

SAGICOR FINANCIAL COMPANY LTD.

Condensed Consolidated Financial Statements (Unaudited)

Nine-months ended September 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

(Unaudited)

As of
September 30, 2024

As of
December 31, 2023

Amounts in US \$000

ASSETS

Cash	330,468	486,642
Restricted cash	99,037	95,564
Financial investments (note 4)	17,302,749	16,337,358
Financial investments repledged (note 4)	692,702	687,753
Reinsurance contract assets (note 5)	3,080,991	3,212,899
Insurance contract assets (note 5)	4,570	1,273
Miscellaneous assets and receivables	287,999	297,858
Income tax assets	310,491	331,375
Associates and joint ventures	68,922	67,817
Intangible assets	89,507	93,160
Investment property	77,335	85,375
Property, plant and equipment	196,539	195,541
Segregated funds assets (note 8)	482,223	492,271
Total assets	23,023,533	22,384,886

LIABILITIES

Accounts payable and accrued liabilities	320,582	293,782
Income tax liabilities	15,537	30,380
Investment contract liabilities (note 5)	466,681	477,858
Reinsurance contract liabilities (note 5)	8,461	14,800
Insurance contract liabilities (note 5)	16,470,891	15,732,214
Deposit and security liabilities (note 6)	2,880,955	2,950,430
Lease liabilities	36,251	37,987
Notes and loans payable (note 7)	951,118	945,666
Other liabilities / retirement benefit liabilities	64,398	80,477
Insurance contract liabilities on account of segregated fund policyholders (note 8)	482,223	492,271
Total liabilities	21,697,097	21,055,865

EQUITY

Share capital	1,387	1,409
Share premium	714,151	725,029
Reserves	(99,391)	(73,417)
Retained earnings	336,172	317,913
Total shareholders' equity	952,319	970,934
Non-controlling interests	374,117	358,087
Total equity	1,326,436	1,329,021
Total liabilities and equity	23,023,533	22,384,886

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



Director



Director

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

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)	Nine months to Nine months to Three months to Three months to			
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
<u>Amounts in US \$000</u>				
Insurance revenue (note 9)	1,084,913	513,423	371,324	181,281
Insurance service expenses (note 9)	(815,011)	(419,499)	(270,778)	(155,688)
Net expense from reinsurance contracts held (note 9)	(150,852)	(42,879)	(62,700)	(2,025)
INSURANCE SERVICE RESULT (note 9)	119,050	51,045	37,846	23,568
Gain on derecognition of amortised cost investments (note 10)	45	308	53	84
Gain / (loss) on derecognition of assets carried at FVTOCI (note 10)	(2,781)	2,752	(2,538)	1,317
Interest income earned from financial assets measured at amortised cost and FVTOCI (note 10)	186,356	163,626	63,485	54,650
Credit impairment loss (note 10)	(2,510)	(3,177)	(1,843)	(518)
Net gain on FVTPL investments (note 10)	1,004,846	250,371	663,394	24,975
Other investment income (note 10)	4,236	4,465	2,264	2,260
NET INVESTMENT INCOME (note 10)	1,190,192	418,345	724,815	82,768
Finance expenses from insurance contracts issued (note 10)	(961,237)	(151,798)	(689,162)	(15,168)
Finance income from reinsurance contracts held (note 10)	87,974	25,013	126,838	6,697
NET INSURANCE FINANCE EXPENSES (note 10)	(873,263)	(126,785)	(562,324)	(8,471)
NET INVESTMENT RESULT BEFORE SEGREGATED FUNDS	316,929	291,560	162,491	74,297
Net investment income for segregated funds (note 8)	58,887	-	28,535	-
Finance expenses from insurance contracts issued for segregated funds (note 8)	(58,887)	-	(28,535)	-
NET INVESTMENT RESULT FOR SEGREGATED FUNDS (note 8)	-	-	-	-
TOTAL INVESTMENT RESULT (note 10)	316,929	291,560	162,491	74,297
NET INSURANCE AND INVESTMENT RESULT	435,979	342,605	200,337	97,865
Gain / (loss) arising on divestiture	9,666	-	(142)	-
Fees and other income	100,561	90,686	33,962	27,136
Share of income of associates and joint ventures	2,825	4,513	1,273	1,383
Other operating expenses (note 11)	(256,228)	(218,807)	(81,932)	(70,824)
Other interest and finance costs	(171,504)	(98,504)	(54,849)	(33,783)
INCOME BEFORE TAXES	121,299	120,493	98,649	21,777
Income taxes	(54,659)	(39,772)	(31,075)	(10,587)
NET INCOME FOR THE PERIOD	66,640	80,721	67,574	11,190

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

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF INCOME

(Unaudited)	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
<u>Amounts in US \$000</u>				
NET INCOME FOR THE PERIOD	66,640	80,721	67,574	11,190
Net income is attributable to:				
Common shareholders	45,058	46,721	59,053	(3,527)
Non-controlling interests	21,582	34,000	8,521	14,717
	66,640	80,721	67,574	11,190
Earnings per common share (note 16):				
Basic earnings per common share	32.0 cents	32.8 cents	42.1 cents	(2.5) cents
Fully diluted earnings per common share	31.2 cents	32.4 cents	41.1 cents	(2.5) cents

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

SAGICOR FINANCIAL COMPANY LTD.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
<u>Amounts in US \$000</u>				
NET INCOME FOR THE PERIOD	66,640	80,721	67,574	11,190
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items net of tax that may be reclassified subsequently to income:				
Financial assets measured at FVTOCI:				
Gain / (loss) on revaluation	7,207	(251)	17,446	(8,110)
(Gain) / loss transferred to income	1,956	(3,283)	2,078	(1,987)
Retranslation of foreign currency operations	(31,356)	(13,238)	3,375	(2,959)
	(22,193)	(16,772)	22,899	(13,056)
Items net of tax that will not be reclassified subsequently to income:				
Gain arising on revaluation of owner-occupied property and owner-managed property	4,378	3,103	4,362	3,103
Gain / (loss) on defined benefit plans	742	685	515	(870)
Other items	3	-	-	-
	5,123	3,788	4,877	2,233
Other comprehensive income / (loss)	(17,070)	(12,984)	27,776	(10,823)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	49,570	67,737	95,350	367
Total comprehensive income is attributable to:				
Common shareholders	16,416	38,961	72,834	(11,044)
Non-controlling interests	33,154	28,776	22,516	11,411
	49,570	67,737	95,350	367

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

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

(Unaudited)	Share Capital	Share Premium	Reserves	Retained Earnings	Total Shareholders' Equity
<u>Amounts in US \$000</u>					
Nine months to September 30, 2024					
Balance as at January 1, 2024	1,409	725,029	(73,417)	317,913	970,934
Total comprehensive income	-	-	(29,381)	45,797	16,416
Transactions with holders of equity instruments:					
Allotment of common shares	7	3,302	-	-	3,309
Repurchase of shares (note 17)	(21)	(11,025)	-	1,377	(9,669)
Movements in treasury shares	(8)	(3,155)	-	-	(3,163)
Changes in reserve for equity compensation benefits	-	-	140	(537)	(397)
Dividends declared	-	-	-	(25,339)	(25,339)
Transfers and other movements	-	-	3,267	(3,039)	228
Balance as at September 30, 2024	1,387	714,151	(99,391)	336,172	952,319

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

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

(Unaudited)	Total Shareholders' Equity	Non-controlling Interests	Total Equity
<u>Amounts in US \$000</u>			
Nine months to September 30, 2024			
Balance as at January 1, 2024	970,934	358,087	1,329,021
Total comprehensive income	16,416	33,154	49,570
Transactions with holders of equity instruments:			
Allotment of common shares	3,309	-	3,309
Repurchase of shares (note 17)	(9,669)	-	(9,669)
Movements in treasury shares	(3,163)	-	(3,163)
Changes in reserve for equity compensation benefits	(397)	75	(322)
Dividends declared	(25,339)	(17,537)	(42,876)
Transfers and other movements	228	338	566
Balance as at September 30, 2024	952,319	374,117	1,326,436

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

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

(Unaudited)	Share Capital	Share Premium	Reserves	Accumulated Deficit	Total Shareholders' Equity
<u>Amounts in US \$000</u>					
Nine months to September 30, 2023					
Restated balance as at December 31, 2022	1,426	734,922	(115,441)	(191,216)	429,691
Total comprehensive income	-	-	(8,449)	47,410	38,961
Transactions with holders of equity instruments:					
Allotment of common shares	6	2,154	-	-	2,160
Repurchase of shares (note 17)	(14)	(7,189)	-	2,402	(4,801)
Movements in treasury shares	-	(181)	-	-	(181)
Changes in reserve for equity compensation benefits	-	-	123	683	806
Dividends declared	-	-	-	(24,023)	(24,023)
Disposal of interest in subsidiaries	-	-	1,516	(1,545)	(29)
Transfers and other movements	-	-	2,659	(2,733)	(74)
Balance as at September 30, 2023	1,418	729,706	(119,592)	(169,022)	442,510

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

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

(Unaudited)	Total Shareholders' Equity	Non-controlling Interests	Total Equity
<u>Amounts in US \$000</u>			
Nine months to September 30, 2023			
Restated balance as at December 31, 2022	429,691	306,733	736,424
Total comprehensive income	38,961	28,776	67,737
Transactions with holders of equity instruments:			
Allotment of common shares	2,160	-	2,160
Repurchase of shares (note 17)	(4,801)	-	(4,801)
Movements in treasury shares	(181)	-	(181)
Changes in reserve for equity compensation benefits	806	-	806
Dividends declared	(24,023)	(15,915)	(39,938)
Disposal of interest in subsidiaries	(29)	-	(29)
Transfers and other movements	(74)	148	74
Balance as at September 30, 2023	442,510	319,742	762,252

