual loss experiences will emerge differently than estimated when the product was designed and priced or repriced and may require us to revise estimated potential loss exposures and the related loss reserves.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.2 Contracts measured under PAA (continued)

Property and casualty insurance contracts (continued)

Total insurance coverage on insurance policies provides a quantitative measure of absolute risk. However, claims arising in any one year are a very small proportion in relation to the total insurance coverage provided. The following tables shows the concentration of gross and net insurance contract liabilities, by type of contract and by segment, at December 31.

	Total insurance coverage							
	Property		**Motor**		**Accident and Liability**		**Total**	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2023								
Sagicor Life	9,418,300	1,863,683	525,359	525,359	3,381,202	3,069,761	13,324,861	5,458,803
Sagicor Jamaica	3,037,506	482,274	640,879	319,591	571,552	107,690	4,249,937	909,555
Total	12,455,806	2,345,957	1,166,238	844,950	3,952,754	3,177,451	17,574,798	6,368,358
2022								
Sagicor Life	9,495,645	1,833,680	496,382	496,382	3,254,444	2,948,319	13,246,471	5,278,381
Sagicor Jamaica	4,796,835	367,945	564,492	282,205	529,204	114,243	5,890,531	764,393
Total	14,292,480	2,201,625	1,060,874	778,587	3,783,648	3,062,562	19,137,002	6,042,774

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.2 Contracts measured under PAA (continued)

Property and casualty insurance contracts (continued)

Liability for incurred claim – claims development

The development of insurance liabilities provides a measure of SGI's and AGI's ability to estimate the ultimate value of claims. The table below illustrates how SGI's and AGI's estimate of the ultimate claims liability for accident years 2015 - 2023 has changed at successive year ends, up to 2023. Updated unpaid claims and other directly attributable expenses related to claims management in each successive year, as well as amounts paid to date, are used to derive the revised amounts for the ultimate claims liability for each accident year used in the development calculations. The most recent estimate is then reconciled to the liability for incurred claims recognised in the statement of financial position.

Gross	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of ultimate claims incurred (undiscounted, inclusive of other directly attributable expenses):										
At the end of financial reporting year	24,304	21,910	37,518	42,693	39,536	31,011	33,071	37,527	39,423	
One year later	23,126	22,669	41,089	44,049	38,371	29,208	31,691	39,026		
Two years later	23,717	21,147	40,885	44,142	37,806	28,933	31,092			
Three years later	22,328	21,171	40,352	44,534	37,286	29,308				
Four years later	22,018	20,623	40,445	44,453	37,731					
Five years later	21,854	20,594	39,843	43,945						
Six years later	21,529	20,777	39,187							
Seven years later	21,587	19,853								
Eight years later	20,564									
Current estimate of cumulative claims	20,564	19,853	39,187	43,945	37,731	29,308	31,092	39,026	39,423	300,129
Cumulative payments to date	(19,315)	(18,570)	(37,945)	(40,230)	(33,610)	(25,545)	(26,558)	(30,500)	(17,006)	(249,279)
Cumulative claims liability	1,249	1,283	1,242	3,715	4,121	3,763	4,534	8,526	22,417	50,850
Liability in respect of prior years										3,971
Effect of discounting										(6,213)
Effect of the risk adjustment margin for non-financial risk										3,211
Other										5,827
Gross LIC (note 6.4)										57,646

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.2 Contracts measured under PAA (continued)

Property and casualty insurance contracts (continued)

Reinsurance contracts held – incurred claims development

The reinsurers' share of the gross LIC is set out below in the following table.

Reinsurance	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of reinsurance recoveries (on undiscounted claims incurred and other directly attributable expenses):										
At the end of financial reporting year	12,845	11,435	10,726	4,132	2,301	6,913	10,446	11,474	13,804	
One year later	12,083	11,572	14,745	4,490	2,964	7,112	9,847	13,002		
Two years later	12,342	10,768	14,833	4,346	2,947	7,172	10,046			
Three years later	11,619	10,775	14,759	4,286	2,913	7,290				
Four years later	11,322	10,479	14,733	4,278	2,927					
Five years later	11,088	10,452	14,312	4,224						
Six years later	10,955	10,542	14,274							
Seven years later	10,979	10,052								
Eight years later	10,406									
Current estimate of reinsurance recoveries	10,406	10,052	14,274	4,224	2,927	7,290	10,046	13,002	13,804	86,025
Cumulative reinsurance receipts to date	(9,688)	(9,494)	(13,835)	(4,224)	(2,816)	(6,738)	(9,131)	(11,289)	(3,716)	(70,931)
Cumulative reinsurance recoverable	718	558	439	-	111	552	915	1,713	10,088	15,094
Recoverable in respect of prior years										1,359
Effect of discounting										(1,143)
Effect of the risk adjustment margin for non-financial risk										(3,583)
Other										695
Total recoverable from reinsurers (note 6.4)										12,422

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.2 Contracts measured under PAA (continued)

Property and casualty insurance contracts (continued)

Sensitivities

Changes in the weighted average term to settlement, expected loss and inflation rate can impact the overall performance of the Group.

Group life and health insurance contracts

The Group offers Group Life and Group Health insurance contracts, where the period of coverage is one year or less. These contracts are measured under PAA. The Group is exposed to mortality and morbidity risk together with the risk of inflation on expenses and claims.

37.3 Sensitivity analysis

The following table shows the impact on net income (pre-tax) and CSM net of reinsurance, for reasonably possible movement in key assumptions based on scenarios shown, relating to individual life, group life and health, and property and casualty contracts.

The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions might be correlated.

