



ANNUAL
REPORT
2025



A young girl with dark skin and braided hair is smiling broadly and looking upwards. She is wearing a blue and purple patterned shirt. To her left, the side of another child's face is partially visible. The background is bright and slightly out of focus, suggesting an outdoor or well-lit indoor setting. The text 'ONE SAGICOR' is overlaid in white, bold, sans-serif font.

ONE SAGICOR

**LET'S MAKE
GREAT**



THINGS HAPPEN

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● FINANCIAL HIGHLIGHTS

Net Profit Attributable to Stockholders

\$**16.22**b
76% ▲

Total Assets

\$**703.60**b
18% ▲

Earnings Per Share

\$**4.16**
76% ▲

Stockholders' Equity

\$**115.05**b
13% ▲

Dividends Per Share

\$**1.66**
21% ▲

Market Capitalisation

\$**162.01**b
0.1% ▲

CHAIRMAN'S STATEMENT



“

WE ARE PROUD TO REPORT THAT SAGICOR ONCE AGAIN EARNED AN “AA” RATING ON THE JAMAICA STOCK EXCHANGE’S (“JSE”) CORPORATE GOVERNANCE INDEX, THIS TIME WITH AN IMPROVED SCORE OF 95.5%. WE REMAIN COMMITTED TO TRANSPARENCY, ETHICS AND COMPLIANCE, THE CORNERSTONES OF A TRUSTED INSTITUTION.

PETER K. MELHADO

Delivering Results in a Challenging Year

An honest account of 2025 has to start with the significant global economic shifts and the devastating impact of Hurricane Melissa, which created a complex operating environment for businesses and communities alike. The year presented challenges that no business could simply plan its way around. I want to acknowledge that context before turning to our own performance.

Within that environment, Sagicor Group Jamaica Limited's ("Sagicor" or "the Group") results were, by any measure, exceptional.

Net profit attributable to shareholders rose to J\$16.22 billion, a marked improvement over 2024, while total assets grew to J\$703.60 billion and our return on equity strengthened to 15%. These numbers not only represent growth over 2024 but also the underlying quality of our leadership and the commitment of every member of our team.

What gives me the greatest confidence looking ahead is not any single result but rather the consistency with which Sagicor continues to perform. We hold a dominant market position, our business is well diversified, and the people leading and working within this organisation have demonstrated, again, that they will rise to whatever the moment demands.

The year ahead will have its own set of challenges but I am certain we are well positioned to meet them head-on.

Steadfast in Our Commitment to Good Governance

The Board continues to provide stable, independent and effective oversight of the Group's affairs. Our Board Committees also remained active, meeting

in accordance with their mandates to provide deeper focus on audit, risk, governance, investment management and related matters.

Our Directors, drawn from diverse local and international backgrounds, remained deeply engaged throughout the year, meeting consistently to guide decision-making and reinforce accountability, with seven Group Board meetings for the year. Additionally, Gilbert Palter resigned in 2025 and was succeeded by Cathleen McLaughlin. Gilbert served with integrity and genuine care for this organisation, and he departs with our deep gratitude. In the same breath, we look forward to the perspective and experience that Cathleen will bring to the Board. There were no retirements.

We are proud to report that Sagicor once again earned an "AA" rating on the Jamaica Stock Exchange's ("JSE") Corporate Governance Index, this time with an improved score of 95.5%. We remain committed to transparency, ethics and compliance, the cornerstones of a trusted institution.

Living Our Purpose

The 2025 staging of the Sagicor SIGMA Corporate Run once again proved that the event is more than just a fund-raiser. Over 30,000 registrants along with sponsors and donors raised over J\$128 million in support of the Kingston Public Hospital Intensive Care Unit, the Sir John Golding Rehabilitation Centre and Father Ho Lung & Friends Foundation's Bethlehem Home. SIGMA continues to be a celebration of community, legacy, and collective impact, and a reminder of why we do what we do.

When Hurricane Melissa struck, Sagicor responded swiftly and decisively, with support for national recovery efforts, community rebuilding and direct

aid for team members and clients. This response exemplified the "ONE Sagicor" spirit – taking ownership, nurturing our talent, and excelling with impact, when it matters most.

Positioned for the Future

December 2025 marked a defining moment in our history, with the announcement of plans to merge Sagicor Group Jamaica with Sagicor Life Inc. to create Sagicor Group Caribbean. The Board has carefully considered this transaction and is firmly supportive of its strategic rationale. It will create a more robust, regionally integrated company, delivering greater shareholder value and new opportunities for clients, team members and communities across the Caribbean.

As we chart our path forward, our priorities remain clear. We are investing in technology and talent, advancing our digital transformation and deepening our presence across the region. The "ONE Sagicor" philosophy will continue to guide how we operate and how we grow. We move forward with confidence, purpose, and momentum.

With Sincere Thanks

On behalf of the Board, I extend sincere appreciation to our shareholders, clients, agents, team members, and partners for your continued trust and support. It is your belief in our vision, along with your dedication to the journey, that continuously drive us forward.

Peter K. Melhado

B.Sc., M.B.A.
Chairman



”

This year's report is framed by a unifying principle, "ONE Sagicor", a philosophy that speaks to Ownership, Nurturing Talent and Excelling with Impact. In 2025, we did not simply grow; we aligned, we strengthened and we advanced as one cohesive enterprise.

CHRISTOPHER ZACCA

STATEMENT OF THE PRESIDENT & CEO

It is my privilege to present to you the Annual Report for Sagicor Group Jamaica Limited (“Sagicor” or “the Group”) for the financial year ended December 31, 2025.

This year’s report is framed by a unifying principle, “ONE Sagicor”, a philosophy that speaks to Ownership, Nurturing Talent and Excelling with Impact. It reflects a deliberate shift in how we operate, collaborate and deliver value across our organisation. In 2025, we did not simply grow; we aligned, we strengthened, and we advanced as one cohesive enterprise.

A Year of Strong Performance Amid Real Challenges

The operating environment in 2025 was shaped by many global economic shifts but the most notable disruption was Hurricane Melissa, which is one of the most powerful hurricanes ever recorded and the strongest Jamaica has ever seen. The system significantly affected communities across Jamaica, especially in western parishes.

In the face of this, Sagicor demonstrated both resilience and responsiveness. Our teams moved quickly to support clients, process claims, and provide critical assistance to

those affected. This moment underscored the importance of our role, not just as a financial institution but also as a partner in recovery and rebuilding.

Despite these challenges, the Group delivered an exceptional financial performance.

We recorded net profit attributable to stockholders of J\$16.22 billion, a marked improvement over 2024. Total assets grew to J\$703.60 billion, while our return on equity strengthened to 15%, reflecting disciplined execution and the strength of our diversified business model.

Driving Value Across Our Business Lines

Our Long-Term Insurance business continued to demonstrate market leadership, delivering net profit of J\$9.32 billion. The Short-Term Insurance segment also delivered a significantly improved performance, reporting net profit of J\$3.38 billion. The segment played a critical role in the aftermath of Hurricane Melissa, responding to increased claims activity with efficiency and care. Importantly, the rise in general insurance claims was largely offset by reinsurance recoveries, reflecting disciplined underwriting and sound risk management.

Sagicor Bank Jamaica delivered another year of solid growth, generating net profit of J\$4.01 billion. The segment recorded a 10% increase in revenue, supported by higher net interest income and increased transaction volumes across its card payments portfolio. During the year, Sagicor Bank continued to advance its branch transformation strategy, with the opening of our new Up Park Camp location, the second “phygital” branch, further strengthening convenience and accessibility for clients through a seamless blend of digital and in-person services.

Our Investment Banking arm maintained its leadership position in asset management and delivered net profit of J\$1.67 billion, compared to J\$894.17 million in 2024. This strong out-turn reinforced the importance of the segment to the Group’s diversified earnings base and reflected continued confidence in our investment management capabilities.

Across all segments, the principle of “ONE Sagicor” was evident – greater collaboration, shared accountability and a unified approach to delivering value. This becomes extremely important, as in

December 2025, we announced plans to merge Sagicor Group Jamaica with Sagicor Life Inc. This will create a more robust company to be called Sagicor Group Caribbean, delivering greater shareholder value and even more opportunities to fortify what makes us Sagicor – our Team.

Ownership: Embedding Accountability and Performance

Ownership is at the heart of our transformation.

In 2025, we deepened a culture where every team member understands their role in driving outcomes. This mindset has strengthened execution, improved efficiency, and enhanced our ability to respond with agility. That becomes even more important in times of national need.

Nurturing Talent: Building Capacity for the Future

Our people remain our greatest asset.

We continued to invest in talent development, leadership training, and succession planning, ensuring that Sagicor is equipped not only to meet today’s demands but also to lead into the future.

Excelling with Impact: Supporting Nation Building and Recovery

Excellence at Sagicor is measured not only by financial performance, but also by the impact we create.

In February, through Sagicor Foundation Jamaica (SFJ), we hosted another record-breaking Sagicor SIGMA Corporate Run, where we raised J\$128 million to support three deserving institutions in the health and caregiving industry. We also continued our long-standing support for the JTA/Sagicor National Athletic Championship. The event, which has seen participation from some of Jamaica’s greatest athletes before they got to high school and the world stage, marked a milestone of 40 years. SFJ’s contribution of J\$12 million benefited more than 1,200 student athletes from across Jamaica at the primary and all-age levels.

In response to Hurricane Melissa, we mobilised significant resources to support national recovery efforts, including a pledge of J\$200 million. J\$100 million of these funds were earmarked to support the rehabilitation of health clinics in the most affected parishes. Through direct financial contributions,

OWNING OUR OUTCOMES
NURTURING THE BEST TALENT
EXCELLING WITH IMPACT

community outreach and partnerships, we provided assistance to affected families, supported the restoration of critical services and helped to rebuild lives and livelihoods.

Across all our operations, we continue to enable economic growth, provide financial protection and support the resilience of the communities we serve.

Advancing Through Digital Transformation

Our digital transformation agenda continued to gain momentum in 2025.

We enhanced our platforms, expanded digital access and improved the client experience, ensuring that even in times of disruption, our clients can access the services they need seamlessly.

A Regional Vision, Executed with Discipline

Our regional operations in Costa Rica, Panama and the Cayman Islands continued to perform steadily, contributing to Group growth and diversification.

As we expand to become Sagicor Group Caribbean, we remain grounded in strong governance, transparency and compliance.

Outlook

We enter 2026 with confidence and clarity.

While uncertainties remain, we are well-positioned to navigate the future. Our priorities are clear: deepen client relationships, advance digital innovation, invest in our people, and pursue sustainable growth.

The foundation built through "ONE Sagicor" ensures that we move forward stronger, together.

In Gratitude

I extend sincere thanks to our Board of Directors for their guidance and stewardship.

To our clients, shareholders, advisors, and team members, thank you for your continued trust and commitment.

Together, as ONE Sagicor Team, we will continue to take ownership, nurture our talent and excel with impact.

Christopher Zacca

C.D., J.P., LLD (Honoris Causa)
President & CEO

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IN DECEMBER 2025, WE ANNOUNCED PLANS TO MERGE SAGICOR GROUP JAMAICA WITH SAGICOR LIFE INC. THIS WILL CREATE A MORE ROBUST COMPANY TO BE CALLED SAGICOR GROUP CARIBBEAN, DELIVERING GREATER SHAREHOLDER VALUE AND EVEN MORE OPPORTUNITIES TO FORTIFY WHAT MAKES US SAGICOR - OUR TEAM.

GROUP 10-YEAR FINANCIAL STATISTICS

YEAR ENDED DECEMBER 31, 2025

		IFRS 17					IFRS 4				
		2025	2024	2023	Restated* 2022	Restated* ⁴ 2021	2020	2019	2018	2017	2016
SALES:											
INSURANCE											
Individual Life – Sums Assured	J\$m	361,386	336,355	355,315	303,462	314,991	272,584	236,353	209,675	184,455	176,329
Group Life – Sums Assured	J\$m	3,944	26,548	12,067	19,771	15,746	7,236	7,706	5,860	11,718	6,109
Total New Insurance Amount	J\$m	365,330	362,903	367,382	323,233	330,736	279,819	244,060	215,535	196,173	182,438
NEW ANNUALISED PREMIUMS											
Individual Life and Health	J\$m	5,467	5,314	4,887	4,936	5,160	4,668	4,470	4,140	3,614	3,341
Group Life and Health	J\$m	1,096	3,369	1,931	2,001	1,590	531	1,447	1,399	817	510
Group Annuities	J\$m	5,486	5,539	3,746	4,303	5,266	4,741	3,522	2,815	2,323	2,007
Bulk Annuities Single Premiums	J\$m	-	-	-	-	-	-	1,525	-	5,713	1,147
Group Pensions	J\$m	8,624	4,335	4,195	2,816	3,107	9,335	2,161	2,362	2,284	1,756
Total New Annualised Premiums	J\$m	20,674	18,557	14,758	14,057	15,124	19,275	13,125	10,716	14,751	8,760
IN FORCE:											
INSURANCE AMOUNT											
Individual Life – Sums Assured	J\$m	2,621,991	2,585,283	2,386,171	2,180,025	2,017,206	1,779,705	1,587,313	1,437,151	1,289,703	1,198,090
Group Life – Sums Assured	J\$m	1,136,884	1,141,923	1,440,105	1,237,273	1,090,630	1,036,284	967,899	882,103	772,050	661,581
Property and Casualty	J\$m	769,342	629,850	655,601	722,229	256,358	220,230	213,258	87,340	76,036	67,937
Total Insurance Amounts in Force	J\$m	4,528,217	4,357,055	4,481,878	4,139,527	3,364,194	3,036,219	2,768,470	2,406,594	2,137,789	1,927,608
Number of Individual Life Policies in Force		716,056	716,620	696,522	674,182	656,008	627,677	594,249	556,742	520,888	492,355
Number of New Individual Life Policies		69,866	67,730	66,808	70,124	78,721	76,685	75,908	73,635	68,131	63,968

GROUP 10-YEAR FINANCIAL STATISTICS

YEAR ENDED DECEMBER 31, 2025

		IFRS 17					IFRS 4				
		2025	2024	2023	Restated* 2022	Restated* ⁴ 2021	2020	2019	2018	2017	2016
FINANCIAL POSITION & STRENGTH:											
Total Assets ¹	J\$m	703,597	597,795	560,649	515,781	535,285	490,695	459,999	394,133	352,037	340,955
Pension Funds under Management ²	J\$m	269,360	255,331	247,283	230,345	238,573	179,605	247,537	206,359	186,759	154,734
Other Funds under Management	J\$m	211,075	223,443	222,796	226,546	189,739	231,099	220,631	163,180	141,023	113,842
Total Assets Under Management	J\$m	1,184,032	1,076,568	1,030,728	972,672	963,597	901,399	928,167	763,672	679,819	609,531
Bank Loans and Advances, Net of Provision for Credit Losses	J\$m	151,960	133,166	119,062	108,840	93,388	87,844	84,663	69,061	61,321	56,038
Customer Deposits	J\$m	196,115	172,482	156,500	145,950	133,339	120,570	107,250	92,264	84,280	75,166
Invested Assets ³	J\$m	583,420	502,197	470,123	436,581	446,918	406,626	382,208	326,287	293,363	290,118
Insurance & Investment Contract Liabilities	J\$m	223,035	182,293	165,880	154,980	169,148	119,697	116,991	97,623	95,493	86,390
Shareholders' Equity	J\$m	115,047	102,167	99,779	83,614	85,491	106,384	91,252	74,340	68,502	56,411
Market Capitalisation	J\$m	162,006	161,889	189,342	232,073	227,503	195,086	304,444	155,444	148,609	116,055
OPERATING RESULTS:											
Total Revenue	J\$m	128,164	111,849	100,204	62,185	102,561	84,573	92,600	70,657	70,444	59,701
Net (Re)insurance Service & Finance Expenses	J\$m	60,346	56,572	44,211	18,706	39,332	28,687	38,055	27,727	32,584	25,838
Total Commissions, Expenses and Taxes	J\$m	39,705	35,036	32,351	34,076	45,026	40,114	39,067	30,510	26,933	23,108
Net Profit, Attributable to Shareholders	J\$m	16,222	9,238	14,368	9,586	17,395	13,780	15,650	14,232	12,070	11,258
FINANCIAL RATIOS:											
Return on Average Assets	%	2	2	3	2	3	3	4	4	3	4
Return on Average Shareholders' Equity	%	15	9	16	11	16	14	19	20	19	22
Share Price	J\$	41.48	41.45	48.50	59.42	58.25	49.95	77.95	39.80	38.05	29.90
Earnings per Share	J\$	4.16	2.37	3.67	2.45	4.46	3.53	4.01	3.65	3.11	2.90
Price-to-Earnings Ratio		9.97	17.49	13.22	24.25	13.05	14.15	19.44	10.90	12.23	10.31
Dividends per Share	J\$	1.66	1.37	1.23	1.60	1.11	0.85	1.44	1.20	1.28	1.12

Footnotes:

1 - Includes Segregated Funds

2 - Includes Sagicor Pooled Funds and Self-Directed Funds

3 - Invested Assets are made up of Financial Investments, Pledged Assets, Investment Properties, investment in Joint Venture, and Loans and Leases after allowance for credit losses

4 - Only Balance Sheet items were restated

UNIFYING CARIBBEAN OPERATIONS

SAGICOR GROUP JAMAICA TO MERGE WITH SAGICOR LIFE INC.

Sagicor Group Jamaica Limited (“SGJ”) has entered into an agreement with Sagicor Financial Company Ltd. (“SFC”) to merge Sagicor Life Inc. (“SLI”) with SGJ under a single Caribbean holding structure. SLI is a leading provider of life, health and general insurance solutions across the Eastern and Southern Caribbean. As part of the merger process, new shares will be issued to SFC as consideration for shares in SLI.

On a pro-forma basis, the combined business would have over US\$6.9 billion in total assets and over US\$1.3 billion in total revenues as of and for the twelve-month period ended September 30, 2025. Following completion, SFC’s ownership in the new entity is expected to increase from 49% to approximately 55%, reflecting SFC’s receipt of additional shares, subject to customary adjustments. Based on management projections, the transaction is expected to be accretion neutral to shareholders, excluding the impact of cost and revenue synergies which could provide for meaningful financial upside.

The merger, which remains subject to regulatory and shareholder approvals, represents a transformative step for Sagicor, advancing the collective vision of a more unified, efficient and regionally integrated Sagicor presence throughout the region. With the proposed structure, Sagicor’s Caribbean businesses will be brought together under a new holding company, Sagicor Group Caribbean (“SGC”),

creating a stronger platform that advances the ONE Sagicor vision. Through a Scheme of Arrangement, SGC will replace SGJ as the company listed on the Jamaica Stock Exchange, providing continuity and transparency for investors.

Dodridge Miller, a current Director and former Chief Executive Officer (“CEO”) of SFC, will be nominated as Chairman of Sagicor Group Caribbean, while Christopher Zacca will serve as CEO. Robert Trestrail will continue to serve as CEO of SLI. Zacca and Trestrail will work closely to build a best-in-class Caribbean financial conglomerate. This aligned leadership structure reinforces continuity and provides a clear path towards delivering long-term strategic objectives.

Zacca Confident that Merger will Strengthen Regional Presence

Christopher Zacca, President and CEO of SGJ, stated: “This combination marks a defining moment in Sagicor Group Jamaica’s evolution and a pivotal milestone in Sagicor’s long and distinguished journey. By merging our Caribbean operations, we are combining two institutions with deep roots and strong reputations across the Caribbean to form a regional champion with greater scale, capabilities and reach. This merger strengthens our competitive position, reduces complexity and creates a more focused platform, enabling us to accelerate digital transformation by pooling expertise, talent and

technology investments. We see the immense value of being a stronger, well-capitalised regional player that can withstand increasing climate, economic and geopolitical shocks.”

President and CEO of SFC, Andre Mousseau, added: “The rationale for this merger is clear and compelling. By bringing together our operations, we can harness the power of synergy, leverage the depth of talent across our markets and build a stronger, more resilient Sagicor – one capable of delivering enhanced value for our people, our clients, our stakeholders and the communities we serve.”

Robert Trestrail, President and CEO of SLI, said: “Through this merger, we are unlocking significant opportunities to honour the exceptional talent that exists within Sagicor across the Caribbean. Together, we will continue to craft a legacy of excellence, built on innovation, service and a shared commitment to empowering Caribbean families to make wise financial decisions.”

Empowering Teams and Enhancing Client Value

The transaction will unite teams across the region, creating new opportunities for collaboration, professional development and regional mobility. It will also enable the organisations to provide increased value to clients by expanding product offerings, modernising service delivery, and

leveraging shared technology and expertise. As integration progresses, clients can expect a more seamless experience, more comprehensive financial solutions and greater access to Sagicor’s regional capabilities.

Continuity of Operations

Sagicor confirms that there will be no immediate changes to roles, service channels, policies, benefits, or client interactions. All existing policies, claims processing and payments will continue uninterrupted. As the transaction progresses, the companies will explore strategic opportunities for alignment and optimisation.

This step underscores Sagicor’s commitment to the Caribbean and its belief in the transformative potential of a unified regional financial services sector.



1. Andre Mousseau (left), President & CEO, Sagicor Financial Company Ltd. (SFC), and Christopher Zacca, President & CEO, Sagicor Group Jamaica (SGJ), share a celebratory moment. Sagicor Group Jamaica announced that it has entered into an agreement with Sagicor Financial Company Ltd. to merge Sagicor Life Inc. with SGJ under a single Caribbean holding structure.
2. Andre Mousseau (left), President & CEO, Sagicor Financial Company Ltd. (SFC), and Christopher Zacca, President & CEO, Sagicor Group Jamaica (SGJ), during the ceremonial signing that will see Sagicor’s Caribbean businesses brought together under a new holding company, Sagicor Group Caribbean.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING of the Company will be held on Wednesday, the 20th day of May 2026 at 3:00 p.m., in "The Auditorium" at Sagicor Group Jamaica Limited, R. Danny Williams Building, 28 - 48 Barbados Avenue, Kingston 5 in the parish of St. Andrew to consider and, if thought fit, pass the following resolutions:

ORDINARY BUSINESS:

1. To receive the Audited Accounts.

Resolution No. 1:

"THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2025, be and are hereby adopted."

2. To elect Directors.

Resolution No. 2:

"THAT the election of Directors be made en bloc."

3. Resolution No. 3:

Article 98 of the Company's Articles of Incorporation provides that one-third of the Directors, or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office at each Annual General Meeting. The Directors retiring under this Article are **Directors Peter Clarke, Dr. Dodridge Miller, Andre Mousseau, Philip Armstrong and Jeffrey Hall** who, being eligible, offer themselves for re-election.

"THAT **Directors Peter Clarke, Dr. Dodridge Miller, Andre Mousseau, Philip Armstrong and Jeffrey Hall** who retire by rotation, and being eligible for re-election, be and are hereby re-elected as Directors of the Company en bloc."

4. To fix the remuneration of the Directors.

Resolution No. 4:

"THAT the amount of **\$44,417,275.00** included in the Audited Accounts of the Company for the year ended December 31, 2025, as remuneration for their services as Directors be and is hereby approved."

5. To appoint Auditors and authorise the Directors to fix the remuneration of the Auditors.

Resolution No. 5:

"THAT PricewaterhouseCoopers, Chartered Accountants, having agreed to continue in office as Auditors, be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company"

6. To ratify interim dividends and declare them final.

Resolution No. 6:

"THAT the interim dividends of **Seventy-Seven Cents (\$0.77)** paid on the **30th day of April 2025** and **Eighty-Nine Cents (\$0.89)** paid on the **16th day of October, 2025**, respectively, be and are hereby ratified and declared as final for the year ended December 31, 2025."

DATED THIS 25th day of February 2026

BY ORDER OF THE BOARD



Dr. Sharma L. Taylor
Corporate Secretary

REGISTERED OFFICE
28-48 Barbados Avenue
Kingston 5, Jamaica

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his/her stead. A Proxy need not be a member of the Company.

If you are unable to attend, we enclose a Form of Proxy for your convenience. This should be completed and deposited with the Secretary at the Registered Office of the Company, at 28-48 Barbados Avenue, Kingston 5 not less than 48 hours before the time appointed for the meeting. The Proxy Form should bear stamp duty of \$100.00 before being signed. The stamp duty may be paid by adhesive stamps and cancelled by the person signing the Proxy.

DIRECTORS' REPORT

The Directors are pleased to submit their Report and the Audited Financial Statements for the year ended December 31, 2025. The Financial Statements reflect the consolidated results of Sagicor Group Jamaica Limited and its subsidiaries.

OPERATING RESULTS:	2025 J\$000's	2024 J\$000's
Group Profit before Tax	21,745,203	13,098,376
Taxation	(5,302,588)	(4,047,533)
Net Profit after Tax	16,442,615	9,050,843
Attributable to:		
Stockholders of the Parent Company	16,222,327	9,238,468
Non-controlling Interests	220,288	(187,625)

Dividends

An interim dividend of Seventy-Seven Cents (\$0.77) was paid on 30th day of April 2025. A further interim dividend of Eighty-Nine Cents (\$0.89) was paid on the 16th day of October 2025.

Directors

Article 98 of the Company's Articles of Incorporation provides that one-third of the Directors, or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office at each Annual General Meeting. The Directors retiring under this Article are Directors Peter Clarke, Dr. Dodridge Miller, Andre Mousseau, Philip Armstrong and Jeffrey Hall who, being eligible, offer themselves for re-election.

Auditors

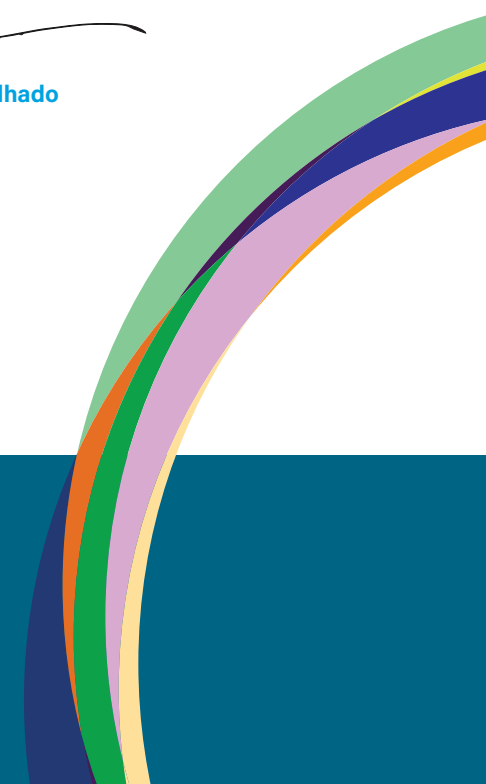
The retiring Auditors, PricewaterhouseCoopers, having expressed their willingness to continue in office, will do so in accordance with the provisions of Section 154 of the Companies Act. A resolution authorising the Directors to fix the remuneration of the Auditors will be presented at the Annual General Meeting.



