

SAGICOR FINANCIAL COMPANY LTD.

Condensed Consolidated Financial Statements (Unaudited)

Six-months ended June 30, 2024

SAGICOR FINANCIAL COMPANY LTD.

ACRONYMS

Certain acronyms have been used throughout the financial statements and notes thereto to substitute phrases. The more frequent acronyms and associated phrases are set out below.

Acronym	Phrase
AC	Amortised Cost
CSM	Contractual Service Margin
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
LGD	Loss Given Default
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
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
VFA	Variable Fee Approach

SAGICOR FINANCIAL COMPANY LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<u>Amounts in US \$000</u>	As of June 30, 2024 (unaudited)	As of December 31, 2023 (audited)
ASSETS		
Cash	390,500	486,642
Restricted cash	99,982	95,564
Financial investments (note 4)	16,348,673	16,337,358
Financial investments repledged (note 4)	667,801	687,753
Reinsurance contract assets (note 5)	2,972,048	3,212,899
Insurance contract assets (note 5)	9,157	1,273
Miscellaneous assets and receivables	282,670	297,858
Income tax assets	332,601	331,375
Associates and joint ventures	68,445	67,817
Intangible assets	90,922	93,160
Investment property	83,653	85,375
Property, plant and equipment	193,184	195,541
Segregated funds assets (note 8)	464,130	492,271
Total assets	22,003,766	22,384,886
LIABILITIES		
Accounts payable and accrued liabilities	324,019	293,782
Income tax liabilities	15,749	30,380
Investment contract liabilities (note 5)	466,784	477,858
Reinsurance contract liabilities (note 5)	9,708	14,800
Insurance contract liabilities (note 5)	15,612,462	15,732,214
Deposit and security liabilities (note 6)	2,823,277	2,950,430
Lease liabilities	37,312	37,987
Notes and loans payable (note 7)	932,810	945,666
Other liabilities / retirement benefit liabilities	63,019	80,477
Insurance contract liabilities on account of segregated fund policyholders (note 8)	464,130	492,271
Total liabilities	20,749,270	21,055,865
EQUITY		
Share capital	1,409	1,409
Share premium	725,014	725,029
Reserves	(114,986)	(73,417)
Retained earnings	286,284	317,913
Total shareholders' equity	897,721	970,934
Non-controlling interests	356,775	358,087
Total equity	1,254,496	1,329,021
Total liabilities and equity	22,003,766	22,384,886

These consolidated financial statements have been approved for issue by the Board of Directors on August 13, 2024.



Director



Director

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

<u>Amounts in US \$000</u>	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Insurance revenue (note 9)	713,589	332,142	358,370	165,941
Insurance service expenses (note 9)	(544,233)	(263,811)	(255,595)	(127,095)
Net expense from reinsurance contracts held (note 9)	(88,152)	(40,854)	(51,314)	(13,664)
INSURANCE SERVICE RESULT (note 9)	81,204	27,477	51,461	25,182
Gain / (loss) on derecognition of amortised cost investments (note 10)	(8)	224	35	224
Gain / (loss) on derecognition of assets carried at FVTOCI (note 10)	(243)	1,435	(1,030)	2,051
Interest income earned from financial assets measured at amortised cost and FVTOCI (note 10)	122,871	108,976	60,305	59,171
Credit impairment recovery / (loss) (note 10)	(667)	(2,659)	(741)	(1,887)
Net gain / (loss) on FVTPL investments (note 10)	341,452	225,396	156,451	55,149
Other investment income / (loss) (note 10)	1,972	2,205	1,050	1,223
NET INVESTMENT INCOME (note 10)	465,377	335,577	216,070	115,931
Finance income / (expenses) from insurance contracts issued (note 10)	(272,075)	(136,630)	(202,092)	9,156
Finance income / (expenses) from reinsurance contracts held (note 10)	(38,864)	18,316	19,102	6,284
NET INSURANCE FINANCE INCOME/ (EXPENSES) (note 10)	(310,939)	(118,314)	(182,990)	15,440
NET INVESTMENT RESULT BEFORE SEGREGATED FUNDS	154,438	217,263	33,080	131,371
Net investment income / (expenses) for segregated funds (note 8)	30,352	-	5,083	-
Finance income / (expenses) from insurance contracts issued for segregated funds (note 8)	(30,352)	-	(5,083)	-
NET INVESTMENT RESULT FOR SEGREGATED FUNDS (note 8)	-	-	-	-
TOTAL INVESTMENT RESULT (note 10)	154,438	217,263	33,080	131,371
NET INSURANCE AND INVESTMENT RESULT	235,642	244,740	84,541	156,553
Gain arising on divestiture	9,808	-	9,808	-
Fees and other income	66,599	63,550	31,802	31,086
Share of income of associates and joint ventures	1,552	3,130	366	2,659
Other operating expenses (note 11)	(174,296)	(147,983)	(90,579)	(73,943)
Other interest and finance costs	(116,655)	(64,721)	(59,425)	(34,650)
INCOME / (LOSS) BEFORE TAXES	22,650	98,716	(23,487)	81,705
Income taxes	(23,584)	(29,185)	(7,052)	(21,358)
NET INCOME / (LOSS) FOR THE PERIOD	(934)	69,531	(30,539)	60,347

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF INCOME

<u>Amounts in US \$000</u>	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
NET INCOME / (LOSS) FOR THE PERIOD	(934)	69,531	(30,539)	60,347
Net income / (loss) is attributable to:				
Common shareholders	(13,995)	50,248	(40,243)	48,839
Non-controlling interests	13,061	19,283	9,704	11,508
	(934)	69,531	(30,539)	60,347
Earnings per common share (note 16):				
Basic earnings per common share	(9.9) cents	35.2 cents	(28.5) cents	34.2 cents
Fully diluted earnings per common share	(9.9) cents	34.8 cents	(28.5) cents	33.9 cents

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
<u>Amounts in US \$000</u>	(unaudited)	(unaudited)	(unaudited)	(unaudited)
NET INCOME / (LOSS) FOR THE PERIOD	(934)	69,531	(30,539)	60,347
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items net of tax that may be reclassified subsequently to income:				
Financial assets measured at FVTOCI:				
Gain / (loss) on revaluation	(10,239)	7,859	(1,804)	903
(Gain) / loss transferred to income	(122)	(1,296)	394	(2,354)
Retranslation of foreign currency operations	(34,731)	(10,279)	(14,617)	(12,139)
	(45,092)	(3,716)	(16,027)	(13,590)
Items net of tax that will not be reclassified subsequently to income:				
Gain arising on revaluation of owner-occupied property and owner-managed property	16	-	-	-
Gain / (loss) on defined benefit plans	227	1,555	(101)	1,526
Other items	3	-	-	-
	246	1,555	(101)	1,526
Other comprehensive income / (loss)	(44,846)	(2,161)	(16,128)	(12,064)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(45,780)	67,370	(46,667)	48,283
Total comprehensive income / (loss) is attributable to:				
Common shareholders	(56,418)	50,005	(57,967)	43,394
Non-controlling interests	10,638	17,365	11,300	4,889
	(45,780)	67,370	(46,667)	48,283

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Reserves	Retained Earnings	Total Shareholders' Equity
<u>Amounts in US \$000</u>	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Six months to June 30, 2024					
Balance as at January 1, 2024	1,409	725,029	(73,417)	317,913	970,934
Total comprehensive loss	-	-	(42,653)	(13,765)	(56,418)
Transactions with holders of equity instruments:					
Allotment of common shares	5	2,622	-	-	2,627
Repurchase of shares (note 17)	(5)	(2,685)	-	137	(2,553)
Movements in treasury shares	-	48	-	-	48
Changes in reserve for equity compensation benefits	-	-	(37)	(568)	(605)
Dividends declared	-	-	-	(16,918)	(16,918)
Transfers and other movements	-	-	1,121	(515)	606
Balance as at June 30, 2024	1,409	725,014	(114,986)	286,284	897,721

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total Shareholders' Equity	Non-controlling Interests	Total Equity
<u>Amounts in US \$000</u>	(unaudited)	(unaudited)	(unaudited)
Six months to June 30, 2024			
Balance as at January 1, 2024	970,934	358,087	1,329,021
Total comprehensive loss	(56,418)	10,638	(45,780)
Transactions with holders of equity instruments:			
Allotment of common shares	2,627	-	2,627
Repurchase of shares (note 17)	(2,553)	-	(2,553)
Movements in treasury shares	48	-	48
Changes in reserve for equity compensation benefits	(605)	49	(556)
Dividends declared	(16,918)	(12,338)	(29,256)
Transfers and other movements	606	339	945
Balance as at June 30, 2024	897,721	356,775	1,254,496

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Reserves	Accumulated Deficit	Total Shareholders' Equity
<u>Amounts in US \$000</u>	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Six months to June 30, 2023					
Restated balance as at December 31, 2022	1,426	734,922	(115,441)	(191,216)	429,691
Total comprehensive income	-	-	(1,798)	51,803	50,005
Transactions with holders of equity instruments:					
Allotment of common shares	5	1,728	-	-	1,733
Repurchase of shares (note 17)	(6)	(2,844)	-	841	(2,009)
Movements in treasury shares	1	(362)	-	-	(361)
Changes in reserve for equity compensation benefits	-	-	(464)	522	58
Dividends declared	-	-	-	(16,028)	(16,028)
Disposal of interest in subsidiaries	-	-	1,516	(1,545)	(29)
Transfers and other movements	-	-	1,939	(2,490)	(551)
Balance as at June 30, 2023	1,426	733,444	(114,248)	(158,113)	462,509

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total Shareholders' Equity	Non-controlling Interests	Total Equity
<u>Amounts in US \$000</u>	(unaudited)	(unaudited)	(unaudited)
Six months to June 30, 2023			
Restated balance as at December 31, 2022	429,691	306,733	736,424
Total comprehensive income	50,005	17,365	67,370
Transactions with holders of equity instruments:			
Allotment of common shares	1,733	-	1,733
Repurchase of shares (note 17)	(2,009)	-	(2,009)
Movements in treasury shares	(361)	-	(361)
Changes in reserve for equity compensation benefits	58	-	58
Dividends declared	(16,028)	(9,383)	(25,411)
Disposal of interest in subsidiaries	(29)	-	(29)
Transfers and other movements	(551)	26	(525)
Balance as at June 30, 2023	462,509	314,741	777,250

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<u>Amounts in US \$000</u>	Six months to June 30, 2024	Six months to June 30, 2023
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Income before taxes	22,650	98,716
Adjustments for non-cash items, interest and dividends (note 14)	197,670	(133,301)
Interest and dividends received	255,463	264,769
Interest paid	(107,849)	(62,935)
Income taxes paid	(37,520)	(30,567)
Net change in investments (note 14)	(354,830)	(317,757)
Net change in operating assets (note 14)	121,423	60,667
Net change in operating liabilities (note 14)	(186,218)	282,992
Net cash flows - operating activities	(89,211)	162,584
INVESTING ACTIVITIES		
Property, plant and equipment, net (note 14)	(4,909)	(5,854)
Associates and joint ventures	(1,650)	-
Dividends received from associates and joint ventures	2,130	1,038
Intangible assets, net	(3,126)	(717)
Net cash flows - investing activities	(7,555)	(5,533)
FINANCING ACTIVITIES		
Repurchase of common shares	(2,553)	(2,018)
Shares issued to non-controlling interests	306	-
Movement in treasury shares	48	(361)
Notes and loans payable, net (note 14)	(21,674)	11,300
Lease liability principal paid (note 14)	(4,027)	(3,963)
Dividends paid to common shareholders	(16,918)	(16,042)
Dividends paid to non-controlling interests	(12,300)	(10,221)
Net cash flows - financing activities	(57,118)	(21,305)
Effect of exchange rate changes	(6,013)	(3,612)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(159,897)	132,134
Cash and cash equivalents, beginning of period	801,370	592,737
CASH AND CASH EQUIVALENTS, END OF PERIOD (NOTE 14)	641,473	724,871

The accompanying notes form an integral part of these financial statements.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

These unaudited interim condensed consolidated financial statements (“condensed consolidated financial statements”) of Sagicor Financial Company Ltd. and its subsidiaries (the “Group”), (“Sagicor”) are presented in compliance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited 2023 annual consolidated financial statements and the accompanying notes included in pages 144 to 398 of the Annual Report for 2023. The condensed financial statements however do include certain disclosures required in the annual financial statements, but which are additional to the requirements of IAS 34.

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.