2023 (pre-tax)	**Impact from changes to policy-related assumptions on:**			
	Contractual service margin		**Net income**	
	Gross	**Net**	**Gross**	**Net**
2% adverse change in future mortality rates for insurance liabilities	(114,206)	(4,501)	(12,948)	317
2% adverse change in future longevity rates for annuity liabilities	(2,260)	(2,260)	(1,742)	(1,742)
5% adverse change in future morbidity rates	(2,982)	(2,078)	(980)	(988)
10% multiplicative increase to the P&C loss ratio	-	-	(1,832)	(1,832)
5% increase in future expense levels	(19,356)	(19,184)	(3,104)	(3,022)
10% adverse change in policyholder behaviour (i.e., lapses)	(218,250)	(138,687)	(37,787)	(26,612)

Amounts expressed in US $000

37. INSURANCE RISK (continued)

37.4 Financial condition testing (FCT)

Financial condition testing (FCT) is a technique used by the Group to assess the adequacy of the insurer's financial condition by stress-testing the future solvency of the company under different future adverse economic and experience scenarios. The FCT assesses the impact over the next 5 years on the insurer's financial condition under specific scenarios. The period of 5 years and the specific scenarios have been selected by the Appointed Actuary as per the FCT guidance from the Canadian Institute of Actuaries.

The financial position of an insurer is reflected by the amounts of assets, liabilities and equity in the financial statements at a given date, such as at the end of its most recent fiscal year. The financial position therefore relies on the valuation assumptions used for establishing the insurance contract liabilities being adequate to measure future adverse deviations in experience. The financial position does not offer any indication of an insurer's ability to execute its business plan.

The financial condition of an insurer at a particular date is its prospective ability at that date to meet its future obligations, especially obligations to policyholders, those to whom it owes benefits and to its shareholders. The financial condition analysis examines both an insurer's ability to execute its business plan and to absorb adverse experience beyond that provided for when its insurance contract liabilities are established. The analysis projects the expected future financial position under these scenarios over the FCT period.

The purpose of the FCT is:

- to develop an understanding of the sensitivity of the total equity of the insurer and future financial condition to changes in various experience factors and management policies;
- to alert management to material, plausible and imminent threats to the insurer's solvency; and
- to describe possible courses of action to address these threats.

An FCT is conducted periodically by some insurers within the Group.

38. SEGREGATED FUNDS ASSETS AND LIABILITIES ON ACCOUNT OF FUND HOLDERS

The Group manages a range of segregated funds on behalf of policyholders. These amounts were assumed on the acquisition of ivari on October 3, 2023 (note 33). The schedule of changes in segregated funds net assets is as follows:

	2023
Segregated funds assets, assumed on acquisition	458,940
Additions:	
Deposits	270
Net realised and unrealised gains / (losses)	24,872
Interest and dividend income	10,092
Total additions	35,234
Deductions:	
Payments to policy holders and their beneficiaries	14,889
Management fees	4,057
Other expenses, including GST on management fees	308
Total deductions	19,254
Foreign exchange gains	17,351
Balance, end of year	492,271

Amounts expressed in US $000

38. SEGREGATED FUNDS ASSETS AND LIABILITIES ON ACCOUNT OF FUND HOLDERS (continued)

Segregated funds assets represent underlying items for segregated fund insurance contracts which are direct participating contracts. Within segregated funds, there were no material transfers between Levels 1 and 2 during 2023.

The fair value of financial instruments categorised as level 3 within segregated funds assets at the end of 2023 is $Nil.

Investment on account of the segregated fund policyholders by asset class are as follows:

	2023	
	Total	**Percentage**
Asset class:		
Cash and cash equivalents	2,273	1%
Short-term investments	10,501	2%
Equities	53,730	11%
Bonds	28,200	6%
Mutual funds	397,354	80%
Other assets	213	-
Total segregated funds assets	492,271	100%

Insurance contract liabilities on account of segregated fund policyholders

(a) Reconciliation of the liability for remaining coverage and the liability for incurred claims

The following tables show the changes in the liabilities for insurance contracts for account of segregated fund holders by liability for remaining coverage and liability for incurred claims.

	2023		
	LRC	**LIC**	**Total**
Balance, assumed on acquisition (note 33.1)	458,940	-	458,940
Insurance finance income / (expenses)	(34,962)	-	(34,962)
Cash flows:			
Management fees	(4,057)	-	(4,057)
Amounts paid to policyholders and other insurance service expenses paid	-	(14,926)	(14,926)
Actual investment component excluded from insurance revenue	-	14,926	14,926
Expected investment component excluded from insurance revenue	(14,926)	-	(14,926)
Total cash flows	(18,983)	-	(18,983)
Foreign exchange gains	87,276	-	87,276
Balance, end of year	492,271	-	492,271

Amounts expressed in US $000

39. FIDUCIARY RISK

The Group provides investment management and pension administration services to investment and pension funds which involve the Group making allocation, purchase and sale decisions in relation to a wide range of investments. These services give rise to fiduciary risk that may expose the Group to claims for mal-administration or under-performance of these funds.

In the ordinary course of business, the Group manages assets of pension funds, mutual funds and unit trusts which are held in a fiduciary capacity and are not included in the Group's financial statements. The investments and cash under administration are summarised in the following table.

	2023	2022
Pension and insurance fund assets	2,283,228	2,168,541
Mutual fund, unit trust and other investment fund assets	1,445,626	1,501,398
	3,728,854	3,669,939

40. STATUTORY RESTRICTIONS ON ASSETS

Insurers are registered to conduct insurance business under legislation in place in each relevant jurisdiction. This legislation may prescribe requirements with respect to deposits, investment of funds and solvency for the protection of policyholders. In general, these requirements do not restrict the ability of the insurer to trade investments. Banking subsidiaries may also be required to hold deposits with Central Banks which regulate the conduct of banking operations.