Peter Melhado
Chairman



AN INTERIM DIVIDEND OF SEVENTY-SEVEN CENTS (\$0.77) WAS PAID ON 30TH DAY OF APRIL 2025. A FURTHER INTERIM DIVIDEND OF EIGHTY-NINE CENTS (\$0.89) WAS PAID ON THE 16TH DAY OF OCTOBER 2025.



CLIENT EXPERIENCE IMPACT 2025

(CX) IN ACTION

2025 was a year that challenged us and rewarded us, all while testing our adaptability with rising global volatility and accelerated technological advancements. We chose to be your peace amid the storm, unyielding and steadfast – your reliable partner throughout all the uncertainties.

To ensure we served you excellently, we remained firmly focused on translating insight from your feedback to us, from all touchpoints, into meaningful action. The result — targeted initiatives designed to improve reliability, accessibility, transparency and trust. This year, we were even more intentional, determined to shape greater experiences and stimulate increased client advocacy.

What better way to catalyse improved satisfaction than through strategically targeting service reliability and our timelines. We were keen to ensure that we delivered on our promises by improving service turnaround times and strengthening accountability across critical client interactions. Sagicor Life prioritised this initiative through reinforced tracking mechanisms, delineating clearer ownership of requests and improved internal coordination through digitisation and collaboration. This meant clients enjoyed more timely responses and shorter turnaround, coupled with improved visibility throughout their service journey. This demonstrated that we understand that, in this fast-paced landscape, quick resolution, consistency and

communication are key to instilling confidence and trust in our brand.

Our Client Experience initiatives this year were geared towards inclusion of opportunities for self-service and digitisation, not as a concept but rather with actual tangible enhancements. At Sagicor Bank, our mission was centred on simplifying interactions and improving access for both retail and business clients. That is, we made banking easier and more efficient. With the continuation of the phygital branch concepts, 2025 saw reduced friction, shortened wait times and improved support for a smoother client onboarding experience.

That was only the beginning. Sagicor Property Services worked tirelessly to boost the digital enhancements on their website, empowering clients through greater self-service with the bonus of being able to initiate real estate-related processes online. This meant clients could engage at their convenience rather than having to rely on in-person interactions. With this improved accessibility, you can be even more confident in our commitment to being there for you when you need us.

Alliance Financial Services was just as committed to giving our clients the accessibility they deserve through initiatives such as RIA Money, which improved engagement across the network and strengthened agent capability. Advantage General

Insurance also introduced their virtual 24-hour assistant, Ava, a move that combined technology with efficiency, allowing clients to interact regarding their general insurance queries.

As we continue to build a strong company, our commitment to excellent service remains unchanged. We know that even more important than what we say are our actions, and this starts with how we show up for you, our valued clients. Through targeted initiatives across Sagicor Investments Jamaica and Cayman, and Employee Benefits Administrator Limited (our pension team), we re-energised communication around investment offerings with the aim to broaden product visibility and improve dialogue to support deeper, long-term client relationships. Our clients benefited through this opportunity to engage the teams, resulting in improved clarity, stronger confidence in investment decisions and a greater sense of partnership in managing their financial goals.

Together, as we endured the impact of Hurricane Melissa, we knew you needed us to be there for you once more. We immediately activated our business continuity plans, including restoring the only banking access in Black River, St. Elizabeth with a temporary structure to house our teams and to welcome our clients. We remained proactive, devoted to the recovery process and delivering reassurance in the form of real support because that is what service is.

Behind the great service experiences we have curated this year is a hardworking team of remarkable individuals who continue to exceed expectations. To showcase our exceptional team members, the CXellence Unplugged podcast was rolled out. The podcast provided a platform to spotlight service excellence, share real experiences and equip colleagues with practical insights to enhance everyday client interactions. CXellence Unplugged strengthened internal alignment around client experience, normalised service conversations across teams and reinforced a shared understanding that exceptional client outcomes begin with empowered and engaged employees.

2025 reinforced Sagicor's commitment to placing the client at the centre of every decision. Improvements in timeliness, digital accessibility, education and internal engagement translated into more consistent experiences, stronger trust and increased confidence in our services. As we move forward, know that we continue to work assiduously to meet your needs. Our commitment remains unwavering as we continue to pledge that we will always be in your corner on this financial journey together. Your satisfaction is our mission.

In Photo:

(From left) Nyoka Miller, Assistant Manager, Client Experience, Sagicor Group Jamaica; Curtis Brown, Client Experience Representative; and Shantavia Hall, Supervisor, Client Engagement and Communication, on the set of the CXellence Unplugged podcast.



BOARD OF DIRECTORS

THE GROUP'S CORE VISION AND VALUES ARE DEVELOPED AND CLEARLY UNDERSTOOD BY ALL OUR STAKEHOLDERS, PARTICULARLY OUR TEAM MEMBERS. WE RECOGNISE THAT THE BOARD MUST LEAD BY EXAMPLE TO PROMOTE A CULTURE ACROSS THE GROUP THAT SUPPORTS THE PURSUIT OF TEAMWORK AND EXCELLENCE.





PETER K. MELHADO B.Sc., M.B.A.

Chairman

Appointed to the Board 2014

Citizen of Jamaica

Mr. Peter Melhado is the Chairman (appointed July 2019) of Sagicor Group Jamaica Limited. Mr. Melhado holds a B.Sc. in Mechanical Engineering from McGill University and an M.B.A. from Columbia University Graduate School of Business, with a major in Finance.

Mr. Melhado currently serves as Board Chairman of Gallagher Caribbean Group, West Indies Home Contractors, Social Commerce Inc. (Puerto Rico), American International School of Kingston, Industrial Chemical Company and Red Stripe. He is also a Director of the Boards of several Sagicor subsidiaries, British Caribbean Insurance Company, Radio Jamaica, Advantage Communications and Sandals Resorts International (2000).

He is currently President & CEO of ICD Group. He is a former Vice President of the Private Sector Organisation of Jamaica and former CEO of Manufacturers Sigma until its merger with Pan Caribbean Financial Services in 2003. During his time with that company, he was responsible for the growth and development of Manufacturers, leading to the merger with Sigma to create Manufacturers Sigma Merchant Bank, then one of the leading financial and asset management companies in Jamaica.



CHRISTOPHER ZACCA C.D., B.Sc., M.B.A., Hon. LL.D, J.P.

President and CEO

Appointed to the Board in 2017

Citizen of Jamaica

Mr. Christopher Zacca is the President and CEO of Sagicor Group Jamaica Limited and the Chairman of Sagicor Foundation Jamaica, as well as a Director of several Sagicor entities. He is an astute businessman with a wealth of business and management experience in both the public and private sectors, spanning over three decades.

He is highly respected in the private sector where he has held senior management positions at Desnoes and Geddes, ATL Group, Air Jamaica, and served as President of the Private Sector Organisation of Jamaica ("PSOJ").

His track record in public service is equally impressive, having served as Special Advisor to the Prime Minister of Jamaica from 2009 to 2011. He is a former Chairman of the Development Bank of Jamaica and the National Health Fund.

Mr. Zacca's strong leadership is reflected in the many accolades he has received, including the 2016 Jamaica Observer Lifetime Achievement Award for Business. He was also recognised in 2023 as an Outstanding Business Leader by the Mona School of Business and Management, University of the West Indies. In 2024, he was honoured with the prestigious American Friends of Jamaica International Achievement Award, became the 30th inductee into the PSOJ Hall of Fame, and was conferred with the Doctor of Laws Honoris Causa by the University of Technology, Jamaica.



ANDRE MOUSSEAU B.A., M.B.A.

Appointed to the Board in 2022

Citizen of Canada

Mr. Andre Mousseau is the President and CEO of Sagicor Financial Company Ltd. ("SFC"), the ultimate parent company of Sagicor Group that operates 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 CEO of ivari, SFC's wholly-owned Canadian subsidiary, and Sagicor USA.

Mr. Mousseau holds an undergraduate degree in Economics from McGill University and an M.B.A. 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 other companies within Sagicor Group.



PHILIP ARMSTRONG B.Sc.

Appointed to the Board in 2023
Citizen of Jamaica

Mr. Armstrong is the Chief Operating Officer of Pan Jamaica Group Limited (formerly PanJam Investment Limited). Mr. Armstrong holds a Bachelor of Science degree in Avionics Technology, and has completed the Harvard Business School's Advanced Management Programme and the Harvard Business Analytics Programme. He has over 15 years of experience in the financial services industry.

Mr. Armstrong served as Chairman of the South East Regional Health Authority from 2016 to 2019. Outside of the Sagicor Group, he currently serves as a Director for British Caribbean Insurance Company, Kingston Wharves Limited, Pan Jamaica Property Company and ATL Automotive Holdings Limited.

Within the Sagicor Group, Mr. Armstrong also serves as a Director of Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited.



PETER E. CLARKE B.A.

Appointed to the Board in 2012
Citizen of Trinidad & Tobago

Mr. Peter Clarke is a financial consultant. He is the Chairman of the Audit Committee and a member of the Risk Management Committee of Sagicor Group Jamaica. He is a Director of Sagicor Financial Company ("SFC") and sits on the Board of several other companies in the SFC group, including Sagicor Life Inc. and Sagicor General Insurance.

Mr. Clarke is the holder of an undergraduate degree in History from Yale University and a law degree from Downing College, Cambridge University. He was called to the Bar as a member of Gray's Inn in London in 1979 and to the Bar of Trinidad and Tobago in 1980.

He is the former CEO of West Indies Stockbrokers in Trinidad and is currently on the Board of the Trinidad and Tobago Stock Exchange, where he served as Chairman from 1995 to 1999 and again from 2014 to 2016.

Mr. Clarke is the Chairman of Guardian Media and a Director of a number of other companies in Trinidad and Tobago.



DR. JACQUELINE COKE-LLOYD D.T.L., M.T.L., B.Sc., C.B.C., J.P.

Appointed to the Board in 2010
Citizen of Jamaica

Dr. Jacqueline Coke-Lloyd is the Founder and Managing Director of Make Your Mark Group Ltd., a highly respected business leader with over 30 years of experience shaping organisations, leaders, and national development initiatives across Jamaica, the Caribbean and internationally. Known for her strategic insight and results-driven approach, her expertise spans general management, organisational turnaround, leadership development, human capital strategy, industrial relations and governance. She holds a B.Sc. from the University of Technology, Jamaica, a Doctorate in Transformational Leadership from Bakke Graduate University (USA) and is a graduate of the International Training Centre of the ILO in Turin, Italy. She is also certified as a SHRM Behavioural Coach, Mediator and Job Readiness Trainer.

Dr. Coke-Lloyd has served on the boards of the NHT, JPC, UTech, JEF — where she served as CEO — the LAC, NCTVET, and CCCJ, where she served as Deputy Chairman. She is also a member of the PSOJ Human Capital Development Committee, United Way Women's Leadership Initiative, and HRMAJ, and is the Founder and Life Board Member of the Young Entrepreneurs Association of Jamaica (YEA) and former President of the Optimist Club (Grande Slam). Internationally, she has represented Jamaica in over 40 countries, serving on the boards of the ILO and Caribbean Employers' Confederation (CEC), and contributing to labour and human resource frameworks through the ILO, UN and OAS.

An accomplished author and media contributor, her publications include The Middle Managers' Development Guide, The A-Z of Leading a Professional Life (Good Read Certified), and Self-Discovery for Leaders. She currently serves as Adjunct Professor, Director of Grateful Faces Charity, Process Technology and Solutions Ltd., TLC, and as a Justice of the Peace for St. Andrew as well as the Chairman of the UTech School of Business Advisory Committee.



STEPHEN B. FACEY C.D., B.A., M.Arch.

Appointed to the Board in 2004
Citizen of Jamaica

Mr. Stephen Facey is the Chairman of Pan Jamaica Group (formerly PanJam Investment) and Pan Jamaica Property Company. He is a Director of Jamaica Producers Group, and the Chairman of Caribbean Policy Research Institute, Kingston Restoration Company and the New Kingston Civic Association. Mr. Facey serves as Chairman of the C.B. Facey Foundation and the National Gallery of Jamaica, and is a Director of Devon House Development Limited and the Institute of Jamaica. He is also a Director of Sagicor Foundation Jamaica.

A Registered Architect with the Architect Registration Board of Jamaica, he has over 45 years' experience in Architecture and Urban Planning, Real Estate Development and Management, and Private Equity Investing.

Mr. Facey holds a Bachelor's degree in Architecture from Rice University and a Master's degree in Architecture from the University of Pennsylvania.

In 2018, he was conferred with the Order of Distinction in the rank of Commander by the Government of Jamaica for outstanding contribution to the Real Estate Development, Banking and Financial Insurance Sectors.



DR. MARJORIE M. FYFFE-CAMPBELL

B.Sc. (Hons.), M.Sc., D.B.A., F.C.A., J.P.
Appointed to the Board in 2003
Citizen of Jamaica

Dr. Marjorie Fyffe-Campbell is a management consultant who possesses extensive knowledge and experience in corporate governance, finance and accounting, organisational management, risk management, property development and property management. She holds a Doctorate in Business Administration from Mona School of Business and Management, University of the West Indies ("MSBM"). She also holds a B.Sc. (Hons) and an M.Sc. in Accounting from the University of the West Indies. She has attended developmental management courses at Harvard University, Duke University and the Wharton School at the University of Pennsylvania. She is a Fellow of the Institute of Chartered Accountants of Jamaica, a former member of the Hospitality, Financial and Technology Professionals, and a Justice of the Peace/Lay Magistrate.

She is a former President and CEO of the Urban Development Corporation and a former Adjunct Lecturer at MSBM.

Dr. Fyffe-Campbell is also a member of the Board of Directors of Sagicor Life Jamaica (SLJ), Sagicor Life of the Cayman Islands Ltd., Sagicor Property Services Ltd., Sagicor Foundation Jamaica, Sagicor Pooled Investment Fund Ltd. and Sagicor Real Estate X Fund. She is a former Director of Sagicor Financial Corporation. She also serves as a mentor to new listings on the Jamaica Stock Exchange Junior Market.



JEFFREY HALL C.D., B.A., M.P.P., J.D.

Appointed to the Board in 2023
Citizen of Jamaica

Mr. Hall serves as Vice Chairman and CEO of Pan Jamaica Group. Mr. Hall is also Managing Director of Jamaica Producers Group ("JP") – a holding company – and has served in that capacity since 2007; he joined JP in 2002. Mr. Hall holds a Juris Doctor degree from Harvard Law School where he graduated with honours. He also holds a Master of Public Policy degree (Public and International Finance) from Harvard University where he was awarded the Woodrow Wilson Fellowship.

Mr. Hall has served as Chairman of Scotia Group Jamaica and Scotia Investments Jamaica Limited (where he served as a director for over 15 years). He currently serves as Chairman of Kingston Wharves, Blue Power Group Limited and Lumber Depot Limited and as a Director of JP. Mr. Hall has served as a Director of a range of Jamaican national institutions, including the Institute of Jamaica, Jamaica Promotions Corporation, the Jamaica Stock Exchange, the Bank of Jamaica and the National Housing Trust. Within the Sagicor Group, Mr. Hall also serves as a Director of Sagicor Bank Jamaica Limited, Sagicor Life Jamaica Limited and Sagicor Investments Jamaica Limited.



PAUL HANWORTH M.A., M.Sc., F.C.A., C.P.A.

Appointed to the Board in 2008
Citizen of Jamaica and the United Kingdom

Mr. Paul Hanworth is the former Deputy Chief Executive Officer of Pan Jamaica Group Limited (“Pan Jam”), a multi-faceted investment holding company. He is both a Certified Public Accountant (USA) and a Chartered Accountant (England & Wales), and holds Master’s degrees in Management from Rensselaer Polytechnic and in the Classics from Sidney Sussex College, Cambridge University.

Mr. Hanworth worked with KPMG in the USA and England for 14 years, Diageo in the USA and South Africa for nine years, and the Mechala Group (now ICD Group) in Jamaica for five years. He is also a Director of Pan Jam, British Caribbean Insurance Company, Carreras and Rainforest Seafoods. He founded Jamaica’s first specialty fine wine business in 2004, which he sold in 2012.



MAHMOOD KHIMJI B.A., J.D.

Appointed to the Board in 2020
Citizen of United States of America

Mr. Mahmood Khimji is a founding Principal of Highgate, an industry-leading real estate investment and management firm, and has been involved in all aspects of Highgate’s development since its founding in 1988. Prior to founding Highgate, Mr. Khimji practised law at Paul, Weiss, Rifkind, Wharton & Garrison.

Mr. Khimji is the Chairman of Sagicor Financial Corporation. He also serves as a Director of American Hotel Income Properties and is a member of the Young Presidents’ Organization, Chief Executives Organization and the Real Estate Forum.

Mr. Khimji also serves on the Boards of Aga Khan Museum and the Asia Society. Additionally, he serves on the Board of Trustees for St Mark’s School of Texas and the Board of Visitors for Columbia Law School.

He attended the University of British Columbia, and holds a Bachelor’s degree (summa cum laude) from the University of Houston and a Juris Doctor degree from Columbia Law School.



CATHLEEN MCLAUGHLIN J.D., B.A.

Appointed to the Board in 2025
Citizen of the United States of America

Ms. Cathleen McLaughlin is a retired partner of Paul Hastings LLP, where she specialised in Corporate Finance in New York. With more than 30 years of experience, she has advised on complex capital markets transactions throughout the Caribbean and Latin America.

Prior to joining Paul Hastings LLP, Ms. McLaughlin spent nearly 18 years at Allen & Overy LLP, leading the New York International Capital Markets practice and founding the firm’s Latin America practice. She has held senior governance positions, including serving on the Allen & Overy Global Board and the Vance Center for International Justice committee. Ms. McLaughlin is a Director of Sagicor Financial Company Ltd. and EnfraGen, LLC, and has served on non-profit boards such as the MicroDreams Foundation and the Church Street School of Music and Art. Her professional excellence has been recognised by IFLR1000 Women Leaders, Latinvex, Latin Business Chronicle and Chambers Latin America. She holds a Juris Doctor (cum laude) and a Bachelor of Arts (magna cum laude) from the University of Pennsylvania.



STEPHEN MCNAMARA C.B.E., LL.D.

Appointed to the Board in 2014
Citizen of St. Lucia and Ireland

Mr. Stephen McNamara was called to the Bar at Lincoln's Inn and in St. Lucia in 1972. He is the Senior Partner of McNamara & Company, Attorneys-at-Law of St. Lucia. The barrister/solicitor specialises in the representation of foreign investors in St. Lucia in the tourism, manufacturing and banking sectors. He served as Chairman of the St. Lucia Tourist Board for nine years. He was appointed Non-Executive Chairman of Sagicor Financial Corporation, the Group's holding company, on 1 January 2010, having formally served as Vice Chairman since June 2007. He is the Chairman of Sagicor Life Inc. and a number of other entities within the Group.

Mr. McNamara's St. Lucia-based service includes as the President of the St. Lucia Tennis Association and on the Board of St. Lucia Electricity Services, where he was elected Chairman in December 2015 and served until his retirement at the end of 2017.

In 2015, Mr. McNamara was made a Commander of the Order of the British Empire for public service and services to the legal profession. He was also awarded an Honorary Doctorate from the University of the West Indies for his outstanding achievements and contribution to the region in the areas of business, sport and general philanthropy for more than forty years.

In 2026, Mr. McNamara was awarded The Saint Lucia Cross for his distinguished service in the field of Sports Administration, Financial Services, Hospitality Industry and Law.



**DR. THE MOST HONOURABLE
DODRIDGE MILLER**

F.B., F.C.C.A., M.B.A., LL.M., Hon. LL.D.
Appointed to the Board in 2001
Citizen of Barbados

Dr. the Most Honourable Dodridge D. Miller was Group President and CEO of Sagicor Financial Company ("SFC") and its predecessor company Sagicor Financial Corporation Limited from July 2002 until his retirement on March 31, 2023; he has been a Director since December 2002. Dr. Miller joined the Sagicor Group in 1989 and has more than 30 years' experience in the banking, insurance and financial services industries. Dr. Miller is also a Director of several subsidiaries within the Sagicor Group.

Dr. Miller is a Fellow of the Association of Chartered Certified Accountants and obtained his M.B.A. from the University of Wales and the Manchester Business School. He holds an LL.M. in Corporate and Commercial Law from the University of the West Indies ("UWI").

In 2008, he was conferred with an Honorary Doctor of Laws degree by UWI for his contribution to the development of financial services within the Caribbean region, and in November 2023, he was awarded Barbados's highest honour, the Order of Freedom of Barbados, for his exceptional contributions to the country and the region throughout his career.

Dr. Miller is Chairman of the Barbados National Growth Council, and on August 1, 2024, he was appointed as the 7th Chancellor of UWI.



Dr. SHARMA TAYLOR LL.B., L.E.C., LL.M., Ph.D.

Company Secretary
Appointed in 2023
Citizen of Jamaica

Dr. Sharma Taylor joined Sagicor Group Jamaica on June 1, 2021, as Vice President – General Counsel, providing strategic leadership to Sagicor's legal team. On February 1, 2023, she was appointed Corporate Secretary of Sagicor and its subsidiaries. Since November 2024, her role has been to provide direction on corporate governance and corporate secretarial matters, as well as to guide Sagicor's corporate trust strategy.

Dr. Taylor has over 18 years' experience in regional commercial law. She holds a Doctor of Philosophy Degree in Law from Victoria University of Wellington in New Zealand, which was obtained on a Commonwealth Scholarship. She has a Master's degree in Corporate and Commercial Law, obtained on a Carreras Scholarship, and a Bachelor's degree in Law with First Class Honours from the University of the West Indies.

Since 2021, she has co-chaired the Jamaica Bankers Association's Public Policy and Legislative Committee and is a member of the Private Sector Organisation of Jamaica's Corporate Governance Committee.

A YEAR OF MILESTONES

CELEBRATING LEGACY AND SERVICE ACROSS THE SAGICOR FAMILY

The year 2025 marked a defining chapter in Sagicor's history, with the commemoration of two major milestones. In June, Sagicor Group Jamaica celebrated 55 years of service under the theme "Building Trust One Generation at a Time", while in November, Sagicor Financial Company Ltd. (SFC), the Group's parent company, marked its 185th anniversary.

Together, these milestones provided an opportunity to reflect on Sagicor's enduring legacy, its contributions to national and regional development and the people who continue to shape the Sagicor story.



Celebrating 55 years of service in Jamaica

For more than five decades, Sagicor Group Jamaica has played a pivotal role in Jamaica's financial services sector, providing insurance, banking, investment and wealth management solutions, while maintaining a strong commitment to communities through our corporate social responsibility programmes.

The 55th anniversary served as a moment of reflection on the Company's enduring contribution to nation-building. Throughout the year, the milestone was recognised through several initiatives, including our annual scholarship awards ceremony hosted by Sagicor Foundation Jamaica, which recognised 55 new scholars. More than J\$24 million in scholarships were awarded to students across Jamaica, including renewals, reinforcing Sagicor's commitment to empowering the next generation of leaders through education.

Commemorating 185 years through service in Jamaica

In Jamaica, SFC's 185th anniversary took a different approach, and was observed through activities that reflected the Company's culture of service and solidarity. This included a special event hosted in Mandeville, Jamaica, for Sagicor team members in the West who were affected by Hurricane Melissa. The gathering provided an opportunity for colleagues to connect and for the organisation to demonstrate tangible support to members of its team during a challenging period.

Looking ahead

While the anniversaries offered an opportunity to reflect on past achievements, they also reaffirmed the Company's focus on the future. Through continued investment in people, partnerships and community initiatives, Sagicor remains committed to helping individuals, families and businesses build financial security and realise their aspirations.

SAGICOR
FOUNDATION
JAMAICA
SCHOLARSHIPS
AWARDED

\$24⁺m



2.

NEW SCHOLARS
RECOGNISED

55

1. Sagicor Group Jamaica team members celebrate Sagicor Financial Company's 185th anniversary in their Sagicor blues and greens.
2. Sagicor Financial Company's 185th anniversary celebration was brought to team members in Black River who were affected by Hurricane Melissa.



1.

SENIOR LEADERSHIP TEAM



CHRISTOPHER ZACCA, C.D., B.Sc., M.B.A., Hon. LL.D, J.P.
President and CEO
Appointed to the Board in 2017
Citizen of Jamaica

Mr. Christopher Zacca is the President and CEO of Sagicor Group Jamaica and the Chairman of Sagicor Foundation Jamaica, as well as a Director of several Sagicor entities. He is an astute businessman with a wealth of business and management experience in both the public and private sectors, spanning over three decades.

He is highly respected in the private sector where he has held senior management positions at Desnoes and Geddes, ATL Group and Air Jamaica, and served as President of the Private Sector Organisation of Jamaica ("PSOJ").

His track record in public service is equally impressive, having served as special advisor to the Prime Minister of Jamaica from 2009 to 2011. He is a former Chairman of the Development Bank of Jamaica and the National Health Fund.

Mr. Zacca's strong leadership is reflected in the many accolades he has received, including the 2016 Jamaica Observer Lifetime Achievement Award for Business. He was also recognised in 2023 as an Outstanding Business Leader by the Mona School of Business and Management, University of the West Indies. In 2024, he was honoured with the prestigious American Friends of Jamaica International Achievement Award, became the 30th inductee into the PSOJ Hall of Fame and was conferred with the Doctor of Laws Honoris Causa by the University of Technology, Jamaica.



ANDRE HO LUNG, B.Sc., M.Sc.
Group Chief Financial Officer
Sagicor Group Jamaica

With a Master's degree in Accounting and over 20 years of experience in the financial sector, Mr. Andre Ho Lung has a strong track record of delivering operational performance transformation based on a foundation of strategy, corporate development, restructuring, and mergers and acquisitions.