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

SAGICOR FINANCIAL COMPANY LTD.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)	Nine months to September 30, 2024	Nine months to September 30, 2023
<u>Amounts in US \$000</u>		
OPERATING ACTIVITIES		
Income before taxes	121,299	120,493
Adjustments for non-cash items, interest and dividends (note 14)	190,034	(171,800)
Interest and dividends received	379,882	433,726
Interest paid	(143,480)	(114,982)
Income taxes paid	(49,169)	(44,211)
Net change in investments (note 14)	(649,850)	(472,583)
Net change in operating assets (note 14)	170,556	69,026
Net change in operating liabilities (note 14)	(87,036)	267,938
Net cash flows - operating activities	(67,764)	87,607
INVESTING ACTIVITIES		
Property, plant and equipment, net (note 14)	(7,551)	(8,202)
Associates and joint ventures	(1,800)	-
Dividends received from associates and joint ventures	3,179	1,278
Intangible assets, net	(4,722)	(981)
Net cash flows - investing activities	(10,894)	(7,905)
FINANCING ACTIVITIES		
Repurchase of common shares	(9,669)	(4,802)
Shares issued purchased from non-controlling interests	(3,163)	(181)
Movement in treasury shares	305	122
Notes and loans payable, net (note 14)	(10,329)	13,678
Lease liability principal paid (note 14)	(6,484)	(5,911)
Dividends paid to common shareholders	(25,339)	(24,038)
Dividends paid to preference shareholders	-	(1)
Dividends paid to non-controlling interests	(12,263)	(16,750)
Net cash flows - financing activities	(66,942)	(37,883)
Effect of exchange rate changes	(6,117)	(3,825)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(151,717)	37,994
Cash and cash equivalents, beginning of period	801,370	592,737
CASH AND CASH EQUIVALENTS, END OF PERIOD (NOTE 14)	649,653	630,731

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 September 30, 2024	Closing rates as of December 31, 2023	Average rates for the nine months to September 30, 2024	Average rates for the three months to September 30, 2024	Average rates for the nine months to September 30, 2023	Average rates for the three months to September 30, 2023
Barbados dollar	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Canadian dollar	1.3499	1.3226	1.3568	1.3663	n/a	n/a
Eastern Caribbean dollar	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000
Jamaica dollar	157.8144	154.2680	155.5954	156.5480	153.0910	154.2356
Trinidad & Tobago dollar	6.7390	6.7158	6.7274	6.7244	6.7396	6.7354

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, and Trinidad & Tobago. Additionally, through a segregated account, Sagicor Life 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, Panamá, 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
Nine months to September 30, 2024							
Insurance revenue	236,495	254,702	75,518	518,198	-	-	1,084,913
Insurance service expenses	(176,409)	(205,278)	(67,100)	(366,224)	-	-	(815,011)
Net expense from reinsurance contracts held	(30,159)	(19,903)	(12,765)	(88,025)	-	-	(150,852)
Inter-segment insurance service result	(282)	-	233	-	-	49	-
Insurance service result	29,645	29,521	(4,114)	63,949	-	49	119,050
Gain on derecognition of amortised cost investments	-	7	38	-	-	-	45
Gain / (loss) on derecognition of assets carried at FVTOCI	2	2,184	(4,955)	-	(12)	-	(2,781)
Interest income earned from financial assets measured at amortised cost and FVTOCI	16,957	123,900	42,137	-	3,362	-	186,356
Credit impairment recovery / (loss)	2,797	(5,315)	(82)	-	90	-	(2,510)
Net gain on FVTPL investments	56,016	54,437	310,435	581,048	2,910	-	1,004,846
Other investment income / (loss)	445	1,654	1,967	(98)	268	-	4,236
Inter-segment investment income / (expenses)	17,001	2,606	85	-	7,926	(27,618)	-
Net investment income / (expenses)	93,218	179,473	349,625	580,950	14,544	(27,618)	1,190,192
Finance expenses from insurance contracts issued	(65,413)	(43,453)	(303,836)	(548,535)	-	-	(961,237)
Finance income / (expenses) from reinsurance contracts held	(793)	(384)	17,580	71,571	-	-	87,974
Inter-segment net insurance finance income / (expenses)	(1,211)	-	1,256	-	-	(45)	-
Net insurance finance income expenses	(67,417)	(43,837)	(285,000)	(476,964)	-	(45)	(873,263)
Net investment result before segregated funds	25,801	135,636	64,625	103,986	14,544	(27,663)	316,929

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
Nine months to September 30, 2024							
Net investment result before segregated funds	25,801	135,636	64,625	103,986	14,544	(27,663)	316,929
Net investment income for segregated funds	-	-	-	58,887	-	-	58,887
Finance expenses from insurance contracts issued for segregated funds	-	-	-	(58,887)	-	-	(58,887)
Net investment result for segregated funds	-	-	-	-	-	-	-
Total investment result	25,801	135,636	64,625	103,986	14,544	(27,663)	316,929
Net insurance and investment result	55,446	165,157	60,511	167,935	14,544	(27,614)	435,979
Gain arising on divestiture	9,666	-	-	-	-	-	9,666
Fees and other income	6,268	90,659	132	1,781	1,544	177	100,561
Share of income of associates and joint ventures	2,143	682	-	-	-	-	2,825
Other operating expenses	(31,031)	(150,243)	(24,914)	(10,008)	(38,522)	(1,510)	(256,228)
Other interest and finance costs	(10,047)	(44,880)	(13,578)	(42,586)	(60,746)	333	(171,504)
Inter-segment other income / (expenses)	(531)	(1,704)	(9,918)	-	(16,660)	28,813	-
Segment income / (loss) before taxes	31,914	59,671	12,233	117,122	(99,840)	199	121,299
Income taxes	(5,785)	(16,759)	(2,527)	(28,794)	(794)	-	(54,659)
Segment net income / (loss) for the period	26,129	42,912	9,706	88,328	(100,634)	199	66,640
Net income / (loss) attributable to shareholders	26,111	20,872	9,706	88,328	(100,158)	199	45,058
Net income / (loss) attributable to non-controlling interests	18	22,040	-	-	(476)	-	21,582
Total comprehensive income / (loss) attributable to shareholders	27,671	3,090	14,143	71,716	(100,318)	114	16,416

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
Nine months to September 30, 2023						
Insurance revenue	223,243	224,593	65,587	-	-	513,423
Insurance service expenses	(179,006)	(174,553)	(65,940)	-	-	(419,499)
Net expense from reinsurance contracts held	(20,377)	(16,644)	(5,858)	-	-	(42,879)
Inter-segment insurance service result	(515)	-	774	-	(259)	-
Insurance service result	23,345	33,396	(5,437)	-	(259)	51,045
Gain on derecognition of amortised cost investments	-	308	-	-	-	308
Gain / (loss) on derecognition of assets carried at FVTOCI	524	2,262	(137)	103	-	2,752
Interest income earned from financial assets measured at amortised cost and FVTOCI	13,137	109,385	35,940	5,164	-	163,626
Credit impairment recovery / (loss)	897	(3,509)	(374)	(191)	-	(3,177)
Net gain / (loss) on FVTPL investments	63,674	31,457	156,976	(1,736)	-	250,371
Other investment income	1,491	1,351	1,463	160	-	4,465
Inter-segment investment income / (expenses)	15,843	1,806	-	26,730	(44,379)	-
Net investment income / (expenses)	95,566	143,060	193,868	30,230	(44,379)	418,345
Finance expenses from insurance contracts issued	(70,222)	(1,136)	(80,440)	-	-	(151,798)
Finance income from reinsurance contracts held	3,863	1,024	20,126	-	-	25,013
Inter-segment net insurance finance income / (expenses)	(1,171)	-	1,167	-	4	-
Net insurance finance income / (expenses)	(67,530)	(112)	(59,147)	-	4	(126,785)
Net investment result before segregated funds	28,036	142,948	134,721	30,230	(44,375)	291,560
Net investment income for segregated funds	-	-	-	-	-	-
Finance expenses from insurance contracts issued for segregated funds	-	-	-	-	-	-
Net investment result for segregated funds	-	-	-	-	-	-
Total investment result	28,036	142,948	134,721	30,230	(44,375)	291,560
Net insurance and investment result	51,381	176,344	129,284	30,230	(44,634)	342,605
Fees and other income	7,304	81,971	82	1,310	19	90,686
Share of income of associates and joint ventures	3,976	537	-	-	-	4,513
Other operating expenses	(27,865)	(129,855)	(23,916)	(34,620)	(2,551)	(218,807)
Other interest and finance costs	(11,067)	(42,080)	(16,926)	(28,431)	-	(98,504)
Inter-segment other income / (expenses)	(416)	(1,280)	(9,483)	(15,430)	26,609	-
Segment income / (loss) before taxes	23,313	85,637	79,041	(46,941)	(20,557)	120,493
Income taxes	(5,907)	(18,866)	(14,985)	(14)	-	(39,772)
Segment net income / (loss) for the period	17,406	66,771	64,056	(46,955)	(20,557)	80,721
Net income / (loss) attributable to shareholders	17,397	32,291	64,056	(46,466)	(20,557)	46,721
Net income / (loss) attributable to non-controlling interests	9	34,480	-	(489)	-	34,000
Total comprehensive income / (loss) attributable to shareholders	16,386	27,844	61,263	(45,913)	(20,619)	38,961