2. MATERIAL ACCOUNTING POLICIES

These condensed consolidated financial statements have been prepared using the same accounting policies and methods used in preparation of the audited 2023 annual consolidated financial statements. The principal accounting policies are described in note 2 of those annual consolidated financial statements. The following new pronouncements became effective January 1, 2024 and have been deemed to have no material effect on the Group: IAS 1 – Non-current liabilities with covenants, IAS 7 – Disclosures on supplier finance arrangements, IFRS 7 – Supplier finance arrangements and IFRS 16 – Lease liability in a sale and leaseback.

2.1 Exchange rates

The following exchange rates were applied for the conversion of amounts to US dollars.

	Closing rates as of June 30, 2024	Closing rates as of December 31, 2023	Average rates for the six months to June 30, 2024	Average rates for the three months to June 30, 2024	Average rates for the six months to June 30, 2023	Average rates for the three months to June 30, 2023
Barbados dollar	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Canadian dollar	1.3688	1.3226	1.3522	1.3644	n/a	n/a
Eastern Caribbean dollar	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000
Jamaica dollar	155.5902	154.2680	155.1190	154.9600	152.5186	152.5678
Trinidad & Tobago dollar	6.7170	6.7158	6.7288	6.7352	6.7416	6.7394

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS

The Group conducts its business through four reportable operating segments, as follows:

- a) Sagicor Canada: Engages in individual life insurance, annuities, segregated funds, and accident and sickness insurance business throughout Canada.
- b) Sagicor Life: Engages in life, health, annuity, property and casualty insurance business, and pension administration services in Barbados, Eastern Caribbean, Dutch Caribbean, Bahamas, Belize, Panamá and Trinidad & Tobago and, through a segregated account, transfers insurance risks associated with certain life and annuity products relating to Trinidad & Tobago business to Sagicor Reinsurance Bermuda Ltd.
- c) Sagicor Jamaica: Engages in 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.
- d) Sagicor Life USA: Engages in life insurance and annuity business in certain states of the USA and, through a segregated account, transfers insurance risks associated with certain life and annuity products, and financial instruments supporting those liabilities, to Sagicor Reinsurance Bermuda Ltd.

Segmented financial information is set out in the sections 3.1 to 3.5.

3.1 Statement of income by reportable operating segment

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjust- ments	Total
Six months to June 30, 2024							
Insurance revenue	156,007	165,226	49,758	342,598	-	-	713,589
Insurance service expenses	(113,276)	(134,410)	(56,313)	(240,234)	-	-	(544,233)
Net expense from reinsurance contracts held	(19,288)	(12,580)	(2,666)	(53,618)	-	-	(88,152)
Inter-segment insurance service result	(310)	-	287	-	-	23	-
Insurance service result	23,133	18,236	(8,934)	48,746	-	23	81,204
Gain / (loss) on derecognition of amortised cost investments	-	48	(56)	-	-	-	(8)
Gain / (loss) on derecognition of assets carried at FVTOCI	-	1,659	(1,890)	-	(12)	-	(243)
Interest income earned from financial assets measured at amortised cost and FVTOCI	11,903	81,974	26,732	-	2,262	-	122,871
Credit impairment recovery / (loss)	2,581	(3,196)	(53)	-	1	-	(667)
Net gain / (loss) on FVTPL investments	28,165	18,132	139,325	159,130	(3,300)	-	341,452
Other investment income / (loss)	675	(68)	1,245	(61)	181	-	1,972
Inter-segment investment income / (expenses)	10,977	1,718	9	-	5,259	(17,963)	-
Net investment income / (expenses)	54,301	100,267	165,312	159,069	4,391	(17,963)	465,377
Finance income / (expenses) from insurance contracts issued	(48,059)	(8,732)	(120,195)	(95,089)	-	-	(272,075)
Finance income / (expenses) from reinsurance contracts held	(548)	120	8,605	(47,041)	-	-	(38,864)
Inter-segment net insurance finance income / (expenses)	(664)	-	662	-	-	2	-
Net insurance finance income / (expenses)	(49,271)	(8,612)	(110,928)	(142,130)	-	2	(310,939)
Net investment result before segregated funds	5,030	91,655	54,384	16,939	4,391	(17,961)	154,438

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.1 Statement of income by reportable operating segment (continued)

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjust- ments	Total
Six months to June 30, 2024							
Net investment result before segregated funds	5,030	91,655	54,384	16,939	4,391	(17,961)	154,438
Net investment income / (expenses) for segregated funds	-	-	-	30,352	-	-	30,352
Finance income / (expenses) from insurance contracts issued for segregated funds	-	-	-	(30,352)	-	-	(30,352)
Net investment result for segregated funds	-	-	-	-	-	-	-
Total investment result	5,030	91,655	54,384	16,939	4,391	(17,961)	154,438
Net insurance and investment result	28,163	109,891	45,450	65,685	4,391	(17,938)	235,642
Gain arising on divestiture	9,808	-	-	-	-	-	9,808
Fees and other income	2,930	59,787	54	1,084	2,476	268	66,599
Share of income of associates and joint ventures	1,259	293	-	-	-	-	1,552
Other operating expenses	(19,518)	(103,420)	(16,884)	(6,651)	(27,655)	(168)	(174,296)
Other interest and finance costs	(6,258)	(29,807)	(8,748)	(28,461)	(43,435)	54	(116,655)
Inter-segment other income / (expenses)	(350)	(1,099)	(6,582)	-	(10,707)	18,738	-
Segment income / (loss) before taxes	16,034	35,645	13,290	31,657	(74,930)	954	22,650
Income taxes	(3,990)	(9,746)	(3,013)	(6,041)	(794)	-	(23,584)
Segment net income / (loss) for the period	12,044	25,899	10,277	25,616	(75,724)	954	(934)
Net income / (loss) attributable to shareholders	12,030	12,591	10,277	25,616	(75,463)	954	(13,995)
Net income / (loss) attributable to non-controlling interests	14	13,308	-	-	(261)	-	13,061
Total comprehensive income / (loss) attributable to shareholders	10,221	(826)	12,059	(3,366)	(75,394)	888	(56,418)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.1 Statement of income by reportable operating segment (continued)

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjust- ments	Total
Six months to June 30, 2023						
Insurance revenue	146,724	144,927	40,491	-	-	332,142
Insurance service expenses	(116,924)	(119,575)	(27,312)	-	-	(263,811)
Net expense from reinsurance contracts held	(11,141)	(10,044)	(19,669)	-	-	(40,854)
Inter-segment insurance service result	(551)	-	(105)	-	656	-
Insurance service result	18,108	15,308	(6,595)	-	656	27,477
Gain / (loss) on derecognition of amortised cost investments	-	224	-	-	-	224
Gain / (loss) on derecognition of assets carried at FVTOCI	520	790	36	89	-	1,435
Interest income earned from financial assets measured at amortised cost and FVTOCI	9,479	72,803	23,438	3,256	-	108,976
Credit impairment recovery / (loss)	763	(3,030)	(238)	(154)	-	(2,659)
Net gain / (loss) on FVTPL investments	42,924	36,974	142,161	3,337	-	225,396
Other investment income / (loss)	1,041	151	934	79	-	2,205
Inter-segment investment income / (expenses)	10,507	303	-	5,160	(15,970)	-
Net investment income / (expenses)	65,234	108,215	166,331	11,767	(15,970)	335,577
Finance income / (expenses) from insurance contracts issued	(51,840)	(14,362)	(70,428)	-	-	(136,630)
Finance income / (expenses) from reinsurance contracts held	4,463	(39)	13,892	-	-	18,316
Inter-segment net insurance finance income / (expenses)	(756)	-	753	-	3	-
Net insurance finance income / (expenses)	(48,133)	(14,401)	(55,783)	-	3	(118,314)
Net investment result before segregated funds	17,101	93,814	110,548	11,767	(15,967)	217,263
Net investment income / (expenses) for segregated funds	-	-	-	-	-	-
Finance income / (expenses) from insurance contracts issued for segregated funds	-	-	-	-	-	-
Net investment result for segregated funds	-	-	-	-	-	-
Total investment result	17,101	93,814	110,548	11,767	(15,967)	217,263
Net insurance and investment result	35,209	109,122	103,953	11,767	(15,311)	244,740
Fees and other income	5,211	58,427	55	656	(799)	63,550
Share of income of associates and joint ventures	3,113	17	-	-	-	3,130
Other operating expenses	(18,585)	(87,432)	(16,265)	(23,331)	(2,370)	(147,983)
Other interest and finance costs	(7,303)	(28,867)	(9,750)	(18,801)	-	(64,721)
Inter-segment other income / (expenses)	(312)	(740)	(6,261)	(10,219)	17,532	-
Segment income / (loss) before taxes	17,333	50,527	71,732	(39,928)	(948)	98,716
Income taxes	(3,585)	(12,858)	(12,735)	(7)	-	(29,185)
Segment net income / (loss) for the period	13,748	37,669	58,997	(39,935)	(948)	69,531
Net income / (loss) attributable to shareholders	13,739	18,119	58,997	(39,659)	(948)	50,248
Net income / (loss) attributable to non-controlling interests	9	19,550	-	(276)	-	19,283
Total comprehensive income / (loss) attributable to shareholders	15,451	17,276	57,672	(39,410)	(984)	50,005

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.1 Statement of income by reportable operating segment (continued)

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjust- ments	Total
Three months to June 30, 2024							
Insurance revenue	77,387	84,641	25,384	170,958	-	-	358,370
Insurance service expenses	(55,190)	(67,796)	(25,664)	(106,945)	-	-	(255,595)
Net expense from reinsurance contracts held	(9,469)	(5,207)	(1,493)	(35,145)	-	-	(51,314)
Inter-segment insurance service result	(58)	-	249	-	-	(191)	-
Insurance service result	12,670	11,638	(1,524)	28,868	-	(191)	51,461
Gain / (loss) on derecognition of amortised cost investments	-	35	-	-	-	-	35
Gain / (loss) on derecognition of assets carried at FVTOCI	-	615	(1,645)	-	-	-	(1,030)
Interest income earned from financial assets measured at amortised cost and FVTOCI	5,111	40,911	13,132	-	1,151	-	60,305
Credit impairment recovery / (loss)	1,127	(1,776)	(38)	-	(54)	-	(741)
Net gain / (loss) on FVTPL investments	7,153	13,774	51,334	88,514	(4,324)	-	156,451
Other investment income / (loss)	352	(1)	651	(36)	84	-	1,050
Inter-segment investment income / (expenses)	5,461	724	9	-	(19,834)	13,640	-
Net investment income / (expenses)	19,204	54,282	63,443	88,478	(22,977)	13,640	216,070
Finance income / (expenses) from insurance contracts issued	(25,586)	(4,348)	(80,957)	(91,201)	-	-	(202,092)
Finance income / (expenses) from reinsurance contracts held	(174)	203	5,174	13,899	-	-	19,102
Inter-segment net insurance finance income / (expenses)	(413)	-	411	-	-	2	-
Net insurance finance income / (expenses)	(26,173)	(4,145)	(75,372)	(77,302)	-	2	(182,990)
Net investment result before segregated funds	(6,969)	50,137	(11,929)	11,176	(22,977)	13,642	33,080
Net investment income / (expenses) for segregated funds	-	-	-	5,083	-	-	5,083
Finance income / (expenses) from insurance contracts issued for segregated funds	-	-	-	(5,083)	-	-	(5,083)
Net investment result for segregated funds	-	-	-	-	-	-	-
Total investment result	(6,969)	50,137	(11,929)	11,176	(22,977)	13,642	33,080
Net insurance and investment result	5,701	61,775	(13,453)	40,044	(22,977)	13,451	84,541
Gain arising on divestiture	9,808	-	-	-	-	-	9,808
Fees and other income	1,012	28,459	28	1,085	1,264	(46)	31,802
Share of income of associates and joint ventures	506	(140)	-	-	-	-	366
Other operating expenses	(10,846)	(50,069)	(9,018)	(2,397)	(16,379)	(1,870)	(90,579)
Other interest and finance costs	(2,324)	(15,156)	(4,599)	(14,271)	(23,129)	54	(59,425)
Inter-segment other income / (expenses)	(176)	(664)	(3,299)	-	(5,349)	9,488	-
Segment income / (loss) before taxes	3,681	24,205	(30,341)	24,461	(66,570)	21,077	(23,487)
Income taxes	(1,458)	(4,885)	3,469	(4,082)	(96)	-	(7,052)
Segment net income / (loss) for the period	2,223	19,320	(26,872)	20,379	(66,666)	21,077	(30,539)
Net income / (loss) attributable to shareholders	2,215	9,415	(26,872)	20,379	(66,457)	21,077	(40,243)
Net income / (loss) attributable to non-controlling interests	8	9,905	-	-	(209)	-	9,704
Total comprehensive income / (loss) attributable to shareholders	1,939	(250)	(26,266)	11,961	(66,414)	21,063	(57,967)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.1 Statement of income by reportable operating segment (continued)