Mr. Ho Lung's knowledge and expertise encompass a diverse field of industries, including life and general insurance, securities, and investments. He has also worked in banking and audit, across areas such as compliance and operations. As a key member of Sagicor's Senior Leadership Team, Mr. Ho Lung directs the accounting, taxation, financial management, regulatory and financial reporting functions of the Group.



MARK CHISHOLM, M.B.A. (Hons.), J.P.
Chief Revenue Officer - Insurance
Sagicor Group Jamaica
President and CEO
Sagicor Life of the Cayman Islands

Mr. Mark Chisholm's experience in the insurance industry spans over 35 years. Over this period, he has moved up the corporate ladder to his current positions.

Mr. Chisholm has direct responsibility for the growth of the Group's life insurance, health insurance and pensions portfolios, which encompass sales and distribution in Jamaica and the Cayman Islands. He also provides executive oversight at the group level for Sagicor's insurance brokerage and general insurance entities - Sagicor Insurance Brokers, Advantage General Insurance Company, Sagicor Insurance Managers and Sagicor Reinsurers.



WILLARD BROWN, F.S.A., B.Sc. (Hons.)

Chief Executive Officer, Sagicor Life Jamaica

Willard Brown is the Chief Executive Officer (CEO) of Sagicor Life Jamaica. He has responsibility for the overall strategy and operations of SLJ, and oversight of all divisions of the Life Business, including Life of the Cayman Islands and the joint ventures in Latin America. He previously served as Chief Technology and Insurance Operations Officer. He joined the Sagicor Life Jamaica Limited family in 1991 and has served the company in various capacities, including the Information Technology and Special Projects Departments. He eventually joined the Employee Benefits Division, where he ultimately held the position of Executive Vice President until October 2022. He serves as Chairman of Sagicor Insurance Brokers Limited and Sagicor Panama, is a Director on the Board of Sagicor Employee Benefits Administrator (EBA) Limited, and sits on the boards of Sagicor Costa Rica and Sagicor Pooled Investment Funds Ltd.

Mr. Brown holds a B.Sc. in Mathematics and Computer Science and is a Fellow of the Society of Actuaries.



CHORVELLE JOHNSON CUNNINGHAM,

Chartered Banker M.B.A., MCBI

**Chief Executive Officer
Sagicor Bank Jamaica**

With a diverse educational background, Mrs. Chorvelle Johnson Cunningham recently completed the Advanced Management Program at Harvard University and holds the highly regarded Chartered Banker M.B.A. from Bangor University. She is also a member of the UK-based Chartered Banker Institute.

With over three decades of experience in the financial sector, the renowned leader joined the Sagicor team in January 2018. Mrs. Johnson Cunningham is a trailblazer in the financial services industry, with an impressive track record of success at the leadership level.

She is the 2nd Vice President of the Jamaica Bankers' Association, a past Chair of the United Way of Jamaica, and the current Chair of the Women's Leadership Initiative Membership Committee (a sub-committee of the United Way). Mrs. Johnson Cunningham is a proponent of female empowerment and women shattering societal expectations. She is Jamaica's first International Women's Forum Fellow, chosen for the periods 2015 and 2016.



JOANNA BANKS, B.Sc., M.B.A., C.F.A.

**Executive Vice President
Strategy & Business Development,
and Chief Technology Officer
Sagicor Group Jamaica**

Ms. Joanna Banks is the former Chief Executive Officer of PanJam Investment, now Pan Jamaica Group ("PanJam"). She holds a Bachelor's degree in Systems Engineering from the University of Pennsylvania and an M.B.A. from the University of Chicago Booth School of Business, and is a C.F.A. Charterholder. Prior to joining PanJam, Ms. Banks worked at Exxon Mobil Corporation, Deere & Company and Pan Caribbean Financial Services. She has senior management experience in roles focused on corporate finance, investor relations, pension fund management, and strategy. She sits on the Board of Agostini Limited and Alliance Financial Services.



TRACY-ANN SPENCE, B.Sc., M.B.A., P.M.P.
Executive Vice President
Chief Investment Officer
Sagicor Group Jamaica

Ms. Tracy-Ann Spence joined Sagicor in July 2023, assuming responsibility for strategic leadership of the investment operations in the Group, including its investment banking, treasury and asset management, and real estate businesses.

Formerly the Chief Operating Officer at a major investment bank, she came to her current role with over 20 years of experience in asset management, investment banking and wealth management. Ms. Spence holds a Bachelor's of Science degree in Applied Mathematics from York University in Toronto, and an M.B.A. in Banking & Finance from the University of the West Indies.

Ms. Spence chairs the Assets & Liabilities Committee for Sagicor's Investment Banking arm and is a Director of Advantage General Insurance, Sagicor Property Services and the Jamaica Stock Exchange.



TARA NUNES, B.Sc. (Hons.)
Chief Executive Officer
Sagicor Investments Jamaica & Sagicor Investments (Cayman)

Mrs. Tara Nunes has over 25 years of experience in wealth management and investment banking. She has played an integral role in the development and execution of strategic plans that have led to significant growth in funds under management and the establishment of our Investment Banking arm, which is now one of the leading wealth and asset management institutions in Jamaica.

She has direct responsibility for the Investment Banking division in Jamaica and the Cayman Islands, which includes capital markets, research & strategy, wealth & corporate relationship management, and client experience.

Mrs. Nunes is an Officer of the Jamaica Securities Dealers Association and a member of the Women's Leadership Initiative.



DONNETTE SCARLETT, B.Sc. (Hons.), C.F.A.
Senior Vice President
Group Treasury and Asset Management
Sagicor Group Jamaica

Mrs. Donnette Scarlett has over 25 years of experience in the financial services industry and is currently Sagicor's Senior Vice President – Group Treasury and Asset Management. In her role, Mrs. Scarlett manages key risks for the Group's treasury and asset management portfolios, including liquidity, concentration and financial risks. She also manages the Group's policy, operations and regulatory responsibilities related to the investment portfolios across business lines.

Mrs. Scarlett holds a Bachelor's degree in Economics & Management from the University of the West Indies and is a C.F.A. Charterholder. She is a member of the CFA Institute and the CFA Society of Jamaica.



OMAR BROWN, B.Sc., C.F.A.
Chief Executive Officer
Alliance Financial Services

As Chief Executive Officer of Alliance Financial Services, Mr. Omar Brown is responsible for managing the operations of the company's cambio, remittance and bill payment services. He currently serves as Treasurer for the Jamaica Money Remitters Association (JMRA). Bringing over 25 years of expertise in operations and treasury, Mr. Brown is a C.F.A. Charterholder, a Certified Financial Modelling Specialist, and holds a Bachelor's degree with honours in Banking and Finance from the University of the West Indies.

Mr. Brown is also a Trustee of the Pan Caribbean Pension Fund, a Director at Sagicor Select Funds, and a member of the C.F.A. Society of Jamaica. He is dedicated to philanthropy, serving on the Board of Chain of Hope Jamaica, a charitable organisation for children.

Previously, Mr. Brown was Treasurer of Sagicor Bank Jamaica, where he was instrumental in guiding the treasury team to achieve significant growth and enhanced profitability.



DAVE MORRISON, F.C.A.

Chief Executive Officer
Advantage General Insurance Company

Appointed CEO of Advantage General Insurance Company (“AGIC”) on December 1, 2024, Mr. Dave Morrison has amassed more than a decade of experience with the company. He previously served as its Deputy CEO since September 2023, after rejoining the company in 2019 as Chief Financial Officer.

A Chartered Accountant with over 20 years in financial leadership, Mr. Morrison has led the financial affairs of several local companies, including Rubis Energy Jamaica and Mavis Bank Coffee Factory. He has also served as a Director of Sterling Asset Management and Dolphin Cove.

As CEO, he is committed to driving AGIC’s growth through innovation and digital transformation, while enhancing customer experience and operational efficiency in an evolving insurance landscape.



HOWARD GORDON, B.B.A. (Hons.), M.B.A.

Senior Vice President
Group Information Technology
and Digital Transformation
Sagicor Group Jamaica

Mr. Howard Gordon has direct oversight of Information Technology and Digital Transformation at Sagicor Group Jamaica, driving digital initiatives and operational optimisation. He has over 35 years’ experience, spanning areas such as technology, banking operations, business administration, anti-fraud, procurement, audit, risk management, and process and productivity management. He has worked at several major Jamaican financial institutions. Mr. Gordon is a graduate of the Manchester School of Business, where he earned an M.B.A. He also holds a first class honours Bachelor’s degree in Business Administration from the University of Technology, Jamaica. Mr. Gordon is an Associate of the Chartered Institute of Bankers London.



CAREN SCOTT-DIXON, B.B.A. (Hons.), M.B.A.,

C.A., C.A.M.S., C.R.C.M.P.

Vice President
Enterprise Risk Management & Group Compliance
Sagicor Group Jamaica

Mrs. Caren Scott-Dixon holds a B.B.A. with distinction from the University of Technology, Jamaica, and an M.B.A. in Banking and Finance from the University of the West Indies. She is a Chartered Accountant, a Fellow of the Association of Chartered Certified Accountants, and holds the designation of Certified Anti-Money Laundering Specialist (C.A.M.S.) as well as Certified Risk and Compliance Management Professional (C.R.C.M.P.).

Mrs. Scott-Dixon has been integral to the development, implementation and continuous advancement of the organisation’s risk management and compliance frameworks. Her dedicated leadership ensures the Group operates within clearly defined risk tolerance parameters and that operational activities comply with applicable regulatory and supervisory standards.

With over 22 years of experience in the financial services sector, Mrs. Scott-Dixon possesses significant expertise in enterprise risk management, regulatory compliance and financial analysis. Her visionary leadership has resulted in enhancement of the governance framework and the cultivation of a strong, proactive risk management and compliance culture throughout the Group.

ONE Sagicor

“MAKING GREAT THINGS HAPPEN” FOR ITS TEAM, COMMUNITY & CLIENTS

In 2025, Sagicor moved forward with a clear goal: “ONE Sagicor. Make Great Things Happen.” This purpose sharpened the Company’s commitment to national development, focusing on empowering communities, investing in its people and elevating the client experience.

Community

Across Jamaica, Sagicor advanced initiatives in education, healthcare, and community development. These efforts combined immediate support with a focus on long-term sustainability. Through a number of programmes and partnerships, Sagicor continued to drive meaningful progress across the communities it serves.

Team

Sagicor concentrated on building an agile, skilled and future-ready workforce. Leadership development, skills training and wellness initiatives were central to establishing a culture of high performance, inclusivity and holistic well-being. By strengthening employee engagement and prioritising both professional

growth and holistic support, the Organisation equipped its team to navigate the evolving financial sector with agility and innovation.

Clients

Sagicor kept its clients at the heart of its operations, ensuring that their needs guided every strategy and decision. The Company continuously enhanced its financial solutions and adopted innovative approaches to improve accessibility and service. Each interaction was designed to support both immediate needs and long-term aspirations. This client-first approach, grounded in trust, transparency and responsiveness, strengthened Sagicor’s position as a reliable partner in helping Jamaicans build, protect and grow their financial futures.

Together, through its people, communities and clients, Sagicor continues to bring its “ONE Sagicor” vision to life. The Organisation remains committed to making a sustainable impact, strengthening connections and making great things happen for Jamaica.



2.



3.



4.

1. BizFair: Chorvelle Johnson Cunningham (right), Chief Executive Officer of Sagicor Bank Jamaica, engages Shericka McGregor Barrett of F&S Top Quality Beauty and Variety Store at the 2025 BizFair, which showcased the Bank's small- and medium-sized enterprise clients.
2. (From left) Stuart South, Manager, Capital Markets, Sagicor Investments Jamaica (SIJ); Luke Leyow, Wealth Manager, SIJ; Bianca Nam, Vice President, Wealth Management, SIJ; and Geoffrey Chong, Wealth Manager, Sagicor Investments Cayman Limited competes at the "Do Good" Pickleball Tournament.
3. The Sagicor Group Jamaica senior leadership team unites at the Company's 'Blast Off!' event, rallying the Organisation for 2025 under the theme ONE Sagicor: Ownership, Nurturing Talent and Excelling with Impact.
4. The team at the newly upgraded Sagicor Bank Up Park Camp location, led by Branch Manager Brent Johnson (centre, back), marks the official opening of the phygital branch at the Jamaica Defence Force headquarters.

MANAGEMENT'S DISCUSSION AND ANALYSIS

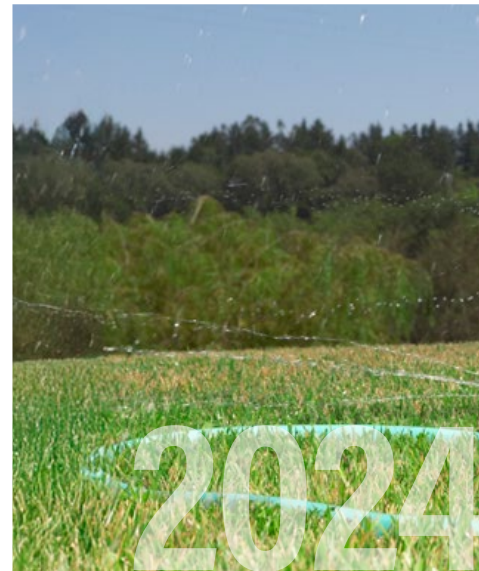
\$16.22B

\$9.24B

76%

THE GROUP'S OPERATIONS ACHIEVED
\$16.22 BILLION IN NET PROFIT
ATTRIBUTABLE TO STOCKHOLDERS,
A 76% INCREASE OVER PRIOR YEAR'S
\$9.24 BILLION.

All business segments outperformed prior
year's results and demonstrated the resilience
of our core business.



OVERVIEW

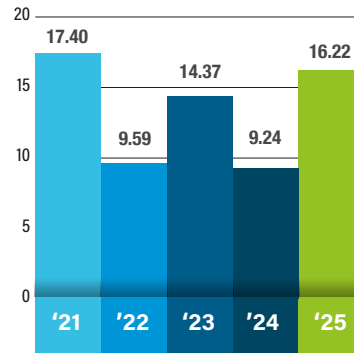
The Management's Discussion and Analysis ("MD&A") is intended to provide the leadership's perspective on the operating environment (internal and external), operating results, and financial condition of Sagicor Group Jamaica Limited ("SGJ," "Sagicor," or "the Group"). This MD&A should be read in conjunction with the Group's 2025 financial statements dated 2 March 2026, which form a part of this Annual Report.

Sagicor is a leading financial conglomerate, commanding a large market share in many of the lines of business it operates. The Group is also among the largest on the Jamaica Stock Exchange by market capitalisation. It has a diversified business model that offers products and services in:

- Life & health insurance
- Property & casualty insurance
- Commercial banking
- Investment banking
- Real estate
- Property management
- Captives' management
- Pension fund management
- Treasury and asset management
- Insurance brokerage
- Microfinancing
- Cambio and remittance services

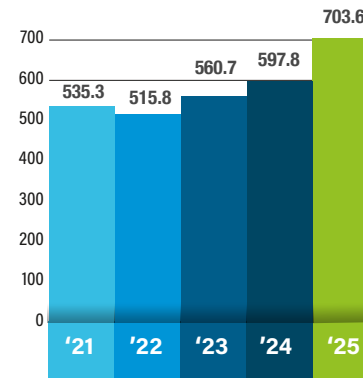
Net Profit Attributable to Shareholders

J\$ BILLIONS



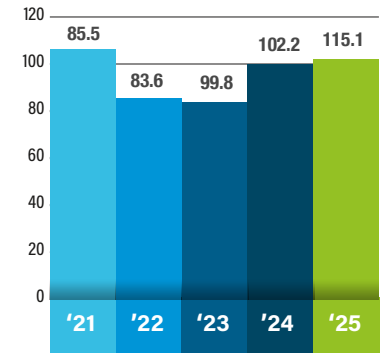
Total Assets

J\$ BILLIONS



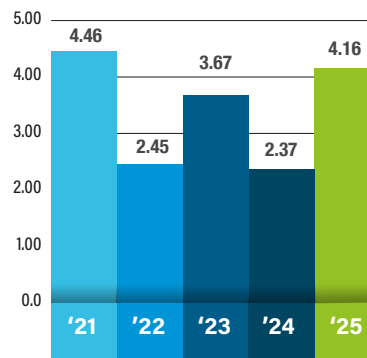
Stockholders' Equity

J\$ BILLIONS



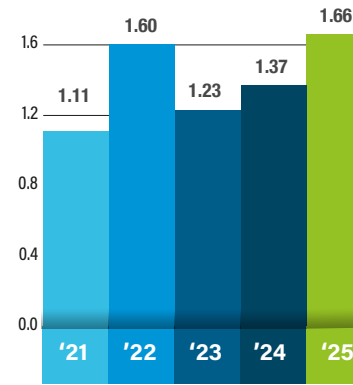
Earnings Per Share

J\$



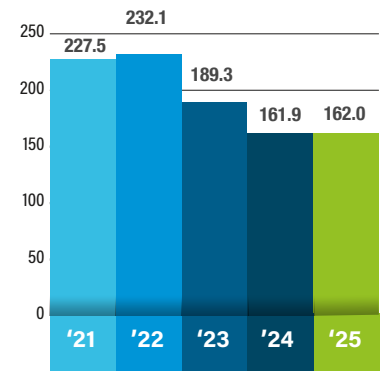
Dividends Per Share

J\$



Market Capitalisation

\$ BILLIONS



2025 FINANCIAL PERFORMANCE HIGHLIGHTS			
	Dec 2025 Audited	Dec 2024 Audited	% Change
Operating Results (Income Statement Data):			
Net Profit, Attributable to Stockholders - J\$ billions	16.22	9.24	76%
Insurance Service Results - J\$ billions	12.77	6.24	105%
Contractual Service Margin (CSM) - J\$ billions	6.34	5.90	7%
Financial Position & Strength (Balance Sheet Data):			
Total Assets of Sagicor Group Jamaica - J\$ billions	703.60	597.79	18%
Total Assets Under Management - J\$ billions	1,184.03	1,076.57	10%
Stockholders' Equity - J\$ billions	115.05	102.17	13%
Adjusted Stockholders' Equity (+ CSM) - J\$ billions	162.63	146.87	11%
Profitability			
Return on Average Stockholders' Equity (ROE)	15%	9%	6%
Return on Average Assets (ROA)	2%	2%	0%
Earnings per stock unit (EPS) - J\$	4.16	2.37	76%
Dividends paid per stock unit - J\$	1.66	1.37	21%
	Dec 2025	Dec 2024	% Change
Other Market Information:			
SJ Share Price - J\$	41.48	41.45	0.1%
Market Capitalisation - J\$ billions	162.01	161.89	0.1%

At the core of our operations is the wellness of our clients, team members and other stakeholders. This continues to guide the strategic initiatives the Group undertakes, and the decisions made during the year.

For the financial year ended December 31, 2025, the Group's operations produced net profits attributable to stockholders of \$16.22 billion, a 76% increase over the prior year's profit of \$9.24 billion. The Group had meaningful growth in insurance revenues increasing by \$5.73 billion, or 11%, year over year, driven by higher new policy counts and premium growth across both the long-term and short-term insurance lines. Growth across our primary business lines, coupled with a recovery in the asset portfolio, contributed to improved realised and unrealised gains.

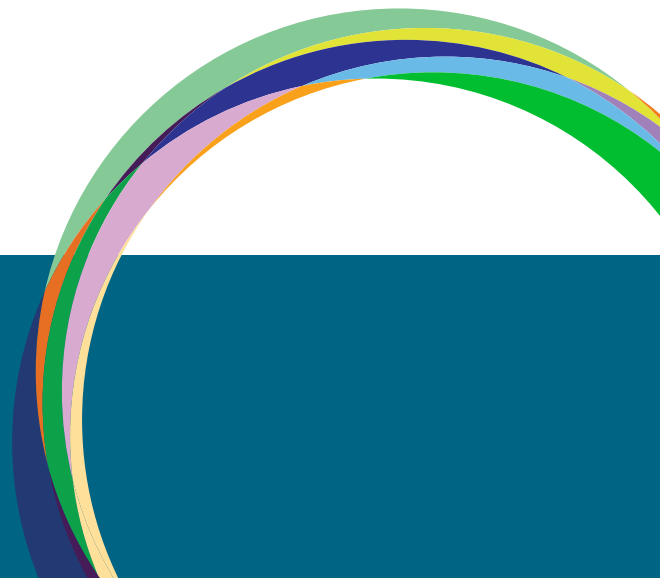
The Group declared dividends totalling \$1.66 per share (December 2024: \$1.37 per share) during the year as part of our commitment to providing a return on capital to our shareholders.



THE GROUP DECLARED DIVIDENDS TOTALLING \$1.66 PER SHARE (DECEMBER 2024: \$1.37 PER SHARE) DURING THE YEAR AS PART OF OUR COMMITMENT TO PROVIDING A RETURN ON CAPITAL TO OUR SHAREHOLDERS.

Dividends Per Share

\$1.66  21%



OUR ECONOMIC ENVIRONMENT

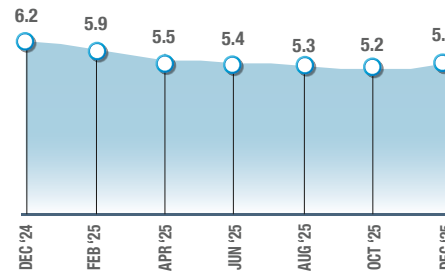
Sagicor Group Jamaica ("Sagicor" or "the Group") has a strong presence in Jamaica, the Cayman Islands, Costa Rica, Panama and the United States, with investments extending to several other countries. Consequently, the Group's performance is influenced by the economic conditions and trends within these key markets. An overview of the macroeconomic landscape in these countries is provided below:

JAMAICA

In 2025, Jamaica's economy faced climate and economic shocks. In October 2025, Hurricane Melissa made landfall in Western Jamaica as a Category 5 hurricane. Key sectors, including Tourism, Agriculture, Manufacturing & Distribution, were adversely impacted. The infrastructure damage is estimated at ~US\$8.8B or 41% of Jamaica's GDP. Additionally, persistent geopolitical tensions and global supply disruptions may result in Jamaica's economic growth lagging its initial projections. As such, the Planning Institute of Jamaica (PIOJ) expects the Jamaican economy to decline within the range of 11% to 13% for the October–December 2025 quarter. This is anticipated to result in a contraction of 3.0%-6.0% for the fiscal year 2025/26.

Pre-Hurricane Melissa data suggests that the Jamaican labour market is healthy with an unemployment rate

180-Day T-Bill Movements
% PERCENTAGE



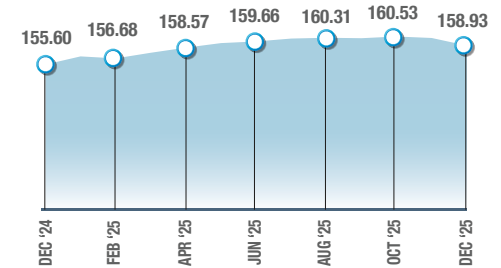
12-Month Inflationary Changes
% PERCENTAGE



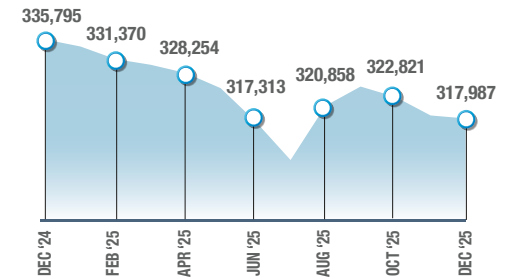
Interest Rate
% PERCENTAGE



J\$ vs US\$ Exchange Rate Movements
J\$ DOLLARS



JSE Main Index Movements



BB-

IDR Fitch Rating Stable Outlook

In February 2026, Fitch affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating ("IDR") at BB- with a stable outlook following the passing of Hurricane Melissa.

4.5%

**Jamaica's Annualised
Inflation Rate**

US\$281M

Net Remittance Transfers

J\$158.62

**Weighted Average Selling
Rate for the US\$ at the End of
December 2025**

US\$6.29B

NIR at the End of December 2025

of 3.3% (Oct 2025). This may change due to Hurricane Melissa-related disruptions in major sectors such as Tourism. Tourism remains one of Jamaica's largest employment drivers, employing well over 300,000 Jamaicans, directly and indirectly. Bearing in mind the concentration of hotel rooms within the affected areas, the supply of rooms is expected to be constrained within the short to medium term. The impact is becoming more evident as both Sangster International Airport (SIA) and the Norman Manley International Airport (NMIA) have reported a 43.8% and 57.7% dip in arrivals for December 2025, respectively. However, throughout the year, NMIA would have seen a 3.7% increase in arrivals, but SIA saw an 11.6% decline year-over-year. Inflation largely remained within the Bank of Jamaica's (BOJ's) target range of 4% to 6%, supported by tight monetary policy, lower imported inflation, and relative exchange rate stability. Stemming from the inflation out-turn recorded, the central bank commenced reducing its policy rate throughout the year. These rate cuts are expected to slow as inflation is likely to breach the upper bound of the target range in the short to medium term.

Economic Growth

Jamaica's economy is expected to contract within a range of 3.0%-6.0% for the fiscal year 2025/26, according

to Planning Institute of Jamaica (PIOJ) estimates. These estimates are in line with BOJ's estimates of a 4.0%-6.0% contraction in 2025. This downturn reflects the lingering impacts of Hurricane Melissa, which affected key industries and damaged major infrastructure. The hardest hit industries are expected to be Agriculture, Forestry & Fishing, Information & Communication, Wholesale & Retail Trade, Electricity, Water Supply & Waste Management and Manufacturing. This is exacerbated by the reduced operating capacity of the tourism sector. According to the Ministry of Tourism, ~85% of the industry's capacity should be restored by May 2026, with ~95% being online before the end of the year. This downturn inhibits Jamaica's revenue collection and operating efficiency; this is further compounded by the ongoing recovery efforts which are expected to total ~US\$8.8B or 40% of GDP.

Unemployment

Labour market conditions remained stable during 2025, as indicated by the October 2025 Labour Force Survey conducted by the Statistical Institute of Jamaica (STATIN). However, this figure does not incorporate the effects of Hurricane Melissa as the survey was conducted in the week of October 5-11, 2025. The hurricane affected field operations of STATIN, particularly in the

western parishes. The unemployment rate for October 2025 stood at 3.3%, with male unemployment at 2.6% despite a fall of 11,900 to close the period at 777,200. Conversely, the female unemployment rate stood at 4.6% with 5,600 more females added to the female labour force, which now totals 684,800.