To satisfy the above requirements, invested assets and cash totalling $900,662 (2022 - $1,701,356) have been deposited with regulators or are held in trust to the order of regulators.

In some countries where the Group operates, there are exchange controls or other restrictions on the remittance of funds out of those countries.

41. CAPITAL MANAGEMENT

The Group's objectives when managing capital, which is a broader concept than equity in the statement of financial position, are:

- To comply with capital requirements established by insurance, banking and other financial intermediary regulatory authorities;
- To comply with internationally recognised capital requirements for insurance, where local regulations do not meet these international standards;
- To safeguard its ability as a going concern to continue to provide benefits and returns to policyholders, depositors, note-holders and shareholders;
- To provide adequate returns to shareholders;
- To maintain a strong capital base to support the future development of Group operations.

41.1 Capital resources

The principal capital resources of the Group are as follows:

	2023	2022
Shareholder's equity	970,934	429,691
Non-controlling interests' equity	358,087	306,733
Notes and loans payable	945,666	632,535
Total financial statement capital resources	2,274,687	1,368,959

The Group deploys its capital resources through its operating activities. These operating activities are carried out by subsidiary companies which are either insurance entities or provide other financial services. The capital is deployed in such a manner as to ensure that subsidiaries have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

41.2 Capital adequacy

The capital adequacy of the principal operating subsidiaries is discussed in this section.

(a) Life insurers

Capital adequacy is managed at the operating company level. It is calculated by the Appointed Actuary and reviewed by executive management, the audit committee and the board of directors. In addition, certain subsidiaries of the

41. CAPITAL MANAGEMENT (continued)

41.2 Capital adequacy (continued)

(a) Life insurers (continued

Group seek to maintain internal capital adequacy at levels higher than the regulatory or internationally recognised requirements.

To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is a core measure of financial performance. Some jurisdictions within the Group prescribe differing risk-based assessment measures for statutory purposes, and a number of jurisdictions in the Caribbean region have no internationally-recognised capital adequacy requirements. Sagicor voluntarily adopted the Canadian Minimum Continuing Capital and Surplus Requirement ("MCCSR") standard as its risk-based assessment measure to provide a consolidated view of capital adequacy. The MCCSR was a standard used by Canadian regulators from 1992 until 2018, when it was superceded by the Life Insurance Capital Adequacy Test ("LICAT"). When it was in place, the minimum standard recommended by the Canadian regulators was an MCCSR of 150%. Canadian practices for calculation of the MCCSR evolved and changed from inception through its replacement. In jurisdictions where the MCCSR is currently prescribed, the MCCSR guidance is not consistent with the most recent Canadian MCCSR guidelines or with current Canadian capital standards under LICAT. Sagicor has made certain interpretations in the calculation of the MCCSR, in consultation with its appointed actuary, which are believed appropriately reflect the risk-based assessment of the capital position. As the MCCSR is no longer prescribed by Canadian regulators and is interpreted in different ways by local regulators, there can be no assurance that Sagicor's MCCSR figures are comparable to current reporting by Canadian life insurers or that of Canadian life insurers at any single point in time since the implementation of the MCCSR.

The consolidated MCCSR for the life insurers of the Sagicor Group as of December 31 has been estimated as 301.0% (2022 restated – 275.8%). This is the principal standard of capital adequacy used to assess the overall strength of the life insurers of the Sagicor Group. However, because of the variations in capital adequacy standards across jurisdictions, the consolidated result should be regarded as applicable to the life insurers of the Group and not necessarily applicable to each individual segment, insurance subsidiary or insurance subsidiary branch. The Group complies with all regulatory capital requirements.

(i) Sagicor Life Jamaica

Sagicor Life Jamaica determines capital adequacy using the Jamaican Life Insurance Capital Adequacy Test (JA-LICAT) which became effective January 1, 2023, as per the Insurance Regulations, 2001 amended 2023. The Minimum Continuing Surplus and Capital Requirement (MCCSR) was in effect prior to 2023. The JA-LICAT for Sagicor Life Jamaica as of December 31, 2023 has been estimated as 155.2% with the minimum standard requirement for JA-LICAT being 100%.

(ii) Sagicor Life Insurance Company (USA)

A risk-based capital (RBC) formula and model have been adopted by the National Association of Insurance Commissioners (NAIC) of the United States. RBC is designed to assess minimum capital requirements and raise the level of protection that statutory surplus provides for policyholder obligations. The RBC formula for life insurance companies measures four major areas of risk: (i) underwriting, which encompasses the risk of adverse loss developments and property and casualty insurance product mix; (ii) declines in asset values arising from credit risk; (iii) declines in asset values arisg from investment risks, including concentrations; and (iv) off-balance sheet risk arising from adverse experience from non-controlled assets such as reinsurance guarantees for affiliates or other contingent liabilities and reserve and premium growth. If an insurer's statutory surplus is lower than required by the RBC calculation, it will be subject to varying degrees of regulatory action, depending on the level of capital inadequacy.

The RBC methodology provides for four levels of regulatory action. The extent of regulatory intervention and action increases as the ratio of surplus to RBC falls. The least severe regulatory action is the "Company Action Level" (as defined by the NAIC) which requires an insurer to submit a plan of corrective actions to the regulator if surplus falls below 200% of the RBC amount.

Sagicor Life Insurance Company looks to maintain a surplus of at least 300% of the RBC amount, and the company has maintained these ratios as of December 31, 2023 and 2022 respectively.