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Head office and other	Adjust- ments	Total
Three months to June 30, 2023						
Insurance revenue	73,693	72,911	19,337	-	-	165,941
Insurance service expenses	(56,618)	(61,923)	(8,554)	-	-	(127,095)
Net expense from reinsurance contracts held	(4,344)	(4,040)	(5,280)	-	-	(13,664)
Inter-segment insurance service result	(195)	-	(31)	-	226	-
Insurance service result	12,536	6,948	5,472	-	226	25,182
Gain / (loss) on derecognition of amortised cost investments	-	224	-	-	-	224
Gain / (loss) on derecognition of assets carried at FVTOCI	520	1,091	360	80	-	2,051
Interest income earned from financial assets measured at amortised cost and FVTOCI	4,958	39,768	12,662	1,783	-	59,171
Credit impairment recovery / (loss)	500	(2,129)	(140)	(118)	-	(1,887)
Net gain / (loss) on FVTPL investments	20,396	13,281	22,939	(1,467)	-	55,149
Other investment income / (loss)	477	92	598	56	-	1,223
Inter-segment investment income / (expenses)	5,278	303	-	2,632	(8,213)	-
Net investment income / (expenses)	32,129	52,630	36,419	2,966	(8,213)	115,931
Finance income / (expenses) from insurance contracts issued	(29,337)	(369)	38,862	-	-	9,156
Finance income / (expenses) from reinsurance contracts held	4,370	8	1,906	-	-	6,284
Inter-segment net insurance finance income / (expenses)	(49)	-	48	-	1	-
Net insurance finance income / (expenses)	(25,016)	(361)	40,816	-	1	15,440
Net investment result before segregated funds	7,113	52,269	77,235	2,966	(8,212)	131,371
Net investment income / (expenses) for segregated funds	-	-	-	-	-	-
Finance income / (expenses) from insurance contracts issued for segregated funds	-	-	-	-	-	-
Net investment result for segregated funds	-	-	-	-	-	-
Total investment result	7,113	52,269	77,235	2,966	(8,212)	131,371
Net insurance and investment result	19,649	59,217	82,707	2,966	(7,986)	156,553
Fees and other income	2,428	29,042	29	(46)	(367)	31,086
Share of income of associates and joint ventures	2,130	529	-	-	-	2,659
Other operating expenses	(9,514)	(40,809)	(8,784)	(12,936)	(1,900)	(73,943)
Other interest and finance costs	(3,535)	(17,126)	(4,542)	(9,447)	-	(34,650)
Inter-segment other income / (expenses)	(176)	(740)	(3,296)	(5,141)	9,353	-
Segment income / (loss) before taxes	10,982	30,113	66,114	(24,604)	(900)	81,705
Income taxes	(2,256)	(7,554)	(11,555)	7	-	(21,358)
Segment net income / (loss) for the period	8,726	22,559	54,559	(24,597)	(900)	60,347
Net income / (loss) attributable to shareholders	8,711	10,821	54,559	(24,352)	(900)	48,839
Net income / (loss) attributable to non-controlling interests	15	11,738	-	(245)	-	11,508
Total comprehensive income / (loss) attributable to shareholders	11,527	5,274	52,725	(25,236)	(896)	43,394

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.2 Statement of financial position by reportable operating segment

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjustments	Total
As of June 30, 2024							
Financial investments	1,737,960	2,988,821	4,962,137	7,237,239	90,317	-	17,016,474
Reinsurance contract assets	21,503	13,181	289,868	2,647,496	-	-	2,972,048
Insurance contract assets	4,544	4,613	-	-	-	-	9,157
Other external assets	357,527	622,774	89,765	745,325	190,696	-	2,006,087
Inter-segment assets	478,576	57,995	23,804	-	150,855	(711,230)	-
Total assets	2,600,110	3,687,384	5,365,574	10,630,060	431,868	(711,230)	22,003,766
Insurance contract liabilities	1,486,425	962,275	4,617,802	8,545,960	-	-	15,612,462
Reinsurance contract liabilities	6,132	3,576	-	-	-	-	9,708
Investment contract liabilities	266,209	136,925	56,017	7,633	-	-	466,784
Other external liabilities	205,420	1,888,493	259,921	1,247,636	1,058,846	-	4,660,316
Inter-segment liabilities	73,184	6,344	172,089	8	459,605	(711,230)	-
Total liabilities	2,037,370	2,997,613	5,105,829	9,801,237	1,518,451	(711,230)	20,749,270
Net assets	562,740	689,771	259,745	828,823	(1,086,583)	-	1,254,496
Net assets attributable to non-controlling interests	231	344,228	-	-	12,316	-	356,775

<u>Amounts in US \$000</u>	Sagicor Life	Sagicor Jamaica	Sagicor Life USA	Sagicor Canada	Head office and other	Adjustments	Total
As of December 31, 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

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.3 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:

<u>Amounts in US \$000</u>	Insurance revenue			
	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
Life, health and annuity insurance contracts issued to individuals	499,825	152,697	249,784	83,621
Life, health and annuity insurance and pension administration contracts issued to groups	136,993	111,706	69,670	48,199
Property and casualty insurance	76,771	67,739	38,916	34,121
	713,589	332,142	358,370	165,941

<u>Amounts in US \$000</u>	Insurance service result			
	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
Life, health and annuity insurance contracts issued to individuals	71,174	23,785	47,317	21,877
Life, health and annuity insurance and pension administration contracts issued to groups	4,592	(450)	950	(229)
Property and casualty insurance	5,438	4,142	3,194	3,534
	81,204	27,477	51,461	25,182

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.3 Products and services (continued)

<u>Amounts in US \$000</u>	Net investment income			
	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
Life, health and annuity insurance contracts issued to individuals	372,113	226,474	168,568	54,880
Life, health and annuity insurance and pension administration contracts issued to groups	11,299	28,842	8,457	19,372
Property and casualty insurance	3,380	2,461	1,679	1,190
Banking, investment management and other financial services	78,178	68,368	39,583	36,590
Unallocated revenues	407	9,432	(2,217)	3,899
	465,377	335,577	216,070	115,931

<u>Amounts in US \$000</u>	Fees and other income			
	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
Life, health and annuity insurance contracts issued to individuals	2,882	391	1,700	(3,768)
Life, health and annuity insurance and pension administration contracts issued to groups	1,534	13,494	737	9,894
Property and casualty insurance	13	258	(48)	220
Banking, investment management and other financial services	45,855	37,800	22,311	18,826
Unallocated revenues	16,315	11,607	7,102	5,914
	66,599	63,550	31,802	31,086

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.4 Geographical areas

The Group operates in certain geographical areas which are determined by the location of the subsidiary or branch initiating the business. The insurance revenue, insurance service result, net investment income, and fees and other income by geographical area are summarised below.

<u>Amounts in US \$000</u>	Insurance revenue				Insurance service result			
	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
Barbados	62,357	56,668	31,385	28,493	10,738	5,886	6,119	2,835
Jamaica	158,210	137,046	81,415	68,831	16,499	14,951	9,604	6,112
Trinidad & Tobago	54,411	51,412	27,093	25,675	6,131	6,744	3,436	6,104
Other Caribbean	46,255	46,525	22,135	23,605	8,311	6,386	5,207	4,628
Canada	342,598	-	170,958	-	48,746	-	28,868	-
USA	49,758	40,491	25,384	19,337	(9,221)	(6,490)	(1,773)	5,503
	713,589	332,142	358,370	165,941	81,204	27,477	51,461	25,182

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.4 Geographical areas (continued)

<u>Amounts in US \$000</u>	Net investment income				Fees and other income			
	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
Barbados	9,624	16,237	2,374	5,258	3,421	3,635	1,879	1,345
Jamaica	93,670	96,731	51,968	48,949	59,559	58,160	28,541	28,938
Trinidad & Tobago	21,221	32,457	4,161	16,574	655	1,357	(301)	586
Other Caribbean	16,490	23,821	5,654	8,731	1,826	343	570	188
Canada	159,069	-	88,479	-	1,084	-	1,085	-
USA	165,303	166,331	63,434	36,419	54	55	28	29
	465,377	335,577	216,070	115,931	66,599	63,550	31,802	31,086

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.5 Revenues from fees recognised

The following table discloses revenue from fees recognised by reportable segment.

Six months to June 30, 2024	Fees recognised		
	- at a point in time	- over time	Total
<u>Amounts in US \$000</u>			
Sagicor Life	-	2,903	2,903
Sagicor Jamaica	32,021	20,634	52,655
Sagicor USA	48	-	48
Sagicor Canada	-	-	-
Head office and other	-	2,945	2,945
	<u>32,069</u>	<u>26,482</u>	<u>58,551</u>

Six months to June 30, 2023	Fees recognised		
	- at a point in time	- over time	Total
<u>Amounts in US \$000</u>			
Sagicor Life	-	3,930	3,930
Sagicor Jamaica	30,720	20,139	50,859
Sagicor USA	55	-	55
Sagicor Canada	-	-	-
Head office and other	-	1,618	1,618
	<u>30,775</u>	<u>25,687</u>	<u>56,462</u>

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.5 Revenues from fees recognised (continued)

Three months to June 30, 2024	Fees recognised		
	- at a point in time	- over time	Total
<u>Amounts in US \$000</u>			
Sagicor Life	-	1,436	1,436
Sagicor Jamaica	15,722	10,142	25,864
Sagicor USA	22	-	22
Sagicor Canada	-	-	-
Head office and other	-	1,499	1,499
	15,744	13,077	28,821
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Three months to June 30, 2023	Fees recognised		
	- at a point in time	- over time	Total
<u>Amounts in US \$000</u>			
Sagicor Life	-	1,988	1,988
Sagicor Jamaica	15,277	11,052	26,329
Sagicor USA	29	-	29
Sagicor Canada	-	-	-
Head office and other	(26)	818	792
	15,280	13,858	29,138

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL INVESTMENTS

4.1 Analysis of financial investments

<u>Amounts in US \$000</u>	June 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Investments at FVTOCI:				
Debt securities	1,410,116	1,410,116	1,454,818	1,454,818
Equity securities	707	707	564	564
	1,410,823	1,410,823	1,455,382	1,455,382
Investments at FVTPL:				
Money market funds	188,586	188,586	203,779	203,779
Debt securities	10,744,838	10,744,838	10,837,515	10,837,515
Equity securities	2,712,607	2,712,607	2,613,505	2,613,505
Derivative financial instruments	17,491	17,491	17,064	17,064
Mortgage loans	20,104	20,104	22,280	22,280
	13,683,626	13,683,626	13,694,143	13,694,143
Investments at amortised cost:				
Debt securities	127,429	126,576	135,257	134,383
Mortgage loans	792,020	789,005	774,961	772,085
Finance loans	730,208	706,806	682,415	655,691
Securities purchased for resale	3,705	3,705	13,361	13,361
Deposits	268,663	269,257	269,592	269,592
	1,922,025	1,895,349	1,875,586	1,845,112
Total financial investments	17,016,474	16,989,798	17,025,111	16,994,637

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL INVESTMENTS (continued)

4.1 Analysis of financial investments (continued)

Non-derivative investments at FVTPL	FVTPL mandatory classification	FVTPL designation by election	Total
June 30, 2024			
<u>Amounts in US \$000</u>			
Equity securities	2,712,607	-	2,712,607
Money market funds	174,712	13,874	188,586
Debt securities	8,852,117	1,892,721	10,744,838
Mortgage loans	-	20,104	20,104
	11,739,436	1,926,699	13,666,135
December 31, 2023			
<u>Amounts in US \$000</u>			
Equity securities	2,613,505	-	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
	11,695,029	1,982,050	13,677,079

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL INVESTMENTS (continued)

4.1 Analysis of financial investments (continued)

<u>Amounts in US \$000</u>	June 30, 2024	December 31, 2023
Debt securities and money market funds:		
Government & government-guaranteed debt securities	4,748,092	4,799,757
Collateralised mortgage obligations	1,250,136	1,070,716
Corporate debt securities	6,185,634	6,454,768
Money market funds and other debt securities	287,107	306,128
	12,470,969	12,631,369
Included in financial investments are:		
Exchange-traded funds included in equity securities	965,971	903,806
Debt securities issued by associates	18,158	19,733
Mutual funds managed by the Group	187,392	186,952

4.2 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.