The employed labour force reached 1,462,000 persons in October 2025, with males accounting for 53.2% or 777,200 individuals, while females comprised 46.8% or 648,400 individuals; the unemployed labour force totalled 48,800 persons. Despite being relatively stable throughout the year, the lingering effects of the hurricane are likely to adversely affect the unemployment rate.

Inflation, Exchange Rate & Net International Reserves (NIR)

Consumer prices continued to rise towards the end of the year following Hurricane Melissa. Consumer Price Index (CPI) increased by +2.4% (November 2025) and +1.3% (December 2025) despite the month-over-month movement being muted throughout most of 2025. However, point-to-point inflation in December 2025 stood at 4.5%, returning inflation within the BOJ's target range for the second time since May 2025. This spike is attributable to higher food prices coupled with increases in electricity rates and rental

costs, reflecting a reduction in supply. Hurricane Melissa caused considerable damage to key agricultural parishes such as Hanover, St. James, Westmoreland and St. Elizabeth. This would have affected the supply of bananas, plantains, fresh vegetables, poultry, cattle, etc., all of which are key staples in the Jamaican diet. Damages to livestock and crops are expected to climb to J\$29 billion with over 41.3 thousand hectares of farmland and ~1.25 million livestock lost. Moreover, the devastation affected the supply of houses within the rental market space, causing upward pressure on rental costs.

The BOJ expects inflation to breach the upper bounds of its 4% - 6% target in the short to medium term, averaging 7.4% over the next two years. This outlook suggests that inflation towards the end of 2025 may diverge from the disinflation trend Jamaica has experienced since January 2024, a period marked by lower commodity prices and easing supply chain disruptions.

At the end of December 2025, the BOJ's Weighted Average Selling Rate (WASR) stood at J\$158.62 but averaged J\$160.62 throughout the month of December. Throughout 2025, the BOJ intervened in the foreign exchange market 36 times, injecting

approximately US\$1.13 billion, with the last intervention in December 2025 to the tune of US\$40 million. Conversely, 2024 saw an injection of US\$1.1 billion through 38 interventions. This reflects an uptick in the demand for foreign exchange amongst end-users. As such, the average intervention totalled US\$31.4 million in 2025, an increase from US\$28.97 million in 2024.

In November 2025, Net Remittance Transfers increased by 14.2% Year-over-Year (YOY) and currently stand at US\$281.2 million, from US\$246.1 million. Moreover, this marks a 12.46% increase from the US\$250.1 million seen in October 2025. This surge is attributable to increased support from the diaspora in light of Hurricane Melissa. The increase in total remittance inflows was largely attributable to remittance companies, but growth was offset by a small decline in other remittance channels. From a fiscal perspective (April 2025 - November 2025), net remittance inflows increased by 2.8%, closing the period at US\$2.16 billion from the US\$2.11 billion seen in the corresponding period last year (April 2024 - November 2024). The United States (US) remains the largest source market in November 2025, accounting for 66.9% of total remittance inflows, a notch below the 67.9% seen in November 2024.

Despite this fall, on a longer time horizon, remittances have totalled US\$2.76 billion between January 2025 and October 2025. This marks a 1.95% increase over the US\$2.71 billion accumulated between January 2024 and October 2024. This growth was primarily driven by a rise in total remittance inflows throughout the year despite a 6.51% or US\$18.96 million dip in October 2025. In addition, net remittance outflows grew 10.54% year over year, closing October 2025 at US\$22.38 million. The United States remained the dominant source of remittances to Jamaica, accounting for 61.14% of total inflows in October 2025. Other significant contributors included the United Kingdom at 9.77%, followed by Canada and the Cayman Islands, which represented 9.28% and 5.50%, respectively.

At the end of December 2025, Net International Reserves (NIR) reached US\$6.29 billion, marking a US\$168.38 million or 2.75% rise compared to US\$6.12 billion in November 2025. December's growth was mainly driven by a 2.59% or US\$158.86 million rise in total foreign assets. This was followed by a month-over-month growth of 3.95% or a US\$134.99 million growth in currency & deposits. Year-over-Year NIR saw a robust growth of 12.65%, closing the year at US\$6.29 billion from the US\$5.58 billion seen in

December 2024. As of December 2025, the reserves were sufficient to cover approximately 52.2 weeks of goods imports and 33.63 weeks of goods and services imports, from the 44.80 weeks and 29.3 weeks, respectively, as at December 2024.

Interest Rate

Following its Monetary Policy Committee (MPC) meetings on December 16 and 17, 2025, the BOJ decided to hold its policy rate at 5.75% for the eighth (8th) consecutive month as the MPC determined that the current level of monetary policy remains appropriate. The BOJ only completed one (1) rate cut this year in April 2025, cutting rates by 25 basis points (bps) from 6.0% to the current level of 5.75%. This is against the backdrop of an anticipated rise in inflation in early 2026, reflecting the impact of Hurricane Melissa on major food-producing parishes and supply chain disruptions. Moreover, core inflation, which excludes volatile food and energy prices, is expected to rise over the next 12 months.

Additionally, Treasury bill rates followed the trend of interest rates, cooling throughout the course of 2025. The first auction of the year saw an average of 6.10% (January 2025) versus an average yield of 5.10% to 5.40% (December 2025). BOJ's Fixed

4.2%

**Q4 2025 US GDP
Estimated Growth**

2.7%

**US Year-Over-Year
Inflation Rate**

4.4%

US Unemployment Rate

Rate Certificate of Deposits (CD) rates also cooled, having an average yield of 6.40% (January 2025) before falling to an average yield of 5.96% for the last auction of the year (December 2025).

Credit Rating and Debt

In February 2026, Fitch Ratings affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating (IDR) at 'BB-', with a stable outlook from its previous positive outlook, following the passing of Hurricane Melissa. This rating is corroborated by S&P Global ratings, who upgraded Jamaica to "BB" with a positive outlook in September 2025, but later revised the outlook in December 2025 to stable considering the damage from Hurricane Melissa. Moody's then followed suit, upgrading Jamaica from "BB-" to "BB" with a stable outlook in December 2025. The rating reflects a contraction in 2025 and 2026 coupled with a fiscal deficit and increased borrowing. Fitch cites the cost of the recovery efforts to be ~US\$8.8 billion or 40% of the country's GDP. While recovery efforts are underway, Jamaica's operational capacity is constrained, exacerbated by the damage to the tourism industry. The fall in tourism receipts and imports is likely to be offset by an uptick in remittances and recovery in related imports.

Debt-to-GDP is expected to rise in 2026, breaking the downward trend

the country had experienced over the last decade. Fitch expects Debt to GDP to close 2026 at ~70% but still within the band of its peers, maintaining its "BB-" rating. Spending will likely rise sharply, resulting in both primary and fiscal deficits in 2026. Notwithstanding, reserves are expected to remain healthy, buoyed by insurance payment and debt.

Outlook

Jamaica's economic output in the short to medium term is expected to be constrained due to the lingering impact of Hurricane Melissa. Recovery is priority, resulting in heavy spending and infrastructural repairs. Fitch expected a 1.5% contraction in 2025, with a more acute contraction of 2.6% in 2026, coupled with deterioration in fiscal metrics. The BOJ expects macroeconomic fallout over the next two years before normalisation in 2027 onwards. For context, BOJ estimated a 4.0%-6.0% contraction in 2025. This is followed by a mixed bag in 2026, where economic growth could range from -1.0%-1.0%. This is buoyed by the expectation that remittances and tourism should see a near full recovery towards the end of 2026. Moreover, inflation is expected to remain outside of the 4.0%-6.0% range over the next eight quarters while the economy continues to contract in 2026. Both inflation and economic growth should normalise, supported by the recovery of Jamaica's

key sectors, namely, Agriculture and Tourism. However, several risks could derail Jamaica's recovery story as efforts may take longer than expected. This is compounded by aging infrastructure and delays in the execution of capital projects. Additionally, weaker-than-expected growth among Jamaica's main trading partners could dampen external demand for Jamaican goods and services, potentially limiting the pace of recovery.



UNITED STATES OF AMERICA

The United States of America (US) economy continued the rate of its expansion, growing 4.4% in Q3 2025 with an estimated growth of 4.2% in Q4 2025, putting the growth for the year at ~3.2%, above its long-term average of 2%. Economic resilience was supported by a debt-fuelled consumer. This is evidenced by credit card balances climbing to US\$1.28 trillion in Q4 2025, coupled with the adoption of Buy Now Pay Later "BNPL". Consumer spending remains the primary driver of US GDP growth as it constitutes two-thirds of total economic activity. Government spending also played a role in supporting growth fuelled by the Infrastructure Investment and Jobs Act (IIJA) coupled with nearshoring efforts and the buildout of the AI infrastructure.

US Consumer Price Index (CPI) for December 2025 rose 0.3%, resulting in the year-over-year inflation rate remaining at 2.7%, slightly below the Federal Reserve's estimates of 2.9%. This level remains above the Federal Reserve's 2.0% target, reflecting sticky inflation. Inflation expectations are skewed to the upside amidst heightened geopolitical tensions and policy shift toward nationalism. Core CPI, which excludes food and energy, increased by 2.6% year-over-year.

Shelter costs, which accounts for about a third of the CPI index, rose 0.4% in December, an annual rate of 4.8%. Meanwhile, energy prices were a mixed bag. WTI crude oil continued trending downwards, closing the year at US\$57.42, a 20.80% decline due to a buoyant supply and eased geopolitical tensions amongst major oil producers. Despite this, the price of natural gas has been buoyant, resulting in higher price growth of 2.3% in the energy index. Food prices increased 0.3% for the month and were 2.7% higher than a year earlier.

Despite signs of accelerated economic growth, the US labour market remained in a 'no-hire no-fire' stalemate, reflecting a changing landscape and mounting pressures. Employers are more cautious around hiring due to policy uncertainty as such job openings have been trending downwards, reaching 6.54 million job openings in December 2025, the lowest since 2020. Moreover, immigration restrictions have caused a slowing in the growth of availability of workers. This availability is further hindered by an aging US population and a participation rate lagging its COVID-19 highs. This is reflected in the fall in jobs added in 2025 which stood at ~584,000 jobs, significantly below the 2 million jobs added in 2024. For context, the average monthly job gain in 2025 was 49,000 versus the 168,000 seen in 2024. Notwithstanding, the unemployment rate remained at a historical low level of 4.4%.

On December 10, 2025, the Federal Open Market Committee (FOMC) reduced its benchmark interest rate by 25 basis points, setting the new target range at 3.50%-3.75%. This marked the

third consecutive rate cut of the year, totalling a 75-basis-point reduction, since the central bank first reduced its rate in August 2025. The Federal Reserve's December meeting minutes suggested that their focus has shifted from price stability, despite sticky inflation, to maintaining labour market stability. This outlook may be impacted by upcoming leadership changes at the Federal Reserve, including Kevin Warsh's expected appointment as Fed Chair in May 2026.

The US market reached all-time highs in 2025, outperforming expectations. The S&P 500 ended December 2025 at 6,845.50, reflecting a 16.65% increase from the 5,868.55 recorded at the start of the year. Market sentiment for the year was supported by the Artificial Intelligence (AI) trend concentrated amongst the Magnificent Seven (7), which includes Apple, Microsoft, Amazon, Google, Meta, Nvidia and Tesla. This eventually broadened throughout the year to the several support sectors, which are what drive the AI buildout, including Utilities and Mining.



THE CAYMAN ISLANDS

Cayman Islands' economic activity expanded by 2.7% for the first half of 2025. This represents a slowdown compared to the 2.9% growth recorded in the first quarter and feeds into a broader deceleration of the Caymanian economy since Q2 2023. This growth is underpinned by moderate growth across the services sector. Health and social services lead the charge, growing 5.6%, which reflects a sustained demand for medical and social care indicative of an aging population. This growth was supported by government services, real estate, and wholesale and retail trade. Growth is expected to continue, supported by the country's reputation as a tax haven and a tourist hotspot. However, economic growth is expected to be



THE U.S. MARKET REACHED ALL-TIME HIGHS IN 2025, OUTPERFORMING EXPECTATIONS. THE S&P 500 ENDED DECEMBER 2025 AT 6,845.50, REFLECTING A 16.65% INCREASE FROM THE 5,868.55 RECORDED AT THE START OF THE YEAR.

offset by contractions in construction, manufacturing and mining.

In 2024, the average headline inflation rate stood at 2.6%, with the third quarter recording the highest quarterly movement at 4.1%. This was largely driven by rising costs in several categories, including education, communication, health, housing and utilities, clothing and footwear, food and non-alcoholic beverages, and miscellaneous goods and services. However, headline inflation trended down for the first two quarters in 2025 as Q1 and Q2 recorded 1.8% and 1.9% inflation, respectively. This growth was largely driven by the education index, as fees for pre-primary and primary education saw a material increase. Both the communication and restaurants and hotels index saw increases of 7.8% and 6.5%, respectively, due to rising food and equipment costs. Prices also faced upward pressures due to the transport index (5.7%) and the health index (3.6%). Despite these price pressures, declining global energy prices resulted in a 4.9% decrease in the energy index, which kept headline inflation at bay.

This is highlighted in the core inflation reading which strips volatile energy and food prices. Core inflation was 3.0% in the second quarter of 2025, reflecting a rising cost of living.



COSTA RICA

According to the Organization for Economic Co-operation and Development (OECD), Costa Rica's GDP is expected to grow at 4.2% in 2025 before easing to 3.5% in 2026 and 3.4% in 2027. In 2025, growth averaged 4.4% for the first three quarters, led by household consumption driven by robust credit consumption, coupled with wage increases despite a stagnant labour market. Manufacturing also contributed to economic expansion buoyed by exports, particularly to the United States (US), which accounts for ~47% of total good exports. Growth in 2025 was tapered by a contraction within sectors such as agriculture due to inclement weather. GDP is expected to taper off over the next two years due to weaker exports caused by policy uncertainty in the US. This is

likely to result in a fall in Foreign Direct Investment (FDI) and constrained public investment due to limited fiscal space. However, this should be offset by wage growth despite a stagnant labour force.

Costa Rica had persistent deflation since May 2025 and had a headline reading of -0.4% in November 2025, according to Fitch Ratings. This was due to the downward trend in commodity prices, having drastically reduced the cost of imports, particularly for energy and food. This was further compounded by the consistent appreciation of the Costa Rican colón against the US dollar, further reducing the price of imports. Despite robust private consumption underpinned by real wage growth, domestic demand remains a mixed bag due to a constrained labour market.

The central bank of Costa Rica completed two 25-basis points cuts in July and September of 2025 to stimulate more consumption within the economy in hopes of lifting inflation towards its 3% target. Rate cuts are expected to continue in 2026 with

one 25-basis points cut expected in the first half of 2026. Moreover, the fiscal position of the Costa Rican government should gradually improve on the back of strong revenue growth through its Free-Trade-Zones (FTZs), coupled with falling interest expense and expenditure despite elections in 2026.

Inflation is forecasted to average 1.6% in 2025, helped by gradual monetary policy easing. However, the outlook carries potential risks. A rise in foreign currency borrowing could increase financial sector vulnerabilities, while inflation may fall below expectations, potentially leading to larger-than-anticipated interest rate cuts and exchange rate volatility.

Unemployment has declined, now sitting below pre-pandemic levels. However, this improvement is partly attributed to lower labour force participation, particularly among women and youth. At the same time, formal employment is expanding with new jobs increasingly requiring specialised and technical skills.

THE FISCAL POSITION OF THE COSTA RICAN GOVERNMENT SHOULD GRADUALLY IMPROVE ON THE BACK OF STRONG REVENUE GROWTH THROUGH ITS FREE-TRADE-ZONES (FTZS) COUPLED WITH FALLING INTEREST EXPENSE AND EXPENDITURE DESPITE ELECTIONS IN 2026.



PANAMA

The Panamanian economy has had mixed economic indicators post-COVID-19, largely contextualised by persistent drought in the Panama Canal and the closure of its Cobre Panama mine in late 2023, one of the world's largest open-pit copper deposits. The combined effect of these factors caused a reduction in the country's operating capacity, causing GDP to slide to 2.7% in 2024 from 7.2% in 2023. For context, both the Panama Canal and the Cobre Panama mine contributed ~12% of GDP and are significant drivers of employment and export. As a result of this, Panama lost its investment grade rating of "BBB-" to "BB+" as the country came under fiscal and governance challenges. However, due to restored water level in the canal, operations have normalised. This backs Fitch's GDP growth expectation of 3.8% in 2025, led by its non-mining sectors.

According to Fitch, government debt is climbing sharply, with gross debt expected to hit 67.2% of GDP by end of 2025, from 62.5% in 2024. Moreover, consolidated debt should see an

uptick to 61.6% (up from 57.2%), both exceeding the 'BB' median of 54%. Debt is projected to continue rising to 64.6% by 2027, while the interest-to-revenue ratio was expected to reach 18.8% in 2025, well above that of its peers. The 2026 budget targets a 3.5% deficit, but this relies on optimistic revenue projections. More realistic estimates show deficits declining slowly to 3.6% in 2026 and 3.3% in 2027. Spending pressures from energy and social subsidy programme, a growing public-sector workforce and wages, and public service demands continue to strain budgets, while lower 2024 capital spending largely reflected delayed projects rather than genuine cuts. Future deficit reduction hinges on improved tax collection, as the government has ruled out tax reform.

Inflation in Panama closed at -0.2%, largely driven by increases in housing and food costs. Moreover, information, restaurants and accommodation also contributed to the upward price pressures over the year. However, this was offset by declining transport costs coupled with falling prices of clothing and household goods.

BB+ PANAMA LOST ITS INVESTMENT GRADE RATING OF "BBB-" TO "BB+" AS THE COUNTRY CAME UNDER FISCAL AND GOVERNANCE CHALLENGES.

FINANCIAL PERFORMANCE

The Group's net profit attributable to stockholders was \$16.22 billion, a 76% increase when compared to prior year's \$9.24 billion. This was generated from total revenues of \$128.16 billion, this being 15% above the comparative prior year and total insurance and operating expenses of \$94.75 billion, 8% above the comparative prior period.

The revenue performance of the Group was influenced by:

1. Strong new business growth and policy retention across the Insurance segments

Insurance revenue of \$60.27 billion improved by 11% over the \$54.53 billion recorded in the prior year. This can be attributed to strong core insurance revenue through the release of Contractual Service Margin ("CSM") of \$6.34 billion (2024: \$5.90 billion) and by generating new business CSM of \$7.94 billion (2024: \$6.42 billion). Strong new business sales were recorded for the Group health and life products, primarily within its corporate client portfolios.

2. Growth in Net Investment Income

Net Investment Income of \$35.89 billion improved by 29% over prior year's \$27.90 billion. This was driven by realised and unrealised gains which increased by \$6.32 billion, this was partially offset by an increase in credit impairment provisions as a result of Hurricane Melissa.

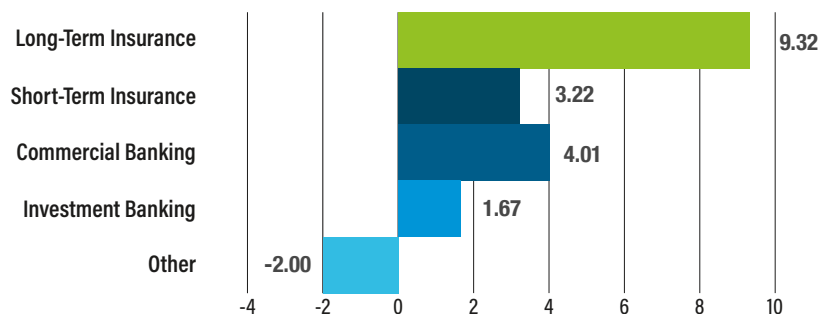
3. Growth in Commercial Banking Activities

The segment recorded an 11% increase in revenues, due to higher net interest income and larger transaction volumes on its card payments portfolios. The loan portfolios continued to grow, with \$36.97 billion in new loans written, contributing to a \$2.01 billion increase in interest income.

Sagicor Group Jamaica

Net Profit by Business Segment

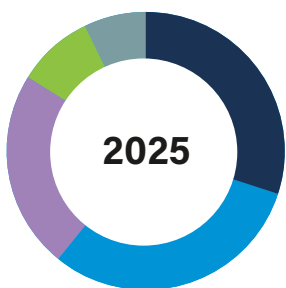
J\$ BILLIONS



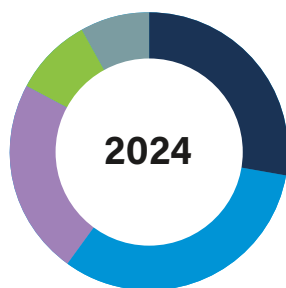
Sagicor Group Jamaica

Revenue by Business Segment

% PERCENTAGE



- 2025**
- 30%** LONG-TERM INSURANCE
- 31%** SHORT-TERM INSURANCE
- 23%** COMMERCIAL BANKING
- 9%** INVESTMENT BANKING
- 7%** OTHER



- 2024**
- 28%** LONG-TERM INSURANCE
- 32%** SHORT-TERM INSURANCE
- 23%** COMMERCIAL BANKING
- 9%** INVESTMENT BANKING
- 8%** OTHER

Revenue by Business Segment

	2025 J\$M	%	2024 J\$M	%
Long-Term Insurance	38,918	30%	30,899	28%
Short-Term Insurance	39,497	31%	36,247	32%
Commercial Banking	29,160	23%	26,320	23%
Investment Banking	11,794	9%	9,936	9%
Other	8,795	7%	8,447	8%
Total	128,164	100%	111,849	100%

The insurance service expense, finance income/expense and other operating expenses were impacted by:

1. Increase in insurance service expenses

The Group's insurance service expense was \$65.62 billion in 2025, a 47% increase over 2024 which recorded \$44.56 billion. Insurance service expense increased mostly due to higher general insurance claims arising from the hurricane. The insurance service expense includes incurred claims, insurance acquisition costs, losses on onerous contracts and other direct expenses of the insurance segment.

in net insurance finance expenses recorded in 2024.

3. Increase in other operating expenses

Other operating expenses, inclusive of asset taxes, depreciation and amortisation of software, increased by 9% year on year to end December 2025 at \$34.59 billion (2024: \$31.69 billion). This is a result of increases in the cost of living, and higher communication and technology costs.

2. Unfavourable changes in net insurance finance expense from changes in interest rates

The Group recorded \$12.85 billion in net insurance finance expenses in 2025 compared to the \$8.28 billion

Total assets as at December 2025 were valued at \$703.60 billion, an increase of 18% over December 2024. This increase is partly the result of a \$38.38 billion increase in financial investments and a \$23.65 billion increase in pledged assets.

INVESTED ASSETS

The Group's financial investments are made up of debt securities, equity securities, derivatives, repurchase agreements and short-term deposits. Fixed income securities, which account for 77% of the Group's portfolio, ended the year at \$326.25 billion. This represented a 20% increase over 2024. Equity securities totalled \$41.19 billion, a marginal decrease over what was recorded in the prior year (2024: \$41.72 billion), yielding a dividend income of \$68.09 million in 2025 (2024: \$78.41 million).

LOAN ASSETS

Sagicor Group Jamaica's net loans of \$157.56 billion, improved \$18.89 billion year over year. This was primarily driven by new loan business primarily from our corporate loans segment. The Group's loan book had an allowance for credit losses of \$2.62 billion (2024: \$2.44 billion) comprising 1.64% of gross loans, this includes credit impairment provision as a result of Hurricane Melissa.

INTANGIBLE ASSETS

Intangible assets comprise goodwill, customer relationships, trade names and computer software. Computer software of \$434.04 million were added during the year. The Group recorded goodwill impairment of \$186.07 million on Sagicor Investments Jamaica.

FIXED ASSETS

The Group's fixed assets include land and buildings, leasehold improvement, furniture, equipment and motor vehicles. As at December 31, 2025, the Group's fixed assets increased by \$522.45 million. This was primarily due to additions in land & buildings, leasehold improvements and motor vehicles. The Group's additions totalled \$936.50 million for the year.

DEPOSITS AND SECURITIES LIABILITIES

Deposits and securities liabilities of \$331.79 billion increased 16% over the prior year end. Customer deposits, which represents 59% of the deposits and securities liabilities balance, continued to be a significant source of funding for commercial banking activities. Our customer deposits of \$196.11 billion increased 14% year over year. Securities sold under repurchase agreement, which represents 35% of the total deposits and securities liabilities, amounted to \$116.37 billion, a 24% increase over the prior year.

INSURANCE CONTRACT LIABILITIES

The Group's insurance contract liabilities amounted to \$199.64 billion, a \$39.29 billion increase over prior year (2024: \$160.35 billion). The movement in insurance contract

Liabilities under Insurance Contracts

	2025 \$ '000	2024 \$ '000
Long-Term Insurance	162,400,655	147,061,624
Short-Term Insurance	37,242,536	13,290,322
Total	199,643,191	160,351,946

liabilities was aided by strong new business growth across the insurance products. IFRS 17 introduced the concept of Contractual Service Margin (CSM) in the measurement of insurance contract liabilities. This represents the expected net present value of cash flows of insurance contracts that are deferred at inception and amortised to future income for Long-Term Insurance products. The measurement of insurance contract liabilities for the Short-Term portfolio is similar to IFRS 4 but includes an adjustment for the timing of profit recognition.

The Group's return on equity was 15% as at December 2025, increasing from 9% in the prior year.

Equity reserves increased by \$2.97 billion, a result of \$3.37 billion of net unrealised gains on financial assets carried at fair value through other comprehensive income. This was influenced by prevailing market interest rates.

The overall liquidity of the Group remains solid, with cash and cash equivalents ending the year at \$58.18 billion, an increase over the prior year by 8%.

RELATED PARTY TRANSACTIONS

Related companies include the ultimate parent company, the parent company, fellow subsidiaries, and the Group's joint ventures. Related parties also include Directors, key management, and companies for which the Group and its parent company provide management services (the Pooled Investment Funds, the Sagicor Sigma Global Funds, and the Sagicor Select Funds). Pan Jamaica Group is a related party by virtue of being a shareholder with significant influence over the parent company.

The Group's major related party transactions include \$31.53 billion of financial investments held in Sigma units and \$22.66 billion of repurchase agreements issued to managed funds.