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 September 30, 2024							
Insurance revenue	80,488	89,476	25,760	175,600	-	-	371,324
Insurance service expenses	(63,133)	(70,868)	(10,787)	(125,990)	-	-	(270,778)
Net expense from reinsurance contracts held	(10,871)	(7,323)	(10,099)	(34,407)	-	-	(62,700)
Inter-segment insurance service result	28	-	(54)	-	-	26	-
Insurance service result	6,512	11,285	4,820	15,203	-	26	37,846
Gain / (loss) on derecognition of amortised cost investments	-	(41)	94	-	-	-	53
Gain / (loss) on derecognition of assets carried at FVTOCI	2	525	(3,065)	-	-	-	(2,538)
Interest income earned from financial assets measured at amortised cost and FVTOCI	5,054	41,926	15,405	-	1,100	-	63,485
Credit impairment recovery / (loss)	216	(2,119)	(29)	-	89	-	(1,843)
Net gain on FVTPL investments	27,851	36,305	171,110	421,918	6,210	-	663,394
Other investment income / (loss)	(230)	1,722	722	(37)	87	-	2,264
Inter-segment investment income / (expenses)	6,024	888	76	-	2,667	(9,655)	-
Net investment income / (expenses)	38,917	79,206	184,313	421,881	10,153	(9,655)	724,815
Finance expenses from insurance contracts issued	(17,354)	(34,721)	(183,641)	(453,446)	-	-	(689,162)
Finance income / (expenses) from reinsurance contracts held	(245)	(504)	8,975	118,612	-	-	126,838
Inter-segment net insurance finance income / (expenses)	(547)	-	594	-	-	(47)	-
Net insurance finance income / (expenses)	(18,146)	(35,225)	(174,072)	(334,834)	-	(47)	(562,324)
Net investment result before segregated funds	20,771	43,981	10,241	87,047	10,153	(9,702)	162,491
Net investment income for segregated funds	-	-	-	28,535	-	-	28,535
Finance expenses from insurance contracts issued for segregated funds	-	-	-	(28,535)	-	-	(28,535)
Net investment result for segregated funds	-	-	-	-	-	-	-
Total investment result	20,771	43,981	10,241	87,047	10,153	(9,702)	162,491
Net insurance and investment result	27,283	55,266	15,061	102,250	10,153	(9,676)	200,337
Loss arising on divestiture	(142)	-	-	-	-	-	(142)
Fees and other income	3,338	30,872	78	697	(932)	(91)	33,962
Share of income of associates and joint ventures	884	389	-	-	-	-	1,273
Other operating expenses	(11,513)	(46,823)	(8,030)	(3,357)	(10,867)	(1,342)	(81,932)
Other interest and finance costs	(3,789)	(15,073)	(4,830)	(14,125)	(17,311)	279	(54,849)
Inter-segment other income / (expenses)	(181)	(605)	(3,336)	-	(5,953)	10,075	-
Segment income / (loss) before taxes	15,880	24,026	(1,057)	85,465	(24,910)	(755)	98,649
Income taxes	(1,795)	(7,013)	486	(22,753)	-	-	(31,075)
Segment net income / (loss) for the period	14,085	17,013	(571)	62,712	(24,910)	(755)	67,574
Net income / (loss) attributable to shareholders	14,081	8,281	(571)	62,712	(24,695)	(755)	59,053
Net income / (loss) attributable to non-controlling interests	4	8,732	-	-	(215)	-	8,521
Total comprehensive income / (loss) attributable to shareholders	17,450	3,916	2,084	75,082	(24,924)	(774)	72,834

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 September 30, 2023						
Insurance revenue	76,519	79,666	25,096	-	-	181,281
Insurance service expenses	(62,082)	(54,978)	(38,628)	-	-	(155,688)
Net expense from reinsurance contracts held	(9,236)	(6,600)	13,811	-	-	(2,025)
Inter-segment insurance service result	36	-	879	-	(915)	-
Insurance service result	5,237	18,088	1,158	-	(915)	23,568
Gain on derecognition of amortised cost investments	-	84	-	-	-	84
Gain / (loss) on derecognition of assets carried at FVTOCI	4	1,472	(173)	14	-	1,317
Interest income earned from financial assets measured at amortised cost and FVTOCI	3,658	36,582	12,502	1,908	-	54,650
Credit impairment recovery / (loss)	134	(479)	(136)	(37)	-	(518)
Net gain / (loss) on FVTPL investments	20,750	(5,517)	14,815	(5,073)	-	24,975
Other investment income	450	1,200	529	81	-	2,260
Inter-segment investment income / (expenses)	5,336	1,503	-	21,570	(28,409)	-
Net investment income / (expenses)	30,332	34,845	27,537	18,463	(28,409)	82,768
Finance income / (expenses) from insurance contracts issued	(18,382)	13,226	(10,012)	-	-	(15,168)
Finance income / (expenses) from reinsurance contracts held	(600)	1,063	6,234	-	-	6,697
Inter-segment net insurance finance income / (expenses)	(415)	-	414	-	1	-
Net insurance finance income / (expenses)	(19,397)	14,289	(3,364)	-	1	(8,471)
Net investment result before segregated funds	10,935	49,134	24,173	18,463	(28,408)	74,297
Net investment income for segregated funds	-	-	-	-	-	-
Finance expenses from insurance contracts issued for segregated funds	-	-	-	-	-	-
Net investment result for segregated funds	-	-	-	-	-	-
Total investment result	10,935	49,134	24,173	18,463	(28,408)	74,297
Net insurance and investment result	16,172	67,222	25,331	18,463	(29,323)	97,865
Fees and other income	2,093	23,544	27	654	818	27,136
Share of income of associates and joint ventures	863	520	-	-	-	1,383
Other operating expenses	(9,280)	(42,423)	(7,651)	(11,289)	(181)	(70,824)
Other interest and finance costs	(3,764)	(13,213)	(7,176)	(9,630)	-	(33,783)
Inter-segment other income / (expenses)	(104)	(540)	(3,222)	(5,211)	9,077	-
Segment income / (loss) before taxes	5,980	35,110	7,309	(7,013)	(19,609)	21,777
Income taxes	(2,322)	(6,008)	(2,250)	(7)	-	(10,587)
Segment net income / (loss) for the period	3,658	29,102	5,059	(7,020)	(19,609)	11,190
Net income / (loss) attributable to shareholders	3,658	14,172	5,059	(6,807)	(19,609)	(3,527)
Net income / (loss) attributable to non-controlling interests	-	14,930	-	(213)	-	14,717
Total comprehensive income / (loss) attributable to shareholders	935	10,568	3,591	(6,503)	(19,635)	(11,044)

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 September 30, 2024							
Financial investments	1,726,827	3,128,275	5,336,960	7,720,090	83,299	-	17,995,451
Reinsurance contract assets	28,194	19,726	260,517	2,772,554	-	-	3,080,991
Insurance contract assets	834	3,736	-	-	-	-	4,570
Other external assets	366,525	563,408	91,177	743,234	178,177	-	1,942,521
Inter-segment assets	497,385	60,247	26,842	-	152,854	(737,328)	-
Total assets	2,619,765	3,775,392	5,715,496	11,235,878	414,330	(737,328)	23,023,533
Insurance contract liabilities	1,502,687	1,001,695	4,905,406	9,061,103	-	-	16,470,891
Reinsurance contract liabilities	5,522	2,939	-	-	-	-	8,461
Investment contract liabilities	263,784	137,451	57,919	7,527	-	-	466,681
Other external liabilities	182,889	1,913,397	280,994	1,277,630	1,096,154	-	4,751,064
Inter-segment liabilities	77,462	12,977	171,633	232	475,024	(737,328)	-
Total liabilities	2,032,344	3,068,459	5,415,952	10,346,492	1,571,178	(737,328)	21,697,097
Net assets	587,421	706,933	299,544	889,386	(1,156,848)	-	1,326,436
Net assets attributable to non-controlling interests	234	361,792	-	-	12,091	-	374,117

<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			
	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Life, health and annuity insurance contracts issued to individuals	756,596	218,427	256,771	65,730
Life, health and annuity insurance and pension administration contracts issued to groups	211,487	191,500	74,494	79,794
Property and casualty insurance	116,830	103,496	40,059	35,757
	1,084,913	513,423	371,324	181,281

<u>Amounts in US \$000</u>	Insurance service result			
	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Life, health and annuity insurance contracts issued to individuals	102,952	47,556	31,778	23,771
Life, health and annuity insurance and pension administration contracts issued to groups	9,113	(1,262)	4,521	(812)
Property and casualty insurance	6,985	4,751	1,547	609
	119,050	51,045	37,846	23,568

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			
	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Life, health and annuity insurance contracts issued to individuals	1,018,644	268,532	646,531	42,058
Life, health and annuity insurance and pension administration contracts issued to groups	35,429	38,693	24,130	9,851
Property and casualty insurance	5,160	4,024	1,780	1,563
Banking, investment management and other financial services	115,829	102,810	37,651	34,442
Unallocated revenues	15,130	4,286	14,723	(5,146)
	1,190,192	418,345	724,815	82,768

<u>Amounts in US \$000</u>	Fees and other income			
	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Life, health and annuity insurance contracts issued to individuals	5,605	3,866	2,723	3,475
Life, health and annuity insurance and pension administration contracts issued to groups	2,767	1,175	1,233	(12,319)
Property and casualty insurance	328	335	315	77
Banking, investment management and other financial services	71,056	73,893	25,201	36,093
Unallocated revenues	20,805	11,417	4,490	(190)
	100,561	90,686	33,962	27,136

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.

Insurance revenue				
<u>Amounts in US \$000</u>	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Barbados	94,469	86,370	32,112	29,702
Jamaica	244,114	212,425	85,904	75,379
Trinidad & Tobago	83,371	77,217	28,960	25,805
Other Caribbean	69,242	71,824	22,987	25,299
Canada	518,199	-	175,601	-
USA	75,518	65,587	25,760	25,096
	1,084,913	513,423	371,324	181,281
Insurance service result				
<u>Amounts in US \$000</u>	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Barbados	13,240	10,495	2,502	4,609
Jamaica	27,548	29,996	11,049	15,045
Trinidad & Tobago	7,208	3,800	1,077	(2,944)
Other Caribbean	11,453	12,965	3,142	6,579
Canada	63,948	-	15,202	-
USA	(4,347)	(6,211)	4,874	279
	119,050	51,045	37,846	23,568

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENTS (continued)

3.4 Geographical areas (continued)

Net investment income				
<u>Amounts in US \$000</u>	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Barbados	27,140	17,285	17,516	1,048
Jamaica	164,865	134,123	71,195	37,392
Trinidad & Tobago	39,133	50,208	17,912	17,751
Other Caribbean	28,564	22,861	12,074	(960)
Canada	580,950	-	421,881	-
USA	349,540	193,868	184,237	27,537
	1,190,192	418,345	724,815	82,768
Fees and other income				
<u>Amounts in US \$000</u>	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
Barbados	3,018	5,459	(403)	1,824
Jamaica	90,215	82,046	30,656	23,886
Trinidad & Tobago	2,780	1,954	2,125	597
Other Caribbean	2,635	1,145	809	802
Canada	1,781	-	697	-
USA	132	82	78	27
	100,561	90,686	33,962	27,136

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.