<u>Amounts in US \$000</u>	June 30, 2024	December 31, 2023
Financial investments repledged	667,801	687,753
Statement of financial position presentation		
Financial investments	16,348,673	16,337,358
Financial investments repledged	667,801	687,753
	17,016,474	17,025,111

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL INVESTMENTS (continued)

4.2 Financial investments repledged (continued)

Analysis of financial investments repledged

	June 30, 2024	December 31, 2023
	Pledged value	Pledged value
<u>Amounts in US \$000</u>		
Investments at FVTOCI:		
Debt securities	614,072	637,083
Investments at FVTPL:		
Money market funds	51,784	50,670
Investments at amortised cost:		
Deposits	1,945	-
Financial investments repledged	667,801	687,753

4.3 Contracts with direct participation features

	June 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
<u>Amounts in US \$000</u>				
Contracts with direct participation features				
Underlying assets:				
Debt securities	135,737	135,737	140,994	140,994
Equity securities	201,730	201,730	195,978	195,978
	337,467	337,467	336,972	336,972
Other investments	16,679,007	16,652,331	16,688,139	16,657,665
Total financial investments	17,016,474	16,989,798	17,025,111	16,994,637

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. 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. Additional to the disclosures in note 5 related to insurance contract assets and liabilities, reinsurance contract assets and liabilities as well as investment contract liabilities, specific segregated funds insurance contract liabilities disclosures are separately disclosed in note 8.

<u>Amounts in US \$000</u>	As of June 30, 2024		
	Current portion	Non-current portion	Total
Insurance contract assets	5,289	3,868	9,157
Insurance contract liabilities	(791,875)	(14,820,587)	(15,612,462)
Reinsurance contract assets	274,326	2,697,722	2,972,048
Reinsurance contract liabilities	(180)	(9,528)	(9,708)
Investment contract liabilities	(386,938)	(79,846)	(466,784)
Segregated funds insurance contract liabilities (note 8)	(25,972)	(438,158)	(464,130)
<u>Amounts in US \$000</u>	As of December 31, 2023		
	Current portion	Non-current portion	Total
Insurance contract assets	1,726	(453)	1,273
Insurance contract liabilities	(391,576)	(15,340,638)	(15,732,214)
Reinsurance contract assets	175,774	3,037,125	3,212,899
Reinsurance contract liabilities	91	(14,891)	(14,800)
Investment contract liabilities	(393,365)	(84,493)	(477,858)
Segregated funds insurance contract liabilities (note 8)	(29,870)	(462,401)	(492,271)
<u>Amounts in US \$000</u>	As of June 30, 2023		
	Current portion	Non-current portion	Total
Insurance contract assets	5,647	234	5,881
Insurance contract liabilities	(384,436)	(6,210,880)	(6,595,316)
Reinsurance contract assets	53,099	381,577	434,676
Reinsurance contract liabilities	(6,971)	(17,221)	(24,192)
Investment contract liabilities	(277,898)	(187,063)	(464,961)
Segregated funds insurance contract liabilities (note 8)	-	-	-

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. 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.

	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
<u>Amounts in US \$000</u>			
Insurance contracts issued (includes direct participation contracts)			
Contracts measured under PAA – net (asset) / liability, end of period	144,194	146,244	135,053
Contracts not measured under PAA (GMM / VFA) – net (asset) / liability, end of period	15,459,111	15,584,697	6,454,382
Total – Net (asset) / liability, end of period	15,603,305	15,730,941	6,589,435
Reinsurance contracts held			
Contracts measured under PAA – net asset / (liability), end of period	19,575	27,607	19,141
Contracts not measured under PAA (GMM) – net asset / (liability), end of period	2,942,765	3,170,492	391,343
Total – Net asset / (liability), end of period	2,962,340	3,198,099	410,484

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. 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 period.

5.1 INSURANCE CONTRACTS ISSUED

(i) Contracts measured under PAA

a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

Six months to June 30, 2024

Amounts in US \$000

	LRC		LIC		Insurance acquisition cash flows asset	Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
Insurance contracts issued						
Contracts measured under PAA						
Insurance contract liabilities, beginning of period	34,940	-	106,886	4,609	-	146,435
Insurance contract assets, beginning of period	(1,487)	-	1,315	(19)	-	(191)
Net balance – (asset) / liability, beginning of period	33,453	-	108,201	4,590	-	146,244
Insurance revenue	(206,351)	-	-	-	-	(206,351)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	134,401	299	-	134,700
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Impairment losses recognised during the period	-	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-	-
Insurance acquisition cash flows amortisation	30,273	-	-	-	-	30,273
Total insurance service expenses	30,273	-	134,401	299	-	164,973
Total amounts recognised in the insurance services result	(176,078)	-	134,401	299	-	(41,378)
Finance (income) / expenses from insurance contracts issued	-	-	-	-	-	-
Effect of exchange rate changes	(106)	-	(457)	(19)	-	(582)
Total amounts recognised in total comprehensive income	(176,184)	-	133,944	280	-	(41,960)
Investment components	-	-	-	-	-	-
Other changes	(4)	-	(82)	(2)	-	(88)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 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

Amounts in US \$000	Six months to June 30, 2024					Total
	LRC		LIC		Insurance acquisition cash flows asset	
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
Insurance contracts issued						
Contracts measured under PAA						
Cash flows						
Premiums received	198,690	-	-	-	-	198,690
Claims and other directly attributable expenses paid	-	-	(127,148)	-	-	(127,148)
Insurance acquisition cash flows	(31,544)	-	-	-	-	(31,544)
Total cash flows	167,146	-	(127,148)	-	-	39,998
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Net balance – (asset) / liability, end of period	24,411	-	114,915	4,868	-	144,194
Insurance contract liabilities, end of period	28,203	-	113,482	4,710	-	146,395
Insurance contract assets, end of period	(3,792)	-	1,433	158	-	(2,201)
Net balance – (asset) / liability, end of period	24,411	-	114,915	4,868	-	144,194

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 INSURANCE CONTRACTS ISSUED (continued)

(i) Contracts measured under PAA

a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components

Amounts in US \$000	Six months to June 30, 2023					Total
	LRC		LIC		Insurance acquisition cash flows asset	
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
Insurance contracts issued						
Contracts measured under PAA						
Insurance contract liabilities, beginning of period	27,520	-	101,466	4,313	-	133,299
Insurance contract assets, beginning of period	(10)	-	6	-	-	(4)
Net balance – (asset) / liability, beginning of period	27,510	-	101,472	4,313	-	133,295
Insurance revenue	(185,096)	-	-	-	-	(185,096)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	128,587	(2)	-	128,585
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-	-
Impairment losses recognised during the period	-	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-	-
Insurance acquisition cash flows amortisation	27,231	-	-	-	-	27,231
Total insurance service expenses	27,231	-	128,587	(2)	-	155,816
Total amounts recognised in the insurance services result	(157,865)	-	128,587	(2)	-	(29,280)
Finance (income) / expenses from insurance contracts issued	-	-	-	-	-	-
Effect of exchange rate changes	(297)	-	(881)	(39)	-	(1,217)
Total amounts recognised in total comprehensive income	(158,162)	-	127,706	(41)	-	(30,497)
Investment components	-	-	-	-	-	-
Other changes	6,253	-	10,519	603	-	17,375

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 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

Amounts in US \$000	Six months to June 30, 2023					Total
	LRC		LIC		Insurance acquisition cash flows asset	
Insurance contracts issued Contracts measured under PAA	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk		
Cash flows						
Premiums received	186,820	-	(6,428)	-	-	180,392
Claims and other directly attributable expenses paid	-	-	(119,149)	-	-	(119,149)
Insurance acquisition cash flows	(29,002)	-	-	-	-	(29,002)
Total cash flows	157,818	-	(125,577)	-	-	32,241
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-
Other movements	(6,247)	-	(10,511)	(603)	-	(17,361)
Net balance – (asset) / liability, end of period	27,172	-	103,609	4,272	-	135,053
Insurance contract liabilities, end of period	30,985	-	101,900	4,255	-	137,140
Insurance contract assets, end of period	(3,813)	-	1,709	17	-	(2,087)
Net balance – (asset) / liability, end of period	27,172	-	103,609	4,272	-	135,053

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 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

Six months to June 30, 2024

Amounts in US \$000

	LRC		LIC	Insurance acquisition cash flows asset	Total
	Excluding loss component	Loss component			
Insurance contracts issued Contracts not measured under PAA					
Insurance contract liabilities, beginning of period	15,050,930	265,528	269,321	-	15,585,779
Insurance contract assets, beginning of period	452	-	(1,534)	-	(1,082)
Net balance – (asset) / liability, beginning of period	15,051,382	265,528	267,787	-	15,584,697
Insurance revenue	(507,238)	-	-	-	(507,238)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(7,233)	327,922	-	320,689
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	36,457	-	-	36,457
Impairment losses recognised during the period	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-
Insurance acquisition cash flows amortisation	22,114	-	-	-	22,114
Total insurance service expenses	22,114	29,224	327,922	-	379,260
Total amounts recognised in the insurance services result	(485,124)	29,224	327,922	-	(127,978)
Finance (income) / expenses from insurance contracts issued	265,995	5,539	541	-	272,075
Effect of exchange rate changes	(300,399)	(350)	(2,610)	-	(303,359)
Total amounts recognised in total comprehensive income	(519,528)	34,413	325,853	-	(159,262)
Investment components	(510,510)	-	510,510	-	-
Other changes ⁽¹⁾	(59,620)	(4,716)	(7,841)	-	(72,177)

⁽¹⁾ Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations as disclosed per Note 18.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 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

Amounts in US \$000	Six months to June 30, 2024				
	LRC		LIC	Insurance acquisition cash flows asset	Total
	Excluding loss component	Loss component			
Insurance contracts issued					
Contracts not measured under PAA					
Cash flows					
Premiums received	1,058,964	-	-	-	1,058,964
Claims and other directly attributable expenses paid	-	-	(819,521)	-	(819,521)
Insurance acquisition cash flows	(133,590)	-	-	-	(133,590)
Total cash flows	925,374	-	(819,521)	-	105,853
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net balance – (asset) / liability, end of period	14,887,098	295,225	276,788	-	15,459,111
Insurance contract liabilities, end of period	14,893,451	295,194	277,422	-	15,466,067
Insurance contract assets, end of period	(6,353)	31	(634)	-	(6,956)
Net balance – (asset) / liability, end of period	14,887,098	295,225	276,788	-	15,459,111

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 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

Six months to June 30, 2023

Amounts in US \$000

	LRC		LIC	Insurance acquisition cash flows asset	Total
	Excluding loss component	Loss component			
Insurance contracts issued					
Contracts not measured under PAA					
Insurance contract liabilities, beginning of period	5,711,360	203,209	200,726	-	6,115,295
Insurance contract assets, beginning of period	(5,119)	514	1,059	-	(3,546)
Net balance – (asset) / liability, beginning of period	5,706,241	203,723	201,785	-	6,111,749
Insurance revenue	(147,046)	-	-	-	(147,046)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(3,708)	85,194	-	81,486
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	16,489	-	-	16,489
Impairment losses recognised during the period	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-
Insurance acquisition cash flows amortisation	10,020	-	-	-	10,020
Total insurance service expenses	10,020	12,781	85,194	-	107,995
Total amounts recognised in the insurance services result	(137,026)	12,781	85,194	-	(39,051)
Finance (income) / expenses from insurance contracts issued	131,551	4,514	565	-	136,630
Effect of exchange rate changes	(7,557)	(594)	(324)	-	(8,475)
Total amounts recognised in total comprehensive income	(13,032)	16,701	85,435	-	89,104
Investment components	(352,316)	-	352,316	-	-
Other changes	-	-	-	-	-

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 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

Amounts in US \$000	Six months to June 30, 2023				
	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	757,288	-	-	-	757,288
Claims and other directly attributable expenses paid	-	-	(450,548)	-	(450,548)
Insurance acquisition cash flows	(53,156)	-	(55)	-	(53,211)
Total cash flows	704,132	-	(450,603)	-	253,529
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net balance – (asset) / liability, end of period	6,045,025	220,424	188,933	-	6,454,382
Insurance contract liabilities, end of period	6,051,092	220,018	187,066	-	6,458,176
Insurance contract assets, end of period	(6,067)	406	1,867	-	(3,794)
Net balance – (asset) / liability, end of period	6,045,025	220,424	188,933	-	6,454,382

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of insurance contract balances