CAPITAL MANAGEMENT

The Group's objectives when allocating capital are wide-ranging. The capital management processes exist to ensure compliance with capital requirements set by the relevant regulators, provide adequate returns for stockholders and maintain a robust capital base to support development of the various entities within the Group. The maintenance of adequate capital is critical to ensuring that regulatory requirements, strategic objectives and shareholder expectations are met. Each regulated entity within the Group is required to hold a minimum amount of capital as required by the relevant regulator in the specific jurisdiction. The Group performs its capital management processes through various Management and Board Committees.

Sagcor's capital ratios for all its regulated entities were above the required minimums set by regulators.

Industry Ratings

Presently, financial ratings are only conducted for the largest subsidiary, Sagcor Life Jamaica Limited ("SLJ"). These ratings provide an independent opinion of SLJ's financial strength as an insurer and its ability to meet its obligations to policyholders.

In April 2025, AM Best affirmed SLJ's Financial Strength Rating of B++ (Good) and Issuer Credit Rating of bbb+ (Good) with a stable outlook.

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	Dec 31, 2025	Dec 31, 2024
Sagcor Life Jamaica Limited	Life Insurance Capital Adequacy Test (LICAT) ¹	100.0%	152.8%	161.9%
Sagcor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	13.2%	13.1%
Sagcor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	17.0%	17.4%
Sagcor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	514.0%	383.6%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	150.0%	194.3%	265.1%

¹ SLJ's capital ratio is now calculated using the Life Insurance Capital Adequacy Test (LICAT).

SLJ also retained the highest creditworthiness rating of jmAAA on the Jamaica National Scale with a stable outlook, from Caribbean Information and Credit Rating Services Limited ("CariCRIS").

Sagcor Group Jamaica had its regional rating reaffirmed and retained the highest credit rating in Jamaica from CariCRIS.

The ratings attributed to SGJ carry a stable outlook and are:

- CariA (Regional Scale Foreign Currency)
- CariA+ (Regional Scale Local Currency)
- jmAA+ (Local Scale Foreign Currency)
- jmAAA (Local Scale Local Currency)

The CariCRIS ratings were awarded following a review of 2025.

AM Best
Sagcor Life
Jamaica

B++
(Good)
Financial Strength Rating

bbb+
(Good)
Issuer Credit Rating

CariCRIS
Sagcor Life
Jamaica

jmAAA
(Stable)
Jamaica National Scale

FUNDS UNDER MANAGEMENT

Sagicor Group's assets under management totalled \$1.18 trillion as at December 31, 2025. The assets under management include both on and off-balance sheet investment portfolios spanning pension funds, unit trust, segregated funds and investment assets held on the Group's balance sheet. The Group Treasury and Asset Management (GTAM) division is primarily responsible for the strategic day-to-day management of these financial assets.

The role of the division encompasses the effective management of these assets geared at improving profitability and reducing risk through a single arm of investment decisions, with due consideration to all business lines. The division's objectives are as listed:

- Policy and regulatory compliance
- Liquidity management
- Concentration risk
- Financial risk management
- Internal controls

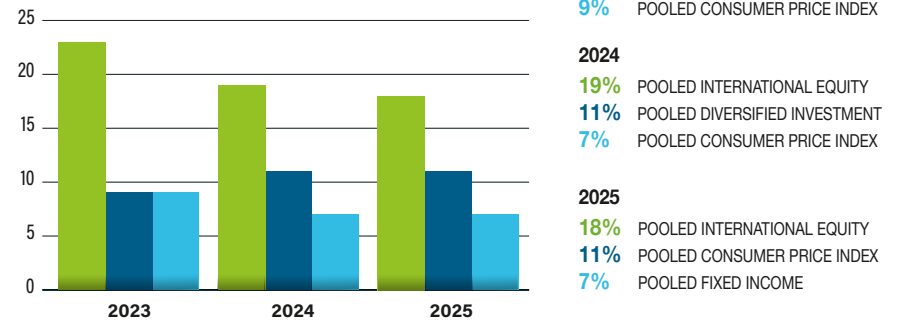
The division includes Group Treasury and Asset Management Operations, which is responsible for coordinating activities related to settlement, liquidity and regulatory risk while providing a robust internal control mechanism for Treasury and Asset Management-related activities.

The key financial assets cover various investment portfolios, which include pension clients, annuitants, individual policyholders, investment and insurance clients, as well as stockholders.

Sagicor Group Jamaica

Top 3 Performing Pension Funds 2023 - 2025

PERCENTAGE RETURN (%)



Pension Funds

Sagicor Life Jamaica is a licensed Investment Manager, providing financial solutions to pension clients to support their retirement savings journey. Clients are offered the opportunity to invest for their retirement using our three (3) broad investment approaches, namely:

Type I Pooled Funds

Self-Directed Funds

Deposit Administration

Total pension funds under management as at December 31, 2025 was \$256.6

billion, representing an increase of 5.7% over 2024's \$242.8 billion. Pension clients have access to the most flexible and diverse array of investment options, which includes local and global stocks and bonds, in addition to a real estate portfolio which spans commercial, warehousing and tourism properties, diversified across Jamaica. This allows pension fund Trustees to effectively reduce investment risk through portfolio diversification, and improved asset liability management.

Under the three broad approaches, Sagicor manages pension assets on behalf of corporate clients through Approved Superannuation Funds, and

CariCRIS
Sagicor Group
Jamaica

CariA
(Stable)
Regional Scale Foreign Currency

CariA+
(Stable)
Regional Scale Local Currency

jmAA+
(Stable)
Local Scale Foreign Currency

jmAAA
(Stable)
Local Scale Local Currency

individuals through our well-established Approved Retirement Scheme known as 'Sagicor Lifestyle'

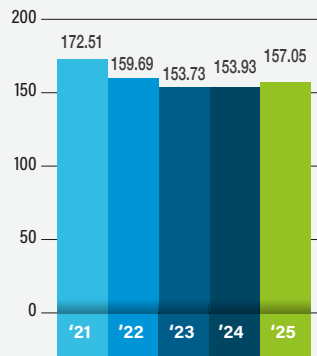
The most utilised approach is the Pooled Investment Funds (Type I Pooled Funds), which comprises nine (9) unitised funds of which assets are held in trust under a wholly owned subsidiary of Sagicor Life Jamaica called Sagicor Pooled Investment Funds (SPIF) Limited. The top performing Fund for 2025 was the Pooled International Equity Fund, which generated a 12-month return of 18.2%. This Fund provides exposure to securities listed on recognised exchanges in approved jurisdictions. Other top performing funds included the Pooled CPI Fund and the Pooled Fixed Income Fund, returning 10.6% and 6.8%, respectively.

With over 50 years of experience in pension fund management, Sagicor continues to demonstrate a strong track record of robust performance, made possible by the dedication, talent and hard work of our team. We are proud of our achievements, which include being Jamaica's largest pension fund manager based on assets under management.

As the leading investment manager in Jamaica, our objective remains to generate real positive long-term investment growth for our clients based on a prudent strategic asset allocation through our diverse array of investment options.

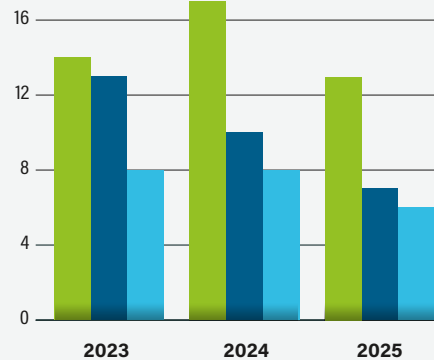
**Sagicor Sigma Global Funds
Funds Under Management**

J\$ BILLIONS



**Sagicor Sigma Global Funds
Top 3 Performing Funds 2023 - 2025**

PERCENTAGE RETURN (%)



- 2023**
- 14% SIGMA GLOBAL EQUITY
- 13% SIGMA GLOBAL EQUITY (USD)
- 8% SIGMA PRINCIPAL PROTECTOR (JMD)
- 2024**
- 17% SIGMA GLOBAL EQUITY (USD)
- 10% SIGMA REAL ESTATE
- 8% SIGMA GLOBAL VENTURE
- 2025**
- 13% SIGMA GLOBAL EQUITY (USD)
- 7% SIGMA REAL ESTATE
- 6% SIGMA PRINCIPAL PROTECTOR (JMD)

Sagicor Sigma Global Funds

As at December 31, 2025, funds under management were \$122.5 billion which represented a 3.1% increase compared to 2024's \$118.8 billion. For the year 2025, Sagicor Sigma Global Funds retained the title of the largest collective investment scheme (CIS) in the region. The Sigma Funds is Sagicor's Unit Trust offering which provides clients with the opportunity to invest in up to eighteen (18)

asset-specific and mixed asset class funds. Despite the economic uncertainties that continue to impact the performance of financial assets, the Sigma Funds remained resilient, generating stable returns with the top performing funds for 2025 generating returns of 13.0% for Sigma Global Equity USD and 7.2% for the Sigma Real Estate portfolios.

J\$122.5B

Sigma Funds Under Management

33%

Leader In Market Share

Segregated Policy Investment Funds

Sagicor manages segregated investment funds on behalf of policyholders of both Sagicor Life Jamaica Limited (SLJ) and Sagicor Life Cayman Limited (SLCL). SLJ's segregated investment funds under management totalled \$46.6 billion at the end of 2025, representing an increase of 4.7% over the prior year's total of \$44.5 billion. This increase was primarily due to increased net interest income and specifically dividend and interest income which totalled \$1.2 billion. SLJ policyholders have the ability to invest in up to six (6) funds - five (5) asset-specific and one (1) mixed asset class fund with the top performing funds for 2025 being the SLJ International Equity Fund and the SLJ Foreign Currency Fund returning 12.4% and 9.2%, respectively.

The Segregated Funds provide clients with the opportunity to create diversified investment portfolios across asset classes, mainly local and international stocks, bonds and real estate. In addition, policyholders can structure their portfolios and invest in assets that protect against the major investment risks, namely foreign currency risk, interest rate risk and inflation risk.

SLCI's segregated funds under management totalled US\$33.0 million, an increase of 7.5% over the prior year's US\$30.7 million. These Funds are invested

in global equities and fixed income securities. Policyholders may opt to invest in three (3) investment funds; the Cayman International Equity Fund which generated a return of 14.5%, the Cayman Investment Fund which returned 12.5% and the Cayman Fixed Income Fund which generated a return of 6.4%, for 2025.

Sagicor General Fund

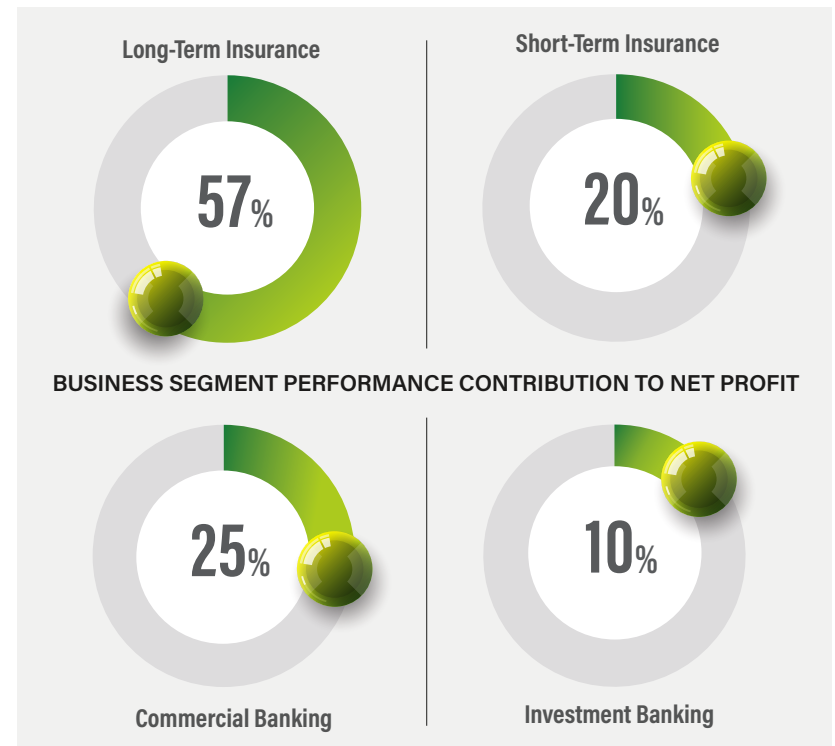
The Sagicor Life Jamaica (SLJ) General Fund continued to benefit from strong growth in asset values with a yield of 6.4% for 2025. Resultantly, the portfolio value increased by 12.9% from \$146.6 billion in 2024 to \$165.5 billion in 2025. Investment income for 2025 was approximately \$15.3 billion, while capital gains was \$155.4 million. SLJ's General Fund is invested primarily in GOJ bonds denominated in both Jamaican and United States Dollars, corporate bonds and notes, mortgage loans, equities and real estate.

The invested assets of Sagicor Life of the Cayman Islands (SLCI) General Fund increased by 10.2% to US\$110 million at the end of 2025, when compared to the 2024 value of US\$99.8 million. The assets held in this portfolio were heavily weighted towards international corporate bonds with an Investment Grade rating at acquisition. The portfolio generated income of US\$7.7 million with capital gains of US\$0.88 million. The income yield for 2025 was 4.9%.

BUSINESS SEGMENT PERFORMANCE

Sagicor Group Jamaica is a multi-line Financial Services Group.

The Group's profits are generated primarily from four large segments. The diverse business model gives the Group certain competitive advantages.



Other segment represents -12% of the overall Group performance.

SECTOR PERFORMANCE

LONG-TERM INSURANCE

The segment includes products whose contract boundaries exceed one year in duration and are measured using the General Measurement Model (GMM) and Variable Fee Approach (VFA) under IFRS 17. The Long-Term Insurance segment includes Annuities, Traditional Life and Universal Life products. The Division is serviced through a large distribution network of 407 financial advisors in the Core Branch Distribution Channel, independent advisors and 31 Brokerage House Affiliates in Jamaica (Sagicor Life Jamaica or SLJ) and the Cayman Islands (Sagicor Life of the Cayman Islands Ltd or SLCI).

The Division earns its revenues principally from insurance premiums; mortality charges and other fees; and investment income on assets assigned to cover the liabilities and surplus requirements of the portfolios.

The segment contributed \$9.32 billion in net profit or 57% of the Group's 2025 results; this was derived from revenues

of \$38.92 billion. The insurance service result of \$8.25 billion improved significantly over prior year (2024: \$4.13 billion), which included a one-off adjustment to the actuarial models that increased the loss component and caused insurance expenses to be abnormally high.

The market share (as measured by annualised premiums on new business), a key performance indicator, was reported as 62% in 2025.

The results were driven by exceptional new business sales and a large in-force block of policies. Long-term insurance also benefitted from the release of Contractual Service Margin (CSM) of \$6.34 billion (2024: \$5.90 billion) and the generation of new business CSM of \$7.94 billion (2024: \$6.42 billion).

Insurance Revenues for the Long-Term Insurance business was \$22.40 billion, a 13% increase over the comparative 2024 period. This was driven by strong

Long-Term Insurance Division

High level Profit & Loss for 2025 and 2024

	2025 J\$M	2024 J\$M	% Variance
Insurance Revenue	22,402	19,768	13.3%
Insurance Service Expenses (including Reinsurance Contracts Held)	(14,156)	(15,643)	9.5%
Net Investment Income	16,193	10,979	47.5%
Net Insurance Finance Expense	(12,713)	(8,185)	-55.3%
Fees and Other Revenues	302	151	100.0%
Expenses (including Asset Tax)	(138)	(115)	-20.0%
Taxes	(2,565)	(881)	-191.1%
Net Profit	9,325	6,074	53.5%

new annualised premium income in Jamaica and Cayman.

Insurance Service Expenses for Long-Term Insurance were \$13.96 billion; this includes incurred claims, insurance acquisition expenses, losses on onerous contracts and other directly attributable expenses of this insurance segment.

Within the local landscape, a large segment of the Jamaican population continues to be under-insured, not have insurance (uninsured), or not participate in an approved pension scheme, allowing for opportunities for product design and further market penetration supported by effective technologies.

The Division views these factors as opportunities for continued growth given the anticipated changes within the industry where we see new entrants, mergers and acquisitions continuing to shape the market, which creates a more competitive landscape.

57%

Contribution to Group Net Profit

62%

Leader in Market Share

SECTOR PERFORMANCE

SHORT-TERM INSURANCE

The segment includes products whose contract boundaries are less than one year and are measured using the Premium Allocation Approach (PAA) under IFRS 17. The Short-Term Insurance segment includes group life, group health, individual health, creditor life and property & casualty products. The segment focuses on building financial security programmes that balance the needs of both employer, employees, and non-employer groups. Sagicor remains the market leader in these areas. It operates in a highly competitive environment where most contracts are renewed annually.

The Short-Term Insurance segment earns its revenue from insurance premiums; investment income generated on the assets required to support the liabilities and surplus of its insurance and other fees relating to the Short-Term Insurance business. The segment generated profits of \$3.38 billion, an improvement over prior year's profit of \$1.43 billion.

Insurance Revenues for the Short-Term Insurance business were \$37.87 billion, this was a 9% increase over the comparative 2024 period. Group health and life products generated strong new business sales primarily from the corporate client portfolio, underscoring the segment's continued growth. In 2025 total segment revenues were \$39.50 billion; this increased by 9% when compared to the prior year (2024: \$36.25 billion).

Insurance Service Expenses for Short-Term Insurance was \$52.59 billion; this includes incurred claims, insurance acquisition expenses and other directly attributable expenses of the insurance segment. Insurance Service Expenses were \$30.15 billion in 2024. The increase in general insurance claims arising from Hurricane Melissa was largely offset by the segment's reinsurance recoveries of \$18.32 billion, consistent with disciplined underwriting and sound risk management.

Short-Term Insurance Division

High level Profit & Loss for 2025 and 2024

	2025 J\$M	2024 J\$M	% Variance
Insurance Revenues	37,865	34,766	8.9%
Insurance Service Expenses (including Reinsurance Contracts Held)	(34,263)	(33,572)	-2.1%
Net Investment Income	1,175	1,087	8.1%
Net Insurance Finance Expense	(136)	(95)	-43.2%
Fees and Other Revenues	149	143	4.2%
Expenses (including Asset Tax)	(620)	(691)	10.3%
Share of Profit from Joint Venture	281	226	24.1%
Taxes	(1,071)	(431)	-148.5%
Net Profit	3,380	1,434	135.8%

The Group Insurance line of business continues to pursue key strategic initiatives to overcome challenges related to greater utilisation levels and increased costs of healthcare.

The line of business also expanded the scope of its digital solutions through its customer service platform, Sagicor Connect, which facilitates greater connections to employees and provides them with greater control and efficiency to manage their group insurance benefits.

The division remains determined to keep the customer at the centre

of everything it does and continue creating a positive impact on their lives.

J\$3.38B

Contribution to Group Profit

J\$37.87B

Insurance Revenues

SECTOR PERFORMANCE

COMMERCIAL BANKING

Sagicor Bank Jamaica Limited ("SBJ") is pleased to report another outstanding year, marked by a net profit of \$4.01 billion, representing a 5% growth year over year.

The year was categorised as a year of resilience and one where our Group's vision shone bright of "being a great company committed to improving the lives of people in their communities" ...our clients matter. Hurricane Melissa totally devastated our branch in Black River, St. Elizabeth and also damaged three additional branches on October 28, 2025 in the western side of Jamaica. Except for the Black River Branch, all our branches were back in operation within two (2) weeks of the hurricane. On Friday, December 19, 2025, we reopened our Black River Branch, restoring the community's only banking access and ensuring that residents would have access to basic banking services after Hurricane Melissa.

Other major highlights for the year are:

- 1. Second Phygital Branch Launched:**
On May 27, 2025, we upgraded our Up Park Camp, Kingston location and officially opened our second "phygital" (physical + digital) branch. Sagicor Bank is the only commercial bank operating on the military base to serve the Jamaica Defence Force personnel and authorised persons.
- 2. Major Corporate Deal:**
To continue our support for the energy sector, we successfully completed a syndicate deal of US\$55 million for West Kingston Power Plant.

Profit for 2025 was derived from net revenue of \$23.84 billion, 10% more than prior year. This was driven by higher net interest income and larger transaction volumes on card payments portfolios. The passage of Hurricane Melissa contributed to an increase in the provision for credit losses, this was offset by recoveries on loans and credit cards. Net interest margin increased to 7.95% from 7.91% in 2024.

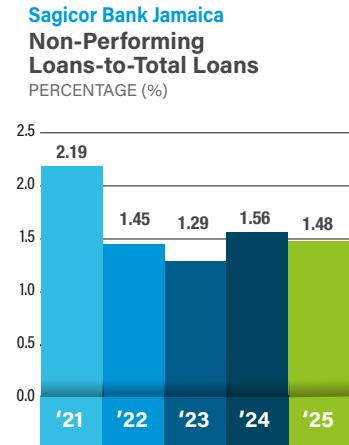
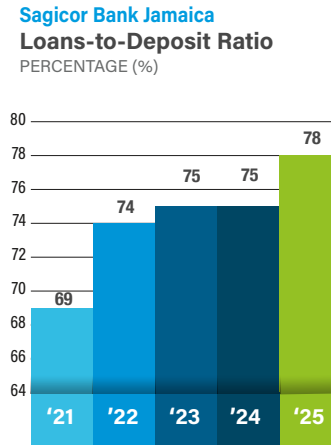
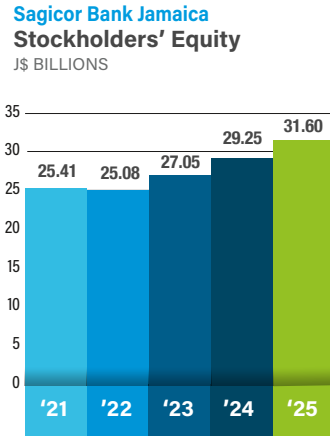
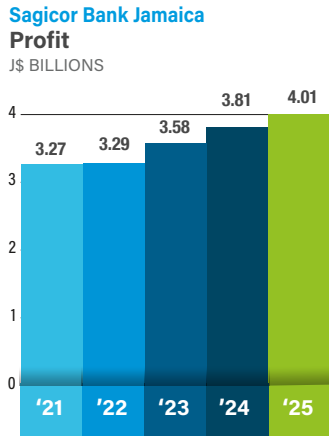
Commercial Banking Division

High level Profit & Loss for 2025 and 2024

	2025 J\$M	2024 J\$M	% Variance
Revenue (Net of Interest Expense and Credit Impairment)	23,836	21,649	10.1%
Expenses (including Asset Tax)	(17,640)	(15,744)	-12.0%
Taxes	(2,191)	(2,090)	-4.8%
Net Profit	4,005	3,815	5.0%

Sagicor Bank Key Performance Indicators

INDICATORS	2025	2024
Profitability		
Return on Assets	1.75%	1.84%
Return on Equity	13.17%	13.55%
Efficiency		
Operating Efficiency	71.79%	70.10%
Net Interest Margin	7.95%	7.91%
Credit Quality		
Non-performing Loans to Gross Loans	1.48%	1.56%
Provisions to Total Loans	1.43%	1.54%
Financial Leverage		
Deposits to Total Assets	81.95%	83.18%
Capital Adequacy		
	13.15%	13.10%



In our core business (deposits & loans), the deposits portfolio grew by 10% and the loan portfolio grew by 14%. Our lending portfolio increased by \$18.79 billion. The new loan business was largely funded by deposits, which grew by \$18.72 billion. Net loans to total assets was 62.92%, above 2024's 61.80%. Loans and advances, net of provision for loan losses, were \$151.96 billion, 14% higher than the December 2024 balance.

Non-interest income increased by 8% over the prior year. It should be noted that the increase recorded was well supported by fees from our electronic

payments segment which grew 8% over the prior year. Additionally, FX trading gains increased by 16% over the prior year due to an active trading strategy to capitalise on market opportunities.

Total assets of \$241.53 billion were 12% above the December 2024 total of \$215.46 billion.

Operating costs increased 15% over the prior year. The major drivers in terms of expenses were costs associated with communication and technology and staff costs.

J\$4.01B **5%**

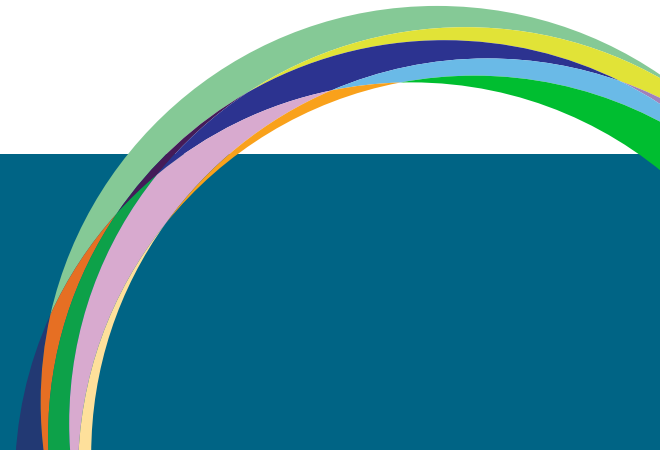
SBJ Net Profit

J\$23.84B **10%**

SBJ Net Revenue



SBJ REPORTED ANOTHER OUTSTANDING YEAR, MARKED BY A NET PROFIT OF \$4.01 BILLION, REPRESENTING A 5% YEAR-OVER-YEAR GROWTH. PROFIT FOR 2025 WAS DERIVED FROM NET REVENUE OF \$23.84 BILLION, 10% MORE THAN THE PRIOR YEAR.



SECTOR PERFORMANCE

INVESTMENT BANKING

Sagicor Investments Jamaica (SIJ) and Sagicor Investments Cayman (SIC) are the investment banking, asset management, trading and wealth management arm of SGJ. In 2025, the segment recorded a significant improvement in performance over prior year. The segment generated net profit of \$1.67 billion, an 86% improvement over prior year. Net investment income of \$4.55 billion increased by 50% (2024: \$3.03 billion), mainly due to higher interest income from a stronger interest earning asset base and a marked improvement in realised gains from securities trading. Despite high short-term funding rates, interest expenses remained relatively flat year-over-year at J\$5.08 billion.

Total revenue of \$11.64 billion increased 17% over the 2024 financial year. This revenue comprised interest income, capital net gain, fees and commission income, trading income and dividend. The year-over-year increase in revenue was primarily driven by net trading income. Net interest income improved by 25% over 2024. SIJ's Net interest margin increased to 2.30% compared to 2.17% in 2024. Non-interest income of \$2.03 billion was 14% higher than 2024's \$1.79 billion.

