THE POWER OF US

SAGICOR FINANCIAL COMPANY LTD.

ANNUAL REPORT 2025



Sagicor



THE POWER OF US

For 185 years, Sagicor has been shaped by the strength of its people. Across 19 countries and generations, colleagues, clients, and communities have been connected by common values and a clear purpose. Our colleagues are united by a shared commitment to helping our clients achieve their goals and to supporting thriving, resilient communities. Together, we have built trusted relationships with millions and established a strong foundation for sustainable growth and enduring value. This commitment continues to define who we are and how we make a lasting difference. **This is the power of us.**

OUR VISION

To be a great company committed to improving the lives of the people in the communities in which we operate.

















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ABOUT SAGICOR

With a rich history spanning 185 years, Sagicor has established itself as an innovative leader in the financial services industry. Our enduring success can be attributed to prudent business practices and a steadfast commitment to creating value for our shareholders. As the second oldest insurer in the Americas, we first played a pivotal role in shaping the Caribbean's financial landscape.

As we grew over generations, we evolved from a local life insurance company into a robust, regional financial services group. More recently, we have become a growing force in the North American financial services market with over US$25.1 billion in assets under management. Today, Sagicor Financial Company Ltd. operates in 19 countries providing life insurance and annuities in Canada and the United States, and a wide range of financial services to individuals, families, businesses and governments across the English-speaking Caribbean.

Our name and identity are rooted in the value of strength, stability and financial prudence. These principles guide our approach to delivering flexible financial solutions that adapt to our clients' evolving needs throughout their lives. At Sagicor, we are dedicated to improving lives through wise judgment, providing personalized support and tailored financial solutions that address our clients' unique needs, both for now and in the future.

Our 5600+ #SagicorStrong team members are dedicated to giving back to our communities through philanthropic efforts and volunteerism, truly living our vision — committed to improving the lives of people in the communities in which we operate. Our focus areas include:

- **Health:** Promoting healthy living, improving access to healthcare, and supporting the prevention of non-communicable diseases.
- **Education:** Empowering future generations through educational initiatives.
- **Community and Youth Development:** Strengthening local communities through sustainable projects, nurturing young talent and supporting youth empowerment programs.
- **Sport:** Promoting healthy lifestyles and teamwork through sports development programs.

By investing in the well-being of our communities, we are committed to creating a positive impact that extends beyond financial support. Sagicor remains committed to delivering a comprehensive suite of financial products and services, driven by our core business strategies. Our goal is to provide innovative, tailored solutions that meet the evolving needs of our clients, while maintaining our position as a trusted leader in the financial services industry.

19
COUNTRIES

185
YEARS
IN BUSINESS

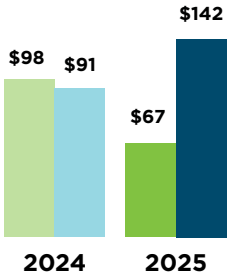
5600+
TEAM MEMBERS

US$25.1
BILLION
ASSETS UNDER MANAGEMENT

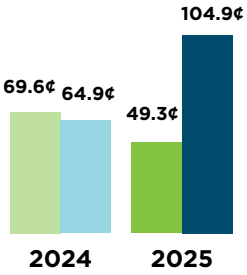
FINANCIAL HIGHLIGHTS

Performance

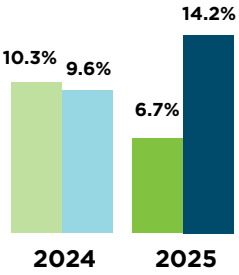
Earnings[1]
(US$ millions)



Earnings per share
(US cents per share)



Return on shareholders' Equity
(%)



Reported (IFRS) to shareholders

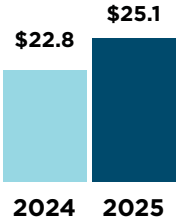
Core to shareholders

Business Growth

Net Premium
(US$ billions)



Total Assets
(US$ billions)



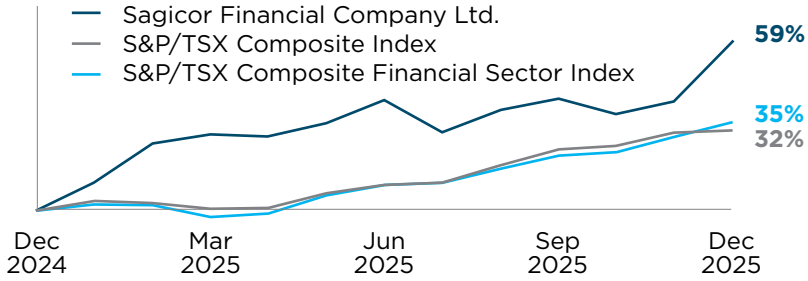
Capital Strength

26.9% **Financial Leverage Ratio[2]**

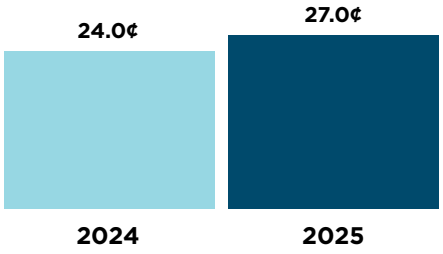
136% **Group LICAT Ratio[2]**

Shareholder Value

1-Year Shareholder Return[3]



Dividends
(US cents per share)



C$10.49
US$7.65
Book Value per Share[2]

+8%
YoY growth

C$21.87
US$15.95
Book Value and Net CSM to Shareholders per Share[2]

+6%
YoY growth

26%
Core Dividend Payout Ratio
2025

$40.4 MILLION
Capital Returned to Shareholders[4]
2025

[1] Reported (IFRS) Earnings represents Net Income attributable to shareholders
[2] As at December 31, 2025
[3] Share price growth with reinvested dividend (Data source: Bloomberg)
[4] Through dividends and share repurchases

A MESSAGE FROM OUR **CHAIRMAN**

Mahmood Khimji



Dear Sagicor Shareholders,

I am pleased to write you in my fifth year as Chair of the Board of Directors of Sagicor. I am proud to share that our company has experienced tremendous growth over this period. Together, we have achieved significant milestones, and Sagicor is well positioned for the future. As we marked our 185th anniversary in November of 2025, we also recognize those whose dedication built the foundation on which we continue to grow.

2025 was a banner year for Sagicor. Our teams delivered record financial results while continuing to execute on our growth strategy. We returned capital to shareholders and substantially increased book value. The proposed merger of our Caribbean businesses represents a key milestone in our history. These businesses performed strongly in 2025, each with proud legacies, and we are confident in their future together as we work to grow our leading Caribbean franchise which will be accelerated by an AI-enabled digital transformation.

Beyond our financial and operational performance, we remain mindful that strong institutions are built on trust, responsibility, and resilience. Our response to Hurricane Melissa in parts of Western and Southern Jamaica reflected our commitment to the communities in which we operate. As climate-related risks evolve, we continue to support our communities while strengthening our resilience and preparedness.





I would like to thank our longstanding Director, Mr. Stephen Facey, for his invaluable insight and support throughout his tenure. Mr. Facey retired from the Board in 2025. I also wish to congratulate Mr. Keith Duncan, Director of Sagicor, who was conferred with the Order of Jamaica (OJ), the nation's fourth highest honor, in recognition of his exemplary contribution to finance, business, and social development. His business leadership and expertise continue to add significant value to Sagicor. Finally, I would also like to acknowledge our Chief Executive Officer, Andre Mousseau, for his exceptional leadership in driving the company's sustained growth over the last few years.

With a strong foundation and momentum coming out of 2025, we look ahead with confidence. The Board remains focused on guiding Sagicor to deliver long-term value for shareholders while meeting our responsibilities to clients, team members, and the communities we serve.

Thank you for your continued support and for being an important part of Sagicor's story.



Mahmood Khimji
Chair of the Board of Directors

> "2025 was a banner year for Sagicor. Our teams delivered record financial results while continuing to execute on our growth strategy.





A MESSAGE FROM OUR **PRESIDENT & CEO**

Andre Mousseau

Dear Fellow Shareholders,

It is a pleasure to write to you once again as Chief Executive Officer to review 2025, another successful year for Sagicor. A year of significant milestones, a year of living up to our promise to deliver returns to our shareholders, a year of continuing to be a positive force in our communities proportionate to the stature we enjoy in our markets. And most importantly, we made definitive progress to accelerate our transformation of Sagicor by working together as a single entity to better deliver on our promises to all of our stakeholders.

2025 marked Sagicor's 185th year of operations. It would have been hard for the gentlemen who formed the Barbados Mutual Life Assurance Society in Bridgetown in 1840 to imagine that one day "the Mutual" would evolve into Sagicor, a multinational entity operating across 19 countries in North America and the Caribbean, and managing over $25 billion in assets on behalf of over a million policyholders. This legacy has many assets: a privileged market position, in particular in our Caribbean communities where Sagicor transcends brand and is synonymous with economic stability and success. Our history also gives us a strong sense of perspective. Any challenges we are confronted with have almost certainly been overcome before by previous generations of colleagues, if we are willing to look back far enough. And encouragingly, our success in transforming Sagicor into a modern, growing, well-governed listed entity; our success growing Sagicor from a national champion to a regional champion to now one successfully growing in North America, all this shows that Sagicor has the wisdom and the power to evolve and to transform. And that is positive for every stakeholder, whether a policyholder, an employee, or a shareholder.

2025 was a successful year financially. In our second full year of earnings from our expansion into Canada through the acquisition of ivari, Sagicor delivered record core earnings to shareholders of $142 million. When we made that acquisition, we set a medium-term target of 13%+ core return on shareholders' equity. In 2025, we exceeded

that with a core return on shareholders' equity for the year of 14.2%. This allowed us to increase our book value to record levels and to accelerate the return of capital to shareholders by once again increasing our dividend.

2025 was also successful operationally. We proved our mettle when confronted with challenges. Our team in Jamaica stepped up to the challenge of a major national disaster with incredible energy and precision. Our business continuity plans were soundly executed, and Sagicor was serving clients across the island within hours of the storm passing. And our leadership team was at the forefront of community rebuilding and fundraising efforts, commensurate with what is expected of Sagicor as a true regional champion. Through this, the financial impact to our shareholders was minimal due to our strong risk management and risk mitigation practices. I heartily praise every one of our Jamaican team members for their resilience and energy.

As 2025 was coming to a close, we announced a definitive agreement to combine our two Caribbean subsidiaries, Sagicor Life Inc. and Sagicor Group Jamaica Limited. The creation of this new company, to be named Sagicor Group Caribbean, will be a seminal moment in Sagicor's storied history. By combining all of our Caribbean operations under a single leadership team with a unified vision and shareholder base, we will unlock the ability to rapidly transform our operations to be a technology-forward market leader and allow Sagicor Group Caribbean to take its rightful place as the leading indigenous financial champion in the region. I am deeply grateful to our friend and fellow SFC shareholder, the Most Honourable Dodridge Miller, for his continued commitment to Sagicor in spearheading this initiative as inaugural Chairman of Sagicor Group Caribbean.

Meanwhile, in North America, we have continued our exciting expansion. Our North American operations now drive over 60% of our segment core earnings to shareholders. Sagicor Canada has continued to produce significant profitability. And at Sagicor Life USA we had a record year with $1.3 billion in new annuity production, growing our U.S. balance sheet to nearly $7 billion. With continued growth in North America and the opportunity to transform our Caribbean businesses, we have an exciting opportunity to further expand our returns on equity in 2026 while honouring our legacy and our history.

Thank you to my fellow Sagicor team members for your dedication; to our Board members for your guidance; and to our shareholders for your support. You all contribute to making Sagicor a great company.



Andre Mousseau
President and Chief Executive Officer

"Thank you to my fellow Sagicor team members for your dedication; to our Board members for your guidance; and to our shareholders for your support.



BOARD OF **DIRECTORS**



Mahmood Khimji BA, JD

CHAIR OF THE BOARD OF DIRECTORS

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

Directors

ANDRE MOUSSEAU
BA, MBA
President and Chief Executive Officer

PROFESSOR SIR HILARY MCD. BECKLES
KA, BA, PhD

DR ARCHIBALD CAMPBELL
FCA, BSc, MSc, DBA

PETER CLARKE
BA (History), BA (Law)

THE HONOURABLE KEITH DUNCAN
OJ, BA, CFA

MONISH DUTT
BA, MBA, FCA

DENNIS HARRIS
FCCA

CATHLEEN MCLAUGHLIN
BA, JD

THE MOST HONOURABLE DODRIDGE D. MILLER
FB, FCCA, MBA, LL.M, LLD (Hon)

GILBERT PALTER
BSc, MBA

ALAN RYDER
B.Math

REZA SATCHU
BA, MBA

AVIVA SHNEIDER
BMath, MBA

EXECUTIVE **MANAGEMENT**



Andre Mousseau BA, MBA

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Andre Mousseau is the President and Chief Executive Officer of Sagicor Financial Company Ltd. ("SFC"), the ultimate parent company of the Sagicor Group across the Caribbean and North America. Mr. Mousseau joined SFC in 2019 as Group Chief Financial Officer, and subsequently held the title of Group Chief Operating Officer. He also currently acts as the Chief Executive Officer of ivari, SFC's wholly-owned Canadian subsidiary, and Sagicor USA. Mr. Mousseau holds an undergraduate degree in Economics from McGill University, and an MBA from the Richard Ivey School of Business, University of Western Ontario. Prior to joining Sagicor, Mr. Mousseau had over 20 years of experience in the financial services industry primarily as a private equity investor and executive.

Mr. Mousseau is a director of SFC and of a number of companies within the Sagicor Group of companies.

The Team

ANTHONY O. CHANDLER
CGA, CPA, MBA
Group Chief Financial Controller

NEIL FREYKE
BA, MBA
Executive Vice President, Technology & Chief Digital Officer

J. ANDREW GALLAGHER
BMath, FSA, FICA, CERA
Chief Executive Officer and Chief Risk Officer, Sagicor Reinsurance Bermuda Ltd.

LYNDA GAUTHIER
BCom, MBA
Group Chief Risk Officer and Chief Sustainability Officer

ALTHEA C. HAZZARD
LL.M (Cantab), FCG, FICA, Acc. Dir.
Executive Vice President, General Counsel and Corporate Secretary

R. PAUL INNISS
FLMI, FCIP, CRM, MBA
Executive Vice President and General Manager, Sagicor Life Inc Barbados

KATHRYN JENKINS
BCom, CPA, CA, ICD.D
Group Chief Financial Officer

DAVID NOEL
LLB, CFA
Executive Vice President and Chief Operating Officer, Caribbean

NARI PERSAD
BSc(Biochemistry), BSc(Actuarial Sciences), FSA, FCIA
Group Chief Actuary

GEORGE SIPSIS
BMSc, MMI, MFE, CFA
Executive Vice President, Corporate Development and Capital Markets

ROBERT J. L. TRESTRAIL
BA
President and Chief Executive Officer, Sagicor Life Inc

PAULA WALCOTT
BSc, MSc, Chartered FCIPD, SHRM-SCP
Chief People Officer

CHRISTOPHER W. ZACCA
CD, BSC, MBA, HON. LLD, JP
President and Chief Executive Officer, Sagicor Group Jamaica Limited

PURPOSE IN PRACTICE, PROGRESS FOR ALL.









ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Stronger communities, a healthier future.

Sagicor has evolved alongside the markets and communities we serve, guided by disciplined decision-making, prudent risk management, and a long-term perspective. Our continued success reflects an understanding that financial strength and responsible leadership are inextricably linked.

During the year, we strengthened transparency and resilience across Sagicor. This report reflects our alignment with the IFRS Sustainability Disclosure Standards and a more integrated approach to sustainability. Oversight of sustainability-related risks and opportunities (SROs) is embedded within our governance and risk management frameworks. We also strengthened customer engagement, enhanced data governance practices, and continued investing in initiatives that support long-term social and economic resilience.

In October, Hurricane Melissa affected communities in Jamaica. Sagicor remained focused on service continuity and targeted support for employees and customers, and the event had an immaterial financial impact on the organization.

Sustainability at Sagicor is not a standalone initiative; it is intrinsic to how we govern, manage risk, serve our customers, and contribute to the communities in which we operate. As expectations continue to evolve, we remain focused on disciplined growth, operational integrity, and delivering value over the long term.



Our sustainability program
4 key pillars:

1	**Building a Foundation of Trust**	2	**Securing Our Future**
3	**Embracing Responsible Business Practices**	4	**Enabling Our Communities to Thrive**



1

Building a Foundation of Trust

- Sustainability embedded in governance and risk management frameworks, aligned with IFRS S1 and S2
- Strengthened diversity outcomes, including 36% female Board representation and near-gender parity at the executive level
- Strong conduct, ethics, and transparency framework supporting accountability and trust
- Investment-grade credit ratings across all major rating agencies

2

Securing Our Future

- SROs integrated into strategy
- Weather-related risks assessed and managed across various time horizons
- Capital strength maintained with limited exposure to climate-sensitive sectors
- Diversified geographic footprint supporting operational resilience

3

Embracing Responsible Business Practices

- 96% customer retention rate achieved through strong focus on transparency, customer engagement, and trust
- Enterprise-wide cybersecurity governance aligned with leading standards
- Strong data protection, ethics, and accountability framework
- Responsible products and inclusive growth embedded across markets and business lines

4

Enabling Our Communities to Thrive

- Corporate Social Responsibility (CSR) funding nearly doubled to $3.5 million in 2025, mainly driven by one-time Hurricane Melissa relief of $1.3 million within Community & Youth Development (61% of total)
- Sustained investment in education and youth empowerment (i.e., scholarships, STEM development)
- Health initiatives advancing awareness, access, and prevention (i.e., Sagicor's Sigma Run)
- Sport and community development as catalysts for inclusion and resilience

CORPORATE AND SOCIAL RESPONSIBILITY

Guided by Purpose. Measured by Impact.

As a global organization with deep roots across the markets we serve, our approach to corporate social responsibility is intentional, focused, and guided by a strong sense of responsibility. We invest in initiatives designed to create meaningful, long-term value and respond to evolving social needs. These causes fuel our teams, drive our commitment and help champion our impact. Our CSR strategy is shaped by four core pillars — Health, Education, Community & Youth Development, and Sport. Through these pillars, we promote well-being, expand access to opportunity, strengthen social foundations, and support positive development for present and future generations. In 2025, we stayed true to our focus with initiatives that endure, while also seeking new ways to meet the needs of a changing world. This report highlights initiatives delivered across our footprint, reflecting both the breadth of our engagement and the depth of our commitment to building resilience and supporting lasting progress.

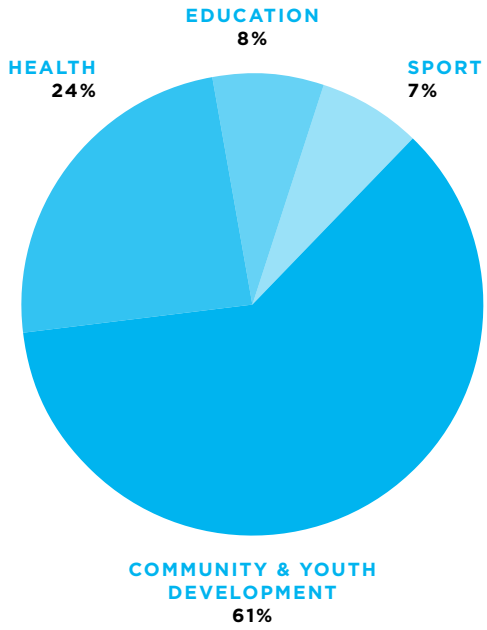


1

> “
>
> In 2025, we stayed true to our focus with initiatives that endure, while also seeking new ways to meet the needs of a changing world.

$3.5 Million

DONATED



Health

DRIVING AWARENESS. INSPIRING ACTION.

In 2025, we continued to prioritize the health and well-being of both our team and the communities we serve. At the start of the year, a record-breaking 30,000 Jamaicans took to the streets to walk, run and wheel for a worthy cause during the 27th staging of our annual Sagicor Sigma Corporate Run. The Run represents our single largest fundraiser, with the 2025 edition raising US$800,000 for the Kingston Public Hospital, the Sir John Golding Rehabilitation Centre and the Father Ho Lung & Friends Foundation (Bethlehem Home).

Throughout the year, we also continued to highlight the importance of early detection in the fight against breast cancer. Teams across the Caribbean raised awareness through a range of initiatives under the imaginative campaign, “Catch it Early.”

Panama and Barbados also highlighted the life-saving impact of donating blood, with both territories hosting blood donation drives. In Barbados, the health and wellness of communities also took centre stage through the “Sagicor Cares” health fair series. The team celebrated one year of hosting the community health screening initiative, which provides free health checks, wellness education and cancer awareness to communities across the island.

In the United States, teams in Tampa and Arizona helped shine a spotlight on Alzheimer’s by participating in local walks and supporting the cause through donations.

2



3



4



1 | The 2025 staging of the Sagicor Sigma Corporate Run in Jamaica raised more than US$800,000, to be shared between the Kingston Public Hospital, the Sir John Golding Rehabilitation Centre and the Bethlehem Home for at-risk and disabled children run by the Father Ho Lung & Friends Foundation. Team members from Sagicor Group Jamaica, including President and CEO, Christopher Zacca (centre) and Chairman of the Board, Sagicor Group Jamaica, Peter Melhado (right), celebrated with beneficiaries during the cheque handover.

2 | In 2025, Team Panama hosted their voluntary blood donation drive, a noble initiative which helps to save lives, held in partnership with Fundación Dona Vida. Among those donating blood were Marketing and Communications Manager, Yeizzi Martinez.

3 | Free basic health checks and wellness education were offered in several communities across Barbados through the “Sagicor Cares” community health fair series. Executive Vice President and General Manager, (Barbados) Paul Inniss (right), presents a prize to one of the satisfied patrons.

4 | Each year, Sagicor teams across the Caribbean launch initiatives to raise awareness of the importance of early detection and screening for breast cancer. In Barbados, Nurse Jessica Sandiford (right) presents a token of appreciation to a participant at one of the events.

Education

INVESTING IN OUR FUTURE LEADERS.

We believe that education paves the path to empowerment. Through programmes, initiatives and focused donations, including our partnership with the University of the West Indies, we have sought to uplift, encourage and inspire the world's young people. One such programme was "Adopt-A-School," which ran for another year in Jamaica and Trinidad and Tobago. Children, teachers and those in the educational system benefited from several refurbishments and upgrades, as well as meaningful social interactions.

Students were also lauded for their outstanding academic achievements, with the Sagicor Foundation in Jamaica awarding over US$50,000 in new scholarships alone.

In Trinidad and Tobago, students in at-risk communities preparing for the annual Secondary Entrance Assessment were supported with donations of examination kits and homework lessons. In Barbados, the team partnered with the Barbados Police Service to deliver "Learning in Harmony," an after-school homework programme supporting students aged 6 through 16 in building bright futures through education and positive development.

We also partnered with the Caribbean Science Foundation, sponsoring its Student Programme for Innovation in Science and Engineering (SPISE) and Caribbean science, technology, engineering and mathematics (STEM) Olympiads. These programmes help expand opportunities for success in STEM across the Caribbean.



1



2



3

Community & Youth Development

STANDING WITH COMMUNITIES. FUELING THE NEXT GENERATION.

Across the regions we serve, we remain deeply committed to strengthening communities and supporting young people, particularly in moments of need, while creating opportunities for long-term empowerment. Guided by a belief in collective responsibility, our teams came together to deliver meaningful support that responded to both immediate challenges and enduring social priorities.

In Jamaica, our continued support of Project STAR reinforced our investment in programmes that drive social and economic opportunity. Following the impact of Hurricane Melissa, we mobilized swiftly, committing US$1.3 million to disaster relief, alongside team member donations that were matched by each subsidiary. This collective effort also extended to supporting medical clinics in the west of the island, where much of the damage occurred, helping to restore access to essential healthcare services for affected communities.

Championing inclusion and empowerment, we also launched an International Women's Day campaign, "Stop, Let Her Finish," amplifying the importance of young women having the confidence, space and support to be heard. This initiative reinforced our commitment to advocacy, equity and leadership development among girls and young women across the region.

Trinidad and Tobago also demonstrated its support for female empowerment by facilitating a seminar centred on career opportunities and cyber safety.

In the Southern Caribbean, we invested in initiatives that foster safety, respect and care by sponsoring a youth anti-bullying workshop, a domestic violence awareness fundraiser, and providing meals for vulnerable families.

In the United States, team members once again participated in a beach clean-up initiative, reinforcing our commitment to environmental stewardship. They also volunteered at the Humane Society of Tampa Bay, supporting animal welfare through hands-on care, feeding and facility maintenance.

In Canada, we sustained our support for the Healthy Steps programme, empowering children and teens to adopt sustainable habits in physical activity, nutrition and health education, as well as Swim Drink Fish, an organization focused on advocacy and programmes in support of swimmable, drinkable and fishable waters.

Sport

NURTURING TALENT. EMPOWERING POTENTIAL.

We recognize sport as a powerful force for connection, discipline and personal growth. In Jamaica, we mobilized our support for the Jamaica Teachers' Association/Sagicor National Athletics Championships, reaffirming our long-standing commitment to youth development and the cultivation of athletic excellence at the grassroots and national levels.

In the Southern Caribbean, the Sagicor Junior International Tennis Tournament continued to provide a vital platform for young athletes to develop their skills, compete regionally and build confidence through sport. The tournament remains a cornerstone of our efforts to empower youth and foster sporting ambition across the region.

We also proudly supported Barbadian sprinter Sada Williams on her journey toward the Olympic Games. Through financial assistance dedicated to training and essential upkeep, we contributed to her preparation at the highest level of competition, reflecting our belief in elevating athletes whose discipline, perseverance and ambition inspire national pride.

In Canada, our subsidiary ivari expanded access to sport by sponsoring a range of youth programmes, including cricket, volleyball, dance, tennis, and baseball. These initiatives promote physical fitness while strengthening core values such as sportsmanship, teamwork, and mutual respect, foundations that extend well beyond the playing field.

Collectively, these initiatives underscore our commitment to sport as a catalyst for unity, opportunity, and excellence.

4



5





6

1 | Sagicor Foundation Jamaica (SFJ) awarded several scholarships to outstanding secondary students across Jamaica. President and CEO of Sagicor Group Jamaica, Christopher Zacca and SFJ Director, Brigette Azan, presented recipients with their certificates.

2 | Sagicor offices in Trinidad and Tobago were visited by representatives of the National Food Bank Limited to receive Sagicor's donation of over 200 family meal packages intended for distribution as part of the country's Independence celebrations.

3 | Volunteers from Sagicor Foundation Jamaica (SFJ) sort through donations to package goods and other relief supplies as part of local relief efforts. The assistance was provided in partnership with the Food for the Poor charity following the devastating impact of Hurricane Melissa.

4 | The annual Sagicor Junior International Tennis Tournament brings together over 100 youthful tennis enthusiasts from across the Caribbean to hone their skills in one of the world's most-loved sports. The smiles of these players in the Orange Ball Under-10 category were the order of the day at the National Racquet Sports Centre in Trinidad and Tobago, home of the 2025 event.

5 | Volunteers of Sagicor Bank (Barbados) Limited joined with Rotary Club of Barbados members to pack hampers for Rotary's Christmas outreach project.

6 | It was a day of volunteerism for members of the Tampa team when they spent the day with the Humane Society of Tampa Bay, feeding and caring for shelter animals and assisting with cleaning the facilities.

PEOPLE AND CULTURE

People first. Always.



Our people strategies are underpinned by confidence that our employee experience has a direct impact on customer perceptions and behaviour, market performance, and on the communities in which we operate. The transformation of our culture to ensure it aligns with and drives our strategic objectives continues to be a key imperative. In 2025, the cultural transformation work was amplified by several employee experience initiatives that reinforce what it means to be a member of Team Sagicor. During the year, our combined team of 5,600+ employees across our Caribbean, USA, and Canadian operations was able to show up for each other, our business, and our communities in several impactful ways.

We have taken an intentional approach to building culture at Sagicor.

Across all our markets, there is agreement that we work better together when we are aligned around a shared purpose, values, and corporate objectives. This agreement is grounded in the One Sagicor philosophy that continues to shape who we are and how we show up. To ensure we have visible accountability embedded into our cultural transformation efforts, we also committed to establishing metrics to track our progress as we build our global culture together. To reinforce this commitment and operationalize this strategy, in 2025 we launched The Gallup Q12 survey and the Employee Net Promoter Score (eNPS) as key components of our metrics for cross-analysis and improvement tracking.

> “
>
> The strength of our people is in our shared commitment to positively impact the lives of others...

Total Wellbeing

We have taken a purpose-driven approach to employee wellbeing, fully understanding that our team members' ability to survive and thrive has a direct impact on their ability to show up and do great work. This year, we saw the launch of holistic wellness programmes across some markets that prioritized mental health as well as financial wellness. Additionally, in some markets programmes were developed based on special needs such as providing support to team members caring for persons with Autism. Programmes such as gym memberships, on-site and virtual instructor-led exercise programmes, on-site wellness screenings in support of the fight against non-communicable diseases, nutritional seminars, and participation in 5k walks/runs continued in 2025. Awareness continued through initiatives developed in recognition of Breast Cancer Awareness Month, World Heart Day, and similar international recognition days for prostate and other cancers, diabetes, and other illnesses.

> We enable our people leaders to show up as the best version of themselves.

This development of leadership across the network continued to play a pivotal role. The company continued to strengthen its leadership pipeline and people leadership capabilities, using thoughtful and targeted programmes, designed to enhance the skills of leaders at various levels. The programmes included a mix of theory-based modules, and practical on-the-job activities all aligned to organizational priorities. Most markets saw increased internal promotion rates and more effective succession planning initiatives.

Employee Engagement

Engagement initiatives last year were also designed to help shape our future workplace, enhance employee experience, and foster a high-performance culture. We intentionally sought to connect our team to our corporate vision and purpose by providing and supporting their participation in the corporate social responsibility opportunities across all markets.

In the aftermath of Hurricane Melissa in Jamaica, there was an outpouring of support through various initiatives designed to raise funds for affected communities, starting with our internal community. The strength of our people lies in our shared commitment to positively impact the lives of others and through groupwide fundraising and donations we were able to reassure our impacted team members that they are a meaningful part of our team.

Our employee voice programmes continue to be a key part of our listening strategy and enable us to confront any challenges arising in the employee experience, and to take immediate corrective actions to minimize negative impacts.



OUR CLIENTS

Here when it matters most.

At Sagicor, we remain committed to our clients and their needs. We value our interactions, seeking to offer an exceptional experience at every touchpoint, and wherever we operate. This ethos drives all we do and remains central to building relationships that endure. With this steadfast commitment, we are cementing connections grounded in trust, reliability, wisdom and overall shared success. We are grateful for each opportunity that allows us to serve and deeply appreciate the confidence our clients have placed in us for the past 185 years.

This report provides an overview of the technological enhancements, product developments and process improvements achieved over the past year across our operating segments.

> “We value our interactions, seeking to offer an exceptional experience at every touchpoint, and wherever we operate.



Technological Enhancements

During the year, we championed key technological advancements across our businesses. In Canada, as part of their digital transformation initiatives, ivari achieved an industry-first by successfully migrating administrative data. This move allowed the team to simplify their technology infrastructure, accelerate product and service launches, support scalability for growth, drive smarter business decisions, and enhance customer experience while providing robust cybersecurity measures. At Sagicor Life Insurance Company Limited in the United States (U.S.), digital transformation was also at the centre, with that team adding additional capabilities to their sales distribution platforms. The innovations made way for electronic application submission and contract settlement, improving the overall client experience and ease of doing business. In Jamaica, Sagicor Bank Jamaica Limited also focused on advancing digital enablement. Initiatives included the simplification of interactions as well as improving access for both retail and business clients. This was achieved through the introduction of physical branch concepts, the establishment of client experience committees and overall, online enhancements.



Product Developments

In 2025, our teams also focused on the introduction and development of new products and services to expand our offerings. These included innovative payment options and coverage solutions. Sagicor Bank (Barbados) Limited launched the innovative app “Sagicor Pay,” as well as a United States dollar (USD) debit card, granting clients access to their U.S. funds from anywhere in the world. In Canada, ivari introduced the “Simply” product suite – a tiered set of insurance products designed to make lifetime coverage more attainable and accessible for their clients. In the U.S., Sagicor Life Insurance Company Limited introduced new annuity products, diversifying the product lineup in that market and strengthening their total product portfolio. Sagicor Investments Jamaica Limited, Sagicor Investments Cayman Limited and the Employee Benefits Administration (EBA) Pensions teams focused on strengthening communication around investment offerings and managing client expectations through clearer, more informed engagement. As such, Sagicor Investments Jamaica Limited unveiled several structured products and offerings for investors, to assist in boosting their investment experience.

Process Improvements

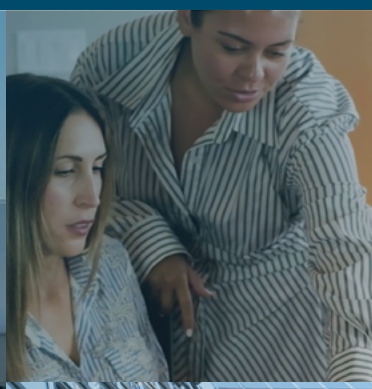
Serving our clients best also means continuously improving our processes to ensure client-focused results. Our teams sought to refine these to enrich the client experience even further, with improvements including continuous and frequent updates to mobile apps and online banking platforms for our businesses in the banking sector. In Canada and the U.S., teams made significant strides to enhance both their client and advisor experiences. These enhancements led to updated tools, web portals and user interfaces. The inclusion of illustrations and policy change applications, more streamlined processes and training programmes as well as increased consumer security with multi-factor authentication made conducting business more efficient, customer-focused and user-friendly. Driving process excellence also became central for our Southern Caribbean team who utilized their “Voice of the Customer” (VoC) and “Voice of the Employee” (VoE) programmes to strengthen insight-driven decision-making and garner frontline intelligence. These programmes allowed the teams to advance transparency, identify friction points affecting adoption and service turnaround, and also provided real-time qualitative insights to guide feature enhancement and journey redesign. The team also used the new Customer Advocacy Policy to establish enterprise-wide standards for complaints handling, improving accountability and risk management. Additionally, 2025 saw the team embedding customer-centric behaviours through “CX Rhythm Culture,” a strategy which sought to institutionalize a predictable, high-engagement communication cadence across the organization. Within Sagicor Life Jamaica and Sagicor Life of the Cayman Islands, initiatives focused on improving service turnaround times as well as strengthening accountability across critical client interactions. For Sagicor Life of the Cayman Islands, this included the automation of debit and credit card processing, which improved payment efficiency and reduced manual errors. Similarly, the EBA Pensions team also embarked on a wide range of initiatives, including training sessions, voluntary contribution campaigns, Trustee Board Awards, and newsletters, which served to boost engagement and performance.

VI

PROGRESS BUILT TOGETHER.

MANAGEMENT DISCUSSION & ANALYSIS













MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three-month and twelve-month periods ended December 31, 2025

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1. HIGHLIGHTS

Financial Highlights

Financial information is presented in millions of United States (US) dollars, unless otherwise indicated.

Sagicor Financial Company Ltd. ("Sagicor", "the Company" or "the Group") (TSX: SFC) recorded core earnings attributable to shareholders[1] of $31.6 million and $142.3 million for the three-month and twelve-month period ended December 31, 2025, respectively. The core earnings attributable to shareholders[1], which reflect Sagicor's operating performance and long-term earnings potential, were adjusted for market-to-market movements, revaluation of foreign currency financing facilities and other items the Company believes are not representative of the long-term performance.

Sagicor delivered solid segment performance for the three-month period ended December 31, 2025. Sagicor Canada reported core earnings[1] of $27.4 million, up 12% from the prior year, reflecting strong business fundamentals and insurance experience in line with expectations. Sagicor Life USA generated $8.3 million in core earnings[1], slightly below the fourth quarter of 2024 with increased net premiums[1] as compared to the prior year, partially offset by higher operating expenses in support of continued business growth. Sagicor Jamaica delivered $12.2 million in core earnings[1], up 63% from the prior year, driven by strong results across both short-term and long-term insurance businesses, higher core net investment income, and increased non-insurance revenue. Sagicor Life reported core earnings[1] of $6.8 million, up 17% from the prior year, supported by margin improvements in short-term insurance business and favourable claims experience. Head Office and Other recorded core losses[1] of $23.1 million, reflecting higher operating expenses related to growth and inflation.

Net loss attributable to shareholders of $14.4 million for the three-month period ended December 31, 2025 lower than core earnings attributable to shareholders, driven by unfavourable mark-to-market impacts from interest rate movements at Sagicor Canada and Sagicor Life USA, revaluation loss on Canadian denominated financing facilities, and increased investment in initiatives to drive growth. The negative impact of Hurricane Melissa in the quarter was a reduction to Sagicor Jamaica's net income attributable to shareholders of less than $5 million.

For the twelve-month period ended December 31, 2025, Sagicor delivered strong performance across its operating segments. Sagicor Canada generated core earnings[1] of $103.3 million, up 19% from the prior year, driven by solid business growth, favourable insurance experience, and higher expected investment earnings. Sagicor Life USA reported core earnings[1] of $41.0 million, an increase of 2% from the prior year, as strong new business production and improved net insurance and net investment results were partially offset by higher operating expenses in support of continued business growth. Sagicor Jamaica delivered core earnings[1] of $47.9 million, up 54% from the prior year, benefiting from strong growth in both short-term and long-term insurance businesses, higher net investment income and rising non-insurance revenue. Sagicor Life generated core earnings[1] of $41.8 million, an increase of 59% from the prior year, driven by improved margins on short-term insurance business and favourable claims experience, partially offset by lower investment results due to the impact of rising interest rates on financing charge of insurance contract liabilities.

Net income attributable to shareholders of $66.9 million for the twelve-month period ended December 31, 2025 lower than core earnings attributable to shareholders, driven by unfavourable mark-to-market impacts from interest rate movements at Sagicor Canada and Sagicor Life USA, revaluation loss on Canadian denominated financing facilities and increased investment in initiatives to drive growth, partially offset by favourable mark-to-market and trading gains at Sagicor Life and Sagicor Jamaica.

Core basic earnings per share[1] for the three-month and twelve-month period ended December 31, 2025 were 23.3 cents and 104.9 cents, respectively, an increase of 14% and 62%, respectively, when compared to the corresponding periods in 2024. New business CSM[1] for the three-month and twelve-month period ended December 31, 2025 were $41.3 million and $167.2 million, respectively, as compared to New business CSM[1] for the three-month and twelve-month period ended December 31, 2024 of $39.3 million and $166.3 million, respectively. Sagicor's book value per common share[1] closed at $7.65 per share at December 31, 2025, compared to $7.08 per share as at December 31, 2024.

Sagicor's capital position remains strong. At December 31, 2025, the Group Life Insurance Capital Adequacy Test ("Group LICAT")[1] ratio was 136% as compared to 138% at September 30, 2025 and 139% at December 31, 2024.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Financial Objectives

Our financial objectives and 2025 results are outlined as follows:

Measure[1]	Financial objectives	2025
Core earnings attributable to shareholders	2025: $120 -130 million	$142.3 million
New business CSM	2025: $155 - 175 million	$167.2 million
Core ROE	Medium-term: 13%+	14.2%
Core dividend payout ratio	Medium-term: 30% - 40%	25.7%

Corporate Highlights

Simplified Organizational Structure - In December 2025, Sagicor entered into a definitive agreement to combine Sagicor Group Jamaica Limited ("SGJ") and Sagicor Life Inc. ("SLI"). The combined entity, to be rebranded under a new Caribbean holding company to be named Sagicor Group Caribbean Limited ("SGC"), will replace SGJ as the company publicly listed on the Jamaica Stock Exchange.

The combination aligns with Sagicor's business strategy of achieving greater certainty over operational synergies. It also provides a simplified view for investors by merging both of Sagicor's Caribbean-based businesses under a single public listing.

The transaction is expected to result in Sagicor's 49% ownership in SGJ and 100% ownership in SLI to translate to approximately 55% ownership of SGC on closing. The transaction is expected to close in 2026 and is subject to regulatory and SGJ shareholder approvals, SGJ raising certain financing, and satisfaction of customary closing conditions.

Credit ratings - On October 21, 2025, global credit rating agency Fitch Ratings ("Fitch") upgraded Sagicor's Long-Term Issuer Default Rating (IDR) to 'BBB' from 'BBB-' and also upgraded Sagicor's senior unsecured debt to 'BBB-' from 'BB+'. The Rating Outlook is Stable. In assigning these ratings, Fitch cited Sagicor's strengthened core profitability and two years of consolidated contributions from ivari, complemented by lower debt financing costs and a strong capitalization profile. In addition, Fitch affirmed the Insurer Financial Strength rating of ivari at 'A-' with a Stable Outlook.

On April 14, 2025, DBRS Limited ("Morningstar DBRS") confirmed the Issuer Rating of Sagicor Financial Company Ltd. and the credit ratings on the Company's Senior Debt at BBB (low). In addition, Morningstar DBRS confirmed the Financial Ratings of Sagicor Life Insurance Company and ivari at A (low).

On April 9, 2025, AM Best affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Ratings ("Long-Term ICR") of "a-" (Excellent) of Sagicor Life Inc., Sagicor General Insurance Inc., Sagicor Life Insurance Company and ivari. The outlook of these Credit Ratings ("ratings") is Stable. In addition, AM Best has affirmed the Long-Term ICR of "bbb-" (Good) of the ultimate parent, Sagicor Financial Company Ltd., and the Long-Term Issue Credit Rating ("Long-Term IR") of "bbb" (Good) of the original $400 million, with an additional $150 million added to the 5.3% senior unsecured notes, due in 2028. The outlook of this rating is Stable.

On January 10, 2025, S&P revised its rating outlook on Sagicor from Stable to Positive.

Refinancing - On November 25, 2025 the credit agreement initially entered into by Sagicor Financial Company Ltd. on August 2, 2023 to establish a revolving credit facility was further amended. The amendment included an increase in the maximum amount from $175 million to $225 million, an extension of the maturity date to June 2029, and an addition of an accordion facility in the maximum amount of $50 million. The facility remains subject to certain covenants.

On July 26, 2025, facilities for unsecured bonds issued in Tranches A and B by Sagicor Financial Corporation Limited, carrying annual interest rates of 10.75% and 7.75% respectively, were extended. The facilities remain with Tranche A up to J$4.47 billion from a previous limit of J$4.49 billion and Tranche B up to US $18.8 million from a previous limit of US $19.9 million, carrying updated annual interest rates of 9.5% and 6.0% respectively. The Tranches will mature on August 26, 2026.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Dividends - On March 11, 2026, Sagicor approved and declared a quarterly dividend of $0.075 per common share, an increase of 11% over the previous quarterly dividend, to be paid during the second quarter of 2026.

On March 13, 2025, Sagicor announced an increase in its quarterly dividend from $0.060 per common share to $0.0675 per common share which was paid during the second quarter of 2025.

Normal course issuer bid (NCIB) - In the fourth quarter of 2025, under the NCIB program, Sagicor repurchased 109,300 shares (Q4 2024 – 112,200 shares) for a total cost of $0.7 million (Q4 2024 - $0.5 million), which were subsequently cancelled.

For the year 2025, the company repurchased 657,600 shares (2024 - 6,248,816 shares) for a total cost of $3.8 million (2024 - $13.4 million). In 2024, included in the total shares repurchased were 3,222,430 escrow shares which were cancelled at $0.01 par value per share for a nominal consideration in accordance with the established Escrow Agreement and Arrangement Agreement. No such shares were included in total repurchased shares during 2025. 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 or discount on the repurchase of shares is recorded directly in retained earnings.

Appointments - In the third quarter of 2025, David Noel was appointed as Executive Vice President and Chief Operating Officer, Caribbean to drive operational strategy, execution, and performance across the Caribbean region, while respecting jurisdictional distinctiveness. He has extensive leadership experience and proven track record of driving change and innovation on a global scale. Mr. Noel has joined Sagicor's Executive Committee.

2. FINANCIAL SUMMARY

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Profitability					
Net income/earnings					
Core earnings attributable to shareholders[1]	**31.6**	35.0	28.0	**142.3**	90.9
Net (loss)/income attributable to shareholders	**(14.4)**	81.0	52.4	**66.9**	97.5
Earnings per share (EPS)					
Core basic EPS[1]	**23.3 ¢**	25.8 ¢	20.4 ¢	**104.9 ¢**	64.9 ¢
Core fully diluted EPS[1]	**22.6 ¢**	25.1 ¢	19.9 ¢	**101.7 ¢**	63.3 ¢
Basic EPS	**(10.6 ¢)**	59.7 ¢	38.2 ¢	**49.3 ¢**	69.6 ¢
Fully diluted EPS	**(10.6 ¢)**	58.1 ¢	37.3 ¢	**47.8 ¢**	67.9 ¢
Return on shareholders' equity (ROE)[1] (annualized)					
Core ROE[1]	**12.1%**	13.7%	11.7%	**14.2%**	9.6%
Reported ROE[1]	**(5.5%)**	31.8%	21.9%	**6.7%**	10.3%
New business CSM[1]	**41.3**	40.6	39.3	**167.2**	166.3
Financial Position					
Total assets	**25,133.8**	24,574.9	22,767.9	**25,133.8**	22,767.9
Book value per common share[1]	**$7.65**	$7.74	$7.08	**$7.65**	$7.08
Shareholders' equity plus net CSM to shareholders per common share[1]	**$15.95**	$15.93	$15.02	**$15.95**	$15.02

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Financial Strength					
Financial leverage ratio[1]	**26.9%**	26.6%	27.3%	**26.9%**	27.3%
Core dividend payout ratio[1]	**28.9%**	26.2%	29.4%	**25.7%**	37.0%
Dividend payout ratio[1]	**n.m[2]**	11.3%	15.7%	**54.7%**	34.5%
Dividends declared per common share	**$0.0675**	$0.0675	$0.0600	**$0.2700**	$0.2400
Total capital[1]	**3,705.5**	3,671.6	3,496.1	**3,705.5**	3,496.1
Total Net CSM balance growth[1]	**1.0%**	(1.3)%	(4.0)%	**4.3%**	(4.6)%
Total Net CSM to shareholders balance growth[1]	**1.2%**	(2.2)%	(4.7)%	**4.4%**	(5.2)%
Average common shares outstanding (in millions)	**135.5**	135.7	137.2	**135.7**	140.1
Outstanding common shares, at end of period (in millions)	**135.4**	135.5	135.5	**135.4**	135.5
Group LICAT[1], at end of period	**136%**	138%[3]	139%	**136%**	139%

3. GENERAL INFORMATION

A. Introduction and Notice

This Management's Discussion and Analysis ("MD&A") contains important information about Sagicor's business and its performance for the three months and twelve months ended December 31, 2025, with comparative analysis for the corresponding periods ended December 31, 2024. This MD&A should be read in conjunction with our 2025 annual consolidated financial statements, prepared in accordance with IFRS Accounting Standards ("IFRS").

The following discussion is based on the financial condition and results of operations of Sagicor, unless otherwise specified or indicated. Financial information is presented in Sagicor's presentational currency, United States (US) dollars, and in millions, unless otherwise indicated. The functional currency for each of the principal operating companies is based on the currency which represents the primary economic environment in which the entity operates. Note 2.4 of the 2025 consolidated financial statements provides additional information on foreign currency translation. Amounts for subtotals and totals included in tables in this MD&A may not sum or calculate using the numbers as they appear in the Sagicor's consolidated financial statements due to rounding.

B. General Information

Sagicor is a leading financial services provider with over 185 years of history in the Caribbean, over 90 years of history in Canada, and over 70 years of history in the United States of America (USA). Sagicor offers a wide range of products and services, including life, health, and general insurance, banking, pensions, annuities, investment management, and real estate. Where Sagicor distributes these products, it utilizes a captive distribution network in the Caribbean and a network of independent insurance brokers in Canada and the United States.

Sagicor's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados. Details of Sagicor's holdings and operations are set out in note 4 of the 2025 audited consolidated financial statements.

Sagicor currently operates in 19 countries. Sagicor has four reporting operating segments, namely Sagicor Canada, Sagicor Life USA, Sagicor Jamaica, and Sagicor Life. The principal activities of Sagicor are as follows:

- Life and health insurance
- Annuities and pension administration services
- Property and casualty insurance
- Banking and investment management services

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.
[2] Not meaningful
[3] Certain comparative numbers have been changed to conform with the current period's presentation.

Sagicor remains committed to delivering a comprehensive suite of financial products and services, driven by our core business strategies. Our goal is to provide innovative, tailored solutions that meet the evolving needs of our clients, while maintaining our position as a trusted leader in the financial services industry.

C. Results of Operations

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

D. Non-IFRS Financial Information

Sagicor reports its financial results and statements in accordance with IFRS Accounting Standards ("IFRS"). It also publishes certain financial measures that are not based on IFRS ("non-IFRS"). A financial measure is considered a non-IFRS measure if it is presented other than in accordance with the generally accepted accounting principles used for Sagicor's audited financial statements. Sagicor believes these non-IFRS financial measures assist in understanding its ongoing operating results and provide readers with a better understanding of management's perspective on Sagicor's performance. These measures enhance the comparability of Sagicor's financial performance from period to period, as well as measure relative contribution to shareholder value.

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

E. Cautionary Statement Regarding Forward-looking Information

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

Sagicor cautions its readers not to place undue reliance on its forward-looking information as several risk factors could cause its actual results to differ materially from the expectations expressed in such forward-looking information. The factors – many of which are beyond our control and the effects of which can be difficult to predict – include, but are not limited to the following risks: economic (which includes declines in economic activity, high unemployment levels, changes in fiscal, monetary, or other policies, geopolitical uncertainty, escalating trade tensions, changes in trade policies, climate-driven economic disruptions, pandemics and other health crises); credit (which includes counterparty risk); market (which includes unfavourable market volatility, interest rate movements, foreign exchange fluctuations and controls); liquidity (which includes an inability to pay financial obligations when they come due, or the possibility of selling investments at a loss to cover policyholder withdrawals); capital (which includes unfavourable changes in statutory capital requirements, reduction or interruption in distributions from subsidiaries, and credit ratings downgrades); insurance (which includes inadequate reserves, adverse changes in lapse rate, and inability to obtain reinsurance); operational (which includes disruptions in services caused by information technology, cyber-attacks, or third-party disruptions, privacy and data related risks, labour disruption, inadequate levels of qualified personnel); strategic (which includes the competitive environment, inability to successfully integrate past and future acquisitions); reputation (which includes negative publicity); legal and regulatory compliance, and general legal and regulatory environment (which could lead to us being subject to higher taxes or various legal and regulatory proceedings, the potential outcome of which could expose us to licensing conditions and/or fines); environmental and social (which includes severe weather events); conduct; tax; and fiduciary risks as well as Sagicor's ability to anticipate and successfully manage risks arising from all of the foregoing factors.

Additional factors that could cause actual results to differ materially from the expectations in such forward-looking information and assumptions can be found in this MD&A under "Risk Management", "Critical Accounting Policies and Estimates", and in the "Financial Risk" and "Insurance Risk" notes to the 2025 consolidated financial statements. The forward-looking

information in this document are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding our financial position and results of operations, our future operations, as well as our objectives and strategic priorities, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statements, except as required by law. We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect financial performance and condition.

F. Additional Information

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

The text and tables in the Risk Management section of this MD&A include disclosure of credit, market and liquidity risks in accordance with IFRS 7 Financial Instruments - Disclosures ("IFRS 7"), as well as a discussion on how we measure and manage these risks. Disclosures in accordance with IFRS 7 are identified by a vertical line in the left margin of the page. The identified text and tables represent an integral part of our audited annual consolidated financial statements for the year ended December 31, 2025. The fact that certain text and tables are identified with a vertical line does not imply that these disclosures are of any greater importance than any other text or tables, and the Risk Management disclosures contained in this MD&A should be read in their entirety.

The Management's Discussion and Analysis is dated March 11, 2026.

4. CONSOLIDATED GROUP RESULTS

A. Profitability — Core Earnings

Core Earnings Attributable to Shareholders[1]	**Quarterly Results**			**Year-to-date Results**	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Core earnings[1]	**44.6**	47.1	34.8	**192.4**	122.3
Less: Core earnings attributable to non-controlling interests	**13.0**	12.1	6.8	**50.1**	31.4
Core earnings attributable to shareholders[1]	**31.6**	35.0	28.0	**142.3**	90.9
Core EPS[1]:					
Basic	**23.3¢**	25.8¢	20.4¢	**104.9¢**	64.9¢
Diluted	**22.6¢**	25.1¢	19.9¢	**101.7¢**	63.3¢
Core ROE[1]	**12.1%**	13.7%	11.7%	**14.2%**	9.6%

Core Basic EPS[1] for the quarter ended December 31, 2025, was 23.3 cents per share, compared to 20.4 cents per share in the prior year quarter. Core Basic EPS for the year was 104.9 cents per share, compared to 64.9 cents per share in the prior year.

Sagicor delivered solid fourth-quarter performance with strong underlying earnings across segments. Sagicor Canada continues to generate strong core earnings reflecting strong business fundamentals and insurance experience in line with expectations. Sagicor Life USA delivered net premiums growth as compared to the prior year, partially offset by higher operating expenses in support of continued business growth. Sagicor Jamaica generated strong results across both short-term and long-term insurance businesses, higher net investment income, and increased non-insurance revenue. Sagicor Life delivered strong earnings supported by margin improvements in short-term insurance business and favourable claims experience. Our Head Office and Other core losses attributable to shareholders increased as compared to the same period in the prior year due to higher operating expenses related to growth and inflation.

For 2025, Sagicor core earnings attributable to shareholders[1] grew 57% as compared to 2024, driven by strong performance across the operating segments. Strong business growth, favourable insurance experience, improved margins on short-term insurance business and higher expected investment earnings, partially offset by higher operating expenses in support of continued growth.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Refer to Section 5: Results by Segment of this MD&A for additional information on the Company's profitability for the periods ended December 31, 2025.