Amounts in US \$000

Insurance contracts issued Contracts not measured under PAA	Six months to June 30, 2024					Six months to June 30, 2023				
	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 period	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, beginning of period	(1,135)	4	49	-	(1,082)	(19,747)	6,200	10,001	-	(3,546)
Net balance – (asset) / liability, beginning of period	12,379,197	1,303,810	1,901,690	-	15,584,697	5,093,342	304,951	713,456	-	6,111,749
Changes that relate to current service										
CSM recognised in net (income) / loss for the services provided	-	-	(116,991)	-	(116,991)	-	-	(48,318)	-	(48,318)
Change in the risk adjustment for non-financial risk for risk expired	-	(48,968)	-	-	(48,968)	-	(13,873)	-	-	(13,873)
Experience adjustments – relating to insurance service expenses	1,524	-	-	-	1,524	6,573	-	-	-	6,573
	1,524	(48,968)	(116,991)	-	(164,435)	6,573	(13,873)	(48,318)	-	(55,618)
Changes that relate to future service										
Changes in estimate that adjust the CSM	718	418	(1,135)	-	1	30,077	2,493	(32,570)	-	-
Changes in estimates that result in onerous contract losses or reversal of losses	42,857	(7,109)	-	-	35,748	12,982	(51)	-	-	12,931
Contracts initially recognised in the period	(118,473)	40,889	78,292	-	708	(84,508)	11,513	76,631	-	3,636
	(74,898)	34,198	77,157	-	36,457	(41,449)	13,955	44,061	-	16,567
Changes that relate to past service										
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised during the period	-	-	-	-	-	-	-	-	-	-
Total amounts recognised in the insurance service result	(73,374)	(14,770)	(39,834)	-	(127,978)	(34,876)	82	(4,257)	-	(39,051)
Finance (income) / expenses from insurance contracts issued	237,428	(14,555)	49,202	-	272,075	125,039	(3,594)	15,185	-	136,630
Effect of exchange rate changes	(229,155)	(33,395)	(40,809)	-	(303,359)	(3,805)	(843)	(3,827)	-	(8,475)
Total amounts recognised in total comprehensive income	(65,101)	(62,720)	(31,441)	-	(159,262)	86,358	(4,355)	7,101	-	89,104
Other changes ⁽¹⁾	(53,087)	(8,472)	(10,618)	-	(72,177)	-	-	-	-	-

⁽¹⁾ Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations as disclosed per Note 18.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 INSURANCE CONTRACTS ISSUED (continued)

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of insurance contract balances

Amounts in US \$000

Insurance contracts issued Contracts not measured under PAA	Six months to June 30, 2024					Six months to June 30, 2023				
	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	1,058,964	-	-	-	1,058,964	757,288	-	-	-	757,288
Claims and other directly attributable expenses paid	(819,521)	-	-	-	(819,521)	(450,548)	-	-	-	(450,548)
Insurance acquisition cash flows	(133,590)	-	-	-	(133,590)	(53,211)	-	-	-	(53,211)
Total cash flows	105,853	-	-	-	105,853	253,529	-	-	-	253,529
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Net balance – (asset) / liability, end of period	12,366,862	1,232,618	1,859,631	-	15,459,111	5,433,229	300,596	720,557	-	6,454,382
Insurance contract liabilities, end of period	12,380,370	1,230,053	1,855,644	-	15,466,067	5,444,150	297,591	716,435	-	6,458,176
Insurance contract assets, end of period	(13,508)	2,565	3,987	-	(6,956)	(10,921)	3,005	4,122	-	(3,794)
Net balance – (asset) / liability, end of period	12,366,862	1,232,618	1,859,631	-	15,459,111	5,433,229	300,596	720,557	-	6,454,382

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 INSURANCE CONTRACTS ISSUED (continued)

(c) Impact of contracts recognised in the period

Amounts in US \$000	As of June 30, 2024					As of June 30, 2023				
	Contracts issued		Contracts acquired		Total	Contracts issued		Contracts acquired		Total
	Non-onerous	Onerous	Non-onerous	Onerous		Non-onerous	Onerous	Non-onerous	Onerous	
Insurance contracts issued										
Estimates of present value of future cash outflows										
Insurance acquisition cash flows	99,723	3,399	-	-	103,122	40,756	4,272	-	-	45,028
Claims and other directly attributable expenses	642,703	18,440	-	-	661,143	553,303	14,008	-	-	567,311
Estimates of present value of future cash outflows	742,426	21,839	-	-	764,265	594,059	18,280	-	-	612,339
Estimates of present value of future cash inflows	(860,417)	(22,322)	-	-	(882,739)	(681,248)	(15,435)	-	-	(696,683)
Risk adjustment for non-financial risk	39,699	1,191	-	-	40,890	10,709	774	-	-	11,483
CSM	78,293	(1)	-	-	78,292	76,480	-	-	-	76,480
Increase / (decrease) in insurance contract liabilities from contracts recognised in the period	1	707	-	-	708	-	3,619	-	-	3,619

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.1 INSURANCE CONTRACTS ISSUED (continued)

d) Amounts determined on transition to IFRS 17 – Insurance revenue and the CSM by transition method

Amounts in US \$000

	Six months to June 30, 2024			Six months to June 30, 2023		
	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 contracts issued						
Insurance revenue	434,420	72,818	507,238	74,062	72,984	147,046
CSM, beginning of period	1,735,475	166,215	1,901,690	567,867	145,589	713,456
Changes that relate to current service						
CSM recognised in net (income) / loss for the services provided	(107,773)	(9,218)	(116,991)	(38,387)	(9,931)	(48,318)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(12,528)	11,393	(1,135)	(55,683)	23,113	(32,570)
Contracts initially recognised in the period	78,236	56	78,292	76,540	91	76,631
	(42,065)	2,231	(39,834)	(17,530)	13,273	(4,257)
Finance (income) / expenses from insurance contracts issued	45,939	3,263	49,202	12,460	2,725	15,185
Other changes ⁽¹⁾	(3,017)	(7,601)	(10,618)	-	-	-
Effect of exchange rate changes	(40,632)	(177)	(40,809)	(2,947)	(880)	(3,827)
Total amounts recognised in total comprehensive income	(39,775)	(2,284)	(42,059)	(8,017)	15,118	7,101
CSM, end of period	1,695,700	163,931	1,859,631	559,850	160,707	720,557

⁽¹⁾ Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations as disclosed per Note 18.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(i) Contracts measured under PAA

(a) Reconciliation of the remaining coverage and the incurred claims components

Amounts in US \$000

	Six months to June 30, 2024					Six months to June 30, 2023				
	Remaining coverage		Incurred claims			Remaining coverage		Incurred claims		
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Reinsurance contracts held										
Contracts measured under the PAA										
Reinsurance contract liabilities, beginning of period	(2,035)	-	415	17	(1,603)	(1,326)	-	120	-	(1,206)
Reinsurance contract assets, beginning of period	10,908	-	17,403	899	29,210	10,073	-	16,619	748	27,440
Net balance – asset / (liability), beginning of period	8,873	-	17,818	916	27,607	8,747	-	16,739	748	26,234
Net income / (expenses) from reinsurance contracts held										
Reinsurance expenses	(43,886)	-	-	-	(43,886)	(36,239)	-	-	-	(36,239)
Other incurred directly attributable expenses	-	-	1,471	7	1,478	(2,541)	-	7,918	(18)	5,359
Claims recovered	-	-	11,502	72	11,574	-	-	6,206	(3)	6,203
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	(43,886)	-	12,973	79	(30,834)	(38,780)	-	14,124	(21)	(24,677)
Finance income / (expenses) from reinsurance contracts held	-	-	-	-	-	-	-	-	-	-
Effect of exchange rate changes	(17)	-	123	(182)	(76)	(46)	-	(112)	(6)	(164)
Total amounts recognised in total comprehensive income	(43,903)	-	13,096	(103)	(30,910)	(38,826)	-	14,012	(27)	(24,841)
Investment components	-	-	-	-	-	-	-	-	-	-
Other changes	5	-	(1)	-	4	-	-	4	11	15

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(i) Contracts measured under PAA (continued)

(a) Reconciliation of the remaining coverage and the incurred claims components

Amounts in US \$000

	Six months to June 30, 2024					Six months to June 30, 2023				
	Remaining coverage		Incurred claims			Remaining coverage		Incurred claims		
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Reinsurance contracts held										
Contracts measured under the PAA										
Cash flows										
Premiums paid net of ceding commissions and other directly attributable expenses paid	37,729	-	-	-	37,729	31,800	-	-	-	31,800
Recoveries from reinsurance	-	-	(14,855)	-	(14,855)	-	-	(14,067)	-	(14,067)
Total cash flows	37,729	-	(14,855)	-	22,874	31,800	-	(14,067)	-	17,733
Net balance – asset / (liability), end of period	2,704	-	16,058	813	19,575	1,721	-	16,688	732	19,141
Reinsurance contract liabilities, end of period	(3,383)	-	1,671	4	(1,708)	(4,151)	-	63	-	(4,088)
Reinsurance contract assets, end of period	6,087	-	14,387	809	21,283	5,872	-	16,625	732	23,229
Net balance – asset / (liability), end of period	2,704	-	16,058	813	19,575	1,721	-	16,688	732	19,141

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(ii) Contracts not measured under PAA

(a) Reconciliation of the remaining coverage and the incurred claims components

Amounts in US \$000

	Six months to June 30, 2024			Six months to June 30, 2023				
	Remaining coverage		Incurred claims	Remaining coverage		Incurred claims	Total	
	Excluding loss recovery component	Loss recovery component	Total	Excluding loss recovery component	Loss recovery component	Total		
Reinsurance contracts held								
Contracts not measured under the PAA								
Reinsurance contract liabilities, beginning of period	(12,253)	243	(1,187)	(13,197)	(29,784)	68	(524)	(30,240)
Reinsurance contract assets, beginning of period	3,063,834	19,642	100,213	3,183,689	425,562	7,964	55,600	489,126
Net balance – asset / (liability), beginning of period	3,051,581	19,885	99,026	3,170,492	395,778	8,032	55,076	458,886
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(245,624)	-	-	(245,624)	(12,286)	-	-	(12,286)
Other incurred directly attributable expenses	-	(1)	379	378	-	-	(9,992)	(9,992)
Claims recovered	-	(1,420)	185,150	183,730	-	(913)	4,994	4,081
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	-	-	-	-
Changes that relate to future service	-	4,198	-	4,198	-	2,020	-	2,020
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-
Net income / (expenses) from reinsurance contracts held	(245,624)	2,777	185,529	(57,318)	(12,286)	1,107	(4,998)	(16,177)
Finance income / (expenses) from reinsurance contracts held	(39,374)	510	-	(38,864)	18,256	60	-	18,316
Effect of exchange rate changes	(92,065)	1	(2,621)	(94,685)	23	11	(30)	4
Total amounts recognised in total comprehensive income	(377,063)	3,288	182,908	(190,867)	5,993	1,178	(5,028)	2,143
Investment components	(68,993)	-	68,993	-	(85,869)	-	85,869	-
Other changes ⁽¹⁾	5,509	(1)	(216)	5,292	-	-	-	-

⁽¹⁾ Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations as disclosed per Note 18.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(ii) Contracts not measured under PAA (continued)

(a) Reconciliation of the remaining coverage and the incurred claims components

Amounts in US \$000

	Six months to June 30, 2024			Six months to June 30, 2023				
	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 contracts held								
Contracts not measured under the PAA								
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	180,823	-	-	180,823	15,351	-	(24)	15,327
Recoveries from reinsurance	-	-	(222,975)	(222,975)	-	-	(85,013)	(85,013)
Total cash flows	180,823	-	(222,975)	(42,152)	15,351	-	(85,037)	(69,686)
Net balance – asset / (liability), end of period	2,791,857	23,172	127,736	2,942,765	331,253	9,210	50,880	391,343
Reinsurance contract liabilities, end of period	(6,373)	9	(1,636)	(8,000)	(20,640)	54	482	(20,104)
Reinsurance contract assets, end of period	2,798,230	23,163	129,372	2,950,765	351,893	9,156	50,398	411,447
Net balance – asset / (liability), end of period	2,791,857	23,172	127,736	2,942,765	331,253	9,210	50,880	391,343

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of reinsurance contract balances