Our Asset Management segment, through our Sagicor Sigma Global Funds, continues to be the leader in

market share with 33% of the market; it held leading positions in performance, achieving the #1 performing USD Equity and Balanced Fund, as well as the #2 performing JMD Equity Fund. In our stockbrokerage unit the team delivered another year of strong performance with SIJ achieving the #1 position in Value traded on the JSE for 2025.

Our Capital Markets segment delivered improved year-over-year results, despite navigating a challenging year. In a tough environment, we executed deals totalling over US\$200 million, staying focused on delivering value to our clients. Looking

Sagicor Investments Key Performance Indicators

INDICATORS	2025	2024
Profitability		
Return on Assets	0.96%	0.55%
Return on Equity	7.29%	3.98%
Efficiency		
Operating Efficiency	70.68%	81.83%
Net Interest Margin	2.30%	2.17%
Financial Leverage		
Interest-bearing Liabilities to Total Assets	85.51%	83.92%
Capital Adequacy	16.97%	17.41%

Investment Banking Division

High level Profit & Loss for 2025 and 2024

	2025 J\$M	2024 J\$M	% Variance
Revenue (Net of Interest Expense and Credit Impairment)	6,581	4,824	36.4%
Expenses (including Asset Tax)	(4,365)	(3,747)	-16.5%
Taxes	(549)	(183)	-200.0%
Net Profit	1,667	894	86.5%

Our Asset Management segment through our Sagicor Sigma Global Funds continues to be the leader in market share with 33% of the market; it held leading positions in performance, achieving the #1 performing USD Equity and Balanced Fund as well as the #2 performing JMD Equity Fund.

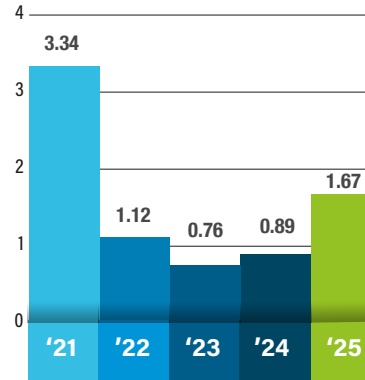
ahead, we are well-positioned to seize new opportunities and drive growth in the capital markets space, with the team's commitment and skills providing a strong foundation for future success.

During the year, our team of Wealth Advisors across the branch network continued to engage in and deepen relationships with existing clients, as well as new clients, and delivered strong sales results, exceeding prior-year performance. Our research team provided timely research and insights to guide investment decisions during the volatile market conditions as we continue to provide expert and prudent advice in line with our strategic focus to build wealth for our clients.

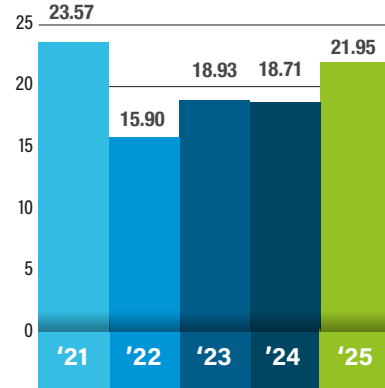
In 2025, we continued to advance our ongoing strategic initiative of digital transformation. Through the phased upgrade of the internet banking platform, new features were rolled out to our clients, including the ability to see all investment holdings in a central location, buy/sell stocks and repos online, generate monthly portfolio statements and get the latest market insights for JSE listed securities.

In 2025, Sagicor Investments Cayman grew revenues by 23% over the prior year; this was driven by an increase in trading income from market opportunities and balance sheet realignment. Total assets grew by 7%. The growth trajectory remains strong, and we expect to continue on this path.

Investment Banking Profit
J\$ BILLIONS



Investment Banking Stockholders' Equity
J\$ BILLIONS



J\$1.67B

SIJ Net Profit

2.30%

SIJ Net Interest Margin

23%

SIC Increase in Revenue

J\$11.64B

SIJ Total Revenue

J\$2.03B

SIJ Non-Interest Income

7%

SIC Growth in Total Assets



OUR CAPITAL MARKETS SEGMENT DELIVERED IMPROVED YEAR-OVER-YEAR RESULTS, DESPITE NAVIGATING A CHALLENGING YEAR. IN A TOUGH ENVIRONMENT, WE EXECUTED DEALS TOTTALLING OVER US\$200 MILLION, STAYING FOCUSED ON DELIVERING VALUE TO OUR CLIENTS.



ENTERPRISE RISK MANAGEMENT & COMPLIANCE

In pursuit of value creation for shareholders, clients and other stakeholders, Sagicor Group Jamaica ("Sagicor" or "the Group") remains committed to a robust and adaptable risk management programme. This commitment allows us to achieve sustainable growth and profitability, strengthen the resilience and adaptability of our operations, and uphold our reputation as a trusted financial group.

Given the nature of Sagicor's business operations and the diverse products and services offered across various jurisdictions, the Group is exposed to both financial and non-financial risks as it pursues its strategic objectives. The Group's risk management activities are designed to safeguard the balance between risk and reward, and ensure that the results of risk-taking activities are consistent with the Group's strategies, risk appetite and tolerance levels. To achieve this, Sagicor is guided by a Risk-Based Oversight Framework, ensuring a structured approach to identifying, assessing and mitigating risks across all subsidiaries.

Risk Management Principles

- a) **Assessment of Current and Emerging Risks** – Sagicor will systematically identify, evaluate and manage both material and emerging risks and opportunities to which the Group is exposed.
- b) **Balancing Risk & Reward** – Decisions will align with strategic goals and adhere to the defined risk appetite and tolerance limits.
- c) **Shared Responsibility for Risk** – All team members at Sagicor play an integral role in risk management.
- d) **Maintaining Robust Controls** – Sagicor will uphold a resilient and comprehensive internal control framework to mitigate risks.
- e) **Incentive Alignment** – Sagicor's performance and compensation structures reinforce its values and encourage prudent risk-taking.

Enterprise Risk Management Framework

The Group's Enterprise Risk Management Framework, supported by the elements outlined below, is aligned to international best practice standards and is designed to ensure the confidence of Sagicor's

shareholders, clients, team members and other stakeholders as the Group executes its strategy and takes advantage of opportunities.

Risk Governance

The Board of Directors is ultimately responsible for risk oversight and management within the Group and has a fiduciary responsibility to stakeholders. In dispensing its oversight functions, the Board is supported by several sub-committees at the Group and subsidiary levels that convene regularly and closely monitor the risk exposures of the Group and its subsidiaries. The sub-committees include:

- **Audit Committees**
- **Investment & Risk Management Committees**
- **Asset/Liability Management Committees**

Risk Appetite & Tolerance Statements

Sagicor's Risk Appetite and Tolerance Statements articulate the types and levels of risks it is willing to take to meet its strategic objectives. These limits ensure that Sagicor remains

within appropriate risk boundaries and efficiently manages its exposures to find the optimal balance between risk and return. The risk appetite is continuously reviewed and updated as the Group's strategy and operations evolve.

Policies And Procedures

As a critical component of the Enterprise Risk Management Framework, robust and appropriate policies and procedures establish a structured approach to identifying, assessing and mitigating risks. They provide clear guidelines for risk governance, ensuring consistency, compliance and alignment with strategic objectives. Regular reviews and updates enhance their effectiveness in addressing emerging risks and regulatory changes.

Risk Management Tools

Sagicor leverages various tools to systematically identify, assess and mitigate risks, ensuring informed decision-making. The risk assessment process is a key tool that evaluates risks based on their likelihood and potential impact, allowing for prioritisation and appropriate response strategies. Risk registers

serve as centralised repositories for tracking risks, controls and mitigation actions, fostering transparency and accountability. Additionally, tools such as key risk indicators (KRIs), scenario analysis and stress testing provide valuable insights into emerging risks and vulnerabilities. These tools collectively enhance Sagicor's ability to anticipate, manage and respond to risks in alignment with strategic objectives.

Monitoring And Reporting

Effective risk monitoring and reporting are integral to the ERM framework, ensuring that risks are continuously assessed and managed in alignment with the organisation's strategic objectives, appetite and tolerance. Through ongoing monitoring, key risk exposures are identified, tracked and analysed to detect emerging threats and opportunities. Structured reporting mechanisms provide management and stakeholders with timely, accurate and comprehensive insights, enabling data-driven decision-making.

Risk Culture

The Risk-Aware Culture aligns risk-taking and decision-making with the core values and expected behaviours

of the organisation. The foundation of Sagicor's risk culture are establishing risk awareness, nurturing open communication, and fostering a culture of continuous improvement. The risk culture ensures improved agility, increased engagement, efficient resource allocation and compliance adherence. The culture is also supported by the three-lines-of-defence model.

1. First Line: Core Business

- The principal owners of risk;
- Implements and carries out the day-to-day tasks to manage performance and risks taken to achieve strategy and business objectives;
- Sets business objectives;
- Establishes acceptable variation in performance;
- Reinforces risk responses.

2. Second Line: Support Function

- Provides independent oversight and challenges the first line to manage performance and take prudent risks to achieve strategy and business objectives;
- Supports the organisation through specialised skills;

- Establishes risk appetites, risk limits, policies and frameworks, in accordance with best practice and regulatory requirements;
- Measures, monitors, controls and reports to the Board and senior management on risks taken in relation to risk appetites and on emerging risks.

3. Third Line: Assurance Function

- Internal Audit provides the last line of accountability by performing audits or reviews of enterprise risk management practices, identifying issues and improvement opportunities, making recommendations, and keeping the Board and senior management up to date on matters requiring resolution.

Sagicor Group Jamaica's Key Risks

Financial Risk

Financial risk can be categorised as any unexpected changes in external markets, prices, rates and liquidity. This includes credit risk, market risk and liquidity risk.

Continued geopolitical tensions, threats and imposition of tariffs on several countries by the current US president, the reducing interest rate environment, lower levels of global growth and Hurricane Melissa that hit Jamaica in late October, were some of the challenges faced throughout 2025. The Group continued its heightened monitoring of key risks and implemented additional risk controls to minimise the adverse impact on its positions and performance.

Credit Risk

Credit risk refers to changes in credit markets, related to either general credit market movements, or the creditworthiness of a specific issuer of a fixed-income security on the Group's balance sheet, or of a counterparty to whom credit has been extended. Credit risk is managed within business lines, through the development and maintenance of the various policies and limits, the comprehensive reporting of credit risk exposures and proactive monitoring of exposures throughout the Group. The Group continues to be vigilant in the monitoring of these exposures.

Market Risk

Changes in financial markets, prices, or rates associated with general market movements, or specific assets on the Group's balance sheet, may have a negative impact on Sagicor's earnings or capital. Sagicor is exposed to foreign currency risk, primarily translation risk, due to the fluctuations of its foreign currency-denominated assets and liabilities (both on- and off-balance sheet). The Group manages this risk by adhering to its internal policy limits, actively monitoring changes in the environment, and adjusting its positions accordingly.

Interest rate risk is the potential impact on earnings and capital due to changes in interest rates. Interest rate risk arises when principal and interest cash flows (including final maturities), both on- and off-balance sheet, have mismatched repricing dates and amounts. Sagicor's exposure is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatched positions. Interest rate risk is managed using duration analysis and estimation of repricing gaps across entities. Duration reflects an instrument's sensitivity to interest rate changes, while the repricing gap approximates the potential change in net interest income.

During 2025, the Group continued to actively and frequently monitor its market exposures across all entities through the use of stress testing, stop loss limits and other sensitivity assessments. These measures were intended to minimise losses associated with ongoing geopolitical tensions, adverse global macroeconomic conditions and the severe damage caused by Hurricane Melissa's direct impact on western Jamaica in late October.

Liquidity Risk

Changes in liquidity supply or demand, can translate into three different levels of impact: (a) untimely sale of assets at unexpected price/volume; (b) inability to meet contractual obligations; or (c) default. Sagicor is exposed to liquidity risks through the mismatches in the timing of its cashflows and maturity of its assets and liabilities. Sagicor mitigates liquidity risk by:

- (1) Maintaining a diversified and stable source of funding, which includes deposits from retail and corporate clients;
- (2) Daily management of Sagicor's liquidity position by the Treasury department, which ensures adherence to policy limits;
- (3) The Assets and Liabilities Committee meets monthly, or

more frequently, if necessary, to review the management of liquidity risk exposures, and reports to the Investment and Risk Management Committee on a periodic basis.

During the reporting period, Sagicor continued to monitor and report on all key internal and regulatory liquidity metrics to ensure that liquidity is maintained and managed at prudent levels.

Insurance Risk

The Group offers several life, health and general insurance products, and inherently may be faced with financial losses due to variations in actual events and the assumptions used in the process of pricing insurance products. The risks inherent in these products are managed with controls carefully selected to match business objectives and risk tolerances. These controls include Board-approved underwriting guidelines and frequent reporting to the Board of Directors and various sub-committees of the Board.

The International Accounting Standard Board (IASB) issued a new accounting standard (IFRS 17), which establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard.

Sagicor has adopted the new reporting requirements as prescribed by the standard which came into effect on January 1, 2023.

Operational Risk

Operational risks result from inadequate or failed internal processes, people and systems, or from external events that disrupt the flow of business operations. Sagicor's key operational risks include Data & Information Technology, Legal, Regulatory & Compliance, Fraud and Human Resource. Operational risk losses can be disastrous and, therefore, require consistent monitoring and effective management. To this end, Sagicor manages this risk by:

1. Implementing policies, processes and assessment methodologies to ensure that operational risks are appropriately identified and managed with effective controls;
2. Holding all employees accountable for managing risk and the internal control environment and providing them with the mechanism to report breaches of policies, procedures and laws, if necessary;
3. Conducting regular reviews to provide assurance that the risk framework is operating effectively;

- Maintaining comprehensive Business Continuity and Disaster Recovery Plans to ensure the continuity of critical business functions and minimisation of adverse impacts on clients, team members and other stakeholders in the event of business disruptions.

Data, Information & Technology Risk

As digital transformation accelerates, Sagicor continues to leverage technology to enhance operational efficiency and client convenience. However, this increased reliance on technology introduces risks related to data security, system integrity and infrastructure reliability. Cyber threats, data breaches and system failures can disrupt operations, expose sensitive information and result in financial penalties and reputational damage. To mitigate these risks, Sagicor employs a proactive approach to monitoring and managing IT vulnerabilities, continuously refining security frameworks and implementing advanced protective measures. Additionally, ongoing training and awareness programmes equip team members and clients with the knowledge to identify and respond to evolving cybersecurity threats. A comprehensive Information Security Policy, supported by robust policies,

procedures and technologies, ensures the confidentiality, integrity and availability of critical systems and data.

Legal, Regulatory & Compliance Risk

As a financial group operating in a complex regulatory environment, Sagicor must navigate a broad range of legal and compliance requirements. Non-compliance with corporate governance standards, anti-money laundering and counter-terrorist financing regulations, data privacy laws and ethical business practices can result in financial penalties, operational disruptions and reputational harm. To manage these risks, Sagicor maintains a structured governance framework, supported by rigorous policies, procedures and a comprehensive training programme. Business units serve as the first line of defence, managing day-to-day compliance risks, while the Group Legal and Compliance teams provide oversight and guidance as the second line of defence. Additionally, Sagicor employs robust screening and monitoring mechanisms to detect, report and address regulatory risks, ensuring continued adherence to industry best practices and legal obligations.

Fraud Risk

Fraud remains a critical risk for all financial institutions, requiring robust controls and continuous monitoring to safeguard assets, maintain regulatory compliance and protect stakeholder trust. Sagicor employs a comprehensive fraud risk management framework and internal controls to detect and prevent fraudulent activities. The Group continuously assesses fraud risks across various channels and implements enhanced security measures to mitigate these risks. Annual fraud training for team members and client sensitisation sessions are used to further strengthen our fraud prevention efforts. As fraud schemes evolve, Sagicor remains committed to adapting our strategies and investing in technology to mitigate emerging threats and uphold the highest standards of financial security.

Human Resource Risk

The success of Sagicor is driven by its ability to attract, develop and retain a skilled and engaged workforce. Human resource risks, including recruitment challenges, employee retention, performance management, succession planning and labour relations can impact the Group's operational stability and long-term growth. To address these risks, Sagicor has established clear policies and procedures that

guide talent management and workforce development. A strong emphasis is placed on succession planning to ensure key roles remain adequately resourced, enabling the Group to execute strategic initiatives effectively. Through a People First culture, Sagicor fosters an environment of excellence, collaboration and continuous learning, reinforced by engagement programmes that enhance team member satisfaction, motivation and productivity.

Strategic Risk

Strategic risk arises from business decisions that may be misaligned with market conditions, poorly executed, or insufficiently resilient to external disruptions. To mitigate this risk, Sagicor integrates risk management into its strategic planning process, ensuring that potential challenges and opportunities are identified, assessed and addressed. Business leaders across the Group continuously monitor internal and external factors that could impact strategic objectives, allowing for timely adjustments to strategic initiatives. Executive management regularly reviews progress against the Group's strategic plan, making data-driven decisions to ensure long-term resilience, competitiveness and sustainable growth.

Environmental, Social & Governance (ESG) Risk

With ESG considerations playing an increasingly critical role in corporate strategy, Sagicor remains committed to managing environmental, social and governance risks while aligning with global sustainability objectives. Climate change, resource management and evolving environmental regulations present key challenges that the Group addresses through sustainable business practices, energy-efficient initiatives and continuous impact assessments. Social risks are mitigated through a commitment to diversity, fair labour practices, active community engagement and fostering a resilient and inclusive corporate culture. Governance risks are managed by continuously strengthening governance frameworks, enhancing transparency, and upholding ethical decision-making. By integrating ESG principles into its operations, Sagicor aims to fortify resilience, uphold reputation and contribute positively to the sustainable development of communities.

OPERATIONAL CAPABILITIES AND TECHNOLOGY

Sagicor Group Jamaica's operational capabilities include the mix of team members, financial advisors, brokers, health-care providers, consultants, suppliers and all other entities along the supply and value chains. We carefully manage and synchronise the roles of the entities that contribute to the delivery of our offerings. For those internal, there are a number of ongoing programmes, including envisioning and training. Strong relationships are built with external partners to ensure the best value and convenience for our clients.

In addition to our people, internal systems, processes and structures are pivotal to the delivery of the promise. We cultivate a competitive environment that spurs innovation and is performance-driven. We continuously seek to improve our operations by streamlining workflows, automating processes and leveraging the best available technologies. Indeed, there are a high number of new initiatives each year and the most outstanding are recognised at the Annual Corporate Awards event in April, where we celebrate excellence in achievements.

Operations are governed by best practice frameworks and guidelines. Sagicor believes it has the capacity to achieve the strategies designed and objectives set.

Use of Technology

Sagicor Group recognises technology as an important lever of business for financial services. Our vision is to position the Group as the leading digital financial services organisation in the Caribbean, increasing value through digital transformation, innovation, IT security, customer experience and efficiencies.

We strive to deliver reliable, innovative and intuitive technologies for business growth, new capabilities, efficiencies, penetration into new market segments and to offer a superior client experience.

We will realise our vision of becoming a leading fully integrated financial services player in the Caribbean through:

- Data analytics and business intelligence;
- Innovation and digital transformation;
- Proactive IT security posture incorporating team members and clients;

- Increased focus on resilience, data privacy and protection;
- Providing platforms to underserved market segments;
- Enhancing and improving client intimacy and experience.

Data Privacy and Security

The Group understands its obligations to clients, data subjects, regulators and various data protection standards bodies. In this regard, the Group treats the privacy, reliability and security of its systems, infrastructure and client information as a top priority. We have implemented and continually maintain or improve the requisite policies, standards, procedures and technologies required to detect and protect against critical system failures, loss of service availability or any material breach of data and/or security.

We value the trust of our clients and we understand that handling their information with care is one of the most important responsibilities. As such, only team members or external third parties who need to know a customer's information to perform certain required functions or to comply with the law are provided with authorised access, which is also monitored.

The Group operates under a detailed and rigorous cybersecurity and data protection scheme designed to protect the confidentiality, integrity and availability of our clients' information.

The Board of Directors has approved our policy and programmes and is kept informed of their overall progress and status; programmes are also subject to ongoing examination by auditors and regulators. In addition, we have a strict code of ethics for all team members, requiring confidential treatment of client information, wherein all team members with access to client information must complete information protection training annually.

Business Continuity

Sagicor Group Jamaica is committed to maintaining ongoing operations for our various stakeholders. We recognise that certain uncontrollable events may cause interruptions to our normal operations. In preparation for such events, we have developed continuity of operations and response plans to ensure enough resources are

available for the recovery of critical business operations. Included in these plans are the following:

- A Corporate Business Continuity Plan (BCP), which includes a Crisis Management Plan (CMP);
- A Corporate Emergency Response Plan (ERP);
- An Information Technology Disaster Recovery Plan (IT DRP), which includes an Incident Response Plan (IRP).

The Corporate Business Continuity Plan (BCP) was developed with input from all business units, critical business partners and approved by the Board of Directors. The BCP ensures the continuity of critical business functions in the event of a recoverable business disruption and helps to minimise the impact on team members, clients and other stakeholders. The BCP seeks to address events such as natural disasters, loss of utilities, loss of services by external providers, organised and/or deliberate

disruption, and other organisational threats. The Crisis Management Plan includes the processes that will be taken to respond to a critical situation (physical or non-physical) that could negatively affect profitability, reputation or our ability to operate.

The Corporate Emergency Response Plan (ERP) was developed in synchrony with the BCP and is aimed at protecting team members, visitors, contractors and anyone else in the various facilities through which we operate. The plan assigns roles and responsibilities for the implementation of the plan during an emergency, and establishes communication procedures, equipment, and a primary and alternate Emergency Operations Centre location. The plan also establishes mitigation procedures and protective actions to safeguard the health and safety of personnel.

The Information Technology Disaster Recovery Plan (IT DRP) was developed in congruence with the BCP and encompasses the policies and procedures related to preparing for recovery or continuation of the

technology and communications infrastructure after a recoverable disaster or emergency. Our IT infrastructure also includes a high level of redundancy, resilience and data protection features, and alternative computing sites, aimed at ensuring the availability, integrity and confidentiality of the information asset.

To ensure that our continuity of operations and response strategies, policies and procedures are relevant, regular testing and simulation exercises form part of our preparedness strategy, which are used to refine our recovery procedures and inform the evergreening of our policies and plans.



THE CORPORATE BUSINESS CONTINUITY PLAN (BCP) ENSURES THE CONTINUITY OF CRITICAL BUSINESS FUNCTIONS IN THE EVENT OF A RECOVERABLE BUSINESS DISRUPTION AND HELPS TO MINIMISE THE IMPACT ON TEAM MEMBERS, CLIENTS AND OTHER STAKEHOLDERS.

OUR CORPORATE STRATEGY

Sagicor Group Jamaica is founded on a steadfast commitment to our corporate strategy, driven by data analysis, performance reviews, economic evaluations, risk management, resource optimisation, and international best practices. These pillars are essential for setting strategic objectives that align with our vision and ensure sustainable, long-term value for all stakeholders.

Our strategy is formulated through diligent planning, cross-functional collaboration, stakeholder engagement, and continuous analysis of market trends and emerging opportunities, at both the Group and subsidiary levels. These insights inform key initiatives, which are implemented with agility and efficiency to achieve our strategic goals. Updated annually and approved by the Board of Directors, the Group's strategy outlines a clear direction:

1. Digitally transform the business and enhance operating efficiencies;
2. Generate and grow revenue in new ways;
3. Build client intimacy and loyalty through effective relationships;
4. Foster a culture that attracts, engages and retains top talent;
5. Expand our geographic footprint.

We remain dedicated to offering industry-leading products, broadening our market reach, driving sustainable performance and accelerating growth whilst ensuring value creation for our shareholders, clients and team members.

OUTLOOK

Global economic conditions in the fourth quarter reflected a gradual shift towards monetary easing in the United States. The US Federal Reserve reduced policy rates by 25 basis points in December and subsequently held rates steady at the 3.5% to 3.75% range at its January 2026 meeting. This marked three rate cuts in 2025, implemented in response to a weakening labour market and economic uncertainty, with further rate reductions expected later in 2026. Equity markets posted moderate gains, with the S&P 500 ending the year positively, supported by lower interest rates and continued investor appetite for technology and artificial intelligence-related stocks.

In Jamaica, fourth-quarter economic conditions were defined by the landfall of Hurricane Melissa. The World Bank estimates the physical damage to be US\$8.8 billion, or

41% of FY 2024 Gross Domestic Product (GDP), revised upward from preliminary estimates of between 28% and 32%. This represents the most severe natural disaster impact in Jamaica's history, with recovery timelines extending beyond 2029. Economic activity is estimated to have contracted between 11% and 13% in the fourth quarter, reflecting widespread disruption across productive sectors and damage to labour, capital and infrastructure. Importantly, delays in hotel reopenings and weaker than anticipated tourist demand suggest that full recovery of the hotel room capacity is not expected until December 2026. For FY 2025/2026, the Bank of Jamaica (BOJ) projects a decline in real GDP in the range of -1.0% to -3.0%, a smaller contraction than the previous estimate.

Inflation remained contained, with point-to-point inflation at 4.5%



in December and 3.9% in January 2026, driven primarily by higher food costs due to supply constraints. In February 2026, the BOJ reduced its policy rate by 25 basis points to 5.50%, reflecting a more favourable inflation outlook and an assessment that the direct inflationary impact of Hurricane Melissa was less severe than initially anticipated. The central bank expects inflation to trend broadly within its 4.0% to 6.0% target range over the medium term, while it remains proactive in supporting relative stability in the foreign exchange market. Net International Reserves rose to US\$6.7 billion as at January 2026, supported by inflows and reinsurance receipts.

Despite the severity of the hurricane, the economy is in full recovery mode. To date, Jamaica has secured critical liquidity totalling US\$662 million, including proceeds from the World Bank Catastrophe Bond as well as local and international Contingency and Natural Disaster Relief Funds. While climate-related shocks remain a significant risk to national economic development, continued support from international partners provides a strong foundation for recovery and future growth prospects. Post-disaster reconstruction and resilience initiatives, including the rebuilding of critical infrastructure, are expected to commence in FY 2026/2027 under the

National Reconstruction & Resilience Authority.

Notwithstanding the significant headwinds posed by Hurricane Melissa, Sagicor Group Jamaica continued to deliver solid financial performance and maintain sound liquidity. The Group's strong reserves, robust risk and governance frameworks, and diverse revenue base support resilience and long-term value creation in a challenging environment.