The table below presents the reconciliation from core earnings attributable to shareholders[1] to net income attributable to common shareholders:

Reconciliation of selected non-IFRS Financial Measures	**Quarterly Results**			**Year-to-date Results**	
(in US $millions)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Core earnings attributable to shareholders[1]	**31.6**	35.0	28.0	**142.3**	90.9
Items excluded from core earnings attributable to shareholders[1]:					
Market experience losses and gains	**(39.5)**	51.0	29.0	**(39.0)**	43.7
Changes in actuarial methods & assumptions	**1.8**	5.1	(4.0)	**8.2**	(13.8)
Other					
Acquisition, integration and restructuring	**(0.6)**	(0.1)	(0.1)	**(0.9)**	(1.7)
Intangible asset amortization and impairment[2]	**(4.1)**	(0.2)	(3.3)	**(4.6)**	(4.5)
Loan financing transaction cost and fees[2]	**(0.1)**	(0.1)	(11.3)	**(0.4)**	(19.6)
Gain on divestiture	**-**	-	(0.1)	**-**	9.6
Tax-related items and other[2]	**(6.3)**	(7.0)	16.7	**(35.4)**	(7.6)
Non-controlling interest ("NCI") adjustment	**2.8**	(2.7)	(2.5)	**(3.3)**	0.5
Reported net (loss)/income	**(14.4)**	81.0	52.4	**66.9**	97.5

B. Analysis According to the Financial Statements

Net Income and other comprehensive income	**Quarterly Results**			**Year-to-date Results**	
(in US $millions)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Insurance service result	**63.2**	62.3	47.0	**255.3**	166.0
Net Investment Income	**230.7**	562.9	305.6	**1,385.2**	1,495.8
Net insurance finance expenses	**(175.3)**	(402.8)	(194.2)	**(1,017.3)**	(1,067.4)
Net insurance and investment result	**118.6**	222.4	158.4	**623.2**	594.4
Fees and other income	**32.5**	45.0	52.4	**132.1**	153.0
Gain arising on acquisitions and divestitures	**-**	-	(0.1)	**-**	9.6
Share of income of associates and joint ventures	**1.8**	1.3	1.5	**6.1**	4.3
Other operating expenses	**(100.0)**	(86.7)	(82.2)	**(369.6)**	(338.5)
Other interest and finance costs	**(54.0)**	(51.7)	(61.2)	**(207.8)**	(232.7)
Income/(loss) before taxes	**(1.1)**	130.3	68.8	**184.0**	190.1
Income taxes	**(3.1)**	(34.5)	(7.1)	**(63.9)**	(61.8)
Net income/(loss) for the period	**(4.2)**	95.8	61.7	**120.1**	128.3
Other comprehensive income/(loss)	**8.7**	(7.8)	(62.7)	**45.3**	(79.7)
Total comprehensive income/(loss)	**4.5**	88.0	(1.0)	**165.4**	48.6
Net (loss)/income attributable to common shareholders	**(14.4)**	81.0	52.4	**66.9**	97.5
Total comprehensive income/(loss) attributable to common shareholders	**(6.4)**	69.7	10.8	**109.7**	27.2

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.
[2] Certain comparative numbers have been changed to conform with the current period's presentation.

Net insurance and investment result

Quarterly (three-month period) results

Net insurance and investment result of $118.6 million for the three-month period ended December 31, 2025, compared to $158.4 million for the same period in the prior year.

The insurance service results of $63.2 million for three-month period ended December 31, 2025, compared to $47.0 million for the same period in the prior year. The increase of $16.2 million was driven by continued strong business growth momentum across all business lines, improved margins on short-term insurance businesses, and improved insurance experience.

Net investment income of $230.7 million for the three-month period ended December 31, 2025, fell 25% as compared to income of $305.6 million for the same period in the prior year, driven primarily by unfavourable mark-to-market impacts from movements in interest rates in the Sagicor Canada segment.

Net insurance finance expenses of $175.3 million for the three-month period ended December 31, 2025, compared to $194.2 million for the same period in the prior year was driven by movements in interest rates impacting our insurance contract liabilities. Favourable impact in the Sagicor Canada segment was partially offset by unfavourable impacts in the other operating segments.

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

Net insurance and investment result of $623.2 million for the twelve-month period ended December 31, 2025, compared to $594.4 million for the same period in the prior year.

The insurance service results of $255.3 million for twelve-month period ended December 31, 2025, compared to $166.0 million for the same period in the prior year. The increase of $89.3 million was driven by continued strong business growth momentum across all business lines, improved margins on short-term insurance businesses, and improved insurance experience.

Net investment income of $1,385.2 million for the twelve-month period ended December 31, 2025, declined 7% as compared to income of $1,495.8 million for the prior year and was driven primarily by unfavourable mark-to-market impact in the Sagicor Canada segment.

Net insurance finance expenses of $1,017.3 million for the twelve-month period ended December 31, 2025, compared to $1,067.4 million for the same period in the prior year was driven by movements in interest rates impacting our insurance contract liabilities. Favourable impact in the Sagicor Canada segment was partially offset by unfavourable impacts in the other operating segments.

Fees and other income

Quarterly (three-month period) results

Fees and other income of $32.5 million for the three-month period ended December 31, 2025, compared to $52.4 million for the same period in the prior year. The decrease of $19.9 million was driven primarily by the revaluation loss in the current quarter compared to a revaluation gain in the prior year quarter on the Canadian denominated notes and loans payable.

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

Fees and other income of $132.1 million for the twelve-month period ended December 31, 2025, compared to $153.0 million for the same period in the prior year. The decrease of $20.9 million was driven primarily by the revaluation loss in the current year compared to a revaluation gain in the prior year on the Canadian denominated notes & loans payable, partially offset by higher income on the banking business in our Sagicor Jamaica segment.

Other operating expenses

Quarterly (three-month period) results

Other operating expenses of $100.0 million for the three-month period ended December 31, 2025, an increase of $17.8 million as compared to operating expenses of $82.2 million for the same period in the prior year, driven by business growth and inflation.

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

Other operating expenses of $369.6 million for the twelve-month period ended December 31, 2025, an increase of $31.1 million as compared to $338.5 million for the same period in the prior year, driven by business growth and inflation.

Other interest and finance costs

Quarterly (three-month period) results

Other interest and finance costs of $54.0 million for the three-month period ended December 31, 2025, a decrease of $7.2 million as compared to $61.2 million for the same period in the prior year. The decrease was driven primarily by refinancing activities on notes & loan payables in 2024.

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

Other interest and finance costs of $207.8 million for the twelve-month period ended December 31, 2025, a decrease of $24.9 million as compared to $232.7 million for the same period in the prior year. The decrease was driven primarily by refinancing activities on notes & loan payables in 2024.

Income taxes

Quarterly (three-month period) results

Income taxes as a percentage of income before taxes for the three-month period ended December 31, 2025, excluding the net losses generated by Head Office & Other segment, was in line with the same period in the prior year.

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

Income taxes as a percentage of income before taxes for the twelve-month period ended December 31, 2025, excluding the net losses generated by Head Office & Other segment, was in line with the same period in the prior year.

Other comprehensive income

Quarterly (three-month period) results

Other comprehensive income was $8.7 million for the three-month period ended December 31, 2025. The current period benefited from gains on retranslation of foreign currency operations, compared to retranslation losses on foreign currency operations in the same period last year. The fourth quarter of 2024 was also impacted by losses on revaluation of assets measured at fair value through other comprehensive income.

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

Other comprehensive income was $45.3 million for the twelve-month period ended December 31, 2025. The current year benefited from gains on retranslation of foreign currency operations and on revaluation of assets measured at fair value through other comprehensive income. 2024 was impacted by losses on retranslation of foreign currency operations and on revaluation of assets measured at fair value through other comprehensive income.

C. Business Growth

	Quarterly Results			Year-to-date Results	
(in US $millions)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Total Net Premium[1]					
Sagicor Canada	**106.0**	108.8	102.3	**431.0**	422.6
Sagicor Life USA	**269.6**	335.3	153.5	**1,298.3**	896.2
Sagicor Jamaica	**100.1**	94.1	97.9	**383.5**	358.0
Sagicor Life	**114.1**	110.6	104.4	**450.2**	405.7
	589.8	648.8	458.1	**2,563.0**	2,082.5
Net Annuity Premium[1]					
Sagicor Canada	**0.4**	-	0.5	**1.0**	1.1
Sagicor Life USA	**264.7**	327.2	145.0	**1,270.8**	864.1
Sagicor Jamaica	**9.5**	9.5	11.0	**35.9**	37.1
Sagicor Life	**20.0**	18.7	18.2	**91.3**	64.2
	294.6	355.4	174.7	**1,399.0**	966.5
Net Premium[1] - Life Insurance					
Sagicor Canada[2]	**104.9**	108.0	101.2	**427.1**	418.7
Sagicor Life USA[2]	**4.9**	8.1	8.4	**27.5**	32.0
Sagicor Jamaica	**49.8**	49.7	46.2	**196.9**	180.1
Sagicor Life	**55.9**	53.3	50.9	**212.7**	205.3
	215.5	219.1	206.7	**864.2**	836.1
New Business CSM[1]					
Sagicor Canada	**11.6**	10.2	11.7	**44.4**	45.9
Sagicor Life USA	**4.8**	8.5	0.8	**31.4**	36.8
Sagicor Jamaica	**14.0**	13.2	14.8	**49.6**	41.0
Sagicor Life	**10.9**	8.7	12.0	**41.8**	42.6
	41.3	40.6	39.3	**167.2**	166.3
Assets Under Management[1]					
Sagicor Canada	**8,577.5**	8,439.7	7,817.8	**8,577.5**	7,817.8
Sagicor Life USA	**6,526.3**	6,323.0	5,591.3	**6,526.3**	5,591.3
Sagicor Jamaica	**6,716.5**	6,621.3	6,390.2	**6,716.5**	6,390.2
Sagicor Life	**2,760.8**	2,751.7	2,652.2	**2,760.8**	2,652.2
Head office & other[2]	**493.0**	474.7	452.2	**493.0**	452.2
	25,074.1	24,610.4	22,903.7	**25,074.1**	22,903.7

Quarterly (three-month period) results

Net Annuity Premium[1] of $294.6 million for the fourth quarter of 2025, an increase of $119.9 million or 69% as compared to the same quarter of 2024, driven primarily by strong new business production at Sagicor Life USA.

Net Premium[1] - Life Insurance of $215.5 million for the fourth quarter of 2025, an increase of $8.8 million or 4% as compared to the same quarter of 2024, driven by growth at Sagicor Life, Sagicor Jamaica, and Sagicor Canada.

Assets under Management[1] of $25,074.1 million at December 31, 2025, an increase of $463.7 million or 2% as compared to the closing balance at September 30, 2025, driven by solid new business production across all segments and favourable currency impact, partially offset by unfavourable mark-to-market movement at Sagicor Life USA and Sagicor Canada.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.
[2] Certain comparative numbers have been changed to conform with the current period's presentation.

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

Net Annuity Premium[1] of $1,399.0 million for 2025, an increase of $432.5 million or 45% as compared to 2024. The growth was driven by strong new business production at Sagicor Life USA and higher single premium annuities production at Sagicor Life.

Net Premium[1] - Life Insurance of $864.2 million for 2025, an increase of $28.1 million or 3% as compared to 2024, driven by growth at Sagicor Jamaica, Sagicor Life and Sagicor Canada.

Assets under Management[1] of $25,074.1 million at December 31, 2025, an increase of $2,170.4 million or 9% as compared to the closing balance at December 31, 2024, driven by strong new business production across all segments and favourable currency impact, partially offset by unfavourable mark-to-market movement at Sagicor Life USA and Sagicor Canada.

Results of the Segments are further discussed in Section 5.

D. Movement in CSM

The Contractual Service Margin (CSM) is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that Sagicor will recognize as it provides insurance contract services in the future. The following is an analysis of the movement of Net CSM[1] (CSM, net of reinsurance), for the three-month and twelve-month periods ended December 31, 2025 and December 31, 2024 and three-month period ended September 30, 2025. The movement includes components which flow directly into the insurance service result reported in the consolidated statement of income. For more details, refer to Sagicor's December 31, 2025 audited consolidated financial statements.

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Net CSM[1] - beginning of period	**1,258.6**	1,275.2	1,269.9	**1,219.7**	1,278.5
Organic CSM[1] Movement					
New insurance business	**41.3**	40.6	39.3	**167.2**	166.3
Expected movements related to finance income or expenses	**16.0**	16.2	16.4	**64.5**	66.3
Insurance experience (losses) gains	**(9.5)**	1.0	(8.2)	**(29.7)**	(6.9)
CSM recognized for services provided	**(38.7)**	(38.3)	(37.1)	**(153.7)**	(154.3)
Sub-total - Organic CSM Movement	**9.1**	19.5	10.4	**48.3**	71.4
Non-organic CSM[1] Movement					
Change in assumptions and management actions	**(11.8)**	(28.7)	(29.4)	**(40.5)**	(58.1)
Impact of markets	**5.4**	0.9	4.2	**12.4**	2.8
Currency impact	**10.5**	(12.9)	(32.3)	**21.2**	(48.9)
Other impact	**-**	4.6	(3.1)	**10.7**	(26.0)
Sub-total - Non-organic CSM Movement	**4.1**	(36.1)	(60.6)	**3.8**	(130.2)
Total Net CSM[1] Movement	**13.2**	(16.6)	(50.2)	**52.1**	(58.8)
Net CSM[1] - end of period	**1,271.8**	1,258.6	1,219.7	**1,271.8**	1,219.7
Less: Net CSM[1] attributed to non-controlling interests	**148.9**	149.1	143.6	**148.9**	143.6
Net CSM to shareholders[1]	**1,122.9**	1,109.5	1,076.1	**1,122.9**	1,076.1
Total Net CSM balance growth[1]	**1.0%**	(1.3)%	(4.0)%	**4.3%**	(4.6)%
Total Net CSM to shareholders balance growth[1]	**1.2%**	(2.2)%	(4.7)%	**4.4%**	(5.2)%

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Quarterly (three-month period) results

The Net CSM[1] of $1,271.8 million at December 31, 2025, grew $13.2 million from $1,258.6 million at September 30, 2025. The Net CSM to shareholders[1] moved similarly, closing December 31, 2025 at $1,122.9 million as compared to $1,109.5 million at September 30, 2025.

Solid new business growth yielded New Business CSM[1] of $41.3 million at December 31, 2025 and favourable impacts from market were partially offset by unfavourable impact from the expense related assumption review and insurance experience. This quarter, Net CSM[1] also saw favourable currency movement at Sagicor Canada and Sagicor Jamaica.

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

The Net CSM[1] of $1,271.8 million at December 31, 2025, grew $52.1 million from $1,219.7 million at December 31, 2024. The Net CSM to shareholders[1] moved similarly, closing December 31, 2025 at $1,122.9 million as compared to $1,076.1 million at December 31, 2024.

Net CSM[1] benefitted from strong new business growth that generated New Business CSM[1] of $167.2 million for the twelve months of December 31, 2025, and favourable impact from markets and model refinement. This was partially offset by unfavourable impact from annual assumption review and insurance experience. Net CSM[1] also saw favourable currency movement at Sagicor Canada and Sagicor Jamaica.

5. RESULTS BY SEGMENT

Sagicor conducts its business through four operating business segments. These segments are: Sagicor Canada, Sagicor Life USA, Sagicor Jamaica, and Sagicor Life. These business segments are supported by the following functional groups – Technology, Risk Management, Human Resources, Corporate Development and Capital Markets, Finance, and other support groups, which, net of amounts charged to business segments, are included within Head Office and Other.

A summary analysis of core earnings attributable to shareholders[1] by segment is presented as follows:

Core Earnings Attributable to Shareholders[1] by Segment	**Quarterly Results**			**Year-to-date Results**	
(in US $millions)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Sagicor Canada	**27.4**	26.7	24.5	**103.3**	86.9
Sagicor Life USA	**8.3**	10.1	10.6	**41.0**	40.2
Sagicor Jamaica	**12.2**	11.6	7.5	**47.9**	31.1
Sagicor Life	**6.8**	8.7	5.8	**41.8**	26.3
Head Office and Other	**(23.1)**	(22.1)	(20.4)	**(91.7)**	(93.6)
Total core earnings attributable to shareholders[1]	**31.6**	35.0	28.0	**142.3**	90.9

Net Income Attributable to Shareholders by Segment	**Quarterly Results**			**Year-to-date Results**	
(in US $millions)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Sagicor Canada	**8.6**	53.0	7.8	**76.2**	96.2
Sagicor Life USA	**(12.2)**	21.3	41.9	**8.2**	51.6
Sagicor Jamaica	**9.7**	13.9	10.4	**50.7**	31.3
Sagicor Life	**16.2**	13.0	12.4	**57.4**	38.5
Head Office and Other	**(36.7)**	(20.2)	(20.1)	**(125.6)**	(120.1)
Total net income/(loss) attributable to shareholders	**(14.4)**	81.0	52.4	**66.9**	97.5

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

As mentioned previously, core earnings attributable to shareholders[1] for the three-month period ended and twelve-month period ended December 31, 2025, was $31.6 million and $142.3 million, respectively, as compared to $28.0 million and $90.9 million for the corresponding three-month and twelve-month period, respectively, in the prior year.

For the fourth quarter of 2025, Sagicor delivered solid core earnings growth as compared to the same period in 2024. Margin improvements in both short-term and long-term insurance businesses, improved insurance experience and higher non-insurance revenue, were partially offset by higher operating expenses in support of continued growth.

Net loss attributable to shareholders of $14.4 million for the three-month period ended December 31, 2025 as compared to net income attributable to shareholders of $52.4 million for the three-month period ended December 31, 2024 was impacted by unfavourable mark-to-market movements, revaluation loss on Canadian denominated financing facilities, and increased investment in initiatives to drive growth, partially offset by favourable impact from annual assumption review.

For 2025, Sagicor's core earnings attributable to shareholders[1] grew 57% as compared to 2024, driven by strong performance across the operating segments. Strong business growth, favourable insurance experience, improved margins on short-term insurance business, higher expected investment earnings and higher non-insurance revenue, were partially offset by higher operating expenses in support of continued growth.

Net income attributable to shareholders of $66.9 million for the twelve months of 2025 as compared to $97.5 million for the twelve months of 2024 was impacted by unfavourable mark-to-market movements, revaluation losses on Canadian denominated financing facilities and increased investment in initiatives to drive growth, partially offset by favourable impact from annual assumption review.

A. Sagicor Canada

ivari has operated in the Canadian marketplace for over 90 years. With a national network of thousands of independent advisors, the segment offers life insurance and annuities, and accident and sickness insurance in Canada. It is one of the largest universal life providers in Canada, offering permanent protection, choice, and flexibility. ivari has a business model focused on where it has scale and an efficient operating platform, with an emphasis on providing top level service for its clients and partnered advisors.

Financial and Business Performance

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Profitability					
Segment core earnings attributable to shareholders[1]	**27.4**	26.7	24.5	**103.3**	86.9
Items excluded from core earnings attributable to shareholders[1]:					
Market experience losses and gains	**(18.4)**	27.5	(17.3)	**(22.5)**	1.5
Changes in actuarial methods & assumptions	**(0.4)**	(0.6)	(1.0)	**(1.0)**	7.0
Other	**0.0**	(0.6)	1.6	**(3.6)**	0.8
Net income attributable to common shareholders	**8.6**	53.0	7.8	**76.2**	96.2
Segment Core ROE[1]	**12.4%**	12.3%	11.4%	**12.1%**	10.2%
Business Growth					
Net premium[1] (all product lines)	**106.0**	108.8	102.3	**431.0**	422.6
Net CSM[1] , end of period	**566.3**	559.3	535.3	**566.3**	535.3
Net CSM to shareholders[1], end of period	**566.3**	559.3	535.3	**566.3**	535.3
New business CSM[1]	**11.6**	10.2	11.7	**44.4**	45.9
Assets under management[1]	**8,577.5**	8,439.7	7,817.8	**8,577.5**	7,817.8

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Quarterly (three-month period) results

The Sagicor Canada segment generated core earnings attributable to shareholders[1] of $27.4 million for the fourth quarter of 2025, an increase of $2.9 million or 12% as compared to the fourth quarter of 2024. Business fundamentals remain strong and insurance experience results were in line with expectations as compared to unfavourable experience related to mortality in the same period in the prior year.

Net income attributable to common shareholders of $8.6 million for the fourth quarter of 2025, increased $0.8 million as compared to the fourth quarter of 2024, driven by the increase in core earnings, partially offset by less favourable mark-to-market impact from equity movements and increased investment in initiatives to drive growth.

Net CSM to shareholders[1] of $566.3 million at December 31, 2025 as compared to $559.3 million at September 30, 2025, growth of 1.3% or decline of 0.3% on constant currency basis. The impact of business growth remained strong with New Business CSM[1] of $11.6 million in the quarter. Favourable currency and impact from markets were partially offset by the unfavourable impact from the expense annual assumptions review and policyholder behaviour related insurance experience losses.

Assets under management[1] for the quarter of $8,577.5 million at December 31, 2025 as compared to $8,439.7 million at September 30, 2025, growth of 1.6% largely from the impact of currency movements. The increase from business growth and favourable equity markets was largely offset by the unfavourable impact from higher interest rates.

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

The Sagicor Canada segment generated core earnings attributable to shareholders[1] of $103.3 million for the twelve months of 2025, an increase of $16.4 million or 19% growth as compared to the twelve months of 2024, driven by solid business growth, favourable insurance experience and higher expected investment earnings from higher spread and Universal Life fee income.

Net income attributable to common shareholders of $76.2 million for the twelve months of 2025, a decrease of $20.0 million or 21% from prior year, driven by the higher core earnings offset by less favourable mark-to-market impact from equity movements and increased investment in initiatives to drive growth.

Net CSM to shareholders[1] of $566.3 million at December 31, 2025 as compared to $535.3 million at December 31, 2024, an increase of 5.8% or 0.8% on constant currency basis. Continued business growth contributing $44.4 million to New Business CSM[1] in the year. Favourable impact from currency, markets and insurance experience were partially offset by unfavourable impact from the annual assumptions review.

Assets under management[1] of $8,577.5 million at December 31, 2025 as compared to $7,817.8 million at December 31, 2024, an increase of $759.7 million or 9.7% (4.5% growth on constant currency basis). Solid growth in business and favourable equity markets, partially offset by unfavourable impact from higher interest rates.

B. Sagicor Life USA

Sagicor USA, Inc. and its operating entity, Sagicor Life Insurance Company (collectively, Sagicor Life USA), operate in 45 states and the District of Columbia and are focused on providing fixed annuities to help the retiree market meet their financial goals. Sagicor USA, Inc. has a strong financial profile (A- by A.M. Best) and is differentiated through its service and distribution model, fostering strong relationships with a network of producers, agencies and marketing organizations that market and sell our products.

Annuity offerings are single premium products, which include multi-year guaranteed (MYGA), immediate annuities, and fixed indexed annuities. Annuities offered by the segment allow customers to accumulate assets at fixed interest rates, with no negative market risk and no supplemental fees. Sagicor Life USA continues to review product expansion opportunities that meet retiree consumer needs and complement its portfolio.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Financial and Business Performance

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Profitability					
Segment core earnings attributable to shareholders[1]	**8.3**	10.1	10.6	**41.0**	40.2
Items excluded from core earnings attributable to shareholders[1]**:**					
Market experience losses and gains	**(17.7)**	10.8	20.5	**(26.8)**	11.5
Changes in actuarial methods & assumptions	**0.7**	3.6	-	**5.6**	(8.1)
Other	**(3.5)**	(3.2)	10.8	**(11.6)**	8.0
Net (loss)/income attributable to common shareholders	**(12.2)**	21.3	41.9	**8.2**	51.6
Segment Core ROE[1]	**9.0%**	11.6%	13.2%	**11.7%**	14.2%
Business Growth					
Net premium[1] (all product lines)	**269.6**	335.3	153.5	**1,298.3**	896.2
Net CSM[1] , end of period	**151.2**	151.4	154.5	**151.2**	154.5
Net CSM to shareholders[1], end of period	**151.2**	151.4	154.5	**151.2**	154.5
New business CSM[1]	**4.8**	8.5	0.8	**31.4**	36.8
Assets under management[1]	**6,526.3**	6,323.0	5,591.3	**6,526.3**	5,591.3

Quarterly (three-month period) results

The Sagicor Life USA segment generated core earnings attributable to shareholders[1] of $8.3 million for the fourth quarter of 2025, a decrease of $2.3 million or 22% as compared to the fourth quarter of 2024. Expected insurance earnings growth remain strong, supported by strong new business production as net premium[1] grew 76% as compared to the same period in the prior year. This was tempered by increased operating expenses in support of business growth while insurance experience remain in line with expectations and expected investment earnings remain a solid contributor.

Net loss attributable to common shareholders of $12.2 million for the fourth quarter of 2025, a decrease of $54.1 million as compared to the fourth quarter of 2024, driven primarily by unfavourable mark-to-market impacts from interest rate movements in the current quarter whereas in the prior year quarter Sagicor Life USA benefitted from favourable mark-to-market movements.

Net CSM to shareholders[1] of $151.2 million at December 31, 2025 remained stable from balance at September 30, 2025. Solid new business production in the fourth quarter of 2025 generated new business CSM[1] of $4.8 million.

Assets under management[1] of $6,526.3 million at December 31, 2025 as compared to $6,323.0 million at September 30, 2025, an increase of $203.3 million or 3%, driven by continued solid sales momentum in the quarter, partially offset by unfavourable mark-to-market movement.

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

The Sagicor Life USA segment generated core earnings attributable to shareholders[1] of $41.0 million for the twelve months of 2025, an increase of $0.8 million or 2% as compared to the twelve months of 2024. Core net insurance and net investment results[1] grew by $3.5 million or 3% as compared to the same period in the prior year, driven by insurance experience remaining in line with expectations and improved expected investment earnings from strong new business production, partially offset by higher operating expenses in support of business growth.

Net income attributable to common shareholders of $8.2 million for the twelve months of 2025, a decrease of $43.4 million as compared to the twelve months of 2024, driven primarily by unfavourable mark-to-market impacts from interest rate movements in the current year whereas prior year Sagicor Life USA benefitted from favourable mark-to-market movement, partially offset by favourable impact from annual assumptions review.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Net CSM to shareholders[1] of $151.2 million at December 31, 2025 as compared to $154.5 million at December 31, 2024, decline of $3.3 million or 2.1% driven by the strengthening of reserves and unfavourable insurance experience, partially offset by strong business growth momentum and refinement of the crediting rates on renewals. New business CSM[1] of $31.4 million for the year, lower by $5.4 million or 14.6% as compared to $36.8 million in the prior year.

Asset under management[1] of $6,526.3 million at December 31, 2025 as compared to $5,591.3 million at December 31, 2024, an increase of $935.0 million or 17%, driven by 45% net premium[1] growth from strong sales momentum throughout the year, partially offset by unfavourable mark-to-market movement.

C. Sagicor Jamaica

The Sagicor Jamaica segment offers life, health, annuity, property and casualty insurance, pension administration services, retail and commercial banking, investment banking, real estate investment and management services, and cambio and remittance services in Jamaica, the Cayman Islands, Costa Rica and Panama. Sagicor Jamaica's strong brand, together with its wide range of products and highly skilled work force, has allowed it to maintain a leading position in the market segments in which it operates. In Jamaica, its retail and commercial banking services are offered through a network of 16 branches and its insurance products through a network of 14 branches and 28 brokers.

Financial and Business Performance

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Profitability					
Segment core earnings attributable to shareholders[1]	**12.2**	11.6	7.5	**47.9**	31.1
Items excluded from core earnings attributable to shareholders[1]:					
Market experience losses and gains	**(5.8)**	1.1	5.0	**5.5**	8.3
Changes in actuarial methods & assumptions	**1.7**	2.5	(1.8)	**4.2**	(7.0)
Other	**1.6**	(1.3)	(0.3)	**(6.9)**	(1.1)
Net income attributable to common shareholders	**9.7**	13.9	10.4	**50.7**	31.3
Segment Core ROE[1]	**13.2%**	12.6%	8.5%	**13.0%**	9.0%
Business Growth					
Net premium[1] (all product lines)	**100.1**	94.1	97.9	**383.5**	358.0
Net CSM[1] , end of period	**292.7**	293.0	282.2	**292.7**	282.2
Net CSM to shareholders[1], end of period	**143.8**	143.9	138.6	**143.8**	138.6
New business CSM[1]	**14.0**	13.2	14.8	**49.6**	41.0
Assets under management[1]	**6,716.5**	6,621.3	6,390.2	**6,716.5**	6,390.2

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Quarterly (three-month period) results

The Sagicor Jamaica segment generated core earnings attributable to shareholders[1] of $12.2 million for the fourth quarter of 2025, an increase of $4.7 million or 63% as compared to the fourth quarter of 2024. Short-term insurance business delivered strong earnings with growth of $3.8 million or 200% as compared to the same period in the prior year from improved margins, partially offset by Hurricane Melissa-related claims, net of reinsurance. Long-term insurance business also saw margin improvements while insurance experience was favourable. Core net investment result[1] grew 20% as compared to the same period in the prior year on higher net interest income from the Commercial Banking portfolio. Core non-insurance activities[1] grew 8% as compared to the same period in the prior year from higher transaction volume from card payment portfolio and higher investment and administration fees earned from assets under management[1]. Strong growth momentum across all product lines was partially offset by core other expenses[1], which was higher by 16% as compared to the same period in the prior year from inflation and higher staff cost in-line with planned increases.

Net income attributable to common shareholders of $9.7 million for the fourth quarter of 2025, a decrease of $0.7 million as compared to the fourth quarter of 2024, driven by higher core earnings and favourable impact from annual assumption review, offset by unfavourable mark-to-market impacts and one-time impact from Hurricane Melissa.

Net CSM to shareholders[1] of $143.8 million at December 31, 2025 remained stable from balance at September 30, 2025 as strong new business growth and favourable currency was offset by expense related assumption review and unfavourable insurance experience. New business CSM[1] of $14.0 million generated for the fourth quarter of 2025, driven by net premium[1] growth of 6% as compared to the prior quarter.

Assets under management[1] of $6,716.5 million at December 31, 2025 as compared to $6,621.3 million at September 30, 2025, an increase of $95.2 million or 1%, driven by strong business growth momentum across the product lines.

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

The Sagicor Jamaica segment generated core earnings attributable to shareholders[1] of $47.9 million for the twelve months of 2025, an increase of $16.8 million or 54% as compared to the twelve months of 2024.

Short-term insurance business earnings grew $14 million or 175% as compared to the twelve months of 2024, driven by strong net premium[1] growth and improved margins on product re-pricing. Claims experience remained favourable overall was partially offset by Hurricane Melissa-related claims, net of reinsurance. Long-term insurance business also saw growth in earnings contribution as compared to the twelve months of 2024 with strong net premium[1] growth and favourable insurance experience. Core net investment result[1] grew 14% as compared to the twelve months of 2024 on higher interest income from growth in loan and investment portfolio. Core non-insurance earnings[1] grew 6% as compared to the twelve months of 2024 on higher transaction volume on the card payment portfolio and higher fees from growth in the off-balance sheet portfolios. Strong growth momentum across all product lines was partially offset by core other expenses[1], which saw growth of 9% as compared to the same period in the prior year. This is broadly in line with inflation and capital investments in digital platforms and data security.

Net income attributable to common shareholders of $50.7 million for the twelve months of 2025, an increase of $19.4 million as compared to the twelve months of 2024, driven by higher core earnings[1] and favourable impact of the annual assumption review, partially offset by one-time impact from Hurricane Melissa.

Net CSM to shareholders[1] of $143.8 million at December 31, 2025 as compared to $138.6 million at December 31, 2024, an increase of $5.2 million or 4%, driven by strong business momentum that saw 21% growth in new business CSM[1] from $41.0 million at December 31, 2024 to $49.6 million at December 31, 2025. This was partially offset by unfavourable insurance experience and currency.

Assets under Management[1] of $6,716.5 million at December 31, 2025, as compared to $6,390.2 million at December 31, 2024, an increase of $326.3 million or 5%, driven by strong business growth momentum across all product lines.

D. Sagicor Life

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

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Financial and Business Performance

	Quarterly Results			Year-to-date Results	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Profitability **Segment core earnings attributable to shareholders[1]**	**6.8**	8.7	5.8	**41.8**	26.3
Items excluded from core earnings attributable to shareholders[1]:					
Market experience losses and gains	**11.2**	5.1	9.6	**19.4**	13.3
Changes in actuarial methods & assumptions	**(0.2)**	(0.4)	(1.2)	**(0.6)**	(5.7)
Other	**(1.6)**	(0.4)	(1.8)	**(3.2)**	4.6
Net income attributable to common shareholders	**16.2**	13.0	12.4	**57.4**	38.5
Segment Core ROE[1]	**4.8%**	6.0%	4.1%	**7.4%**	4.7%
Business Growth					
Net premium[1] (all product lines)	**114.1**	110.6	104.4	**450.2**	405.7
Net CSM[1] , end of period	**261.6**	254.9	247.7	**261.6**	247.7
Net CSM to shareholders[1], end of period	**261.6**	254.9	247.7	**261.6**	247.7
New business CSM[1]	**10.9**	8.7	12.0	**41.8**	42.6
Assets under management[1]	**2,760.8**	2,751.7	2,652.2	**2,760.8**	2,652.2

Quarterly (three-month period) results

The Sagicor Life segment generated core earnings attributable to shareholders[1] of $6.8 million for the fourth quarter of 2025, an increase of $1.0 million or 17% as compared to the fourth quarter of 2024.

Core net insurance service result[1] increased by $2.2 million or 23% over the same period in the prior year driven by repricing initiatives on renewal and adjustments on product offering on short-term insurance business along with favourable claims experience. For long-term insurance business, insurance experience was relatively in line with experience over the same period in the prior year. Core net investment result[1] declined due to impact of rising interest rates on the financing charge of insurance contract liabilities.

Net income attributable to common shareholders of $16.2 million for the fourth quarter of 2025, an increase of $3.8 million as compared to the fourth quarter of 2024, driven by higher core earnings[1] and favourable impact on the valuation of insurance liabilities from higher interest rates.

Net CSM to shareholders[1] of $261.6 million at December 31, 2025 as compared to $254.9 million at September 30, 2025, an increase of $6.7 million or 2.6%, driven by solid new business production resulting in New business CSM[1] of $10.9 million, partially offset by unfavourable impact from the expense annual assumptions review.

Assets under management[1] of $2,760.8 million at December 31, 2025 as compared to $2,751.7 million at September 30, 2025, an increase of $9.1 million, driven by positive net inflows from insurance business, partially offset by dividend payments.

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

The Sagicor Life segment generated core earnings attributable to shareholders[1] of $41.8 million for the twelve months of 2025, an increase of $15.5 million or 59% as compared to the twelve months of 2024.

Core net insurance service result[1] increased by $20.2 million or 48% over the twelve months of 2024, driven by repricing initiatives on renewal and adjustments on product offering on short-term insurance business along with favourable claims experience. Insurance experience on long-term insurance business was better than expected as compared to the twelve months of the prior year on repricing effort and a favourable claims experience. Core net investment result[1] experienced a decline of $6.7 million or 43% over the same period in the prior year due to the impact of rising interest rates on the financing charge of insurance contract liabilities and a less favourable change in credit experience.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Net income attributable to common shareholders of $57.4 million for the twelve months of 2025, an increase of $18.9 million as compared to the twelve months of 2024, driven by higher core earnings[1] and favourable impact on the valuation of insurance liabilities from higher interest rates.

Net CSM to shareholders[1] of $261.6 million at December 31, 2025, as compared to $247.7 million at December 31, 2024, an increase of $13.9 million or 5.6%, driven by strong new business production resulting in New business CSM[1] of $41.8 million, partially offset by unfavourable insurance experience and the impact of assumption changes and other model refinements.

Assets under management[1] of $2,760.8 million at December 31, 2025 as compared to $2,652.2 million, an increase of $108.6 million or 4%. This was positively impacted by inflows from single premium annuity business written during the year and general portfolio growth.

E. Head Office and Other

Head office and Other includes the following functional groups – Technology, Risk Management, Human Resources, Corporate Development and Capital Markets, Finance, and other support groups, net of amounts charged to operating business segments. Head Office and Other also includes the activities of corporate management, the Group parent company, other companies not directly attributable to the business segments, and consolidation adjustments.

Financial Performance

	Quarterly Results			Year-to-date Results	
(in US $millions)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Profitability					
Segment core losses attributable to shareholders[1]	**(23.1)**	(22.1)	(20.4)	**(91.7)**	(93.6)
Items excluded from core earnings attributable to shareholders[1]:					
Market experience losses and gains	**(8.8)**	6.5	11.2	**(14.6)**	9.1
Changes in actuarial methods & assumptions	**0.0**	0.0	0.0	**0.0**	0.0
Other	**(4.8)**	(4.6)	(10.9)	**(19.3)**	(35.6)
Net loss attributable to common shareholders	**(36.7)**	(20.2)	(20.1)	**(125.6)**	(120.1)

Quarterly (three-month period) results

The Head Office and Other segment generated core losses attributable to shareholders[1] of $23.1 million for the fourth quarter of 2025, an increase of $2.7 million as compared to losses of $20.4 million in the fourth quarter of 2024, driven by higher operating expenses from growth and inflation in the current year while prior year benefited from higher investment income.

Net loss attributable to common shareholders of $36.7 million for the fourth quarter of 2025, an increase of $16.6 million as compared to net loss of $20.1 million in the fourth quarter of 2024. The higher loss was driven by higher core losses, a revaluation loss in the current quarter as compared to a revaluation gain in the prior year on the Canadian denominated notes and loans payable, and increased investment in initiatives to drive growth.

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

The Head Office and Other segment generated core losses attributable to shareholders[1] of $91.7 million for the twelve months of 2025, an improvement of $1.9 million as compared to losses of $93.6 million for the twelve months of 2024.

The lower core losses attributable to shareholders[1] in the current year benefited from loan refinancing activities in 2024 that resulted in a reduction in interest and financing costs, partially offset by higher operating expenses due to growth and inflation.

Net loss attributable to common shareholders of $125.6 million for the twelve months of 2025, a decrease of $5.5 million as compared to a net loss of $120.1 million for the twelve months of 2024. The higher net loss was driven by a revaluation loss in the current year as compared to a revaluation gain in the prior year on the Canadian denominated notes and loans payable and increased investment in initiatives to drive growth, partially offset by lower loan amortization cost and refinancing penalty fees in the current year.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

6. FINANCIAL POSITION

A. Capital Adequacy

Capital adequacy is managed at the Group level and the operating segment level, as appropriate. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is a core measure of financial performance. Some jurisdictions within our Group prescribe differing risk-based assessment measures for statutory purposes, and a number of jurisdictions in the Caribbean region have locally determined capital adequacy requirements.

The table below summarizes the capital adequacy ratios which are reviewed by the Appointed Actuary of each insurance entity, executive management, the Audit Committee and the Board of Directors of the Company. In addition, the calculation of the Group Life Insurance Capital Adequacy Test ("Group LICAT")[1] is verified by the Company's Appointed Actuary. During the current quarter and 2025, all applicable externally imposed capital requirements were complied with.

	December 31, 2025	December 31, 2024
Group LICAT[1]	**136%**	139%
ivari Life Insurance Capital Adequacy Test	**129%**	131%
Sagicor Life Insurance Company Risk-Based Capital ("RBC")[1]	**356%**	362%
Sagicor Life Jamaica Limited LICAT ("JA-LICAT")[1 2]	**153%**	148%
Sagicor Investments Jamaica Limited capital base to risk weighted assets	**17%**	17%
Sagicor Bank Jamaica Limited capital base to risk weighted assets	**13%**	13%

Group LICAT[1]

Sagicor voluntarily adopted LICAT[1], developed by OSFI and became effective on January 1, 2018. Since its implementation, OSFI has made, and continues to make, modifications to LICAT[1], with the most recent version of LICAT[1] becoming effective on January 1, 2025. LICAT[1] is calculated on a consolidated basis and OSFI has established a minimum supervisory Total Ratio of 100%. The consolidated LICAT[1] for the life insurers of Sagicor as of December 31, 2025, has been estimated as 136% (December 31, 2024 – 139%). LICAT[1] is one standard of capital adequacy used by management to assess the overall strength of the life insurers of Sagicor. However, because of the variations in capital adequacy standards across jurisdictions, the consolidated result should be regarded as applicable to the life insurers of Sagicor and not necessarily applicable to each individual segment, insurance subsidiary or insurance subsidiary branch.

ivari

OSFI requires federally regulated life insurance companies to apply the LICAT[1] framework as the capital adequacy guideline. Under LICAT[1] companies are required to maintain a minimum Total Ratio of 90% and OSFI has established a Supervisory Target Total Ratio of 100%. ivari has exceeded all minimum regulatory capital ratios as at December 31, 2025, and December 31, 2024.

Sagicor Life Insurance Company (USA)

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

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.
[2] December 31, 2024 ratio has been restated.

The RBC methodology provides for four levels of regulatory action. The extent of regulatory intervention and action increases as the ratio of surplus to RBC falls. The least severe regulatory action is the "Company Action Level" (as defined by the NAIC) which requires an insurer to submit a plan of corrective actions to the regulator if surplus falls below 200% of the RBC amount. Sagicor Life USA has maintained all minimum regulatory capital level ratios as of December 31, 2025 and December 31, 2024, respectively.

Sagicor Life Jamaica Limited

Capital adequacy, which is calculated quarterly, is verified by the Appointed Actuary and reviewed by Executive Management and the Board of Directors. Sagicor Life Jamaica Limited seeks to maintain internal capital adequacy at levels higher than the regulatory requirements. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is one of the core measures of financial performance. Sagicor Life Jamaica Limited adopted the risk-based assessment measure, the Jamaican Life Insurance Capital Adequacy Test[1] ("JA-LICAT"[1]), which became effective January 1, 2023, as per the Insurance Regulations, 2001 and amended in 2023. The supervisory minimum Total Ratio for JA-LICAT[1] is 100%. Sagicor Life Jamaica Limited exceeded the standard requirement as at December 31, 2025 and December 31, 2024 respectively.

Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited

The capital adequacy and the use of regulatory capital are monitored monthly by management. Capital is managed based on prudent best practices and employing techniques and guidelines developed by the Financial Services Commission ("FSC"), the Bank of Jamaica ("BOJ"), Basel II and the Risk Management Committees. The required information is filed with the respective regulatory authorities at stipulated intervals. The BOJ and the FSC require each regulated entity to hold the minimum level of regulatory capital, and to maintain a minimum ratio of total regulatory capital to the risk-weighted assets. The minimum required ratio of capital base to risk-weighted assets is 10%.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off financial statements exposure, with some adjustments to reflect the more contingent nature of the potential losses. Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited were compliant with the regulatory capital requirements as at December 31, 2025 and December 31, 2024, respectively.

B. Capital

(in US $millions)	**December 31, 2025**	**December 31, 2024**
Total Capital[1]		
Shareholders' equity	**1,036.6**	959.7
Non-controlling interest	**398.5**	362.8
Notes and loans payable	**998.6**	953.9
Net contractual service margin[1]	**1,271.8**	1,219.7
Total Capital[1]	**3,705.5**	3,496.1

Sagicor deploys its capital resources through its operating activities. These operating activities are carried out by subsidiary companies which are either insurance entities or provide other financial services. The capital is deployed in such a manner as to ensure that subsidiaries have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

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

At December 31, 2025, Sagicor's capital[1] totalled $3,705.5 million, $209.4 million higher than the December 31, 2024 position, driven by overall business growth. Net CSM and non-controlling interest grew by $52.1 million and $35.7 million, respectively, while shareholders' equity increased by $76.9 million. During the current period, shareholders' equity was impacted by total comprehensive income attributable to common shareholders of $109.7 million, partially offset by dividends declared of $36.6 million.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

C. Financial Leverage

	December 31, 2025	December 31, 2024
Financial Leverage Ratio[1]	**26.9%**	27.3%

The Financial leverage ratio[1] improved to 26.9% as of December 31, 2025, compared to 27.3% reported at December 31, 2024.

D. Ratings

Sagicor Financial Company Ltd ("SFC"), its principal operating subsidiaries, and its debt financing vehicle, have been rated by the rating agencies AM Best, S&P, Fitch or Morningstar DBRS.

On October 21, 2025, global credit rating agency Fitch Ratings ("Fitch") upgraded Sagicor's Long-Term Issuer Default Rating (IDR) to 'BBB' from 'BBB-' and also upgraded Sagicor's senior unsecured debt to 'BBB-' from 'BB+'. The rating outlook is Stable. In assigning these ratings, Fitch cited Sagicor's strengthened core profitability and two years of consolidated contributions from ivari, complemented by lower debt financing costs and a strong capitalization profile. In addition, Fitch affirmed the Insurer Financial Strength rating of ivari at 'A-' with a Stable Outlook.

On April 14, 2025, DBRS Limited ("Morningstar DBRS") confirmed the Issuer Rating of Sagicor Financial Company Ltd. and the credit ratings on the Company's Senior Debt at BBB (low). In addition, the firm confirmed the Financial Ratings of Sagicor Life Insurance Company and ivari at A (low).

On April 9, 2025, AM Best affirmed the Financial Strength Rating and the Long-Term ICR of Sagicor Life Inc., Sagicor General Insurance Inc., Sagicor Life Insurance Company and ivari. In addition, AM Best has affirmed the Long-Term ICR of "bbb-" (Good) of the ultimate parent, SFC and the Long-Term IR of "bbb" (Good) of the original $400 million, with an additional $150 million added to the 5.3% senior unsecured notes, due 2028. The outlook of this rating is stable.

On January 10, 2025, S&P revised its rating outlook on Sagicor from Stable to Positive.



[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

The ratings as of the date of issue of this Management Discussion and Analysis are as follows:

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

(a) Affirmed April 9, 2025; (b) Affirmed January 10, 2025; (c) Upgraded October 21, 2025; (d) Confirmed April 14, 2025.; (e) Affirmed April 24, 2025.

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

E. Common Shares, Book Value Per Common Share and Market Capitalization

	December 31, 2025	December 31, 2024
Number of common shares outstanding (in millions)	**135.4**	135.5
Share price	**$ 6.92**	$ 4.30
Market capitalization (millions)[1]	**$ 936.6**	$ 583.1
Book value per common share[1]	**$ 7.65**	$ 7.08

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Outstanding Common Shares

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

The number of issued and outstanding common shares at December 31, 2025 was 135,413,021, net of any treasury shares. During the twelve-month period ended December 31, 2025, the Company repurchased 657,600 shares (Twelve months ended December 2024 – 6,248,816 shares), at a total cost of $3.8 million (Twelve months ended December 2024 - $13.4 million), which were subsequently cancelled. In 2024, included in the total shares repurchased were 3,222,430 escrow shares which were cancelled at $0.01 par value per share for a nominal consideration in accordance with the established Escrow Agreement and Arrangement Agreement. No such shares were included in total repurchased shares during 2025. Share capital and share premium in equity have been reduced by the cost of the shares repurchased and commission paid. The premium or discount on the repurchase of shares is recorded directly in retained earnings.

As at December 31, 2025, there were no shares (2024 - 6,600 shares at a total cost of $0.03 million) reflected in treasury shares.

Securities convertible, exercisable or exchangeable into common shares

The number of issued and outstanding options at December 31, 2025 was 499,000.

Dividends

	Quarterly Results			Year-to-date Results	
	Q4 2025	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Dividends declared during the period, per common share	**$0.0675**	$0.0675	$0.0600	**$0.2700**	$0.2400

The Company declared four dividends to common shareholders during the year ended December 31, 2025.

On March 13, 2025, the Board of Directors declared a dividend of $0.0675 per share, on issued and outstanding common shares held by registered holders on record at the close of business on March 27, 2025. This dividend was paid on April 17, 2025.

On May 13, 2025, the Board of Directors declared a dividend of $0.0675 per share, on issued and outstanding common shares held by registered holders on record at the close of business on May 26, 2025. This dividend was paid on June 16, 2025.

On August 13, 2025, the Board of Directors declared a dividend of $0.0675 per share, on issued and outstanding common shares held by registered holders on record at the close of business on August 27, 2025. This dividend was paid on September 17, 2025.

On November 12, 2025, the Board of Directors declared a dividend of $0.0675 per share, on issued and outstanding common shares held by registered holders on record at the close of business on November 25, 2025. This dividend was paid on December 16, 2025.

F. Notes and Loans Payable

As of December 31, 2025, Sagicor had $998.6 million in notes and loans payable compared to $953.9 million as of December 31, 2024. Summary details of the carrying values of notes and loans payable as of December 31, 2025, and December 31, 2024, respectively are set out in the following table.

	Carrying Value	
(in US $millions)	**December 31, 2025**	**December 31, 2024**
Notes and loans payable		
5.30% senior notes due 2028	**542.2**	542.4
6.359% unsecured senior notes due 2029	**168.1**	158.8
6.0% unsecured bond due 2026	**19.0**	-
9.5% unsecured bond due 2026	**27.2**	-
10.75% unsecured bond due 2025	**-**	27.5
7.75% unsecured bond due 2025	**-**	19.8
Bank loans & other funding instruments	**24.3**	26.1
SOFR(1)+145 bps revolving credit facility	**72.0**	40.4
CORRA(2)+132.5bps term loan 2027	**145.8**	138.9
Total	**998.6**	953.9

(1) Secured Overnight Financing Rate
(2) Canadian Overnight Repo Rate Average

On November 25, 2025, the credit agreement initially entered into by Sagicor Financial Company Ltd. on August 2, 2023 to establish a revolving credit facility was further amended via an increase in the maximum amount from $175 million to $225 million, an extension of the maturity date to June 2029 and addition of an accordion facility in the maximum amount of $50 million. The facility remains subject to certain covenants with the interest based on CORRA +145 bps.

On July 26, 2025, facilities for unsecured bonds issued in Tranches A and B by Sagicor Financial Corporation Limited, carrying annual interest rates of 10.75% and 7.75% respectively, were extended. The facilities remain in two Tranches, with Tranche A up to J$4.47 billion from a previous limit of J$4.49 billion and Tranche B up to US $18.8 million from a previous limit of US $19.9 million, carrying updated annual interest rates of 9.50% and 6.00% respectively. Interest is payable quarterly and the Tranches mature on August 26, 2026.

For more details on notes and loans payable, refer to note 10 of the December 31, 2025 audited consolidated financial statements.

G. Liquidity and Capital Resources

The following discussion is qualified by reference to the consolidated statement of cash flows and note 23 of the December 31, 2025 audited consolidated financial statements.

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

Sagicor maintains a revolving credit facility of $225 million (2024: - $175 million) to meet potential liquidity requirements. As at December 31, 2025, $72.0 million (December 31, 2024 - $40.4 million) was drawn down from the facility.

Details of all borrowing facilities can be found in Section 6F of this MD&A.

Cash Flows

The following table summarizes Sagicor's cash flows for the three-month and twelve-month periods ended December 31, 2025, and December 31, 2024, respectively.

	Quarterly Results		Year-to-date Results	
(in US $millions)	**Q4 2025**	**Q4 2024**	**2025**	2024
Net cash flows:				
Operating activities	**(106.3)**	282.0	**(5.7)**	214.2
Investing activities	**(4.5)**	(3.1)	**(12.4)**	(14.0)
Financing activities	**(0.8)**	2.6	**(43.0)**	(64.3)
Effect of exchange rate changes	**5.1**	(3.5)	**1.5**	(9.6)
	(106.5)	278.0	**(59.6)**	126.3
Cash and cash equivalents:				
Beginning of period	**974.6**	649.7	**927.7**	801.4
End of period	**868.1**	927.7	**868.1**	927.7

Quarterly (three-month period) results

For the fourth quarter of 2025, Sagicor's net cash outflows from operating activities was $106.3 million compared to inflows of $282.0 million for the same period in 2024. The increase in cash outflows in operating activities of $388.3 million was due to higher financial investment purchases at our Sagicor Life USA, Sagicor Canada and Sagicor Jamaica segments.

Sagicor's net cash outflows for financing activities totalled $0.8 million for the three-month period ended December 31, 2025, compared to inflows of $2.6 million for the same period in 2024, an increase in outflows of $3.4 million. The higher net outflows in the current period was a result of higher dividends paid to non-controlling interest in the current period, partially offset by higher drawdowns on the revolving credit facility. In addition, cash flows for the fourth quarter of 2024 benefited from the return of accumulated dividends associated with the repurchased escrow shares.

For the three-month period ended December 31, 2025, the effect of exchange rate changes was a gain of $5.1 million compared to a loss of $3.5 million for the corresponding period in 2024, due to the impact of the appreciation of the Canadian dollars against the United States dollar.

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

For the twelve-month period ended December 31, 2025, Sagicor's net cash outflows associated with operating activities was $5.7 million compared to inflows of $214.2 million for the same period in 2024. The increase in cash outflows from operating activities of $219.9 million was due to higher financial investment purchases particularly in our Sagicor Life USA and Sagicor Jamaica segments. The impact of these outflows was partially reduced by higher net premium inflows particularly at Sagicor USA combined with higher inflows associated with securities sold under agreement to repurchase at Sagicor Jamaica.

Sagicor's net cash outflows from financing activities totalled $43.0 million for the twelve-month period ended December 31, 2025, compared to outflows of $64.3 million for the same period in 2024, a decrease in outflows of $21.3 million. The lower net outflows in the current period was a result of higher drawdowns on the revolving credit facility and lower outflows associated with the NCIB program, partially offset by higher dividends paid to non-controlling interest in the current year.

For the twelve-month period ended December 31, 2025, the effect of exchange rate changes was a gain of $1.5 million compared to a loss of $9.6 million for the corresponding period in 2024, due to the appreciation of the Canadian dollar against the United States dollar, partially offset by the impact of the depreciation of the Jamaican dollar against United States dollar.

7. FINANCIAL INVESTMENTS

As of December 31, 2025, Sagicor held $20,118.3 million of diversified financial assets, compared to $17,856.0 million at December 31, 2024, an increase of $2,262.3 million. As at December 31, 2025, Sagicor held $14,426.2 million in debt securities and money market funds (72% of the total financial investments on hand). Sagicor recorded net investment income of $1,385.2 million for the twelve-month period ended December 31, 2025, compared to $1,495.8 million for the same period in 2024. The return on investments[1] was 7.3% compared to 8.6% for the corresponding period in 2024. The lower return in the current year was impacted by lower net gains associated with fair value through profit and loss ("FVTPL") financial investments totalling $1,118.4 million ($1,257.0 million for the twelve-month period ended December 31, 2024). A summary of net investment income is shown below.