Amounts in US \$000

	Six months to June 30, 2024				Six months to June 30, 2023			
	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 contracts held								
Contracts not measured under the PAA								
Reinsurance contract liabilities, beginning of period	(33,202)	4,077	15,928	(13,197)	(42,801)	4,548	8,013	(30,240)
Reinsurance contract assets, beginning of period	2,011,420	565,016	607,253	3,183,689	433,571	24,743	30,812	489,126
Net balance – asset / (liability), beginning of period	1,978,218	569,093	623,181	3,170,492	390,770	29,291	38,825	458,886
Changes that relate to current service								
CSM recognised in net income / (loss) for the services received	-	-	(36,074)	(36,074)	-	-	(1,219)	(1,219)
Change in the risk adjustment for non-financial risk for risk expired	-	(22,808)	-	(22,808)	-	(1,803)	-	(1,803)
Experience adjustments	(2,634)	-	-	(2,634)	(15,175)	-	-	(15,175)
	(2,634)	(22,808)	(36,074)	(61,516)	(15,175)	(1,803)	(1,219)	(18,197)
Changes that relate to future service								
Changes in estimate that adjust the CSM	10,726	(2,750)	(7,967)	9	16,698	(4,036)	(12,661)	1
Changes in fulfilment cash flows which relate to onerous underlying contracts	1,203	3,926	(25)	5,104	2,201	2,876	(118)	4,959
Contracts initially recognised in the period	(7,639)	11,612	(3,954)	19	(1,677)	223	1,459	5
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	(5)	7	(936)	(934)	-	-	(2,945)	(2,945)
	4,285	12,795	(12,882)	4,198	17,222	(937)	(14,265)	2,020
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 period	-	-	-	-	-	-	-	-
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(ii) Contracts not measured under PAA (continued)

(b) Reconciliation of the measurement components of reinsurance contract balances

Amounts in US \$000

	Six months to June 30, 2024				Six months to June 30, 2023			
	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 contracts held Contracts not measured under the PAA								
Net income / (expenses) from reinsurance contracts held	1,651	(10,013)	(48,956)	(57,318)	2,047	(2,740)	(15,484)	(16,177)
Finance income / (expenses) from reinsurance contracts held	(46,780)	(7,944)	15,860	(38,864)	20,471	(2,344)	189	18,316
Effect of exchange rate changes	(57,214)	(17,758)	(19,713)	(94,685)	(38)	23	19	4
Total amounts recognised in total comprehensive income	(102,343)	(35,715)	(52,809)	(190,867)	22,480	(5,061)	(15,276)	2,143
Other changes ⁽¹⁾	8,759	(923)	(2,544)	5,292	-	-	-	-
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	180,823	-	-	180,823	15,327	-	-	15,327
Recoveries from reinsurance	(222,975)	-	-	(222,975)	(85,013)	-	-	(85,013)
Total cash flows	(42,152)	-	-	(42,152)	(69,686)	-	-	(69,686)
Net balance – asset / (liability), end of period	1,842,482	532,455	567,828	2,942,765	343,564	24,230	23,549	391,343
Reinsurance contract liabilities, end of period	(20,240)	2,569	9,671	(8,000)	(20,191)	1,997	(1,910)	(20,104)
Reinsurance contract assets, end of period	1,862,722	529,886	558,157	2,950,765	363,755	22,233	25,459	411,447
Net balance – asset / (liability), end of period	1,842,482	532,455	567,828	2,942,765	343,564	24,230	23,549	391,343

⁽¹⁾ Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations as disclosed per Note 18.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(c) Impact of contracts recognised in the period

Amounts in US \$000	As of June 30, 2024					As of June 30, 2023				
	Contracts held		Contracts acquired		Total	Contracts held		Contracts acquired		Total
	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	
Reinsurance contracts held										
Estimates of present value of future cash inflows	147	44,491	-	-	44,638	999	(748)	-	-	251
Estimates of present value of future cash outflows	(273)	(52,004)	-	-	(52,277)	(1,010)	(905)	-	-	(1,915)
Risk adjustment for non-financial risk	31	11,581	-	-	11,612	151	72	-	-	223
CSM	96	(4,050)	-	-	(3,954)	(123)	1,581	-	-	1,458
Increase / (decrease) in reinsurance contract assets from contracts recognised in the period	1	18	-	-	19	17	-	-	-	17

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.2 REINSURANCE CONTRACTS HELD

(d) Amounts determined on transition to IFRS 17 – The CSM by transition method

Amounts in US \$000

	Six months to June 30, 2024			Six months to June 30, 2023		
	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
Reinsurance contracts held						
CSM, beginning of period	612,795	10,386	623,181	18,687	20,138	38,825
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(37,162)	1,088	(36,074)	(2,906)	1,687	(1,219)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(7,817)	(150)	(7,967)	3,276	(15,937)	(12,661)
Contracts initially recognised in the period	(4,193)	239	(3,954)	1,459	-	1,459
Loss- recovery component recognised on onerous underlying contracts	(1)	(858)	(859)	1,344	(3,907)	(2,563)
Reversal of loss-recovery component from onerous underlying contracts	(5)	(97)	(102)	(14)	(486)	(500)
	(49,178)	222	(48,956)	3,159	(18,643)	(15,484)
Finance income / (expenses) from reinsurance contracts held	15,715	145	15,860	(29)	218	189
Other changes ⁽¹⁾	(71)	(2,473)	(2,544)	-	-	-
Effect of exchange rate changes	(19,708)	(5)	(19,713)	(158)	177	19
Total amounts recognised in total comprehensive income	(53,242)	(2,111)	(55,353)	2,972	(18,248)	(15,276)
CSM, end of period	559,553	8,275	567,828	21,659	1,890	23,549

⁽¹⁾ Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations as disclosed per Note 18.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. INSURANCE, REINSURANCE AND INVESTMENT CONTRACT ASSETS AND LIABILITIES (continued)

5.3. INVESTMENT CONTRACT LIABILITIES

	Six months to June 30, 2024	Twelve months to December 31, 2023	Six months to June 30, 2023
<u>Amounts in US \$000</u>			
Movement for the period:			
Balance, beginning of period	477,858	472,297	472,297
Amounts assumed on acquisition	-	9,509	-
Amounts disposed of on divestiture	(2,208)	-	-
Contributions received	18,902	46,185	21,821
Benefits paid	(34,023)	(70,674)	(35,370)
Investment return from underlying assets	8,219	23,930	9,456
Asset management fees charged	(850)	(1,469)	(679)
Effect of exchange rate changes	(1,114)	(1,920)	(2,564)
Balance, end of period	466,784	477,858	464,961

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. DEPOSIT AND SECURITY LIABILITIES

The following table presents the carrying values and estimated fair values of deposit and security liabilities.

<u>Amounts in US \$000</u>	As of June 30, 2024		As of December 31, 2023	
	Carrying value	Fair Value	Carrying value	Fair value
Liabilities at amortised cost:				
Other funding instruments	1,065,373	1,181,832	1,220,776	1,359,080
Customer deposits	1,127,312	1,131,206	1,066,443	1,069,478
Securities sold for repurchase	629,001	629,001	660,520	660,520
Bank overdrafts	707	757	2,153	2,153
	2,822,393	2,942,796	2,949,892	3,091,231
Liabilities at FVTPL:				
Derivative financial instruments	884	884	538	538
	2,823,277	2,943,680	2,950,430	3,091,769

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. NOTES AND LOANS PAYABLE

The following table presents the carrying values of notes and loans payable.

<u>Amounts in US \$000</u>	June 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
5.30% senior notes due 2028	542,696	531,028	539,124	537,306
6.359% unsecured senior notes due 2029 (a)	165,105	165,105	-	-
10.50% unsecured bond due 2024 (b)	-	-	29,304	30,035
7.50% unsecured bond due 2024 (b)	-	-	21,060	21,332
10.75% unsecured bond due 2025 (c)	27,452	28,803	-	-
7.75% unsecured bond due 2025 (c)	19,822	20,148	-	-
6.75% notes due 2024	14,130	14,101	14,251	14,299
Bank loans and other funding instruments	27,168	6,169	36,092	36,092
SOFR+145 bps revolving credit facility (d)	35,067	35,067	4,007	4,007
SOFR+500 bps term loan (e)	101,370	101,370	301,828	301,828
	932,810	901,791	945,666	944,899

- (a) On June 20, 2024, Sagicor Financial Company Ltd. issued CDN \$250 million of direct senior unsecured notes due June 20, 2029, bearing interest at an annual rate of 6.359%. The Company used the net proceeds of the offering to partially repay amounts owing under the Company's term loan facility per (e), which was incurred to fund a portion of the purchase price for the acquisition of ivari, and related transaction costs. The Notes received credit ratings of BBB from S&P and BBB (low) from Morningstar DBRS.
- (b) On June 26, 2024, these facilities carrying annual interest rates of 10.50% and 7.50%, and with original issue date of September 16, 2019, were refinanced and extended per (c) below.
- (c) The newly extended facilities remain in two Tranches, with Tranche A up to J\$ 4.49 billion from previous limit of J\$ 4.5 billion and Tranche B up to US \$19.9 million from previous limit of US \$21 million, carrying updated annual interest rates of 10.75% and 7.75% respectively. Interest is payable quarterly and commenced on June 26, 2024. The Tranches mature on July 26, 2025.
- (d) 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 with interest payable monthly and based on SOFR+300 bps. On June 28, 2024, the credit agreement was amended and restated with principal revisions, including its extension from US \$125 million to US \$175 million, reduction in interest margins to 145 bps and the use of the Canadian Overnight Repo Rate Average (CORRA) as the revised benchmark interest rate. The facility remains subject to certain covenants and matures on June 28, 2027, or such date to which the facility may be extended. As at June 30, 2024, US \$35 million was drawn down from the facility.
- (e) On October 3, 2023, Sagicor Financial Company Ltd. entered into a credit and guarantee agreement to establish a floating rate loan facility in the initial amount of US \$320 million. Interest is payable monthly and based on the SOFR+500 bps. This facility is subject to certain covenants and matures on August 24, 2027. On June 20, 2024, a prepayment of US \$177 million was applied to the loan using funds acquired per (a) above.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. NOTES AND LOANS PAYABLE (continued)

Movement for the six months to June 30:	2024	2023
<u>Amounts in US \$000</u>		
Balance, beginning of period	945,666	632,535
Valuation of call option embedded derivative	2,892	(241)
Additions:		
Gross principal	277,232	58,163
Less: Expenses	(2,397)	(290)
	<u>274,835</u>	<u>57,873</u>
Repayments:		
Principal	(296,510)	(46,573)
Interest	(35,050)	(17,219)
	<u>(331,560)</u>	<u>(63,792)</u>
Amortisation during the period	7,238	882
Accrued interest	34,864	17,278
Effects of exchange rate changes	(1,125)	(610)
Balance, end of the period	<u>932,810</u>	<u>643,925</u>

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. SEGREGATED FUNDS ASSETS AND LIABILITIES ON ACCOUNT OF FUND HOLDERS

Insurance contract liabilities on account of segregated fund policyholders

The Group manages a range of segregated funds on behalf of policyholders which were assumed on the acquisition of ivari on October 3, 2023. The comparative amounts are presented from the date of acquisition.

The schedule of changes in segregated funds net assets is as follows:

<u>Amounts in US \$000</u>	Six months to June 30, 2024	October 3, 2023 to December 31, 2023
Segregated funds assets, beginning of period / assumed on acquisition	492,271	458,940
Additions:		
Deposits	645	270
Net realised and unrealised gains / (losses)	27,659	24,872
Interest and dividend income	2,693	10,092
Total additions	<u>30,997</u>	<u>35,234</u>
Less deductions:		
Payments to policy holders and their beneficiaries	(33,886)	(14,889)
Management fees	(8,199)	(4,057)
Other expenses, including GST on management fees	(579)	(308)
Total deductions	<u>(42,664)</u>	<u>(19,254)</u>
Foreign exchange (losses) / gains	(16,474)	17,351
Balance, end of period	<u>464,130</u>	<u>492,271</u>

Segregated funds assets represent underlying items for segregated fund insurance contracts which are direct participating contracts.

Investment on account of the segregated fund policyholders by asset class are as follows:

<u>Amounts in US \$000</u>	As of June 30, 2024		As of December 31, 2023	
	Total	Percentage	Total	Percentage
Asset class:				
Cash and cash equivalents	2,573	1%	2,273	1%
Short-term investments	8,929	2%	10,501	2%
Equities	53,666	12%	53,730	11%
Bonds	24,343	5%	28,200	6%
Mutual funds	374,162	80%	397,354	80%
Other assets	457	-	213	-
Total segregated funds assets	<u>464,130</u>	<u>100%</u>	<u>492,271</u>	<u>100%</u>

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. SEGREGATED FUNDS ASSETS AND LIABILITIES ON ACCOUNT OF FUND HOLDERS (continued)

Insurance contract liabilities on account of segregated fund policyholders (continued)

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.