(iii) Sagicor Canada

Sagicor Canada determines capital adequacy using the Life Insurance Capital Adequacy Test (LICAT), from the Office of the Superintendent of Financial Institutions, which became effective January 1, 2018, and has been amended several times, with the most recent amendment being effective on January 1, 2023. The Minimum Continuing Surplus and Capital Requirement

Amounts expressed in US $000

41. CAPITAL MANAGEMENT (continued)

41.2 Capital adequacy (continued)

(a) Life insurers (continued)

(iii) Sagicor Canada (continued)

(MCCSR) was in effect prior to 2018. The total LICAT ratio for Sagicor Canada as of December 31, 2023 has been estimated as 131% with the minimum standard requirement for LICAT being 90%.

(b) Sagicor Investments Jamaica Limited and Sagicor Bank Limited

Capital adequacy and the use of regulatory capital are monitored monthly by management employing techniques based on the guidelines developed by the Financial Services Commission (FSC), the Bank of Jamaica (BOJ), Basel II and the Risk Management and Compliance Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals. The BOJ and the FSC require each regulated entity to hold the minimum level of regulatory capital, and to maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off financial statements exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the capital adequacy ratios. During 2023 and 2022, all applicable externally imposed capital requirements were complied with.

	Sagicor Investments Jamaica		Sagicor Bank Jamaica	
	2023	**2022**	**2023**	**2022**
Actual capital base to risk-weighted assets	17%	15%	13%	13%
Required capital base to risk-weighted assets	10%	10%	10%	10%

The Group complies with all regulatory capital requirements.

Amounts expressed in US $000

41. CAPITAL MANAGEMENT (continued)

41.3 Covenants

(a) 5.30% Senior Notes due 2028

Under the indenture entered into by the Group on the issue of new senior notes on May 31, 2021 and December 15, 2021, the Group has to comply with a number of covenants as follows:

COVENANT	DESCRIPTION
Limitation of indebtedness	Under this covenant, the Group is restricted to incremental borrowing up to a prescribed level. The Group must maintain a debt to capitalisation ratio equal to or less than 35% in order to incur additional debt.
Limitation on restricted payments covenant	This covenant sets limits on cash outflows, dividends, acquisition and investments by the Group. The Group must maintain a debt to capitalisation ratio equal to or less than 35% and an MCCSR capital ratio in excess of 175%.
Limitation on restricted distributions from subsidiaries	This covenant limits the subsidiaries from creating encumbrances or restrictions on their ability to make distributions to the Parent.
Limitation on sale of assets of subsidiary stock	This covenant restricts the Group from selling material subsidiary assets without using the proceeds to either reinvest in the business or offer to buy back bondholders.
Limitation on affiliate transactions	This covenant restricts affiliate transactions of the Group.
Change in control	This covenant allows investors to put their bonds back to the Group at a certain value when a specified event has changed ownership/control of the Group.
Limitation on liens	This covenant restricts the Group's ability to secure future debt with the Group's assets.
Optional Redemption	The notes are redeemable at the Group's option after May 13, 2024 at specified redemption rates.

At December 31, 2023, the Group was in compliance with the specified covenants.

Amounts expressed in US $000

41. CAPITAL MANAGEMENT (continued)

41.3 Covenants (continued)

(b) Unsecured bond, 7.50% and 10.50% tranches due 2024

Under a trust deed dated September 16, 2019 entered into by the Group on the issue of these securities, the facilities of which were extended on May 26, 2023, the Group has to comply with a number of covenants as follows:

COVENANT	DESCRIPTION
Change in control	Under a change in control, each holder has the right to require the issuer to purchase all or any part of the bonds.
Limitation on indebtedness	SFCL will not create, or permit to subsist, any security interest on any of its present or future assets without the prior consent in writing of the Trustee.
Limitation on indebtedness	SFCL will not seek to incur any additional indebtedness where the incurrence of additional indebtedness will give rise to any breach of the Financial Covenants, except with the prior written consent of the Trustee.
	Financial Covenants SFCL will maintain the following ratios: (i) Minimum Interest Services Coverage Ratio of 1.5. (ii) Maximum Debt to Equity Ratio of 75%
Restrictions on dividends	Except with the prior written consent of the Trustee, SFCL will not pay any dividends while SFCL is in breach of any of the financial covenants.
Restrictions on dealing with affiliates	The covenant restricts affiliate transactions of the Group.

At December 31, 2023, the Group was in compliance with the specified covenants.

(c) Sagicor General Insurance Inc 3.50% loan agreement

COVENANT	DESCRIPTION
Debt service coverage ratio	The guarantor subsidiary, Sagicor Life Inc, must maintain a minimum debt service coverage ratio of 1.5 to 1.0.
Effective net worth	The subsidiary net worth must not fall below US$15.0 million.
Total funded debt to net worth	The total funded debt to net worth ratio of the subsidiary must not exceed 1.0 to 1.0.

At December 31, 2023, the Group was in compliance with the specified covenants.