Net Investment Income	**Quarterly Results**			**Year-to-date Results**	
(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q4 2024**	**2025**	**2024**
Net investment Income – underlying assets	**153.4**	476.2	205.8	**1,067.9**	1,182.1
Net investment Income – other investments	**77.3**	83.9	99.0	**311.6**	308.6
Net Investment Income – other	**-**	2.8	0.8	**5.7**	5.1
Net investment income	**230.7**	562.9	305.6	**1,385.2**	1,495.8
Represented by:					
Loss on derecognition of amortized cost investments	**-**	-	(0.1)	**-**	(0.1)
Gain/(loss) on derecognition of assets carried at fair value through other comprehensive income ("FVTOCI")	**6.3**	(2.7)	0.2	**6.3**	(2.6)
Interest income earned from financial assets measured at amortized cost and FVTOCI	**68.7**	71.1	56.9	**266.2**	243.3
Credit impairment losses	**(4.8)**	(2.5)	(4.3)	**(11.4)**	(6.9)
Net gains on FVTPL investments	**160.6**	494.1	252.1	**1,118.4**	1,257.0
Other investment (loss)/income	**(0.1)**	2.9	0.8	**5.7**	5.1
Net investment income	**230.7**	562.9	305.6	**1,385.2**	1,495.8
Return on investments[1] (annualized)	**4.7%**	11.6%	6.8%	**7.3%**	8.6%



[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Carrying Values

The table below shows the carrying value of Sagicor's investment portfolio as of December 31, 2025, and December 31, 2024.

	As at		As at	
(in US $millions, unless otherwise stated)	**December 31, 2025**		**December 31, 2024**	
	Carrying value	**% of Total**	**Carrying value**	**% of Total**
Investments at FVTOCI:				
Debt securities	**1,689.4**	**8%**	1,426.6	8%
Equity securities	**0.7**	**-**	0.7	-
	1,690.1	**8%**	1,427.3	8%
Investments at FVTPL:				
Money market funds	**208.4**	1%	202.2	1%
Debt securities	**12,104.0**	60%	11,048.0	62%
Equity securities[(1)]	**3,215.9**	16%	2,888.4	16%
Other financial invested assets[1]	**383.1**	2%	180.1	1%
Derivative financial instruments	**15.9**	-	15.1	-
Mortgage loans	**14.3**	-	27.3	-
	15,941.6	79%	14,361.1	80%
Investments at amortized cost:				
Debt securities	**119.5**	1%	127.5	1%
Mortgage loans	**1,165.5**	6%	865.3	5%
Finance loans	**810.8**	4%	733.1	4%
Securities purchased for re-sale	**38.2**	-	25.2	-
Deposits	**352.6**	2%	316.5	2%
	2,486.6	13%	2,067.6	12%
Total financial investments	**20,118.3**	100%	17,856.0	100%

(1) Included in equity securities are exchange-traded funds of $1,227.3 million as at December 31, 2025 ($1,117.1 million as at December 31, 2024).

Our equities portfolio comprises the following at December 31, 2025 and December 31, 2024:

	As at	As at
(in US $millions)	**December 31, 2025**	**December 31, 2024**
Equities[(2)]	**387.7**	478.7
Passthrough equities	**2,618.6**	2,134.0
Preference shares	**288.5**	309.6
Total	**3,294.8**	2,922.3

(2) Includes $78.2 million (2024 - $33.2 million) of equity investments grouped in Other financial invested assets.

[1] Certain comparative numbers have been changed to conform with the current period's presentation.

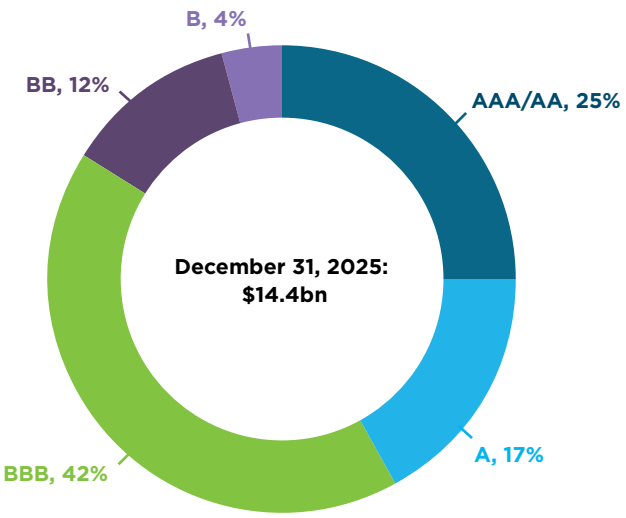
Our debt security and money market funds portfolio constitute the major asset class of Sagicor and are reflected in the statement of financial position as follows:

	As at	
(in US $millions)	**December 31, 2025**	**December 31, 2024**
Debt securities and money market funds		
Measured at FVTOCI	**1,689.4**	1,426.6
Measured at amortized cost	**119.5**	127.5
Measured at FVTPL[(1)]	**12,617.3**	11,397.1
Total	**14,426.2**	12,951.2

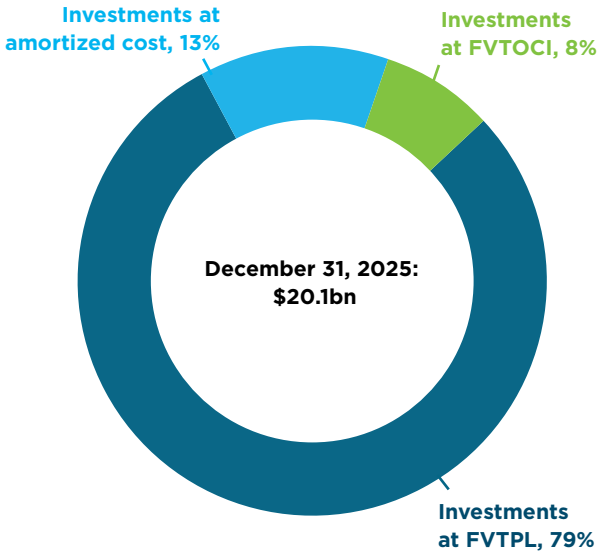
(1) Includes $304.9 million (2024 - $146.9 million) of debt investments grouped in Other financial invested assets.

FVTOCI debt securities are held to collect contractual cash flows and to sell periodically to collect gains. These securities primarily support our business in the USA and in Jamaica, where there is reasonable opportunity to realize investment gains. Amortized cost debt securities are held to collect contractual cash flows and are sold infrequently. These securities primarily support our business in the Southern and Eastern Caribbean. Sagicor has designated some financial assets which support insurance liabilities as FVTPL to better match the assets and liabilities of the business. Other FVTPL debt securities are classified as such when the Group investment contract holder is credited with the full return on the underlying asset. Debt securities held for trading are also classified as FVTPL. The pie charts below represent a breakdown of the carrying value and risk exposure of Sagicor's consolidated investments portfolio as of December 31, 2025.

Debt Securities and Money Market Funds -
Risk Exposures at December 31, 2025



Financial Investments Portfolio
at December 31, 2025
Carrying Value
(As a % of Total Investment Portfolio)



8. RISK MANAGEMENT

A. Overview

Sagicor is exposed to several risks that are inherent in our business activities as a diversified financial services company operating in Canada, the United States, and the Caribbean.

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

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

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

Risks are assessed both qualitatively and quantitatively. Sagicor employs various approaches to understand and quantify the risks it takes, including among others, point-in-time assessments of risk exposures, trend analysis over time, and sensitivity and stress testing analyzes to assess the impact on its financial performance and condition.

Risk information is regularly communicated to external stakeholders including regulators, rating agencies, and the public. For example, management prepares Own Risk and Solvency Assessment Reports ("ORSA") that are shared with Sagicor's Board, relevant subsidiaries' Board and regulators. Management also meets regularly with rating agencies (S&P Global Ratings, Fitch Ratings, Morningstar DBRS, AM Best, and Caribbean Information and Credit Rating Services Limited ("CariCRIS") to provide updates on its risk exposures, strategy, and other relevant developments. Sagicor also provides extensive risk disclosures in its notes to the consolidated financial statements.

Roles and Responsibilities

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

B. Identified Risks

Identified risks are categorized as illustrated in the table below and classified as either key or non-key risks. Key risks are monitored on an ongoing basis based on likelihood and severity. Non-key risks are monitored for any changes in likelihood and/or severity and escalated to key risk status, where appropriate.

Financial	Insurance	Operational	Strategic
• Economic • Credit • Market • Liquidity • Capital [(i)]	• Insurance Product Design and Pricing • Policyholder Behaviour • Mortality, Morbidity and Longevity • Expense • Reinsurance	• Business Continuity • Physical Resources • Fraud / Wrongdoing • Human Resources • Technology / Cybersecurity • Legal & Regulatory • Process / Execution • Model • Third-Party • Fiduciary	• Strategy • Competitor • Governance • Strategic / External Relations • International
Conduct Risk, Environment and Social Risk			

(i) Refer to the Capital Adequacy and Capital sections of this MD&A.

1. ECONOMIC RISK

Sagicor's performance is affected directly by the general business and economic conditions of the regions where it operates and indirectly by the international markets. Its financial performance and condition could be adversely affected by unfavourable movements in interest rates and inflation, a decline in economic activity, higher volatility in financial markets, higher funding costs, lower real estate prices, high unemployment levels, lower consumer spending, higher debt levels, climate-driven economic disruptions, as well as demographic and societal shifts affecting economic conditions. This may also include the establishment of government, monetary and/or fiscal policies that could result in greater economic risks, such as economic slowdowns and recessions, unfavourable currency movements, and/or more elevated sovereign risks, as well as abrupt changes in geopolitical environment, disruptions in trade (including tariffs), outbreak of a pandemic, or other health crises.

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

2. CREDIT RISK

Sagicor takes on exposure to credit risk, which is the risk associated with an obligor's potential inability or unwillingness to fulfill its contractual obligations on a timely basis and may arise from: (i) the risk of default of a primary obligor and indirectly from a secondary obligor; (ii) downgrades in credit ratings or risk profile of a counterparty; (iii) deterioration in the value of, or ability to realize, any underlying security that may be used as collateral for certain of its financial obligations; and (iv) macroeconomic conditions, sector-specific stress, sovereign and/or corporate credit deterioration, market volatility, and shifts in interest rates, liquidity and credit spreads. Credit risks are primarily associated with its investments, securities, lending, revolving credit, and reinsurance portfolios.

Sagicor in most, but not all, instances bears the risk for investment performance, including the return of principal and interest, as premiums, deposits, and other receivables are invested to meet future policyholder claims and other obligations. As a result, credit defaults, impairments, rating downgrades, restructurings, or other declines in the value of debt securities, loans, deposits, and receivables could result in realized or unrealized losses or higher expected credit losses. Such events could also increase provisions for asset defaults and have a material adverse effect on Sagicor's business, financial performance and financial condition. These impacts could be exacerbated under asset-liability management stress, including widening credit spreads or liquidity constraints that may limit Sagicor's ability to rebalance its portfolios without incurring losses.

To minimize this risk, Sagicor may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty, in accordance with regulatory guidelines where applicable. It may enter into arrangements to waive, adjust or postpone scheduled amounts due, and would classify these amounts as past due, unless the original agreement is formally revised, modified or substituted. It may also foreclose on overdue mortgage loans and finance loans by repossessing the pledged asset(s) or seek to dispose of the pledged asset by sale. In some instances, Sagicor may provide refinancing to a new purchaser on customary terms.

Sagicor's investment portfolio assets are mostly unsecured except for securities purchased under an agreement to resell, for which title to the securities is transferred to Sagicor for the duration of each agreement.

Sagicor has significant credit risk concentrations with respect to its holding of bonds and treasury bills issued by governments or government-backed investments (including state and local governments), in Canada, the United States, Jamaica, Barbados, and Trinidad and Tobago. While it has concentration limits in place, many jurisdictions mandate that its operating companies invest a portion of the assets supporting policy liabilities in government instruments in those countries where policies are sold.

Sagicor only contracts with highly rated reinsurers. It has significant exposure to certain reinsurers, including Guggenheim Partners, LLC, Hannover Rück S.E., Heritage Life Insurance Company, Munich Reinsurance Company, Optimum Life Reinsurance (Canada), PartnerRe Ltd., Reinsurance Group of America Inc., SCOR S.E., Swiss Re Ltd., and Washington National Insurance Company.

Credit risk is managed through Sagicor's risk management practices and controls, and include among others the following:

- Policies to manage credit risk limits, including among others concentration limits, and diversification requirements by asset class, issuer, geography, and industry sector;
- Monitoring, reviewing, and reporting to senior management and the Risk Committee of the Board of its credit positions against established limits and regulatory requirements;
- Performing credit analyzes, including: (i) screening and adjudication process; (ii) monitoring the financial condition of its counterparties on a regular basis; and (iii) utilizing various sensitivity and stress testing analyzes, including Financial Condition Testing and Enterprise Wide Stress Testing, to measure the effects of large and sustained adverse credit developments;
- Insurance contract liabilities are established in accordance with International Financial Reporting Standards and conforms with accepted actuarial practices in Canada;
- Ensuring loans written are adequately collateralized;
- Monitoring internal capital targets to ensure internal targets are met or exceeded; and
- Monitoring the credit performance of our financial assets, including the quarterly review of our expected credit losses.

Additional information on credit risk can be found in note 26.1 of the 2025 consolidated financial statements.

3. MARKET RISK

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

Market risk sensitivities are determined based on the impact of specific changes in market prices, interest rates and credit spreads, using internal models as at a specific date. These sensitivities are measured relative to a starting position reflecting Sagicor's assets and liabilities at that date. These sensitivities measure the impact of changes in one factor at a time, assuming all other factors remain unchanged. Actual results may differ significantly from these estimates for a variety of reasons, including the interactions among multiple risk factors; changes in liabilities arising from updates to non-economic assumptions, changes in business mix, or other market factors; and the inherent limitations of internal models. Accordingly, these sensitivities should be viewed only as directional estimates of the underlying risks based on the assumptions applied to each sensitivity. Given the nature of these calculations, Sagicor cannot provide assurance that the actual impact on contractual service margin (net), net income (pre-tax), other comprehensive income (pre-tax), and Group LICAT[1] will be as indicated.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

(a) Equity risk

Equity risk is the potential adverse effect on Sagicor's financial performance and condition from declines or volatility in equity market prices. Sagicor is exposed to equity risk through some of its product guarantees, and through the impact of policyholder funds invested in accounts which track external equity-related indices such as universal life and segregated funds. Sagicor is also exposed to equity risk through its asset management and investment portfolios.

Its equity risk is managed through its investment policies and various internal controls, including among others established concentration limits, conducting sensitivity and stress testing analyses, and performing frequent monitoring. Where possible, Sagicor uses hedging strategies to mitigate its risks, in particular the segregated funds where the equity exposure is substantially all hedged.

The following table sets out the potential immediate impacts on, or sensitivity of, the contractual service margin (net), net income (pre-tax), other comprehensive income (pre-tax), and Group LICAT[1] to certain changes in market variables as at December 31, 2025 and December 31, 2024. The analysis is based on an instantaneous change in the specific market variable while holding all other assumptions constant. In practice, this is unlikely to occur, as changes in some assumptions might be correlated.

As at December 31, (in US $millions)	**20% increase**	**20% decrease**	**20% increase**	**20% decrease**
Potential impact from immediate public equity movements on:	**2025**		**2024**	
Contractual Service Margin (net)	**3.1**	**(2.3)**	3.5	(2.1)
Net Income (pre-tax)	**73.8**	**(77.4)**	74.9	(80.4)
Other Comprehensive Income (pre-tax)	**0.1**	**(0.1)**	0.1	(0.1)
Group LICAT[1]	**1.1 %**	**(1.6%)**	2.2 %	(2.5%)

As at December 31, (in US $millions)	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
Potential impact from immediate public equity movements on:	**2025**		**2024**	
Contractual Service Margin (net)	**1.7**	**(1.2)**	1.9	(1.1)
Net Income (pre-tax)	**37.3**	**(38.5)**	39.5	(44.6)
Other Comprehensive Income (pre-tax)	**-**	**-**	-	-
Group LICAT[1]	**0.7 %**	**(0.7%)**	1.2%	(1.4%)

Notes:

- All sensitivities are measured as at December 31, 2025 and December 31, 2024 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following period. Sagicor Jamaica sensitivity on the insurance contract liabilities are split between public and private equity based on the percentage allocation of public and private equity in the segregated funds. Sagicor USA spread call option sensitivities reflect an average cap rate, rather than the individual cap rate of each option.
- Certain comparatives have been restated to reflect a change in methodology and assumptions used during 2025 in the measurement of insurance, reinsurance, and investment contracts.
- The sensitivities assume all markets/geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.
- The market sensitivity impacts reflect Sagicor's accounting designation of financial assets and insurance contract liabilities. Most assets and all insurance contracts are measured at FVTPL. Market impacts on Variable Fee Approach ("VFA") insurance contracts impact the CSM, until it is exhausted, at which point, the impacts flow through income.
- For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.
- The sensitivities do not reflect any potential management actions.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

(b) Foreign exchange risk

Foreign exchange risk is due to changes in foreign currency rates. This risk may arise from mismatches in the currency of Sagicor's assets and liabilities as well as cash flows resulting from, among others, foreign currency transactions and services, investments denominated in foreign currencies, net income from foreign operations, and investments in foreign subsidiaries. Changes or volatility in foreign currency rates, including a change to currencies that are fixed in value to another currency, could adversely affect Sagicor's net income, contractual service margin and capital. Additionally, foreign exchange controls or market availability in some of the jurisdictions in which Sagicor operates may limit its ability to exchange local currency for US dollars or may restrict its ability to receive distribution from one of Sagicor's subsidiaries, and such distribution may also be subject to foreign withholding tax.

Changes in exchange rates can affect Sagicor's net income when financial results in functional currencies in its non-US operating segments are translated into US dollars. Net income outside of the US is generally not hedged for currency fluctuations and a weakening in the local currency of its foreign operations relative to the US dollar could have a negative impact on its net income reported in US currency. A strengthening in the local currency of its foreign operations relative to the US dollar would have the opposite effect. Sagicor's most significant exposure is to the Canadian dollar given its acquisition of ivari in 2023. Its other significant exposures are to the Jamaican, Barbadian and Trinidad and Tobago dollars due to its business activities in those markets.

Sagicor operates and issues contracts in the currencies prevailing in the countries where it conducts business. Currencies which are pegged to the US dollar are converted at the pegged rates. Currencies which float are converted to the US dollar by reference to the average of buying and selling rates quoted by the respective central banks.

The following tables show Sagicor's significant foreign exchange exposure as of December 31, 2025 and 2024 by presenting assets and liabilities by the currency in which they are denominated for its continuing operations. For the Sagicor Canada segment, all non-Canadian financial exposures are reported as Canadian exposure as the foreign currency risk is pass-through to policyholders.

December 31, 2025	**US $millions equivalents of balances denominated in**							
(in US $millions)	**Canada $**	**US $**	**Jamaica $**	**Barbados $**	**Trinidad & Tobago $**	**Eastern Caribbean $**	**Other Currencies**	**Total**
ASSETS								
Total monetary assets	**8,664.2**	**8,398.9**	**2,151.0**	**484.2**	**896.7**	**166.2**	**162.3**	**20,923.5**
Other assets[1]	**2,802.8**	**571.0**	**560.5**	**185.4**	**71.9**	**15.1**	**3.6**	**4,210.3**
Total assets	**11,467.0**	**8,969.9**	**2,711.5**	**669.6**	**968.6**	**181.3**	**165.9**	**25,133.8**
LIABILITIES								
Total monetary liabilities	**10,951.1**	**8,286.2**	**2,186.2**	**889.2**	**1,017.4**	**197.7**	**153.6**	**23,681.4**
Other liabilities	**2.9**	**-**	**9.9**	**0.8**	**0.9**	**2.1**	**0.7**	**17.3**
Total liabilities	**10,954.0**	**8,286.2**	**2,196.1**	**890.0**	**1,018.3**	**199.8**	**154.3**	**23,698.7**
Net position	**513.0**	**683.7**	**515.4**	**(220.4)**	**(49.7)**	**(18.5)**	**11.6**	**1,435.1**

[1] Includes equity securities

December 31, 2024	US $millions equivalents of balances denominated in							
(in US $millions)	Canada $	US $[2]	Jamaica $	Barbados $	Trinidad & Tobago $	Eastern Caribbean $	Other Currencies	Total
ASSETS								
Total monetary assets	**8,338.0**	**7,001.0**	**1,983.7**	**460.2**	**865.3**	**150.5**	**161.4**	**18,960.1**
Other assets[1]	**2,306.2**	**677.2**	**535.1**	**198.5**	**72.0**	**14.7**	**4.1**	**3,807.8**
Total assets	**10,644.2**	**7,678.2**	**2,518.8**	**658.7**	**937.3**	**165.2**	**165.5**	**22,767.9**
LIABILITIES								
Total monetary liabilities	**10,154.1**	**7,148.1**	**1,973.8**	**840.6**	**995.9**	**183.5**	**135.4**	**21,431.4**
Other liabilities	**-**	**-**	**8.4**	**0.9**	**2.0**	**2.0**	**0.8**	**14.1**
Total liabilities	**10,154.1**	**7,148.1**	**1,982.2**	**841.5**	**997.9**	**185.5**	**136.2**	**21,445.5**
Net position	**490.1**	**530.1**	**536.6**	**(182.8)**	**(60.6)**	**(20.3)**	**29.3**	**1,322.4**

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

Sensitivity

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

The table below shows the potential impact to net income (pre-tax) and other comprehensive income (pre-tax) from movements in Sagicor's key local currency relative to the US dollar.

As at December 31, (in US $millions)		Canadian dollar		Jamaican dollar		Trinidad & Tobago dollar	
Pre-tax impact on:		**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net income	10% strengthening	(32.9)	(23.0)	(5.2)	(3.6)	(24.0)	(39.1)
	10% weakening	32.9	23.0	5.2	3.6	24.0	39.0
Other comprehensive income	10% strengthening	89.1	83.0	32.2	29.4	17.4	18.7
	10% weakening	(89.1)	(83.0)	(32.2)	(29.4)	(17.4)	(18.7)

For additional details on Sagicor's foreign exchange risk, refer to notes 2.4, 15 and 26 of the 2025 consolidated financial statements.

(c) Interest rate risk

Interest rate risk is the potential adverse effect on Sagicor's financial performance and condition arising from changes or volatility in interest rates or credit/swap spreads when asset and liability cash flows do not coincide in terms of timing and amount. Sagicor is exposed to interest rate risk when the cash flows from assets and the policyholder obligations they support are mismatched as this may result in the need to either sell assets to meet policy obligations and expenses or reinvest excess asset cash flows in unfavourable interest rate environments. The impact of changes or volatility in interest rates or credit/swap spreads are reflected in the valuation of Sagicor's financial assets and insurance contract liabilities.

[1] Includes equity securities
[2] Certain comparative numbers have been changed to conform with the current period's presentation.

For products with interest rate guarantee provisions, it may be required to increase liabilities or capital in respect of these contracts. Guaranteed minimum returns exist within cash values of long-term traditional insurance contracts, long-term universal life insurance contracts, annuity options, deposit administration liabilities, and policy funds on deposit. Where the returns credited exceed the guaranteed minima, the insurer usually has the option to adjust the return from period to period. For other financial liabilities, returns are usually contractual and may only be adjusted on contract renewal or contract re-pricing.

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

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

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

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

Sagicor manages its interest rate risk by various measures including, where feasible, the selection of assets which best match the maturity of liabilities; the offering of investment contracts which match the maturity profile of assets; the re-pricing of interest rates on loans receivable, policy contracts and financial liabilities in response to market changes. In certain Caribbean markets, where availability of suitable investments may be a challenge, Sagicor holds many of its fixed-rate debt securities to maturity and therefore mitigates the transient interest rate changes in these markets.

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

For the year ending December 31,	**2025**	**2024**
Financial investments carried at FVTOCI and amortized cost:		
Debt securities	**6.0%**	5.6%
Mortgage loans	**6.4%**	6.4%
Finance loans	**10.8%**	11.2%
Securities purchased for resale	**6.5%**	4.8%
Deposits	**5.2%**	6.7%
Financial liabilities carried at amortized cost:		
Investment contract liabilities	**4.5%**	3.5%
Notes and loans payable	**6.0%**	8.1%
Other funding instruments	**5.7%**	6.0%
Deposits	**1.7%**	1.9%
Securities sold for repurchase	**4.2%**	4.5%

Sensitivity

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

The following table sets out the potential immediate impacts on, or sensitivity of, Sagicor's contractual service margin (net), net income (pre-tax), other comprehensive income (pre-tax), and Group LICAT[1] to certain changes in interest rates and credit spreads as at December 31, 2025 and December 31, 2024. The analysis is based on an instantaneous change in the specific market variable while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions might be correlated.

	Interest Rate			
	2025		2024	
As at December 31, (in US $millions, unless otherwise noted)	**50 basis points increase**	**50 basis points decrease**	**50 basis points increase**	**50 basis points decrease**
Contractual Service Margin (net)	**3.3**	**(3.6)**	4.3	(3.7)
Net Income (pre-tax)	**(6.2)**	**(6.8)**	(3.7)	(10.2)
Other Comprehensive Income (pre-tax)	**(20.7)**	**22.1**	(17.7)	19.0
Group LICAT[1]	**(0.5%)**	**0.5%**	(0.6%)	0.3%

	Credit Spread		Credit Spread	
	2025		2024	
As at December 31, (in US $millions, unless otherwise noted)	**50 basis points increase**	**50 basis points decrease**	**50 basis points increase**	**50 basis points decrease**
Contractual Service Margin (net)	**0.1**	**(0.1)**	0.1	(0.1)
Net Income (pre-tax)	**(43.8)**	**45.9**	(47.8)	40.1
Other Comprehensive Income (pre-tax)	**(5.0)**	**5.3**	(4.1)	4.4
Group LICAT[1]	**(0.7%)**	**0.8 %**	(0.9)%	1.3%

Notes:

- All sensitivities are measured as at December 31, 2025 and December 31 2024 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following period.
- Certain comparatives have been restated to reflect a change in methodology and assumptions used during 2025 in the measurement of insurance, reinsurance, and investment contracts.
- The sensitivities assume all markets/geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.
- The interest rate sensitivities assume a parallel shift in the yield curves; however, non-parallel movements may be materially different from the estimated impacts.
- The market sensitivity impacts reflect Sagicor's accounting designation of financial assets and insurance contract liabilities. Most assets and all insurance contracts are measured at FVTPL. Market impacts on VFA insurance contracts impact the CSM, until it is exhausted, at which point, the impacts flow through income.
- For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.
- The sensitivities do not reflect any potential management actions.

For more details on Sagicor's exposures to interest rates, refer to note 26.6 of the 2025 consolidated financial statements.

4. LIQUIDITY RISK

Liquidity risk is the possibility that we will not be able to fund Sagicor's financial obligations and collateral requirements as they fall due. This includes the risk of being forced to sell assets at depressed values resulting in realized losses on sale. This risk also includes restrictions on Sagicor's ability to efficiently allocate capital among its subsidiaries due to various market, contractual, and regulatory constraints on the movement of funds or the lack of marketability of portions of its assets, such as mortgage loans and real estate. Its funding obligations arise in connection with the payment of policyholder obligations, deposit withdrawals, expenses, reinsurance settlements, asset purchases, investment commitments, interest on debt, and dividend payments. Sources of available cash flows include general fund premiums and deposits, lending and investment related inflows, proceeds generated from financing activities, as well as dividends and interest payments from subsidiaries. Liquidity risk also arises when excess funds accumulate, resulting in the loss of opportunity to increase investment returns and from mismatches in the timing and value of on-balance sheet or off-balance sheet cash flows.

[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Sagicor is exposed to daily demands on its available cash resources for payment of policyholder obligations, operating expenses and taxes, loan drawdowns, repayment of borrowings, maturing deposit liabilities, and other security obligations. Sagicor seeks to maintain sufficient cash resources in each of its operating currencies to meet its projected financial obligations. However, demands on cash resources may exceed these projections.

Sagicor limits concentrations of assets and liabilities in each operating segment. Where practical, given its operating environment, it seeks to match maturities of assets and liabilities while maintaining a portfolio of short-term, highly liquid securities to meet funding gaps. It also monitors its daily, weekly, and monthly liquidity risk and manages its maturing asset and liability portfolios. Asset and liability matching is closely monitored to mitigate liquidity risks, particularly in operations with significant maturing short-term liabilities. For long-term insurance contracts, Sagicor has adopted a policy of investing in assets with cash flow characteristics that closely match the cash flow characteristics of its expected future cash flows. The primary purpose of this matching is to ensure that cash flows from these assets are synchronized with the timing and the amounts of payments that must be paid to policyholders.

Sagicor uses a combination of investments in exchange traded funds, mutual funds, and derivatives to hedge the risks associated with certain products. These options are appropriate to reduce or minimize the market risks associated with adverse fluctuations in equity markets. To minimize potential counterparty risk from the purchase of these customized contracts from broker dealers, Sagicor only transacts with banks and brokers carrying an unsecured debt rating of at least A or P-1 by either S&P Global Ratings or Moody's.

Sagicor's monetary insurance liabilities mature in periods which are summarized in the following tables for the years ended December 31, 2025 and 2024. Amounts are stated at their carrying values recognized in the financial statements and are analyzed by their expected due periods, which have been estimated by actuarial or other statistical methods.

(a) Insurance and reinsurance contract assets and liabilities

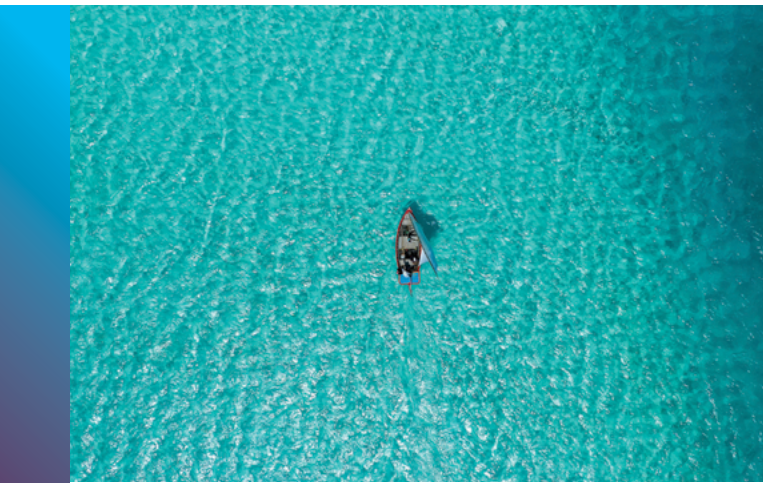
Sagicor's insurance and reinsurance contract assets and liabilities are expected to mature in periods which are summarized in the following table. For the contract assets, amounts are stated at their carrying values recognized in the financial statements. For the contract liabilities, the expected discounted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

	Expected discounted cash flows						
(in US $millions)	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**After 5 years**	**Total**
2025							
Insurance contract assets	**(1.1)**	**(1.8)**	**(0.9)**	**(0.3)**	**(0.2)**	**70.3**	**66.0**
Reinsurance contract assets	**309.2**	**53.3**	**48.0**	**45.8**	**44.3**	**1,324.8**	**1,825.4**
Total	**308.1**	**51.5**	**47.1**	**45.5**	**44.1**	**1,395.1**	**1,891.4**
Insurance contract liabilities	**882.0**	**659.6**	**853.0**	**621.3**	**865.4**	**10,876.1**	**14,757.4**
Reinsurance contract liabilities	**1.5**	**0.4**	**0.4**	**0.4**	**0.3**	**13.5**	**16.5**
Total	**883.5**	**660.0**	**853.4**	**621.7**	**865.7**	**10,889.6**	**14,773.9**
2024							
Insurance contract assets	2.7	0.8	0.8	0.7	0.7	1.2	6.9
Reinsurance contract assets	190.8	59.4	51.9	48.3	46.5	1,301.9	1,698.8
Total	193.5	60.2	52.7	49.0	47.2	1,303.1	1,705.7
Insurance contract liabilities	767.2	419.3	574.8	609.3	560.9	9,985.3	12,916.8
Reinsurance contract liabilities	(0.9)	0.9	0.6	0.6	0.6	17.1	18.9
Total	766.3	420.2	575.4	609.9	561.5	10,002.4	12,935.7

(b) Financial liabilities and commitments

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

	2025 — Contractual undiscounted cash flows			
(in US $millions)	**On demand or within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Financial liabilities:				
Investment contract liabilities	**398.1**	**67.5**	**21.2**	**486.8**
Notes and loans payable	**103.3**	**1,055.1**	**17.5**	**1,175.9**
Lease liabilities	**11.9**	**35.3**	**48.1**	**95.3**
Deposit and security liabilities:				
Other funding instruments	**520.5**	**277.7**	**1,515.3**	**2,313.5**
Customer deposits	**1,357.9**	**32.8**	**0.1**	**1,390.8**
Structured products	**-**	**-**	**-**	**-**
Securities sold for repurchase	**786.8**	**22.6**	**-**	**809.4**
Derivative financial instruments	**0.5**	**-**	**-**	**0.5**
Bank overdrafts	**0.3**	**-**	**-**	**0.3**
Accounts payable and accrued liabilities	**284.1**	**1.8**	**-**	**285.9**
Total financial liabilities	**3,463.4**	**1,492.8**	**1,602.2**	**6,558.4**
Off balance sheet commitments:				
Loan commitments	**68.5**	**4.6**	**7.4**	**80.5**
Customer guarantees and letters of credit	**33.9**	**0.5**	**9.9**	**44.3**
Unfunded investment commitments	**108.7**	**71.5**	**-**	**180.2**
Other	**0.4**	**1.9**	**2.9**	**5.2**
Total off balance sheet commitments	**211.5**	**78.5**	**20.2**	**310.2**
Total	**3,674.9**	**1,571.3**	**1,622.4**	**6,868.6**



	2024 — Contractual undiscounted cash flows			
(in US $millions)	**On demand or within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Financial liabilities:				
Investment contract liabilities	**384.2**	**76.8**	**21.3**	**482.3**
Notes and loans payable	**116.3**	**1,057.3**	**17.5**	**1,191.1**
Lease liabilities	**8.2**	**25.0**	**17.2**	**50.4**
Deposit and security liabilities:				
Other funding instruments	**526.1**	**252.0**	**1,507.7**	**2,285.8**
Customer deposits	**1,210.6**	**10.4**	**0.2**	**1,221.2**
Structured products	**-**	**-**	**-**	**-**
Securities sold for repurchase	**660.7**	**21.7**	**-**	**682.4**
Derivative financial instruments	**0.5**	**-**	**-**	**0.5**
Bank overdrafts	**1.2**	**-**	**-**	**1.2**
Accounts payable and accrued liabilities	**307.0**	**2.3**	**-**	**309.3**
Total financial liabilities	**3,214.8**	**1,445.5**	**1,563.9**	**6,224.2**
Off balance sheet commitments:				
Loan commitments	**88.5**	**2.0**	**3.4**	**93.9**
Customer guarantees and letters of credit	**33.8**	**0.4**	**10.0**	**44.2**
Unfunded investment commitments[1]	**8.2**	**42.9**	**-**	**51.1**
Other	**0.3**	**-**	**-**	**0.3**
Total off balance sheet commitments	**130.8**	**45.3**	**13.4**	**189.5**
Total	**3,345.6**	**1,490.8**	**1,577.3**	**6,413.7**

5. INSURANCE RISK

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

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

(a) Insurance product design and pricing risk

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

Risks are priced to achieve an adequate return on capital on the insurer's[2] business. To determine the price of an insurance contract, the insurer considers the nature and amount of the risk assumed, and recent experience and industry statistics of the benefits payable. Pricing inadequacy may arise either from the use of inadequate experience and statistical data in deriving pricing factors, from insurance market softening conditions, or from future changes in the economic environment. In establishing premium rates, Sagicor provides for appropriate levels of claims experience, including mortality rates for

[1] Certain comparative numbers have been changed to conform with the current period's presentation.
[2] Insurer refers to a subsidiary of Sagicor issuing insurance contracts.

life insurance, longevity rates for annuities, morbidity rates for disability and health insurance, and contingent loss rates for property and casualty insurance. Claims rates incurred in excess of pricing have adverse consequences for profitability, and conversely, claims rates incurred at levels below pricing impact profitability positively.
Although some of its products permit us to increase premiums or adjust other charges and credits during the life of the policy or contract, the terms of these policies or contracts may not allow for sufficient adjustments to maintain expected profitability. This could have an adverse effect on its financial performance and condition.

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

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

(b) Policyholder behaviour risk

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

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

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

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

(c) Mortality, morbidity and longevity risk

Mortality and morbidity risk is the risk that future experience could be unfavourable relative to the assumptions used in the pricing and valuation of its products. Mortality and morbidity risk can arise in the normal course of business through random fluctuations in realized experience, product development and pricing, and several external factors such as catastrophes, pandemics, higher disability claims during economic slowdowns, and higher medical treatment costs. Adverse mortality and morbidity experience could also occur through systemic anti-selection, which could arise due to poor plan design or underwriting process failure among other factors. They can introduce potential for adverse financial results.

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

For long-term contracts in force, Sagicor invests in assets with cash flow characteristics that closely match the cash flow characteristics of the related policy liabilities mainly to ensure that cash flows from these assets are synchronized with the timing and the amounts of the policyholders' obligations.

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

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

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

(d) Property & casualty (P&C) insurance risk

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

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

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

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

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

(e) Expense risk

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

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

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

Actuaries within Sagicor determine each segment's actuarial liabilities after factoring in expected levels of attributable operating expenses. Higher inflation and taxation levels would adversely impact its profitability, and conversely lower inflation and taxation levels would positively impact its profitability.

(f) Reinsurance risk

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

Sagicor cedes some of its insurance risk to highly rated reinsurers. Sagicor monitors the risk profile of these reinsurers, and in some instances requires that a trust account be maintained by the reinsurer as collateral.

Under reinsurance contracts, Sagicor retains some part of the risk and coverage in excess of these limits is ceded to reinsurers. Sagicor also maintains catastrophic reinsurance coverage whereby reinsurance coverage is obtained for multiple claims arising from one event or occurring within a specified period.

Sagicor holds reinsurance coverages that allow potential policy benefits to exceed claims amounts which are prudent for Sagicor to undertake. Reinsured amounts may be on a per policy basis, (i.e., in excess of a predetermined insured amount) or

may be based on the aggregation of the insured's coverages (i.e., the insured has several policies, and the amount reinsured is the aggregate exceeding a predetermined amount).

The tables below illustrate the gross and net (of reinsurance) total life insurance coverages and annuity liabilities for individual and group policies as of December 31, 2025, and 2024, respectively.

(in US $millions)		**2025**		**2024**
Total life insurance coverage				
Individual contracts - gross[1]	**$**	**220,250.1**	$	209,405.1
Individual contracts - net[1]	**$**	**79,361.5**	$	73,407.4
Group contracts - gross	**$**	**4,893.8**	$	4,840.1
Group contracts - net	**$**	**4,821.5**	$	4,764.1

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

(in US $millions)		**2025**		**2024**
Total liability for annuity contracts				
Individual contracts - gross	**$**	**6,562.6**	$	5,678.1
Individual contracts - net	**$**	**6,378.4**	$	5,444.2
Group contracts - gross	**$**	**648.5**	$	590.8
Group contracts - net	**$**	**639.1**	$	580.9

For more details, refer to note 27 to the 2025 consolidated financial statements.

Sensitivity to insurance risks

Insurance risk sensitivities were determined based on the impact of specific changes in policyholder behaviour, mortality, longevity, morbidity, P&C loss ratio, and expense assumptions used in the valuation of insurance contracts. The following sensitivity analysis shows the immediate impact on contractual service margin and net income of a reasonably possible permanent deterioration in these assumptions, which have the greatest impact on the estimates of future cash flows with all other assumptions unchanged. This analysis presents adverse sensitivities both before and after risk mitigation by reinsurance contracts. An improvement of the same percentage in those assumptions would have a similar impact, but in the opposite direction. Actual results may differ significantly from these estimates for a variety of reasons, including the interactions among multiple risks; changes in liabilities arising from updates to non-economic assumptions, changes in business mix, and other market factors; and the inherent limitations of internal models. Accordingly, these sensitivities should be viewed only as directional estimates of the underlying risks based on the assumptions applied to each sensitivity. Given the nature of these calculations, we cannot provide assurance that the actual impact on contractual service margin and net income will be as indicated.

[1] Comparative numbers have been changed to conform with the current period's presentation.

As at December 31, *(in US $millions, pre-tax)*	2025				2024			
	Contractual Service Margin		Net Income		Contractual Service Margin		Net Income	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2% adverse change in future mortality rates for insurance liabilities	**(109.5)**	**(5.2)**	**(16.0)**	**(4.0)**	(104.5)	(3.7)	(15.6)	(2.2)
2% adverse change in future longevity rates for annuity liabilities	**(2.3)**	**(2.3)**	**(2.2)**	**(2.2)**	(2.5)	(2.5)	(2.1)	(2.1)
5% adverse change in future morbidity rates	**(5.9)**	**(3.8)**	**(0.8)**	**(0.8)**	(5.4)	(4.4)	(0.7)	(0.7)
10% multiplicative increase to the P&C loss ratio	**-**	**-**	**(6.1)**	**(6.1)**	-	-	(3.2)	(3.2)
5% increase in future expense levels	**(21.1)**	**(20.9)**	**(5.8)**	**(5.8)**	(20.0)	(19.7)	(5.8)	(5.3)
10% adverse change in policyholder behaviour (i.e., lapses)	**(242.0)**	**(165.9)**	**(39.3)**	**(31.0)**	(247.4)	(152.7)	(42.0)	(29.8)

Notes:

- All sensitivities are measured as at December 31, 2025 and December 31, 2024 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following period.
- Certain comparatives have been restated to reflect a change in methodology and assumptions used during 2025 in the measurement of insurance, reinsurance, and investment contracts.
- The sensitivities assume all markets/geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.
- For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.
- The direction of the policyholder behaviour sensitivity is assessed at the operating segment level.
- The sensitivities do not reflect any potential management actions.

6. OPERATIONAL RISK

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

The following are examples of operational risks that could impact Sagicor:

(a) Fiduciary risk

Sagicor provides investment management, insurance and pension administration, and corporate trust services to corporate customers. Investment management services require Sagicor to make allocation, purchase, and sale decisions in relation to a wide range of investments on behalf of these corporate customers. These services may in certain cases represent fiduciary relationships and may expose Sagicor to claims for breach of fiduciary duty, maladministration or underperformance of these investments. As of December 31, 2025, Sagicor administered $4,100.4 million (2024 – $4,081.0 million) in assets on behalf of these corporate customers.

(b) Fraud risk

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

(c) Business continuity risk

This represents the risk of not being able to maintain, continue, or restore on a timely basis, essential business operations during and/or after an event that prevents us from conducting business in the normal course. Exposure to operational events that disrupt or interrupt the continuity of its business operations could negatively impact its financial performance and condition, as well as its reputation, client outcomes and/or result in harm to its employees. These operational events could occur as a result of the impact of severe weather events, pandemic outbreaks, failed processes, technology failures or cyber-attack. Sagicor has implemented comprehensive plans and procedures to be followed in the event of a disaster or business disruption, whether the impact is direct or occurs indirectly through third-party service providers. Plans and processes have been established across the organization to follow in the event of disaster or business disruption impacting us directly or indirectly, such as through a third-party service provider.

(d) Technology and cybersecurity risk

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

Information security risk, an integral component of technology risk, arises from inadequate or failed controls designed to protect the confidentiality, integrity, and availability of information assets. This includes risks related to unauthorized access, data leakage, improper data handling, weak access management, insufficient encryption, inadequate monitoring, or failures in safeguarding both customer and corporate information throughout its lifecycle.

Technology and information security risks include computer viruses, network or application security breaches, system failures, data corruption, and other unanticipated events (including those affecting Sagicor's business partners or third-party service providers) that could compromise systems or information and could damage Sagicor's business, financial performance, and financial condition.

Cyber risk is the potential impact arising from cybersecurity threats, including cyber-attacks and failures, that could disrupt or disable operations, compromise systems, or expose, alter, destroy, or result in the loss of data. This risk may materialize through ransomware, phishing, distributed denial-of-service attacks, social engineering, or the exploitation of vulnerabilities in internal or third-party systems.

Sagicor has a dedicated team of cybersecurity and information security professionals responsible for protecting the organization against breaches and other security incidents. This team ensures that appropriate security, privacy, and operational controls are in place. Sagicor remains vigilant and continues to improve its cybersecurity and information security capabilities, strengthening defences, and advancing controls to address the evolving threat landscape.

(e) Third-Party risk

Third-party risk is the risk that a third-party fails to provide goods, business activities or services therefore exposing Sagicor to negative outcomes. The third-party risk scenarios may include insolvency, operational disruption, geopolitical tensions, breaches, loss, or corruption of data, unwillingness to provide the services/products in accordance with the term of their contracts, regulatory action, litigation, or reputational damage. Key third-party providers are closely monitored as part of its ERM program.

(f) Model risk

Models support pricing and our valuation of financial products, identification, measurement and management of risk, stress testing and capital adequacy, business decision-making, financial and regulatory reporting, operational efficiencies, and public disclosure. Model risk is the risk of adverse financial, operational or reputational consequences arising from the inappropriate design, implementation and/or use of a model at any stage throughout a model's lifecycle. Sagicor has established a multi-layered review of its significant models.

(g) Human resources risk

Human resources are an essential component in the realization of Sagicor's strategic plan and the implementation of its business strategies. Human resources risk is the risk of loss resulting from a shortage of competent, motivated, and engaged resources whether due to capacity, employment practices, working conditions, or labour disputes that may limit Sagicor's ability to carry out the operational activities needed to support its growth.

Sagicor is also exposed to risks related to succession planning and leadership continuity, including the potential loss of key executives and technical experts whose knowledge and relationships are integral to the business. Failure to maintain effective succession pipelines could impact strategic execution and organizational stability.

Competitive pressures in labour markets may also affect Sagicor's ability to attract and retain qualified employees. Compensation and incentive structures must remain market competitive while supporting responsible risk-taking behaviour and organizational objectives. Rising wage expectations and competition from both regional and global employers may increase retention and recruitment challenges.

Given Sagicor's operations across multiple jurisdictions, the organization is also exposed to risks related to compliance with diverse labour laws, regulations, and employment standards. Variations in regulatory requirements, employment practices, and statutory obligations across countries can increase the complexity of managing the workforce and heighten the risk of non-compliance.

To mitigate these risks, a code of conduct is in place in addition to well-defined policies and procedures with respect to compensation, recruitment, training, employment equity, diversity, occupational health and safety, and adherence to labour laws. It also conducts employee surveys, focus group discussions and interviews to assess employee engagement levels, identify areas of concern, and support a positive, compliant, and high-performing work environment.

(h) Legal & regulatory risk

Sagicor is subject to extensive regulatory oversight by financial services regulators across the jurisdictions in which it operates.

Legal and regulatory risk is the risk that changes to legislation, regulations or government policies, or the way they are interpreted or enforced, may require Sagicor to make significant changes to its strategy or operations and may result in higher implementation costs and diversion of resources to implement the changes. In addition, there is the risk of potential non-conformance with laws, rules, regulations, and prescribed practices, often resulting from inadequate or failed internal processes, controls, staffing, or systems. Its failure to comply with laws or to conduct its business consistent with changing regulatory or public expectations could adversely impact its reputation and may lead to regulatory investigations, examinations, proceedings, settlements, penalties, fines, restrictions on its business, litigation or an inability to execute its business strategies and plans. Sagicor is and may be at any given time subject to legal proceedings, regulatory actions, as well as governmental and regulatory examinations, investigations and other inquiries.

Regulatory compliance risk includes the regulatory risks associated with financial crimes (which include, but are not limited to, money laundering, terrorist financing, bribery, corruption and violations of economic sanctions), privacy, market conduct, consumer protection and business conduct, as well as prudential and other generally applicable non-financial requirements. Specific compliance policies, procedures and supporting frameworks have been developed to seek to manage regulatory compliance risk. Sagicor's Regulatory Compliance Management framework outlines how we manage and mitigate the risk of non-compliance and adaptability.

7. STRATEGIC RISK

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

While Sagicor has endured for 185 years, its product offerings and geographic markets have evolved over the years. Markets often have different preferences for certain products and any successful venture into new markets needs to adapt to market tastes. Sagicor only ventures into new markets or offers new products after extensive research and appraisal.

Sagicor faces significant competition, mainly from national and regional insurance companies and from self-insurance. Sagicor also faces competition from global companies, this competition could limit Sagicor's ability to gain or maintain its position in the industry and could materially adversely affect its business as well as its financial performance and condition.

8. CONDUCT RISK

Conduct risk is the risk of unfair or inappropriate outcomes for customers arising from inadequate or failed processes, inappropriate behaviours, product design weaknesses, or interactions by Sagicor's employees or third-party intermediaries. Conduct risk may also arise through unsuitable product offerings, misaligned sales practices or incentives, inadequate disclosure or advice, ineffective oversight of agents, brokers or distributors, or insufficient management of conflicts of interest. It may also arise from inadequate handling of customer complaints or failure to identify and appropriately support vulnerable customers. A failure to identify and mitigate conduct risk can result in customer harm and can have adverse reputational, regulatory, and financial consequences for Sagicor through remediation costs, regulatory actions, and erosion of trust. Sagicor manages conduct risk through its code of conduct, policies, and procedures governing product development, distribution, customer communication, and complaints management. Employees and third-party intermediaries are expected to act professionally, treat customers fairly, and comply with applicable laws, regulations, and internal policies. Failure to comply with conduct requirements or to report actual or suspected breaches may result in corrective or disciplinary action.

9. ENVIRONMENTAL AND SOCIAL RISK

Environmental and Social (E&S) risk is the potential adverse impact on Sagicor's financial performance and condition, operations, legal and regulatory compliance, or reputation arising from the management of E&S issues and relationships with stakeholders and communities. E&S issues include, but are not limited to, land and resource use, biodiversity, water quality and availability, climate change, environmental regulation, social and racial inequality, human rights, and community engagement.

E&S risks, including climate-related risks, are transverse risks that affect Sagicor's principal risk categories to varying degrees. Climate-related risks are classified as transition risks and physical risks. Transition risks arise from the shift to a low-carbon economy and may result from changes in public policy, regulation, technology, or market and customer preferences. Physical risks include those associated with severe climate events, longer-term changes in climate patterns, and indirect impacts such as public health effects. E&S risks may manifest through insurance, reputation, and legal and regulatory compliance risks, and may also affect other principal risks, including strategic, operational, credit, market, liquidity, and systemic risks.

The following sets out Sagicor's governance, strategy and risk management in respect of E&S risks.

Governance

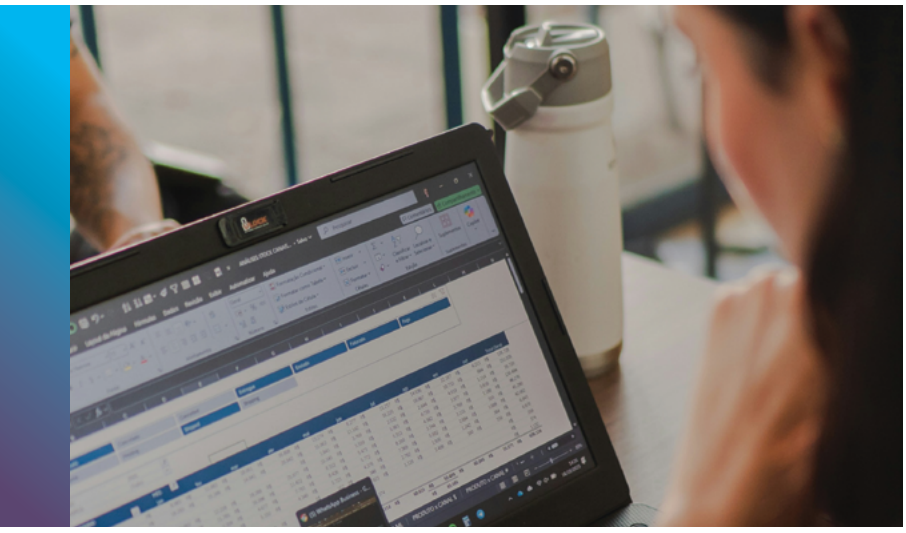
The Board of Directors provides oversight of Sagicor's business and affairs, including sustainability matters. Sustainability matters, including sustainability-related risks, are taken into consideration during the design of our strategic plans. Sustainability-related risks, both current and emerging, are monitored by management and discussed with the Risk Committee of the Board, and sustainability disclosures are reviewed and approved by the Audit Committee of the Board. Senior management is responsible for managing risks and opportunities, and implementing our enterprise strategies, which include E&S matters.

Strategy

Sagicor's strategy integrates sustainability considerations at its core, ensuring that E&S related insights, stakeholder feedback, and robust governance all shape its long-term direction. Sagicor relies on both qualitative and quantitative methods to guide its capital allocation, underwriting decisions, and product development. In parallel, it collaborates with various stakeholders to identify emerging opportunities to ensure its business practices evolve with market and stakeholder expectations. This holistic focus on E&S not only strengthens Sagicor's resilience against future disruptions, but also positions the organization to capture sustainable growth opportunities across its Caribbean and North American operations.

Risk Management

Roles and responsibilities related to E&S risk management are governed by Sagicor's ERM framework, including a three lines of defence governance model. Sagicor risk teams are responsible for identifying, assessing, measuring, managing, mitigating, monitoring and reporting E&S risks, and for maintaining relevant policies and controls. E&S risks are assessed alongside other principal risks to ensure consistent oversight and integration into enterprise-wide risk management processes.