	Fees recognised		
	- at a point in time	- over time	Total
Nine months to September 30, 2024			
<u>Amounts in US \$000</u>			
Sagicor Life	-	4,331	4,331
Sagicor Jamaica	48,755	31,109	79,864
Sagicor Life USA	72	-	72
Sagicor Canada	-	-	-
Head office and other	-	4,422	4,422
	<u>48,827</u>	<u>39,862</u>	<u>88,689</u>
	Fees recognised		
	- at a point in time	- over time	Total
Nine months to September 30, 2023			
<u>Amounts in US \$000</u>			
Sagicor Life	-	5,838	5,838
Sagicor Jamaica	45,900	29,679	75,579
Sagicor Life USA	82	-	82
Sagicor Canada	-	-	-
Head office and other	-	2,433	2,433
	<u>45,982</u>	<u>37,950</u>	<u>83,932</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 September 30, 2024	Fees recognised		
	- at a point in time	- over time	Total
<u>Amounts in US \$000</u>			
Sagicor Life	-	1,428	1,428
Sagicor Jamaica	16,734	10,475	27,209
Sagicor Life USA	24	-	24
Sagicor Canada	-	-	-
Head office and other	-	1,477	1,477
	16,758	13,380	30,138
Three months to September 30, 2023	Fees recognised		
	- at a point in time	- over time	Total
<u>Amounts in US \$000</u>			
Sagicor Life	-	1,908	1,908
Sagicor Jamaica	15,180	9,540	24,720
Sagicor Life USA	27	-	27
Sagicor Canada	-	-	-
Head office and other	-	815	815
	15,207	12,263	27,470

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>	September 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying Value	Fair value
Investments at FVTOCI:				
Debt securities	1,452,977	1,452,977	1,454,818	1,454,818
Equity securities	664	664	564	564
	1,453,641	1,453,641	1,455,382	1,455,382
Investments at FVTPL:				
Money market funds	216,376	216,376	203,779	203,779
Debt securities	11,402,725	11,402,725	10,837,515	10,837,515
Equity securities	2,855,822	2,855,822	2,613,505	2,613,505
Derivative financial instruments	17,301	17,301	17,064	17,064
Mortgage loans	25,642	25,642	22,280	22,280
	14,517,866	14,517,866	13,694,143	13,694,143
Investments at amortised cost:				
Debt securities	132,564	131,336	135,257	134,383
Mortgage loans	810,760	803,699	774,961	772,085
Finance loans	736,058	714,981	682,415	655,691
Securities purchased for resale	23,881	23,881	13,361	13,361
Deposits	320,681	320,681	269,592	269,592
	2,023,944	1,994,578	1,875,586	1,845,112
Total financial investments	17,995,451	17,966,085	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
September 30, 2024			
<u>Amounts in US \$000</u>			
Equity securities	2,855,822	-	2,855,822
Money market funds	208,475	7,901	216,376
Debt securities	9,506,530	1,896,195	11,402,725
Mortgage loans	-	25,642	25,642
	12,570,827	1,929,738	14,500,565
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>	September 30, 2024	December 31, 2023
Debt securities and money market funds:		
Government & government-guaranteed debt securities	4,939,910	4,799,757
Collateralised mortgage obligations	1,385,229	1,070,716
Corporate debt securities	6,559,281	6,454,768
Money market funds and other debt securities	320,222	306,128
	13,204,642	12,631,369
Included in financial investments are:		
Exchange-traded funds included in equity securities	1,040,804	903,806
Debt securities issued by associates	18,108	19,733
Mutual funds managed by the Group	188,062	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>	September 30, 2024	December 31, 2023
Financial investments repledged	692,702	687,753
Statement of financial position presentation		
Financial investments	17,302,749	16,337,358
Financial investments repledged	692,702	687,753
	17,995,451	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

	September 30, 2024	December 31, 2023
	Pledged value	Pledged value
<u>Amounts in US \$000</u>		
Investments at FVTOCI:		
Debt securities	630,444	637,083
Investments at FVTPL:		
Money market funds	60,028	50,670
Investments at amortised cost:		
Deposits	2,230	-
Financial investments repledged	692,702	687,753

4.3 Contracts with direct participation features

	September 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	139,517	139,517	140,994	140,994
Equity securities	202,911	202,911	195,978	195,978
	342,428	342,428	336,972	336,972
Other investments	17,653,023	17,623,657	16,688,139	16,657,665
Total financial investments	17,995,451	17,966,085	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.

	As of September 30, 2024		
<u>Amounts in US \$000</u>	Current portion	Non-current portion	Total
Insurance contract assets	(2,989)	7,559	4,570
Insurance contract liabilities	(1,059,852)	(15,411,039)	(16,470,891)
Reinsurance contract assets	328,585	2,752,406	3,080,991
Reinsurance contract liabilities	(2,110)	(6,351)	(8,461)
Investment contract liabilities	(382,822)	(83,859)	(466,681)
Segregated funds insurance contract liabilities (note 8)	(32,363)	(449,860)	(482,223)

	As of December 31, 2023		
<u>Amounts in US \$000</u>	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)

	As of September 30, 2023		
<u>Amounts in US \$000</u>	Current portion	Non-current portion	Total
Insurance contract assets	2,798	2,161	4,959
Insurance contract liabilities	(469,332)	(6,153,017)	(6,622,349)
Reinsurance contract assets	100,438	316,215	416,653
Reinsurance contract liabilities	(2,975)	(17,412)	(20,387)
Investment contract liabilities	(377,354)	(88,436)	(465,790)
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 September 30, 2024	As of December 31, 2023	As of September 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	159,520	146,244	140,372
Contracts not measured under PAA (GMM / VFA) – net (asset) / liability, end of period	16,306,801	15,584,697	6,477,018
Total – Net (asset) / liability, end of period	16,466,321	15,730,941	6,617,390
Reinsurance contracts held			
Contracts measured under PAA – net asset / (liability), end of period	33,831	27,607	31,929
Contracts not measured under PAA (GMM) – net asset / (liability), end of period	3,038,699	3,170,492	364,337
Total – Net asset / (liability), end of period	3,072,530	3,198,099	396,266

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

Nine months to September 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	(316,841)	-	-	-	-	(316,841)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	207,125	447	-	207,572
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	45,583	-	17	-	-	45,600
Total insurance service expenses	45,583	-	207,142	447	-	253,172
Total amounts recognised in the insurance services result	(271,258)	-	207,142	447	-	(63,669)
Finance (income) / expenses from insurance contracts issued	-	-	-	-	-	-
Effect of exchange rate changes	(392)	-	(1,355)	(56)	-	(1,803)
Total amounts recognised in total comprehensive income	(271,650)	-	205,787	391	-	(65,472)
Investment components	-	-	-	-	-	-
Other changes	(5)	-	(68)	(2)	-	(75)

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

Nine months to September 30, 2024

Amounts in US \$000

Insurance contracts issued Contracts measured under PAA	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		
Cash flows						
Premiums received	320,858	-	-	-	-	320,858
Claims and other directly attributable expenses paid	-	-	(194,967)	-	-	(194,967)
Insurance acquisition cash flows	(47,068)	-	-	-	-	(47,068)
Total cash flows	273,790	-	(194,967)	-	-	78,823
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Net balance – (asset) / liability, end of period	35,588	-	118,953	4,979	-	159,520
Insurance contract liabilities, end of period	38,433	-	116,529	4,798	-	159,760
Insurance contract assets, end of period	(2,845)	-	2,424	181	-	(240)
Net balance – (asset) / liability, end of period	35,588	-	118,953	4,979	-	159,520

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

Nine months to September 30, 2023

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	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	(284,184)	-	-	-	-	(284,184)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	195,806	(174)	-	195,632
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	40,281	-	-	-	-	40,281
Total insurance service expenses	40,281	-	195,806	(174)	-	235,913
Total amounts recognised in the insurance services result	(243,903)	-	195,806	(174)	-	(48,271)
Finance (income) / expenses from insurance contracts issued	-	-	-	-	-	-
Effect of exchange rate changes	(322)	-	(1,163)	(47)	-	(1,532)
Total amounts recognised in total comprehensive income	(244,225)	-	194,643	(221)	-	(49,803)
Investment components	-	-	-	-	-	-
Other changes	(1)	-	(3)	(1)	-	(5)

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

Nine months to September 30, 2023

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						
Cash flows						
Premiums received	287,625	-	-	-	-	287,625
Claims and other directly attributable expenses paid	-	-	(189,407)	-	-	(189,407)
Insurance acquisition cash flows	(41,353)	-	-	-	-	(41,353)
Total cash flows	246,272	-	(189,407)	-	-	56,865
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-
Other movements	8	-	12	-	-	20
Net balance – (asset) / liability, end of period	29,564	-	106,717	4,091	-	140,372
Insurance contract liabilities, end of period	31,353	-	106,297	4,071	-	141,721
Insurance contract assets, end of period	(1,789)	-	420	20	-	(1,349)
Net balance – (asset) / liability, end of period	29,564	-	106,717	4,091	-	140,372

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

Nine months to September 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	(768,072)	-	-	-	(768,072)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(10,857)	482,509	-	471,652
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	53,884	-	-	53,884
Impairment losses recognised during the period	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-
Insurance acquisition cash flows amortisation	36,303	-	-	-	36,303
Total insurance service expenses	36,303	43,027	482,509	-	561,839
Total amounts recognised in the insurance services result	(731,769)	43,027	482,509	-	(206,233)
Finance (income) / expenses from insurance contracts issued	951,771	8,657	809	-	961,237
Effect of exchange rate changes	(188,624)	(983)	(1,696)	-	(191,303)
Total amounts recognised in total comprehensive income	31,378	50,701	481,622	-	563,701
Investment components	(764,770)	-	764,770	-	-
Other changes ⁽¹⁾	(59,620)	(4,717)	(7,840)	-	(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

Nine months to September 30, 2024

Amounts in US \$000

Insurance contracts issued Contracts not measured under PAA	LRC		LIC	Insurance acquisition cash flows asset	Total
	Excluding loss component	Loss component			
Cash flows					
Premiums received	1,649,926	-	-	-	1,649,926
Claims and other directly attributable expenses paid	-	-	(1,217,175)	-	(1,217,175)
Insurance acquisition cash flows	(202,171)	-	-	-	(202,171)
Total cash flows	1,447,755	-	(1,217,175)	-	230,580
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net balance – (asset) / liability, end of period	15,706,125	311,512	289,164	-	16,306,801
Insurance contract liabilities, end of period	15,704,757	311,444	294,930	-	16,311,131
Insurance contract assets, end of period	1,368	68	(5,766)	-	(4,330)
Net balance – (asset) / liability, end of period	15,706,125	311,512	289,164	-	16,306,801