Amounts expressed in US $000

41. CAPITAL MANAGEMENT (continued)

41.3 Covenants (continued)

(d) Variable Rate Revolving Credit Facility and Variable Rate Credit and Guarantee Agreement (2027)

Under the revolver credit facility agreement, entered into by the Group on August 2, 2023, and the Credit and Guarantee Agreement (2027) entered into on October 3, 2023 the Group has to comply with a number of covenants as follows:

COVENANT	DESCRIPTION
Indebtedness	Under this covenant, the Group must maintain a debt to capitalisation ratio equal to or less than 35%.
Liens	Under this covenant, the Group shall not create any Lien of any kind other than Permitted Liens.
Fundamental Changes	This covenant restricts changes to the Group's properties and assets.
Restricted Payments	This covenant sets limits on outflows such as dividend payments and acquisition of certain investments by the Group.
Transactions with Affiliates	This covenant restricts affiliate transactions of the Group.
Restrictive Agreements	This covenant limits the subsidiaries from creating encumbrances or restrictions on their ability to make distributions to the Parent.
Limitation on Sales of Assets and Subsidiary Stock	This covenant restricts the Group from selling material subsidiary assets without using the proceeds to either reinvest in the business or repay indebtedness.
Financial Covenants	The Group will maintain the following financial ratios: (i) A Debt to Capitalisation Ratio equal to or less than 35%. (ii) An Aggregate MCCSR Ratio not less than 175%. (iii) An RBC Ratio for the USA Segment of not less than 275%. (iv) A Total LICAT Ratio for our Canada Segment of not less than 103%. (v) A minimum Consolidated Net Worth of the Group

At December 31, 2023, the Group was in compliance with the specified covenants.

Amounts expressed in US $000

41. CAPITAL MANAGEMENT (continued)

41.3 Covenants (continued)

(e) The Estates (Residential Properties) Limited Construction Credit Agreement

COVENANT	DESCRIPTION
Debt to equity ratio	The maximum funded Debt to Effective Equity ratio of the Borrower shall not exceed 2.0 to 1.0.

At December 31, 2023, the Group was in compliance with the specified covenants.

42. REINSURANCE CONTRACT

Effective December 31, 2023, Sagicor Life Insurance Company, (the "Ceding Company"), extended the Modified Coinsurance Agreement (the "Reinsurance Agreement") with Hannover Life Reassurance Company of America (Bermuda) Ltd (the "Reinsurer"), to reinsure an additional US$0.82 billion portfolio of annuities written in the "Ceding Company" (our USA Subsidiary). The original Reinsurance Agreement, effected on December 31, 2022, reinsured US$1.94 billion portfolio of annuities. The two transactions were structured such that the company ceded the risks related to policyholder contract liabilities and an equal amount of related invested assets backing those liabilities. The agreement is structured as modified coinsurance under which the company continues to record the reinsured assets and liabilities in its statement of financial position. Under the terms of the agreement, the company will obtain capital relief and protection against severe adverse events while retaining the economic results from the business reinsured in exchange for a reinsurance premium commensurate with the risk assumed by the reinsurer. The company recorded no initial gain or loss on this transaction except for the impact of the present value of the reinsurance premium reflected in the insurance contract liabilities.

In addition, the Reinsurer and Sagicor Financial Company Ltd. (the "Noteholder" and ultimate parent company of the "Ceding Company") entered into a Note Purchase Agreement (the "NPA") for the Reinsurer to issue to the Noteholder a related variable principal promissory note (the "Note"). The proceeds of the Note may be used by the Reinsurer to offset adverse experience on the reinsured annuity portfolio. The Noteholder's obligation to increase its investment in the Note is limited to US$280 million.

Sagicor Life Inc (the "Guarantor") has provided a guarantee to the Reinsurer with respect to the Noteholder's obligations under the NPA.

Amounts expressed in US $000

43. RELATED PARTY TRANSACTIONS

Other than as disclosed in notes 5, 7, 11, 17, 23, 26, 27 and 39, there are no material related party transactions except as disclosed below.

Key management transactions and balances

Key management comprises directors and senior management of the Company and of Group subsidiaries. Key management includes those persons at or above the level of Vice President or its equivalent. Compensation of and loans to these individuals are summarised in the following tables.

	2023	2022
Compensation:		
Salaries, directors' fees and other short-term benefits	24,165	33,152
Equity-settled compensation benefits	5,014	4,703
Pension and other retirement benefits	673	804
	29,852	38,659

	Mortgage loans	Other loans	Total loans
Balance, beginning of year	2,557	969	3,526
Advances	266	588	854
Repayments	(353)	(415)	(768)
Effects of exchange rate changes	(15)	(18)	(33)
Balance, end of year	2,455	1,124	3,579
Interest rates prevailing during the year	3.50% to 8.05%	3.25% to 16.50%	

44. SUBSEQUENT EVENTS

i. On January 11, 2024, the Group entered into an agreement for the transfer of the insurance portfolio of its Curaçao branch. The transfer is expected to become effective during the quarter ended June 30, 2024, subject to the completion of certain regulatory requirements. See note 33.6.

ii. Subsequent to the year end, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of US$0.06 per common share payable on April 30, 2024 to the shareholders of record at the close of business on April 10, 2024.

Shareholder Information

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Shareholder Information

DIVIDENDS

Quarterly dividends were declared and paid as follows in 2023:

- A quarterly dividend of US$5.625 cents per common share was approved, payable on April 27, 2023, to the registered holders of the common shares of record at the close of business on April 4, 2023.
- A quarterly dividend of US$5.625 cents per common share was approved, payable on June 14, 2023 to the registered holders of the common shares of record at the close of business on May 24, 2023.
- A quarterly dividend of US$5.625 cents per common share was approved, payable on September 13, 2023 to the registered holders of the common shares of record at the close of business on August 23, 2023.
- A quarterly dividend of US$5.625 cents per common share was approved, payable on December 13, 2023 to the registered holders of the common shares of record at the close of business on November 22, 2023.

TRANSFER AGENT - SHAREHOLDER ASSISTANCE

For more information on managing your Sagicor shares, shareholders may contact our Transfer Agent, TSX Trust Company.