9. ADDITIONAL INFORMATION

A. Quarterly Financial Information

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

(in US $millions, unless otherwise noted)	**Q4 2025**	**Q3 2025**	**Q2 2025**	**Q1 2025**	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**
Insurance service result	**63.2**	62.3	71.6	58.2	47.0	37.8	51.4	29.7
Total investment result	**55.4**	160.1	73.0	79.4	111.4	162.5	33.1	121.4
Total insurance and investment result	**118.6**	222.4	144.6	137.6	158.4	200.3	84.5	151.1
Fees and other income	**32.5**	45.0	16.5	38.1	52.4	33.9	31.8	34.7
Gain/(loss) arising on acquisitions and divestitures	**-**	-	-	-	(0.1)	(0.1)	9.8	-
Share of income of associates and joint ventures	**1.8**	1.3	2.8	0.2	1.5	1.3	0.4	1.2
Other operating expenses	**(100.0)**	(86.7)	(89.7)	(93.2)	(82.2)	(81.9)	(90.5)	(83.7)
Other interest and finance costs	**(54.0)**	(51.7)	(51.6)	(50.5)	(61.2)	(54.8)	(59.4)	(57.2)
Income/(loss) before taxes	**(1.1)**	130.3	22.6	32.2	68.8	98.7	(23.4)	46.1
Income taxes	**(3.1)**	(34.5)	(14.0)	(12.3)	(7.1)	(31.1)	(7.1)	(16.5)
Net income/(loss)	**(4.2)**	95.8	8.6	19.9	61.7	67.6	(30.5)	29.6
Net (loss)/income attributable to shareholders	**(14.4)**	81.0	(6.4)	6.7	52.4	59.1	(40.2)	26.2
Basic EPS	**(10.6¢)**	59.7¢	(4.7¢)	4.9¢	38.2¢	42.1¢	(28.5)¢	18.6¢
Diluted EPS	**(10.6¢)**	58.1¢	(4.7¢)	4.8¢	37.3¢	41.1¢	(28.5)¢	18.2¢
Return on shareholders' equity (annualized)[1]	**(5.5%)**	31.8 %	(2.6%)	2.8 %	21.9%	25.5%	(17.3)%	10.8%
Dividends declared per share	**$0.0675**	$0.0675	$0.0675	$0.0675	$0.0600	$0.0600	$0.0600	$0.0600
Dividends paid per share	**$0.0675**	$0.0675	$0.1350	$0.0000	$0.0600	$0.0600	$0.1200	$0.0000
Total assets	**25,133.8**	24,574.9	24,142.4	23,210.1	22,767.9	23,023.5	22,003.8	22,231.4
Total equity attributable to shareholders	**1,036.6**	1,049.2	990.3	958.2	959.7	952.3	897.7	964.4
Income/(loss) attributable to shareholders by operating segment:								
Sagicor Canada	**8.6**	53.0	3.7	10.9	7.8	62.7	20.4	5.2
Sagicor Life USA	**(12.2)**	21.3	(0.8)	(0.1)	41.9	(0.6)	(26.9)	37.1
Sagicor Jamaica	**9.7**	13.9	14.6	12.5	10.4	8.3	9.4	3.2
Sagicor Life	**16.2**	13.0	20.5	7.7	12.4	14.1	2.2	9.8
Head office, other & inter-segment eliminations	**(36.7)**	(20.2)	(44.4)	(24.3)	(20.1)	(25.4)	(45.3)	(29.1)
Total	**(14.4)**	81.0	(6.4)	6.7	52.4	59.1	(40.2)	26.2
Revenues[1]	**647.9**	974.1	735.6	647.8	723.1	1,130.1	606.2	639.3

[1] Represents a non-IFRS or other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

Third Quarter of 2025

Net income attributable to shareholders of $81.0 million for the three-month period ended September 30, 2025 was driven by higher than expected equity market returns at Sagicor Canada, the favourable impact of interest rate movements at all operating segments, revaluation gains on Canadian dollar denominated financing facilities, and the favourable impact from the annual assumption review.

Second Quarter of 2025

Net loss attributable to shareholders of $6.4 million for the three-month period ended June 30, 2025 was impacted by interest rates movements at Sagicor Canada and Sagicor Life USA and revaluation loss on Canadian dominated financing facilities. Foreign currency translation gain on the net assets of our Canadian segment positively impacted other comprehensive income. As a result, total comprehensive income to shareholders of $39.8 million exceeded our reported net loss to shareholders.

First Quarter of 2025

Net income attributable to shareholders for the three-month period ended March 31, 2025 was $6.7 million, compared to $26.2 million for the corresponding period in 2024. The results were impacted by unfavourable mark-to-market equity movement at Sagicor Canada and interest rates movements at Sagicor Life USA and Sagicor Life.

Fourth Quarter of 2024

In Q4 2024, net income to shareholders was $52.4 million, outperforming the results for the same quarter for 2023 of $37.0 million, excluding the gain from the ivari acquisition ($448.3 million). The favourable results were driven by positive mark-to-market gains on our equity investments at Sagicor Life USA and Sagicor Life, partially offset by one-time expenses on debt refinancing.

Third Quarter of 2024

Sagicor's net income to shareholders was higher at $59.1 million. The positive results were driven by positive market experience across all segments, due to the movement in interest rates.

Second Quarter of 2024

Sagicor's net income to shareholders was lower with a loss of $40.2 million driven primarily by $55.1 million of market experience losses and was also affected by one-time costs related to a debt financing and retirement of old debt. The market experience was due to differences in changes of our mark to market valuation of our assets and the calculated value of our liabilities, as dictated by IFRS 17. We view this experience as transitory and subject to reversal over time.

First Quarter of 2024

In Q1 2024, net income to shareholders was $26.2 million resulting from excellent profitability at Sagicor Life USA from market experience gains due to asset price appreciation and at Sagicor Life from positive market experience. Sagicor Canada's results were driven by favourable equity returns and narrowing corporate spreads offset by the negative impact of higher interest rates and Sagicor Jamaica's profitability was negatively impacted by market experience losses. All segments recorded strong new business production reflecting continued solid performance.

B. Litigation or Other Matters

Sagicor is subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by Sagicor, and the amount can be reasonably estimated. In respect to claims asserted against Sagicor which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended, cannot be reasonably estimated or will result in exposure to Sagicor which is immaterial to both the financial position and the results of operations. Details of significant matters have been disclosed in the Sagicor's 2025 audited consolidated financial statements.

C. Share Buyback Program

On June 20, 2025, the Company announced that the TSX accepted the Company's notice of intention to renew its normal course issuer bid ("NCIB") through which the Company may purchase up to 9,296,291 of the NCIB Shares during the 12-month period commencing June 24, 2025, and ending June 23, 2026. 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 twelve-month period ended December 31, 2025, the Company repurchased 657,600 shares at a total cost of $3.8 million (6,248,816 shares at a total cost of $13.4 million for the twelve-month period ended December 31, 2024), which were subsequently cancelled. In 2024, included in the total shares repurchased were 3,222,430 escrow shares which were cancelled at $0.01 par value per share for a nominal consideration in accordance with the established Escrow Agreement and Arrangement Agreement. No such shares were included in total repurchased shares during 2025. Share capital and share premium in equity have been reduced by the cost of the shares repurchased and commission paid. The premium or discount on the repurchase of shares is recorded directly in retained earnings.

As at December 31, 2025, there were no shares (2024 - 6,600 shares at a total cost of $0.03 million) reflected in treasury shares.

D. Related Party Transactions

Note 31 of the 2025 consolidated financial statements provides additional information on related party transactions.

E. Subsequent Events

(i) On March 11, 2026, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of $0.075 per common share payable on April 17, 2026, to the shareholders of record at the close of business on March 26, 2026. This represents an increase of 11% over the previous quarterly dividend of $0.0675 per common share.

10. ACCOUNTING AND CONTROL MATTERS

A. Critical Accounting Policies and Estimates

Management exercises judgement involving estimates in applying accounting policies. Note 2 and 3 of the 2025 consolidated financial statements provide additional details of the material accounting policies and critical accounting estimates.

The items which may have the most effect on the Group's financial statements are set out below.

1. Insurance and reinsurance contracts

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

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. These are addressed below in section 2.1 for contracts not measured under the Premium Allocation Approach ("PAA").

2. Contracts not measured under PAA

2.1 Areas of judgement

Specific areas of judgement and estimates impacting contracts not measured under PAA are described in subsequent notes.

Definition and classification

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

Level of aggregation

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

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

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

Areas of judgements include:

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

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

2.2 The methods used to measure insurance contracts

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

The following assumptions are used when estimating future cash flows:

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

Assumptions are based on standard industry and national tables, (e.g. tables from the Canadian Institute of Actuaries) according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate, to reflect the Group's own experiences. An appropriate, but not excessive,

allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

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

- Longevity

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

- Expenses

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

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

- Lapse and surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group.

2.3 Discount rates

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

During the observable period, a top-down approach was used, where the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. Reference portfolios were selected to reflect the currency of the liabilities, the Group's investment strategies and the characteristics of the liabilities and are comprised of a mix of sovereign and corporate bonds available on the markets.

Where information is not readily available in certain markets, comparable information and/or estimation is used. The yield from the reference portfolio is adjusted to remove both expected and unexpected credit risk and, where applicable, other asset characteristics that are not related to the insurance contract liabilities. The illiquidity adjustments are estimated using information from observed historical levels of default for bonds included in the reference portfolio. The adjusted sovereign yield curves, or the risk-free yield curves (wherever they are available) plus an illiquidity premium, are used to discount the liability cash flow.

Where cash flows vary with an underlying item, cash flows are projected assuming returns on the underlying item that are consistent with the discount rate. Further details on the discount rates which have been applied for the discounting of future cash flows are disclosed in note 3.2.3 of the 2025 consolidated financial statements.

2.4 Risk adjustment for non-financial risk

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

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

The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level between 75% to 85% (2024 - between 75% to 85%).

2.5 Amortization of the Contractual Service Margin

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

- Identifying the coverage units in the group:

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

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

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

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

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

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

3. Impairment of financial assets

In determining ECL (defined in note 2.7 (b)(ii) of the 2025 consolidated financial statements), management is required to exercise judgement in defining what is considered a significant increase in credit risk ("SICR") and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in note 2.7 under sections 'Measurement' and 'Forward-looking information' of the 2025 consolidated financial statements.

a) Establishing staging for debt securities, other financial assets and deposits

The Group's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies. See note 3.3 of the 2025 consolidated financial statements for the rating scale.

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

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

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

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

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

Qualitative test

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

Backstop criteria

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

c) Forward-looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Barbados, Eastern Caribbean, Trinidad and Jamaica.

Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

4. Fair value of investments not quoted in an active market

The fair value of investments not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

The Group exercises judgement on the quality of pricing sources used. Where no market data is available, the Group may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models are primarily discounted cash flows.

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

5. Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is carried at cost less accumulated impairment. The assessment of goodwill impairment is performed annually and more frequently if indicators of impairment exist. An impairment loss is recognized for the amount by which the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is the higher of an operating segment's (or operation's) fair value less costs to sell and its value in use.

On the disposal of a subsidiary or insurance business, the associated goodwill is derecognized and is included in the gain or loss on disposal. On the disposal of a subsidiary or insurance business forming part of a reportable operating segment, the proportion of goodwill disposed is the proportion of the fair value of the asset disposed to the total fair value of the operating segment.

b) Other intangible assets

Other intangible assets identified on acquisition are recognized only if future economic benefits attributable to the asset will flow to the Group and if the fair value of the asset can be measured reliably. In addition, for the purposes of recognition, the intangible asset must be separable from the business being acquired or must arise from contractual or legal rights. Intangible assets acquired in a business combination are initially recognized at their fair value. Other intangible assets, which have been acquired directly, are recorded initially at cost.

On acquisition, the useful life of the asset is estimated. If the estimated useful life is definite, then the cost of the asset is amortized over its life, and the asset is tested for impairment when there is evidence of same. If the estimated useful life is indefinite, the asset is tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

6. Income taxes

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are computed at tax rates that are enacted or substantially enacted by the end of the reporting period. Deferred tax assets are only recognized when it is probable that taxable profits will be available against which the asset may be utilized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to do so and they relate to the same entity.

Deferred tax, related to fair value re-measurement of fair value through other comprehensive income ("FVTOCI") investments and cash flow hedges which are recorded in other comprehensive income, is recorded in other comprehensive income and is subsequently recognized in income together with the deferred gain or loss. The Group has applied the exception to the requirements in IAS 12 whereby an entity does not recognize or disclose information about deferred tax assets and liabilities related to the Organization for Economic Co-operation and Development's (OECD's) international tax reform.

B. Changes to Material Accounting Policies in 2025 or Later

The principal accounting policies, including the changes adopted in 2025 and to be adopted in the future, are described in note 2 of the 2025 consolidated financial statements.

- IAS 21 - Lack of exchangeability, became effective January 1, 2025, and has been deemed not to have a material effect on the Group.
- Amendments to IFRS 7 and IFRS 9 - Classification and Measurement of Financial Instruments is effective January 1, 2026. We do not expect the adoption of these amendments to have a material impact on our consolidated financial statements.
- IFRS 18 – Presentation and Disclosure in Financial Statements is effective January 1, 2027. The Group is currently evaluating the impact of the adoption on our consolidated financial statements.

C. Controls and Procedures

Disclosure controls and procedures

Sagicor's disclosure controls and procedures are designed to provide reasonable assurance that relevant information is accumulated and communicated to management, including the President and CEO and the Chief Financial Officer (CFO), to allow timely decisions regarding required disclosure.

Management, including the President and CEO and the CFO, has evaluated the effectiveness of Sagicor's disclosure controls and procedures as of December 31, 2025 and concluded that such disclosure controls and procedures were effective.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with IFRS. Our internal controls are intended to ensure financial records are reliable, transactions are made in accordance with management's authorization and assets are safeguarded.

All internal control systems have inherent limitations, no matter how well designed. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As at December 31, 2025, management, including the President and CEO and CFO, assessed the effectiveness of the internal control over financial reporting based on the framework and criteria established in Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring organizations of the Treadway Commission and concluded that such internal control was effective.

Changes in internal control over financial reporting

There were no changes to our internal control over financial reporting during the year, which began on January 1, 2025 and ended on December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

11. NON-IFRS AND OTHER FINANCIAL MEASURES

A. Non-IFRS Financial Measures

A financial measure is considered a non-IFRS measure if it is presented other than in accordance with the generally accepted accounting principles used for Sagicor's consolidated financial statements. Non-IFRS financial measures do not have a standardized meaning and may not be comparable to similar financial measures presented by other institutions.

Assets under management (AUM)

This measure indicates the size of Sagicor's managed assets across all business lines. It is comprised of on-balance sheet assets classified under non-restricted cash, financial investments, and segregated funds, as well as off-balance sheet external client assets for which Sagicor provides investment management services, such as mutual funds and institutional asset management. There is not a directly comparable IFRS financial measure disclosed in Sagicor's financial statements to which the measure relates.

Core earnings/(losses)

Core earnings /(losses) is a non-IFRS financial measure to assist investors understand Sagicor's ongoing profitability and long-term earnings potential by excluding from reported earnings /(loss) the impact of items that create volatility in Sagicor's results under IFRS, or that are not representative of Sagicor's business operating performance. For example, equity market volatility, interest rate changes, and foreign currency exchange rate fluctuations can all have significant impacts on the reported value of Sagicor's assets and insurance contract liabilities, and therefore reported net income in the period. These impacts, however, may not be realized in subsequent periods if markets move in the opposite direction, which can cause difficulty in attempting to compare performance period over period.

Core earnings is used as a basis for management planning as it better reflects our ongoing earnings potential. In addition, Sagicor also uses this measure as a metric for our employee incentive compensation programs.

The most directly comparable IFRS financial measure is net income, as presented in our consolidated financial statements. A quantitative reconciliation of core earnings attributable to shareholders to the IFRS measure net income attributable to shareholders, is provided in Section 4A – Profitability – Core Earnings.

Core earnings is based on net income adjusted for the following items:

1. Market experience gains and losses

Impacts on net investment income and on finance expenses from assets and contract liabilities, arising from actual market variations (e.g. equity markets, interest rates and exchange rates).

2. Changes in actuarial methods & assumptions

Impacts from revisions to the methodologies and assumptions used in the measurement of insurance, reinsurance, and investment contracts.

3. Other, which includes but is not limited to:

a) Items that are unusual in nature which the Company believes are not representative of the long-term performance
b) Goodwill/intangible impairments
c) Significant initiative costs
d) Acquisition, integration and restructuring costs
e) Gains/losses on divestiture of a business
f) Amortization of acquisition-related finite life intangible assets
g) Enacted or substantially enacted tax rate changes
h) Actions taken by management in the current reporting period which include, but are not limited to, new or revised reinsurance deals on in-force business
i) Start-up business activities
j) Tax effects of all the aforementioned items
k) Non-controlling interest on all the aforementioned items

Core Drivers of Earnings ("DOE"): The core DOE shows the sources of core earnings. Certain amounts in the core DOE are presented on a net basis to reflect how management views the business, compared to a gross basis in the consolidated financial statements. Examples include:

- Net investment result include assets returns net of interest expense on investment contracts and finance income/(expenses) from insurance contracts issued and reinsurance contracts held;
- Gains/losses on economic hedges for fixed indexed annuities are included in insurance service result.

The elements of core DOE are described below:

1. Core net insurance service result includes the lines below attributed to core earnings:

- **Expected insurance earnings** which includes the release of risk adjustment for expired non-financial risk, the CSM recognized for service provided and expected earnings on short-term insurance business measured under the premium allocation approach ("PAA").
- **Impact of new insurance business (onerous contracts)** is the losses related to writing new insurance business identified as onerous at initial recognition including the impact of the associated reinsurance contracts.
- **Insurance experience gains/(losses)** are the differences between management expected and actual insurance claims and losses attributable to underwriting performance.

2. Core net investment result represents the net amount of investment income and finance expenses from contract liabilities and includes the following:

- **Expected investment earnings**, which is the management expected earnings from the underlying and surplus assets, less the associated interest accretion from insurance contract liabilities, net of investment expenses.
- **Credit experience/change in credit loss**, which is the impact of the allowance for credit losses to a level management considers adequate for expected credit-related losses.
- **Other** represents pre-tax net income on any residual items in the investment result section.

3. Core non-insurance activities, which are revenues for activities such as, but not limited to, asset management and administration, and share of income of associates and joint ventures.

4. Core other expenses, which are expenses not attributable to insurance contracts, such as, but not limited to, corporate expenses, depreciation and asset taxes.

5. Core income taxes, which represent the value of amounts payable under the tax laws and include deferred income taxes. The statutory tax rate could be reduced by various tax benefits, including income earned in business lines subject to lower tax rates and tax-exempt investment income.

6. Other interest and finance costs, which represents financing charges on debentures, loans, notes payable, and funding instruments.

Core earnings/(losses) attributable to shareholders represents core earnings minus the share of core earnings attributable to non-controlling interest.

Net premium revenue/net premium: The sum of premiums written by an insurance company, less premiums ceded to reinsurance companies, plus any reinsurance assumed in the reporting period, excludes segregated fund premium.

Organic CSM movement: It is the sum of the following components:

- **Impact of new insurance business** ("impact of new business" or "new business CSM") is the impact from insurance contracts initially recognized in the period. It includes the impacts related to policy cancellations and acquisition expenses, and it excludes the impacts of unusual new reinsurance contracts on in-force business which are considered management actions.
- **Expected movement related to finance income or expenses** ("interest accretion") includes interest accreted on the CSM during the period and the expected change on Variable Fee Approach ("VFA") contracts if returns are as expected.
- **CSM recognized for service provided** ("CSM amortization") is the portion of the CSM that is recognized in net income for service provided in the period; and
- **Insurance experience gains/(losses) and other** is primarily the change from experience variances that relate to future periods. This includes persistency experience and changes in future period cash flows caused by other current period experience (e.g., policyholder behaviour that differs from expectations).

Non-organic CSM movement: This includes the following:

- **Changes in actuarial methods and assumptions** that adjust the CSM;
- **Effect of movement in exchange rates** over the reporting period;
- **Impact of markets,** which represents the market experience for VFA contracts. It is the impact on fulfilment cash flows of actual market variations (e.g., equity markets and interest rates) that differ from expectations; and
- **Impact from business combinations**

B. Non-IFRS Ratios

A non-IFRS ratio is a financial measure in the form of a ratio, fraction, percentage or similar representation that is not disclosed in the financial statements and has a non-IFRS financial measure as one or more of its components. These financial measures do not have a standardized definition and may not be comparable to similar financial measures disclosed by other institutions.

The following non-IFRS ratios use core earnings attributable to shareholders as a component. Refer to Section 11A Non-IFRS Financial Measures, for the definition of core earnings attributable to shareholders.

Core basic earnings per share (Core Basic EPS): represents core earnings attributable to shareholders divided by the weighted average number of common shares outstanding. This is a measure to evaluate the Company's capacity to generate sustainable earnings.

Core earnings to shareholders growth: This is the percentage change in core earnings attributable to shareholders compared with a prior period. This is a measure to evaluate the Company's capacity to generate sustainable earnings.

Core dividend payout ratio: This is the ratio of dividends declared per share to core basic earnings attributable to shareholders per share.

Core fully diluted earnings per common share (Core Fully Diluted EPS): represents core earnings attributable to shareholders divided by the diluted weighted average number of shares. This is a measure to evaluate the Company's capacity to generate sustainable earnings.

Core return on common shareholders' equity (Core ROE) measures profitability using core earnings attributable to common shareholders as a percentage of the capital deployed to earn the core earnings. The Company calculates core ROE using average common shareholders' equity quarterly, as the average of common shareholders' equity at the start and end of the quarter, and annually, as the average of the quarterly average common shareholders' equity for the year. The quarterly Core return on shareholders' equity is annualized.

C. Other Financial Measures

Book value per common share: To determine the book value per common share, total common shareholders' equity is divided by the number of shares outstanding at the period end, net of any treasury shares.

Book value and net CSM to shareholders: This measure is the sum of total common shareholders' equity and Net CSM to shareholders and is an important measure for monitoring growth and measuring our insurance business value.

Capital base to risk-weighted assets: This capital adequacy measure is based on the guidelines developed by the Financial Services Commission ("FSC"), the Bank of Jamaica ("BOJ"), Basel II and the Risk Management and Compliance Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals. The BOJ and the FSC require each regulated entity to hold the minimum level of regulatory capital, and to maintain a minimum ratio of total regulatory capital to the risk-weighted assets. The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, taking into account any eligible collateral or guarantees.

Dividend pay-out ratio: This is the ratio of dividends declared per share to basic earnings per common share.

Financial leverage ratio: This is the ratio of notes and loans payable (refer to note 10 of 2025 consolidated financial statements) to Total capital, as defined in this section. This ratio measures the proportion of debt the Company uses to finance its operations as compared with its capital.

Group life insurance capital adequacy test ("Group LICAT"): The Group's goal is to maintain adequate levels, at sufficient margins above minimum regulatory capital requirements, to maintain consumer confidence as well as credit ratings with external rating agencies. Management engages the Board with regards to actions necessary to maintain appropriate capital levels. Sagicor has voluntarily elected to follow OSFI's LICAT Guideline, specifically the latest amendment which became effective January 1, 2025.

Jamaican life insurance capital adequacy test ("JA-LICAT"): Sagicor Life Jamaica Limited seeks to maintain internal capital adequacy at levels higher than the regulatory requirements. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is one of the core measures of financial performance. The risk-based assessment measure is the JA-LICAT which became effective January 1, 2023, as per the Insurance Regulations, 2001 amended 2023. The minimum standard requirement for JA-LICAT ratio is 100%.

Life insurance capital adequacy test ("LICAT"): The Office of the Superintendent of Financial Institutions ("OSFI") requires Canadian federally regulated life insurance companies to apply its LICAT, as the capital adequacy guideline. Companies are required, at a minimum, to maintain a Total Ratio of 90% and OSFI has established a supervisory target ratio level of 100% for Total Capital.

Market capitalization: Market capitalization is the aggregate value of the Company's shares as indicated on the stock market. It is calculated by multiplying the total number of outstanding shares by the present share price, at a given date.

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

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

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

Reported return on shareholders' equity (Reported ROE) is reported net income/(loss) attributable to shareholders divided by the average of common shareholders' equity at the start and end of the quarter, and annually, as the average of

the quarterly average common shareholders' equity for the year. The quarterly return on shareholders' equity is annualized. This measure provides an indication of overall profitability of the company.

Return on investments: Return on investments measures the return on the investments relative to the value of the investments for a period. To determine this measure, net investment income is divided by the average of financial investments at the start and end of the quarter, and annually, as the average of the quarterly average financial investments for the year. The quarterly return on investments is annualized.

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

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

Shareholders' equity plus net CSM to shareholders per share: To determine the shareholders' equity plus net CSM to shareholders per share, shareholders' equity and net CSM to shareholders is divided by the number of common shares outstanding at the period end, net of any treasury shares. This is an important measure for monitoring growth and measuring insurance businesses' value at the common share level.

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

Total net CSM balance growth: This is the percentage change in the Net CSM compared with a prior period. This ratio measures the growth in expected future profits period on period.

Total net CSM to shareholders balance growth: This is the percentage change in the CSM net of NCI compared with a prior period. This ratio measures the growth in expected future profits period on period.

D. Non-IFRS Reconciliations

DOE Reconciliations

The following provides the reconciliation of core DOE to reported net income attributable to shareholders.

For the three months ended December 31, 2025 *(in US $millions)*	**Core DOE**	**Market experience gains and losses**	**Changes in actuarial methods & assumptions**	**Reclass-ifications**	**Other Adjustments**	**Reported**
Net insurance service result	**62.5**	**-**	**3.3**	**(0.9)**	**(1.7)**	**63.2**
Total investment result	**90.9**	**(44.4)**	**(0.4)**	**10.8**	**(1.5)**	**55.4**
Non-insurance activities[1]	**39.7**	**(5.9)**	**-**	**(0.2)**	**0.7**	**34.3**
Other expenses	**(89.5)**	**-**	**-**	**(1.6)**	**(8.9)**	**(100.0)**
Income taxes	**(14.1)**	**11.1**	**(1.1)**	**-**	**1.0**	**(3.1)**
Other interest and finance costs	**(44.9)**	**(0.3)**	**-**	**(8.1)**	**(0.7)**	**(54.0)**
Earnings	**44.6**	**(39.5)**	**1.8**	**-**	**(11.1)**	**(4.2)**
Less: earnings attributable to non-controlling interests	**13.0**	**-**	**-**	**-**	**(2.8)**	**10.2**
Earnings attributable to shareholders	**31.6**	**(39.5)**	**1.8**	**-**	**(8.3)**	**(14.4)**

[1] Represented by the sum of Fees and other income, Gain on acquisitions and divestitures, and Share of income of associates and joint ventures.

For the three months ended September 30, 2025 *(in US $millions)*	**Core DOE**	**Market experience gains and losses**	**Changes in actuarial methods & assumptions**	**Reclass-ifications**	**Other Adjustments**	**Reported**
Net insurance service result	**63.0**	**(5.4)**	**0.3**	**7.6**	**(3.2)**	**62.3**
Total investment result	**90.9**	**61.7**	**6.6**	**1.3**	**(0.4)**	**160.1**
Non-insurance activities[1]	**38.7**	**8.4**	**-**	**(0.5)**	**(0.3)**	**46.3**
Other expenses	**(82.0)**	**-**	**-**	**(1.5)**	**(3.2)**	**(86.7)**
Income taxes	**(20.7)**	**(13.4)**	**(1.8)**	**-**	**1.4**	**(34.5)**
Other interest and finance costs	**(42.8)**	**(0.3)**	**-**	**(6.9)**	**(1.7)**	**(51.7)**
Earnings	**47.1**	**51.0**	**5.1**	**-**	**(7.4)**	**95.8**
Less: earnings attributable to non-controlling interests	**12.1**	**-**	**-**	**-**	**2.7**	**14.8**
Earnings attributable to shareholders	**35.0**	**51.0**	**5.1**	**-**	**(10.1)**	**81.0**

For the three months ended December 31, 2024 *(in US $millions)*	**Core DOE**	**Market experience gains and losses**	**Changes in actuarial methods & assumptions**	**Reclass-ifications**	**Other Adjustments**	**Reported**
Net insurance service result	**46.2**	**(0.7)**	**(3.7)**	**(0.5)**	**5.7**	**47.0**
Total investment result	**91.6**	**12.1**	**(1.2)**	**8.0**	**0.9**	**111.4**
Non-insurance activities[1]	**35.3**	**16.1**	**-**	**0.3**	**2.1**	**53.8**
Other expenses	**(76.1)**	**-**	**0.6**	**0.5**	**(7.2)**	**(82.2)**
Income taxes	**(20.8)**	**0.9**	**0.3**	**-**	**12.5**	**(7.1)**
Other interest and finance costs	**(41.4)**	**0.6**	**-**	**(8.3)**	**(12.1)**	**(61.2)**
Earnings	**34.8**	**29.0**	**(4.0)**	**-**	**1.9**	**61.7**
Less: earnings attributable to non-controlling interests	**6.8**	**-**	**-**	**-**	**2.5**	**9.3**
Earnings attributable to shareholders	**28.0**	**29.0**	**(4.0)**	**-**	**(0.6)**	**52.4**

For the twelve months ended December 31, 2025 *(in US $millions)*	**Core DOE**	**Market experience gains and losses**	**Changes in actuarial methods & assumptions**	**Reclass-ifications**	**Other Adjustments**	**Reported**
Net insurance service result	**262.8**	**(5.4)**	**3.6**	**(0.7)**	**(5.0)**	**255.3**
Total investment result	**362.2**	**(29.5)**	**7.8**	**33.9**	**(6.5)**	**367.9**
Non-insurance activities[1]	**153.0**	**(14.4)**	**-**	**(0.5)**	**0.1**	**138.2**
Other expenses	**(338.3)**	**-**	**-**	**(3.1)**	**(28.2)**	**(369.6)**
Income taxes	**(73.6)**	**10.6**	**(3.2)**	**-**	**2.3**	**(63.9)**
Other interest and finance costs	**(173.7)**	**(0.3)**	**-**	**(29.6)**	**(4.2)**	**(207.8)**
Earnings	**192.4**	**(39.0)**	**8.2**	**-**	**(41.5)**	**120.1**
Less: earnings attributable to non-controlling interests	**50.1**	**-**	**-**	**-**	**3.1**	**53.2**
Earnings attributable to shareholders	**142.3**	**(39.0)**	**8.2**	**-**	**(44.6)**	**66.9**

[1] Represented by the sum of Fees and other income, Gain on acquisitions and divestitures, and Share of income of associates and joint ventures.

For the twelve months ended December 31, 2024 *(in US $millions)*	Core DOE	Market experience gains and losses	Changes in actuarial methods & assumptions	Reclass-ifications	Other Adjustments	Reported
Net insurance service result	**204.9**	**(11.4)**	**(19.9)**	**(6.8)**	**(0.8)**	**166.0**
Total investment result	**343.9**	**41.3**	**4.5**	**35.3**	**3.4**	**428.4**
Non-insurance activities[1]	**141.0**	**14.5**	**-**	**(1.1)**	**12.5**	**166.9**
Other expenses	**(307.7)**	**-**	**0.6**	**(0.2)**	**(31.2)**	**(338.5)**
Income taxes	**(74.9)**	**(3.0)**	**1.0**	**-**	**15.1**	**(61.8)**
Other interest and finance costs	**(184.9)**	**2.3**	**-**	**(27.2)**	**(22.9)**	**(232.7)**
Earnings	**122.3**	**43.7**	**(13.8)**	**-**	**(23.9)**	**128.3**
Less: earnings attributable to non-controlling interests	**31.4**	**-**	**-**	**-**	**(0.6)**	**30.8**
Earnings attributable to shareholders	**90.9**	**43.7**	**(13.8)**	**-**	**(23.3)**	**97.5**

AUM[2] Reconciliations

The table below provides a reconciliation of AUM[2] to the financial statements.

(in US $millions)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Total invested assets					
Cash (non-restricted)	**333.4**	506.5	376.9	322.4	442.5
Financial investments	**19,257.5**	18,651.5	18,281.7	17,667.7	17,159.3
Financial investments repledged	**860.8**	886.1	849.1	722.6	696.7
Investment property	**71.4**	73.0	74.0	74.0	77.0
Total investment assets	**20,523.1**	20,117.1	19,581.7	18,786.7	18,375.5
Segregated funds assets	**450.6**	449.5	450.2	424.9	447.2
Total on the balance sheet	**20,973.7**	20,566.6	20,031.9	19,211.6	18,822.7
Third-party assets under management	**4,100.4**	4,043.8	4,003.3	4,051.4	4,081.0
Total AUM[2]	**25,074.1**	24,610.4	24,035.2	23,263.0	22,903.7

[1] Represented by the sum of Fees and other income, Gain on acquisitions and divestitures, and Share of income of associates and joint ventures.
[2] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.

12. HISTORICAL FINANCIAL DISCLOSURES

The following table provides a summary of Sagicor's results for the three most recently completed years.

(in US $millions, unless otherwise noted)	**2025**	**2024**	**2023**
Revenues[1]	**3,005.4**	3,098.8	2,534.0
Net income/(loss)[2]	**120.1**	128.3	584.2
Net income/(loss)[2] attributable to common shareholders	**66.9**	97.5	532.1
Basic EPS	**49.3¢**	69.6¢	374.0¢
Basic EPS - excluding gain on business acquisition	**N/A**	N/A	60.0¢
Diluted EPS	**47.8¢**	67.9¢	367.0¢
Diluted EPS - excluding gain on business acquisition	**N/A**	N/A	57.8¢
Return on shareholders' equity[1 2]	**6.7%**	10.3%	94.5%
Return on shareholders' equity[1] - excluding gain on business acquisition	**N/A**	N/A	18.5%
Dividends paid per common share	**27.0¢**	24.0¢	22.5¢
Total assets	**25,133.8**	22,767.9	22,384.9
Other liabilities	**22,700.1**	20,491.5	20,110.2
Notes and loans payable	**998.6**	953.9	945.7
Total equity attributable to common shareholders	**1,036.6**	959.7	970.9

(in US $millions, unless otherwise noted)	**2025**	**2024**	**2023**
Revenues[1] by operating segment:			
Sagicor Canada	**1,200.2**	1,422.5	964.0
Sagicor Life USA	**553.0**	520.6	491.9
Sagicor Jamaica	**794.3**	706.2	649.9
Sagicor Life	**485.3**	448.3	450.8
Head office, other & inter-segment eliminations	**(27.4)**	1.2	(22.6)
Revenues[1]	**3,005.4**	3,098.8	2,534.0

[1] Represents a non-IFRS measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.
[2] Includes gain on business acquisition of US $448.3 million in 2023.

Revenues[1]

For the year ended December 31, 2025 Sagicor generated revenues[1] totalling $3,005.4 million compared to $3,098.8 million for the corresponding period in 2024, a decrease of $93.4 million or 3%. While Sagicor experienced continued strong business growth momentum across segments, lower FVTPL gains experienced at Sagicor Canada, contributed to the overall decline in revenues[1] year on year.

(in US $millions, unless otherwise noted)	**2025**	**2024**	**2023**
Net income attributable to common shareholders by operating segment:			
Sagicor Canada	**76.2**	96.2	122.1
Sagicor Life USA	**8.2**	51.6	41.1
Sagicor Jamaica	**50.7**	31.3	49.6
Sagicor Life	**57.4**	38.5	(13.3)
Head office, other & inter-segment eliminations[2]	**(125.6)**	(120.1)	332.6
Net income attributable to common shareholders	**66.9**	97.5	532.1







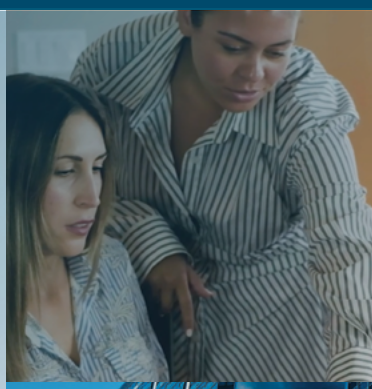
[1] Represents a non-IFRS and other financial measure: refer to Section 11 — Non-IFRS And Other Financial Measures in this document for relevant information about such measures.
[2] Includes gain on business acquisition of US $448.3 million in 2023.



RESULTS THAT STAND STRONG.

CONSOLIDATED FINANCIAL STATEMENTS













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SAGICOR FINANCIAL COMPANY LTD.
2025 APPOINTED ACTUARY's REPORT
TO THE SHAREHOLDERS AND POLICYHOLDERS

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

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

for the balance sheets, at 31st December 2025, and their change in the respective consolidated statement of operations, for the year then ended, for each organization and on a consolidated basis in accordance with accepted actuarial practice, including selection of appropriate assumptions and methods, performed using the International Financial Report Standard 17 (**IFRS 17**).

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

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

Myriam Roux, FCIA, FSA Fellow, Canadian Institute of Actuaries Fellow, Canadian Institute of Actuaries Member of the Caribbean Actuarial Association		Bridgetown, Barbados 11th March 2026
Appointed Actuary of Sagicor Financial Company Ltd.	Signature	City, Country, Report Date

Independent auditor's report

To the Shareholders of Sagicor Financial Company Ltd.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sagicor Financial Company Ltd. (the Company) and its subsidiaries (together 'the Group') as at December 31, 2025 and December 31, 2024, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statements of financial position as of December 31, 2025 and December 31, 2024;
- the consolidated statements of income for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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Certain required disclosures have been presented elsewhere in Management's Discussion and Analysis for the three-month and twelve-month periods ended December 31, 2025 and December 31, 2024, rather than in the notes to the consolidated financial statements. These are cross-referenced from the consolidated financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Insurance contract liabilities - Significant assumptions used to determine fulfilment cash flows Refer to notes 2.3, 3.2 and 6 to the consolidated financial statements for disclosures of related accounting policies and balances. As at December 31, 2025 insurance contract liabilities totalled $17.95 billion. Insurance contract liabilities measured under the general measurement model and variable fee approach consist of: o Contractual service margin (CSM) - This is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future. o Fulfilment cash flows (FCFs) - These are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. FCFs comprise unbiased and probability weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk (risk adjustment). Measurement of the FCFs requires management judgement in estimating the expected future cash flows on a present value basis, in addition to applying a risk adjustment for non-financial risk. Estimates of expected future cash flows incorporate best estimate assumptions for mortality and morbidity rates, longevity, expenses, policy holder behaviour (lapse, surrenders and partial withdrawals) as well as economic assumptions (discount rates and crediting rates) and the risk adjustment for non-financial risk.	Our approach to addressing the matter, with the assistance of our actuarial experts, included the following procedures amongst others: • Updated our understanding of management's end to end process and controls supporting the determination of FCFs. • Tested the operating effectiveness of certain controls related to the completeness and accuracy of data used in the calculation of FCFs. • Assessed the experience and objectivity of management's actuarial experts. • Tested accuracy and completeness of a sample of data inputs used in the estimates of FCFs. • Assessed the reasonableness of management's best-estimate assumptions for mortality rates, policyholder behaviour and economic assumptions and the adjustment for non-financial risk by: o Evaluating whether management's assumptions were determined in accordance with the requirements of IFRS 17. o Evaluating the Company's internal experience studies for appropriateness by considering published industry studies, market data and component specific facts and circumstances. • Evaluated a sample of actuarial models used in management's determination of the FCFs by: o Assessing the appropriateness of the modelling of product features. o Assessing the appropriateness of the application of best-estimate assumptions.

Key audit matter	How our audit addressed the key audit matter
The assumptions are reviewed and updated, at least annually, by management's actuarial experts. We considered this a key audit matter due to the judgement applied by management when determining the FCFs, which in turn led to a high degree of auditor judgement and effort in evaluating the assumptions with specific reference to mortality rates, policy holder behaviour and economic assumptions.	• Assessed the disclosures within the consolidated financial statements against the requirements of IFRS 17.

Other information

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

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

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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



Bridgetown, Barbados

March 11, 2026

	NOTE	2025	2024
ASSETS			
Cash		333,423	442,494
Restricted cash		118,853	100,188
Financial investments	5	19,257,495	17,159,289
Financial investments repledged	5	860,782	696,750
Reinsurance contract assets	6	3,044,576	2,890,248
Insurance contract assets	6	9,796	4,886
Miscellaneous assets and receivables		287,466	282,012
Income tax assets	20	319,487	316,265
Associates and joint ventures	7	72,357	68,707
Intangible assets	8	82,555	88,070
Investment property		71,410	76,970
Property, plant and equipment		225,003	194,837
Segregated funds assets	28	450,643	447,222
Total assets		**25,133,846**	**22,767,938**
LIABILITIES			
Accounts payable and accrued liabilities		286,087	309,431
Income tax liabilities	20	17,034	13,987
Investment contract liabilities		468,763	466,548
Reinsurance contract liabilities	6	12,612	14,701
Insurance contract liabilities	6	17,951,638	16,075,723
Deposit and security liabilities	9	3,375,106	3,057,250
Lease liabilities		62,774	34,939
Notes and loans payable	10	998,582	953,939
Other liabilities / retirement benefit liabilities		75,517	71,744
Insurance contract liabilities on account of segregated fund policyholders	28	450,643	447,222
Total liabilities		**23,698,756**	**21,445,484**
EQUITY			
Share capital	11	1,352	1,354
Share premium	11	700,331	700,413
Reserves	12	(102,828)	(160,515)
Retained earnings		437,727	418,440
Total shareholders' equity		1,036,582	959,692
Non-controlling interests		398,508	362,762
Total equity		**1,435,090**	**1,322,454**
Total liabilities and equity		**25,133,846**	**22,767,938**

These consolidated financial statements have been approved for issue by the Board of Directors on March 11, 2026.



Director



Director

	NOTE	2025	2024
Insurance revenue	13	1,488,076	1,449,941
Insurance service expenses	13	(1,202,662)	(1,085,262)
Net expense from reinsurance contracts held	13	(30,090)	(198,674)
INSURANCE SERVICE RESULT		**255,324**	**166,005**
Loss on derecognition of amortized cost investments	14	(3)	(54)
Gain / (loss) on derecognition of assets carried at FVTOCI	14	6,280	(2,603)
Interest income earned from financial assets measured at amortized cost and FVTOCI	14	266,185	243,291
Credit impairment loss	14	(11,378)	(6,862)
Net gain on FVTPL investments	14	1,118,386	1,256,955
Other investment income	14	5,760	5,118
NET INVESTMENT INCOME	14	**1,385,230**	**1,495,845**
Finance expense from insurance contracts issued	14	(1,071,707)	(1,174,329)
Finance income from reinsurance contracts held	14	54,351	106,836
NET INSURANCE FINANCE EXPENSES	14	**(1,017,356)**	**(1,067,493)**
NET INVESTMENT RESULT BEFORE SEGREGATED FUNDS		**367,874**	**428,352**
Net investment income for segregated funds	28	53,425	73,913
Finance expenses from insurance contracts issued for segregated funds	28	(53,425)	(73,913)
NET INVESTMENT RESULT FOR SEGREGATED FUNDS	28	-	-
TOTAL INVESTMENT RESULT		**367,874**	**428,352**
NET INSURANCE AND INVESTMENT RESULT		**623,198**	**594,357**
Gain arising on divestiture		-	9,599
Fees and other income	15	132,137	153,020
Share of income of associates and joint ventures	4.1	6,144	4,333
Other operating expenses	16	(369,697)	(338,469)
Other interest and finance costs	17	(207,815)	(232,725)
INCOME BEFORE TAXES		**183,967**	**190,115**
Income taxes	19	(63,914)	(61,776)
NET INCOME FOR THE YEAR		**120,053**	**128,339**
Net income is attributable to:			
Common shareholders	4.1	66,935	97,468
Non-controlling interests	4.1	53,118	30,871
		120,053	**128,339**
Earnings per common share:			
Basic earnings per common share	21	49.3 cents	69.6 cents
Fully diluted earnings per common share	21	47.8 cents	67.9 cents

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

	NOTE	2025	2024
NET INCOME FOR THE YEAR		**120,053**	**128,339**
OTHER COMPREHENSIVE INCOME / (LOSS):			
Items net of tax that may be reclassified subsequently to income:	22		
Financial assets measured at FVTOCI:			
Gain / (loss) on revaluation		23,899	(4,996)
(Gain) / loss transferred to income		(6,551)	1,848
Retranslation of foreign currency operations		29,301	(78,872)
		46,649	**(82,020)**
Items net of tax that will not be reclassified subsequently to income:	22		
Gain arising on revaluation of owner-occupied property		2,854	4,160
Loss on defined benefit plans		(4,129)	(1,899)
Other items		-	(9)
		(1,275)	**2,252**
Other comprehensive income / (loss)	22	**45,374**	**(79,768)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**165,427**	**48,571**
Total comprehensive income is attributable to:			
Common shareholders	4.1	109,699	27,167
Non-controlling interests		55,728	21,404
		165,427	**48,571**

	Share Capital (note 11)	Share Premium (note 11)	Reserves (note 12)	Retained Earnings	Total Shareholders' Equity	Non-controlling Interests	Total Equity
2025							
Balance, January 1, 2025	**1,354**	**700,413**	**(160,515)**	**418,440**	**959,692**	**362,762**	**1,322,454**
Net income for the year	-	-	-	66,935	66,935	53,118	120,053
Other comprehensive income	-	-	47,098	(4,334)	42,764	2,610	45,374
Total comprehensive income for the year	**-**	**-**	**47,098**	**62,601**	**109,699**	**55,728**	**165,427**
Transactions with holders of equity instruments:							
Allotment of common shares (note 11)	5	3,289	-	-	3,294	-	3,294
Repurchase of shares (note 11)	(7)	(3,400)	-	(345)	(3,752)	-	(3,752)
Movement in treasury shares	-	29	-	-	29	-	29
Changes in reserve (note 12)	-	-	3,969	140	4,109	47	4,156
Dividends declared (note 11.2)	-	-	-	(36,621)	(36,621)	(20,769)	(57,390)
Changes in ownership interest in subsidiaries	-	-	-	417	417	(417)	-
Transfers and other movements	-	-	6,620	(6,905)	(285)	1,157	872
Balance, December 31, 2025	**1,352**	**700,331**	**(102,828)**	**437,727**	**1,036,582**	**398,508**	**1,435,090**
2024							
Balance, January 1, 2024	**1,409**	**725,029**	**(73,417)**	**317,913**	**970,934**	**358,087**	**1,329,021**
Net income for the year	-	-	-	97,468	97,468	30,871	128,339
Other comprehensive loss	-	-	(71,585)	1,284	(70,301)	(9,467)	(79,768)
Total comprehensive income for the year	**-**	**-**	**(71,585)**	**98,752**	**27,167**	**21,404**	**48,571**
Transactions with holders of equity instruments:							
Allotment of common shares (note 11)	7	3,544	-	-	3,551	-	3,551
Repurchase of shares (note 11)	(62)	(28,187)	-	14,866	(13,383)	-	(13,383)
Movement in treasury shares	-	27	-	-	27	-	27
Changes in reserve (note 12)	-	-	(19,940)	19,780	(160)	99	(61)
Dividends declared (note 11.2)	-	-	-	(33,661)	(33,661)	(17,484)	(51,145)
Transfers and other movements	-	-	4,427	790	5,217	656	5,873
Balance, December 31, 2024	**1,354**	**700,413**	**(160,515)**	**418,440**	**959,692**	**362,762**	**1,322,454**

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

	NOTE	2025	2024
OPERATING ACTIVITIES			
Income before taxes		183,967	190,115
Adjustments for non-cash items, interest and dividends	23	230,124	199,080
Interest and dividends received		709,876	585,255
Interest paid		(187,792)	(205,794)
Income taxes paid	23	(49,432)	(57,891)
Net change in investments	23	(1,500,350)	(810,103)
Net change in operating assets	23	25,916	201,132
Net change in operating liabilities		582,005	112,435
Net cash flows - operating activities		**(5,686)**	**214,229**
INVESTING ACTIVITIES			
Property, plant and equipment, net	23	(10,431)	(10,818)
Associates and joint ventures		(903)	(2,056)
Dividends received from associates and joint ventures		3,396	5,148
Intangible assets, net		(4,488)	(6,311)
Net cash flows - investing activities		**(12,426)**	**(14,037)**
FINANCING ACTIVITIES			
Repurchase of common shares		(3,752)	(13,383)
Movement in treasury shares		29	27
Shares issued to non-controlling interest		392	560
Changes in ownership of subsidiaries		1,000	-
Notes and loans payable, net	23	25,716	1,268
Lease liability, principal paid	23	(9,035)	(9,336)
Dividends paid to common shareholders		(36,624)	(30,175)
Dividends paid to non-controlling interests		(20,769)	(13,211)
Net cash flows - financing activities		**(43,043)**	**(64,250)**
Effect of exchange rate changes		1,526	(9,603)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(59,629)	126,339
Cash and cash equivalents, beginning of year		927,709	801,370
CASH AND CASH EQUIVALENTS, END OF YEAR	23	**868,080**	**927,709**

1. GENERAL INFORMATION

Sagicor Financial Company Ltd. (TSX: SFC, "Sagicor" or the "Company") is a leading financial services provider in the Caribbean, with over 180 years of history. SFC's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados.

The common shares of Sagicor are listed on the Toronto Stock Exchange and are traded under the symbol "SFC".

Sagicor and its subsidiaries ("the Group") operate across Canada, the United States of America (USA) and the Caribbean. Details of Sagicor's holdings and operations are set out in note 4.

The principal activities of the Sagicor Group are as follows:

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

and its principal operating companies are as follows:

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

The Group also underwrites property and casualty insurance.

For ease of reference, when the term "insurer" is used in the following notes, it refers to either one or more Group subsidiaries that engages in insurance activities.

These consolidated financial statements for the year ended December 31, 2025, have been approved by the Board of Directors on March 11, 2026. Neither the Company's owners nor others have the power to amend the financial statements after issue.

2. MATERIAL ACCOUNTING POLICIES

Material accounting policies are set out below and have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

All amounts in these financial statements are shown in thousands of United Stated dollars (US$), which is the Group's presentation currency, unless otherwise stated.

The Group has adopted the amendment to International Accounting Standards ("IAS") set out in the following table.

Amendment to existing IAS effective January 1, 2025

Standard	Description of amendment
IAS 21 – Lack of exchangeability	This amendment assists entities in the determination of whether a currency is exchangeable in another currency and outlines requirements entities would need to apply when a currency is not exchangeable into another currency at a measurement date for a specified purpose. This standard has no material effect on the Group.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. Control exists when the Group is exposed to variable returns from its ownership interest in the entity and can affect those returns through its power over the entity. Subsidiaries are consolidated from the date control is obtained and de-consolidated when control ceases.

All material intra-group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued, and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognized and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognized in income as a gain on acquisition.

Subsequent ownership changes in a subsidiary, without loss of control, are accounted for as transactions between owners in the statement of changes in equity.

Non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interest.

On an acquisition by acquisition basis, the Group recognizes, at the date of acquisition, the components of any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the non-controlling interest component is entitled to a proportionate share of net identifiable assets of the acquiree in the event of liquidation. For certain components of non-controlling interests, other IFRS may override the fair value option.

Non-controlling interest balances are subsequently re-measured by the non-controlling's proportionate share of changes in equity after the date of acquisition.

On the sale of or loss of control of a subsidiary, the Group derecognizes the related assets, liabilities, non-controlling interest and associated goodwill of the subsidiary. The Group reclassifies its share of balances of the subsidiary previously recognized in other comprehensive income either to income or to retained earnings as appropriate. The gain (or loss) on sale recorded in income is the excess (or shortfall) of the fair value of the consideration received over the derecognized and reclassified balances.

(b) Associates and joint ventures

Investments in associated companies, which are not majority-owned or controlled but where significant influence exists, are accounted for under the equity method. Investments in companies are accounted for as associates in instances when significant influence exists even though the shareholding may be less than 20%.

Investments in associate and joint venture companies are originally recorded at cost and include intangible assets identified on acquisition. The carrying amounts increase or decrease each period to recognize the Group's share of the investees' profits of losses, as well as other comprehensive income. The Group's share of any unrealized gains or losses on transactions with its associates or joint ventures is eliminated. An impairment charge is recorded if there is objective evidence that the carrying amount of an investment exceeds its recoverable amount.

Accounting policies of associates and joint ventures have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group recognizes in income its share of associate and joint venture companies' post-acquisition income and its share of the amortization and impairment of intangible assets which were identified on acquisition. Unrealized gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest.

The Group recognizes in other comprehensive income, its share of post-acquisition other comprehensive income. The Group recognizes an impairment of its net investment in an associate or a joint venture when there is objective evidence that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the associate's or joint venture's fair value less costs to sell and its value in use.

(c) Pension and investment funds

The Group has issued deposit administration and unit linked contracts in which the full return of the assets supporting these contracts accrues directly to the contract-holders. As these contracts are not operated under separate legal trusts, they have been consolidated in these financial statements.

The Group manages segregated pension funds, mutual funds and unit trusts. These funds are segregated and investment returns on these funds accrue directly to unit-holders. Consequently, the assets, liabilities and activity of these funds are not included in these consolidated financial statements unless the Group has a significant holding in the fund. Where a significant holding exists, the Group either consolidates the assets, liabilities and activity of the fund and accounts for any non-controlling interest as a financial liability or accounts for the fund as an associate.

The Group issues certain segregated funds contracts which allow the policyholders to invest in segregated investment funds managed by the Group for their benefit. The policyholders bear the risks and rewards of the performance of the funds, however the underlying assets of the funds are owned by the Group. The underlying assets are recorded at fair value and the values are based on quoted market prices or, where quoted market prices are not readily available, on prevailing market prices for instruments with similar characteristics and risk profiles or by using internal or external valuation models with observable market-based inputs. The fair value of the net liabilities is set equal to the fair value of the net assets.

Segregated funds net assets and net liabilities are presented as separate lines on the statement of financial position. The Group earns a fee for the management of these funds which is included in the determination of expected future cash flows.

2.3 Insurance contracts

(a) Classification

The Group issues insurance contracts, which are contracts that transfer significant insurance risk from the policyholder to the Group. The Group defines insurance risk as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction. Contracts that do not transfer significant insurance risk, including those that have a legal form of insurance, and expose the Group to financial risk are classified as investment contracts and accounted for as financial liabilities under IFRS 9.

Investment contracts include investment components which are defined as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. Investment components in some Universal Life and Indexed Deferred Annuities comprise policyholder account values less applicable surrender fees. The Group uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

Some insurance contracts have an investment or service component, or embedded derivatives. Unless those components are distinct and can be measured separately, they are accounted for together with the insurance component.

In making the assessment of whether significant insurance risk exists, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract, it remains an insurance contract for its duration, even if the insurance risk reduces significantly over time.

Certain life policies issued by the Group contain direct participation features such as universal life contracts with direct participation features and variable endowments with direct participation features which entitle the policyholder to receive additional payments, supplementary to the main insurance benefit. Policy bonuses and policy dividends, together with residual gains in the participating accounts constitute direct participation features. The Group accounts for these contracts under IFRS 17.

An insurance contract with direct participation features is one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified. Contracts within the Segregated Funds portfolio also meet these criteria for insurance contracts with direct participation features (see note 2.3 (h)). The variability in the cash flows is assessed over the expected duration of a contract. The duration of a contract considers all cash flows within the boundary (see note 2.3 (d)).