ACKNOWLEDGEMENT

Our Sagicor journey is shaped by the people who share in our vision. To our clients, #ONESagicor team members, advisors, brokers, partners, and

shareholders—thank you for the trust you place in us and the role you play in consistently championing our pursuit of excellence. To our Directors, we thank you for your steady leadership, guidance and strategic direction. Your dedication continues to shape our ability to serve with purpose and impact.

CHRISTOPHER ZACCA C.D., J.P.
PRESIDENT & CHIEF EXECUTIVE OFFICER

ANDRE HO LUNG
CHIEF FINANCIAL OFFICER

SAGICOR INNOVATION CHALLENGE 2025

STUDENT INGENUITY AT THE UNIVERSITY OF TECHNOLOGY, JAMAICA

Innovation and entrepreneurship were on full display at the 2025 staging of the Sagicor Innovation Challenge, an initiative led by Sagicor Group Jamaica in partnership with the University of Technology, Jamaica (UTech). Now in its fifth year, the programme continues to serve as a platform for student innovators to develop technology-driven solutions to some of Jamaica's most pressing challenges.

Hosted through the on-campus Sagicor Innovation Lab, with a total investment of J\$125 million over the last five years, the competition guides students through the process of transforming ideas into viable solutions and potential businesses. Participants are encouraged to apply emerging technologies such as Artificial Intelligence, Blockchain and the Internet of Things to address issues affecting areas such as public safety, transportation, finance and environmental management. The 2025 challenge, launched in March, attracted more than twenty teams representing various academic programmes across the university. Over several weeks, participants moved through an intensive development phase that included workshops, mentorship sessions and prototype building.

Teams sharpened their concepts, validated business models and readied their solutions for presentation. Designed to both test each idea and build capability,

the programme strengthened participants' communication, problem-solving and entrepreneurial skills.

The challenge culminated at the Jamaica Pegasus Hotel on April 22, where ten teams delivered fast-paced elevator pitches to a judging panel drawn from academia and industry. Four teams advanced to the final investment pitch, presenting deeper demonstrations and outlining the impact and scalability of their solutions.

Top honours went to Angel Pinnock, a UTech computer science student, for Gully Guard, an innovation tackling a persistent environmental and infrastructure challenge – gully blockages caused by debris and illegal dumping.

Using Internet of Things (IoT) technology, the system tracks debris build-up and flood conditions in gullies to help maintain water flow and trigger early warnings, supporting faster response before flooding occurs. A modular barrier design helps intercept debris while allowing water to move freely.

Pinnock's pitch resonated with judges and the audience alike. Using a garbage bag as a visual prop, she illustrated the volume of waste that clogs Jamaica's drainage systems, underscoring both the urgency of the issue and the practical promise of her solution.

She received the top prize of J\$1 million – J\$500,000 in cash and J\$500,000 in development support, through the university's Technology Innovation Centre.

Second place went to Blue Print Innovators for StreetGuard, a LiDAR-based smart surveillance system for public safety and infrastructure monitoring. Combining high-precision sensors with Artificial Intelligence analytics, it can detect criminal activity, track traffic conditions, identify road hazards and send real-time alerts to emergency services. The team received J\$250,000.

Team Jana placed third with a mobile app and data analytics platform designed to improve the public transportation experience. The solution gives commuters real-time information on bus and taxi stops, including estimated wait times and crowd levels, while providing operators with insights to optimise routes and schedules, and reduce long-standing inefficiencies. The team earned J\$100,000.

The 2025 staging reinforced the creativity and determination of Jamaica's next generation of problem-solvers. Through the Sagicor Innovation Challenge, students gain the mentorship, structure and resources needed to turn bold ideas into practical, technology-driven solutions.

J\$125M

INVESTED IN THE SAGICOR INNOVATION CHALLENGE OVER THE LAST FIVE YEARS



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1. Mark Chisholm, Chief Revenue Officer for Sagicor Life Jamaica, presents Angel Pinnock of the School of Computing and Information Technology, UTech, Jamaica, with the \$1 million prize after her winning pitch at the 2025 Sagicor Innovation Challenge finals, held at the Jamaica Pegasus Hotel on April 22, 2025. Her solution, Gully Guard, introduces innovative flood-sensing technology to address gully flooding and dumping in Jamaica.
2. Members of Blue Print Innovators receive their second-place award from Professor Sean Thorpe, Dean, Faculty of Engineering and Computing, at the 2025 Sagicor Innovation Challenge finals, held at the Jamaica Pegasus Hotel on April 22, 2025. From left: Garvain Campbell, Jada Howard, Chae Francis and Kamilla Garrick. Their project, StreetGuard, secured a \$250,000 prize.
3. Team Jana receiving the third-place award from Dr. David White, Head, School of Computing and Information Technology, at the 2025 Sagicor Innovation Challenge finals, held at the Jamaica Pegasus Hotel on April 22, 2025. From left: Jamar Plummer, Najay Green and Natalya Murray. Their app delivers real-time updates on public transportation, earning them JMD \$100,000.

SAGICOR SUPPORTS JAMAICA'S RECOVERY

REBUILDING EFFORTS FOLLOWING HURRICANE MELISSA

In the aftermath of Hurricane Melissa, Sagicor Group Jamaica moved swiftly to support national recovery efforts, recognising that moments of crisis require collective action, compassion and leadership. Through Sagicor Foundation Jamaica, J\$200 million was committed to assist communities across Western Jamaica that were severely impacted by the hurricane. The response combined financial assistance, volunteerism and direct community outreach, guided by a deep belief that rebuilding stronger communities is a shared national responsibility.

As part of this commitment, J\$100 million was allocated towards repairing health clinics in western parishes damaged during the hurricane. In partnership with the Ministry of Health & Wellness, several primary healthcare facilities that serve thousands of residents will be restored.

At Sagicor, our strength lies in our team. After the passage of the hurricane, our immediate priority was to support our team members with J\$40 million in direct relief. Supporting them through this challenging period was central to our response,

ensuring those who dedicate themselves to serving our clients and communities received the care, guidance and resources they needed to rebuild their lives. Our support extended beyond financial assistance, as members of the Sagicor family in less affected areas stepped forward to serve. Volunteers from across the Group came out to assemble care packages, and we partnered with Food For The Poor to help package and distribute essential relief supplies to affected communities. These efforts reflected the culture of compassion and solidarity within our Company, emphasising that meaningful recovery happens when people unite to support each other.

Beyond distributing relief supplies, Sagicor Life Jamaica's mobile medical clinic brought healthcare to Jamaicans who were unable to see a doctor or fill prescriptions in the weeks after the hurricane. The outreach initiatives served Middle Quarters in St. Elizabeth and Frome in Westmoreland, Free medical consultations, health screenings and prescription medication was provided to over 200 residents.

Education is a core pillar for us at Sagicor Foundation, and assisting the sector's recovery was vital. In December 2025, we launched the 2026 Sagicor SIGMA Corporate Run under the theme "Run for the West," aiming to raise J\$150 million to restore five (5) schools in the hurricane-affected western region – Hopewell High School in Hanover, Green Pond High School in St. James, Little London High School in Westmoreland, Salt Marsh Primary and Infant School in Trelawny, and Mayfield Primary and Infant School in St. Elizabeth. Through this national fund-raising effort, thousands of Jamaicans were invited to join us in helping students return to safe and functional learning environments.

We remain committed to Jamaica and its people. In difficult times, our efforts offer families the support they need to recover, while restoring crucial services and community structures that sustain daily life. With every step, we strengthen community bonds, nurture hope, and reinforce the foundation of our nation.

J\$100M

Allocated towards repairing health clinics in western parishes damaged during the hurricane.

J\$40M

Direct relief to Sagicor team members.

200+

Residents received free medical consultations, health screenings and prescription medication.



3.



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1. (From left) Latoya Harris-Gharthey, Executive Director of the National Education Trust; Senator Dr. the Honourable Dana Morris Dixon, Minister of Education, Skills, Youth and Information; Marion White-Cuff, (acting) Principal of Mayfield Primary and Infant School; and Nicole Campbell Robinson, Vice President, Communications, Digital Media and CSR at Sagicor Group Jamaica, at the launch of the 2026 Sagicor SIGMA Run, where Sagicor Foundation Jamaica committed to raising J\$150 million to support five schools damaged by Hurricane Melissa in October. The launch was held on December 4, 2025 at the Sagicor Auditorium in the R. Danny Williams Building.
2. (Front right) Chorvelle Johnson Cunningham, CEO, Sagicor Bank Jamaica (SBJ); (front left) Vilma Gunter, Branch Manager, SBJ Black River; (centre, right to left) Keri-Leigh Manning, AVP, Banking Treasury, SBJ; Vallana Hill, VP, SME Banking, Cards and Payments, SBJ; Annette

- Osborne, VP, Banking Operations, SBJ; Kavon Walker, Branch Manager, SBJ Mandeville and (back, right to left) Loven McCook, Regional Manager, Retail Banking (South), SBJ; Michael Willacy, SVP, Corporate and Commercial Banking, Strategic Business Development Unit, SBJ; and Clinton Hunter, AVP, Retail Banking, SBJ, at the reopening of the Bank's Black River branch on December 15, 2025.
3. Christopher Zacca, President and CEO of Sagicor Group Jamaica, embraces Vilma Gunter, Branch Manager of Sagicor Bank Black River, at the Black River office while delivering relief supplies to team members affected by Hurricane Melissa.
4. Dr. Candese Michael (right) assesses a resident visiting the mobile clinic at Middle Quarters All-Age School.



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SGJ ADHERES TO THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE AND ETHICAL CONDUCT. WE BELIEVE THAT ACCOUNTABILITY, TRANSPARENCY AND GOOD DECISION-MAKING SUPPORT OUR BUSINESS, SERVE OUR CLIENTS AND OTHER STAKEHOLDERS AND CREATE VALUE FOR OUR SHAREHOLDERS.

DR. MARJORIE FYFFE-CAMPBELL

CHAIR - CORPORATE GOVERNANCE
& ETHICS COMMITTEE

STATEMENT OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2025

Sagicor Group Jamaica Limited (“SGJ”, “the Group”, or “the Company”), along with its subsidiaries, continues to prioritise a strong corporate governance framework which honours the principles and internal guidelines set out in its Corporate Governance Code in conformance with internationally accepted Corporate Governance Principles. Our corporate governance framework promotes effective engagement with our stakeholders and helps us evolve with changing times. It also ensures that we make timely disclosures and share accurate information regarding our financial results and performance, as well as the leadership and governance of the Company.

The Corporate Governance and Ethics Committee is charged with ensuring compliance with best practices in Corporate Governance and Ethics. The Committee’s mandate also includes the management of the process for Director succession, nomination and re-election, Directors’ orientation and training, performance evaluation of the Board, Directors’ peer review, Directors’ compensation, related party transactions and issues relating to any potential conflicts of interest.

We are very pleased that the Company has continued the trend of increasing its score in the Jamaica Stock Exchange’s (JSE’s) Corporate Governance Index (CGI), having attained the maximum rating of “AA” (95.50%) for 2025, topping its previous score of 93.25% in 2024.

The CGI serves as a benchmark for assessing the corporate governance practices of listed companies against international best practice and legal and regulatory requirements as embodied in the Rules of the JSE, the Companies Act and the Securities Act.

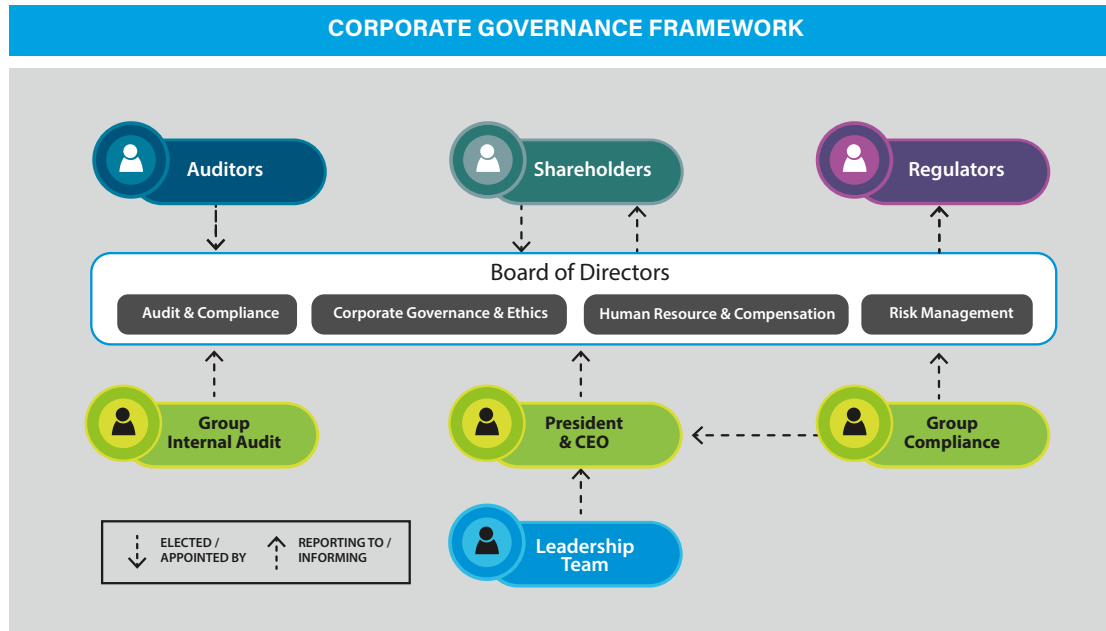
For the third year in a row, SGJ’s Annual Report placed in the top three at the JSE’s Best Practice Awards held in December 2025, having been awarded 2nd place for the best Annual Report (Main Market) in respect of its Annual Report for 2024. The Committee commends its fellow Directors of the Board, SGJ’s management team and all team members for their role in helping to achieve these significant corporate governance milestones.

DISCLOSURE AND TRANSPARENCY – OUR COMMITMENT TO OUR STAKEHOLDERS

SGJ adheres to the highest standards of corporate governance and ethical conduct. We believe that accountability, transparency and good decision-making support our business, serve our clients and other stakeholders and create value for our shareholders.

Our shareholders are invited to engage the Board and Management during a question-and-answer session at the Company’s Annual General Meeting (AGM) or at several investor briefing sessions held by SGJ and our subsidiaries throughout the year. Shareholders are also able to email their queries about Company news and initiatives to sgj_investorrelations@sagicor.com.

The Minutes of the AGM, including questions asked and the responses given, are prepared and made available to shareholders for review on the Company’s website and at the subsequently held AGM. Shareholders may also request a copy of the Minutes by sending an email to SBJ_Registrar@sagicor.com.



The Company's Articles of Incorporation, as well as the Corporate Governance Manual, are accessible on our website.

The Company believes in preserving investor confidence in the market by complying with its disclosure obligations and, where appropriate, exceeding minimum requirements to provide investors with equal access to timely, balanced and effective disclosures.

All market-sensitive information is released to the JSE in compliance with applicable disclosure obligations under the exchange's listing rules in a timely manner. Additionally, the Company facilitates regular

investor briefings using digital platforms that allow shareholders, journalists and other stakeholders to participate.

The Company also posts information released to the JSE on its website. The Company utilises several avenues to communicate with and keep our shareholders informed. Information on Company developments, including financial results, is readily provided via the Company's website, social media accounts, through media briefings, as well as print media, radio and television. Significant regulatory developments are communicated via JSE announcements and press releases published in the daily newspapers.

THE ROLE OF THE BOARD

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. It is well recognised that an effective Board is a prerequisite for strong and effective corporate governance. The Board is at the core of our corporate governance practice and oversees how management serves and protects the long-term interests of our stakeholders. It ensures that the Company is effectively run by management in alignment with its mission, goals and regulatory requirements.

In 2025, the Board undertook:

- Setting the strategic direction of the Company and overseeing its implementation;
- Approving material transactions and capital initiatives;
- Approving the enterprise risk management framework (including risk appetite, risk management strategy and control and compliance systems) and monitoring its effectiveness;
- Monitoring the performance of management and the business against the approved plans;
- Ensuring that the Group's corporate governance framework was strictly adhered to; and
- Ensuring that the Group adhered to regulatory and compliance issues pertaining to all the jurisdictions in which it operates.

BOARD CULTURE

As a Board, we are committed to ensuring that we adhere to best-practice corporate governance principles and apply them in a pragmatic way that adds value to the Group. Continually enhancing our corporate governance practices is central to our aim of ensuring the stability of the Group.

Culture and the fostering of an inclusive performance-based Organisation is a key focus for us as part of our wider governance framework. The Board will continue to work to ensure the Group's strategy, operating model and remuneration framework are aligned with our cultural focus.

We continue to ensure that the Group's core vision and values are developed and clearly understood by all our stakeholders, particularly our team members. We recognise that the Board must lead by example to promote a culture across the Group that supports the pursuit of teamwork and excellence.

A healthy Board culture protects and generates value for our stakeholders, and the Board is committed to fostering a culture that thrives on ethics, transparency, excellence and performance accountability.

OVERALL BOARD RESPONSIBILITIES AND ACTIVITIES

Strategic Planning

- Approving and overseeing the implementation of a consolidated Group Strategic Plan;
- Directing Management in the formulation of the Group's Strategic Plan;

- Reviewing and approving the Group's financial objectives and action plans;
- Reviewing and approving the Group's annual strategic plan, including operating and capital expenditure programmes and plans.

Enterprise Risk Management and Capital Oversight

- Identifying the Group's inherent risk profile and internal control priorities and ensuring that Management's plans and supervision of such risks are adequate, independent and objective;
- Approving the Group's policies for identifying, originating, administering, monitoring and reporting the Group's significant risks;
- Approving major capital expenditures, raising capital, allocation of capital among lines of business, transactions within the Board's reserved power, organisational restructurings and other major financial activities;
- Approving the risk appetite and receiving regular reporting on capital adequacy/solvency and compliance.

Performance Evaluation

- Evaluating the Board's performance and conducting peer reviews of each Director annually;
- Reviewing and approving annual performance targets for the Group President & CEO, and other executive officers;
- Reviewing and approving the process within the Group for identifying high potential officers;

- Completing annual internal and external evaluations of its own performance as a Board and individually as Directors.

Communication

- Reviewing the Group's communications programme, including measures for receiving feedback from stakeholders;
- Ensuring that infrastructure is in place for accurate, timely and full public disclosure of disclosable events, transactions and conditions;
- Reviewing due-diligence processes and controls for certifying the Group's financial statements.

Internal Controls

- Reviewing and approving the Group's Code of Conduct and Management's plans for instilling the right value system in the Company;
- Ensuring the Group's compliance with applicable legislative, regulatory and internal policy requirements;
- Corporate Governance;
- Ensuring the maintenance of corporate governance policies and guidelines and a code of ethics consistent with regulatory and legal requirements, industry best practices and Company needs;
- Establishing the protocols for subsidiary supervision.

The following diagram illustrates the diverse skill set of the Directors.

SKILLS & EXPERTISE	BOARD MEMBERS													TOTAL	PERCENTAGE (%)	
	Peter Melhado	Christopher Zacca	Dr. Dodridge Miller	Paul Hanworth	Peter Clarke	Dr. Jacqueline Coke-Lloyd	Dr. Marjorie Fyffe-Campbell	Stephen Facey	Stephen McNamara	Mahmood Khimji	Andre Mousseau	Philip Armstrong	Cathleen McLaughlin			Jeffrey Hall
General Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	13	92.85%
International Business	■	■	■	■	■	■	■	■	■	■	■	■	■	■	10	71.42%
Finance	■	■	■	■	■	■	■	■	■	■	■	■	■	■	11	78.57%
Strategic Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	11	78.57%
Corporate Law	■	■	■	■	■	■	■	■	■	■	■	■	■	■	5	35.71%
Banking	■	■	■	■	■	■	■	■	■	■	■	■	■	■	8	57.14%
Corporate Finance (Mergers & Acquisitions)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	10	71.42%
Asset Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	8	57.14%
Insurance	■	■	■	■	■	■	■	■	■	■	■	■	■	■	6	42.85%
Human Resource Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	3	21.42%
Property	■	■	■	■	■	■	■	■	■	■	■	■	■	■	9	64.28%
Information Technology/ Cyber Security	■	■	■	■	■	■	■	■	■	■	■	■	■	■	3	21.42%
Corporate Governance/ESG	■	■	■	■	■	■	■	■	■	■	■	■	■	■	5	35.71%
Marketing & Public Relations	■	■	■	■	■	■	■	■	■	■	■	■	■	■	1	7.14%
Regulatory Experience	■	■	■	■	■	■	■	■	■	■	■	■	■	■	3	21.42%
Risk Management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	2	14.28%

KEY ■ INDEPENDENT DIRECTOR

BOARD COMPOSITION

There was one change to the composition of the Board of Directors during the financial year ended December 31, 2025. Ms. Cathleen McLaughlin joined the Board on February 1, 2025, succeeding former Director Mr. Gilbert Palter who resigned. Her appointment was approved by the shareholders at the AGM held on May 22, 2025.

This stability in leadership has allowed for continuity in decision-making and strategic direction, ensuring the consistent execution of the Company's long-term goals and fostering a strong, unified governance structure. As a result, the Board of Directors consisted of thirteen (13) Non-executive Directors, six (6) of whom are Independent, along with one Executive Director serving as the President and Group CEO.

BOARD EXPERTISE

Our Board members possess a range of qualifications, skills, and experience/competencies, reflecting diversity across gender, industry knowledge and age. The Board appoints members who combine a broad and relevant spectrum of experience and expertise with a reputation for integrity. Its members have experience in positions with a high degree of responsibility and

possess the necessary competencies and knowledge in wide and diverse areas relevant to the business. These include areas of international business, banking, corporate finance, mergers and acquisitions, strategic management, human resources, corporate governance, corporate law, asset management, insurance, property management, information technology, marketing and general management.

This breadth of knowledge and expertise provides for diversity of opinions and invaluable support to the Board's decision-making process, which underpins the need for independent and critical thinking in their ability to represent the interests of stakeholders.

Additionally, Directors are afforded the opportunity through internal and external training to build on or to be exposed to other disciplines.

BOARD COMMITTEES

The Board has delegated certain of its authorities to various Board Committees to focus on complex and specialised issues facing the Group. Currently, the Board has four (4) regulatory mandated committees – Audit; Corporate Governance and Ethics; Human Resources and Compensation; and Risk Management. The Board has also appointed an Investment and Capital Allocation Committee to monitor how capital is deployed across the Group and is considered vital to the efficient operations of the Group. Each Committee operates under its own Charter which enumerates its purpose, authority and responsibility, and is approved by the Board. These Committees make recommendations and report on a regular basis to the Board, which retains ultimate responsibility for all decisions taken.

Certain Board functions are also delegated to executive management through the President and Chief Executive Officer with defined limits of management's power and authority to enable it to execute and manage the business on a day-to-day basis in line with the approved policies, strategies and applicable laws.

Committee members are appointed by the Board of Directors immediately following the Annual General Meeting each year and hold office for three (3) years or until they cease to be Directors. Each Board Committee comprises all or a majority of Independent Directors, is chaired by an Independent Director, and save for the Investment and Capital Allocation Committee, consists entirely of Non-executive Directors. Members of the executive management Team are invited to attend meetings and participate through presentation

of discussion documents and development of strategies.

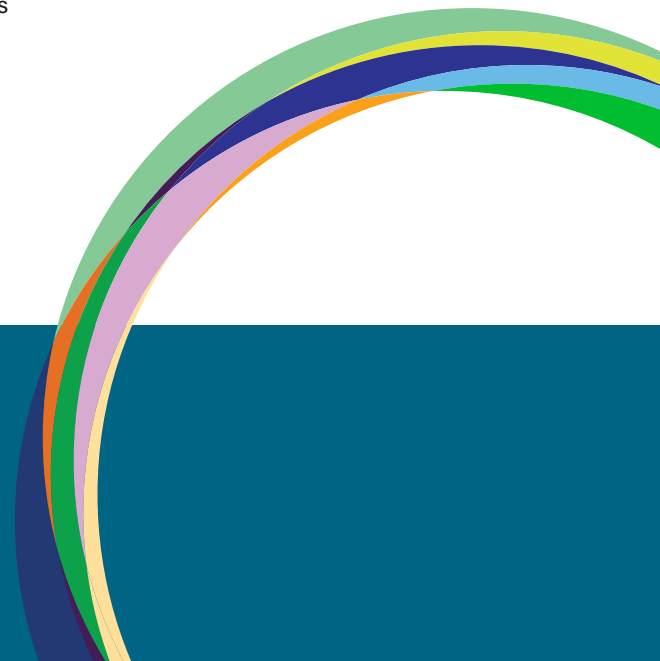
BOARD LEADERSHIP

OUR CHAIRMAN

The Chairman, Mr. Peter Melhado, is responsible for the effective leadership, operation and governance of the Board and its Committees. He manages the dynamics of the Board by ensuring that all Directors contribute effectively to the development and implementation of the Company's strategy whilst ensuring that the nature and extent of the significant risks that the Company is willing to embrace in the implementation of its strategy are determined and challenged.



THE BOARD'S BREADTH OF KNOWLEDGE AND EXPERTISE PROVIDES FOR DIVERSITY OF OPINIONS AND INVALUABLE SUPPORT TO THE BOARD'S DECISION-MAKING PROCESS, WHICH UNDERPINS THE NEED FOR INDEPENDENT AND CRITICAL THINKING IN THEIR ABILITY TO REPRESENT THE INTERESTS OF STAKEHOLDERS.



OUR PRESIDENT AND GROUP CHIEF EXECUTIVE OFFICER

President and Group Chief Executive Officer, Mr. Christopher Zacca, serves as the highest-ranking officer of the Group and the only Executive Director on the Board. He is responsible for running the day-to-day operations of the Group, the management of the key strategic objectives and leads the Executive Team. He is also responsible for the Group's strategic development, including opportunities for growth, and implementing policies and strategies across the Group.

OUR CORPORATE SECRETARY

Our Corporate Secretary, Dr. Sharma Taylor, is responsible for ensuring that the Board operates in accordance with the highest standards of ethical behaviour and accountability, including adherence to relevant statutory and regulatory requirements. This includes implementing policies and procedures that encourage transparency, integrity and responsible decision-making. She is also responsible for maintaining accurate and complete records

of Board meetings and decisions, ensuring that the Board operates in accordance with the Company's Articles of Incorporation, relevant legislation and regulatory requirements, and applicable governance documents, and provides the information and resources the Board needs to make informed decisions.