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

Nine months to September 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	(229,239)	-	-	-	(229,239)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(6,154)	137,569	-	131,415
Changes that relate to past service – adjustments to the LIC	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	35,782	-	-	35,782
Impairment losses recognised during the period	-	-	-	-	-
Reversal of impairment losses recognised in prior periods	-	-	-	-	-
Insurance acquisition cash flows amortisation	16,389	-	-	-	16,389
Total insurance service expenses	16,389	29,628	137,569	-	183,586
Total amounts recognised in the insurance services result	(212,850)	29,628	137,569	-	(45,653)
Finance (income) / expenses from insurance contracts issued	145,211	5,744	843	-	151,798
Effect of exchange rate changes	(10,665)	53	(412)	-	(11,024)
Total amounts recognised in total comprehensive income	(78,304)	35,425	138,000	-	95,121
Investment components	(552,652)	-	552,652	-	-
Other changes	(31)	-	31	-	-

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

Nine months to September 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					
Cash flows					
Premiums received	1,051,371	-	-	-	1,051,371
Claims and other directly attributable expenses paid	-	-	(700,841)	-	(700,841)
Insurance acquisition cash flows	(80,382)	-	-	-	(80,382)
Total cash flows	970,989	-	(700,841)	-	270,148
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-
Other movements	-	-	-	-	-
Net balance – (asset) / liability, end of period	6,046,243	239,148	191,627	-	6,477,018
Insurance contract liabilities, end of period	6,052,849	238,730	189,049	-	6,480,628
Insurance contract assets, end of period	(6,606)	418	2,578	-	(3,610)
Net balance – (asset) / liability, end of period	6,046,243	239,148	191,627	-	6,477,018

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	Nine months to September 30, 2024					Nine months to September 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	-	-	(176,514)	-	(176,514)	-	-	(73,473)	-	(73,473)
Change in the risk adjustment for non-financial risk for risk expired	-	(73,728)	-	-	(73,728)	-	(21,338)	-	-	(21,338)
Experience adjustments – relating to insurance service expenses	(9,875)	-	-	-	(9,875)	13,376	-	-	-	13,376
	(9,875)	(73,728)	(176,514)	-	(260,117)	13,376	(21,338)	(73,473)	-	(81,435)
Changes that relate to future service										
Changes in estimate that adjust the CSM	(99,972)	977	98,995	-	-	31,850	11,932	(43,785)	-	(3)
Changes in estimates that result in onerous contract losses or reversal of losses	59,888	(7,761)	-	-	52,127	32,555	(1,563)	-	-	30,992
Contracts initially recognised in the period	(180,702)	61,565	120,894	-	1,757	(114,278)	16,788	102,283	-	4,793
	(220,786)	54,781	219,889	-	53,884	(49,873)	27,157	58,498	-	35,782
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	(230,661)	(18,947)	43,375	-	(206,233)	(36,497)	5,819	(14,975)	-	(45,653)
Finance (income) / expenses from insurance contracts issued	845,356	42,904	72,977	-	961,237	130,265	(1,467)	23,000	-	151,798
Effect of exchange rate changes	(141,900)	(21,187)	(28,216)	-	(191,303)	(4,565)	(1,172)	(5,287)	-	(11,024)
Total amounts recognised in total comprehensive income	472,795	2,770	88,136	-	563,701	89,203	3,180	2,738	-	95,121
Other changes ⁽¹⁾	(53,087)	(8,472)	(10,618)	-	(72,177)	(2)	-	2	-	-

⁽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	Nine months to September 30, 2024					Nine months to September 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	1,649,926	-	-	-	1,649,926	1,051,371	-	-	-	1,051,371
Claims and other directly attributable expenses paid	(1,217,175)	-	-	-	(1,217,175)	(700,841)	-	-	-	(700,841)
Insurance acquisition cash flows	(202,171)	-	-	-	(202,171)	(80,382)	-	-	-	(80,382)
Total cash flows	230,580	-	-	-	230,580	270,148	-	-	-	270,148
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Net balance – (asset) / liability, end of period	13,029,485	1,298,108	1,979,208	-	16,306,801	5,452,691	308,131	716,196	-	6,477,018
Insurance contract liabilities, end of period	13,035,930	1,297,235	1,977,966	-	16,311,131	5,463,020	305,105	712,503	-	6,480,628
Insurance contract assets, end of period	(6,445)	873	1,242	-	(4,330)	(10,329)	3,026	3,693	-	(3,610)
Net balance – (asset) / liability, end of period	13,029,485	1,298,108	1,979,208	-	16,306,801	5,452,691	308,131	716,196	-	6,477,018

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 September 30, 2024				Total	As of September 30, 2023				Total
	Contracts issued		Contracts acquired			Contracts issued		Contracts acquired		
	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	157,075	5,025	-	-	162,100	64,986	5,829	-	-	70,815
Claims and other directly attributable expenses	1,027,482	23,296	-	-	1,050,778	752,436	17,195	-	-	769,631
Estimates of present value of future cash outflows	1,184,557	28,321	-	-	1,212,878	817,422	23,024	-	-	840,446
Estimates of present value of future cash inflows	(1,364,970)	(28,610)	-	-	(1,393,580)	(935,395)	(19,329)	-	-	(954,724)
Risk adjustment for non-financial risk	59,518	2,047	-	-	61,565	15,709	1,079	-	-	16,788
CSM	120,894	-	-	-	120,894	102,283	-	-	-	102,283
Increase / (decrease) in insurance contract liabilities from contracts recognised in the period	(1)	1,758	-	-	1,757	19	4,774	-	-	4,793

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

	Nine months to September 30, 2024			Nine months to September 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	659,393	108,679	768,072	118,104	111,135	229,239
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	(163,084)	(13,430)	(176,514)	(58,298)	(15,175)	(73,473)
Changes that relate to future service						
Changes in estimates that adjust the CSM	83,905	15,090	98,995	(72,262)	28,477	(43,785)
Contracts initially recognised in the period	120,808	86	120,894	102,192	91	102,283
	41,629	1,746	43,375	(28,368)	13,393	(14,975)
Finance (income) / expenses from insurance contracts issued	68,262	4,715	72,977	18,926	4,076	23,002
Other changes ⁽¹⁾	(3,321)	(7,297)	(10,618)	-	-	-
Effect of exchange rate changes	(27,346)	(870)	(28,216)	(4,005)	(1,282)	(5,287)
Total amounts recognised in total comprehensive income	79,224	(1,706)	77,518	(13,447)	16,187	2,740
CSM, end of period	1,814,699	164,509	1,979,208	554,420	161,776	716,196

⁽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

	Nine months to September 30, 2024					Nine months to September 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	(69,169)	-	-	-	(69,169)	(57,768)	-	-	-	(57,768)
Other incurred directly attributable expenses	-	-	2,066	4	2,070	(3,771)	-	12,278	(2)	8,505
Claims recovered	-	-	19,277	117	19,394	-	-	10,582	(10)	10,572
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	(69,169)	-	21,343	121	(47,705)	(61,539)	-	22,860	(12)	(38,691)
Finance income / (expenses) from reinsurance contracts held										
Effect of exchange rate changes	(113)	-	(11)	(187)	(311)	(107)	-	(162)	(19)	(288)
Total amounts recognised in total comprehensive income	(69,282)	-	21,332	(66)	(48,016)	(61,646)	-	22,698	(31)	(38,979)
Investment components	-	-	-	-	-	-	-	-	-	-
Other changes	5	-	(1)	-	4	-	-	4	12	16

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

	Nine months to September 30, 2024					Nine months to September 30, 2023					
	Remaining coverage		Incurred claims			Total	Remaining coverage		Incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Excluding loss recovery component		Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk		
Reinsurance contracts held											
Contracts measured under the PAA											
Cash flows											
Premiums paid net of ceding commissions and other directly attributable expenses paid	75,446	-	-	-	75,446	62,753	-	(14,175)	-	48,578	
Recoveries from reinsurance	-	-	(21,210)	-	(21,210)	-	-	(3,920)	-	(3,920)	
Total cash flows	75,446	-	(21,210)	-	54,236	62,753	-	(18,095)	-	44,658	
Net balance – asset / (liability), end of period	15,042	-	17,939	850	33,831	9,854	-	21,346	729	31,929	
Reinsurance contract liabilities, end of period	(873)	-	96	-	(777)	(810)	-	118	-	(692)	
Reinsurance contract assets, end of period	15,915	-	17,843	850	34,608	10,664	-	21,228	729	32,621	
Net balance – asset / (liability), end of period	15,042	-	17,939	850	33,831	9,854	-	21,346	729	31,929	

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

	Nine months to September 30, 2024			Nine months to September 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								
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	(371,545)	-	-	(371,545)	(14,622)	-	-	(14,622)
Other incurred directly attributable expenses	-	-	-	-	(18)	-	(8,692)	(8,710)
Claims recovered	-	(2,218)	262,247	260,029	-	(908)	12,608	11,700
Changes that relate to past service – adjustments to incurred claims	-	-	-	-	-	-	-	-
Changes that relate to future service	-	8,369	-	8,369	-	7,444	-	7,444
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-
Net income / (expenses) from reinsurance contracts held	(371,545)	6,151	262,247	(103,147)	(14,640)	6,536	3,916	(4,188)
Finance income / (expenses) from reinsurance contracts held	87,141	833	-	87,974	24,820	193	-	25,013
Effect of exchange rate changes	(56,051)	1	(1,247)	(57,297)	20	22	(40)	2
Total amounts recognised in total comprehensive income	(340,455)	6,985	261,000	(72,470)	10,200	6,751	3,876	20,827
Investment components	(102,829)	-	102,829	-	(124,058)	-	124,058	-
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

	Nine months to September 30, 2024			Nine months to September 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	268,523	-	-	268,523	21,981	(696)	-	21,285
Recoveries from reinsurance	-	-	(333,138)	(333,138)	-	-	(136,661)	(136,661)
Total cash flows	268,523	-	(333,138)	(64,615)	21,981	(696)	(136,661)	(115,376)
Net balance – asset / (liability), end of period	2,882,329	26,869	129,501	3,038,699	303,901	14,087	46,349	364,337
Reinsurance contract liabilities, end of period	(6,343)	17	(1,358)	(7,684)	(19,910)	60	155	(19,695)
Reinsurance contract assets, end of period	2,888,672	26,852	130,859	3,046,383	323,811	14,027	46,194	384,032
Net balance – asset / (liability), end of period	2,882,329	26,869	129,501	3,038,699	303,901	14,087	46,349	364,337