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the amount of the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders), less the fulfillment cash flows ("FCF") that do not vary based on the returns on underlying items.

The measurement approach for insurance contracts with direct participation features is referred to as the variable fee approach ("VFA"). The VFA modifies the general accounting model in IFRS 17 to reflect that the consideration that an entity receives for the contracts is a variable fee. All other insurance contracts originated by the Group are without direct participation features.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance and reinsurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

(b) Level of aggregation

Insurance contracts are grouped into portfolios by product type, then into annual cohorts and profitability buckets, onerous or non-onerous, as required by IFRS 17. This grouping determines how contracts are measured and how profit is recognized over time. The Group exercises judgement in grouping contracts to ensure that contracts with similar risks, which are managed together, are in the same portfolio. Onerous contract losses, if any, are recognized immediately in income.

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts.

Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

1. contracts that are onerous at initial recognition;
2. contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
3. a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. Expected profitability is determined at the contract level, unless the Group has reasonable and supportable information to assess profitability at a higher level. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Similar to the treatment of the direct (underlying) contracts, the Group divides reinsurance contracts held into contracts with similar insurance risk.

The Group manages all reinsurance treaties on the same basis as it does for line of business reporting described above for direct contracts. Applying the grouping requirements to reinsurance contracts held, the Group's policy is to aggregate reinsurance contracts held concluded within a calendar year (annual cohorts) into groups limited to reinsurance contracts arising from a single treaty. IFRS 17 requires that reinsurance contracts be placed in groups of:

1. contracts for which there is a net gain at initial recognition, if any;
2. contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
3. remaining contracts in the portfolio, if any.

(c) Measurement models

The Group measures insurance contract liabilities using one of the following IFRS 17 models, based on contract characteristics:

- **General Measurement Model ("GMM")** for long-term contracts without direct participation features (e.g. most traditional life and Universal Life insurance).
- **Variable Fee Approach ("VFA")** for contracts with direct participation features (where policyholders share in a pool of underlying assets' returns), such as some Universal Life and contracts within the segregated funds portfolio.
- **Premium Allocation Approach ("PAA")** for short-duration contracts (coverage period of 1 year or less), mainly certain group life or health, and property and casualty policies.

The Group uses different measurement approaches, depending on the portfolio of contract issued, as follows:

Contracts Issued	Product Classification	Measurement Model
Traditional Life contracts	Insurance contracts	GMM
Universal Life contracts	Insurance contracts without direct participation features	GMM
Universal Life contract with direct participation features	Insurance contracts with direct participation features	VFA
Living Benefits	Insurance contracts	GMM / PAA
Participating life contracts	Insurance contracts without direct participation features	GMM
Single premium health and creditor life	Insurance contracts	GMM
Single premium group creditor	Insurance contracts	GMM
Group Life & Health	Insurance contracts	PAA for policies issued with coverage one year or less
Accumulation annuities, Payout annuities, Endowment without direct participation features	Insurance contracts without direct participation features	GMM
Variable endowments with direct participation features	Insurance contracts with direct participation features	VFA
General Insurance – Accident, Liability, Marine, Property, Motor	Insurance contracts	PAA for policies issued with coverage one year or less
Contracts within the segregated funds portfolio	Insurance contracts with direct participation features	VFA

For underlying direct insurance contracts measured under GMM or VFA, the corresponding reinsurance contract portfolios are measured using GMM. For underlying direct insurance contracts measured under PAA, the corresponding reinsurance contract portfolios are measured using PAA.

(d) Recognition and initial measurement

The Group recognizes groups of insurance contracts from the earliest of the coverage start date or when the first premium is due (for onerous contracts, on contract signature). For contracts measured under the GMM and VFA models, the Group develops rates or prices for the range of insurance contracts that may be issued under a given product form. Rates would typically be intended to result in similar levels of profitability across all insurance contracts issued.

The contract boundary is used to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance contract services.

Fulfilment cash flows are the current estimates of future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The risk adjustment for non-financial risk reflects the compensation that the Group requires for bearing the uncertainty in relation to the amount and timing of cash flows from non-financial risk (e.g. mortality, morbidity and surrender) and is applied to the present value of the estimated future cash flows.

Insurance acquisition cash flows arise from costs of selling, underwriting and starting a group of contracts (issued or expected to be issued) and are directly attributable to the portfolio of insurance contracts to which a group belongs.

On initial recognition, the fulfilment cash flows (present value of future cash outflows minus inflows, plus a risk adjustment for non-financial risk) are calculated for the group.

Contracts not measured under PAA

For contracts under the GMM or VFA, a contractual service margin ("CSM") is set up, representing unearned profit. The initial insurance contract liability equals the fulfilment cash flows plus CSM (unless contracts are onerous, in which case a loss is recognized). Acquisition cash flows directly attributable to obtaining a group of contracts are included in the fulfilment cash flows and, if paid before recognition, are recorded as an asset and then expensed at initial recognition.

For groups of reinsurance contracts held, any net gain or net cost at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognizes the net cost immediately in net income / (loss). The CSM represents a deferred gain or loss that the Group will recognize as a reinsurance expense as it receives insurance contract services from the reinsurer in the future.

Contracts measured under PAA

Under the PAA, insurance contracts are measured based on unearned profits and do not include a CSM.

The Group has determined that contracts within the General Insurance and the Group Life and Health lines of business (with the exception of the Single premium group creditor products) almost always have a coverage period of one year or less and are therefore automatically eligible for PAA. Where contracts measured under the PAA have a coverage period of more than one year, the Group expects that the liability for remaining coverage under PAA will not be materially different from what would be expected using the GMM.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

(e) Subsequent measurement

Contracts not measured under PAA

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

a) the liability for remaining coverage ("LRC"), comprising:
   - the FCF related to future service allocated to the group at that date; and
   - the CSM of the group at that date; and

b) the liability for incurred claims ("LIC"), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

a) the asset for remaining coverage, comprising:
   - the FCF related to future service allocated to the group at that date; and
   - the CSM of the group at that date; and

b) the asset for the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

The liability for remaining coverage is reduced by insurance revenue as services are provided. The liability for incurred claims is adjusted for actual claims and expenses incurred.

The risk adjustment is remeasured to reflect entities' current level of uncertainty.

The CSM is amortized to income to reflect services for the period. Changes in estimates of future cash flows adjust the CSM for that group (to the extent they relate to future service), unless the group is onerous. When negative adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognizes the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

For contracts under the VFA, changes in the liability due to movements in underlying items (assets) adjust the CSM, except the Group's share (the "variable fee") which is recognized in income.

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.

b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.

c) Changes in the FCF relating to future service are recognized by adjusting the CSM. Changes in the FCF are recognized in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognized in insurance service expenses and a loss component is recognized within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.

d) The amount recognized as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.

b) Interest accreted on the carrying amount of the CSM.

c) Income recognized in the statement of income when the entity recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognized.

d) Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.

e) Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.

f) The amount recognized in net income / (loss) for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognized on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognized on the underlying insurance contracts.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using an average discount rate determined at initial recognition that is applied to nominal cash flows that do not vary based on the returns of underlying items. The discount rate used for accretion of interest on the CSM is determined using the top-down approach. The locked-in discount rate for a group is determined as the average of the discount rates applied at the beginning and ending of each period.

Adjusting the CSM for changes in the FCF relating to future service

Under the GMM, the CSM is adjusted for changes in the FCF, measured applying the discount rates determined on initial recognition (the locked-in discount rates).

Release of the CSM to net income / (loss)

The amount of the CSM recognized in net income / (loss) for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA.

The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Group expects these amounts to include an investment return that is achieved by the Group by performing investment activities to generate that investment return.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a) the quantity of benefits provided by contracts in the group;

b) the expected coverage period of contracts in the group; and

c) the likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage. For investment-return and investment-related services, policyholders' account values are used to determine the quantity of benefits provided.

The Group determines coverage units as follows:

Product	**Coverage Units**
Traditional Life contracts	Sum insured
Universal Life contracts	Sum insured plus fund value; and net amount at risk plus fund value
Universal Life contract with direct participation features	Sum insured plus fund value
Living Benefits	Sum insured
Participating life contracts	Sum insured plus dividend value
Single premium health and creditor life	Sum insured
Single premium group creditor	Sum insured / maximum benefit
Accumulation annuities, Payout annuities, Endowment without direct participation features	Greater of maturity benefit or sum insured and Payout for Payout annuities
Variable endowments with direct participation features	Sum insured plus fund value
Term life	Sum insured
Whole life	Sum insured
Critical illness	Sum insured
Segregated funds	Greater of current account value and respective minimum guaranteed value

The Group reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items, except for contracts measured under the VFA which use the current discount rate.

For reinsurance contracts held, the CSM is released to net income / (loss) as insurance contract services are received from the reinsurer in the period. The coverage period for these reinsurance contracts is determined based on the coverage period of all underlying contracts for which cash flows are included in the reinsurance contract boundary.

Contracts measured under PAA

Contracts under the PAA are simplified: the liability for remaining coverage is generally the unearned premium less deferred acquisition costs, and incurred claims are recognized as they occur (liability for incurred claims).

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a) the LRC; and

b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a) the asset for remaining coverage; and

b) the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

When measuring liabilities for incurred claims, the Group has elected not to discount the cash flows within the LIC for certain groups of contracts where the cash flows are expected to be paid within a year of the date on which the claim is incurred. For all groups of contracts, the Group includes an explicit risk adjustment for non-financial risk.

Generally, for contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

For non-onerous insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a) increased for premiums received in the period;

b) decreased for insurance acquisition cash flows paid in the period;

c) decreased for the amounts of expected premium receipts recognized as insurance revenue for the services provided in the period; and

d) increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums paid in the period;

b) decreased for the expected amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

(f) Amounts recognized in the statement of income within the insurance service result

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:

  a) claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

     i. amounts allocated to the loss component;
     ii. repayments of investment components and policyholder rights to withdraw an amount;
     iii. insurance acquisition expenses; and
     iv. amounts related to the risk adjustment for non-financial risk (see (b));

  b) changes in the risk adjustment for non-financial risk, excluding:

     i. changes included in insurance finance income / (expenses);
     ii. changes that relate to future coverage (which adjust the CSM); and
     iii. amounts allocated to the loss component; and

  c) amounts of the CSM recognized for the services provided in the period.

In-period cash flow variances would go through CSM if they are investment component, premium experiences not related to past service, or policy loan cash flow variances.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the applicable coverage units of each group. For groups of insurance contracts measured under the PAA, the Group recognizes insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

a) incurred claims and benefits, excluding investment component and policy loans, reduced by loss component allocations;
b) insurance acquisition cash flows amortization;
c) changes that relate to past service – changes in the FCF relating to the LIC;
d) changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
e) insurance acquisition cash flows assets impairment net of reversals.

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income.

Net income / (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income / (expenses) from reinsurance contracts held, comprising the following amounts:

a) reinsurance expenses;
b) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
c) changes that relate to past service – changes in the FCF relating to incurred claims recovery;
d) effect of changes in the risk of reinsurers' non-performance; and
e) amounts relating to accounting for onerous groups of underlying insurance contracts issued:
    i. income on initial recognition of onerous underlying contracts;
    ii. reinsurance contracts held under the GMM: reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
    iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses (ceding premiums) are recognized similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the Group recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

For contracts measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
    i. amounts allocated to the loss-recovery component;
    ii. amounts related to the risk adjustment for non-financial risk (see (b));
b) changes in the risk adjustment for non-financial risk, excluding:
    i. changes included in finance income / (expenses) from reinsurance contracts held;
    ii. changes that relate to future coverage (which adjust the CSM); and
    iii. amounts allocated to the loss-recovery component;
c) amounts of the CSM recognized for the services received in the period; and
d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part ceding premiums (reinsurance expenses). Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Premium taxes

Premium taxes (i.e., transaction-based taxes) are cash flows within the boundary of an insurance contract and relate directly to the fulfilment of the insurance contract.

(g) Amounts recognized in the statement of income within net insurance finance income / expenses

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance and reinsurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and

b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a) interest accreted on the FCF and the CSM; and

b) the effect of changes in interest rates and other financial assumptions.

For contracts measured under the VFA, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the LIC; and

b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses. The Group includes all insurance finance income or expenses for the period in net income / (loss) (that is, the profit or loss option (the PL option) is applied.

(h) Segregated funds contracts

Segregated funds contracts provide minimum death, withdrawal and maturity value guarantees to the policyholders. The liabilities associated with these guarantees are included in insurance contract liabilities on account of segregated funds policyholders. See note 2.3 (a).

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each reporting unit of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). A reporting unit may be an individual subsidiary, a branch of a subsidiary or an intermediate holding company group of subsidiaries. The consolidated financial statements are presented in thousands of United States dollars, which is the Group's presentation currency.

(b) Reporting units

The results and financial position of reporting units that have a functional currency other than the Group's presentation currency are translated as follows:

(i) Income, other comprehensive income, movements in equity and cash flows are translated at average exchange rates for the year.

(ii) Assets and liabilities are translated at the exchange rates ruling on December 31.

(iii) Resulting exchange differences are recognized in other comprehensive income.

Currencies which are pegged to the United States dollar are converted to the United States dollar by reference to the pegged rates. Currencies which float are converted to the United States dollar by reference to the average of buying and selling rates quoted by the respective central banks. On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recorded in other comprehensive income. On the disposal or loss of control of a foreign entity, such exchange differences are transferred to income.

Goodwill and other intangible assets recognized on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the rate ruling on December 31.

(c) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, which result from the settlement of foreign currency transactions and from the retranslation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement.

Non-monetary assets and liabilities are maintained at the transaction rates of exchange. The foregoing exchange gains and losses which are recognized in the income statement are included in 'Fees and other income'.

Insurance contracts are monetary items which may give rise to foreign exchange differences. The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items. Applying IAS 21 at the end of the reporting period, the carrying amount of the group of insurance contracts, including the CSM, is translated into the functional currency at the closing rate. The Group has chosen to present the resulting foreign exchange differences within the line item 'Fees and other income'.

Exchange differences on the retranslation of the fair value of non-monetary items such as equities held at fair value through income are reported as part of the fair value gain or loss. Exchange differences on the retranslation of the fair value of non-monetary items such as equities held as fair value through other comprehensive income ("FVTOCI") are reported as part of the fair value gain or loss in other comprehensive income.

2.5 Segment reporting

The Group's reportable operating segments (as described in note 4) are determined according to the organizational structure and how the Chief Executive Officer reviews performance. Accounting policies for segment reporting are the same as those for the Group as a whole.

2.6 Intangible assets

(a) Goodwill

Goodwill (defined in note 2.2(a)) arising from an acquisition of a subsidiary or insurance business is allocated to appropriate cash generating units which are defined by the Group's operating segments. Goodwill arising in a reportable operating segment is allocated to that segment. Goodwill arising in a Group entity, which is not within a reportable operating segment, is allocated to that entity's own operations, or, if that entity is managed in conjunction with another Group entity, to their combined operations.

Goodwill arising from an investment in an associate is included in the carrying value of the investment.

Goodwill is not amortized but is tested annually for impairment and more frequently if indicators of impairment exist. Goodwill is carried at cost less accumulated impairment. An impairment loss is recognized for the amount by which the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is the higher of an operating segment's (or operation's) fair value less costs to sell and its value in use.

On the disposal of a subsidiary or insurance business, the associated goodwill is derecognized and is included in the gain or loss on disposal. On the disposal of a subsidiary or insurance business forming part of a reportable operating segment, the proportion of goodwill disposed is the proportion of the fair value of the asset disposed to the total fair value of the operating segment.

(b) Other intangible assets

Other intangible assets identified on acquisition are recognized only if future economic benefits attributable to the asset will flow to the Group and if the fair value of the asset can be measured reliably. In addition, for the purposes of recognition, the intangible asset must be separable from the business being acquired or must arise from contractual or legal rights. Intangible assets acquired in a business combination are initially recognized at their fair value. Other intangible assets, which have been acquired directly, are recorded initially at cost.

On acquisition, the useful life of the asset is estimated. If the estimated useful life is definite, then the cost of the asset is amortized over its life, and the asset is tested for impairment when there is evidence of same. If the estimated useful life is indefinite, the asset is tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The estimated useful lives of recognized intangible assets are as follows:

Class of intangible asset	Asset	Estimated useful life
Customer-related	Customer relationships	5 to 20 years
	Broker relationships	10 years
	Trade names	10 years
Contract-based	Licenses	15 years
Technology-based	Software	2 to 5 years

2.7 Financial investments

(a) Classification of financial assets

Initial recognition and subsequent measurement

The Group utilizes a principles-based approach to the classification of financial assets.

Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost based on the nature of the cash flows of these assets and the Group's business model.

Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVTOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortized cost, at FVTOCI or at FVTPL.

Financial assets are recognized when the Group becomes a party to the contractual provision of the instrument.

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

(b) Debt instruments

(i) Classification and subsequent measurement

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Therefore, in order to determine the appropriate basis, the following methods may be used:

- *Business model assessment*

Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

  - The nature of liabilities, if any, funding a portfolio of assets;
  - The nature of the market of the assets in the country of origination of a portfolio of assets;
  - How the Group intends to generate profits from holding a portfolio of assets;
  - The historical and future expectations of asset sales within a portfolio.

- *Solely payments of principal and interest ("SPPI")*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

Measured at amortized cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise, on specified dates, to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortized cost. In addition, most financial liabilities are measured at amortized cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Measured at fair value through other comprehensive income (FVTOCI)

Debt instruments held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise, on specified dates, to cash flows that are solely payments of principal and interest are measured at FVTOCI. These comprise primarily debt securities and money market funds.

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so classified at inception:

- where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, or the debt instruments meet the "SPPI" criteria but fail to meet the criteria for amortized cost or FVTOCI based on the business model assessment, the debt instruments are classified and measured at FVTPL; and
- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit-taking.

(ii) Impairment of financial assets measured at amortized cost and FVTOCI

At initial recognition of a financial asset, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Expected Credit Losses ("ECL") resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognized are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are defined as being in default or otherwise credit-impaired and are included in 'stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the lifetime credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available, including information from the past and forward-looking information. Factors, such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment, are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(iii) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Group calculates the credit-adjusted effective interest rate, which is calculated based on the fair value origination of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these assets is always measured on a lifetime basis.

At each reporting date, the Group shall recognize in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Group will recognize favourable changes in lifetime expected credit losses as an impairment gain, the gain occurs when the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

(iv) Definition of default

The Group determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay, such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(v) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(vi) The general approach to recognizing and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort, at the reporting date, about past events, current conditions and forecasts of future economic conditions.

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2018, the historical period for such review is limited.

(vii) Reclassified balances

The Group reclassifies debt instruments when and only where its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

(c) Equity instruments

The Group classifies and subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVTOCI. The Group's policy is to designate equity investments as FVTOCI when those investments are held for purposes other than to generate investment returns.

(d) Embedded derivatives

The Group may hold debt securities and preferred equity securities which may contain embedded derivatives. The embedded derivative of a financial asset is classified in the same manner as the host contract.

(e) Other financial invested assets

Other financial invested assets include investments in private equities, private debt and private investments funds. The Group classifies and subsequently measures all financial invested assets at FVTPL.

Private equity is defined as investments in the equity of private companies including limited partnerships and LLC's not listed on public stock exchanges.

Private debt is defined as non-publicly traded debt financing extended privately to companies. This includes direct loans to companies, privately negotiated credit facilities, mezzanine debt, private placements of bonds, etc., usually issued by non-bank lenders such as debt funds, insurance companies, or other institutional investors.

(f) Presentation in the statements of income and other comprehensive income (OCI)

Financial instruments measured at FVTPL

- Realized changes in fair value and unrealized changes in fair value are presented in the consolidated statement of income.
- Interest income and dividend income are included in other investment income.

Financial instruments measured at amortized cost

- Interest income is included in interest income earned from financial assets measured at amortized cost in the consolidated statement of income.
- Credit impairment losses are presented in the consolidated statement of income.
- Gain or loss on derecognition of debt instruments is presented in the consolidated statement of income.

Financial instruments measured at FVTOCI

- Interest income is included in interest income earned from financial assets measured at FVTOCI in the consolidated statement of income.
- Credit impairment losses are presented in the consolidated statement of income.
- Unrealized gains and losses arising from changes in fair value are presented in OCI.
- On derecognition, the cumulative fair value gain or loss is transferred from OCI and is presented in the consolidated statement of income.

Equity securities measured at FVTOCI

- Dividend income is included in other investment income.
- Unrealized changes in fair value are presented in OCI. Any impairment losses are included with fair value changes.
- On derecognition, the cumulative gain or loss in OCI remains in the fair value reserve for FVTOCI assets.

2.8 Financial liabilities

During the ordinary course of business, the Group issues investment contracts or otherwise assumes financial liabilities that expose the Group to financial risk.

(a) Classification and recognition

Financial liabilities are measured at initial recognition at fair value and are classified as or subsequently measured either at amortized cost, or at fair value through income (FVTPL). Fair value amounts represent the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at valuation date. Financial liabilities are recognized when the Group becomes a party to the contractual provision of the instrument. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Unit linked deposit administration contracts and derivative financial liabilities (note 2.9) are carried at FVTPL. All other financial liabilities are carried at amortized cost. It is noted that the financial liabilities measured at FVTPL do not have a cumulative own credit adjustment gain or loss.

The recognition and measurement of the Group's principal types of financial liabilities are disclosed in the following paragraphs.

(i) Securities sold for repurchase

Securities sold for repurchase are treated as collateralized financing transactions and are recorded at the amount at which the securities were sold. Securities sold subject to repurchase are not derecognized but are treated as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the agreements using the effective yield method. The liability is extinguished when the obligation specified in the contract is discharged, assigned, cancelled or has expired.

(ii) Deposit liabilities

Deposits are recognized initially at fair value and are subsequently stated at amortized cost using the effective yield method.

(iii) Loans and other debt obligations

Loans and other debt obligations are recognized initially at fair value, being their issue proceeds, net of transaction costs incurred. Subsequently, obligations are stated at amortized cost and any difference between net proceeds the redemption value is recognized in the income statement over the period of the loan obligations using the effective yield method. Obligations undertaken for the purposes of financing operations and capital support are classified as notes or loans payable. Loan obligations undertaken for the purposes of providing funds for on-lending, leasing or portfolio investments are classified as deposit and security liabilities.

(b) Presentation in the statement of income

For notes and loans payable measured at amortized cost, the associated interest is included in finance costs. For deposit and security liabilities measured at amortized cost, the associated interest expense is included within interest costs. For financial liabilities measured at FVTPL, the associated interest and fair value changes are included in interest costs.

2.9 Derivative financial instruments and hedging activities

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group transacts derivatives for three primary purposes: to create risk management solutions for customers, for proprietary trading purposes, and to manage its own exposure to credit and market risk. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into, and subsequently are re-measured at their fair value at each financial statement date.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedging transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges, gains and losses relating to the effective portion of changes in the fair value of derivatives are initially recognized in other comprehensive income; and are transferred to the statement of income when the forecast cash flows affect income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income.

Gains and losses from changes in the fair value of derivatives that do not qualify for hedge accounting are included in net investment income or interest costs.

2.10 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.11 Presentation of current and non-current assets and liabilities

The maturity profiles of financial assets and liabilities as well as insurance and reinsurance contract liabilities are disclosed in note 26.5 as well as in the denoted Liquidity Risk section of the Group's 2025 Management Discussion and Analysis ("MD&A"). For other assets and liabilities, balances presented in notes 7, 8, and 20 are non-current unless otherwise stated in those notes.

2.12 Employee benefits

(a) Pension benefits

Group companies have various pension schemes in place for employees and sales agents. Some schemes are defined benefit plans and others are defined contribution plans.

The liability in respect of defined benefit plans is the present value of the defined benefit obligation at December 31 less the fair value of plan assets. The defined benefit obligation is computed using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using appropriate interest rates on government bonds for the maturity dates and currency of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income and retained earnings or non-controlling interest in the period in which they arise. Past service costs are charged to income in the period in which they arise.

For defined contribution plans, the Group pays contributions to the pension schemes on a mandatory or contractual basis. Contributions are recognized in income in the period in which they are due. Where a minimum funding requirement exists, the Group assesses the obligation to determine whether the additional contributions would affect the measurement of the defined benefit asset or liability.

(b) Other retirement benefits

Certain Group subsidiaries provide supplementary health and life insurance benefits to qualifying employees upon retirement, where a minimum service period has also been completed. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income and retained earnings or non-controlling interest in the period in which they arise.

(c) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on various profit and other objectives of the Group or of individual subsidiaries. An accrual is recognized where there are contractual obligations or where past practice has created a constructive obligation.

(d) Equity compensation benefits

The Group has a number of share-based compensation plans in place for administrative, sales and managerial staff.

(i) *Equity-settled share-based transactions with staff*

The services received in an equity-settled transaction with staff are measured at the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date. If the equity instruments granted vest immediately and the individual is not required to complete a further period of service before becoming entitled to those instruments, the services received are recognized in full on grant date in the income statement for the period, with a corresponding increase in equity.

Where the equity instruments do not vest until the individual has completed a further period of service, the services received are expensed in the income statement during the vesting period. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to vest. At each reporting financial statement date, the Group revises its estimates of the number of instruments that are expected to vest based on the non-marketing vesting conditions and adjusts the expense accordingly.

Amounts held in the reserve for equity compensation benefits are transferred to share capital or non-controlling interest either on the distribution of share grants or on the exercise of share options. The grant by the Company of its equity instruments to employees of Group subsidiaries is treated as a capital contribution in the financial statements of the subsidiary. The full expense relating to the grant is recorded in the subsidiary's income statement.

(ii) *Cash-settled share-based transactions with staff*

The services received in a cash-settled transaction with staff and the liability to pay for those services, are recognized at fair value as the individual renders service. Until the liability is settled, the fair value of the liability is re-measured at the date of the financial statements and at the date of settlement, with any changes in fair value recognized in income during that period.

(iii) *Measurement of the fair value of equity instruments granted*

The equity instruments granted consist either of grants of, or options to purchase common shares of listed entities within the Sagicor Group. For common shares granted, the listed price prevailing on the grant date determines the fair value.

For options granted, the fair value is determined by reference to the Black-Scholes valuation model, which incorporates factors and assumptions that knowledgeable, willing market participants would consider in setting the price of the equity instruments.

(e) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the date of the financial statements are discounted to present value.

2.13 Taxes

(a) Premium taxes

Insurers are subject to tax on premium revenues generated in certain jurisdictions. The principal rates of tax are summarized in the following table.

Premium tax rates	Life insurance and non-registered annuities	Health insurance	Property and Casualty insurance
Canada	2% - 5%	2% - 5%	Nil
United States of America	0.5% - 3.5%	Nil	Nil
Jamaica	Nil	Nil	Nil
Barbados	3% - 6%	4%	4% - 4.75%
Trinidad & Tobago	Nil	Nil	Nil

Premium tax is recognized in the insurance service result in the consolidated statement of income. See note 2.3 (f).

(b) Asset tax

The Group is subject to an asset tax in Jamaica and Barbados. In Jamaica, the asset tax is levied on insurance, securities dealers and deposit-taking institutions, and is 0.25% of adjusted assets held at the end of the year. In Barbados, the asset tax is levied on insurance, deposit-taking institutions and credit unions and is 0.35% of adjusted assets held at the end of a period. Taxes are accrued monthly.

(c) Income taxes

The Group is subject to taxes on income in the jurisdictions in which business operations are conducted. Rates of taxation in the principal jurisdictions for the current year are set out in the next table.

Income tax rates	Life insurance and non-registered annuities	Registered annuities	Other lines of business
Canada	26% of profit before tax	26% of profit before tax	26% of profit before tax
United States of America	21% of net income	Nil	Nil
Jamaica	25% of profit before tax	Nil	25% and 33.33% of profit before tax
Barbados	2% of taxable income	2% of taxable income	2% - 9% of taxable income
Trinidad & Tobago	15% of investment income	Nil	30% of net income

(i) *Current income taxes*

Current tax is the expected tax payable on the taxable income for the year, using the tax rates in effect for the year. Adjustments to tax payable from prior years are also included in current tax.

(ii) *Deferred income taxes*

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are computed at tax rates that are enacted or substantially enacted by the end of the reporting period. Deferred tax assets are only recognized when it is probable that taxable profits will be available against which the asset may be utilized. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to do so and they relate to the same entity.

Deferred tax, related to fair value re-measurement of FVTOCI investments and cash flow hedges which are recorded in other comprehensive income, is recorded in other comprehensive income and is subsequently recognized in income together with the deferred gain or loss. The Group has applied the exception to the requirements in IAS 12 whereby an entity does not recognize or disclose information about deferred tax assets and liabilities related to the Organization for Economic Co-operation and Development's (OECD's) international tax reform.

2.14 Common shares

In exchange for consideration received, the Company has issued common shares that are classified as equity. Incremental costs directly attributable to the issue of common shares are recorded in share capital as a deduction from the share issue proceeds. Where a Group entity purchases the Company's common shares, the consideration paid, including any directly attributable cost, is deducted from share capital and is recorded as treasury shares. Where such shares are subsequently sold to a third party, the deduction from share capital is reversed, and any difference with net consideration received is recorded in retained earnings.

On the declaration by the Company's directors of common share dividends payable, the total value of the dividend is recorded as an appropriation of retained earnings.

2.15 Statutory reserves

Statutory reserves are established when regulatory accounting requirements result in lower distributable profits or when an appropriation of retained earnings is required or permitted by law to protect policyholders, insurance beneficiaries or depositors.

2.16 Premium / (discount) paid on repurchase of shares

The premium / (discount) paid on repurchase of shares is recorded directly in retained earnings.

2.17 Interest income and interest expense

Interest income (expense) is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired.

For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments. Dividend income is recorded when declared.

2.18 Fees and other income

The Group earns such revenue from:

- the provision of various services arising from its banking operations;
- the management and administration of third-party investment funds, pension plans and insurance benefit plans (managed funds or administrative service only (ASO) benefit plans);
- the provision of corporate finance, stockbroking, trust and other related services.

Other income includes:

- rental income from owner-occupied property;
- foreign exchange gains / (losses).

Service contract income

Income from service contracts includes management and administrative fees. These service contracts generally impose single-performance obligations, each consisting of a series of similar related services to the customer. The Group's performance obligations within these service arrangements are generally satisfied over time as the customers simultaneously receive and consume contracted benefits.

Income from service contracts with customers is recognized when or as the Group satisfies the performance obligation. For obligations satisfied over time, income is recognized monthly or over the applicable period. For performance obligations satisfied at a point in time, service contract income is recognized at that point in time.

2.19 Cash flows

The following classifications apply to the cash flow statement.

Cash flows from operating activities consist of cash flows arising from revenues, benefits, expenses, taxes, operating assets and operating liabilities.

Cash flows from investing activities consist of cash flows arising from long-term tangible and intangible assets to be utilized in the business and in respect of changes in subsidiary holdings, insurance businesses, and associated company and joint venture investments.

Cash flows from financing activities consist of cash flows arising from the issue, redemption and exchange of equity instruments and notes and loans payable and from equity dividends payable to holders of such instruments.

Cash and cash equivalents comprise:

- cash balances,
- call deposits,
- money market funds,
- other liquid balances with maturities of three months or less from the acquisition date, less
- bank overdrafts which are repayable on demand.

Cash equivalents are subject to an insignificant risk of change in value and excludes restricted cash.

2.20 Future accounting developments and reporting changes

Certain new standards and amendments to existing standards have been issued by the International Accounting Standards Board ("IASB") but are not effective for the periods covered by these financial statements. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Group's consolidated financial statements are summarized in the following table.

IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments – effective January 1, 2026 (with the option for early adoption)	In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 related to "Classification and Measurement of Financial Instruments", to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 - Financial Instruments. These amendments address the following: • Clarify requirements for timing and derecognition of financial liabilities; • Clarify and add guidance for assessing whether a financial asset meets the SPPI criterion; • Add new disclosures for certain instruments with contractual terms that can change cash flows; and • Provide updates to disclosures for equity instruments designated at FVTOCI. Adoption of these amendments is not expected to have a significant impact on the Group's consolidated financial statements.
IFRS 18 – Presentation and Disclosure in Financial Statements – effective January 1, 2027	In April 2024, the IASB issued amendments which seek to ensure that financial statements correctly represent an entity's assets, liabilities, equity, income and expenses. The standard addresses the following: • The structure of the statement of income; • Required disclosures in the financial statements for certain income or loss performance measures that are reported outside of an entity's financial statements; and • Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The impact of this standard on the Group is currently being analyzed.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Group's reported assets, liabilities, income and other comprehensive income.

The items which may have the most effect on the Group's financial statements are set out below.

3.1 Insurance and reinsurance contracts

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

Areas of judgement which broadly impact the Group's reporting include definition and classification of insurance contracts, the unit of account identified in which insurance contracts are assessed, and the level of aggregation applied for measurement and reporting purposes. These are addressed in section 3.2.1 for contracts not measured under PAA.

3.2 Contracts not measured under PAA

3.2.1 Areas of Judgement

Specific areas of judgement and estimates impacting contracts not measured under PAA are described in subsequent notes.

Definition and classification

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

Level of aggregation

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

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

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

Areas of judgements include:

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

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

3.2.2 The methods used to measure insurance contracts

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

The following assumptions are used when estimating future cash flows:

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

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

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

• Longevity

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

• Expenses

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

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

• Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits of the Group.

3.2.3 Discount rates

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

During the observable period, a top-down approach was used, where the discount rate is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. Reference portfolios were selected to reflect the currency of the liabilities, the Group's investment strategies and the characteristics of the liabilities and are comprised of a mix of sovereign and corporate bonds available on the markets.

Where information is not readily available in certain markets, comparable information and/or estimation is used. The yield from the reference portfolio is adjusted to remove both expected and unexpected credit risk and, where applicable, other asset characteristics that are not related to the insurance contract liabilities. The illiquidity adjustments are estimated using information from observed historical levels of default for bonds included in the reference portfolio. The adjusted sovereign yield curves, or the risk-free yield curves (wherever they are available) plus an illiquidity premium, are used to discount the liability cash flow.

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

Discount rates which have been applied for the discounting of future cash flows are disclosed below by the relevant territory, represented by the respective currencies as follows:

	Observable period	Portfolio Duration									
Spot rates	**Years**	**1 year**		**3 years**		**5 years**		**10 years**		**20 years**	
		2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Life insurance and reinsurance contracts issued											
Aruba guilder	20	3.1%	3.2%	3.3%	4.1%	3.8%	4.9%	5.0%	5.8%	6.2%	6.3%
Barbados dollar	30	1.8%	2.3%	2.5%	2.6%	3.7%	3.6%	6.2%	6.1%	8.4%	8.4%
Eastern Caribbean dollar	30	3.5%	3.4%	4.2%	4.2%	5.1%	5.1%	6.9%	6.8%	8.6%	8.5%
Jamaica dollar	30	6.1%	7.4%	6.2%	6.5%	6.6%	7.0%	7.5%	8.3%	8.5%	9.3%
Trinidad dollar	30	4.6%	3.9%	4.6%	4.2%	5.3%	5.0%	6.0%	5.9%	8.0%	7.8%
Canada dollar	30	2.7%	3.4%	3.2%	3.4%	3.5%	3.6%	4.3%	4.2%	4.9%	4.6%
United States dollar (by territory):											
- The Cayman Islands	30	4.0%	4.6%	4.0%	4.7%	4.3%	4.8%	4.8%	5.0%	5.4%	5.2%
- Jamaica	30	4.9%	5.9%	4.9%	6.0%	5.1%	6.1%	5.7%	6.3%	6.3%	6.5%
- United States	30	5.7%	5.9%	5.8%	6.0%	5.9%	6.1%	6.3%	6.4%	6.7%	6.6%

3.2.4 Risk adjustment for non-financial risk

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

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

The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level between 75% to 85% (2024 - between 75% to 85%).

3.2.5 Amortization of the Contractual Service Margin

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

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the period (before recognizing any amounts in net income / (loss) to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future;
- Recognizing in net income / (loss) the amount allocated to coverage units provided in the period.

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

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

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

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

3.2.6 Determination of IFRS 17 transition amount

The Group adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was mostly applied to insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. The fair value approach was applied in circumstances where the full retrospective approach was impracticable.

The transition approach was determined at the level of group of insurance contracts and affected the approach to calculating the CSM on initial adoption of IFRS 17 as follows:

- Full retrospective approach

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

- Fair value approach

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

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

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

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

3.3 Impairment of financial assets

In determining ECL (defined in note 2.7 (b)(ii)), management is required to exercise judgement in defining what is considered a significant increase in credit risk ("SICR") and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions.

Further information about the judgements involved is included in note 2.7 under the section 'Measurement'.

(a) Establishing staging for debt securities, other financial invested assets and deposits

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

The scale is set out in the following table:

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

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

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

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

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

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

Qualitative test

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

Backstop criteria

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

(c) Forward-looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Barbados, Eastern Caribbean, Trinidad and Jamaica.

Management assesses data sources from local government, International Monetary Fund ("IMF") and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

3.4 Fair value of investments not quoted in an active market

The fair value of investments not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

The Group exercises judgement on the quality of pricing sources used. Where no market data is available, the Group may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The inputs into these models are primarily discounted cash flows.

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

4. SEGMENTS

The management structure of the Group consists of the parent company Board of Directors, the Group Chief Executive Officer (CEO), subsidiary company Boards of Directors and subsidiary company CEOs. For the parent company and principal subsidiaries, there are executive management committees made up of senior management who advise the respective CEOs. The principal subsidiaries have a full management governance structure, a consequence of them being regulated insurance and financial services entities, and of the range and diversity of their products and services.

The Group CEO serves as Board Chairman or as a Board Member of the principal subsidiaries and is the Group's Chief Operating decision-maker. Through subsidiary company reporting, the Group CEO obtains details of Group performance and of resource allocation needs. Summarization of planning and results and prioritization of resource allocation is done at the parent company level where strategic decisions are taken.

The Group has determined that there are four principal subsidiary groups which represent the reportable operating segments of Sagicor. These segments and Head office and Other are set out in the following sections. There are no material changes in effective shareholders' interest unless otherwise outlined.

(a) Sagicor Canada

This segment engages in individual life insurance, annuities, segregated funds, and accident and sickness insurance business throughout Canada and comprises of the following companies in the table below:

Sagicor Canada Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
ivari Holdings Inc. [1]	Insurance holding company	Canada	100%
Fox Subco Holdings Inc.	Insurance holding company	Canada	100%
ivari [1]	Life insurance and annuities, health and casualty insurance	Canada	100%

[1] Effective October 3, 2023, Sagicor Financial Company Ltd. purchased 100% of the shares of Proj Fox Acquisition Inc. which held ivari at this date. On February 1, 2024, there was a reorganization within the segment resulting in Proj Fox and ivari Holdings amalgamating under the name ivari Holdings Inc.

(b) Sagicor Life USA

This segment 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. The companies comprising this segment are as follows:

Sagicor Life USA Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor USA, Inc	Insurance holding company	USA - Delaware	100%
Sagicor Life Insurance Company	Life insurance and annuities	USA - Texas	100%

(c) Sagicor Jamaica

This segment comprises the Sagicor Jamaica Group of companies, which conduct life, health, annuity, property and casualty insurance business, pension administration services, banking and financial services, and real estate investment services in Jamaica, The Cayman Islands, Panamá, Costa Rica and USA. The companies comprising this segment are as follows:

Sagicor Jamaica Segment Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Group Jamaica Limited	Group holding company	Jamaica	49.11%
Sagicor Life Jamaica Limited	Life and health insurance and annuities	Jamaica	49.11%
Sagicor Cayman Limited	Holding company	The Cayman Islands	49.11%
Sagicor Life of the Cayman Islands Limited	Life insurance	The Cayman Islands	49.11%
Sagicor Investments Cayman Ltd.	Investment services	The Cayman Islands	49.11%
Sagicor Pooled Investment Funds Limited	Pension fund management	Jamaica	49.11%
Employee Benefits Administrator Limited	Pension administration services	Jamaica	49.11%
Sagicor Re Insurance Limited	Property and casualty insurance	The Cayman Islands	49.11%
Sagicor Insurance Brokers Limited	Insurance brokerage	Jamaica	49.11%
Sagicor International Administrators Limited	Group insurance administration	Jamaica	49.11%
Sagicor Insurance Managers Limited	Captive insurance management services	The Cayman Islands	49.11%
Sagicor Property Services Limited	Property management	Jamaica	49.11%
Sagicor Investments Jamaica Limited	Investment banking	Jamaica	49.11%
Sagicor Bank Jamaica Limited	Commercial banking	Jamaica	49.11%
Alliance Financial Services Limited	Financial services	Jamaica	49.11%
Phoenix Equity Holdings Limited	Holding Company	Barbados	49.11%
LOJ Holdings Limited	Insurance holding company	Jamaica	100%
Travel Cash Jamaica Limited	Microfinance	Jamaica	25.05%
Advantage General Insurance Co. Limited	Property and casualty insurance	Jamaica	29.47%
Bailey Williams Limited	Real estate development	Jamaica	34.38%
Joint venture			
Grupo Sagicor GS, S.A.	Holding company	Costa Rica	24.56%
Sagicor Costa Rica SCR, S.A.	Life insurance	Costa Rica	24.56%
Sagicor - Capital & Advice Spain S.L.	Holding company	Spain	24.56%
Sagicor Panamá, S.A.	Life and health insurance	Panamá	24.56%

Control of Sagicor Group Jamaica Limited is established through the following:

- The Group's effective shareholder's interest gives it the power to appoint the directors of the company and thereby direct relevant activities.
- The Group is exposed to the variable returns from its effective shareholder's interest.
- The Group has the ability to use the power to affect the amount of investor's returns.

(d) Sagicor Life

This segment comprises of the Sagicor Life Inc, its branches, subsidiaries and associates which engage in life, health, annuity, property and casualty insurance business, and pension administration services in Barbados, Eastern Caribbean, Dutch Caribbean, Bahamas, Belize, and Trinidad & Tobago.

Through a segregated account, Sagicor Life Inc transfers insurance risks associated with certain life and annuity products relating to Trinidad & Tobago business to Sagicor Reinsurance Bermuda Ltd.

The companies comprising this segment are set out in the following table.

Sagicor Life Segment Companies	**Principal Activities**	**Country of Incorporation**	**Effective Shareholders' Interest**
Sagicor Life Inc	Life and health insurance, annuities and pension administration services	Barbados	100%
Sagicor Life (Eastern Caribbean) Inc.	Life and health insurance, annuities and pension administration services	St. Lucia	100%
Sagicor Life Aruba NV	Life and health insurance, annuities and pension administration services	Aruba	100%
Capital Life Insurance Company Bahamas Limited	Life insurance	The Bahamas	100%
Nationwide Insurance Company Limited	Life insurance	Trinidad & Tobago	100%
Sagicor Life Insurance Trinidad & Tobago Limited	Life insurance	Trinidad & Tobago	100%
Sagicor General Insurance Trinidad & Tobago Limited	Property and casualty insurance	Trinidad & Tobago	100%
Sagicor General Insurance Inc	Property and casualty insurance	Barbados	99.30%
Associates			
FamGuard Corporation Limited	Investment holding company	The Bahamas	20%
Principal operating company: Family Guardian Insurance Company Limited	Life and health insurance and annuities	The Bahamas	20%
RGM Limited	Property ownership and management	Trinidad & Tobago	33%
Primo Holding Limited	Property investment	Barbados	38%

(e) Head office function and other operating companies

Head office and other includes the following functional groups – Technology, Risk Management, Human Resources, Corporate Development and Capital Markets, Finance, and other support groups, net of amounts charged to operating business segments. Head office and other also includes the activities of corporate management, the Group parent company, other companies not directly attributable to the business segments, and consolidation adjustments.

Head office and other Group Companies	Principal Activities	Country of Incorporation	Effective Shareholders' Interest
Sagicor Financial Company Ltd.	Group parent company	Bermuda	100%
Sagicor Financial Corporation Limited	Holding company	Bermuda	100%
Sagicor Finance Inc	Loan and lease financing, and deposit-taking	St. Lucia	70%
Sagicor Investments Trinidad & Tobago Limited	Investment management	Trinidad & Tobago	100%
Sagicor Asset Management Inc.	Investment management	Barbados	100%
Sagicor Asset Management (Eastern Caribbean) Limited	Investment management	Barbados	100%
Sagicor Special Opportunity Funds	Investment management	Barbados	100%
Sagicor Bank (Barbados) Limited	Commercial banking	Barbados	98.06%
Barbados Farms Limited	Farming and real estate development	Barbados	77.04%
Sagicor Funds Incorporated	Mutual fund holding company	Barbados	100%
Sagicor Finance Limited	Group financing vehicle	The Cayman Islands	100%
Sagicor Finance (2015) Limited	Group financing vehicle	The Cayman Islands	100%
Sagicor Reinsurance Bermuda Limited	Reinsurance	Bermuda	100%
1222948 B.C. Ltd.	Corporate management	Canada	100%
The Estates Group Holdings Limited	Holding company	Barbados	100%
The Estates (Senior Care Services) Limited	Retirement Community	Barbados	100%
The Estates (Senior Care Properties) Limited	Retirement Community	Barbados	100%
The Estates (Residential Properties) Limited	Retirement Community	Barbados	100%
The Estates (Management Services) Limited	Retirement Community	Barbados	100%

4.1 Statement of income by segment

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other	Adjust-ments	Total
2025							
Insurance revenue	664,427	101,750	379,385	342,514	-	-	1,488,076
Insurance service expenses	(470,097)	(81,308)	(413,108)	(238,149)	-	-	(1,202,662)
Net expense from reinsurance contracts held	(98,013)	(3,138)	114,113	(43,052)	-	-	(30,090)
Inter-segment insurance service result	-	(515)	-	78	-	437	-
Insurance service result	**96,317**	**16,789**	**80,390**	**61,391**	**-**	**437**	**255,324**
Gain / (loss) on derecognition of amortized cost investments	-	20	-	(23)	-	-	(3)
Gain / (loss) on derecognition of assets carried at FVTOCI	-	-	6,126	154	-	-	6,280
Interest income earned from financial assets measured at amortized cost and FVTOCI	-	58,316	180,306	22,519	5,044	-	266,185
Credit impairment recovery / (loss)	-	(918)	(10,784)	899	(575)	-	(11,378)
Net gain on FVTPL investments	534,898	387,432	108,256	85,208	2,592	-	1,118,386
Other investment income / (loss)	(56)	5,619	517	(169)	(151)	-	5,760
Inter-segment investment income / (expenses)	-	403	3,022	24,060	63,173	(90,658)	-
Net investment income	**534,842**	**450,872**	**287,443**	**132,648**	**70,083**	**(90,658)**	**1,385,230**
Finance expenses from insurance contracts issued	(505,629)	(402,454)	(80,993)	(82,631)	-	-	(1,071,707)
Finance income / (expenses) from reinsurance contracts held	39,189	15,995	105	(938)	-	-	54,351
Inter-segment net insurance finance income / (expenses)	-	1,222	-	(1,227)	-	5	-
Net insurance finance expenses	**(466,440)**	**(385,237)**	**(80,888)**	**(84,796)**	**-**	**5**	**(1,017,356)**
Net investment result before segregated funds	**68,402**	**65,635**	**206,555**	**47,852**	**70,083**	**(90,653)**	**367,874**
Net investment income for segregated funds	53,425	-	-	-	-	-	53,425
Finance expenses from insurance contracts issued for segregated funds	(53,425)	-	-	-	-	-	(53,425)
Net investment result for segregated funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investment result	**68,402**	**65,635**	**206,555**	**47,852**	**70,083**	**(90,653)**	**367,874**
Net insurance and investment result	**164,719**	**82,424**	**286,945**	**109,243**	**70,083**	**(90,216)**	**623,198**
Gain arising on divestiture	-	-	-	-	-	-	-
Fees and other income	979	300	127,423	10,157	(8,705)	1,983	132,137
Share of income of associates and joint ventures	-	-	1,772	4,372	-	-	6,144
Other operating expenses	(18,529)	(41,513)	(213,666)	(38,652)	(54,812)	(2,525)	(369,697)
Other interest and finance costs	(54,522)	(14,830)	(61,507)	(17,974)	(59,784)	802	(207,815)
Inter-segment other income / (expenses)	-	(13,172)	(2,906)	(743)	(23,022)	39,843	-
Segment income / (loss) before taxes	**92,647**	**13,209**	**138,061**	**66,403**	**(76,240)**	**(50,113)**	**183,967**
Income taxes	**(16,457)**	**(4,998)**	**(33,382)**	**(8,959)**	**(118)**	**-**	**(63,914)**
Segment net income / (loss) for the year	**76,190**	**8,211**	**104,679**	**57,444**	**(76,358)**	**(50,113)**	**120,053**
Net income / (loss) attributable to shareholders	**76,190**	**8,211**	**50,729**	**57,409**	**(75,491)**	**(50,113)**	**66,935**
Net income / (loss) attributable to non-controlling interests	**-**	**-**	**53,950**	**35**	**(867)**	**-**	**53,118**
Total comprehensive income / (loss) attributable to shareholders	**117,915**	**11,392**	**52,587**	**53,663**	**(75,775)**	**(50,083)**	**109,699**

4.1 Statement of income by segment (continued)

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other	Adjust-ments	Total
2024							
Insurance revenue	681,903	101,166	349,430	317,442	-	-	1,449,941
Insurance service expenses	(477,673)	(83,904)	(285,495)	(238,190)	-	-	(1,085,262)
Net expense from reinsurance contracts held	(121,395)	(12,308)	(23,940)	(41,031)	-	-	(198,674)
Inter-segment insurance service result	-	300	-	(275)	-	(25)	-
Insurance service result	**82,835**	**5,254**	**39,995**	**37,946**	**-**	**(25)**	**166,005**
Gain / (loss) on derecognition of amortized cost investments	-	(41)	7	-	(20)	-	(54)
Gain / (loss) on derecognition of assets carried at FVTOCI	-	(4,819)	3,184	(970)	2	-	(2,603)
Interest income earned from financial assets measured at amortized cost and FVTOCI	-	52,251	165,641	20,887	4,512	-	243,291
Credit impairment recovery / (loss)	-	(236)	(9,032)	2,195	211	-	(6,862)
Net gain/(loss) on FVTPL investments	739,001	369,433	71,979	77,699	(1,157)	-	1,256,955
Other investment income / (loss)	(121)	2,905	1,815	(189)	708	-	5,118
Inter-segment investment income	-	153	3,355	22,808	75,964	(102,280)	-
Net investment income / (expenses)	**738,880**	**419,646**	**236,949**	**122,430**	**80,220**	**(102,280)**	**1,495,845**
Finance expenses from insurance contracts issued	(718,574)	(324,929)	(52,798)	(78,028)	-	-	(1,174,329)
Finance income / (expenses) from reinsurance contracts held	88,882	19,003	(256)	(793)	-	-	106,836
Inter-segment net insurance finance income / (expenses)	-	1,387	-	(1,343)	-	(44)	-
Net insurance finance expenses	**(629,692)**	**(304,539)**	**(53,054)**	**(80,164)**	**-**	**(44)**	**(1,067,493)**
Net investment result before segregated funds	**109,188**	**115,107**	**183,895**	**42,266**	**80,220**	**(102,324)**	**428,352**
Net investment income for segregated funds	73,913	-	-	-	-	-	73,913
Finance expenses from insurance contracts issued for segregated funds	(73,913)	-	-	-	-	-	(73,913)
Net investment result for segregated funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investment result	**109,188**	**115,107**	**183,895**	**42,266**	**80,220**	**(102,324)**	**428,352**
Net insurance and investment result	**192,023**	**120,361**	**223,890**	**80,212**	**80,220**	**(102,349)**	**594,357**
Gain arising on divestiture	-	-	-	9,599	-	-	9,599
Fees and other income	1,710	(237)	119,811	8,453	23,502	(219)	153,020
Share of income of associates and joint ventures	-	-	1,451	2,882	-	-	4,333
Other operating expenses	(16,757)	(32,878)	(196,303)	(40,602)	(50,430)	(1,499)	(338,469)
Other interest and finance costs	(56,548)	(15,987)	(58,169)	(14,143)	(88,384)	506	(232,725)
Inter-segment other income / (expenses)	-	(15,861)	(2,273)	(703)	(22,415)	41,252	-
Segment income / (loss) before taxes	**120,428**	**55,398**	**88,407**	**45,698**	**(57,507)**	**(62,309)**	**190,115**
Income taxes	**(24,276)**	**(3,825)**	**(25,936)**	**(7,147)**	**(592)**	**-**	**(61,776)**
Segment net income / (loss) for the year	**96,152**	**51,573**	**62,471**	**38,551**	**(58,099)**	**(62,309)**	**128,339**
Net income / (loss) attributable to shareholders	**96,152**	**51,573**	**31,266**	**38,533**	**(57,747)**	**(62,309)**	**97,468**
Net income / (loss) attributable to non-controlling interests	**-**	**-**	**31,205**	**18**	**(352)**	**-**	**30,871**
Total comprehensive income / (loss) attributable to shareholders	**24,526**	**56,786**	**23,119**	**38,612**	**(53,533)**	**(62,343)**	**27,167**

4.2 Statement of financial position by segment

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other	Adjust-ments	Total
2025							
Financial investments	8,110,451	6,495,121	3,601,151	1,802,233	109,321	-	20,118,277
Reinsurance contract assets	2,643,759	195,161	173,394	32,262	-	-	3,044,576
Insurance contract assets	-	-	8,525	1,271	-	-	9,796
Other external assets	700,838	102,396	621,708	358,013	178,242	-	1,961,197
Inter-segment assets	-	20,059	46,323	469,248	149,665	(685,295)	-
Total assets	**11,455,048**	**6,812,737**	**4,451,101**	**2,663,027**	**437,228**	**(685,295)**	**25,133,846**
Insurance contract liabilities	9,315,347	5,796,774	1,256,205	1,583,312	-	-	17,951,638
Reinsurance contract liabilities	-	-	2,305	10,307	-	-	12,612
Investment contract liabilities	5,573	49,929	147,188	266,073	-	-	468,763
Other external liabilities	1,245,171	414,332	2,281,320	159,249	1,165,671	-	5,265,743
Inter-segment liabilities	-	177,212	2,211	92,084	413,788	(685,295)	-
Total liabilities	**10,566,091**	**6,438,247**	**3,689,229**	**2,111,025**	**1,579,459**	**(685,295)**	**23,698,756**
Net assets	**888,957**	**374,490**	**761,872**	**552,002**	**(1,142,231)**	**-**	**1,435,090**
Net assets attributable to non-controlling interests	-	-	386,297	269	11,942	-	398,508

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other	Adjust-ments	Total
2024							
Financial investments	7,352,431	5,512,872	3,157,798	1,732,584	100,354	-	17,856,039
Reinsurance contract assets	2,597,796	238,840	22,833	30,779	-	-	2,890,248
Insurance contract assets	-	-	4,032	854	-	-	4,886
Other external assets	688,135	152,454	632,069	365,864	178,243	-	2,016,765
Inter-segment assets	-	21,415	58,711	448,095	148,315	(676,536)	-
Total assets	**10,638,362**	**5,925,581**	**3,875,443**	**2,578,176**	**426,912**	**(676,536)**	**22,767,938**
Insurance contract liabilities	8,609,027	4,919,120	1,030,524	1,517,052	-	-	16,075,723
Reinsurance contract liabilities	-	-	3,986	10,715	-	-	14,701
Investment contract liabilities	6,566	55,056	141,010	263,916	-	-	466,548
Other external liabilities	1,194,939	435,502	1,983,197	175,754	1,099,120	-	4,888,512
Inter-segment liabilities	7	173,912	3,069	77,278	422,270	(676,536)	-
Total liabilities	**9,810,539**	**5,583,590**	**3,161,786**	**2,044,715**	**1,521,390**	**(676,536)**	**21,445,484**
Net assets	**827,823**	**341,991**	**713,657**	**533,461**	**(1,094,478)**	**-**	**1,322,454**
Net assets attributable to non-controlling interests	-	-	350,310	237	12,215	-	362,762

4.3 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 summarized as follows:

	Insurance revenue		Insurance service result	
	2025	2024	2025	2024
Life, health and annuity insurance contracts issued to individuals	1,010,382	1,001,024	206,517	141,858
Life, health and annuity insurance and pension administration contracts issued to groups	304,161	291,638	32,782	18,010
Property and casualty insurance	173,533	157,279	16,025	6,137
	1,488,076	**1,449,941**	**255,324**	**166,005**

	Net investment income		Fees and other income	
	2025	2024	2025	2024
Life, health and annuity insurance contracts issued to individuals	1,111,453	1,274,896	8,760	6,774
Life, health and annuity insurance and pension administration contracts issued to groups	75,414	43,190	3,389	3,715
Property and casualty insurance	6,263	6,844	711	797
Banking, investment management and other financial services	174,189	155,966	99,370	98,845
Unallocated revenues	17,911	14,949	19,907	42,889
	1,385,230	**1,495,845**	**132,137**	**153,020**

4.4 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 and fees and other income by geographical area are summarized below.