INVESTOR & ACCOUNT ASSISTANCE

Sign in to your TSX Trust account to access all the data related to your account, including a summary of holdings, transaction history and, proxy voting and more. For your convenience, the TSX has also created a list of Frequently Asked Questions and provided several useful forms at the following link - https://www.sagicor.com/ en/Investor-Relations/Transfer-Agent.

CONNECT WITH TSX TRUST

By Telephone:
1-647-727-0851 (Outside of North America)
1-833-955-1277 (North American Toll Free)
By Email: sagicor@tsxtrust.com
By Mail: TSX Trust Company 301-100 Adelaide Street West, Toronto, ON, M5H 4H1
Attn: Investor Services
Office Hours: 9:00 am to 5:00 pm
Monday to Friday (Eastern Time)

CONNECT WITH SAGICOR FINANCIAL COMPANY LTD.

Investors may contact Sagicor directly:
By Email: investorrelations@sagicor.com
By Telephone: 1-246-467-7500

STOCK EXCHANGE LISTINGS

Sagicor Financial Company Ltd. is listed on the Toronto Stock Exchange – Symbol TSX:SFC.

Sagicor Financial Corporation Limited was delisted from the London and the Trinidad and Tobago Stock Exchanges and has applied to be delisted from and Barbados Stock Exchange.

ADVISORS AND BANKERS

APPOINTED ACTUARY

Sylvain Goulet, FCIA, FSA, MAAA,
Affiliate Member of the (British) Institute of Actuaries and Affiliate Member of the Caribbean Actuarial Association

AUDITOR

PricewaterhouseCoopers SRL

LEGAL ADVISORS

ASW Law Limited, Bermuda
Barry L V Gale, QC, Barbados
Blakes, Cassels & Graydon LLP, Canada
Carrington & Sealy, Barbados
Conyers Dill & Pearman Limited, Bermuda
Hamel-Smith, Trinidad and Tobago
Hobsons, Trinidad and Tobago
Lex Caribbean, Barbados
McInnes Cooper, Canada
Paul Hastings LLP, USA
Shutts & Bowen LLP, USA
Stikeman Elliott LLP, Canada
Torys LLP, Canada

BANKERS

National Bank of Canada
First Citizens Bank (Barbados) Limited
CIBC Caribbean Bank Limited
JP Morgan, USA
RBC Royal Bank (Trinidad & Tobago) Limited
The Bank of New York Mellon
The Bank of Nova Scotia
Sagicor Bank (Barbados) Limited

Offices

WE'RE STRONGER BEYOND BORDERS

Offices

SAGICOR REGISTERED OFFICE

SAGICOR FINANCIAL COMPANY LTD.
Clarendon House
2 Church Street
Hamilton HM11
Bermuda
Tel: (441) 295-1422
Fax: (441) 292-4720

SAGICOR FINANCIAL CORPORATION LIMITED
Clarendon House
2 Church Street
Hamilton HM11
Bermuda
Tel: (441) 295-1422
Fax: (441) 292-4720

SAGICOR CORPORATE HEAD OFFICE
SAGICOR FINANCIAL COMPANY LTD.
Cecil F de Caires Building
Wildey, St Michael
Barbados
Tel: (246) 467-7500
Fax: (246) 436-8829
Email: info@sagicor.com
Website: www.sagicor.com

SAGICOR FINANCIAL CORPORATION LIMITED
Cecil F de Caires Building
Wildey, St Michael,
Barbados
Tel: (246) 467-7500
Fax: (246) 436-8829
Email: info@sagicor.com
Website: www.sagicor.com

SUBSIDIARIES

1222948 B.C. Ltd
100 King St W, Suite 4420
PO Box 272
Toronto, Ontario M5X 1C9
Canada
Email: investorrelations@sagicor.com

SAGICOR REINSURANCE BERMUDA LIMITED
Clarendon House,
2 Church Street,
Hamilton HM 11,
Bermuda
Tel: (441) 296-1711

SAGICOR BANK (BARBADOS) LIMITED
Worthing Corporate Centre
Worthing
Christ Church, BB15008
Barbados
Tel: (246) 467-3000

SOUTHERN CARIBBEAN SEGMENT

SAGICOR LIFE INC
Cecil F de Caires Building
Wildey, St Michael, Barbados
Tel: (246) 467-7500
Fax: (246) 436-8829
Email: contactus@sagicor.com

SAGICOR LIFE INC BRANCH OFFICES

BARBADOS
SAGICOR LIFE INC
Sagicor Financial Centre
Collymore Rock, St Michael
Tel: (246) 467-7500
Fax: (246) 436-8829

BELIZE
Coney Drive Business Plaza
Coney Drive
Belize City, Belize
Tel: (501) 223-3147
Fax: (501) 223-7390

CURAÇAO
Schottegatweg Oost #11
Willemstad
Tel: (599) 9 736-8558
Fax: (599) 9 736-8575
Email: info_curacao@sagicor.com

SAGICOR LIFE INC AGENCIES

CURAÇAO
Guillen Insurance Consultants
P O Box 4929
Kaya E, Salas No 34
Tel: (599) 9 461-2081
Fax: (599) 9 461-1675
Email: chris-guillen@betlinks.an

Offices

HAITI
Cabinet d'Assurance
Fritz de Catalogne
Angles Rues de Peuple et des Miracles
Port-au-Prince
Tel: (509) 3701 1737

SAGICOR LIFE INSURANCE TRINIDAD & TOBAGO LIMITED
Sagicor Financial Centre
16 Queen's Park West, Port-of-Spain
Tel: (868) 628-1636/7/8
Fax: (868) 628-1639
Email: info_trinidad@sagicor.com