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

	Nine months to September 30, 2024				Nine months to September 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	-	-	(57,493)	(57,493)	-	-	(3,735)	(3,735)
Change in the risk adjustment for non-financial risk for risk expired	-	(34,251)	-	(34,251)	-	(2,579)	-	(2,579)
Experience adjustments	(19,772)	-	-	(19,772)	(5,318)	-	-	(5,318)
	(19,772)	(34,251)	(57,493)	(111,516)	(5,318)	(2,579)	(3,735)	(11,632)
Changes that relate to future service								
Changes in estimate that adjust the CSM	(137,711)	(4,442)	142,153	-	18,569	(5,072)	(13,497)	-
Changes in fulfilment cash flows which relate to onerous underlying contracts	5,778	3,893	(31)	9,640	10,703	2,746	(305)	13,144
Contracts initially recognised in the period	(11,169)	17,268	(6,041)	58	(1,875)	311	1,590	26
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	74	38	(1,441)	(1,329)	-	-	(5,726)	(5,726)
	(143,028)	16,757	134,640	8,369	27,397	(2,015)	(17,938)	7,444
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

	Nine months to September 30, 2024				Nine months to September 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	(162,800)	(17,494)	77,147	(103,147)	22,079	(4,594)	(21,673)	(4,188)
Finance income / (expenses) from reinsurance contracts held	43,889	21,043	23,042	87,974	28,148	(3,533)	398	25,013
Effect of exchange rate changes	(35,094)	(10,702)	(11,501)	(57,297)	(106)	58	50	2
Total amounts recognised in total comprehensive income	(154,005)	(7,153)	88,688	(72,470)	50,121	(8,069)	(21,225)	20,827
Other changes ⁽¹⁾	8,759	(923)	(2,544)	5,292	-	-	-	-
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	268,523	-	-	268,523	21,285	-	-	21,285
Recoveries from reinsurance	(333,138)	-	-	(333,138)	(136,661)	-	-	(136,661)
Total cash flows	(64,615)	-	-	(64,615)	(115,376)	-	-	(115,376)
Net balance – asset / (liability), end of period	1,768,357	561,017	709,325	3,038,699	325,515	21,222	17,600	364,337
Reinsurance contract liabilities, end of period	(19,953)	2,489	9,780	(7,684)	(19,876)	1,853	(1,672)	(19,695)
Reinsurance contract assets, end of period	1,788,310	558,528	699,545	3,046,383	345,391	19,369	19,272	384,032
Net balance – asset / (liability), end of period	1,768,357	561,017	709,325	3,038,699	325,515	21,222	17,600	364,337

⁽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 September 30, 2024					As of September 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	75	68,087	-	-	68,162	1,134	(1,256)	-	-	(122)
Estimates of present value of future cash outflows	(233)	(79,098)	-	-	(79,331)	(1,213)	(535)	-	-	(1,748)
Risk adjustment for non-financial risk	39	17,229	-	-	17,268	187	124	-	-	311
CSM	118	(6,159)	-	-	(6,041)	(82)	1,669	-	-	1,587
Increase / (decrease) in reinsurance contract assets from contracts recognised in the period	(1)	59	-	-	58	26	2	-	-	28

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

	Nine months to September 30, 2024			Nine months to September 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	(58,176)	683	(57,493)	(4,093)	358	(3,735)
Changes that relate to future service						
Changes in estimates that adjust the CSM	141,112	1,041	142,153	4,198	(17,695)	(13,497)
Contracts initially recognised in the period	(6,431)	390	(6,041)	1,590	-	1,590
Loss- recovery component recognised on onerous underlying contracts	(24)	(1,370)	(1,394)	1,260	(6,565)	(5,305)
Reversal of loss-recovery component from onerous underlying contracts	(1)	(77)	(78)	(48)	(678)	(726)
	76,480	667	77,147	2,907	(24,580)	(21,673)
Finance income / (expenses) from reinsurance contracts held	22,840	202	23,042	78	320	398
Other changes ⁽¹⁾	(69)	(2,475)	(2,544)	-	-	-
Effect of exchange rate changes	(11,483)	(18)	(11,501)	(199)	249	50
Total amounts recognised in total comprehensive income	87,768	(1,624)	86,144	2,786	(24,011)	(21,225)
CSM, end of period	700,563	8,762	709,325	21,473	(3,873)	17,600

⁽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

	Nine months to September 30, 2024	Twelve months to December 31, 2023	Nine months to September 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	(2,208)	9,509	-
Contributions received	33,956	46,185	33,037
Benefits paid	(53,473)	(70,674)	(52,377)
Investment return from underlying assets	14,622	23,930	17,172
Asset management fees charged	(1,145)	(1,469)	(1,055)
Effect of exchange rate changes	(2,929)	(1,920)	(3,284)
Balance, end of period	466,681	477,858	465,790

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 September 30, 2024		As of December 31, 2023	
	Carrying value	Fair Value	Carrying value	Fair value
Liabilities at amortised cost:				
Other funding instruments	1,079,610	1,244,540	1,220,776	1,359,080
Customer deposits	1,140,352	1,145,471	1,066,443	1,069,478
Securities sold for repurchase	659,516	659,516	660,520	660,520
Bank overdrafts	1,195	1,245	2,153	2,153
	2,880,673	3,050,772	2,949,892	3,091,231
Liabilities at FVTPL:				
Derivative financial instruments	282	282	538	538
	2,880,955	3,051,054	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>	September 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
5.30% senior notes due 2028	542,085	557,224	539,124	537,306
6.359% unsecured senior notes due 2029 (a)	169,354	169,354	-	-
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)	27,084	27,994	-	-
7.75% unsecured bond due 2025 (c)	19,848	20,240	-	-
6.75% notes due 2024 (d)	-	-	14,251	14,299
Bank loans and other funding instruments (e)	26,446	26,446	36,092	36,092
SOFR+145 bps revolving credit facility (f)	63,783	63,783	4,007	4,007
SOFR+500 bps term loan (g)	102,518	102,518	301,828	301,828
	951,118	967,559	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 (g), 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 16, 2019, Sagicor Investments Jamaica Limited issued J\$4.4 billion notes in two Tranches, Tranche A J\$2.22 billion and Tranche B J\$2.18 billion, carrying annual rates of 5.00% and 6.75% respectively. Tranche A matured on September 16, 2020 and the remaining Tranche B matured on August 16, 2024.
- (e) Bank loans and other funding instruments include a loan payable by Sagicor General Insurance Inc in respect of a loan agreement which was entered into on May 24, 2019 for US \$12 million at an interest rate of 3.50% per annum. The loan matured on July 31, 2024, and was subject to refinancing at September 30, 2024. Refer to note 21 for further details.
- (f) On August 2, 2023, Sagicor Financial Company Ltd. entered into a credit agreement to establish a revolving credit facility in the principal amount of up to US \$125 million 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 September 30, 2024, US \$64 million was drawn down from the facility.
- (g) On October 3, 2023, Sagicor Financial Company Ltd. entered into a credit and guarantee agreement to establish a floating rate loan facility in the 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 nine months to September 30:	2024	2023
<u>Amounts in US \$000</u>		
Balance, beginning of period	945,666	632,535
Valuation of call option embedded derivatives	(4,721)	3,140
Additions:		
Gross principal	315,326	61,162
Less: Expenses	(2,481)	(290)
	312,845	60,872
Repayments:		
Principal	(323,174)	(47,194)
Interest	(40,264)	(19,043)
	(363,438)	(66,237)
Amortisation during the period	8,955	1,317
Accrued interest	50,175	26,171
Effects of exchange rate changes	1,636	(739)
Balance, end of the period	951,118	657,059

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>	Nine months to September 30, 2024	October 3, 2023 to December 31, 2023
Segregated funds assets, beginning of period / assumed on acquisition	492,271	458,940
Additions:		
Deposits	769	270
Net realised and unrealised gains / (losses)	55,125	24,872
Interest and dividend income	3,763	10,092
Total additions	<u>59,657</u>	<u>35,234</u>
Less deductions:		
Payments to policy holders and their beneficiaries	(46,577)	(14,889)
Management fees	(12,334)	(4,057)
Other expenses, including GST on management fees	(872)	(308)
Total deductions	<u>(59,783)</u>	<u>(19,254)</u>
Foreign exchange (losses) / gains	(9,922)	17,351
Balance, end of period	<u>482,223</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 September 30, 2024		As of December 31, 2023	
	Total	Percentage	Total	Percentage
Asset class:				
Cash and cash equivalents	2,792	1%	2,273	1%
Short-term investments	8,886	2%	10,501	2%
Equities	56,270	12%	53,730	11%
Bonds	24,959	5%	28,200	6%
Mutual funds	389,033	80%	397,354	80%
Other assets	283	-	213	-
Total segregated funds assets	<u>482,223</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>	<u>Nine months to September 30, 2024</u>		
	<u>LRC</u>	<u>LIC</u>	<u>Total</u>
Balance, beginning of period	492,271	-	492,271
Insurance finance (income) / expenses	58,888	-	58,888
Cash flows:			
Management fees	(12,334)	-	(12,334)
Amounts paid to policyholders and other insurance service expenses paid	-	(46,680)	(46,680)
Actual investment component excluded from insurance revenue	-	46,680	46,680
Expected investment component excluded from insurance revenue	(46,680)	-	(46,680)
Total cash flow movement	(59,014)	-	(59,014)
Foreign exchange (gains)	(9,922)	-	(9,922)
Balance, end of period	482,233	-	482,233
<u>Amounts in US \$000</u>	<u>October 3, 2023 to December 31, 2023</u>		
	<u>LRC</u>	<u>LIC</u>	<u>Total</u>
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 cash flow movement	(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	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 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	481,527	118,039	162,362	43,204
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	73,728	21,338	24,760	7,465
CSM recognised in net income / (loss) for the services provided	176,514	73,473	59,523	25,155
Insurance acquisition cash flows recovery	36,303	16,389	14,189	6,369
Insurance revenue for contracts not measured under the PAA	768,072	229,239	260,834	82,193
Insurance revenue from contracts measured under the PAA	316,841	284,184	110,490	99,088
Total insurance revenue	1,084,913	513,423	371,324	181,281
Insurance service expenses				
Incurred claims and other directly attributable expenses	(679,224)	(327,047)	(223,835)	(116,976)
Losses on onerous contracts and reversal of those losses	(53,884)	(35,782)	(17,427)	(19,293)
Insurance acquisition cash flows amortisation	(81,903)	(56,670)	(29,516)	(19,419)
Total insurance service expenses	(815,011)	(419,499)	(270,778)	(155,688)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. INSURANCE REVENUE AND SERVICE EXPENSES (continued)