	Insurance revenue		Fees and other income	
	2025	2024	2025	2024
Canada	664,427	681,903	979	1,710
USA	101,750	101,166	300	(237)
Jamaica	363,588	334,827	126,955	119,373
Other Caribbean	358,311	332,045	3,903	32,174
	1,488,076	**1,449,941**	**132,137**	**153,020**

4.5 Revenues from fees recognized

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

	Fees recognized		
	at a point in time	over time	Total
Year ended December 31, 2025			
Sagicor Jamaica	77,544	44,935	122,479
All other segments	292	12,151	12,443
	77,836	**57,086**	**134,922**
Year ended December 31, 2024			
Sagicor Jamaica	65,997	50,868	116,865
All other segments	14,339	11,575	25,914
	80,336	**62,443**	**142,779**

Fee revenue is primarily attributed to income generated by the Jamaica segment's banking, investment management and other financial services business.

5. FINANCIAL INVESTMENTS

Statement of financial position presentation	2025	2024
Financial investments	19,257,495	17,159,289
Financial investments repledged	860,782	696,750
Total financial investments	**20,118,277**	**17,856,039**

5.1 Analysis of financial investments

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Investments at FVTOCI:				
Debt securities	1,689,317	1,689,317	1,426,647	1,426,647
Equity securities	740	740	696	696
	1,690,057	**1,690,057**	**1,427,343**	**1,427,343**
Investments at FVTPL:				
Money market funds	208,439	208,439	202,154	202,154
Debt securities [1]	12,104,022	12,104,022	11,048,029	11,048,029
Equity securities [1]	3,215,891	3,215,891	2,888,453	2,888,453
Other financial invested assets [1]	383,061	383,061	180,129	180,129
Derivative financial instruments	15,936	15,936	15,094	15,094
Mortgage loans	14,254	14,254	27,277	27,277
	15,941,603	**15,941,603**	**14,361,136**	**14,361,136**
Investments at amortized cost:				
Debt securities	119,522	120,744	127,484	126,753
Mortgage loans	1,165,524	1,164,570	865,327	851,547
Finance loans [1]	810,773	776,595	733,081	705,663
Securities purchased for resale	38,207	38,207	25,192	25,192
Deposits	352,591	352,604	316,476	316,476
	2,486,617	**2,452,720**	**2,067,560**	**2,025,631**
Total financial investments	**20,118,277**	**20,084,380**	**17,856,039**	**17,814,110**

[1] During the year, a new investment category - 'Other financial invested assets' was introduced to better reflect the private debt and private equity nature of certain assets. These assets were previously classified as debt securities at FVTPL, equity securities at FVTPL and finance loans. Comparative figures, totalling $180.1 million, have been reclassified to conform to the current year's presentation.

Non-derivative investments at FVTPL	2025 FVTPL mandatory classification	2025 FVTPL designation by election	2025 Total	2024 FVTPL mandatory classification	2024 FVTPL designation by election	2024 Total
Equity securities	3,215,891	-	3,215,891	2,888,453	-	2,888,453
Money market funds	184,361	24,078	208,439	185,305	16,849	202,154
Debt securities	4,814,080	7,289,942	12,104,022	4,055,435	6,992,594	11,048,029
Other financial invested assets	383,061	-	383,061	180,129	-	180,129
Mortgage loans	-	14,254	14,254	-	27,277	27,277
	8,597,393	**7,328,274**	**15,925,667**	**7,309,322**	**7,036,720**	**14,346,042**

	2025	2024
Debt securities, other financial invested assets and money market funds:		
Government & government-guaranteed debt securities	5,416,124	4,870,059
Collateralized mortgage obligations	1,687,133	1,422,078
Corporate debt securities	6,721,194	6,221,475
Private equity	78,188	33,238
Private debt	304,873	146,891
Money market funds and other securities	296,849	290,702
	14,504,361	**12,984,443**
Included in financial investments are:		
Exchange-traded funds included in equity securities	1,227,259	1,117,111
Debt securities issued by associates	17,077	17,287
Mutual funds managed by the Group	198,991	198,689

5.2 Collateral assets

Debt and equity securities include $4,128 (2024 - $4,241) as collateral for loans payable and other funding instruments.

Collateral for the obligation to the Federal Home Loan Bank of Dallas (FHLB) which is included in other funding instruments (note 9), consists of an equity holding in the FHLB with a market value of $16,867 (2024 - $16,323), and mortgages and mortgage backed securities having a total market value of $379,648 (2024 - $382,691).

5.3 Contracts with direct participation features

	2025 Carrying value	2025 Fair value	2024 Carrying value	2024 Fair value
Contracts with direct participation features				
Underlying assets:				
Debt securities	60,496	60,496	137,595	137,595
Equity securities	209,359	209,359	212,548	212,548
	269,855	269,855	350,143	350,143
Other investments	19,848,422	19,814,525	17,505,896	17,463,967
Total financial investments	**20,118,277**	**20,084,380**	**17,856,039**	**17,814,110**

6. INSURANCE AND REINSURANCE 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 detailed disclosures in note 6 related to insurance contract assets and liabilities as well as reinsurance contract assets and liabilities, specific segregated funds insurance contract liabilities disclosures are separately disclosed in note 28.

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total	Current portion	Non-current portion	Total
2025								
Insurance contract assets	-	-	8,525	1,271	**9,796**	3,766	6,030	**9,796**
Insurance contract liabilities	(9,315,347)	(5,796,774)	(1,256,205)	(1,583,312)	**(17,951,638)**	(1,249,145)	(16,702,493)	**(17,951,638)**
Reinsurance contract assets	2,643,759	195,161	173,394	32,262	**3,044,576**	443,083	2,601,493	**3,044,576**
Reinsurance contract liabilities	-	-	(2,305)	(10,307)	**(12,612)**	(2,192)	(10,420)	**(12,612)**
Investment contract liabilities	(5,573)	(49,929)	(147,188)	(266,073)	**(468,763)**	(395,362)	(73,401)	**(468,763)**
Segregated funds insurance contract liabilities	(450,643)	-	-	-	**(450,643)**	(41,181)	(409,462)	**(450,643)**
2024								
Insurance contract assets	-	-	4,032	854	**4,886**	2,814	2,072	**4,886**
Insurance contract liabilities	(8,609,027)	(4,919,120)	(1,030,524)	(1,517,052)	**(16,075,723)**	(1,068,707)	(15,007,016)	**(16,075,723)**
Reinsurance contract assets	2,597,796	238,840	22,833	30,779	**2,890,248**	297,563	2,592,685	**2,890,248**
Reinsurance contract liabilities	-	-	(3,986)	(10,715)	**(14,701)**	(3,326)	(11,375)	**(14,701)**
Investment contract liabilities	(6,566)	(55,056)	(141,010)	(263,916)	**(466,548)**	(384,922)	(81,626)	**(466,548)**
Segregated funds insurance contract liabilities	(447,222)	-	-	-	**(447,222)**	(31,548)	(415,674)	**(447,222)**

The following table presents insurance contract and reinsurance contract assets and liabilities and summarizes those contracts which are measured under the premium allocation approach (PAA) and those which are not measured under the PAA.

	2025		2024	
	Insurance contracts issued (includes direct participation contracts)	Reinsurance contracts held	Insurance contracts issued (includes direct participation contracts)	Reinsurance contracts held
Contracts measured under PAA - net (asset) / liability, end of year	315,746	185,426	169,146	31,535
Contracts not measured under PAA (GMM/ VFA) - net (asset) / liability, end of year	17,626,096	2,846,538	15,901,691	2,844,012
Total - Net (asset) / liability, end of year	**17,941,842**	**3,031,964**	**16,070,837**	**2,875,547**

The following tables explain the components of insurance contract and reinsurance contract assets and liabilities, in addition to changes in these balances for the year.

6.1 INSURANCE CONTRACTS ISSUED

(i) Contracts measured under PAA

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

	2025				2024			
	LRC	LIC			LRC	LIC		
Insurance contracts issued Contracts measured under PAA	**Excluding loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	**Excluding loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Insurance contract liabilities, beginning of year	34,639	128,923	5,668	169,230	34,940	106,886	4,609	146,435
Insurance contract assets, beginning of year	(71)	(11)	(2)	(84)	(1,487)	1,315	(19)	(191)
Net balance – (asset) / liability, beginning of year	**34,568**	**128,912**	**5,666**	**169,146**	**33,453**	**108,201**	**4,590**	**146,244**
Insurance revenue	**(458,418)**	**-**	**-**	**(458,418)**	**(431,830)**	**-**	**-**	**(431,830)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	410,334	12,323	422,657	-	284,616	1,097	285,713
Insurance acquisition cash flows amortization	64,906	-	-	64,906	62,011	-	-	62,011
Total insurance service expenses	**64,906**	**410,334**	**12,323**	**487,563**	**62,011**	**284,616**	**1,097**	**347,724**
Total amounts recognized in the insurance services result	**(393,512)**	**410,334**	**12,323**	**29,145**	**(369,819)**	**284,616**	**1,097**	**(84,106)**
Finance (income)/expenses from insurance contracts issued	-	2,311	-	2,311	-	2,122	-	2,122
Effect of exchange rate changes	(335)	(1,669)	(69)	(2,073)	(161)	(447)	(19)	(627)
Total amounts recognized in total comprehensive income	**(393,847)**	**410,976**	**12,254**	**29,383**	**(369,980)**	**286,291**	**1,078**	**(82,611)**
Investment components	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	(4)	(82)	(2)	(88)
Cash flows								
Premiums received	453,522	-	-	453,522	432,777	-	-	432,777
Claims and other directly attributable expenses paid	-	(274,028)	-	(274,028)	-	(265,498)	-	(265,498)
Insurance acquisition cash flows	(62,277)	-	-	(62,277)	(61,678)	-	-	(61,678)
Total cash flows	**391,245**	**(274,028)**	**-**	**117,217**	**371,099**	**(265,498)**	**-**	**105,601**
Net balance – (asset) / liability, end of year	**31,966**	**265,860**	**17,920**	**315,746**	**34,568**	**128,912**	**5,666**	**169,146**
Insurance contract liabilities, end of year [1]	34,636	263,532	17,810	315,978	34,639	128,923	5,668	169,230
Insurance contract assets, end of year	(2,670)	2,328	110	(232)	(71)	(11)	(2)	(84)
Net balance – (asset) / liability, end of year	**31,966**	**265,860**	**17,920**	**315,746**	**34,568**	**128,912**	**5,666**	**169,146**

[1] The liability for insurance contracts issued as at December 31, 2025 includes policyholder claims reserves related to Hurricane Melissa, reflecting management's best estimate of the ultimate claim costs. Estimation is based on preliminary reports and historical claims patterns. The ultimate impact on the Group is reduced by reinsurance as reflected in Note 6.2.

(ii) Contracts not measured under PAA

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

	2025				2024			
	LRC				LRC			
Insurance contracts issued Contracts not measured under PAA	**Excluding loss component**	**Loss component**	**LIC**	**Total**	**Excluding loss component**	**Loss component**	**LIC**	**Total**
Insurance contract liabilities, beginning of year	15,286,055	322,823	297,615	15,906,493	15,050,930	265,528	269,321	15,585,779
Insurance contract assets, beginning of year	1,329	90	(6,221)	(4,802)	452	-	(1,534)	(1,082)
Net balance – (asset) / liability, beginning of year	**15,287,384**	**322,913**	**291,394**	**15,901,691**	**15,051,382**	**265,528**	**267,787**	**15,584,697**
Insurance revenue	**(1,029,658)**	**-**	**-**	**(1,029,658)**	**(1,018,111)**	**-**	**-**	**(1,018,111)**
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	(15,352)	642,186	626,834	-	(14,434)	630,194	615,760
Changes that relate to past service – adjustments to the LIC	-	-	(143)	(143)	-	-	4,403	4,403
Losses on onerous contracts and reversal of those losses	-	5,361	-	5,361	-	65,110	-	65,110
Insurance acquisition cash flows amortization	83,047	-	-	83,047	52,265	-	-	52,265
Total insurance service expenses	**83,047**	**(9,991)**	**642,043**	**715,099**	**52,265**	**50,676**	**634,597**	**737,538**
Total amounts recognized in the insurance services result	**(946,611)**	**(9,991)**	**642,043**	**(314,559)**	**(965,846)**	**50,676**	**634,597**	**(280,573)**
Finance (income) / expenses from insurance contracts issued	1,053,914	14,289	1,193	1,069,396	1,159,207	11,917	1,083	1,172,207
Effect of exchange rate changes	417,549	(927)	4,244	420,866	(741,865)	(493)	(7,399)	(749,757)
Total amounts recognized in total comprehensive income	**524,852**	**3,371**	**647,480**	**1,175,703**	**(548,504)**	**62,100**	**628,281**	**141,877**
Investment components	(1,112,105)	-	1,112,105	-	(1,006,347)	-	1,006,347	-
Other changes[1]	-	-	-	-	(59,620)	(4,715)	(7,841)	(72,176)
Cash flows								
Premiums received	2,557,629	-	-	2,557,629	2,118,635	-	-	2,118,635
Claims and other directly attributable expenses paid	-	-	(1,722,535)	(1,722,535)	-	-	(1,603,180)	(1,603,180)
Insurance acquisition cash flows	(286,392)	-	-	(286,392)	(268,162)	-	-	(268,162)
Total cash flows	**2,271,237**	**-**	**(1,722,535)**	**548,702**	**1,850,473**	**-**	**(1,603,180)**	**247,293**
Net balance – (asset) / liability, end of year	**16,971,368**	**326,284**	**328,444**	**17,626,096**	**15,287,384**	**322,913**	**291,394**	**15,901,691**
Insurance contract liabilities, end of year	16,943,116	320,988	371,556	17,635,660	15,286,055	322,823	297,615	15,906,493
Insurance contract assets, end of year	28,252	5,296	(43,112)	(9,564)	1,329	90	(6,221)	(4,802)
Net balance – (asset) / liability, end of year	**16,971,368**	**326,284**	**328,444**	**17,626,096**	**15,287,384**	**322,913**	**291,394**	**15,901,691**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curaçao and St. Maarten operations in 2024.

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

Insurance contracts issued Contracts not measured under PAA	2025					2024				
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Insurance acquisition cash flows asset	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Insurance acquisition cash flows asset	Total
Insurance contract liabilities, beginning of year	12,787,867	1,243,094	1,875,532	-	15,906,493	12,380,332	1,303,806	1,901,641	-	15,585,779
Insurance contract assets, beginning of year	(6,875)	879	1,194	-	(4,802)	(1,135)	4	49	-	(1,082)
Net balance – (asset) / liability, beginning of year	**12,780,992**	**1,243,973**	**1,876,726**	**-**	**15,901,691**	**12,379,197**	**1,303,810**	**1,901,690**	**-**	**15,584,697**
Changes that relate to current service										
CSM recognized in net (income) / loss for the services provided	-	-	(237,011)	-	(237,011)	-	-	(234,582)	-	(234,582)
Change in the risk adjustment for non-financial risk for risk expired	-	(100,877)	-	-	(100,877)	-	(98,646)	-	-	(98,646)
Experience adjustments – relating to insurance service expenses	18,111	-	-	-	18,111	(16,858)	-	-	-	(16,858)
	18,111	**(100,877)**	**(237,011)**	**-**	**(319,777)**	**(16,858)**	**(98,646)**	**(234,582)**	**-**	**(350,086)**
Changes that relate to future service										
Changes in estimate that adjust the CSM	36,889	(2,971)	(33,918)	-	-	(59,109)	1,536	57,574	-	1
Changes in estimates that result in onerous contract losses or reversal of losses	2,712	(868)	-	-	1,844	69,577	(7,306)	-	-	62,271
Contracts initially recognized in the year	(235,271)	81,098	157,690	-	3,517	(245,376)	82,087	166,127	-	2,838
	(195,670)	**77,259**	**123,772**	**-**	**5,361**	**(234,908)**	**76,317**	**223,701**	**-**	**65,110**
Changes that relate to past service										
Changes that relate to past service – adjustments to the LIC	(143)	-	-	-	(143)	4,403	-	-	-	4,403
Total amounts recognized in the insurance service result	**(177,702)**	**(23,618)**	**(113,239)**	**-**	**(314,559)**	**(247,363)**	**(22,329)**	**(10,881)**	**-**	**(280,573)**
Finance (income) / expenses from insurance contracts issued	949,056	22,901	97,439	-	1,069,396	1,021,160	52,824	98,223	-	1,172,207
Effect of exchange rate changes	324,452	44,664	51,750	-	420,866	(566,209)	(81,860)	(101,688)	-	(749,757)
Total amounts recognized in total comprehensive income	**1,095,806**	**43,947**	**35,950**	**-**	**1,175,703**	**207,588**	**(51,365)**	**(14,346)**	**-**	**141,877**
Other changes [1]	-	-	-	-	-	(53,086)	(8,472)	(10,618)	-	(72,176)
Cash flows										
Premiums received	2,557,629	-	-	-	2,557,629	2,118,635	-	-	-	2,118,635
Claims and other directly attributable expenses paid	(1,722,535)	-	-	-	(1,722,535)	(1,603,180)	-	-	-	(1,603,180)
Insurance acquisition cash flows	(286,392)	-	-	-	(286,392)	(268,162)	-	-	-	(268,162)
Total cash flows	**548,702**	**-**	**-**	**-**	**548,702**	**247,293**	**-**	**-**	**-**	**247,293**
Net balance – (asset) / liability, end of year	**14,425,500**	**1,287,920**	**1,912,676**	**-**	**17,626,096**	**12,780,992**	**1,243,973**	**1,876,726**	**-**	**15,901,691**
Insurance contract liabilities, end of year	14,493,854	1,278,151	1,863,655	-	17,635,660	12,787,867	1,243,094	1,875,532	-	15,906,493
Insurance contract assets, end of year	(68,354)	9,769	49,021	-	(9,564)	(6,875)	879	1,194	-	(4,802)
Net balance – (asset) / liability, end of year	**14,425,500**	**1,287,920**	**1,912,676**	**-**	**17,626,096**	**12,780,992**	**1,243,973**	**1,876,726**	**-**	**15,901,691**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curaçao and St. Maarten operations in 2024.

(c) Impact of contracts recognized in the year

The following tables show the impact of contracts recognized in the year, by segment.

Sagicor Canada Insurance contracts issued	2025			2024		
	Contracts issued		Total	Contracts issued		Total
	Non-onerous	Onerous		Non-onerous	Onerous	
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	118,397	8,980	127,377	117,684	2,234	119,918
Claims and other directly attributable expenses	285,935	21,406	307,341	303,153	4,648	307,801
Estimates of present value of future cash outflows	**404,332**	**30,386**	**434,718**	**420,837**	**6,882**	**427,719**
Estimates of present value of future cash inflows	(487,011)	(33,897)	(520,908)	(512,784)	(8,306)	(521,090)
Risk adjustment for non-financial risk	48,511	3,949	52,460	55,165	1,558	56,723
CSM	34,168	-	34,168	36,782	-	36,782
Increase / (decrease) in insurance contract liabilities from contracts recognized in the year	**-**	**438**	**438**	**-**	**134**	**134**

Sagicor Life USA Insurance contracts issued	2025			2024		
	Contracts issued		Total	Contracts issued		Total
	Non-onerous	Onerous		Non-onerous	Onerous	
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	48,479	13	48,492	33,229	53	33,282
Claims and other directly attributable expenses	1,192,732	4	1,192,736	808,363	250	808,613
Estimates of present value of future cash outflows	**1,241,211**	**17**	**1,241,228**	**841,592**	**303**	**841,895**
Estimates of present value of future cash inflows	(1,282,026)	(6)	(1,282,032)	(890,478)	(282)	(890,760)
Risk adjustment for non-financial risk	9,424	1	9,425	7,648	13	7,661
CSM	31,391	-	31,391	41,238	-	41,238
Increase / (decrease) in insurance contract liabilities from contracts recognized in the year	**-**	**12**	**12**	**-**	**34**	**34**

Sagicor Jamaica Insurance contracts issued	2025			2024		
	Contracts issued		Total	Contracts issued		Total
	Non-onerous	Onerous		Non-onerous	Onerous	
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	32,090	1,116	33,206	30,438	2,646	33,084
Claims and other directly attributable expenses	117,466	2,230	119,696	103,529	17,432	120,961
Estimates of present value of future cash outflows	**149,556**	**3,346**	**152,902**	**133,967**	**20,078**	**154,045**
Estimates of present value of future cash inflows	(208,209)	(3,091)	(211,300)	(182,331)	(19,959)	(202,290)
Risk adjustment for non-financial risk	8,655	439	9,094	7,258	940	8,198
CSM	49,998	-	49,998	41,106	-	41,106
Increase / (decrease) in insurance contract liabilities from contracts recognized in the year	**-**	**694**	**694**	**-**	**1,059**	**1,059**

Sagicor Life Insurance contracts issued	2025			2024		
	Contracts issued		Total	Contracts issued		Total
	Non-onerous	Onerous		Non-onerous	Onerous	
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	35,037	2,313	37,350	32,784	1,503	34,287
Claims and other directly attributable expenses	99,688	5,415	105,103	90,652	4,215	94,867
Estimates of present value of future cash outflows	**134,725**	**7,728**	**142,453**	**123,436**	**5,718**	**129,154**
Estimates of present value of future cash inflows	(186,593)	(5,739)	(192,332)	(179,670)	(4,379)	(184,049)
Risk adjustment for non-financial risk	9,735	384	10,119	9,233	272	9,505
CSM	42,133	-	42,133	47,001	-	47,001
Increase / (decrease) in insurance contract liabilities from contracts recognized in the year	**-**	**2,373**	**2,373**	**-**	**1,611**	**1,611**

The following tables show amounts determined on transition to IFRS 17 for the CSM and insurance revenue.

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

	2025					2024				
Insurance contracts issued	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**
CSM, beginning of year	**1,166,406**	**153,407**	**287,309**	**269,604**	**1,876,726**	**1,157,317**	**205,583**	**286,896**	**251,894**	**1,901,690**
Changes that relate to current service										
CSM recognized in net (income) / loss for the services provided	(134,608)	(28,456)	(39,906)	(34,041)	(237,011)	(136,249)	(33,754)	(37,807)	(26,772)	(234,582)
Changes that relate to future service										
Changes in estimates that adjust the CSM	(185)	(17,206)	(8,872)	(7,655)	(33,918)	145,708	(68,537)	(15,967)	(3,630)	57,574
Contracts initially recognized in the year	34,168	31,391	49,998	42,133	157,690	36,782	41,238	41,106	47,001	166,127
	(100,625)	(14,271)	1,220	437	(113,239)	46,241	(61,053)	(12,668)	16,599	(10,881)
Finance (income) / expenses from insurance contracts issued	59,982	7,258	15,909	14,290	97,439	62,120	8,877	14,988	12,238	98,223
Effect of exchange rate changes	57,153	-	(5,027)	(376)	51,750	(99,272)	-	(1,907)	(509)	(101,688)
Total amounts recognized in total comprehensive income	**16,510**	**(7,013)**	**12,102**	**14,351**	**35,950**	**9,089**	**(52,176)**	**413**	**28,328**	**(14,346)**
Other changes [1]	-	-	-	-	-	-	-	-	(10,618)	(10,618)
CSM, end of year	**1,182,916**	**146,394**	**299,411**	**283,955**	**1,912,676**	**1,166,406**	**153,407**	**287,309**	**269,604**	**1,876,726**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curaçao and St. Maarten operations in 2024.

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

	2025					2024				
Insurance contracts issued	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**
New contracts and contracts measured under the full retrospective approach at transition	1,182,916	142,096	254,936	212,099	1,792,047	1,166,406	148,946	250,441	192,137	1,757,930
Contracts measured under the fair value approach at transition	-	4,298	44,475	71,856	120,629	-	4,461	36,868	77,467	118,796
Total	**1,182,916**	**146,394**	**299,411**	**283,955**	**1,912,676**	**1,166,406**	**153,407**	**287,309**	**269,604**	**1,876,726**

(f) Amounts determined on transition to IFRS 17 – Insurance revenue by transition method by segment

	2025					2024				
Insurance contracts issued	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**
New contracts and contracts measured under the full retrospective approach at transition	664,427	79,007	82,960	56,664	883,058	681,903	77,374	68,101	46,514	873,892
Contracts measured under the fair value approach at transition	-	22,743	58,060	65,797	146,600	-	23,792	58,565	61,862	144,219
Total	**664,427**	**101,750**	**141,020**	**122,461**	**1,029,658**	**681,903**	**101,166**	**126,666**	**108,376**	**1,018,111**

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

	2025			2024		
Insurance contracts issued	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**	**New contracts and contracts measured under the full retrospective approach at transition**	**Contracts measured under the fair value approach at transition**	**Total**
Insurance revenue	**883,058**	**146,600**	**1,029,658**	**873,892**	**144,219**	**1,018,111**
CSM, beginning of year	**1,757,930**	**118,796**	**1,876,726**	**1,735,475**	**166,215**	**1,901,690**
Changes that relate to current service						
CSM recognized in net (income) / loss for the services provided	(214,833)	(22,178)	(237,011)	(217,489)	(17,093)	(234,582)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(52,036)	18,118	(33,918)	87,471	(29,897)	57,574
Contracts initially recognized in the year	157,551	139	157,690	164,966	1,161	166,127
	(109,318)	(3,921)	(113,239)	34,948	(45,829)	(10,881)
Finance (income) / expenses from insurance contracts issued	91,640	5,799	97,439	92,141	6,082	98,223
Effect of exchange rate changes	51,795	(45)	51,750	(101,313)	(375)	(101,688)
Total amounts recognized in total comprehensive income	**34,117**	**1,833**	**35,950**	**25,776**	**(40,122)**	**(14,346)**
Other changes [1]	-	-	-	(3,321)	(7,297)	(10,618)
CSM, end of year	**1,792,047**	**120,629**	**1,912,676**	**1,757,930**	**118,796**	**1,876,726**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations in 2024.

6.2 REINSURANCE CONTRACTS HELD

(i) Contracts measured under PAA

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

	2025					2024				
	Remaining coverage		Incurred claims			Remaining coverage		Incurred claims		
Reinsurance contracts held Contracts measured under the PAA	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	**Excluding loss recovery component**	**Loss recovery component**	**Present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**
Reinsurance contract liabilities, beginning of year	(3,283)	-	451	5	(2,827)	(2,035)	-	415	17	(1,603)
Reinsurance contract assets, beginning of year	14,049	-	19,291	1,022	34,362	10,908	-	17,403	899	29,210
Net balance – asset / (liability), beginning of year	**10,766**	**-**	**19,742**	**1,027**	**31,535**	**8,873**	**-**	**17,818**	**916**	**27,607**
Net income / (expenses) from reinsurance contracts held										
Reinsurance expenses	(95,284)	-	-	-	(95,284)	(92,874)	-	-	-	(92,874)
Claims recovered	-	-	159,705	12,194	171,899	-	-	31,716	115	31,831
Net income / (expenses) from reinsurance contracts held	**(95,284)**	**-**	**159,705**	**12,194**	**76,615**	**(92,874)**	**-**	**31,716**	**115**	**(61,043)**
Finance income / (expenses) from reinsurance contracts held	-	-	576	-	576	-	-	423	-	423
Effect of exchange rate changes	(112)	-	(285)	(18)	(415)	(35)	-	(49)	(4)	(88)
Total amounts recognized in total comprehensive income	**(95,396)**	**-**	**159,996**	**12,176**	**76,776**	**(92,909)**	**-**	**32,090**	**111**	**(60,708)**
Investment components	-		-	-	-	-	-	-	-	-
Other changes	-		(164)	-	(164)	5	-	(1)	-	4
Cash flows										
Premiums paid net of ceding commissions and other directly attributable expenses paid	120,573	-	-	-	120,573	94,797	-	-	-	94,797
Recoveries from reinsurance [1]	-	-	(43,294)	-	(43,294)	-	-	(30,165)	-	(30,165)
Total cash flows	**120,573**	**-**	**(43,294)**	**-**	**77,279**	**94,797**	**-**	**(30,165)**	**-**	**64,632**
Net balance – asset / (liability), end of year	**35,943**	**-**	**136,280**	**13,203**	**185,426**	**10,766**	**-**	**19,742**	**1,027**	**31,535**
Reinsurance contract liabilities, end of year	(3,824)	-	1,051	15	(2,758)	(3,283)	-	451	5	(2,827)
Reinsurance contract assets, end of year [1]	39,767	-	135,229	13,188	188,184	14,049	-	19,291	1,022	34,362
Net balance – asset / (liability), end of year	**35,943**	**-**	**136,280**	**13,203**	**185,426**	**10,766**	**-**	**19,742**	**1,027**	**31,535**

[1] The asset for reinsurance contracts held as at December 31, 2025 includes reinsurance recoveries related to Hurricane Melissa, reflecting management's best estimate of the recoveries on ultimate claim costs. Estimation is based on preliminary reports and historical claims patterns.

(ii) Contracts not measured under PAA

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

	2025				2024			
	Remaining coverage		Incurred claims	Total	Remaining coverage		Incurred claims	Total
Reinsurance contracts held Contracts not measured under the PAA	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
Reinsurance contract liabilities, beginning of year	(10,154)	84	(1,804)	(11,874)	(12,253)	243	(1,187)	(13,197)
Reinsurance contract assets, beginning of year	2,705,724	28,104	122,058	2,855,886	3,063,834	19,642	100,213	3,183,689
Net balance – asset / (liability), beginning of year	**2,695,570**	**28,188**	**120,254**	**2,844,012**	**3,051,581**	**19,885**	**99,026**	**3,170,492**
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(465,357)	-	-	(465,357)	(487,343)	-	-	(487,343)
Claims recovered	-	(2,179)	357,650	355,471	-	(2,673)	339,442	336,769
Changes that relate to past service - adjustments to incurred claims	-	-	(499)	(499)	-	-	3,155	3,155
Changes that relate to future service	-	3,680	-	3,680	-	9,788	-	9,788
Net income / (expenses) from reinsurance contracts held	**(465,357)**	**1,501**	**357,151**	**(106,705)**	**(487,343)**	**7,115**	**342,597**	**(137,631)**
Finance income / (expenses) from reinsurance contracts held	51,982	1,793	-	53,775	105,208	1,205	-	106,413
Effect of exchange rate changes	122,326	10	5,176	127,512	(221,220)	(15)	(7,647)	(228,882)
Total amounts recognized in total comprehensive income	**(291,049)**	**3,304**	**362,327**	**74,582**	**(603,355)**	**8,305**	**334,950**	**(260,100)**
Investment components	(72,388)	-	72,388	-	(119,485)	-	119,485	-
Other changes [1]	-	-	-	-	5,510	(2)	(217)	5,291
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	340,765	-	-	340,765	361,319	-	-	361,319
Recoveries from reinsurance	-	-	(412,821)	(412,821)	-	-	(432,990)	(432,990)
Total cash flows	**340,765**	**-**	**(412,821)**	**(72,056)**	**361,319**	**-**	**(432,990)**	**(71,671)**
Net balance – asset / (liability), end of year	**2,672,898**	**31,492**	**142,148**	**2,846,538**	**2,695,570**	**28,188**	**120,254**	**2,844,012**
Reinsurance contract liabilities, end of year	(8,160)	299	(1,993)	(9,854)	(10,154)	84	(1,804)	(11,874)
Reinsurance contract assets, end of year	2,681,058	31,193	144,141	2,856,392	2,705,724	28,104	122,058	2,855,886
Net balance – asset / (liability), end of year	**2,672,898**	**31,492**	**142,148**	**2,846,538**	**2,695,570**	**28,188**	**120,254**	**2,844,012**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations in 2024.

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

Reinsurance contracts held Contracts not measured under the PAA	2025				2024			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contract liabilities, beginning of year	(19,314)	2,511	4,929	(11,874)	(33,202)	4,077	15,928	(13,197)
Reinsurance contract assets, beginning of year	1,679,560	524,191	652,135	2,855,886	2,011,420	565,016	607,253	3,183,689
Net balance – asset / (liability), beginning of year	**1,660,246**	**526,702**	**657,064**	**2,844,012**	**1,978,218**	**569,093**	**623,181**	**3,170,492**
Changes that relate to current service								
CSM recognized in net income / (loss) for the services received	-	-	(83,286)	(83,286)	-	-	(78,423)	(78,423)
Change in the risk adjustment for non-financial risk for risk expired	-	(43,377)	-	(43,377)	-	(45,215)	-	(45,215)
Experience adjustments	16,777	-	-	16,777	(26,936)	-	-	(26,936)
	16,777	**(43,377)**	**(83,286)**	**(109,886)**	**(26,936)**	**(45,215)**	**(78,423)**	**(150,574)**
Changes that relate to future service								
Changes in estimate that adjust the CSM	(20,050)	(1,706)	21,757	1	(141,040)	(2,746)	143,790	4
Changes in fulfilment cash flows which relate to onerous underlying contracts	14,227	(2,711)	(185)	11,331	9,683	3,904	(39)	13,548
Contracts initially recognized in the year	(11,148)	21,259	(9,499)	612	(18,859)	22,863	(3,859)	145
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	(18)	51	(8,297)	(8,264)	105	76	(4,090)	(3,909)
	(16,989)	**16,893**	**3,776**	**3,680**	**(150,111)**	**24,097**	**135,802**	**9,788**
Changes that relate to past service								
Changes that relate to past service – adjustments to the incurred claims	(499)	-	-	(499)	3,155	-	-	3,155
	(499)	**-**	**-**	**(499)**	**3,155**	**-**	**-**	**3,155**
Net income / (expenses) from reinsurance contracts held	(711)	(26,484)	(79,510)	(106,705)	(173,892)	(21,118)	57,379	(137,631)
Finance income / (expenses) from reinsurance contracts held	12,024	8,774	32,977	53,775	51,701	22,828	31,884	106,413
Effect of exchange rate changes	73,046	24,167	30,299	127,512	(132,868)	(43,178)	(52,836)	(228,882)
Total amounts recognized in total comprehensive income	**84,359**	**6,457**	**(16,234)**	**74,582**	**(255,059)**	**(41,468)**	**36,427**	**(260,100)**
Other changes[1]	-	-	-	-	8,758	(923)	(2,544)	5,291
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	340,765	-	-	340,765	361,319	-	-	361,319
Recoveries from reinsurance	(412,821)	-	-	(412,821)	(432,990)	-	-	(432,990)
Total cash flows	**(72,056)**	**-**	**-**	**(72,056)**	**(71,671)**	**-**	**-**	**(71,671)**
Net balance – asset / (liability), end of year	**1,672,549**	**533,159**	**640,830**	**2,846,538**	**1,660,246**	**526,702**	**657,064**	**2,844,012**
Reinsurance contract liabilities, end of year	(17,602)	2,274	5,474	(9,854)	(19,314)	2,511	4,929	(11,874)
Reinsurance contract assets, end of year	1,690,151	530,885	635,356	2,856,392	1,679,560	524,191	652,135	2,855,886
Net balance – asset / (liability), end of year	**1,672,549**	**533,159**	**640,830**	**2,846,538**	**1,660,246**	**526,702**	**657,064**	**2,844,012**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations in 2024.

(c) Impact of contracts recognized in the year

The following tables show the impact of contracts recognized in the year, by segment.

	2025					2024				
	Contracts held		Contracts acquired			Contracts held		Contracts acquired		
Reinsurance contracts held	**Contracts not in a net gain**	**Contracts in a net gain**	**Contracts not in a net gain**	**Contracts in a net gain**	**Total**	**Contracts not in a net gain**	**Contracts in a net gain**	**Contracts not in a net gain**	**Contracts in a net gain**	**Total**
Sagicor Canada										
Estimates of present value of future cash inflows	510	88,781	-	-	89,291	22	92,299	-	-	92,321
Estimates of present value of future cash outflows	(597)	(99,122)	-	-	(99,719)	(29)	(105,753)	-	-	(105,782)
Risk adjustment for non-financial risk	32	20,945	-	-	20,977	4	22,598	-	-	22,602
CSM	56	(10,330)	-	-	(10,274)	2	(9,051)	-	-	(9,049)
Increase / (decrease) in reinsurance contract assets from contracts recognized in the year	**1**	**274**	**-**	**-**	**275**	**(1)**	**93**	**-**	**-**	**92**
Sagicor Life USA										
Estimates of present value of future cash inflows	(23)	-	-	-	(23)	9	-	-	-	9
Estimates of present value of future cash outflows	8	-	-	-	8	(4,397)	-	-	-	(4,397)
Risk adjustment for non-financial risk	4	-	-	-	4	5	-	-	-	5
CSM	11	-	-	-	11	4,383	-	-	-	4,383
Increase / (decrease) in reinsurance contract assets from contracts recognized in the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sagicor Jamaica										
Estimates of present value of future cash inflows	(125)	(732)	-	-	(857)	-	-	-	-	-
Estimates of present value of future cash outflows	-	376	-	-	376	(183)	-	-	-	(183)
Risk adjustment for non-financial risk	-	102	-	-	102	44	-	-	-	44
CSM	-	397	-	-	397	139	-	-	-	139
Increase / (decrease) in reinsurance contract assets from contracts recognized in the year	**(125)**	**143**	**-**	**-**	**18**	**-**	**-**	**-**	**-**	**-**
Sagicor Life										
Estimates of present value of future cash inflows	371	1,147	-	-	1,518	54	92	-	-	146
Estimates of present value of future cash outflows	(140)	(1,602)	-	-	(1,742)	(19)	(954)	-	-	(973)
Risk adjustment for non-financial risk	8	168	-	-	176	2	210	-	-	212
CSM	318	49	-	-	367	52	616	-	-	668
Increase / (decrease) in reinsurance contract assets from contracts recognized in the year	**557**	**(238)**	**-**	**-**	**319**	**89**	**(36)**	**-**	**-**	**53**

The following tables show amounts determined on transition to IFRS 17 for the CSM by segment and by transition method.

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

Reinsurance contracts held	2025					2024				
	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total
CSM, beginning of year	**631,135**	**(1,091)**	**5,139**	**21,881**	**657,064**	**593,554**	**2,657**	**5,030**	**21,940**	**623,181**
Changes that relate to current service										
CSM recognized in net (income) / loss for the services provided	(70,887)	(6,723)	246	(5,922)	(83,286)	(71,399)	(6,839)	(450)	265	(78,423)
Changes that relate to future service										
Changes in estimates that adjust the CSM	5,146	8,707	977	6,927	21,757	139,533	1,754	287	2,216	143,790
Contracts initially recognized in the year	(10,274)	11	397	367	(9,499)	(9,049)	4,383	139	668	(3,859)
Loss-recovery component recognized on onerous underlying contracts	(361)	(6,298)	(185)	1	(6,843)	(27)	(3,118)	(39)	-	(3,184)
Reversal of loss-recovery component from onerous underlying contracts	-	-	-	(1,639)	(1,639)	-	-	-	(945)	(945)
	(76,376)	(4,303)	1,435	(266)	(79,510)	59,058	(3,820)	(63)	2,204	57,379
Finance (income) / expenses from reinsurance contracts held	31,492	544	206	735	32,977	31,275	72	180	357	31,884
Effect of exchange rate changes	30,377	-	(34)	(44)	30,299	(52,752)	-	(8)	(76)	(52,836)
Total amounts recognized in total comprehensive income	**(14,507)**	**(3,759)**	**1,607**	**425**	**(16,234)**	**37,581**	**(3,748)**	**109**	**2,485**	**36,427**
Other changes [1]	-	-	-	-	-	-	-	-	(2,544)	(2,544)
CSM, end of year	**616,628**	**(4,850)**	**6,746**	**22,306**	**640,830**	**631,135**	**(1,091)**	**5,139**	**21,881**	**657,064**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations in 2024.

e) Amounts determined on transition to IFRS 17 – The CSM by transition method by segment

Reinsurance contracts held	2025					2024				
	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total
New contracts and contracts measured under the full retrospective approach at transition	616,628	7,577	2,818	8,597	635,620	631,135	8,326	2,084	7,797	649,342
Contracts measured under the fair value approach at transition	-	(12,427)	3,928	13,709	5,210	-	(9,417)	3,055	14,084	7,722
Total	**616,628**	**(4,850)**	**6,746**	**22,306**	**640,830**	**631,135**	**(1,091)**	**5,139**	**21,881**	**657,064**

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

Reinsurance contracts held	2025			2024		
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
CSM, beginning of year	**649,342**	**7,722**	**657,064**	**612,795**	**10,386**	**623,181**
Changes that relate to current service						
CSM recognized in net income / (loss) for the services provided	(78,722)	(4,564)	(83,286)	(78,762)	339	(78,423)
Changes that relate to future service						
Changes in estimates that adjust the CSM	12,999	8,758	21,757	141,327	2,463	143,790
Contracts initially recognized in the year	(9,499)	-	(9,499)	(4,250)	391	(3,859)
Loss-recovery component recognized on onerous underlying contracts	(333)	(6,510)	(6,843)	(84)	(3,100)	(3,184)
Reversal of loss-recovery component from onerous underlying contracts	(1,084)	(555)	(1,639)	(406)	(539)	(945)
	(76,639)	(2,871)	(79,510)	57,825	(446)	57,379
Finance income / (expenses) from reinsurance contracts held	32,594	383	32,977	31,620	264	31,884
Effect of exchange rate changes	30,323	(24)	30,299	(52,831)	(5)	(52,836)
Total amounts recognized in total comprehensive income	**(13,722)**	**(2,512)**	**(16,234)**	**36,614**	**(187)**	**36,427**
Other changes [1]	-	-	-	(67)	(2,477)	(2,544)
CSM, end of year	**635,620**	**5,210**	**640,830**	**649,342**	**7,722**	**657,064**

[1] Other changes include movement related to the transfer of liabilities on disposition of the Curacao and St. Maarten operations in 2024.

6.3 SUMMARY OF LOSS COMPONENT, PRESENT VALUE OF FUTURE CASH FLOWS, RISK ADJUSTMENT AND CSM BY SEGMENT

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total
2025					
LRC - Excluding loss component	9,209,653	5,585,104	887,917	1,320,660	17,003,334
LRC - Loss component	1,202	158,875	102,364	63,843	326,284
Present value of future cash flows	7,163,120	5,547,394	834,650	1,146,196	14,691,360
Risk adjustment for non-financial risk	969,311	102,986	101,722	131,821	1,305,840
CSM	1,182,916	146,394	299,411	283,955	1,912,676
2024					
LRC - Excluding loss component	8,515,651	4,720,861	824,493	1,260,947	15,321,952
LRC - Loss component	1,242	151,680	104,619	65,372	322,913
Present value of future cash flows	6,510,363	4,659,271	641,141	1,099,129	12,909,904
Risk adjustment for non-financial risk	932,258	106,442	83,604	127,335	1,249,639
CSM	1,166,406	153,407	287,309	269,604	1,876,726

6.4 LIABILITY FOR INCURRED CLAIMS BY SEGMENT

Summary of LIC by segment	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total
2025					
Gross LIC:					
Insurance contracts issued	104,492	52,795	257,399	197,538	612,224
Reinsurers' share of LIC:					
Reinsurance contracts held	113,761	20,722	140,062	17,086	291,631
2024					
Gross LIC:					
Insurance contracts issued	92,134	46,579	97,380	189,879	425,972
Reinsurers' share of LIC:					
Reinsurance contracts held	99,858	14,715	12,913	13,537	141,023

The liability for incurred claims represented by insurance lines of business is as follows:

	Gross LIC		Reinsurers' share	
	2025	**2024**	**2025**	**2024**
Individual life	328,444	291,394	142,148	120,254
Group life and health	60,564	61,832	6,488	5,585
Property and casualty	223,216	72,746	142,995	15,184
	612,224	**425,972**	**291,631**	**141,023**

7. ASSOCIATES AND JOINT VENTURES

7.1 Interest in Associates and Joint Ventures

Name of Entity	% interest recognized		Nature of relationship	Measurement Method	Carrying Amount	
	2025	2024			2025	2024
RGM Limited	33%	33%	Associate	Equity Method	28,733	27,919
FamGuard Corporation Limited [1]	20%	20%	Associate	Equity Method	24,638	24,252
Primo Holding Limited	38%	38%	Associate	Equity Method	246	253
Grupo Sagicor GS, S.A.[2]	50%	50%	Joint Venture	Equity Method	15,580	14,131
Sagicor - Capital & Advice Spain S.L.[3]	50%	50%	Joint Venture	Equity Method	3,160	2,152
					72,357	**68,707**

[1] FamGuard Corporation Limited is listed on the Bahamas International Securities Exchange. The proportionate share of market value calculated on the basis of the year-end closing rate of $6.80 per share was $40,800 (2024 – $34,500).

[2] Grupo Sagicor GS, S.A. is a joint venture entity of Sagicor Group Jamaica Limited ("SGJ") and holds 100% ownership interest of Sagicor Costa Rica SCR.

[3] Sagicor - Capital & Advice Spain S.L. is a joint venture entity of Sagicor Group Jamaica Limited ("SGJ") and holds 100% ownership interest of Sagicor Panamá.

8. INTANGIBLE ASSETS

Analysis of intangible assets and changes for the year

	2025				2024			
	Goodwill	**Software**	**Other**	**Total**	**Goodwill**	**Software**	**Other**	**Total**
2025								
Net book value, beginning of year	**44,762**	**33,641**	**9,667**	**88,070**	**45,025**	**36,585**	**11,550**	**93,160**
Additions at cost	-	4,488	-	4,488	-	6,311	-	6,311
Identified on acquisition	-	-	579	579	-	-	85	85
Transfer from property, plant and equipment	-	121	-	121	-	3,009	-	3,009
Amortization / impairment charges	-	(7,183)	(1,338)	(8,521)	-	(9,027)	(1,861)	(10,888)
Divestitures and disposals	-	(1,940)	-	(1,940)	-	(1,983)	-	(1,983)
Effects of exchange rate changes	(508)	470	(204)	(242)	(263)	(1,254)	(107)	(1,624)
Net book value, end of year	**44,254**	29,597	**8,704**	**82,555**	**44,762**	**33,641**	**9,667**	**88,070**
Represented by:								
Cost or valuation	46,483	135,155	40,557	222,195	46,991	132,806	40,615	220,412
Accumulated depreciation and impairments	(2,229)	(105,558)	(31,853)	(139,640)	(2,229)	(99,165)	(30,948)	(132,342)
	44,254	**29,597**	**8,704**	**82,555**	**44,762**	**33,641**	**9,667**	**88,070**

9. DEPOSIT AND SECURITY LIABILITIES

	Carrying Value						Fair Value					
	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other operating companies	Total	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other operating companies	Total
2025												
Liabilities at amortized cost:												
Other funding instruments	737,042	349,474	121,287	-	-	1,207,803	844,311	349,474	121,026	-	-	1,314,811
Customer deposits	-	-	1,234,004	2,080	128,336	1,364,420	-	-	1,233,563	2,080	128,336	1,363,979
Securities sold for repurchase	-	-	732,242	69,749	-	801,991	-	-	732,242	69,749	-	801,991
Bank overdrafts	-	-	192	166	-	358	-	-	192	166	-	358
	737,042	**349,474**	**2,087,725**	**71,995**	**128,336**	**3,374,572**	**844,311**	**349,474**	**2,087,023**	**71,995**	**128,336**	**3,481,139**
Liabilities at FVTPL:												
Derivative financial instruments (note 26.9)	534	-	-	-	-	534	534	-	-	-	-	534
	534	**-**	**-**	**-**	**-**	**534**	**534**	**-**	**-**	**-**	**-**	**534**
Total deposit and security liabilities	**737,576**	**349,474**	**2,087,725**	**71,995**	**128,336**	**3,375,106**	**844,845**	**349,474**	**2,087,023**	**71,995**	**128,336**	**3,481,673**
2024												
Liabilities at amortized cost:												
Other funding instruments	704,034	352,044	122,677	-	-	1,178,755	875,282	352,044	122,367	-	-	1,349,693
Customer deposits	-	-	1,108,000	1,846	90,432	1,200,278	-	-	1,110,314	1,846	90,432	1,202,592
Securities sold for repurchase	-	-	601,796	74,757	-	676,553	-	-	601,796	74,757	-	676,553
Bank overdrafts	-	-	193	1,014	-	1,207	-	-	193	1,014	-	1,207
	704,034	**352,044**	**1,832,666**	**77,617**	**90,432**	**3,056,793**	**875,282**	**352,044**	**1,834,670**	**77,617**	**90,432**	**3,230,045**
Liabilities at FVTPL:												
Derivative financial instruments (note 26.9)	457	-	-	-	-	457	457	-	-	-	-	457
	457	**-**	**-**	**-**	**-**	**457**	**457**	**-**	**-**	**-**	**-**	**457**
Total deposit and security liabilities	**704,491**	**352,044**	**1,832,666**	**77,617**	**90,432**	**3,057,250**	**875,739**	**352,044**	**1,834,670**	**77,617**	**90,432**	**3,230,502**

Other funding instruments consist of loans from banks and other financial institutions and include balances of $349,474 (2024 - $352,044) due to the Federal Home Loan Bank of Dallas (FHLB). The Group participates in the FHLB programme in which funds received from the bank are invested in assets eligible as collateral for FHLB loans.

Included in other funding instruments is an amount on deposit from a reinsurer which is part of the net identifiable assets acquired from the ivari acquisition in October 2023. The deposit is repayable according to a prescribed repayment schedule to the year 2077 and an annual interest rate of 8.54% is applied to the outstanding deposit balance monthly. During 2025, interest expense for the deposit under this reinsurance treaty was recognized of $54,178 (2024 - $55,828). Repayments of $56,478 (2024 - $54,789), including principal of $820 (2024 - $Nil), were made in accordance with the agreed terms of the arrangement.

The deposit was recorded at fair value with the ivari acquisition and subsequently measured at amortized cost. The carrying amount as at December 31, 2025 was $737,042 (2024 - $704,034).

Structured products are offered by a banking subsidiary. A structured product is a pre-packaged investment strategy created to meet specific needs that cannot be met from the standardized financial instruments available in the market.

Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio, or to capitalize on current market trends.

Collateral for other funding instruments and securities sold under agreements to resell is set out in note 5.2.

10. NOTES AND LOANS PAYABLE

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

	2025		2024	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
5.30% senior notes due 2028 [a]	542,161	553,056	542,449	544,809
6.359% unsecured senior notes due 2029 [b]	168,144	176,101	158,856	166,163
10.75% unsecured bond due 2025 [c]	-	-	27,500	28,334
7.75% unsecured bond due 2025 [c]	-	-	19,858	20,126
9.50% unsecured bond due 2026 [d]	27,239	28,022	-	-
6.00% unsecured bond due 2026 [d]	18,963	19,119	-	-
Bank loans and other funding instruments [e]	24,297	24,297	26,063	26,063
SOFR+145 bps revolving credit facility [f]	71,969	71,969	40,357	40,357
CORRA+132.5 bps term loan due 2027 [g]	145,809	145,809	138,856	138,856
	998,582	**1,018,373**	**953,939**	**964,708**

(a) Senior Notes Due 2028

On May 13, 2021, Sagicor Financial Company Ltd. issued $400 million of senior notes due 2028. The notes are due May 13, 2028 and bear interest at an annual rate of 5.30%.

On December 15, 2021, the Group issued an additional $150 million principal amount of the notes. These notes are also due May 13, 2028 and bear interest at an annual rate of 5.30%. The Group had, in total, $550 million principal amount of the notes outstanding at the year end. Pursuant to the terms of the notes, the Group may redeem the notes under the scenario as summarized below:

Optional Redemption with an Applicable Premium - At any time on or after May 13, 2024, the Group may redeem the notes in whole or in part at specified redemption prices, plus accrued and unpaid interest, if any, on the notes redeemed, to the applicable date of redemption. At December 31, 2025, the Group has estimated the fair value of the optional redemption embedded derivative at $6.9 million (2024 – $4.6 million).