SAGICOR LIFE (EASTERN CARIBBEAN) INC REGISTERED OFFICE

SAGICOR LIFE (EASTERN CARIBBEAN) INC
Sagicor Financial Centre
Choc Estate Castries, St Lucia
Tel: (758) 456-1700
Tel: (758) 450-3787
Email: info_stlucia@sagicor.com

SAGICOR LIFE (EASTERN CARIBBEAN) INC BRANCH OFFICES

ANTIGUA
Sagicor Financial Centre
#9 Sir Sydney Walling Highway St John's
Tel: (268) 480-5500
Fax: (268) 480-5520
Email: info_antigua@sagicor.com

GRENADA
TransNemwil Complex The Villa St George's
Tel: (473) 440-1223
Fax: (473) 440-4169
Email: info_grenada@sagicor.com

ST LUCIA
Sagicor Financial Centre
Choc Estate, Castries
Tel: (758) 456-1700
Fax: (758) 450-3787
Email: info_stlucia@sagicor.com

SAGICOR LIFE (EASTERN CARIBBEAN) INC AGENCIES

DOMINICA
WillCher Services Inc
44 Hillsborough Street
Corner Hillsborough & Independence Streets
Roseau
Tel: (767) 440-2562
Fax: (767) 440-2563

ST KITTS
Sagicor Life Inc
C/o The St Kitts Nevis Anguilla Trading and Development Co. Ltd
Central Street, Basseterre Tel: (869) 465-9476
Fax: (869) 465 6437

ST VINCENT
Sagicor Life Inc
C/o Incorporated Agencies Limited
Frenches Kingstown
Tel: (784) 456-1159
Fax: (784) 456-2232

SAGICOR GENERAL INSURANCE REGISTERED OFFICE

SAGICOR GENERAL INSURANCE INC
Cecil F DeCaries Building
Wildey, St Michael, Barbados
Tel: (246) 431-2800
Fax: (246) 228-8266
Email: sgi-info@sagicorgeneral.com

SAGICOR GENERAL INSURANCE INC
Sagicor Financial Centre Collymore Rock
St Michael Barbados
Tel: (246) 431-2800
Fax: (246) 426-0752
(246) 228-8266
Email: sgi-info@sagicorgeneral.com

ANTIGUA
Sagicor Financial Centre
#9 Sir Sydney Walling Highway St John's
Tel: (268) 480-5500
Fax: (268) 480-5550
Email: info_antigua@sagicor.com

ST LUCIA
Sagicor Financial Centre
Choc Estate
Castries St Lucia
Tel: (758) 452-0994
Fax: (758) 450-4870

SAGICOR GENERAL INSURANCE AGENCIES

HHV WHITCHURCH & COMPANY LIMITED
Old Street P O Box 771
Roseau, Dominica
Tel: (767) 448-2182
Fax: (767) 448-5787

WILLCHER SERVICES INC
44 Hillsborough Street
Corner Hillsborough & Independence Streets
Roseau, Dominica
Tel: (767) 440-2562
Fax: (767) 440-2563

JE MAXWELL & COMPANY LIMITED
Bridge Street
PO Box GM 942
Castries
St. Lucia
Tel: (758) 451-7829
Fax: (758) 451-7271
Email: jemax@candw.lc

ORRY J SANDS & CO. LTD.
300 east Shirley Street
Nassau, NP Bahamas
Tel: (242) 393-4300
Fax: (242) 393 6258

SAGICOR GENERAL INSURANCE TRINIDAD & TOBAGO LIMITED
Sagicor Financial Centre
16 Queen's Park West
P.O Box 284
NEWTOWN, I90203
Tel: (868) 623-4744
Fax: (868) 628-1639 or (868) 625-1927

SAGICOR FUNDS INCORPORATED
Cecil F de Caires Building
Wildey, St Michael
Barbados
Tel: (246) 467-7500
Fax: (246) 436-8829

SAGICOR ASSET MANAGEMENT INC
Cecil F de Caires Building
Wildey, St Michael
Barbados Tel: (246) 467-7500
Fax: (246) 426-1153

SAGICOR FINANCE INC
Rodney Bay Commercial Centre
2nd' Floor
Rodney Bay
Gros Islet, St Lucia
Tel: (758) 452-4272
Fax: (758) 452-4279

SAGICOR INVESTMENTS TRINIDAD AND TOBAGO LIMITED
Sagicor Financial Centre
16 Queen's Park West
Port-of-Spain Trinidad
Tel: (868) 628-1636/7/8
Fax: (868) 628-1639

NATIONWIDE INSURANCE COMPANY LIMITED
Sagicor Financial Centre
16 Queen's Park West
Port-of-Spain, Trinidad
Tel: (868) 628-1636
Fax: (868) 628-1639
Email: comments@sagicor.com

BARBADOS FARMS LIMITED
Cecil F de Caires Building
Wildey, St Michael
Barbados, BB15096
Tel: (246) 427-5299
Fax: (246) 437-8873
Email: info@sagicor.com

CAPITAL LIFE INSURANCE COMPANY BAHAMAS LIMITED
C/o Family Guardian Insurance Company Limited
No 1 Shirley Street & Village Road
P O Box SS-6232
Nassau, NP Bahamas
Tel: (242) 393-4000
Fax: (242) 393-1100
Email: info@familyguardian.com

SAGICOR LIFE ARUBA NV
Av. Milio Croes 106
Suites 1 - 4
Oranjestad, Aruba
Tel: (297) 588-5042
Fax: (297) 588-5041
Lyder Insurance Consultants
Seroe Blanco 56A
Tel: (297) 582-6133

ASSOCIATED COMPANIES

FAMGUARD CORPORATION LIMITED
No.1 Shirley Street & Village Road
P O Box SS-6232
Nassau, NP Bahamas
Tel: (242) 396 4000
Fax: (242) 393 1100
www.famguardbahamas.com