(a) Insurance service result (continued)

	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 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	(279,801)	(8,308)	(93,059)	956
Change in the risk adjustment recognised for the risk expired	(34,251)	(2,579)	(11,443)	(776)
CSM recognised in net income / (loss) for the services received	(57,493)	(3,735)	(21,419)	(2,516)
Reinsurance expenses – contracts not measured under the PAA	(371,545)	(14,622)	(125,921)	(2,336)
Reinsurance expenses – contracts measured under the PAA	(69,169)	(57,768)	(25,283)	(21,529)
Other incurred directly attributable expenses	2,070	(205)	214	4,428
Claims recovered	279,423	22,272	84,119	11,988
Changes in estimate that adjust the CSM	-	-	(9)	(1)
Changes in fulfilment cash flows which relate to onerous underlying contracts	9,640	13,144	4,536	8,185
Contracts initially recognised in the period	58	26	39	21
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	(1,329)	(5,726)	(395)	(2,781)
Total net income / (expenses) from reinsurance contracts held	(150,852)	(42,879)	(62,700)	(2,025)
Total insurance service result	119,050	51,045	37,846	23,568

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

	Nine months to September 30, 2024	Twelve months to December 31, 2023	Nine months to September 30, 2023
New contracts and contracts measured under the full retrospective approach at transition	659,393	323,986	118,104
Contracts measured under the fair value approach at transition	108,679	152,215	111,135
	768,072	476,201	229,239

Amounts in US \$000

CSM, end of period

	As of September 30, 2024	As of December 31, 2023	As of September 30, 2023
New contracts and contracts measured under the full retrospective approach at transition	1,814,699	1,735,475	554,420
Contracts measured under the fair value approach at transition	164,509	166,215	161,776
	1,979,208	1,901,690	716,196

REINSURANCE CONTRACTS HELD

CSM, end of period

New contracts and contracts measured under the full retrospective approach at transition	700,563	612,795	21,473
Contracts measured under the fair value approach at transition	8,762	10,386	(3,873)
	709,325	623,181	17,600

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 September 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	180,387	175,181
2	172,332	158,463
3	154,081	140,428
4	137,697	123,899
5	125,158	110,143
6-10	482,085	434,688
>10	727,468	758,888
Total	1,979,208	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)

	<u>As of</u> <u>September 30, 2024</u>	<u>As of</u> <u>December 31, 2023</u>
<u>Amounts in US \$000</u>		
REINSURANCE CONTRACTS HELD		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	72,551	72,405
2	66,691	61,955
3	61,277	54,467
4	54,984	48,148
5	49,444	42,750
6-10	178,496	153,980
>10	225,882	189,476
Total	709,325	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.

<u>Amounts in US \$000</u>	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS ⁽¹⁾				
Gain / (loss) on derecognition of amortised cost investments	8	(6)	(36)	(6)
Gain / (loss) on derecognition of assets carried at FVTOCI	(1)	58	-	28
Interest income earned from financial assets measured at amortised cost and FVTOCI	12,371	13,165	3,949	5,194
Net gain / (loss) on FVTPL investments	961,264	218,884	640,120	31,040
Net credit impairment recovery / (loss)	2,672	361	1,080	251
Net investment income – underlying assets	976,314	232,462	645,113	36,507
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS				
Gain / (loss) on derecognition of amortised cost investments	37	314	89	90
Gain / (loss) on derecognition of assets carried at FVTOCI	(2,780)	2,694	(2,538)	1,289
Interest income earned from financial assets measured at amortised cost and FVTOCI	173,985	150,461	59,536	49,456
Net gain / (loss) on FVTPL investments	43,582	31,487	23,274	(6,065)
Net credit impairment recovery / (loss)	(5,182)	(3,538)	(2,923)	(769)
Net investment income – other investments	209,642	181,418	77,438	44,001
NET INVESTMENT INCOME / (EXPENSES) – OTHER				
Net change in investment contract liabilities	(98)	-	(37)	-
Investment property – rental income	1,289	1,361	159	313
Investment property – realised gains	(65)	-	-	-
Investment property – unrealised gains	1,573	1,163	1,573	1,163
Other investment income	1,537	1,941	569	784
Net investment income – other	4,236	4,465	2,264	2,260
NET INVESTMENT INCOME	1,190,192	418,345	724,815	82,768

⁽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)

	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 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	(12,077)	1,771	(5,404)	2,991
Interest accreted	(585,560)	(196,624)	(207,120)	(70,184)
Effect of changes in interest rates and other financial assumptions	(370,364)	43,055	(494,786)	52,025
Net foreign exchange income / (expense)	6,764	-	18,148	-
Finance expenses from insurance contracts issued	(961,237)	(151,798)	(689,162)	(15,168)
FINANCE INCOME / (EXPENSES) FROM REINSURANCE CONTRACTS HELD				
Interest accreted	116,727	14,327	37,227	4,590
Effect of changes in interest rates and other financial assumptions	(20,746)	10,686	97,618	2,050
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	(8,007)	-	(8,007)	57
Finance income from reinsurance contracts held	87,974	25,013	126,838	6,697
NET INSURANCE FINANCE EXPENSES	(873,263)	(126,785)	(562,324)	(8,471)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT INCOME AND INSURANCE FINANCE EXPENSES (continued)

	Nine months to September 30, 2024	Nine months to September 30, 2023	Three months to September 30, 2024	Three months to September 30, 2023
<u>Amounts in US \$000</u>				
SUMMARY OF THE AMOUNTS RECOGNISED IN THE STATEMENT OF INCOME				
Net investment income – underlying assets ⁽¹⁾	976,314	232,462	645,113	36,507
Net investment income – other investments	209,642	181,418	77,438	44,001
Net investment income – other	4,236	4,465	2,264	2,260
Net insurance finance expenses	(873,263)	(126,785)	(562,324)	(8,471)
	316,929	291,560	162,491	74,297

⁽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:

	Nine months to September 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	50,837	41,562	107,613	200,012
Commissions and related compensation	142,799	33,100	2,170	178,069
Asset taxes	-	-	8,669	8,669
Claims adjustment expenses	-	321,994	-	321,994
Depreciation, amortisation and intangible asset impairment charges	1,921	1,390	18,842	22,153
Audit, legal and other professional fees	3,102	12,839	20,604	36,545
Other administrative expenses	41,936	34,646	98,330	174,912
	240,595	445,531	256,228	942,354
	Nine months to September 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	29,455	29,465	92,435	151,355
Commissions and related compensation	56,954	33,197	2,126	92,277
Asset taxes	-	-	7,916	7,916
Claims adjustment expenses	-	150,541	-	150,541
Depreciation, amortisation and intangible asset impairment charges	1,444	1,429	15,859	18,732
Audit, legal and other professional fees	4,978	4,615	22,647	32,240
Other administrative expenses	23,625	22,241	77,824	123,690
	116,456	241,488	218,807	576,751

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. EXPENSES BY NATURE (continued)

	Three months to September 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	18,584	16,636	32,959	68,179
Commissions and related compensation	54,321	11,148	301	65,770
Asset taxes	-	-	729	729
Claims adjustment expenses	-	127,893	-	127,893
Depreciation, amortisation and intangible asset impairment charges	974	754	6,242	7,970
Audit, legal and other professional fees	1,039	4,580	7,379	12,998
Other administrative expenses	15,629	11,789	34,322	61,740
	90,547	172,800	81,932	345,279
	Three months to September 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	12,189	12,322	17,646	42,157
Commissions and related compensation	29,500	22,187	464	52,151
Asset taxes	-	-	718	718
Claims adjustment expenses	-	61,140	-	61,140
Depreciation, amortisation and intangible asset impairment charges	775	908	6,407	8,090
Audit, legal and other professional fees	1,589	1,547	7,094	10,230
Other administrative expenses	9,002	8,680	38,495	56,177
	53,055	106,784	70,824	230,663

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:

	Level 3	
<u>Amounts in US \$000</u>	As of September 30, 2024	As of December 31, 2023
Investment property	77,335	85,375
Owner-occupied properties	124,282	121,115
Total properties	201,617	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
	September 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023	
<u>Amounts in US \$000</u>						
Investment property	77,335	85,375	Comparable sales	5%	5%	(1)
Owner-occupied properties	124,282	121,115	Comparable sales	5%	5%	(1)
Total properties	201,617	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 September 30, 2024			
	Level 1	Level 2	Level 3	Total
FVTOCI investments:				
Debt securities	229,300	1,112,310	111,367	1,452,977
Equity securities	476	-	188	664
	229,776	1,112,310	111,555	1,453,641
FVTPL investments:				
Money market funds	75,341	141,035	-	216,376
Debt securities	159,435	10,193,640	1,049,650	11,402,725
Equity securities	2,299,742	522,662	33,418	2,855,822
Derivative financial instruments	-	315	16,986	17,301
Mortgage loans	-	-	25,642	25,642
	2,534,518	10,857,652	1,125,696	14,517,866
Total assets	2,764,294	11,969,962	1,237,251	15,971,507
Total assets by percentage	17%	75%	8%	100%
FVTPL investment contracts:				
Unit linked deposit administration liabilities	-	-	168,974	168,974
FVTPL deposit and security liabilities:				
Derivative financial instruments	-	282	-	282
Total liabilities	-	282	168,974	169,256
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)

<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%

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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
	September 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023	
<u>Amounts in US \$000</u>						
FVTOCI Investments						
Debt securities	111,367	101,790	Adjustments to yields	10%	10%	(1)
Equity securities	188	189	Adjustments to net assets	10%	10%	(2)
	111,555	101,979				
FVTPL Investments						
Debt securities	1,049,650	1,054,765	Adjustments to yields	10%	10%	(1)
Equity securities	33,418	34,297	Adjustments to net assets	10%	10%	(2)
Derivative financial instruments	16,986	16,909	Adjustments to yields	10%	10%	(1)
Mortgage loans	25,642	22,280	Adjustments to yields	10%	10%	(1)
	1,125,696	1,128,251				
Total assets	1,237,251	1,230,230				
Unit linked deposit administration liabilities	168,974	165,562	Adjustments to yields	10%	10%	(1)
Total liabilities	168,974	165,562				

(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.