(b) 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%.

(c) On July 26, 2025, facilities for unsecured bonds issued in Tranches A and B by Sagicor Financial Corporation Limited, carrying annual interest rates of 10.75% and 7.75%, and with original issue date of September 16, 2019, were rolled per (d) below.

(d) The facilities were rolled and remain in two Tranches, with Tranche A up to J$4.47 billion from a previous limit of J$4.49 billion and Tranche B up to US $18.8 million from a previous limit of US $19.9 million, carrying updated annual interest rates of 9.50% and 6.00% respectively. Interest is payable quarterly and the Tranches mature on August 26, 2026.

(e) Bank loans and other funding instruments include the following:

i. On May 24, 2019, Sagicor General Insurance Inc entered into a $12 million loan agreement at an interest rate of 3.50% per annum. The loan payable at the maturity date of July 31, 2024 was $3.9 million. This amount was subsequently refinanced on October 15, 2024 when the entity entered into a new loan arrangement, effectively extending the repayment terms of the facility by two years with no change in the rate of interest.

ii. On October 1, 2020, The Estates (Residential Properties) Limited issued cumulative preference shares in the amount of $9 million. Dividends accrue at a rate of 6.75% per annum and are payable semi-annually. The preference shares are redeemable on September 30, 2027.

iii. On February 24, 2023, an additional loan of $12.5 million was issued to The Estates (Residential Properties) Limited by First Caribbean International Bank (Barbados) Limited. During the year, the terms of the loan were amended and effective December 31, 2025 the maturity date of the loan was extended to August 31, 2027. The loan interest remains 3.50% per annum.

(f) On November 25, 2025, the credit agreement initially entered into by Sagicor Financial Company Ltd. on August 2, 2023 to establish a revolving credit facility was further amended via an increase in the maximum amount from $175 million to $225 million, an extension of the maturity date to June 28, 2029 and an accordion facility in the maximum amount of $50 million. The facility remains subject to certain covenants with the interest based on the Canadian Overnight Repo Rate Average (CORRA) +145 bps. As at December 31, 2025, $71.9 million (2024 - $40.4 million) was drawn down from the facility.

(g) On December 4, 2024, Sagicor Financial Company Ltd. entered into a credit agreement to establish a floating rate loan facility in the amount of CDN $200 million. Interest is payable monthly and is based on the 1-month CORRA +132.5 bps. The facility is subject to certain covenants and matures on August 24, 2027 or such date to which the facility may be extended.

Movement for the year to December 31:	**2025**	**2024**
Balance, beginning of year	**953,939**	**945,666**
Valuation of call option embedded derivative	(1,761)	2,029
Additions:		
Gross principal	127,934	481,858
Less: Expenses	(285)	(3,017)
	127,649	478,841
Repayments:		
Principal	(101,933)	(477,573)
Interest	(53,049)	(64,831)
	(154,982)	(542,404)
Amortization during the year	2,565	20,234
Accrued interest	53,332	65,527
Effects of exchange rate changes	17,840	(15,954)
Balance, end of the year	**998,582**	**953,939**

11. COMMON SHARES

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

The common shares issued are as follows:

	2025			
	Number in 000's	**Share capital**	**Share premium**	**Total**
Issued and fully paid:				
Balance, beginning of year	**135,548**	**1,355**	**700,717**	**702,072**
Repurchase of shares (note 11.1)	(658)	(7)	(3,400)	(3,407)
	134,890	1,348	697,317	698,665
Allotments arising from:				
Common shares	523	5	3,289	3,294
Balance, end of year	**135,413**	**1,353**	**700,606**	**701,959**
Treasury shares:				
Shares held for LTI and ESOP, end of year	(50)	(1)	(275)	(276)
Shares repurchased but not cancelled	-	-	-	-
Total	**135,363**	**1,352**	**700,331**	**701,683**

	2024			
	Number in 000's	**Share capital**	**Share premium**	**Total**
Issued and fully paid:				
Balance, beginning of year	**141,065**	**1,410**	**725,360**	**726,770**
Repurchase of shares (note 11.1)	(6,249)	(62)	(28,187)	(28,249)
	134,816	1,348	697,173	698,521
Allotments arising from:				
Common shares	732	7	3,544	3,551
Balance, end of year	**135,548**	**1,355**	**700,717**	**702,072**
Treasury shares:				
Shares held for LTI and ESOP, end of year	(50)	(1)	(275)	(276)
Shares repurchased but not cancelled	(6)	-	(29)	(29)
Total	**135,492**	**1,354**	**700,413**	**701,767**

11.1 Share buyback programme

On June 20, 2025, the Company announced that the Toronto Stock Exchange (the "TSX") accepted the Company's notice of intention to renew its normal course issuer bid ("NCIB") through which the Company may purchase up to 9,296,291 of the NCIB Shares during the 12-month period commencing June 24, 2025 and ending June 23, 2026. Under the NCIB, purchases may be made on the open market through the facilities of the TSX and/or alternative Canadian trading systems at the market price at the time of acquisition, as well as by other means as may be permitted by TSX rules and applicable securities laws.

During the year, the Company repurchased 657,600 shares at a total cost of $3.8 million (2024 - 6,248,816 shares at a total cost of $13.4 million) which were subsequently cancelled. In 2024, included in the total shares repurchased were 3,222,430 escrow shares which were cancelled at $0.01 par value per share for a nominal consideration in accordance with the established Escrow Agreement and Arrangement Agreement. No such shares were included in total repurchased shares during 2025. 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 or discount on the repurchase of shares is recorded directly in retained earnings.

As at December 31, 2025, nil shares (2024 - 6,600 shares at a total cost of $0.03 million), have been reflected in treasury shares.

11.2 Common share dividends

Common share dividends declared and paid are set out in the following table.

	2025		2024	
	Per share	Total	Per share	Total
Dividends declared and paid during the year:				
Three-month period ended:				
– March 31	6.750 ¢	9,167	6.000 ¢	8,450
– June 30	6.750 ¢	9,166	6.000 ¢	8,468
– September 30	6.750 ¢	9,150	6.000 ¢	8,421
– December 31	6.750 ¢	9,138	6.000 ¢	8,322
Total		**36,621**		**33,661**

12. RESERVES

	Fair value reserves						
	Owner-occupied property	FVTOCI assets	Cash flow hedges	Currency translation reserves	Warrant reserve[1]	Other reserves	Total reserves
2025							
Balance as at December 31, 2024	**30,757**	**(43,009)**	**(35)**	**(220,151)**	**-**	**71,923**	**(160,515)**
Total comprehensive income	1,625	10,112	-	35,361	-	-	47,098
Transactions with holders of equity instruments:							
Allocated to reserve for equity compensation benefits	-	-	-	-	-	7,785	7,785
Eliminated from reserve	-	-	-	-	-	(3,816)	(3,816)
Transfers (to) / from retained earnings and other movements	(140)	-	-	-	-	6,760	6,620
Balance as at December 31, 2025	**32,242**	**(32,897)**	**(35)**	**(184,790)**	**-**	**82,652**	**(102,828)**
2024							
Balance as at December 31, 2023	**28,045**	**(44,027)**	**(35)**	**(144,691)**	**20,062**	**67,229**	**(73,417)**
Total comprehensive income	2,857	1,018	-	(75,460)	-	-	(71,585)
Transactions with holders of equity instruments:							
Allocated to reserve for equity compensation benefits	-	-	-	-	-	4,008	4,008
Eliminated from reserve	-	-	-	-	(20,062)	(3,886)	(23,948)
Transfers (to) / from retained earnings and other movements	(145)	-	-	-	-	4,572	4,427
Balance as at December 31, 2024	**30,757**	**(43,009)**	**(35)**	**(220,151)**	**-**	**71,923**	**(160,515)**

[1] The Group had nil outstanding warrants during the year (2024 - 34,774,993), which had an exercise price of CDN $11.50 per share. These warrants, which were listed on the Toronto Stock Exchange, expired on December 5, 2024. On expiry the warrant reserve was transferred to retained earnings.

13. INSURANCE REVENUE AND SERVICE EXPENSES

(a) Insurance service result

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

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total
2025					
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	434,066	34,098	77,834	62,725	608,723
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	68,800	10,994	7,890	13,193	100,877
CSM recognized in net income / (loss) for the services provided	134,608	28,456	39,906	34,041	237,011
Insurance acquisition cash flows recovery	26,953	28,202	15,390	12,502	83,047
Insurance revenue for contracts not measured under the PAA	664,427	101,750	141,020	122,461	1,029,658
Insurance revenue from contracts measured under the PAA	-	-	238,365	220,053	458,418
Total insurance revenue	**664,427**	**101,750**	**379,385**	**342,514**	**1,488,076**
Insurance service expenses					
Incurred claims and other directly attributable expenses	(443,287)	(45,835)	(370,171)	(190,198)	(1,049,491)
Changes that relate to past services - adjustments to the LIC	143	-	-	-	143
Losses on onerous contracts and reversal of those losses	-	(7,271)	563	1,347	(5,361)
Insurance acquisition cash flows amortization	(26,953)	(28,202)	(43,500)	(49,298)	(147,953)
Total insurance service expenses	**(470,097)**	**(81,308)**	**(413,108)**	**(238,149)**	**(1,202,662)**
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	(325,784)	(7,761)	(1,465)	(3,684)	(338,694)
Change in the risk adjustment recognized for the risk expired	(39,158)	(3,727)	(221)	(271)	(43,377)
CSM recognized in net income / (loss) for the services received	(70,887)	(6,723)	246	(5,922)	(83,286)
Reinsurance expenses – contracts not measured under the PAA	(435,829)	(18,211)	(1,440)	(9,877)	(465,357)
Reinsurance expenses – contracts measured under the PAA	-	-	(50,100)	(45,184)	(95,284)
Claims recovered	338,368	11,535	165,762	11,705	527,370
Changes in estimate that adjust the CSM	-	-	-	1	1
Contracts initially recognized in the year	275	-	18	319	612
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	9,836	(127)	1,622	11,331
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	(328)	(6,298)	-	(1,638)	(8,264)
Changes that relate to past service – adjustments to incurred claims	(499)	-	-	-	(499)
Total net income / (expenses) from reinsurance contracts held	**(98,013)**	**(3,138)**	**114,113**	**(43,052)**	**(30,090)**
Total insurance service result	**96,317**	**17,304**	**80,390**	**61,313**	**255,324**

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Total
2024					
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	463,392	38,582	71,331	59,313	632,618
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	68,780	8,914	7,970	12,982	98,646
CSM recognized in net income / (loss) for the services provided	136,249	33,754	37,807	26,772	234,582
Insurance acquisition cash flows recovery	13,482	19,916	9,558	9,309	52,265
Insurance revenue for contracts not measured under the PAA	681,903	101,166	126,666	108,376	1,018,111
Insurance revenue from contracts measured under the PAA	-	-	222,764	209,066	431,830
Total insurance revenue	**681,903**	**101,166**	**349,430**	**317,442**	**1,449,941**
Insurance service expenses					
Incurred claims and other directly attributable expenses	(458,446)	(28,747)	(234,220)	(180,060)	(901,473)
Changes that relate to past services - adjustments to the LIC	(4,403)	-	-	-	(4,403)
Losses on onerous contracts and reversal of those losses	(1,342)	(35,241)	(13,951)	(14,576)	(65,110)
Insurance acquisition cash flows amortization	(13,482)	(19,916)	(37,324)	(43,554)	(114,276)
Total insurance service expenses	**(477,673)**	**(83,904)**	**(285,495)**	**(238,190)**	**(1,085,262)**
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	(352,587)	(5,899)	(1,301)	(3,918)	(363,705)
Change in the risk adjustment recognized for the risk expired	(41,132)	(3,565)	(221)	(297)	(45,215)
CSM recognized in net income / (loss) for the services received	(71,399)	(6,839)	(450)	265	(78,423)
Reinsurance expenses – contracts not measured under the PAA	(465,118)	(16,303)	(1,972)	(3,950)	(487,343)
Reinsurance expenses – contracts measured under the PAA	-	-	(46,824)	(46,050)	(92,874)
Claims recovered	340,322	(5,062)	24,677	8,663	368,600
Changes in estimate that adjust the CSM	-	-	-	4	4
Contracts initially recognized in the year	92	-	-	53	145
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	12,175	179	1,194	13,548
Changes in the contractual service margin due to changes in a loss-recovery component from onerous underlying contracts	154	(3,118)	-	(945)	(3,909)
Changes that relate to past service – adjustments to incurred claims	3,155	-	-	-	3,155
Total net income / (expenses) from reinsurance contracts held	**(121,395)**	**(12,308)**	**(23,940)**	**(41,031)**	**(198,674)**
Total insurance service result	**82,835**	**4,954**	**39,995**	**38,221**	**166,005**

(b) Expected recognition of the contractual service margin

The following tables summarize the expected recognition of the contractual service margin based on the estimate of the CSM using discounted coverage units to allocate the CSM to each year, by reporting segment.

	2025					2024				
INSURANCE CONTRACTS ISSUED	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**	**Sagicor Canada**	**Sagicor Life USA**	**Sagicor Jamaica**	**Sagicor Life**	**Total**
Contracts not measured under the PAA										
Number of years until expected to be recognized										
1	127,209	20,456	20,181	18,592	186,438	123,658	19,069	19,459	17,334	179,520
2	113,036	16,618	17,595	17,337	164,586	109,977	17,228	17,323	16,377	160,905
3	100,897	13,972	15,547	16,674	147,090	98,249	13,939	15,229	15,629	143,046
4	90,648	9,762	14,036	16,194	130,640	88,147	12,092	13,620	15,052	128,911
5	81,574	8,113	12,835	15,672	118,194	79,475	10,700	12,460	14,613	117,248
6-10	293,093	31,300	54,097	72,245	450,735	290,388	45,211	49,996	66,992	452,587
>10	376,459	46,173	165,120	127,241	714,993	376,512	35,168	159,222	123,607	694,509
Total	**1,182,916**	**146,394**	**299,411**	**283,955**	**1,912,676**	**1,166,406**	**153,407**	**287,309**	**269,604**	**1,876,726**
REINSURANCE CONTRACTS HELD										
Contracts not measured under the PAA										
Number of years until expected to be recognized										
1	67,010	(2,527)	574	2,715	67,772	66,955	(455)	439	2,984	69,923
2	58,992	(721)	542	2,440	61,253	59,498	(305)	430	2,602	62,225
3	52,781	(427)	494	2,192	55,040	53,225	(77)	389	2,317	55,854
4	47,418	232	437	1,993	50,080	47,757	(34)	362	2,033	50,118
5	42,600	124	388	1,807	44,919	42,995	55	332	1,815	45,197
6-10	152,999	(154)	1,488	6,485	160,818	156,890	37	1,306	6,243	164,476
>10	194,828	(1,377)	2,823	4,674	200,948	203,815	(312)	1,881	3,887	209,271
Total	**616,628**	**(4,850)**	**6,746**	**22,306**	**640,830**	**631,135**	**(1,091)**	**5,139**	**21,881**	**657,064**

14. NET INVESTMENT INCOME AND NET INSURANCE FINANCE EXPENSES

An analysis of net investment income and net insurance finance expenses, by reporting segment, is presented in the following tables:

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other operating companies	Total
2025						
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS [1]						
Gain / (loss) on derecognition of assets carried at FVTOCI	-	-	185	-	-	185
Interest income earned from financial assets measured at amortized cost and FVTOCI	-	-	9,704	8,055	986	18,745
Net gain on FVTPL investments	534,898	346,563	95,196	71,961	-	1,048,618
Net credit impairment recovery / (loss)	-	-	-	320	30	350
Net investment income – underlying assets	**534,898**	**346,563**	**105,085**	**80,336**	**1,016**	**1,067,898**
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS						
Gain / (loss) on derecognition of amortized cost investments	-	20	-	(23)	-	(3)
Gain / (loss) on derecognition of assets carried at FVTOCI	-	-	5,941	154	-	6,095
Interest income earned from financial assets measured at amortized cost and FVTOCI	-	58,316	170,602	14,464	4,058	247,440
Net gain on FVTPL investments	-	40,869	13,060	13,247	2,592	69,768
Net credit impairment recovery / (loss)	-	(918)	(10,784)	579	(605)	(11,728)
Net investment income – other investments	**-**	**98,287**	**178,819**	**28,421**	**6,045**	**311,572**
NET INVESTMENT INCOME / (EXPENSES) – OTHER						
Net change in investment contract liabilities	(56)	-	-	-	-	(56)
Investment property – rental income	-	-	500	966	622	2,088
Investment property – realized gains	-	-	(47)	-	-	(47)
Investment property – unrealized gains	-	-	197	(697)	(773)	(1,273)
Other investment income	-	5,619	(133)	(438)	-	5,048
Net investment income – other	**(56)**	**5,619**	**517**	**(169)**	**(151)**	**5,760**
NET INVESTMENT INCOME	**534,842**	**450,469**	**284,421**	**108,588**	**6,910**	**1,385,230**

[1] Underlying assets relate to those financial assets which support insurance liabilities

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other operating companies	Total
2025						
FINANCE INCOME / (EXPENSES) FROM INSURANCE CONTRACTS ISSUED						
Changes in fair value of underlying assets of contracts measured under the VFA	-	-	(14,838)	-	-	(14,838)
Interest accreted	(320,151)	(314,130)	(36,755)	(42,563)	-	(713,599)
Effect of changes in interest rates and other financial assumptions	(185,478)	(88,324)	(29,400)	(40,068)	-	(343,270)
Finance expenses from insurance contracts issued	**(505,629)**	**(402,454)**	**(80,993)**	**(82,631)**	**-**	**(1,071,707)**
FINANCE INCOME / (EXPENSES) FROM REINSURANCE CONTRACTS HELD						
Interest accreted	98,772	11,932	(27)	138	-	110,815
Effect of changes in interest rates and other financial assumptions	(59,583)	4,063	132	(1,076)	-	(56,464)
Finance income / (expenses) from reinsurance contracts held	**39,189**	**15,995**	**105**	**(938)**	**-**	**54,351**
NET INSURANCE FINANCE EXPENSES	**(466,440)**	**(386,459)**	**(80,888)**	**(83,569)**	**-**	**(1,017,356)**
SUMMARY OF THE AMOUNTS RECOGNIZED IN THE STATEMENT OF INCOME						
Net investment income – underlying assets [1]	534,898	346,563	105,085	80,336	1,016	1,067,898
Net investment income – other investments	-	98,287	178,819	28,421	6,045	311,572
Net investment income – other	(56)	5,619	517	(169)	(151)	5,760
Net insurance finance expenses	(466,440)	(386,459)	(80,888)	(83,569)	-	(1,017,356)
	68,402	**64,010**	**203,533**	**25,019**	**6,910**	**367,874**

[1] Underlying assets relate to those financial assets which support insurance liabilities

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other operating companies	Total
2024						
NET INVESTMENT INCOME / (EXPENSES) – UNDERLYING ASSETS [1]						
Gain / (loss) on derecognition of amortized cost investments	-	-	8	-	-	8
Gain / (loss) on derecognition of assets carried at FVTOCI	-	-	(2)	-	-	(2)
Interest income earned from financial assets measured at amortized cost and FVTOCI	-	-	8,697	7,570	-	16,267
Net gain on FVTPL investments	739,001	296,052	66,845	62,157	-	1,164,055
Net credit impairment recovery / (loss)	-	-	(3)	1,749	-	1,746
Net investment income – underlying assets	**739,001**	**296,052**	**75,545**	**71,476**	**-**	**1,182,074**
NET INVESTMENT INCOME / (EXPENSES) – OTHER INVESTMENTS						
Gain / (loss) on derecognition of amortized cost investments	-	(41)	(1)	-	(20)	(62)
Gain / (loss) on derecognition of assets carried at FVTOCI	-	(4,819)	3,186	(970)	2	(2,601)
Interest income earned from financial assets measured at amortized cost and FVTOCI	-	52,251	156,944	13,317	4,512	227,024
Net gain/ (loss) on FVTPL investments	-	73,381	5,134	15,542	(1,157)	92,900
Net credit impairment recovery / (loss)	-	(236)	(9,029)	446	211	(8,608)
Net investment income – other investments	**-**	**120,536**	**156,234**	**28,335**	**3,548**	**308,653**
NET INVESTMENT INCOME / (EXPENSES) – OTHER						
Net change in investment contract liabilities	(121)	-	-	-	-	(121)
Investment property – rental income	-	-	369	1,190	398	1,957
Investment property – realized gains	-	-	(65)	104	-	39
Investment property – unrealized gains	-	-	1,569	(603)	-	966
Other investment income	-	2,905	(58)	(880)	310	2,277
Net investment income – other	**(121)**	**2,905**	**1,815**	**(189)**	**708**	**5,118**
NET INVESTMENT INCOME	**738,880**	**419,493**	**233,594**	**99,622**	**4,256**	**1,495,845**

[1] Underlying assets relate to those financial assets which support insurance liabilities

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office and other operating companies	Total
2024						
FINANCE INCOME / (EXPENSES) FROM INSURANCE CONTRACTS ISSUED						
Changes in fair value of underlying assets of contracts measured under the VFA	-	-	(18,734)	-	-	(18,734)
Interest accreted [2]	(472,560)	(305,446)	(37,134)	(32,051)	-	(847,191)
Effect of changes in interest rates and other financial assumptions[2]	(246,014)	(19,483)	3,070	(45,977)	-	(308,404)
Finance expenses from insurance contracts issued	**(718,574)**	**(324,929)**	**(52,798)**	**(78,028)**	-	**(1,174,329)**
FINANCE INCOME / (EXPENSES) FROM REINSURANCE CONTRACTS HELD						
Interest accreted [2]	142,595	17,203	(189)	(298)	-	159,311
Effect of changes in interest rates and other financial assumptions [2]	(53,713)	1,800	(67)	(495)	-	(52,475)
Finance expenses from reinsurance contracts held	**88,882**	**19,003**	**(256)**	**(793)**	**-**	**106,836**
NET INSURANCE FINANCE EXPENSES	**(629,692)**	**(305,926)**	**(53,054)**	**(78,821)**	**-**	**(1,067,493)**
SUMMARY OF THE AMOUNTS RECOGNIZED IN THE STATEMENT OF INCOME [1]						
Net investment income – underlying assets	739,001	296,052	75,545	71,476	-	1,182,074
Net investment income – other investments	-	120,536	156,234	28,335	3,548	308,653
Net investment income – other	(121)	2,905	1,815	(189)	708	5,118
Net insurance finance expenses	(629,692)	(305,926)	(53,054)	(78,821)	-	(1,067,493)
	109,188	**113,567**	**180,540**	**20,801**	**4,256**	**428,352**

[1] Underlying assets relate to those financial assets which support insurance liabilities

[2] In Q4 2024 Sagicor upgraded the system which supports our IFRS 17 actuarial and accounting function. The upgrade resulted in a reclassification within the Insurance Finance Income or Expense (IFIE) section of our reporting — specifically, a shift between the "Interest accreted" line and the "Effect of changes in interest rates and other financial assumptions" as the interest accretion line is now presented on a current-rate basis rather than on a locked-in rate basis. However, the total IFIE remains unchanged and there is no impact on net income. Effective Q1 2025 we have reflected updated disclosures including comparatives

15. FEES AND OTHER INCOME

	2025				2024			
	Fees recognized		Other income	Total	Fees recognized		Other income	Total
	a point in time	over time			a point in time	over time		
Service contract income	50,856	49,464	-	100,320	46,780	54,885	-	101,665
Fee income – assets under administration	-	6,130	1,045	7,175	-	5,945	958	6,903
Other fees and commission income	26,689	1,487	1,331	29,507	19,217	1,604	3,781	24,602
Foreign exchange gains / (losses)	5	-	(13,789)	(13,784)	-	-	14,843	14,843
Other operating and miscellaneous income	286	5	8,628	8,919	14,339	9	(9,341)	5,007
	77,836	**57,086**	**(2,785)**	**132,137**	**80,336**	**62,443**	**10,241**	**153,020**

16. EXPENSES BY NATURE

	2025				2024			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Employee expenses	68,777	88,263	154,556	311,596	66,509	54,337	138,917	259,763
Commissions and related compensation	242,414	45,742	3,980	292,136	222,155	45,685	3,994	271,834
Asset taxes	-	-	10,068	10,068	-	-	10,825	10,825
Claims adjustment expenses	-	784	-	784	-	729	-	729
Depreciation, amortization and intangible asset impairment charges	2,458	2,277	23,850	28,585	2,504	1,864	25,219	29,587
Audit, legal and other professional fees	4,359	13,627	31,842	49,828	4,597	16,653	27,669	48,919
Other administrative expenses	56,921	52,426	145,401	254,748	57,561	41,534	131,845	230,940
	374,929	**203,119**	**369,697**	**947,745**	**353,326**	**160,802**	**338,469**	**852,597**

17. OTHER INTEREST AND FINANCE COSTS

	2025	2024
Finance costs	**61,868**	**90,815**
Interest expense (amortized cost liabilities):		
Investment contracts	14,116	11,443
Other funding instruments	67,640	71,504
Customer deposits	22,352	21,171
Securities sold for repurchase	31,218	30,395
Other	801	331
	136,127	134,844
Fair value changes and interest expense (FVTPL liabilities)	9,820	7,066
	145,947	**141,910**
	207,815	**232,725**

18. EMPLOYEE RETIREMENT BENEFITS

The Group maintains a number of defined contribution and defined benefit retirement benefit plans for eligible sales agents and administrative employees. Defined contribution plans are held for sales agents and some administrative employees. Defined benefit plans are held for administrative employees in Barbados, Jamaica, Trinidad and certain other Caribbean countries, and for eligible long-term employees in Canada. In addition, retired employees may be eligible for medical and life insurance benefits which are partially or wholly funded by the Group, giving rise to group medical and life obligations.

The assets of certain pension plans are held under deposit administration contracts with Sagicor Life Inc and because these assets form part of the Group's assets, these plans are unfunded in accordance with IAS 19 (revised). The pension plans registered with the relevant regulatory authorities in the Caribbean are governed by Trust Deeds which conform with the relevant laws. The Canadian pension plans are registered with the Canada Revenue Agency and the Financial Services Regulatory Authority of Ontario. The plans are managed by the Group under the direction of appointed Trustees and Custodians. Pension assets include equity unit linked pension plans managed by group companies at December 31, 2025, of $250,883 (2024 – $248,613). These equity unit linked pension funds are funds domiciled in Barbados, the Eastern Caribbean and Jamaica. Annual reports of these funds are available to the public.

The below disclosures relate only to defined benefit plans.

(a) Amounts recognized in the statement of financial position

	2025	2024
Present value of funded pension obligations	320,513	350,955
Fair value of retirement plan assets	(322,495)	(358,563)
	(1,982)	(7,608)
Present value of unfunded pension obligations	16,887	18,545
Present value of unfunded medical and life benefits	24,211	26,416
Impact of minimum funding requirement / asset ceiling	1,781	1,720
Net liability	**40,897**	**39,073**
Represented by:		
Amounts held on deposit by the Group as deposit administration contracts	8,050	10,478
Other recognized liabilities	50,957	50,707
Total recognized liabilities [(1)]	59,007	61,185
Recognized assets [(2)]	(18,110)	(22,112)
Net liability	**40,897**	**39,073**

[(1)] Included in Other liabilities/retirement benefit liabilities on the consolidated statement of financial position

[(2)] Included in Miscellaneous assets and receivables on the consolidated statement of financial position

(b) Amount, timing and uncertainty of future cash flows

In addition to the annual actuarial valuations prepared for the purpose of annual financial statement reporting, full actuarial valuations of pension plans are conducted every 3 years. These full valuations contain recommendations for Group and employee contribution levels which are implemented by the Group.

For the 2026 financial year, the total Group contributions to its defined benefits pension plans are estimated at $17,160.

19. INCOME TAXES

Group companies are taxed according to the taxation rules of the countries where the operations are carried out. The principal rates of taxation are summarized in note 2.13 (c). The income tax expense is set out in the following table.

	2025	2024
Current tax:		
Current tax on profits for the year	60,418	50,031
Adjustments to current tax of prior periods	(50)	(4,386)
Total current tax expense	**60,368**	**45,645**
Deferred tax:		
Decrease / (increase) in deferred tax assets (note 20)	3,417	15,729
Increase / (decrease) in deferred tax liabilities (note 20)	(483)	(97)
Total deferred tax expense	**2,934**	**15,632**
Share of tax of associated companies	**612**	**499**
Total tax expense	**63,914**	**61,776**

Income tax on the total income subject to taxation differs from the theoretical amount that would arise as follows:

	2025	2024
Income before income tax expense	183,967	190,115
Taxation at the applicable rates on income subject to tax	75,560	73,696
Adjustments to current tax for items not subject to or allowed for tax	(11,696)	(9,305)
Other current tax adjustments	1,074	(1,919)
Adjustments for current tax of prior periods	(213)	(2,459)
Movement in unrecognized deferred tax assets	(387)	(1,542)
Deferred tax relating to the origination of temporary differences	(103)	(23)
Deferred tax relating to changes in tax rates or new taxes	638	3,825
Deferred tax that arises from the write-down of a tax asset	24	73
Other taxes	(983)	(570)
	63,914	61,776

In addition to the above, the income tax on items in other comprehensive income is set out in note 22.

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation in Barbados and Canada for the 2024 and 2025 fiscal years. The Group has assessed that no top-up tax is levied on its operations with respect to these years.

20. INCOME TAX ASSETS AND LIABILITIES

	2025	2024
Deferred income tax assets	238,905	242,296
Income and withholding taxes recoverable	80,582	73,969
	319,487	**316,265**

Income and withholding taxes recoverable are expected to be recovered within one year of the financial statements' date.

	2025	2024
Deferred income tax liabilities	2,563	3,034
Income taxes payable	14,471	10,953
	17,034	**13,987**

Income taxes payable are expected to be settled within a year of the financial statements' date.

Deferred tax asset

The analysis and movement for the year of deferred tax asset balances are set out in the following table.

	Defined benefit liabilities	Unrealized losses on financial investments	Unused tax losses	Off-settable tax liabilities relating to policy liabilities timing differences and other items	Other items	Total
2025						
Balance, beginning of year	**8,159**	**17,548**	**43,137**	**165,655**	**7,797**	**242,296**
(Charged) / credited to:						
Income	735	1,581	1,576	(3,723)	(3,586)	(3,417)
Other comprehensive income	(241)	(6,011)	-	-	(61)	(6,313)
Amounts assumed on acquisition	34	-	-	-	-	34
Effect of exchange rate changes	(167)	(290)	(470)	7,562	(330)	6,305
Balance, end of year	**8,520**	**12,828**	**44,243**	**169,494**	**3,820**	**238,905**
Balance expected to be recovered within one year						113,411
2024						
Balance, beginning of year	**6,383**	**14,536**	**32,875**	**200,781**	**14,154**	**268,729**
(Charged) / credited to:						
Income	190	1,297	10,487	(21,842)	(5,861)	(15,729)
Other comprehensive income	1,640	1,791	-	-	(233)	3,198
Effect of exchange rate changes	(54)	(76)	(225)	(13,284)	(263)	(13,902)
Balance, end of year	**8,159**	**17,548**	**43,137**	**165,655**	**7,797**	**242,296**
Balance expected to be recovered within one year						112,953

Deferred tax liability

The analysis and movement for the year of deferred tax liability balances are set out in the following table.

	Accelerated tax depreciation	Net insurance / reinsurance contract liabilities taxable in the future	Defined benefit assets	Accrued interest	Unrealized gains / (losses) on financial investments	Off-settable tax assets relating to unused tax losses and other items	Other items	Total
2025								
Balance, beginning of year	**172**	**-**	**388**	**53**	**(34)**	**-**	**2,455**	**3,034**
Charged / (credited) to:								
Income	(57)	-	(136)	(47)	40	-	(283)	(483)
Other comprehensive income	-	-	(7)	-	-	-	91	84
Amounts assumed on acquisition	-	-	34	-	-	-	-	34
Effect of exchange rate changes	-	-	-	-	-	-	(106)	(106)
Balance, end of year	**115**	**-**	**279**	**6**	**6**	**-**	**2,157**	**2,563**
Balance to be settled within one year								2,563

	Accelerated tax depreciation	Net insurance / reinsurance contract liabilities taxable in the future	Defined benefit assets	Accrued interest	Unrealized gains / (losses) on financial investments	Off-settable tax assets relating to unused tax losses and other items	Other items	Total
2024								
Balance, beginning of year	**(905)**	**977**	**913**	**533**	**(268)**	**-**	**3,136**	**4,386**
Charged / (credited) to:								
Income	1,028	-	(95)	(477)	188	-	(741)	(97)
Other comprehensive income	37	-	(423)	-	43	-	66	(277)
Effect of exchange rate changes	12	(977)	(7)	(3)	3	-	(6)	(978)
Balance, end of year	**172**	**-**	**388**	**53**	**(34)**	**-**	**2,455**	**3,034**
Balance to be settled within one year								3,034

Unrecognized tax losses and potential deferred income tax assets are as follows:

	2025	2024
Expiry period for unrecognized tax losses:		
2025	-	63,874
2026	61,094	61,198
2027	67,828	67,828
2028	63,673	63,924
2029	76,432	76,521
2030	75,025	73,944
2031	150,685	169,437
2032	79,092	-
	573,829	576,726
Potential deferred income tax assets	53,614	54,217

21. EARNINGS PER COMMON SHARE

The computation of diluted earnings per common share recognizes the dilutive impact of LTI share grants and share options, ESOP shares grants and share warrants. In computing diluted earnings per share, the weighted average number of common shares is adjusted by the dilutive impacts of the afore-mentioned share grants, share warrants and options.

	2025	2024
Income attributable to common shareholders	66,935	97,468
Weighted average number of shares in issue (in thousands)	135,658	140,064
LTI restricted share grants, performance share grants and share options (in thousands)	3,765	3,126
ESOP shares (in thousands)	524	421
Adjusted weighted average number of shares in issue (in thousands)	139,947	143,611
Basic earnings per common share	**49.3 ¢**	**69.6 ¢**
Fully diluted earnings per common share	**47.8 ¢**	**67.9 ¢**

For the years ended December 31, 2025 and December 31, 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.

22. OTHER COMPREHENSIVE INCOME

Analysis of OCI:	2025			
		After tax OCI is attributable to		
	OCI tax impact	Share-holders	Non-controlling interests	Total after tax OCI
Items that may be reclassified subsequently to income:				
FVTOCI assets:				
Gain / (loss) on revaluation	(6,011)	13,406	10,493	23,899
(Gain) / loss transferred to income	83	(3,294)	(3,257)	(6,551)
Retranslation of foreign currency operations	-	35,361	(6,060)	29,301
	(5,928)	45,473	1,176	46,649
Items that will not be reclassified subsequently to income	(469)	(2,709)	1,434	(1,275)
Total OCI movements	**(6,397)**	**42,764**	**2,610**	**45,374**
Allocated to equity reserves		47,098		
Allocated to retained earnings		(4,334)		
		42,764		

Analysis of OCI:	2024			
		After tax OCI is attributable to		
	OCI tax impact	Share-holders	Non-controlling interests	Total after tax OCI
Items that may be reclassified subsequently to income:				
FVTOCI assets:				
Gain / (loss) on revaluation	2,766	(2,322)	(2,674)	(4,996)
(Gain) / loss transferred to income	(1,064)	3,340	(1,492)	1,848
Retranslation of foreign currency operations	-	(75,460)	(3,412)	(78,872)
	1,702	(74,442)	(7,578)	(82,020)
Items that will not be reclassified subsequently to income	1,773	4,141	(1,889)	2,252
Total OCI movements	**3,475**	**(70,301)**	**(9,467)**	**(79,768)**
Allocated to equity reserves		(71,585)		
Allocated to retained earnings		1,284		
		(70,301)		

23. CASH FLOWS

	2025	2024
Operating activities		
Adjustments for non-cash items, interest and dividends:		
Income from financial investments	(1,073,432)	(1,130,373)
Gain arising on acquisitions and divestitures	-	(9,599)
Other interest and finance costs	207,815	232,725
Insurance finance expense	1,017,356	1,067,493
Credit impairment loss	11,378	6,862
Depreciation and amortization	28,585	29,587
Other items	38,422	2,385
	230,124	**199,080**
Net change in investments:		
Deposits	(65,537)	(34,881)
Securities purchased for resale	(1,916)	6,209
Finance loans	(98,348)	(75,311)
Mortgage loans	(289,675)	(98,264)
Equity securities	73,691	(75,069)
Debt securities	(923,774)	(501,660)
Other financial invested assets	(194,791)	(31,127)
	(1,500,350)	**(810,103)**
Net change in operating assets:		
Reinsurance contract assets	26,277	206,563
Insurance contract assets	(418)	(714)
Other assets and receivables	(27,075)	(19,300)
Investment property	3,551	9,029
Segregated funds assets	23,581	5,554
	25,916	**201,132**

The gross changes in equity securities, debt securities, other financial invested assets and investment property are as follows:

	2025	2024
Equity securities:		
Purchases	(283,813)	(283,324)
Disposal proceeds	357,504	208,255
	73,691	**(75,069)**
Debt securities:		
Purchases	(8,389,161)	(7,352,898)
Disposal proceeds	7,465,387	6,851,238
	(923,774)	**(501,660)**
Other financial invested assets:		
Purchases	(247,399)	(48,027)
Disposal proceeds	52,608	16,900
	(194,791)	**(31,127)**
Investment property:		
Purchases	(39)	-
Disposal proceeds	3,590	9,029
	3,551	**9,029**

23. CASH FLOWS (continued)

	2025	2024
Net change in operating liabilities:		
Other liabilities and payables	(24,983)	14,212
Investment contract liabilities	(4,900)	(6,820)
Reinsurance contract liabilities	(1,233)	(846)
Insurance contract liabilities	327,292	(67,572)
Securities sold for repurchase	132,185	20,541
Deposits	177,630	138,551
Other funding instruments	(5,562)	19,923
Insurance contract liabilities on account of segregated fund policyholders	(18,424)	(5,554)
	582,005	**112,435**

	2025	2024
Investing activities		
Property, plant and equipment:		
Purchases	(10,973)	(11,116)
Disposal proceeds	542	298
	(10,431)	**(10,818)**
Financing activities		
Notes and loans payable:		
Proceeds	127,649	478,841
Repayments	(101,933)	(477,573)
	25,716	**1,268**
Lease liability payments		
Principal paid	(9,035)	(9,336)
Interest paid	(3,445)	(2,309)
	(12,480)	**(11,645)**
Cash and cash equivalents		
Cash	333,423	442,494
Call deposits and other liquid balances	535,015	486,422
Bank overdrafts	(358)	(1,207)
	868,080	**927,709**

24. LITIGATION, CONTINGENT LIABILITIES AND COMMITMENTS

Litigation, contingent liabilities and commitments are detailed below.

(a) Legal proceedings

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

(b) Tax assessments

The Group is also subject to tax assessments during the normal course of business. Adequate provision has been made for all assessments received to date and for tax liabilities accruing in accordance with management's understanding of tax regulations. Potential tax assessments may be received by the Group which are in addition to accrued tax liabilities. No provisions have been made in these financial statements for such potential tax assessments.

(c) Guarantees and letters of credit

Guarantees and letters of credit at the date of the financial statements, for which no provision has been made in these financial statements, include the following:

	2025	2024
Customer guarantees and letters of credit [1]	44,296	44,160

[1] There are equal and offsetting claims against customers in the event of a call on the above commitments for customer guarantees and letters of credit.

The Group is also subject to commitments arising from letter of credit arrangements for which some carry covenants. At December 31, 2025, the Group was in compliance with all covenants related to these commitments.

(d) Other commitments

The Group is subject to lending commitments, which primarily relate to commitments consisting of customer undrawn balances from loan facilities and overdraft lines of credit which have not been utilized, as follows:

	2025	2024
Lending commitments	80,484	93,893

Additionally the Group has entered into commitments largely related to the funding of certain investments which have been categorised as other financial invested assets. These commitments are generally payable on demand based on the funding needs of the investment, subject to the terms as well as the conditions of each agreement and are outlined below:

	2025	2024
Unfunded investment commitments	180,193	51,085

25. FAIR VALUE OF PROPERTY

Investment property and owner-occupied property are carried at fair value as determined by independent valuations using internationally recognized valuation techniques. Direct sales comparisons, when such data is available, and income capitalization 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 realize 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.

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
	2025	2024		2025	2024	
Investment property	71,410	76,970	Comparable sales	5%	5%	(1)
Owner-occupied properties	127,431	124,737	Comparable sales	5%	5%	(1)
Total properties	**198,841**	**201,707**				

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

26. FINANCIAL RISK

As a diversified financial services company operating in Canada, the United States and the Caribbean, Sagicor is exposed to several financial risks that are inherent in its business activities, such as credit, market, liquidity, and capital risks.

26.1 Credit risk

Credit risk is associated with an obligor's potential inability or unwillingness to fulfill its contractual obligations on a timely basis, thereby affecting Sagicor's financial performance and financial condition, and may arise from:

i. the risk of default of a primary obligor and indirectly from a secondary obligor;
ii. downgrades in credit ratings or risk profile of a counterparty;
iii. deterioration in the value of, or ability to realize, any underlying security that may be used as collateral for certain of its financial obligations; and
iv. macroeconomic conditions, sector-specific stress, sovereign and/or corporate credit deterioration, market volatility, and shifts in interest rates, liquidity and credit spreads.

Credit risks are primarily associated with its investments, securities, lending, revolving credit, and reinsurance portfolios.

Additional details on how the Group manages credit risk can be found in the denoted components of the Risk Management - Credit Risk section of the Group's 2025 MD&A.

Credit risks are primarily associated with the Group's investments, securities, lending, revolving credit, and reinsurance portfolios.

To minimize this risk, Sagicor may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty. It may enter into arrangements to waive, adjust or postpone scheduled amounts due, and would classify these amounts as past due, unless the original agreement is formally revised, modified or substituted. It may also foreclose on overdue mortgage loans and finance loans by repossessing the pledged asset(s) or seek to dispose of the pledged asset by sale. In some instances, Sagicor may provide refinancing to a new purchaser on customary terms.

Credit risk is managed through Sagicor's risk management practices and controls, and include among others the following:

- Policies to manage credit risk limits including among others, concentration limits, and diversification requirements by asset class, issuer, geography, and industry sector;
- Monitoring, reviewing, and reporting to senior management and the Risk Committee of the Board of its credit positions against established limits and regulatory requirements;
- Performing credit analyses, including i) screening and adjudication process; ii) monitoring the financial condition of its counterparties on a regular basis, iii) utilizing various sensitivity and stress testing analyses, including Financial Condition Testing and Enterprise Wide Stress Testing, to measure the effects of large and sustained adverse credit developments;
- Insurance contract liabilities are established in accordance with Canadian actuarial standards of practice;
- Ensuring loans written are adequately collaterized;
- Monitoring internal capital targets to ensure internal targets are met or exceeded.

Sagicor cedes some of its insurance risk to highly rated reinsurers. Sagicor monitors the risk profile of these reinsurers and in some instances require that a trust account be maintained by the reinsurer as collateral.

Under reinsurance contracts, Sagicor retains some part of the risk and coverage in excess of these limits is ceded to reinsurers. Sagicor also maintains catastrophic reinsurance coverage whereby reinsurance coverage is obtained for multiple claims arising from one event or occurring within a specified period.

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

The effects of reinsurance ceded are disclosed in note 13 and information on reinsurance balances is included in note 6.

In sections 26.2, 26.3 and 26.4, we set out for the Group its credit risk exposures and credit impairments.

26.2 Credit risk exposure

The total credit risk exposures of the Group by operating segment are as follows:

	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office & other	Total
2025						
Investment portfolios	5,491,796	5,378,098	2,396,741	1,563,457	43,318	14,873,410
Lending portfolios	-	731,457	1,007,872	208,474	63,800	2,011,603
Cash	16,353	31,200	195,880	150,506	58,337	452,276
Reinsurance contract assets	2,643,760	195,161	173,394	32,261	-	3,044,576
Insurance contract assets	-	-	8,525	1,271	-	9,796
Receivables	50,567	15,365	50,415	17,452	8,001	141,800
Derivative financial assets	89	15,847	-	-	-	15,936
Total balance sheet exposure	**8,202,565**	**6,367,128**	**3,832,827**	**1,973,421**	**173,456**	**20,549,397**
Lending commitments	-	-	72,381	8,103	-	80,484
Customer guarantees and letters of credit	-	-	44,296	-	-	44,296
Unfunded investment commitments - private debt	9,256	-	-	745	-	10,001
Total off-balance sheet exposure	**9,256**	**-**	**116,677**	**8,848**	**-**	**134,781**
Total	**8,211,821**	**6,367,128**	**3,949,504**	**1,982,269**	**173,456**	**20,684,178**
2024						
Investment portfolios	5,218,310	4,560,133	2,032,964	1,485,544	51,470	13,348,421
Lending portfolios	-	478,277	906,904	220,481	39,200	1,644,862
Cash	18,142	78,436	241,747	148,628	55,729	542,682
Reinsurance contract assets	2,597,796	238,840	22,834	30,778	-	2,890,248
Insurance contract assets	-	-	4,032	854	-	4,886
Receivables	50,641	10,773	53,151	17,039	9,330	140,934
Derivative financial assets	92	15,002	-	-	-	15,094
Total balance sheet exposure	**7,884,981**	**5,381,461**	**3,261,632**	**1,903,324**	**155,729**	**18,587,127**
Lending commitments	-	-	85,532	8,361	-	93,893
Customer guarantees and letters of credit	-	-	44,160	-	-	44,160
Unfunded investment commitments - private debt	-	-	-	1,034	-	1,034
Total off-balance sheet exposure	**-**	**-**	**129,692**	**9,395**	**-**	**139,087**
Total	**7,884,981**	**5,381,461**	**3,391,324**	**1,912,719**	**155,729**	**18,726,214**

For assets measured at FVTOCI or amortized cost, credit risk exposure is the gross carrying amount inclusive of accrued interest. For assets measured at FVTPL, the Group's credit risk exposure is the carrying amount. The components of investment and lending portfolios by accounting classification are summarized below by operating segment.

	2025					
	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office & other	Total
Investment portfolios:						
Debt securities FVTOCI	-	386,935	1,152,324	173,319	28,988	1,741,566
Debt securities at amortized cost	-	-	39,207	78,517	4,541	122,265
Securities purchased for resale	-	-	38,207	-	-	38,207
Deposits at amortized cost	-	-	301,449	48,678	3,911	354,038
Money market funds at FVTPL	-	182,959	-	24,005	1,475	208,439
Other financial invested assets at FVTPL [1]	1,618	303,255	-	-	-	304,873
Debt securities at FVTPL	5,490,178	4,504,949	865,554	1,238,938	4,403	12,104,022
	5,491,796	**5,378,098**	**2,396,741**	**1,563,457**	**43,318**	**14,873,410**
Lending portfolios:						
Mortgage loans at amortized cost	-	731,457	211,886	194,143	33,479	1,170,965
Finance loans at amortized cost	-	-	795,986	77	30,321	826,384
Mortgage loans at FVTPL	-	-	-	14,254	-	14,254
	-	**731,457**	**1,007,872**	**208,474**	**63,800**	**2,011,603**

[1] Relates to private debt component of other financial invested assets at FVTPL

	2024					
	Sagicor Canada	Sagicor Life USA	Sagicor Jamaica	Sagicor Life	Head office & other	Total
Investment portfolios:						
Debt securities FVTOCI	-	397,345	879,118	174,562	29,514	1,480,539
Debt securities at amortized cost	-	-	48,853	74,438	4,565	127,856
Securities purchased for resale	-	-	25,192	-	-	25,192
Deposits at amortized cost	-	-	270,887	44,505	2,368	317,760
Money market funds at FVTPL	-	183,956	-	9,007	9,191	202,154
Other financial invested assets at FVTPL [1]	-	146,891	-	-	-	146,891
Debt securities at FVTPL	5,218,310	3,831,941	808,914	1,183,032	5,832	11,048,029
	5,218,310	**4,560,133**	**2,032,964**	**1,485,544**	**51,470**	**13,348,421**
Lending portfolios:						
Mortgage loans at amortized cost	-	478,277	180,446	193,102	18,092	869,917
Finance loans at amortized cost	-	-	726,458	102	21,108	747,668
Mortgage loans at FVTPL	-	-	-	27,277	-	27,277
	-	**478,277**	**906,904**	**220,481**	**39,200**	**1,644,862**

[1] Relates to private debt component of other financial invested assets at FVTPL

26.2 Credit risk exposure – financial investments subject to impairment

Financial assets carried at amortized cost or FVTOCI are subject to credit impairment losses which are recognized in the statement of income. The following tables summarize the credit risk exposure of financial investments for which an ECL allowance is recognized. 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.

	2025					2024				
	Performing		Impaired			Performing		Impaired		
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Debt securities										
Investment grade	985,521	-	-	-	985,521	793,321	-	-	-	793,321
Non-investment grade	810,934	11,313	16,188	39,678	878,113	737,515	31,383	-	45,965	814,863
Watch	-	197	-	-	197	80	131	-	-	211
Total gross value	**1,796,455**	**11,510**	**16,188**	**39,678**	**1,863,831**	**1,530,916**	**31,514**	**-**	**45,965**	**1,608,395**
Allowance for credit losses on assets measured at amortized cost	(67)	(75)	(2,602)	1	(2,743)	(120)	(253)	-	1	(372)
Allowance for credit losses on assets measured at FVTOCI	(668)	(137)	-	-	(805)	(804)	(894)	-	-	(1,698)
Total, net of allowance	**1,795,720**	**11,298**	**13,586**	**39,679**	**1,860,283**	**1,529,992**	**30,367**	**-**	**45,966**	**1,606,325**
Mortgage loans										
Investment grade	889,316	2,721	419	-	892,456	622,337	4,510	762	-	627,609
Non-investment grade	251,463	11,182	1,118	-	263,763	216,001	10,026	1,350	-	227,377
Watch	609	-	3,153	-	3,762	-	110	5,838	-	5,948
Default	115	-	10,869	-	10,984	-	-	8,983	-	8,983
Total gross value	**1,141,503**	**13,903**	**15,559**	**-**	**1,170,965**	**838,338**	**14,646**	**16,933**	**-**	**869,917**
Allowance for credit losses on assets measured at amortized cost	(3,057)	(390)	(1,994)	-	(5,441)	(2,058)	(247)	(2,285)	-	(4,590)
Total, net of allowance	**1,138,446**	**13,513**	**13,565**	**-**	**1,165,524**	**836,280**	**14,399**	**14,648**	**-**	**865,327**
Finance loans										
Investment grade	12,078	31	-	-	12,109	5,811	18	-	-	5,829
Non-investment grade	788,310	14,904	380	-	803,594	707,571	21,788	343	-	729,702
Watch	-	160	-	-	160	-	15	92	-	107
Default	-	-	10,521	-	10,521	-	-	12,030	-	12,030
Total gross value	**800,388**	**15,095**	**10,901**	**-**	**826,384**	**713,382**	**21,821**	**12,465**	**-**	**747,668**
Allowance for credit losses on assets measured at amortized cost	(8,574)	(1,272)	(5,765)	-	(15,611)	(7,822)	(901)	(5,864)	-	(14,587)
Total, net of allowance	**791,814**	**13,823**	**5,136**	**-**	**810,773**	**705,560**	**20,920**	**6,601**	**-**	**733,081**
Other invested assets										
Investment grade	29,851	-	-	-	29,851	36,229	-	-	-	36,229
Non-investment grade	348,253	-	-	-	348,253	302,752	2,170	-	-	304,922
Watch	12,840	371	-	-	13,211	871	370	-	-	1,241
Non-rated	930	-	-	-	930	560	-	-	-	560
Total gross value	**391,874**	**371**	**-**	**-**	**392,245**	**340,412**	**2,540**	**-**	**-**	**342,952**
Allowance for credit losses on assets measured at amortized cost	(1,379)	(68)	-	-	(1,447)	(1,214)	(70)	-	-	(1,284)
Total, net of allowance	**390,495**	**303**	**-**	**-**	**390,798**	**339,198**	**2,470**	**-**	**-**	**341,668**

26.3 Credit impairment losses – financial investments subject to impairment

The following tables contain analyses of the movement of total credit loss allowances in respect of financial investments subject to impairment.

ALLOWANCES FOR CREDIT LOSSES

	2025					2024				
	Performing		Impaired	POCI	Total	Performing		Impaired	POCI	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
Balance at beginning of year	**12,018**	**2,365**	**8,149**	**(1)**	**22,531**	**11,696**	**1,996**	**8,621**	**15**	**22,328**
Provision for credit losses										
Transfers from:										
Stage 1 to Stage 2	(273)	302	-	-	29	(349)	349	-	-	-
Stage 1 to Stage 3	(461)	-	461	-	-	(635)	-	635	-	-
Stage 2 to Stage 1	642	(642)	-	-	-	442	(442)	-	-	-
Stage 2 to Stage 3	-	(277)	277	-	-	-	(197)	197	-	-
Stage 3 to Stage 2	-	468	(468)	-	-	-	37	(37)	-	-
Stage 3 to Stage 1	83	-	(83)	-	-	97	-	(97)	-	-
Purchases	5,494	-	-	-	5,494	6,322	-	-	-	6,322
Sales & maturities	(2,831)	(714)	(3,788)	-	(7,333)	(5,125)	(205)	(2,434)	-	(7,764)
Write-offs	-	-	-	-	-	(7)	(13)	(196)	-	(216)
Changes in ECL inputs, models and / or assumptions	(773)	460	5,930	-	5,617	(389)	851	1,495	(16)	1,941
Exchange rate and other	(154)	(20)	(117)	-	(291)	(34)	(11)	(35)	-	(80)
Balance at end of year	**13,745**	**1,942**	**10,361**	**(1)**	**26,047**	**12,018**	**2,365**	**8,149**	**(1)**	**22,531**

Credit impairment (loss) / recovery recorded in income		
Financial assets - FVTOCI	849	(419)
Financial assets - amortized cost	(12,227)	(6,443)
Total	**11,378)**	**(6,862)**

(a) Economic variable assumptions

The macroeconomic indicators for all sectors were maintained and continue to produce regressions which reasonably explain the relationship between the respective default rates and the macroeconomic variables. The GBP/ USD and NZD/ USD currency pairs continue to enhance the explanation of the default rates in the respective sectors. This is considered critical given that currency risk and sovereign risk vary between currency pairs. Currency shocks can have adverse implications on companies leading to their inability to meet debt service obligations.