<u>Amounts in US \$000</u>	Six months to June 30, 2024		
	LRC	LIC	Total
Balance, beginning of period	492,271	-	492,271
Insurance finance (income) / expenses	30,352	-	30,352
Cash flows:			
Management fees	(8,199)	-	(8,199)
Amounts paid to policyholders and other insurance service expenses paid	-	(33,820)	(33,820)
Actual investment component excluded from insurance revenue	-	33,820	33,820
Expected investment component excluded from insurance revenue	(33,820)	-	(33,820)
Total	480,604	-	480,604
Foreign exchange (gains)	(16,474)	-	(16,474)
Balance, end of period	464,130	-	464,130
<u>Amounts in US \$000</u>	October 3, 2023 to December 31, 2023		
	LRC	LIC	Total
Balance, assumed on acquisition	458,940	-	458,940
Insurance finance (income) / expenses	34,963	-	34,963
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	(18,983)	-	(18,983)
Foreign exchange losses	17,351	-	17,351
Balance, end of period	492,271	-	492,271

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. INSURANCE REVENUE AND SERVICE EXPENSES

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held is included in the following tables.

(a) Insurance service result	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
<u>Amounts in US \$000</u>				
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	319,165	74,835	159,095	36,228
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	48,968	13,873	24,709	7,032
CSM recognised in net income / (loss) for the services provided	116,991	48,318	57,840	24,773
Insurance acquisition cash flows recovery	22,114	10,020	11,997	5,243
Insurance revenue for contracts not measured under the PAA	507,238	147,046	253,641	73,276
Insurance revenue from contracts measured under the PAA	206,351	185,096	104,729	92,665
Total insurance revenue	713,589	332,142	358,370	165,941
Insurance service expenses				
Incurred claims and other directly attributable expenses	(455,389)	(210,071)	(216,593)	(101,018)
Losses on onerous contracts and reversal of those losses	(36,457)	(16,489)	(11,262)	(6,553)
Insurance acquisition cash flows amortisation	(52,387)	(37,251)	(27,740)	(19,524)
Total insurance service expenses	(544,233)	(263,811)	(255,595)	(127,095)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(a) Insurance service result (continued)

	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
<u>Amounts in US \$000</u>				
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	(186,742)	(9,264)	(92,670)	(3,583)
Change in the risk adjustment recognised for the risk expired	(22,808)	(1,803)	(11,429)	(879)
CSM recognised in net income / (loss) for the services received	(36,074)	(1,219)	(18,366)	465
Reinsurance expenses – contracts not measured under the PAA	(245,624)	(12,286)	(122,465)	(3,997)
Reinsurance expenses – contracts measured under the PAA	(43,886)	(36,239)	(20,409)	(25,838)
Other incurred directly attributable expenses	1,856	(4,633)	1,695	5,309
Claims recovered	195,304	10,284	87,676	5,878
Changes in estimate that adjust the CSM	9	1	10	359
Changes in fulfilment cash flows which relate to onerous underlying contracts	5,104	4,959	2,512	3,734
Income on recognition of onerous underlying contracts	19	5	3	(1)
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	(934)	(2,945)	(336)	892
Total net income / (expenses) from reinsurance contracts held	(88,152)	(40,854)	(51,314)	(13,664)
Total insurance service result	81,204	27,477	51,461	25,182

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. 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.

Amounts in US \$000

INSURANCE CONTRACTS ISSUED

Insurance revenue

	Six months to June 30, 2024	Twelve months to December 31, 2023	Six months to June 30, 2023
New contracts and contracts measured under the full retrospective approach at transition	434,420	323,986	74,062
Contracts measured under the fair value approach at transition	72,818	152,215	72,984
	507,238	476,201	147,046

Amounts in US \$000

CSM, end of period

	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
New contracts and contracts measured under the full retrospective approach at transition	1,695,700	1,735,475	559,850
Contracts measured under the fair value approach at transition	163,931	166,215	160,707
	1,859,631	1,901,690	720,557

REINSURANCE CONTRACTS HELD

CSM, end of period

	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
New contracts and contracts measured under the full retrospective approach at transition	559,553	612,795	21,659
Contracts measured under the fair value approach at transition	8,275	10,386	1,890
	567,828	623,181	23,549

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. 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.

	As of June 30, 2024	As of December 31, 2023
<u>Amounts in US \$000</u>		
INSURANCE CONTRACTS ISSUED		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	174,001	175,181
2	158,220	158,463
3	141,905	140,428
4	127,132	123,899
5	113,749	110,143
6-10	457,930	434,688
>10	686,694	758,888
Total	1,859,631	1,901,690

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(c) Expected recognition of the contractual service margin (continued)

	As of June 30, 2024	As of December 31, 2023
<u>Amounts in US \$000</u>		
REINSURANCE CONTRACTS HELD		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	65,466	72,405
2	56,636	61,955
3	49,546	54,467
4	43,728	48,148
5	38,897	42,750
6-10	139,846	153,980
>10	173,709	189,476
Total	567,828	623,181

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES

An analysis of net investment income and net insurance finance expenses recognised in the statement of income is presented in the following tables.

	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
<u>Amounts in US \$000</u>				
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS⁽¹⁾				
Gain / (loss) on derecognition of amortised cost investments	44	-	35	-
Gain / (loss) on derecognition of assets carried at FVTOCI	(1)	30	(1)	509
Interest income earned from financial assets measured at amortised cost and FVTOCI	8,422	7,971	4,621	5,359
Net gain / (loss) on FVTPL investments	321,144	187,844	164,255	49,029
Net credit impairment recovery / (loss)	1,592	110	675	(160)
Net investment income / (expenses) – underlying assets	331,201	195,955	169,585	54,737
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS				
Gain / (loss) on derecognition of amortised cost investments	(52)	224	-	224
Gain / (loss) on derecognition of assets carried at FVTOCI	(242)	1,405	(1,029)	1,542
Interest income earned from financial assets measured at amortised cost and FVTOCI	114,449	101,005	55,684	53,812
Net gain / (loss) on FVTPL investments	20,308	37,552	(7,804)	6,120
Net credit impairment recovery / (loss)	(2,259)	(2,769)	(1,416)	(1,727)
Net investment income – other investments	132,204	137,417	45,435	59,971
NET INVESTMENT INCOME / (EXPENSES) – OTHER				
Net change in investment contract liabilities	(61)	-	(36)	-
Investment property – rental income	1,130	1,048	450	553
Investment property – unrealised gains	(65)	-	-	-
Other investment income	968	1,157	636	670
Net investment income – other	1,972	2,205	1,050	1,223
NET INVESTMENT INCOME	465,377	335,577	216,070	115,931

⁽¹⁾ Underlying assets relate to those financial assets which support insurance liabilities

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (continued)

	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
<u>Amounts in US \$000</u>				
FINANCE INCOME / (EXPENSES) FROM INSURANCE CONTRACTS ISSUED				
Changes in fair value of underlying assets of contracts measured under the VFA	(6,673)	(1,220)	(4,012)	(1,549)
Interest accreted	(378,440)	(126,440)	(190,328)	(65,466)
Effect of changes in interest rates and other financial assumptions	124,422	(8,970)	(1,513)	76,171
Net foreign exchange income / (expense)	(11,384)	-	(6,239)	-
Finance income / (expenses) from insurance contracts issued	(272,075)	(136,630)	(202,092)	9,156
FINANCE INCOME / (EXPENSES) FROM REINSURANCE CONTRACTS HELD				
Interest accreted	79,500	9,737	39,473	4,514
Effect of changes in interest rates and other financial assumptions	(118,364)	8,636	(20,371)	1,827
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-	(57)	-	(57)
Finance income / (expenses) from reinsurance contracts held	(38,864)	18,316	19,102	6,284
NET INSURANCE FINANCE EXPENSES	(310,939)	(118,314)	(182,990)	15,440

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (continued)

	Six months to June 30, 2024	Six months to June 30, 2023	Three months to June 30, 2024	Three months to June 30, 2023
<u>Amounts in US \$000</u>				
SUMMARY OF THE AMOUNTS RECOGNISED IN THE STATEMENT OF INCOME				
Net investment income / (expenses) – underlying assets ⁽¹⁾	331,201	195,955	169,585	54,737
Net investment income / (expenses) – other investments	132,204	137,417	45,435	59,971
Net investment income / (expenses) – other	1,972	2,205	1,050	1,223
Net insurance finance income / (expenses)	(310,939)	(118,314)	(182,990)	15,440
	154,438	217,263	33,080	131,371

⁽¹⁾ Underlying assets relate to those financial assets which support insurance liabilities

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. EXPENSES BY NATURE

An analysis of the expense incurred by the Group is included in the below table:

	Six months to June 30, 2024			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
<u>Amounts in US \$000</u>				
Employee expenses	32,253	24,926	74,654	131,833
Commissions and related compensation	88,478	21,952	1,869	112,299
Asset taxes	-	-	7,940	7,940
Claims adjustment expenses	-	194,101	-	194,101
Depreciation, amortisation and intangible asset impairment charges	947	636	12,600	14,183
Audit, legal and other professional fees	2,063	8,259	13,225	23,547
Other administrative expenses	26,307	22,857	64,008	113,172
	150,048	272,731	174,296	597,075
	Six months to June 30, 2023			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
<u>Amounts in US \$000</u>				
Employee expenses	17,266	17,143	74,789	109,198
Commissions and related compensation	27,454	11,010	1,662	40,126
Asset taxes	-	-	7,198	7,198
Claims adjustment expenses	-	89,401	-	89,401
Depreciation, amortisation and intangible asset impairment charges	669	521	9,452	10,642
Audit, legal and other professional fees	3,389	3,068	15,553	22,010
Other administrative expenses	14,623	13,561	39,329	67,513
	63,401	134,704	147,983	346,088

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. EXPENSES BY NATURE (continued)

	Three months to June 30, 2024			Total
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	
<u>Amounts in US \$000</u>				
Employee expenses	16,435	11,676	40,094	68,205
Commissions and related compensation	45,698	9,785	740	56,223
Asset taxes	-	-	758	758
Claims adjustment expenses	-	93,258	-	93,258
Depreciation, amortisation and intangible asset impairment charges	475	316	6,154	6,945
Audit, legal and other professional fees	1,241	4,193	8,046	13,480
Other administrative expenses	13,069	11,948	34,787	59,804
	76,918	131,176	90,579	298,673
<hr/>				
	Three months to June 30, 2023			Total
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	
<u>Amounts in US \$000</u>				
Employee expenses	8,350	7,544	36,933	52,827
Commissions and related compensation	19,973	5,129	729	25,831
Asset taxes	-	-	716	716
Claims adjustment expenses	-	44,254	-	44,254
Depreciation, amortisation and intangible asset impairment charges	376	295	4,680	5,351
Audit, legal and other professional fees	1,929	1,651	8,247	11,827
Other administrative expenses	7,403	6,611	22,638	36,652
	38,031	65,484	73,943	177,458

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE

12.1 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:

<u>Amounts in US \$000</u>	Level 3	
	As of June 30, 2024	As of December 31, 2023
Investment property	83,653	85,375
Owner-occupied properties	120,367	121,115
Total properties	204,020	206,490

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.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.1 Property (continued)

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
	June 30, 2024	December 31, 2023		June 30, 2024	December 31, 2023	
<u>Amounts in US \$000</u>						
Investment property	83,653	85,375	Comparable sales	5%	5%	(1)
Owner-occupied properties	120,367	121,115	Comparable sales	5%	5%	(1)
Total properties	204,020	206,490				

(1) Increases or decreases in comparable sale prices will have a direct correlation to the fair value.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.2 Financial instruments carried at fair value

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.