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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>	Nine months to September 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	12,850	111,673	9,557	134,080	266,876
Fair value changes recorded in net investment income	-	(6,464)	6,483	19	27,546
Fair value changes recorded in other comprehensive income	(820)	-	-	(820)	92
Disposals and divestitures	(2,172)	(105,455)	(15,963)	(123,590)	(181,705)
Effect of exchange rate changes	(282)	(2,386)	-	(2,668)	3,000
Balance, end of period	111,555	1,108,710	16,986	1,237,251	1,230,230
Fair value changes recorded in investment income for instruments held at the end of the period	-	(6,088)	3,879	(2,209)	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>	Nine months to September 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	(1,707)	-	-	(1,707)	666
Issues	15,110	-	-	15,110	19,765
Settlements	(9,415)	-	-	(9,415)	(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	(576)	-	-	(576)	625
Balance, end of period	168,974	-	-	168,974	165,562
Fair value changes recorded in interest expense for instruments held at end of period	(1,707)	-	-	(1,707)	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.

	September 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	802,489	-	-	-	802,489	774,667
Non-investment	657,529	18,803	-	10,164	686,496	704,001
Gross carrying amount	1,460,018	18,803	-	10,164	1,488,985	1,478,668
Loss allowance	(727)	(601)	-	-	(1,328)	(1,254)
Carrying amount	1,459,291	18,202	-	10,164	1,487,657	1,477,414
					September 30, 2024	September 30, 2023
Credit impairment (loss) / recovery recorded in income					(108)	876

	September 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	707,122	10,498	1,400	-	719,020	676,738
Non-investment	1,229,730	53,501	1,072	9,772	1,294,075	1,177,858
Watch	994	386	6,596	130	8,106	21,611
Default	-	-	20,383	-	20,383	19,951
Unrated	556	-	-	-	556	548
Gross carrying amount	1,938,402	64,385	29,451	9,902	2,042,140	1,896,706
Loss allowance	(7,971)	(1,954)	(8,258)	(13)	(18,196)	(21,120)
Carrying amount	1,930,431	62,431	21,193	9,889	2,023,944	1,875,586
					September 30, 2024	September 30, 2023
Credit impairment loss recorded in income					(2,402)	(4,053)

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CASH FLOWS

Amounts in US \$000

September 30, 2024 September 30, 2023

Operating activities

Adjustments for non-cash items, interest and dividends:

Income from financial investments	(884,014)	(417,184)
Gain arising on divestiture	(9,666)	-
Interest costs and finance costs	1,044,767	225,289
Credit impairment loss	2,510	3,177
Depreciation and amortisation	22,152	18,598
Other items	14,285	(1,680)
	190,034	(171,800)

Net change in investments:

Deposits	(70,260)	(71,641)
Securities purchased for resale	(14,488)	1,275
Finance loans	(70,746)	(29,713)
Mortgage loans	(43,397)	(130,523)
Equity securities	24,567	51,928
Debt securities	(475,526)	(293,909)
	(649,850)	(472,583)

Net change in operating assets:

Reinsurance contract assets	162,316	120,835
Insurance contract assets	(694)	(1,406)
Other assets and receivables	(327)	(51,922)
Investment property	9,133	1,519
Segregated funds assets	128	-
	170,556	69,026

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>	September 30, 2024	September 30, 2023
Equity securities:		
Purchases	(137,730)	(48,914)
Disposal proceeds	162,297	100,842
	<u>24,567</u>	<u>51,928</u>
Debt securities:		
Purchases	(5,114,101)	(1,618,923)
Disposal proceeds	4,638,575	1,325,014
	<u>(475,526)</u>	<u>(293,909)</u>
Investment property:		
Purchases	-	(98)
Disposal proceeds	9,133	1,617
	<u>9,133</u>	<u>1,519</u>
Net change in operating liabilities:		
Other liabilities and payables	(47,840)	15,478
Investment contract liabilities	(10,288)	(7,008)
Reinsurance contract liabilities	(1,084)	(7,222)
Insurance contract liabilities	(2,400)	234,623
Securities sold for repurchase	12,125	11,192
Deposits	87,678	84,888
Other funding instruments	(125,111)	(64,013)
Insurance contract liabilities on account of segregated fund policyholders	(116)	-
	<u>(87,036)</u>	<u>267,938</u>

SAGICOR FINANCIAL COMPANY LTD.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. CASH FLOWS (continued)

<u>Amounts in US \$000</u>	September 30, 2024	September 30, 2023
Investing activities		
Property, plant and equipment:		
Purchases	(7,802)	(8,802)
Disposal proceeds	251	600
	<u>(7,551)</u>	<u>(8,202)</u>
Financing activities		
Notes and loans payable:		
Proceeds	312,845	60,872
Repayments	(323,174)	(47,194)
	<u>(10,329)</u>	<u>13,678</u>
Lease liability payments		
Principal paid	(6,484)	(5,911)
Interest paid	(1,726)	(952)
	<u>(8,210)</u>	<u>(6,863)</u>
Cash and cash equivalents		
Cash	330,468	388,283
Call deposits and other liquid balances	320,380	244,662
Bank overdrafts	(1,195)	(2,214)
	<u>649,653</u>	<u>630,731</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 September 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 September 30, 2024		As of December 31, 2023	
		Individual contracts	Group contracts	Individual contracts	Group contracts
Barbados	Gross	4,881,139	1,332,969	4,806,966	1,371,208
	Net	4,609,067	1,325,403	4,542,354	1,321,160
Jamaica	Gross	12,851,729	-	12,401,419	-
	Net	12,603,751	-	12,173,843	-
Trinidad & Tobago	Gross	4,871,780	1,972,371	4,775,793	2,199,668
	Net	4,276,494	1,953,459	4,181,887	2,037,951
Other Caribbean	Gross	9,156,052	1,467,270	9,929,674	1,474,856
	Net	8,320,650	1,417,192	8,866,224	1,408,407
Canada	Gross	182,227,491	-	181,674,273	-
	Net	43,447,297	-	40,807,041	-
USA	Gross	8,267,074	22,012	8,634,301	22,423
	Net	4,471,422	21,922	4,638,655	22,333
Total	Gross	222,255,265	4,794,622	222,222,426	5,068,155
	Net	77,728,681	4,717,976	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 September 30, 2024		As of December 31, 2023	
		Individual contracts	Group contracts	Individual contracts	Group contracts
Barbados	Gross	309,418	56,690	305,181	55,337
	Net	309,418	56,690	305,181	55,337
Jamaica	Gross	486	515,733	517	503,877
	Net	486	515,733	517	503,877
Trinidad & Tobago	Gross	573,458	-	531,335	-
	Net	573,458	-	531,335	-
Other Caribbean	Gross	82,347	-	107,383	-
	Net	82,343	-	107,383	-
Canada	Gross	116,468	-	126,610	-
	Net	116,468	-	126,610	-
USA	Gross	4,569,476	14,691	3,882,203	16,010
	Net	4,332,165	4,762	3,582,438	5,005
Total	Gross	5,651,653	587,114	4,953,229	575,224
	Net	5,414,338	577,185	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 September 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 September 30, 2024									
Sagicor Life	9,528,394	1,860,455	567,700	567,700	3,362,971	3,037,751	13,459,065	5,465,906	
Sagicor Jamaica	3,046,125	496,246	697,011	350,767	179,584	124,038	3,922,720	971,051	
Total	12,574,519	2,356,701	1,264,711	918,467	3,542,555	3,161,789	17,381,785	6,436,957	
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 nine-month period ended September 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 nine-month period ended September 30, 2024, the Company repurchased 2,144,890 shares at a total cost of US \$9.7 million (1,397,868 shares at a total cost of US \$4.8 million for the nine-month period ended September 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.

As at September 30, 2024, 769,296 shares at a total cost of US \$3.2 million (51,300 shares at a total cost of US \$0.19 million as at September 30, 2023) were repurchased but not cancelled. These shares have 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 US \$9.7 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. COMMITMENTS

- i. Effective June 25, 2020, the Group entered into a letter of credit arrangement with a facility up to the amount of US \$40 million, whereby an irrevocable standby letter of credit was issued on behalf of Sagicor Reinsurance Bermuda Ltd. (SRBL) in favour of Sagicor Life Insurance Company, USA, in support of a coinsurance agreement between the two parties. The letter of credit facility is guaranteed by Sagicor Financial Corporation Limited and SRBL. The letter of credit expires annually on June 26 and is deemed to be automatically extended for one-year periods, subject to notice of the intention to terminate the facility being given sixty days prior to an expiration date. The facility was automatically extended on June 26, 2024.
- ii. Effective May 3, 2022, the Group entered into a letter of credit arrangement up to the amount of US \$10 million, whereby an irrevocable and unconditional standby letter of credit, except for any stated condition therein, was issued on behalf of Sagicor Reinsurance Bermuda Ltd. (SRBL). The letter of credit expires on May 4, 2025. A condition of the letter of credit is that it will be automatically extended for periods of one year, without amendment, from the relevant expiration date, unless notice is sent in writing at least six months prior to the relevant expiration date.

20. DIVIDEND

On August 13, 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 August 27, 2024. This dividend was paid on September 17, 2024.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. SUBSEQUENT EVENTS

- i. On November 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 December 17, 2024, to the shareholders of record at the close of business on November 26, 2024.
- ii. On May 24, 2019, Sagicor General Insurance Inc entered into a US \$12 million loan agreement at an interest rate of 3.50% per annum and maturity date of July 31, 2024 (refer to note 7(e)). As at July 31, 2024 the loan payable balance was US \$3.9 million. The loan was subject to refinancing at maturity, and on October 15, 2024 the entity entered into a new loan arrangement in the amount of US \$3.9 million, effectively extending the repayment terms of the facility by two years with no change in the rate of interest.