In addition to the currency pairs, it is noted that market indices such as the S&P 500 Financial Index and the Dow Jones Industrial Average Index have demonstrated notable fluctuations correlated to the performance of Sagicor's investments in the financial and industrial sectors. In summary, the variables utilized have maintained the model's robustness in promoting a reliable and supportable fit between the default rate and the macroeconomic variables.

Sagicor has selected seven economic factors which provide the overall macroeconomic environment in considering forward-looking information for base, upside and downside forecasts. These are as follows:

	As of December 31, 2025			As of December 31, 2024		
	2026	2027	2028	2025	2026	2027
GDP Growth (USA)						
Base	1.9%	2.0%	1.9%	2.4%	1.7%	2.1%
Upside	2.4%	2.4%	2.1%	2.7%	3.1%	3.2%
Downside	1.8%	(0.2)%	0.8%	1.6%	(2.1)%	0.6%
World GDP						
Base	3.1%	3.2%	3.2%	3.2%	3.3%	3.2%
Upside	4.6%	4.8%	4.8%	4.8%	4.9%	4.8%
Downside	2.3%	2.4%	2.4%	2.3%	2.4%	2.3%
WTI Oil Prices / 10						
Base	$5.90	$6.10	$6.65	$6.90	$6.60	$6.44
Upside	$10.15	$10.50	$11.44	$11.97	$11.43	$11.16
Downside	$2.19	$2.27	$2.47	$2.57	$2.45	$2.39

	As of December 31, 2025			As of December 31, 2024		
	2026	2027	2028	2025	2026	2027
DOW Jones Industrial Average Index - EPS						
Base	$2,246.98	$2,552.51	$2,899.73	$1,858.47	$2,126.03	$2,373.84
Upside	$4,175.40	$4,743.15	$5,388.37	$3,231.44	$3,696.66	$4,127.54
Downside	$1,242.68	$1,411.65	$1,603.68	$1,037.59	$1,186.97	$1,325.32
S&P 500 Financial Index - EPS						
Base	$54.91	$59.29	$62.39	$44.68	$47.41	$51.83
Upside	$98.73	$106.61	$112.19	$74.64	$79.19	$86.57
Downside	$29.35	$31.69	$33.35	$23.81	$25.26	$27.62
GBP/ USD						
Base	$1.35	$1.34	$1.34	$1.25	$1.25	$1.25
Upside	$1.45	$1.50	$1.54	$1.36	$1.41	$1.46
Downside	$1.24	$1.18	$1.13	$1.14	$1.08	$1.04
NZD/ USD						
Base	$0.58	$0.58	$0.58	$0.56	$0.57	$0.57
Upside	$0.64	$0.67	$0.68	$0.63	$0.66	$0.69
Downside	$0.52	$0.50	$0.47	$0.50	$0.48	$0.46

Sagicor's lending operations in Jamaica, Barbados and Trinidad & Tobago have limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

As of December 31, 2025				
	Expected state for the next 12 months	**Scenario**		
		Jamaica	**Barbados**	**Trinidad & Tobago**
Unemployment rate	Base	Stable	Stable	Stable
	Upside	Positive	Stable	Stable
	Downside	Negative	Negative	Negative
GDP growth	Base	n/a	Stable	Stable
	Upside	n/a	Positive	Stable
	Downside	n/a	Negative	Negative
Interest rate	Base	Stable	n/a	n/a
	Upside	Positive	n/a	n/a
	Downside	Negative	n/a	n/a

As of December 31, 2024				
	Expected state for the next 12 months	**Scenario**		
		Jamaica	**Barbados**	**Trinidad & Tobago**
Unemployment rate	Base	Stable	Negative	Negative
	Upside	Positive	Stable	Stable
	Downside	Negative	Super Negative	Negative
GDP growth	Base	n/a	Stable	Negative
	Upside	n/a	Stable	Stable
	Downside	n/a	Negative	Negative
Interest rate	Base	Stable	n/a	n/a
	Upside	Positive	n/a	n/a
	Downside	Negative	n/a	n/a

(b) Significant increase in credit risk (SICR)

The ECL impact of a SICR for debt securities has been estimated as follows:

SICR criteria (see note 3.4)	**Actual threshold applied**	**Change in threshold**	**ECL impact of change in threshold**	
			2025	**2024**
Investments	2-notch downgrade since origination	1-notch downgrade since origination	-	189

The staging for lending products is based primarily on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

(c) Loss given default (LGD)

Sagicor continues to utilize an NPV methodology to derive its LGDs. Given the thinly traded nature of Caribbean fixed income instruments this valuation method was used to produce reasonable fixed income prices and is deemed appropriate as it better reflects the Caribbean experience. Jamaica Sovereigns were determined as 15% (reflecting the average of 2 past Jamaica defaults) and Corporate as 53%.

Applying Moody's NPV method to Caribbean Sovereign's results in a loss given default (LGD) of approximately 35% regardless of the inclusion of members of CARICOM solely excluding Jamaica or all global defaults. Therefore, we adopted the NPV method for determining this LGD and reduced the LGD to 35% as derived from the calculation. There were no adjustments to the LGDs used during the year.

The ECL impact of changes in LGD rates is summarized as follows:

	2025			
Debt securities	**LGD**		**ECL impact of**	
	Rate applied	**Change in rate**	**Increase in value**	**Decrease in value**
Corporate	53%	(- /+ 5) %	196	(196)
Sovereign, excluding Jamaica	35%	(- /+ 5) %	35	(35)
Sovereign - Jamaica	15%	(- /+ 5) %	64	(64)

	2024			
Debt securities	**LGD**		**ECL impact of**	
	Rate applied	**Change in rate**	**Increase in value**	**Decrease in value**
Corporate	53%	(- /+ 5) %	191	(191)
Sovereign, excluding Jamaica	35%	(- /+ 5) %	60	(60)
Sovereign - Jamaica	15%	(- /+ 5) %	72	(72)

(d) Scenario design

The weightings assigned to each economic scenario as at December 31, 2025 are set out in the following table. These weightings are unchanged from the prior year.

	Base	**Upside**	**Downside**
Sagicor Life USA portfolios	80%	10%	10%
Sagicor Jamaica portfolios	80%	10%	10%
Sagicor Life portfolios	80%	10%	10%

The results of varying the upside and downside scenarios are as follows:

	Base – 80% Upside – 5% Downside – 15%		**Base – 80% Upside – 15% Downside – 5%**	
	Increase in ECL		**Decrease in ECL**	
	2025	**2024**	**2025**	**2024**
Debt securities	130	126	(130)	(126)
Lending products	5	6	(5)	(6)

26.4 Reinsurance assets exposure

Sagicor cedes a portion of its insurance risk to reinsurers and monitors the credit risk associated with these counterparties. In certain arrangements, Sagicor requires reinsurers to maintain trust accounts as collateral to secure their obligations. In addition, amounts on deposit from reinsurers are included in other funding instruments. The table below summarizes Sagicor's potential maximum exposure to loss related to reinsurance assets, by comparing the carrying value of those assets with the related risk mitigants, stratified by reinsurer credit ratings assigned by external rating agencies. Risk mitigants include the fair value of collateral assets held and the carrying value of amounts on deposit with reinsurers.

	2025			2024		
Rating	**Reinsurance assets**	**Risk Mitigants**	**Net exposure**	**Reinsurance assets**	**Risk Mitigants**	**Net exposure**
AA	2,541,272	1,681,549	859,723	2,501,441	1,594,072	907,369
A	455,574	-	455,574	324,353	-	324,353
B++ / BBB+	45,023	-	45,023	60,994		60,994
Other	2,707	-	2,707	3,460	-	3,460
	3,044,576	1,681,549	1,363,027	2,890,248	1,594,072	1,296,176

26.5 Liquidity risk

Liquidity risk is the possibility that Sagicor will not be able to fund its financial obligations and collateral requirements as they fall due. This includes the risk of being forced to sell assets at depressed values resulting in realized losses on sale. This risk also includes restrictions on Sagicor's ability to efficiently allocate capital among its subsidiaries due to various market and regulatory constraints on the movement of funds or the lack of marketability of portions of its assets, such as mortgage loans and real estate.

Its funding obligations arise in connection with the payment of policyholder obligations, deposit withdrawals, expenses, reinsurance settlements, asset purchases, investment commitments, interest on debt, and dividend payments. Sources of available cash flows include general fund premiums and deposits, lending and investment-related inflows, proceeds generated from financing activities, as well as dividends and interest payments from subsidiaries.

Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns and from mismatches in the timing and value of on-balance sheet or off-balance sheet cash flows.

Sagicor limits concentrations of assets and liabilities in each operating segment. Where practical, given its operating environment, it seeks to match maturities of assets and liabilities while maintaining a portfolio of short-term, highly liquid securities to meet funding gaps. It also monitors its daily, weekly, and monthly liquidity risk and manage its maturing asset and liability portfolios. Asset and liability matching is closely monitored to mitigate liquidity risks, particularly in operations with significant maturing short-term liabilities. For long-term insurance contracts, Sagicor has adopted a policy of investing in assets with cash flow characteristics that closely match the cash flow characteristics of its expected future cash flows. The primary purpose of this matching is to ensure that cash flows from these assets are synchronized with the timing and the amounts of payments that must be paid to policyholders.

Additional details on how the Group manages liquidity risk and contractual cash flow obligations can be found in the denoted components of the Risk Management - Liquidity Risk section of the Group's 2025 MD&A.

Following are maturity analyses showing the net cash flows for insurance contracts issued and reinsurance contracts held.

(a) Insurance and reinsurance contract liabilities

Expected discounted cash flows which have been estimated by actuarial or other statistical methods are analyzed based on maturity for insurance and reinsurance contract liabilities in the following tables.

	Expected discounted cash flows						
	Within 1 year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**After 5 years**	**Total**
2025							
Reinsurance contract liabilities	1,488	430	430	377	313	13,513	16,551
Insurance contract liabilities	882,029	659,585	852,975	621,289	865,406	10,876,102	14,757,386
Total	**883,517**	**660,015**	**853,405**	**621,666**	**865,719**	**10,889,615**	**14,773,937**
2024							
Reinsurance contract liabilities	(873)	898	642	611	541	17,044	18,863
Insurance contract liabilities	767,222	419,298	574,752	609,264	560,932	9,985,322	12,916,790
Total	**766,349**	**420,196**	**575,394**	**609,875**	**561,473**	**10,002,366**	**12,935,653**

Amounts payable on demand

Amounts payable on demand, totalling $11,697,706 (2024 – $10,257,085) for insurance contract liabilities, relate to policyholders' cash and/or account values less applicable surrender fees and policy loans.

(b) Financial assets

The contractual maturity periods of monetary financial assets are summarized in the following tables. Amounts are stated at their carrying values recognized in the financial statements.

	2025 – Contractual or expected discounted cash flows			
	Maturing within 1 year	**Maturing 1 to 5 years**	**Maturing after 5 years**	**Total**
Cash resources	452,229	-	47	452,276
Derivative financial instruments	15,936	-	-	15,936
Deposits	296,903	55,386	302	352,591
Securities purchased for resale	38,207	-	-	38,207
Finance loans	280,175	342,626	187,972	810,773
Mortgage loans	197,348	491,055	491,375	1,179,778
Money market funds	208,439	-	-	208,439
Debt securities	2,485,702	2,759,618	8,667,541	13,912,861
Other financial invested assets	28,611	160,025	116,237	304,873
Other assets and accounts receivable	141,633	34	-	141,667
Total	**4,145,183**	**3,808,744**	**9,463,474**	**17,417,401**

	2024 – Contractual or expected discounted cash flows			
	Maturing within 1 year	**Maturing 1 to 5 years**	**Maturing after 5 years**	**Total**
Cash resources	542,682	-	-	542,682
Derivative financial instruments	15,094	-	-	15,094
Deposits	218,076	98,400	-	316,476
Securities purchased for resale	25,192	-	-	25,192
Finance loans	256,885	293,063	183,133	733,081
Mortgage loans	70,944	210,110	611,550	892,604
Money market funds	202,154	-	-	202,154
Debt securities	2,066,929	2,498,620	8,036,611	12,602,160
Other financial invested assets	2,720	120,636	23,535	146,891
Other assets and accounts receivable	139,857	313	-	140,170
Total	**3,540,533**	**3,221,142**	**8,854,829**	**15,616,504**

26.6 Interest rate risk

Interest rate risk is the potential adverse effect on Sagicor's financial performance and financial condition arising from changes or volatility in interest rates or credit / swap spreads when asset and liability cash flows do not coincide in terms of timing and amount. Sagicor is exposed to interest rate risk when the cash flows from assets and the policyholder obligations they support are mismatched, as this may result in the need to either sell assets to meet policy obligations and expenses or reinvest excess asset cash flows in unfavourable interest rate environments. The impact of changes or volatility in interest rates or credit/swap spreads are reflected in the valuation of Sagicor's financial assets and insurance contract liabilities.

Additional details on how the Group manages interest rate risk can be found in the denoted components of the Risk Management - Interest Rate Risk section of the Group's 2025 MD&A.

The table following summarizes the exposures to interest rates on the Group's monetary financial liabilities. It includes liabilities at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	2025				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Accounts payable and accrued liabilities	39,257	-	-	246,830	286,087
Investment contract liabilities	388,254	64,892	15,214	403	468,763
Deposit and security liabilities:					
Bank overdrafts	353	-	-	5	358
Derivative financial instruments	-	-	-	534	534
Securities sold for repurchase	780,680	21,224	-	87	801,991
Customer deposits	1,291,790	32,063	69	40,498	1,364,420
Other funding instruments	430,055	35,446	4,556	737,746	1,207,803
Lease liabilities	7,271	25,776	29,727	-	62,774
Notes and loans payable	49,889	944,138	-	4,555	998,582
Total	**2,987,549**	**1,123,539**	**49,566**	**1,030,658**	**5,191,312**

	2024				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Accounts payable and accrued liabilities	57,967	-	-	251,464	309,431
Investment contract liabilities	379,007	72,335	15,153	53	466,548
Deposit and security liabilities:					
Bank overdrafts	1,207	-	-	-	1,207
Derivative financial instruments	-	-	-	457	457
Securities sold for repurchase	527,055	149,437	-	61	676,553
Customer deposits	1,138,540	9,815	71	51,852	1,200,278
Other funding instruments	464,907	3,106	5,285	705,457	1,178,755
Lease liabilities	5,225	15,366	7,784	6,564	34,939
Notes and loans payable	939,426	10,286	-	4,227	953,939
Total	**3,513,334**	**260,345**	**28,293**	**1,020,135**	**4,822,107**

The Group's exposure to insurance and reinsurance contract liabilities which are sensitive to interest rate risk is categorized based on expected maturities. These liabilities are stated at carrying amounts as follows:

	2025				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Reinsurance contract liabilities	15,902	1,202	5,367	(9,859)	12,612
Insurance contract liabilities	741,423	3,010,883	12,142,250	2,057,082	17,951,638
Total	**757,325**	**3,012,085**	**12,147,617**	**2,047,223**	**17,964,250**

	2024				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Reinsurance contract liabilities	(2,158)	2,061	12,299	2,499	14,701
Insurance contract liabilities	582,769	2,206,105	11,277,832	2,009,017	16,075,723
Total	**580,611**	**2,208,166**	**11,290,131**	**2,011,516**	**16,090,424**

The Group's exposure to insurance and reinsurance assets which are sensitive to interest rate risk is categorized based on expected maturities. These assets are stated at carrying amounts as follows:

	2025				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Reinsurance contract assets	333,638	231,809	1,780,871	698,258	3,044,576
Insurance contract assets	810	3,202	4,935	849	9,796
Total	**334,448**	**235,011**	**1,785,806**	**699,107**	**3,054,372**

	2024				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Reinsurance contract assets	200,982	251,298	1,741,475	696,493	2,890,248
Insurance contract assets	2,654	3,182	854	(1,804)	4,886
Total	**203,636**	**254,480**	**1,742,329**	**694,689**	**2,895,134**

The following tables summarize the exposures to interest rate and reinvestment risks of the Group's monetary financial assets. Assets are stated at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	2025				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Money market funds	208,096	-	-	343	208,439
Debt securities	2,408,927	2,751,181	8,631,376	121,377	13,912,861
Equity securities	-	-	-	3,216,631	3,216,631
Other financial invested assets	21,889	160,025	116,231	84,916	383,061
Mortgage loans	398,281	460,789	315,076	5,632	1,179,778
Finance loans	772,836	15,999	18,776	3,162	810,773
Securities purchased for resale	38,082	-	-	125	38,207
Deposits	291,782	57,929	296	2,584	352,591
Derivative financial instruments	15,847	-	-	89	15,936
Other assets and accounts receivable	30,083	-	-	111,584	141,667
Cash resources	158,701	-	-	293,575	452,276
Total	**4,344,524**	**3,445,923**	**9,081,755**	**3,840,018**	**20,712,220**

	2024				
	Exposure within 1 year	**Exposure 1 to 5 years**	**Exposure after 5 years**	**Not exposed to interest**	**Total**
Money market funds	192,993	-	-	9,161	202,154
Debt securities	2,001,209	2,486,510	7,991,239	123,202	12,602,160
Equity securities	217	-	1,133	2,887,799	2,889,149
Other financial invested assets	-	120,636	23,535	35,958	180,129
Mortgage loans	243,674	184,284	460,174	4,472	892,604
Finance loans	703,644	12,467	14,226	2,744	733,081
Securities purchased for resale	25,106	-	-	86	25,192
Deposits	213,885	100,715	-	1,876	316,476
Derivative financial instruments	15,002	-	-	92	15,094
Other assets and accounts receivable	20,937	-	-	119,233	140,170
Cash resources	250,487	-	-	292,195	542,682
Total	**3,667,154**	**2,904,612**	**8,490,307**	**3,476,818**	**18,538,891**

The average interest yields on financial investments and liabilities held during the year can be found in the denoted Interest Rate section of the Group's 2025 MD&A.

Sensitivity

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

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

	Interest Rate			
	2025		2024	
Potential impact from immediate parallel interest rate movements on:	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Contractual service margin (net)	3,329	(3,556)	4,297	(3,693)
Net income (pre-tax) [1]	(6,195)	(6,808)	(3,682)	(10,248)
Other comprehensive income (pre-tax)	(20,659)	22,056	(17,724)	19,022
LICAT[1]	(0.5)%	0.5%	(0.6)%	0.3%

The credit spread assessment has been set out in the following tables.

	Credit Spread			
	2025		2024	
Potential impact from immediate parallel credit spread movements on:	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Contractual service margin (net)	112	(110)	82	(88)
Net income (pre-tax) [1]	(43,800)	45,898	(47,758)	40,064
Other comprehensive income (pre-tax)	(5,029)	5,267	(4,112)	4,350
LICAT [1]	(0.7)%	0.8%	(0.9)%	1.3%

[1] Comparatives have been restated to reflect a change in methodology and assumptions used during 2025 in the measurement of insurance, reinsurance, and investment contracts.

26.7 Foreign exchange risk

Foreign exchange risk is due to changes in foreign currency rates. This risk may arise from mismatches in the currency of Sagicor's assets and liabilities as well as cash flows resulting from, among others, foreign currency transactions and services, investments denominated in foreign currencies, net income from foreign operations, and investments in foreign subsidiaries.

Changes or volatility in foreign exchange rates, including a change to currencies that are fixed in value to another currency, could adversely affect Sagicor's net income, contractual service margin and capital. Additionally, foreign exchange controls or market availability in some of the jurisdictions in which Sagicor operates may limit its ability to exchange local currency for US dollars or may restrict its ability to receive distribution from one of Sagicor's subsidiaries, and such distribution may also be subject to foreign withholding tax.

Additional details on how the Group manages foreign exchange risk and the exchange rates of the other principal operating currencies to the US dollar can be found in the denoted components of the Risk Management - Foreign Exchange Rate Risk section of the Group's 2025 MD&A.

The following tables show the Group's significant foreign exchange exposure as of December 31, 2025 and 2024, by presenting assets and liabilities by the currency in which they are denominated for its continuing operations.

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

2025	US $000 equivalents of balances denominated in							
	Canada[2] $	US $	Jamaica $	Barbados $	Trinidad $	Eastern Caribbean $	Other Currencies	Total
ASSETS								
Cash resources	25,348	209,341	80,913	43,833	23,786	22,093	46,962	452,276
Financial investments	5,493,375	7,817,973	1,996,908	418,225	862,455	135,268	99,254	16,823,458
Reinsurance contract assets	2,643,949	335,939	41,744	6,189	7,063	3,211	6,481	3,044,576
Insurance contract assets	-	(36)	863	73	146	13	8,737	9,796
Receivables	50,817	35,671	30,620	15,867	3,259	5,655	902	142,791
Segregated funds assets	450,643	-	-	-	-	-	-	450,643
Total monetary assets	8,664,132	8,398,888	2,151,048	484,187	896,709	166,240	162,336	20,923,540
Other assets [1]	2,802,849	570,959	560,527	185,353	71,934	15,087	3,597	4,210,306
Total assets	**11,466,981**	**8,969,847**	**2,711,575**	**669,540**	**968,643**	**181,327**	**165,933**	**25,133,846**
LIABILITIES								
Accounts payable and accruals	16,146	90,810	93,479	34,577	27,703	11,813	11,229	285,757
Other liabilities/retirements benefit liabilities	19,255	-	32,554	15,412	2,707	-	5,589	75,517
Investment contracts	5,572	96,855	101,193	23,678	187,194	45,640	8,631	468,763
Reinsurance contract liabilities	27	790	1,738	7,743	822	3,501	(2,009)	12,612
Insurance contract liabilities	9,316,985	6,250,329	738,198	681,904	728,529	117,390	118,303	17,951,638
Deposit and security liabilities	742,494	1,276,590	1,155,327	100,013	70,156	18,892	11,634	3,375,106
Lease liabilities	12,480	11,253	36,470	1,581	283	441	266	62,774
Notes and loans payable	387,464	559,588	27,239	24,291	-	-	-	998,582
Insurance contract liabilities on account of segregated fund policyholders	450,643	-	-	-	-	-	-	450,643
Total monetary liabilities	10,951,066	8,286,215	2,186,198	889,199	1,017,394	197,677	153,643	23,681,392
Other liabilities [1]	2,867	-	9,924	811	901	2,137	724	17,364
Total liabilities	**10,953,933**	**8,286,215**	**2,196,122**	**890,010**	**1,018,295**	**199,814**	**154,367**	**23,698,756**
Net position	**513,048**	**683,632**	**515,453**	**(220,470)**	**(49,652)**	**(18,487)**	**11,566**	**1,435,090**

[1] Non-monetary balances, equity securities, private equity, income tax balances and retirement plan assets

[2] Includes net US$ position of $1,204,042

2024	US $000 equivalents of balances denominated in							
	Canada[2] $	US $	Jamaica $	Barbados $	Trinidad $	Eastern Caribbean $	Other Currencies	Total
ASSETS								
Cash resources	23,969	219,159	139,814	46,223	37,929	18,818	56,770	542,682
Financial investments	5,218,402	6,502,694	1,788,323	393,776	814,767	124,003	91,687	14,933,652
Reinsurance contract assets	2,597,796	253,500	15,422	5,019	8,812	2,878	6,821	2,890,248
Insurance contract assets	-	(44)	(4)	-	-	13	4,921	4,886
Receivables	50,642	25,712	40,097	15,153	3,782	4,806	1,275	141,467
Segregated funds assets	447,222	-	-	-	-	-	-	447,222
Total monetary assets	8,338,031	7,001,021	1,983,652	460,171	865,290	150,518	161,474	18,960,157
Other assets [1]	2,306,158	677,172	535,121	198,549	71,997	14,724	4,060	3,807,781
Total assets	**10,644,189**	**7,678,193**	**2,518,773**	**658,720**	**937,287**	**165,242**	**165,534**	**22,767,938**
LIABILITIES								
Accounts payable and accruals	23,350	110,183	91,121	39,153	27,483	11,543	6,420	309,253
Other liabilities/retirements benefit liabilities	13,314	-	32,136	15,827	5,207	-	5,260	71,744
Investment contracts	6,566	101,728	95,238	24,325	179,380	51,161	8,150	466,548
Reinsurance contract liabilities	49	2,037	2,342	9,053	435	2,871	(2,086)	14,701
Insurance contract liabilities	8,609,762	5,238,077	656,168	655,298	707,792	102,352	106,274	16,075,723
Deposit and security liabilities	709,157	1,120,529	1,057,094	69,127	75,227	15,148	10,968	3,057,250
Lease liabilities	6,565	13,222	12,184	1,783	335	469	381	34,939
Notes and loans payable	338,070	562,306	27,500	26,063	-	-	-	953,939
Insurance contract liabilities on account of segregated fund policyholders	447,222	-	-	-	-	-	-	447,222
Total monetary liabilities	10,154,055	7,148,082	1,973,783	840,629	995,859	183,544	135,367	21,431,319
Other liabilities [1]	16	-	8,424	919	2,048	1,949	809	14,165
Total liabilities	**10,154,071**	**7,148,082**	**1,982,207**	**841,548**	**997,907**	**185,493**	**136,176**	**21,445,484**
Net position	**490,118**	**530,111**	**536,566**	**(182,828)**	**(60,620)**	**(20,251)**	**29,358**	**1,322,454**

[1] Non-monetary balances, equity securities, private equity, income tax balances and retirement plan assets

[2] Includes net US$ position of $954,753

26.8 Fair value of financial instruments

The fair value of financial instruments is measured according to a fair value hierarchy which reflects the significance of market inputs in the valuation. This hierarchy is described and discussed in sections (i) to (iii) below.

(i) *Level 1 – unadjusted quoted prices in active markets for identical instruments*

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(ii) *Level 2 – inputs that are observable for the instrument, either directly or indirectly*

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

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, other financial invested assets 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.

(a) Financial instruments carried at fair value

	2025				2024			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
FVTOCI investments:								
Debt securities	393,856	1,200,726	94,735	1,689,317	214,887	1,100,094	111,666	1,426,647
Equity securities	552	-	188	740	507	-	189	696
	394,408	1,200,726	94,923	1,690,057	215,394	1,100,094	111,855	1,427,343
FVTPL investments:								
Money market funds	185,196	23,243	-	208,439	194,610	7,544	-	202,154
Debt securities	171,962	10,860,814	1,071,246	12,104,022	159,325	9,835,553	1,053,151	11,048,029
Equity securities	2,686,718	508,499	20,674	3,215,891	2,340,683	526,614	21,156	2,888,453
Other financial invested assets	-	304,873	78,188	383,061	-	146,889	33,240	180,129
Derivative financial instruments	-	89	15,847	15,936	-	92	15,002	15,094
Mortgage loans	-	-	14,254	14,254	-	-	27,277	27,277
	3,043,876	11,697,518	1,200,209	15,941,603	2,694,618	10,516,692	1,149,826	14,361,136
Total assets	**3,438,284**	**12,898,244**	**1,295,132**	**17,631,660**	**2,910,012**	**11,616,786**	**1,261,681**	**15,788,479**
Total assets by percentage	**20%**	**73%**	**7%**	**100%**	**18%**	**74%**	**8%**	**100%**
FVTPL investment contracts:								
Unit linked deposit administration liabilities	-	-	180,666	180,666	-	-	170,420	170,420
FVTPL deposit and security liabilities:								
Derivative financial instruments	-	534	-	534	-	457	-	457
Total liabilities	**-**	**534**	**180,666**	**181,200**	**-**	**457**	**170,420**	**170,877**
Total liabilities by percentage	**-**	**-**	**100%**	**100%**	**-**	**-**	**100%**	**100%**

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
	2025	2024		2025	2024	
FVTOCI Investments						
Debt securities	94,735	111,666	Adjustments to yields	10%	10%	(1)
Equity securities	188	189	Adjustments to net assets	10%	10%	(2)
	94,923	111,855				
FVTPL Investments						
Debt securities	1,071,246	1,053,151	Adjustments to yields	10%	10%	(1)
Equity securities	20,674	21,156	Adjustments to net assets	10%	10%	(2)
Other financial invested assets	78,188	33,240	Adjustments to yields	10%	10%	(1)
Derivative financial instruments	15,847	15,002	Adjustments to yields	10%	10%	(1)
Mortgage loans	14,254	27,277	Adjustments to yields	10%	10%	(1)
	1,200,209	1,149,826				
Total assets	**1,295,132**	**1,261,681**				
Unit linked deposit administration liabilities	180,666	170,420	Adjustments to yields	10%	10%	(1)
Total liabilities	**180,666**	**170,420**				

(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.

Movements in Level 3 instruments

For Level 3 instruments, reasonable changes in inputs which could be applied to the valuation of FVTOCI securities would affect other comprehensive income. Reasonable changes in inputs which could be applied to the valuations of investments designated at FVTPL are largely offset in income, since the changes in fair value are borne by contract holders. Changes in the valuations of structured products reflect changes in the underlying securities and are borne by the contract holders.

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

	2025			
	FVTOCI investments	**FVTPL investments**	**Derivative financial instruments**	**Total assets**
Balance, beginning of year	**111,855**	**1,134,824**	**15,002**	**1,261,681**
Additions	2,223	201,996	12,473	216,692
Transfers into Level 3 classification	-	5,997	-	5,997
Fair value changes recorded in net investment income	568	(964)	8,485	8,089
Fair value changes recorded in other comprehensive income	(409)	-	-	(409)
Disposals and divestitures	(5,571)	(114,336)	(20,113)	(140,020)
Transfers (out of) Level 3 classification	(13,561)	(40,811)	-	(54,372)
Effect of exchange rate changes	(182)	(2,344)	-	(2,526)
Balance, end of year	**94,923**	**1,184,362**	**15,847**	**1,295,132**
Fair value changes recorded in investment income for instruments held at the end of the year	-	(1,095)	3,787	2,692

	2024			
	FVTOCI investments	**FVTPL investments**	**Derivative financial instruments**	**Total assets**
Balance, beginning of year	**101,979**	**1,124,572**	**16,909**	**1,243,460**
Additions	14,730	146,008	13,112	173,850
Fair value changes recorded in net investment income	-	(10,888)	6,955	(3,933)
Fair value changes recorded in other comprehensive income	(1,181)	-	-	(1,181)
Disposals and divestitures	(3,314)	(121,666)	(21,974)	(146,954)
Effect of exchange rate changes	(359)	(3,202)	-	(3,561)
Balance, end of year	**111,855**	**1,134,824**	**15,002**	**1,261,681**
Fair value changes recorded in investment income for instruments held at the end of the year	-	(10,578)	2,523	(8,055)

	2025	2024
	Policy liabilities - Unit linked deposit administration	**Policy liabilities - Unit linked deposit administration**
Balance, beginning of year	**170,420**	**165,562**
Gains (losses) recorded in interest expense	316	(2,329)
Issues	21,620	21,777
Settlements	(11,062)	(13,799)
Effect of exchange rate changes	(628)	(791)
Balance, end of year	**180,666**	**170,420**
Fair value changes recorded in interest expense for instruments held at end of year	316	(2,329)

(b) Financial instruments carried at amortized cost

The fair value of the Group's non-traded financial assets and financial liabilities carried at amortized cost approximate their carrying value.

(c) Equity risk

Equity risk is the potential adverse effect on Sagicor's financial performance and financial condition from declines or volatility in equity market prices. Sagicor is exposed to equity risk through some of its product guarantees, and through the impact of policyholder funds invested in accounts which track external equity-related indices such as universal life and segregated funds. Sagicor is also exposed to equity risk through its asset management and investment portfolios.

Its equity risk is managed through its investment policies and various internal controls, including among others established concentration limits, conducting sensitivity and stress testing analyses, and performing frequent monitoring. Where possible, Sagicor uses hedging strategies to mitigate its risks, in particular the segregated fund where the equity exposure is substantially all hedged.

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

Sensitivity

Potential impact from immediate public equity movements on:	20% increase	20% decrease	20% increase	20% decrease
	2025		2024	
Contractual service margin (net)	3,069	(2,254)	3,467	(2,100)
Net income (pre-tax) [1]	73,844	(77,428)	74,868	(80,418)
Other comprehensive income (pre-tax)	54	(54)	50	(50)
LICAT [1]	1%	(2)%	2%	(3)%

Potential impact from immediate public equity movements on:	10% increase	10% decrease	10% increase	10% decrease
	2025		2024	
Contractual service margin (net)	1,662	(1,156)	1,883	(1,148)
Net income (pre-tax) [1]	37,311	(38,496)	39,470	(44,570)
Other comprehensive income (pre-tax)	27	(27)	25	(25)
LICAT [1]	1%	(1)%	1%	(1)%

[1] Comparatives have been restated to reflect a change in methodology and assumptions used during 2025 in the measurement of insurance, reinsurance, and investment contracts.

26.9 Derivative financial instruments and hedging activities

The Group's derivative activities give rise to open positions in portfolios of derivatives. These positions are managed to ensure that they remain within acceptable risk levels, with matching deals being utilized to achieve this, where necessary. Derivatives are carried at fair value and presented in the financial statements as separate assets and liabilities. Asset values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour assuming that all relevant counterparties default at the same time and that transactions can be replaced instantaneously.

Liability values represent the cost to the Group counterparties of replacing all their transactions with the Group with a fair value in their favour, if the Group were to default. Derivative assets and liabilities on different transactions are only set off if the transactions are with the same counterparty, a legal right of set-off exists, and the cash flows are intended to be settled on a net basis.

The contract or notional amounts of derivatives and their fair values are set out below.

	Contract / notional amount	Fair value	
		Assets	Liabilities
2025			
Derivatives held for trading:			
Equity indexed options	326,995	15,847	-
Currency forwards	(79,702)	89	534
Exchange-traded futures	648,225	-	-
	895,518	**15,936**	**534**
2024			
Derivatives held for trading:			
Equity indexed options	368,677	15,002	-
Currency forwards	(60,672)	92	457
Exchange-traded futures	543,038	-	-
	851,043	**15,094**	**457**

(i) *Equity indexed options*

The Group held equity indexed options in respect of structured products. For certain structured product contracts with customers, equity indexed options give the holder the ability to participate in the upward movement of an equity index while being protected from downward risk. For certain universal life and annuity insurance contracts, the Group has purchased custom call options that are selected to materially replicate the policy benefits that are associated with the equity indexed components within the policy contract. These options are appropriate to reduce or minimize the risk of movements in specific equity markets. Both the asset and the associated actuarial liability are valued at fair market value on a consistent basis, with the change in values being reflected in the income statement. The valuations combine external valuations with internal calculations.

(ii) *Foreign exchange derivatives*

Foreign exchange forward contracts (currency forward contracts) are over-the-counter contracts in which one counterparty contracts with another to exchange a specified amount of one currency for a specified amount of a second currency, at a future date or range of dates. The Group enters into currency forward contracts to assist in managing exposures related to the death benefit and maturity guarantees of some of its segregated funds contracts.

(iii) *Hedges for segregated funds*

Equity futures and currency forwards are used to hedge exposures related to the death benefit, maturity and withdrawal guarantees of its segregated fund contracts. The equity futures and currency forwards are carried at market value, with gains (losses) recognized immediately in investment income. In addition, interest is earned on short-term investments that are pledged as collateral for the futures.

26.10 Offsetting financial assets and liabilities

The Group is eligible to present certain financial assets and financial liabilities on a net basis on the statement of financial position pursuant to criteria described in note 2.10. The following tables provide information on the impact of offsetting on the consolidated statement of financial position, as well as the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement as well as available cash and financial instrument collateral.

	Gross amounts	Gross amounts offset in the statement of financial position	Net amounts as presented in the statement of financial position	Impact of master netting arrangements	Impact of offsetting financial instrument collateral	Net amount
2025						
ASSETS						
Non-derivative financial investments	20,064,134	-	20,064,134	(732,205)	(419,224)	18,912,705
Securities purchased for resale	38,207	-	38,207	(37)	-	38,170
Derivative financial instruments	15,936	-	15,936	-	-	15,936
	20,118,277	**-**	**20,118,277**	**(732,242)**	**(419,224)**	**18,966,811**
LIABILITIES						
Non-derivative deposit and security liabilities	3,374,572	-	3,374,572	(732,242)	(419,223)	2,223,107
Derivative financial instruments	534	-	534	-	-	534
	3,375,106	**-**	**3,375,106**	**(732,242)**	**(419,223)**	**2,223,641**
2024						
ASSETS						
Non-derivative financial investments	17,815,753	-	17,815,753	(601,759)	(426,801)	16,787,193
Securities purchased for resale	25,192	-	25,192	(37)	-	25,155
Derivative financial instruments	15,094	-	15,094	-	-	15,094
	17,856,039	**-**	**17,856,039**	**(601,796)**	**(426,801)**	**16,827,442**
LIABILITIES						
Non-derivative deposit and security liabilities	3,056,793	-	3,056,793	(601,796)	(426,801)	2,028,196
Derivative financial instruments	457	-	457	-	-	457
	3,057,250	**-**	**3,057,250**	**(601,796)**	**(426,801)**	**2,028,653**

27. INSURANCE RISK

Sagicor offers traditional life, universal life, living benefits and various annuity contracts, as well as life reinsurance contracts. Sagicor also issues property and casualty ("P&C") insurance contracts.

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

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

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

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

Mortality and morbidity risk is the risk that future experience could be unfavourable relative to the assumptions used in the pricing and valuation of its products. Mortality and morbidity risk can arise in the normal course of business through random fluctuations in realized experience, product development and pricing, and several external factors such as catastrophes and pandemics, increase disability claims during economic slowdowns, and increase medical treatment costs. Adverse mortality and morbidity experience could also occur through systemic anti-selection, which could arise due to poor plan design or underwriting process failure among other factors. They can introduce potential for adverse financial results.

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

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

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

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

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

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

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

Sagicor cedes some of its insurance risk to highly rated reinsurers. Sagicor monitors the risk profile of these reinsurers and, in some instances, requires that a trust account be maintained by the reinsurer as collateral.

Under reinsurance contracts, Sagicor retains some part of the risk (amounts below the "retention limit") and coverage in excess of these limits is ceded to reinsurers.

Sagicor also maintains catastrophic reinsurance coverage whereby reinsurance coverage is obtained for multiple claims arising from one event or occurring within a specified period.

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

Total insurance coverage on life and annuities insurance policies provides a quantitative measure of absolute mortality risk. Total insurance coverage on general 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 total amounts insured by the Group, gross and net of reinsurance, are summarized by geographic area below.

Product Category	2025				2024			
	Canada	USA	Caribbean	Total	Canada	USA	Caribbean	Total
Life & Annuities								
Life - Individual Contracts								
Gross	179,364,085	7,639,715	33,246,290	220,250,090	168,671,141	8,134,849	32,599,146	209,405,136
Net	43,982,528	4,189,954	31,189,046	79,361,528	38,382,480	4,415,040	30,609,860	73,407,380
Life - Group Contracts								
Gross	-	22,362	4,871,470	4,893,832	-	22,741	4,817,330	4,840,071
Net	-	22,282	4,799,243	4,821,525	-	22,661	4,741,482	4,764,143
Annuities - Individual Contracts								
Gross	100,348	5,473,434	988,853	6,562,635	106,360	4,597,936	973,780	5,678,076
Net	100,348	5,289,153	988,853	6,378,354	106,360	4,364,021	973,776	5,444,157
Annuities - Group Contracts								
Gross	-	14,172	634,297	648,469	-	14,668	576,129	590,797
Net	-	4,826	634,297	639,123	-	4,776	576,129	580,905
Total Life & Annuities								
Gross	**179,464,433**	**13,149,683**	**39,740,910**	**232,355,026**	**168,777,501**	**12,770,194**	**38,966,385**	**220,514,080**
Net	**44,082,876**	**9,506,215**	**37,611,439**	**91,200,530**	**38,488,840**	**8,806,498**	**36,901,247**	**84,196,585**
General								
Property								
Gross	-	-	12,582,277	12,582,277	-	-	12,715,591	12,715,591
Net	-	-	2,096,225	2,096,225	-	-	2,331,949	2,331,949
Motor								
Gross	-	-	1,362,654	1,362,654	-	-	1,310,752	1,310,752
Net	-	-	1,064,840	1,064,840	-	-	950,298	950,298
Accident & Liability								
Gross	-	-	4,322,185	4,322,185	-	-	3,447,753	3,447,753
Net	-	-	3,152,765	3,152,765	-	-	3,115,495	3,115,495
Total General								
Gross	**-**	**-**	**18,267,116**	**18,267,116**	**-**	**-**	**17,474,096**	**17,474,096**
Net	**-**	**-**	**6,313,830**	**6,313,830**	**-**	**-**	**6,397,742**	**6,397,742**

27.1 Sensitivity analysis

Sagicor's financial performance and financial condition could be affected by changes in policyholder behaviour, mortality, longevity, morbidity, P&C loss ratio, and expense assumptions used in the valuation of insurance contracts.

The following sensitivity analysis shows the immediate impact on net income (pre-tax) and contractual service margin (net) of a reasonably possible permanent deterioration in these assumptions, which have the greatest impact on the estimates of future cash flows with all other assumptions unchanged.

This analysis presents adverse sensitivities both before and after risk mitigation by reinsurance contracts. An improvement of the same percentage in those assumptions would have a similar impact, but in the opposite direction. Actual results can differ significantly from these estimates for a variety of reasons, including the interaction among other factors when more than one factor changes; changes in liabilities from updates to non-economic assumptions, changes in business mix, and other market factors; and the general limitations of its internal models.

For these reasons, the insurance risk sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions outlined for each risk sensitivities. Given the nature of these calculations, we cannot provide assurance that the actual impact on contractual service margin, net income, and other comprehensive income will be as indicated.

As at December 31	2025				2024			
(pre-tax)	Contractual service margin		Net income		Contractual service margin		Net income	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2% adverse change in future mortality rates for insurance liabilities	(109,486)	(5,188)	(16,031)	(3,992)	(104,522)	(3,691)	(15,553)	(2,240)
2% adverse change in future longevity rates for annuity liabilities	(2,305)	(2,305)	(2,177)	(2,177)	(2,500)	(2,500)	(2,132)	(2,132)
5% adverse change in future morbidity rates	(5,890)	(3,807)	(816)	(810)	(5,350)	(4,354)	(726)	(733)
10% multiplicative increase to the P&C loss ratio	-	-	(6,064)	(6,064)	-	-	(3,232)	(3,232)
5% increase in future expense levels	(21,104)	(20,911)	(5,755)	(5,798)	(19,950)	(19,697)	(5,783)	(5,252)
10% adverse change in policyholder behaviour (i.e., lapses) [1]	(241,967)	(165,922)	(39,299)	(31,046)	(247,414)	(152,656)	(42,003)	(29,811)

[1] Comparative has been restated to reflect a change in methodology and assumptions used during 2025 in the measurement of insurance, reinsurance, and investment contracts.

Notes:

i. All sensitivities are measured as at December 31, 2025 and December 31, 2024 reflecting balances as of that date, and do not reflect any second order impacts of the sensitivity over the following period. The sensitivities assume all markets /geographies are shocked at the same time and by the same amount, which is unlikely to occur in practice.

ii. For the insurance contract liability sensitivities, it is assumed there is no impact on manual reserves.

iii. The direction of the policyholder behaviour sensitivity is assessed at the operating segment level.

iv. The sensitivities do not reflect any potential management actions.

28. SEGREGATED FUND ASSETS AND LIABILITIES ON ACCOUNT OF FUND HOLDERS

Segregated funds assets on account of segregated fund policyholders

The Group manages a range of segregated funds on behalf of policyholders. Segregated funds assets represent underlying items for segregated fund insurance contracts which are direct participating contracts. Within segregated funds, there were no material transfers between Levels 1 and 2 during 2025 and 2024. All assets in the chart below are Level 1 except $30,634 (2024 - $32,352) of short-term investments, bonds and other assets which are level 2.

The fair value of financial instruments categorized as level 3 within segregated funds assets as at December 31, 2025 is $Nil (2024 - $Nil).

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

	2025		2024	
	Total	**Percentage**	**Total**	**Percentage**
Asset class:				
Cash and cash equivalents	2,455	1%	2,098	1%
Short-term investments	7,790	2%	8,162	2%
Equities	53,356	11%	50,931	11%
Bonds	22,815	5%	24,150	5%
Mutual funds	364,198	81%	361,841	81%
Other assets	29	-	40	-
Total segregated funds assets	**450,643**	**100%**	**447,222**	**100%**

Insurance contract liabilities on account of segregated fund policyholders

Reconciliation of the liability for remaining coverage and the liability for incurred claims

The Group manages a range of segregated funds on behalf of policyholders. 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.

	2025		
	LRC	**LIC**	**Total**
Balance, beginning of year	**447,222**	**-**	**447,222**
Insurance finance (income) / expenses	53,425	-	53,425
Cash flows:			
Management fees	(15,195)	-	(15,195)
Amounts paid to policyholders and other insurance service expenses paid	-	(56,654)	(56,654)
Actual investment component excluded from insurance revenue	-	56,654	56,654
Expected investment component excluded from insurance revenue	(56,654)	-	(56,654)
Total cash flow movement	**(71,849)**	**-**	**(71,849)**
Foreign exchange (gains) / losses	21,845	-	21,845
Balance, end of year	**450,643**	**-**	**450,643**

Investment income for segregated funds is comprised of net realized and unrealized gains of $44,699 in addition to interest and dividend income of $8,726.

	2024		
	LRC	LIC	Total
Balance, beginning of year	**492,271**	**-**	**492,271**
Insurance finance (income) / expenses	73,913	-	73,913
Cash flows:			
Management fees	(16,416)	-	(16,416)
Amounts paid to policyholders and other insurance service expenses paid	-	(63,051)	(63,051)
Actual investment component excluded from insurance revenue	-	63,051	63,051
Expected investment component excluded from insurance revenue	(63,051)	-	(63,051)
Total cash flow movement	**(79,467)**	**-**	**(79,467)**
Foreign exchange (gains) / losses	(39,495)	-	(39,495)
Balance, end of year	**447,222**	**-**	**447,222**

Investment income for segregated funds is comprised of net realized and unrealized gains of $62,333 in addition to interest and dividend income of $11,580.

29. STATUTORY RESTRICTIONS ON ASSETS

Insurers are registered to conduct insurance business under legislation in place in each relevant jurisdiction. This legislation may prescribe requirements with respect to deposits, investment of funds and solvency for the protection of policyholders. In general, these requirements do not restrict the ability of the insurer to trade investments. Banking subsidiaries may also be required to hold deposits with Central Banks which regulate the conduct of banking operations.

To satisfy the above requirements, invested assets and cash totalling $911,169 (2024 - $868,324) have been deposited with regulators or are held in trust to the order of regulators.

In some countries where the Group operates, there are exchange controls or other restrictions on the remittance of funds out of those countries.

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital, which is a broader concept than equity in the statement of financial position, are:

- To comply with capital requirements established by insurance, banking and other financial intermediary regulatory authorities;
- To comply with internationally recognized capital requirements for insurance, where local regulations do not meet these international standards;
- To safeguard its ability as a going concern to continue to provide benefits and returns to policyholders, depositors, note-holders and shareholders;
- To provide adequate returns to shareholders;
- To maintain a strong capital base to support the future development of Group operations.

30.1 Capital resources

The principal capital resources of the Group are as follows:

	2025	2024
Shareholder's equity	1,036,582	959,692
Non-controlling interests' equity	398,508	362,762
Notes and loans payable	998,582	953,939
Total financial statement capital resources	**2,433,672**	**2,276,393**

The Group deploys its capital resources through its operating activities. These operating activities are carried out by subsidiary companies which are either insurance entities or provide other financial services. The capital is deployed in such a manner as to ensure that subsidiaries have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

30.2 Capital adequacy

The capital adequacy of the principal operating subsidiaries is discussed in this section.

(a) Life insurers

Capital adequacy is managed at the Group level and the operating company level, as appropriate. The calculation is verified by the company's Appointed Actuary ("AA"), and reviewed by executive management, the audit committee and the board of directors of the company. In addition, Sagicor seeks to maintain internal capital adequacy at levels higher than the regulatory or internationally recognized requirements.

Sagicor voluntarily adopted Life Insurance Capital Adequacy Test ("LICAT"), developed by the Office of the Superintendent of Financial Institutions ("OSFI") and became effective on January 1, 2018. Since its implementation, OSFI has made, and continues to make, modifications to LICAT, with the most recent version of LICAT becoming effective on January 1, 2025. LICAT is calculated on a consolidated basis and OSFI has established a minimum supervisory Total Ratio of 100%. The consolidated LICAT for the life insurers of Sagicor as of December 31, 2025 has been estimated as 136% (December 31, 2024 – 139%).

(i) ivari

OSFI requires federally regulated life insurance companies to apply LICAT as the capital adequacy guideline. Companies are required, at a minimum, to maintain a Total Ratio of 90% and OSFI has established a supervisory target ratio level of 100% for Total Capital. Sagicor Canada has exceed all minimum regulatory capital level ratios as of December 31, 2025, and December 31, 2025. The LICAT ratio for Sagicor Canada as of December 31, 2025 has been estimated as 129% (2024 - 131%).

(ii) Sagicor Life Insurance Company (USA)

A risk-based capital (RBC) formula and model have been adopted by the National Association of Insurance Commissioners (NAIC) of the United States. RBC is designed to assess minimum capital requirements and raise the level of protection that statutory surplus provides for policyholder obligations. The RBC methodology provides for four levels of regulatory action. The extent of regulatory intervention and action increases as the ratio of surplus to RBC falls. The least severe regulatory action is the "Company Action Level" (as defined by the NAIC) which requires an insurer to submit a plan of corrective actions to the regulator if surplus falls below 200% of the RBC amount. Sagicor Life Insurance Company has maintained these ratios as of December 31, 2025 and 2024 respectively.

(iii) Sagicor Life Jamaica Limited

The risk-based assessment measure is the Jamaican Life Insurance Capital Adequacy Test (JA-LICAT) which became effective January 1, 2023, as per the Insurance Regulations, 2001 amended 2023. The supervisory minimum Total Ratio for JA-LICAT is 100% respectively. Sagicor Life Jamaica Limited exceeded the standard requirement at period-end. The JA-LICAT for Sagicor Life Jamaica as of December 31, 2025, has been estimated as 153% (2024 - 162%) with the minimum standard requirement for JA-LICAT being 100%.

(b) Banking institutions

(i) Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited

Capital adequacy is based on the guidelines developed by the Financial Services Commission (FSC), the Bank of Jamaica (BOJ), Basel II and the Risk Management and Compliance Unit. The required information is filed. The BOJ and the FSC require each regulated entity to hold the minimum level of regulatory capital, and to maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The table below summarizes the capital adequacy ratios. During 2025 and 2024, all applicable externally imposed capital requirements were complied with.

	Sagicor Investments Jamaica		Sagicor Bank Jamaica	
	2025	**2024**	**2025**	**2024**
Actual capital base to risk-weighted assets	17%	17%	13%	13%
Required capital base to risk-weighted assets	10%	10%	10%	10%

The Group complies with all regulatory capital requirements.

31. RELATED PARTY TRANSACTIONS

Other than as disclosed in notes 5 and 18, there are no material related party transactions except as disclosed below.

Key management transactions and balances

Key management comprises directors and senior management of the Company and of Group subsidiaries. Key management includes those persons at or above the level of Vice President or its equivalent. Compensation of and loans to these individuals are summarized in the following tables.

	2025	2024
Compensation:		
Salaries, directors' fees and other short-term benefits	34,129	33,624
Equity-settled compensation benefits	3,844	5,011
Pension and other retirement benefits	1,254	1,147
	39,227	39,782

	Mortgage loans	Other loans	Total loans
Balance, beginning of year	**2,050**	**1,270**	**3,320**
Advances	771	368	1,139
Repayments	(408)	(369)	(777)
Effects of exchange rate changes	(21)	(20)	(41)
Balance, end of year	**2,392**	**1,249**	**3,641**
Interest rates prevailing during the year	3.50% to 9.00%	4.00% to 19.99%	

Other related party transactions and balances

(a) Related party balances included in the consolidated statement of financial position are summarized below.

i. Miscellaneous assets and receivables includes amounts due from managed funds totalling $9,793 (2024 - $11,479).

ii. Investment property includes $7,144 (2024 - $7,173) which represents the Group's proportionate interest in joint operations related to freehold lands and office buildings.

(b) Equity compensation benefits are provided by the Company through a Long-Term Incentive (LTI) Plan for designated executives of the Sagicor Group and an Employee Share Ownership Plan (ESOP) for permanent administrative employees and sales agents of the Group. The allocation to reserve for equity compensation benefits is included as an element of "Transactions with holders of equity instruments" in note 12.

32. SUBSEQUENT EVENT

Subsequent to the year end, the Board of Directors of Sagicor Financial Company Ltd. approved and declared a quarterly dividend of $0.075 per common share payable on April 17, 2026 to the shareholders of record at the close of business on March 26, 2026.



ALIGNED INTERESTS. SHARED OUTCOMES.

SHAREHOLDER INFORMATION

Dividends

Quarterly dividends were declared as follows in 2025:

- A quarterly dividend of US $ 0.0675 per common share was approved, payable on April 17, 2025, to the registered holders of the common shares of record at the close of business on March 27, 2025.
- A quarterly dividend of US$ 0.0675 per common share was approved, payable on June 16, 2025, to the registered holders of the common shares of record at the close of business on May 26, 2025.
- A quarterly dividend of US$ 0.0675 per common share was approved, payable on September 17, 2025, to the registered holders of the common shares of record at the close of business on August 27, 2025.
- A quarterly dividend of US$ 0.0675 per common share was approved, payable on December 16, 2025, to the registered holders of the common shares of record at the close of business on November 25, 2025

TRANSFER AGENT / SHAREHOLDER ASSISTANCE
For more information on managing your Sagicor shares, shareholders may contact our Transfer Agent, TSX Trust Company.

INVESTOR & ACCOUNT ASSISTANCE
Sign in to your TSX Trust account to access all the data related to your account, including a summary of holdings, transaction history and, proxy voting and more. For your convenience, the TSX Trust has also created a list of Frequently Asked Questions and provided several useful forms at the following link:
https://www.sagicor.com/en/Investor-Relations/Transfer-Agent

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STOCK EXCHANGE LISTINGS
Sagicor Financial Company Ltd. is listed on the Toronto Stock Exchange – Symbol TSX:SFC.

Sagicor Financial Corporation Limited was delisted from the London and the Trinidad and Tobago Stock Exchanges and has applied to be delisted from the Barbados Stock Exchange.

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- Estate transfer

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