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.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.2 Financial instruments carried at fair value (continued)

The results of applying the fair value hierarchy to the Group's financial instruments are set out in the tables below:

<u>Amounts in US \$000</u>	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
FVTOCI investments:				
Debt securities	209,523	1,090,998	109,595	1,410,116
Equity securities	518	-	189	707
	210,041	1,090,998	109,784	1,410,823
FVTPL investments:				
Money market funds	45,449	143,137	-	188,586
Debt securities	150,140	9,543,098	1,051,600	10,744,838
Equity securities	2,146,774	533,799	32,034	2,712,607
Derivative financial instruments	-	89	17,402	17,491
Mortgage loans	-	-	20,104	20,104
	2,342,363	10,220,123	1,121,140	13,683,626
Total assets	2,552,404	11,311,121	1,230,924	15,094,449
Total assets by percentage	17%	75%	8%	100%
FVTPL investment contracts:				
Unit linked deposit administration liabilities	-	-	165,728	165,728
FVTPL deposit and security liabilities:				
Derivative financial instruments	-	884	-	884
Total liabilities	-	884	165,728	166,612
Total liabilities by percentage	-	1%	99%	100%

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.2 Financial instruments carried at fair value (continued)

<u>Amounts in US \$000</u>	As of December 31, 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%

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.2 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
	June 30, 2024	December 31, 2023		June 30, 2024	December 31, 2023	
<u>Amounts in US \$000</u>						
FVTOCI Investments						
Debt securities	109,595	101,790	Adjustments to yields	10%	10%	(1)
Equity securities	189	189	Adjustments to net assets	10%	10%	(2)
	<u>109,784</u>	<u>101,979</u>				
FVTPL Investments						
Debt securities	1,051,600	1,054,765	Adjustments to yields	10%	10%	(1)
Equity securities	32,034	34,297	Adjustments to net assets	10%	10%	(2)
Derivative financial instruments	17,402	16,909	Adjustments to yields	10%	10%	(1)
Mortgage loans	20,104	22,280	Adjustments to yields	10%	10%	(1)
	<u>1,121,140</u>	<u>1,128,251</u>				
Total assets	<u>1,230,924</u>	<u>1,230,230</u>				
Unit linked deposit administration liabilities	165,728	165,562	Adjustments to yields	10%	10%	(1)
Total liabilities	<u>165,728</u>	<u>165,562</u>				

⁽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.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.2 Financial instruments carried at fair value (continued)

Movements in Level 3 Instruments

The following tables present movements in Level 3 instruments for the period:

<u>Amounts in US \$000</u>	Six months to June 30, 2024			Twelve months to December 31, 2023	
	FVTOCI investments	FVTPL investments	Derivative financial instruments	Total assets	Total assets
Balance, beginning of period	101,979	1,111,342	16,909	1,230,230	1,114,421
Additions	9,351	75,573	6,135	91,059	266,876
Fair value changes recorded in net investment income	-	(13,204)	4,649	(8,555)	27,546
Fair value changes recorded in other comprehensive income	(741)	-	-	(741)	92
Disposals and divestitures	(794)	(69,929)	(10,291)	(81,014)	(181,705)
Effect of exchange rate changes	(11)	(44)	-	(55)	3,000
Balance, end of period	109,784	1,103,738	17,402	1,230,924	1,230,230
Fair value changes recorded in investment income for instruments held at the end of the period	-	(12,811)	3,514	(9,297)	19,673

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE DISCLOSURES OF ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (continued)

12.2 Financial instruments carried at fair value (continued)

Movements in Level 3 Instruments (continued)

<u>Amounts in US \$000</u>	Six months to June 30, 2024			Twelve months to December 31, 2023	
	Policy liabilities - Unit linked deposit administration	Structured products	Derivative financial instruments	Total liabilities	Total liabilities
Balance, beginning of period	165,562	-	-	165,562	164,043
Gains (losses) recorded in net investment income	-	-	-	-	(16)
Gains (losses) recorded in interest expense	(2,014)	-	-	(2,014)	666
Issues	9,179	-	-	9,179	19,765
Settlements	(6,970)	-	-	(6,970)	(15,160)
Transfers from (to) instruments carried at amortised cost	-	-	-	-	(4,404)
Movements arising from business acquisitions and divestitures	-	-	-	-	43
Effect of exchange rate changes	(29)	-	-	(29)	625
Balance, end of period	165,728	-	-	165,728	165,562
Fair value changes recorded in interest expense for instruments held at end of period	(2,014)	-	-	(2,014)	679

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. CREDIT RISK

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 consolidated statement of income. The following tables analyse 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 and is inclusive of accrued interest.

	June 30, 2024				December 31, 2023	
<u>Amounts in US \$000</u>	ECL Staging			Purchased credit-impaired	Total	Total
Financial Assets – FVTOCI	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL			
Credit grade:						
Investment	771,743	-	-	-	771,743	774,667
Non-investment	663,667	17,763	-	10,029	691,459	704,001
Gross carrying amount	1,435,410	17,763	-	10,029	1,463,202	1,478,668
Loss allowance	(615)	(633)	-	-	(1,248)	(1,254)
Carrying amount	1,434,795	17,130	-	10,029	1,461,954	1,477,414
					June 30, 2024	June 30, 2023
Credit impairment (loss) / recovery recorded in income					8	(246)

	June 30, 2024				December 31, 2023	
<u>Amounts in US \$000</u>	ECL Staging			Purchased credit-impaired	Total	Total
Financial Assets – amortised cost	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL			
Credit grade:						
Investment	667,780	14,319	1,566	-	683,665	676,738
Non-investment	1,173,113	45,489	1,588	9,844	1,230,034	1,177,858
Watch	990	380	7,401	149	8,920	21,611
Default	-	-	16,508	-	16,508	19,951
Unrated	337	-	-	-	337	548
Gross carrying amount	1,842,220	60,188	27,063	9,993	1,939,464	1,896,706
Loss allowance	(8,177)	(1,245)	(8,002)	(15)	(17,439)	(21,120)
Carrying amount	1,834,043	58,943	19,061	9,978	1,922,025	1,875,586
					June 30, 2024	June 30, 2023
Credit impairment (loss) / recovery recorded in income					(675)	(2,413)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CASH FLOWS

Amounts in US \$000

	June 30, 2024	June 30, 2023
Operating activities		
Adjustments for non-cash items, interest and dividends:		
(Income) / loss from financial investments	(245,623)	(331,107)
Gain arising on divestiture	(9,808)	-
Interest costs and finance costs	427,594	183,035
Credit impairment loss	667	2,659
Depreciation and amortisation	14,741	12,152
Other items	10,099	(40)
	197,670	(133,301)
 Net change in investments:		
Deposits	(35,178)	(51,779)
Securities purchased for resale	6,030	6,611
Finance loans	(54,585)	(22,581)
Mortgage loans	(17,222)	(89,045)
Equity securities	6,342	21,645
Debt securities	(260,217)	(182,608)
	(354,830)	(317,757)
 Net change in operating assets:		
Reinsurance contract assets	102,915	100,263
Insurance contract assets	(4,463)	(1,644)
Other assets and receivables	9,667	(38,390)
Investment property	1,638	438
Segregated funds assets	11,666	-
	121,423	60,667

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CASH FLOWS (continued)

The gross changes in investment property, debt securities and equity securities are as follows:

<u>Amounts in US \$000</u>	June 30, 2024	June 30, 2023
Investment property:		
Purchases	-	(97)
Disposal proceeds	1,638	535
	<u>1,638</u>	<u>438</u>
Debt securities:		
Purchases	(3,371,472)	(1,045,619)
Disposal proceeds	3,111,255	863,011
	<u>(260,217)</u>	<u>(182,608)</u>
Equity securities:		
Purchases	(74,965)	(39,081)
Disposal proceeds	81,307	60,726
	<u>6,342</u>	<u>21,645</u>
Net change in operating liabilities:		
Other liabilities and payables	(36,439)	51,271
Investment contract liabilities	(7,758)	(5,381)
Reinsurance contract liabilities	4,572	(616)
Insurance contract liabilities	(46,978)	215,286
Securities sold for repurchase	(26,985)	20,392
Deposits	68,142	54,598
Other funding instruments	(129,105)	(52,558)
Insurance contract liabilities on account of segregated fund policyholders	(11,667)	-
	<u>(186,218)</u>	<u>282,992</u>

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CASH FLOWS (continued)

<u>Amounts in US \$000</u>	June 30, 2024	June 30, 2023
Investing activities		
Property, plant and equipment:		
Purchases	(4,986)	(6,373)
Disposal proceeds	77	519
	<u>(4,909)</u>	<u>(5,854)</u>
Financing activities		
Notes and loans payable:		
Proceeds	274,836	57,873
Repayments	(296,510)	(46,573)
	<u>(21,674)</u>	<u>11,300</u>
Lease liability payments		
Principal paid	(4,027)	(3,963)
Interest paid	(1,169)	(521)
	<u>(5,196)</u>	<u>(4,484)</u>
Cash and cash equivalents		
Cash	390,500	482,432
Call deposits and other liquid balances	251,680	244,253
Bank overdrafts	(707)	(1,814)
	<u>641,473</u>	<u>724,871</u>

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. INSURANCE RISK

15.1 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.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. INSURANCE RISK (continued)

15.1 Contracts not measured under PAA (continued)

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.

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 investment returns at June 30, 2024 and December 31, 2023, gross and net of reinsurance, are summarised by geographic area below.

Total insurance coverage Amounts in US \$000		As of June 30, 2024		As of December 31, 2023	
		Individual contracts	Group contracts	Individual contracts	Group contracts
Barbados	Gross	4,856,025	1,357,111	4,806,966	1,371,208
	Net	4,589,992	1,349,621	4,542,354	1,321,160
Jamaica	Gross	12,791,967	-	12,401,419	-
	Net	12,549,849	-	12,173,843	-
Trinidad & Tobago	Gross	4,850,060	2,001,511	4,775,793	2,199,668
	Net	4,250,580	1,984,021	4,181,887	2,037,951
Other Caribbean	Gross	9,038,553	1,493,177	9,929,674	1,474,856
	Net	8,220,078	1,442,405	8,866,224	1,408,407
Canada	Gross	178,354,407	-	181,674,273	-
	Net	41,700,744	-	40,807,041	-
USA	Gross	8,396,712	22,119	8,634,301	22,423
	Net	4,531,159	22,029	4,638,655	22,333
Total	Gross	218,287,724	4,873,918	222,222,426	5,068,155
	Net	75,842,402	4,798,076	75,210,004	4,789,851

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

Total liability under annuity contracts Amounts in US \$000		As of June 30, 2024		As of December 31, 2023	
		Individual contracts	Group contracts	Individual contracts	Group contracts
Barbados	Gross	308,741	57,136	305,181	55,337
	Net	308,741	57,136	305,181	55,337
Jamaica	Gross	504	502,015	517	503,877
	Net	504	502,015	517	503,877
Trinidad & Tobago	Gross	563,495	-	531,335	-
	Net	563,495	-	531,335	-
Other Caribbean	Gross	82,009	-	107,383	-
	Net	82,005	-	107,383	-
Canada	Gross	114,313	-	126,610	-
	Net	114,313	-	126,610	-
USA	Gross	4,304,541	14,970	3,882,203	16,010
	Net	4,052,113	4,793	3,582,438	5,005
Total	Gross	5,373,603	574,121	4,953,229	575,224
	Net	5,121,171	563,944	4,653,464	564,219

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. INSURANCE RISK (continued)

15.1 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.

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 depends 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 and 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.

Where the insurance contracts are reinsured, the impacts of changes on direct contracts will be offset to the extent of the reinsurance.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. INSURANCE RISK (continued)

15.2 Contracts measured under PAA

Property and casualty insurance contracts

Sagicor General Insurance and Advantage General Insurance 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.

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 table shows the concentration of gross and net insurance contract liabilities by type of contract at June 30.

	Total insurance coverage							
	Property		Motor		Accident and Liability		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<u>Amounts in US \$000</u>								
As of June 30, 2024								
Sagicor Life	9,467,557	2,048,823	557,411	557,411	3,401,881	3,080,721	13,426,849	5,686,955
Sagicor Jamaica	3,091,015	543,808	681,851	340,510	552,795	117,301	4,325,661	1,001,619
Total	12,558,572	2,592,631	1,239,262	897,921	3,954,676	3,198,022	17,752,510	6,688,574
As of December 31, 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

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. INSURANCE RISK (continued)

15.2 Contracts measured under PAA (continued)

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.

Sensitivities

The liability for incurred claims is sensitive to the key assumptions. Changes in the weighted average term to settlement, expected loss and inflation rate can impact the overall performance of the Group. The correlation of assumptions will have a significant effect in determining the ultimate impacts.

16. EARNINGS PER COMMON SHARE

For the six-month period ended June 30, 2024, 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.

17. REPURCHASE OF SHARES

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. This arrangement has since been renewed each 12-month period.

On June 20, 2024, 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 8,951,359 of the NCIB Shares during the 12-month period commencing June 24, 2024 and ending June 23, 2025. 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 six-month period ended June 30, 2024, the Company repurchased 522,386 shares at a total cost of US \$2.6 million (552,468 shares at a total cost of US \$2.0 million for the six-month period ended June 30, 2023), 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 \$0.01 million, which were repurchased at the period end date but not cancelled, (US \$0.37 million as at June 30, 2023), has been reflected in treasury shares.

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. 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.

Effective April 30, 2024, following receipt of regulatory approval, ownership of the Group's operations in these territories was transferred. The disposal was concluded by contractual agreement and transferred assets to the purchaser in exchange for the assumption of the insurance liabilities by the purchaser. The Group recorded a gain on the sale of these operations of \$9.8 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 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.

19. DIVIDEND

On May 10, 2024, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of US \$0.06 per share, on the issued and outstanding shares held by the shareholders of record at the close of business on May 29, 2024. This dividend was paid on June 19, 2024.

20. SUBSEQUENT EVENT

On August 13, 2024, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of US \$0.06 per common share payable on September 17, 2024, to the shareholders of record at the close of business on August 27, 2024.