Offices

RGM LTD
Albion Plaza Energy Centre
22-24 Victoria Avenue
Port-of-Spain, Trinidad
Tel: (868) 625-6505
Fax: (868) 624-7607

THE ESTATES GROUP HOLDINGS LIMITED
Cecil F de Caires Building
Wildey, St Michael, Barbados
Tel: (246) 427-4663
Email: theestates@sagicor.com

USA SEGMENT

REGISTERED OFFICE

SAGICOR USA, INC
4010 W. Boy Scout Blvd, Suite 800 Tampa,
Florida 33607, USA
Tel: (813)-287-1602
Fax: (813)-287-7420

SUBSIDIARIES

SAGICOR LIFE INSURANCE COMPANY
4010 W. Boy Scout Blvd, Suite 800
Tampa, Florida 33607, USA
Tel: (813) 287-1602
Fax: (813) 287-7420
8660 E. Hartford Drive, Suite 200
Scottsdale, Arizona 85255, USA
Tel: 1-800-531-5067
Fax: (480) 425-5150

JAMAICA SEGMENT

REGISTERED OFFICE

LOJ HOLDINGS LIMITED
28-48 Barbados Avenue
Kingston 5, Jamaica
Tel: (876) 929-8920(-9)

REGISTERED OFFICE

SAGICOR GROUP JAMAICA LIMITED
28-48 Barbados Avenue
Kingston 5, Jamaica
Tel: (876) 929-8920(-9)
Fax: (876) 960-1927

SUBSIDIARIES

SAGICOR LIFE JAMAICA LIMITED
Head Office
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I
Tel: (876) 929-8920-9
Fax: (876) 929-4730

SAGICOR BANK JAMAICA LIMITED
Head Office
17 Dominica Drive
Kingston 5, Jamaica W.I.
Tel: (876) 960-2340

EMPLOYEE BENEFITS ADMINISTRATOR LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR INVESTMENTS JAMAICA LIMITED
Head Office
85 Hope Road
Kingston 6, Jamaica W.I.
Tel: (876) 929-5583

SAGICOR INSURANCE BROKERS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730

SAGICOR LIFE OF THE CAYMAN ISLANDS LTD.
1st Floor Sagicor House
198 North Church Street, George Town
Grand Cayman KY1-1102
Cayman Islands
Tel: (345) 949-8211
Fax: (345) 949-8262

SAGICOR COSTA RICA, SCR, S.A.
102 Avenida Escazu,
Torre, 2 Suite, 405
Escuzu, San Jose
Costa Rica

SAGICOR POOLED INVESTMENT FUNDS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730

SAGICOR RE-INSURANCE LIMITED
198 North Church Street
George Town
Grand Cayman KY1-1102
Cayman Islands
Tel: (345) 949-8211
Fax: (345) 949-8262

SAGICOR PROPERTY SERVICES LIMITED
63-67 Knutsford Boulevard
Kingston 5, Jamaica W.I
Tel: (876) 929-9182-9

SAGICOR INSURANCE MANAGERS LIMITED
198 North Church Street
George Town
Grand Cayman KY1-1102
Cayman Islands
Tel: (345) 949-8211
Fax: (345) 949-8262

SAGICOR FOUNDATION JAMAICA
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR INTERNATIONAL ADMINISTRATORS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR PROPERTY DEVELOPERS LIMITED
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR INVESTMENTS (CAYMAN) LTD)
c/o HSM Corporate Services Ltd.
68 Fort Street
PO Box 31726
George Town
Grand Cayman KY1-1207
Cayman Islands

SAGICOR CAYMAN LIMITED
c/o HSM Corporate Services Ltd.
68 Fort Street
PO Box 31726
George Town
Grand Cayman KY1-1207
Cayman Islands

JAMCIV MOBAY JAMAICA PORTFOLIO LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730

TC (2017) LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730

PHOENIX EQUIITY HOLDINGS LIMITED
c/o Worthing Corporate Centre
Worthing, Christ Church
Barbados

ADVANGTAGE GENERAL INSURANCE CO, LTD
(Head Office)
4 – 6 Trafalgar Road
Kingston 10

BAILEY WILLIAMS LIMITED
10 Leonard Road
Kingston 10
Half Way Tree P.O. St Andrew

ALLIANCE FINANCIAL SERVICES LIMITED
Head Office
7 Belmont Road
Kingston 5 Jamaica
Tel (876) 960 4321-6
Fax (876) 960 4327

SAGICOR PANAMA SA
Ave Samuel Lewis y Calle
Santa Rita Plaza Obarrio
Ground Floor
Panama City, Panama
Tel: (507) 280-0200

CANADA SEGMENT

ivari Holdings Inc (Canada)
200-5000 Yonge Street
Toronto, ON M2N7E9
Canada
Tel: 416-883-5000
Fax: 416-883-5174
Toll free: 1-800-846-5970
Email: conversation@ivari.ca

ivari (Canada)
200-5000 Yonge Street
Toronto, ON M2N7E9
Canada
Tel: 416-883-5000
Fax: 416-883-5174
Toll free: 1-800-846-5970
Email: conversation@ivari.ca

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SHAREHOLDERS	STAY CONNECTED
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Contact Sagicor Financial Company Ltd. for: • General shareholder requests • Copies of the Annual Report	Phone: (246) 467-7500 Email: investorrelations@sagicor.com
Contact Sagicor for any other request	Phone: (246) 467-7500 Email: info@sagicor.com

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Our Vision

To be a great company committed to improving the lives of people in the communities in which we operate.

Sagicor