BOARD MEETINGS AND ATTENDANCE

In 2025, the Board held seven (7) formal meetings. Additional meetings were held as needed to deal with other urgent matters. Given that the Board includes Directors resident overseas, under the Company's Articles of Incorporation, video/teleconferencing facilities were utilised to enable those Directors to participate.

Meetings and training sessions continued to be held virtually with Directors receiving their meeting packs through an online Board portal, which facilitates the secure and convenient sharing and utilisation of Board and Board Committee documentation.

The critical agenda items which were covered at Board meetings during the year included:

- Approval of the year-end Audited Financial Statements;
- Review and approval of the quarterly Unaudited Financial Statements and reports to the stockholders;
- Annual General Meeting preparation;
- Approval of the Company's Budget and Strategic Plan;
- Consideration and approval of interim dividend payments to stockholders;
- Consideration, approval and recommendation of the appointment of new Directors to subsidiary Boards;
- Consideration and approval of the reorganisation of the operations of the Group through the Sagicor Group Caribbean initiative;
- Approval of major investment activities, including new/amended products and strategic business initiatives;
- Monitoring of the performance of executive management in the implementation and achievement of strategic objectives and financial performance of the lines of business and subsidiaries of the Group;
- Receipt and approval of reports/decisions of Board Committees and subsidiaries;
- Consideration and approval of new Corporate Policies and approved amendments to existing policies; and
- Consideration and approval of the amendment of Charters for Board Committees.

THE BOARD OPERATES IN ACCORDANCE WITH THE HIGHEST STANDARDS OF ETHICAL BEHAVIOUR AND ACCOUNTABILITY, INCLUDING ADHERENCE TO RELEVANT STATUTORY AND REGULATORY REQUIREMENTS. THIS INCLUDES IMPLEMENTING POLICIES AND PROCEDURES THAT ENCOURAGE TRANSPARENCY, INTEGRITY, AND RESPONSIBLE DECISION-MAKING.

COMMITTEE MEETINGS

The Board Committees meet periodically (typically on a quarterly basis) to examine issues that fall within their respective mandate, and each Committee Chairman presents a report to the Board on the Committee's activities at the scheduled Board meetings. The frequency of Committee meetings and activities held during the year ending December 31, 2025 was in accordance with the respective Committee Charters.

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Audit and Compliance Committee	<p>Peter Clarke Chairman</p> <p>Dr. Marjorie Fyffe-Campbell</p> <p>Paul Hanworth</p>	<ul style="list-style-type: none"> ▪ Reviewed and recommended the approval of the audited financial statements to the Board; ▪ Considered and approved, inter alia, the financial reports of the Company and its subsidiaries and disclosures to the shareholders and regulators; ▪ Reviewed and assessed the main areas of operational risk management and internal control processes; ▪ Reviewed the activities of the internal and external auditors and assessed the level of compliance with legal and regulatory requirements; ▪ Approved the Annual Internal Audit Plan and the Audit Charter during the period; ▪ Considered the management of fraud activities across the Group; ▪ Recommended the Anti-Fraud framework for approval by the Board; ▪ Considered the Company's compliance with local laws and regulations; ▪ Reviewed the Group's Business Continuity Management plan; ▪ Reviewed Audit fees and made recommendations to the Board.
Risk Management Committee	<p>Paul Hanworth Chairman</p> <p>Peter Clarke</p> <p>Peter Melhado</p> <p>Philip Armstrong</p>	<ul style="list-style-type: none"> ▪ Considered and approved the Risk Management Charter and the Top Risks which are likely to impact the business and the effectiveness of the risk management framework on a Group-wide basis; ▪ Reviewed and approved risk management principles and policies recommended by the risk committees of each subsidiary who are charged with monitoring financial, regulatory and operational risks.
Human Resource and Compensation Committee	<p>Peter Melhado Chairman</p> <p>Dr. Jacqueline Coke-Lloyd</p> <p>Andre Mousseau</p> <p>Jeffrey Hall</p>	<ul style="list-style-type: none"> ▪ Considered and approved the annual and long-term incentive plan for executives and the bonus payment to staff; ▪ Approved changes to the Committee Charter and reviewed the Pension Fund Performance and amendments to benefits to members; ▪ Considered issues affecting team members; ▪ Gave oversight to the union negotiations and issues which are likely to affect the business arising from the exercise; ▪ Monitored the annual team member Satisfaction Survey; ▪ Considered amendments to the Pension Plans proposed by Management.

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Corporate Governance and Ethics Committee	Dr. Marjorie Fyffe-Campbell Chair Dr. Jacqueline Coke-Lloyd Peter Melhado	<ul style="list-style-type: none"> ▪ Reviewed and approved Related Party Transactions in accordance with applicable internal, legal and regulatory requirements; ▪ Approved the Procurement Policy and Framework (as revised); ▪ Reviewed the process for dealing with potential conflicts of interest; ▪ Reviewed the list of Corporate Policies to ensure that these met legislative and statutory requirements and were being updated periodically; ▪ Reviewed the Company's procurement process; ▪ Reviewed contracts awarded to suppliers and vendors; ▪ Reviewed JSE Corporate Governance requirements to ensure that governance protocols conformed to them; ▪ Reviewed and approved amendments to the Risk Management and Internal Audit Charters; ▪ Exercised oversight of the Board Evaluation, Peer and Self-Review and Conflict of Interest surveys.
Investment & Capital Allocation Committee	Peter Melhado Chairman Christopher Zacca Andre Mousseau Jeffrey Hall	<ul style="list-style-type: none"> ▪ Reviewed the Company's capital structure and financial strategies (including debt and equity) issuances, and the current and anticipated financial requirements in relation to the Company's short- and long-term plans; ▪ Recommended to the Board, as appropriate, whether or not to approve any of the expenditures, investments, business acquisitions or divestitures it has reviewed, provided that the Board shall not approve any such expenditure, investment, business acquisition or divestiture unless the Committee has recommended such action; ▪ Recommended that the Board requests Management to perform post-audits of major capital expenditures and business acquisitions or divestitures, and review the results of such audits; ▪ Had oversight of the Company's surplus assets and determined the optimal deployment of such surplus assets.

2025 BOARD AND COMMITTEE MEETINGS

	Board	Audit Committee	Investment & Capital Allocation Committee	Risk Management Committee	Corporate Governance & Ethics Committee	Human Resource & Compensation Committee
Peter Melhado	7/7	-	2/2	2/3	3/3	4/4
Dr. Dodridge Miller	5/7	-	-	-	-	-
Stephen Facey	7/7	-	-	-	-	-
Paul Hanworth	5/7	4/6	-	3/3	-	-
Dr. Marjorie Fyffe-Campbell	6/7	5/6	-	-	3/3	-
Stephen McNamara	6/7	-	-	-	-	-
Dr. Jacqueline Coke-Lloyd	7/7	-	-	-	3/3	4/4
Peter Clarke	7/7	6/6	-	2/3	-	-
Christopher Zacca	7/7	-	2/2	-	-	-
Andre Mousseau	5/7	-	2/2	-	-	2/4
Mahmood Khimji	4/7	-	-	-	-	-
Cathleen McLaughlin ⁽¹⁾	6/7	-	-	-	-	-
Jeffrey Hall	7/7	-	2/2	-	-	3/4
Philip Armstrong	6/7	-	-	3/3	-	-

1. Ms. Cathleen McLaughlin joined the Board on February 1, 2025, succeeding Mr. Gilbert Palter.

BOARD PERFORMANCE EVALUATION

A key function of the Board as a fiduciary of the shareholders is to ensure consistent monitoring and review of its effectiveness as a Board, the effectiveness of its committees, and each Director. The Board works along with the Corporate Governance and Ethics Committee to establish the evaluation criteria for the performance of each Director, as well as the overall Board. The evaluation process consists of three elements:

(1) Self-Assessment

(2) Board Assessment

(3) Peer Assessment

The assessment is a key part of the process of reviewing the functioning and effectiveness of the Board and identifying possible paths for improvement. Each Director is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the Directors, Company performance and strategy, and the effectiveness of the whole Board and its various committees. Arising from the exercise, the Board Chairman meets with the Directors and discusses their performance

and gaps, if any are highlighted, and action plans established to improve performance.

The evaluation of the President and Chief Executive Officer, Management, and the Company Secretary is also covered under this review process. Action plans and issues are monitored over the period immediately following the culmination of the review.

DIRECTOR INDEPENDENCE

Our Directors are required to submit to an annual self-assessment of their compliance with these criteria and any conflict-of-interest requirements. The assessment is reviewed by the Corporate Governance & Ethics Committee to determine whether a Director is conflicted by virtue of their involvement in other businesses. We firmly believe that Board independence is essential to bringing objectivity and transparency in the management and dealings of the Company. Currently, 43% of the Directors of the Board are independent members.

In 2025, the Directors who met the independent criteria were:

- Mr. Peter Melhado
- Dr. Jacqueline Coke-Lloyd
- Dr. Marjorie Fyffe-Campbell

- Mr. Peter Clarke
- Mr. Stephen McNamara
- Mr. Paul Hanworth

An Independent Director is nominated as the Chairperson of each of the Audit, Corporate Governance and Ethics, Human Resources and Compensation, and Risk Management Committees.

Independence is based on criteria agreed by the Board and outlined in the Group's Corporate Governance Code, and in accordance with local laws and regulations. These include:

- A Director who has not within the last three (3) years been an employee or officer in the Sagicor Group.
- A Director who has not received additional remuneration from the Company (apart from a Director's compensation) nor participated in the Group's share option or a performance-related pay scheme and is not a member of the Company's pension scheme.
- A Director (or their immediate family) who has not within the last three years had a material business relationship with the Group either as a Director or as a shareholder, Director or senior executive officer, or an employee of a company that makes payments to, or receives payments from, the Group for property or services in an amount which, in any single fiscal year, exceeds the greater of US\$0.5 million, or 2% of such other company's consolidated gross revenues.
- A Director (or their immediate family member) who is not a current or former partner or employer (within the last 3 years) of a firm engaged as an internal or external auditor within the Sagicor Group.
- A Director who does not hold cross-directorships or has significant links with other Company Directors through involvement in other companies or bodies (unless the Board can argue a case for independence).
- A Director who does not:
 - (i) control/ hold investment equal to 15% or more of his/her net worth;
 - (ii) serve as an officer; or

- (iii) have or been deemed to have a material influence on the management of an entity where the Group beneficially owns 5% or more of any class of equity securities of such entity.

DIRECTOR NOMINATION AND APPOINTMENT

The Board appreciates that proper succession planning allows for the addition of new members with fresh ideas, diverse perspectives and additional skill sets needed to help the Company navigate ever-evolving industries, technological advancements, competitive environments, or social or community needs.

The Board, among other things, considers the prevailing needs of the Company in terms of its strategic imperatives, external business drivers and the existing talents around the Board table.

The Board has delegated the development of its succession plan, along with the relevant screening and recruitment of suitable candidates to the Corporate Governance and Ethics Committee. The Committee is guided by the Director Nomination process, Board Composition and Director

Independence Policies outlined in the Company's Corporate Governance Manual in assessing candidates for directorship.

Candidates are assessed against six (6) criteria:

- Board Core Competency Requirements;
- Director Core Competency Requirements;
- Knowledge and Expertise;
- Representational Factors;
- Time Commitments;
- Director Independence.

Once potential candidates are identified, the Committee conducts the relevant interviews, does due-diligence checks, and prepares a New Director profile providing information on the assessment criteria. If the Committee deems a candidate's independence qualifications and biographical information to be in order and that they meet the requirements of the six (6) aforementioned criteria, the Committee will make a recommendation to the full Board for the appointment of the candidate as a Director pending regulatory approval for a specified term or for a period of no more than three years.

APPOINTMENT, TERM, ELECTION & RETIREMENT

The Corporate Governance and Ethics Committee evaluates the Board size and composition annually and considers, among other factors, directives from regulators or other stakeholders surrounding the appointment of additional Directors. The Committee may from time to time recommend Directors for appointment by the shareholders.

Directors serve for three (3) years and are eligible for re-election to hold office up to age 72, and on a discretionary basis (per the Company's Articles of Incorporation) may be appointed after the age of 72 for a specified period. The Company's Articles of Incorporation mandate the retirement of at least one-third of the Directors at the Company's Annual General Meeting who are liable to retire by rotation each year and qualify the retiring Directors for re-appointment by the shareholders.

For 2025, Directors Peter Clarke, Dr. Dodridge Miller, Andre Mousseau, Philip Armstrong and Jeffrey Hall shall retire by rotation and are eligible for re-election. All five (5) Directors are being recommended for re-election by the shareholders having regard to their expertise, core competencies and performance, and their willingness to

devote the time required to effectively perform their role as Directors.

DIRECTOR ORIENTATION

All new Directors are exposed to a stringent orientation process. Current Directors and senior management provide an overview of the Company's operations, and introduce the Organisation's structure, services, Group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board and major risks and risk management strategy of the Group.

BOARD TRAINING & PRESENTATIONS

The Board is required to be up to date with current business, industry, regulatory and legislative developments, as well as trends. The Board's existing Directors receive periodic training relating to the core business of the Company and its subsidiaries, including the drivers of the business lines and their products. Directors are also kept abreast of trends in the business and regulatory environment and informed of trends in financial reporting. Directors are also required to participate in annual mandatory AML/CFT (Anti-Money

Laundering & Counter-Financing of Terrorism) training.

Training programmes attended by Directors as arranged by the Group or hosted by other entities included:

- **April 17, 2025** – Corporate Governance Best Practice – Lessons for Sagicor presented by Mr. Raymond Campbell, Partner at KPMG CARICOM, Mr. Gavin Deokiesingh, Partner at KPMG Canada and Mr. Sanjay Arora, Senior Manager at KPMG Canada.
- **August 25, 2025** – Insurance and Investment Risks, Basel III including the Special Resolution Regime presented by Dr. Damion McIntosh, Professor of Practice in Finance, Auburn University.
- **September 29 and 30, 2025** - Digitalisation and the Applicability and Potential Usage of Artificial Intelligence presented by Mr. Neil Freyke, EVP and Chief Digital Officer, SFC.
- **September 29, 2025** – Deep dive into Insurance Products offered in the Caribbean region by Sagicor Life Jamaica Limited (SLJ) and Sagicor Life Inc. (SLI) presented by Mr. Willard Brown, CEO, SLJ; Mr. Mark Chisholm, Chief Revenue Officer, SLJ; and Mr. Robert Trestrail, Group President & Chief Executive Officer, SLI.

- **October 15, 2025** – Jamaica Bankers Association/Jamaica Institute of Financial Services (JBA/JIFS) 14th Annual Anti-Money Laundering (AML)/Counter-Financing of Terrorism (CFT) Conference under the theme “Securing Our Paradise: Collaborative AML Strategies for Jamaica & the wider Caribbean”. The topic “Preparation for the Next Round of Mutual Evaluation” was presented by Ms. Maurene Simms, CD, Special Regulatory Projects, & Prime Contact to the Caribbean Financial Action Task Force (CFATF), and Mr. Loxly Ricketts, General Counsel, Financial Regulations, BOJ.
- **November 14, 2025** – AML Best Practices and Regulatory Compliance presented by Mr. Keith Darien, Principal Director at the Financial Investigations Division.

DIRECTORS' REMUNERATION

The level and structure of fees paid to Non-Executive Directors annually are approved by the Board, based on prevailing market conditions while taking into

consideration the significant responsibilities and time commitment required to meet their obligations. Fees are benchmarked against other organisations of similar size, operation and complexity, as well as annual market surveys conducted by independent auditing firms. These fees are fixed and not linked to the annual financial results of the Company. Executive Directors are not paid fees in respect of their office as a Director of the Company or any of its subsidiaries. The Company has a Director Remuneration Policy which provides a framework and outlines the principles for the remuneration of the Directors.

The Directors' fees comprise a basic retainer fee, plus additional fees for appointment to Board Committees. Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings were reimbursed for any reasonable related expense. The Chairperson of each Board Committee is also paid a higher fee compared with the members of the respective committees given the greater responsibility carried by that office. Directors

The fee structure for the period ended December 31, 2025, was as follows:

Directors' Remuneration

Board/Committee (J\$-Gross)	Annual Retainer	Audit	Investment & Capital Allocation	Risk Management	Corporate Governance & Ethics	Human Resource & Compensation
Board Chairman	\$8,824,575.10					
Board Director	\$2,230,800.00					
Committee Chair		1,458,600.00	943,800.00	1,458,600.00	943,800.00	943,800.00
Members		943,800.00	600,600.00	943,800.00	600,600.00	600,600.00

do not receive any share-based compensation; however, they are encouraged to purchase shares on the open market.

CORPORATE VALUES

The Board recognises its duty to provide entrepreneurial leadership, guidance and oversight to the Company by understanding, anticipating and effectively managing environmental, social and governance (ESG) matters in delivering on the Company's mandate to serve our clients, shareholders and communities. The consideration of ESG matters is critical in assessing the Company's corporate governance systems, risk management and controls, human capital management, customer service standards and support for our local communities. The direction and momentum assumed by the governance process must be driven by a value system that permeates the enterprise to ensure business priority alignment between Board and Management.

The Sagicor value system is guided by the following policies:

Code of Conduct

The Sagicor Code of Business Ethics and Conduct, which is available on the Company's website, governs

the behaviour of Directors, officers, agents and employees of the Group. The standards contained in the Code emphasise the deterrence of wrongdoing that could lead to fraud and misconduct, and address the following essential areas:

- Conflicts of interest;
- Corporate opportunities;
- Confidentiality;
- Fair dealing;
- Protection and use of Company assets;
- Compliance with laws;
- Rules and regulations, including insider trading laws;
- Encouraging and reporting of any illegal or unethical behaviour.

Conflict of Interest

Under the Sagicor Code of Business Conduct and Ethics, the Directors are expected to complete an Internal Disclosure Certificate annually to declare any personal interest he or she may have (whether directly or indirectly), which may have an impact on any matters being considered by the Board. The completed disclosure certificates are submitted to the Corporate Governance and Ethics Committee for further review.

Whistleblower Policy & Ethical Standards

The Company provides a confidential system to allow employees to anonymously report observed breaches of the Code and other Company guidelines related to fraud, misconduct, bribery, non-compliance with legal or regulatory mandates or questionable accounting or audit practices. The Whistleblower process and procedure remains robust and is utilised. Management has continued to reiterate in Company-wide communication campaigns the existence and confidentiality of the Whistleblower framework. Complaints made are tracked and monitored until closure, and the complainant is advised of the steps taken.

The Company guarantees in its Fraud and other Wrongdoing Policy, which is available online on the Company's website, that it will not permit any reprisal, retaliation or disciplinary action to be taken against anyone for raising a concern in good faith.

All non-employee stakeholders (including Directors) are required to comply with the Company's standards of ethics and business conduct.

Annually, team members undergo refresher ethics and compliance training and are required to successfully complete the

assessments. We require our contractors, vendors and other service providers to adhere to the ethical standards established by the Company. The Company provides guidance to external stakeholders in understanding the Company's ethical stance and expected codes of conduct.

Key Governance Policies

In addition to the Code, Whistleblower and Fraud and other Wrongdoing Policies, other key policies which outline the Company's guiding principles include:

- The Enterprise Risk Management Policy;
- The Anti-Bribery and Corruption Policy;
- Data Protection Policy.

Health and Safety and Environmental Sustainability and Human Development

The Company considers its team members to be part of the corporate governance framework. Team members were kept up to date on the performance of the business via email blasts, as well as the Company's annual Blast Off session held in January. They also have the opportunity to interact with executives via frequently held webinars, virtual and in-person town hall meetings.

The Board also carefully considers the results of the organisational employee survey presented, which reflects the feedback received from the team, in addition to any action plans put forward by management to address team member concerns. Non-executive team members can also bring matters of concern to the attention of the Board by routing these matters through management, including the Group President & CEO, or anonymously through the Company's Whistleblowing procedures.

The Company places great emphasis on the health and safety of its employees, and these matters are addressed in the Human Resources Committee of the Board. In 2025, the Company continued to invest heavily in its Digital Transformation initiatives which aimed to upgrade systems utilised by our team members and clients, as well as the physical facilities in which our team members operate. The Company also continued its focus on implementing environmentally-friendly protocols, resulting in the reduction of waste and becoming more energy efficient in our operations.

Dr. Marjorie Fyffe-Campbell
Chair
Corporate Governance & Ethics
Committee

AUDIT COMMITTEE REPORT

for the year ended 31 December 2025

The Audit Committee consists entirely of Independent Directors. The Audit Committee has responsibility for monitoring the effectiveness of the Company's internal control systems and compliance with applicable regulations and laws, and the Company's code of conduct. It also oversees the internal and external audit processes. Audit Committee meetings are regularly attended by representatives of the external auditors (PricewaterhouseCoopers), members of the internal audit team and key members of the management team.

The Audit Committee met six (6) times during the year with all Committee members attending a majority of the meetings.

AUDIT AND ACCOUNTABILITY

External Auditors

The external auditors, PricewaterhouseCoopers (PwC), are appointed by the shareholders at each Annual General Meeting of the Company on the recommendation of the Audit Committee and Board. During the year, the Audit Committee managed the relationship with the Company's external auditors on

behalf of the Board and carried out an assessment of the cost-effectiveness of the audit process, together with the auditor's independence, approach to audit quality and transparency in making its recommendation.

In order to maintain the independence of the external auditors, the Group has specific guidelines which govern the conduct of non-audit work by the external auditors. This includes the prohibition on external auditors from:

- Performing services that would result in the auditing of their own work or advice;
- Participating in activities normally undertaken by Management;
- Acting as an advocate for the Company; or
- Creating a mutuality of interest between the auditors and the Company, for example, being remunerated through a success fee structure.

Having undertaken a review of the non-audit services provided during the year, the Audit Committee remains confident that the objectivity and independence of the external auditors are not in any way impaired by reason

of the non-audit services which they provided to the Group.

Internal Auditors

The Group Internal Audit Department, with oversight from the Audit Committee, annually reviews and assesses the Group's systems of internal controls and regulatory compliance through discussions with Management and external auditors.

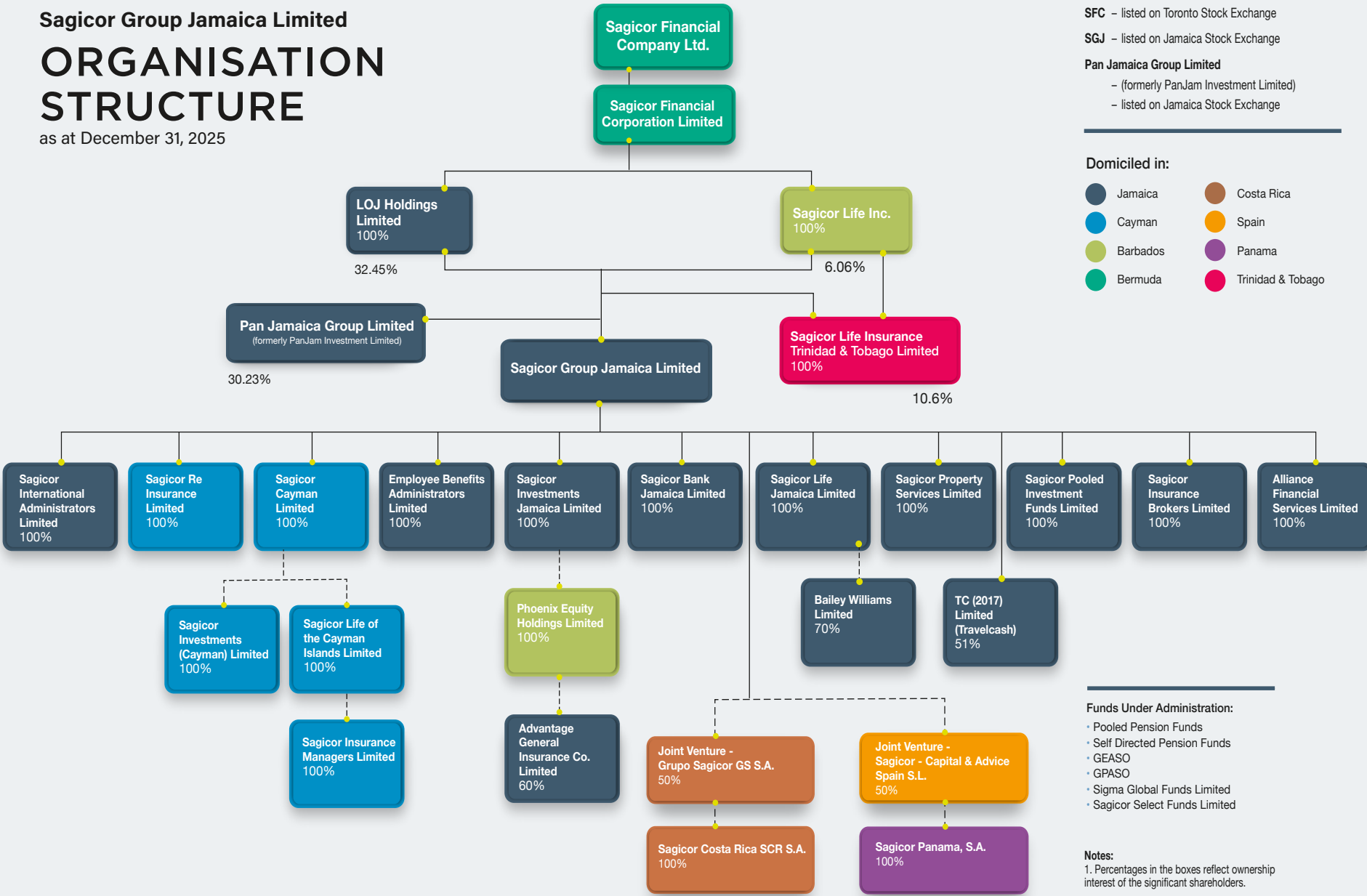
The Audit Committee considered and reviewed, with Management and the Head of Group Internal Audit, the following:

- Annual internal audit plans to ensure that the plans were sufficiently covered;
- Internal controls of the Group;
- Significant internal audit observations and Management's responses thereto; and
- Budget and staffing for the internal audit functions.

The External Auditors and the Group's Internal Audit Department maintain separate independent auditing and reporting functions.

Mr. Peter Clarke
Chairman
SGJ Audit Committee

Sagikor Group Jamaica Limited
ORGANISATION STRUCTURE
 as at December 31, 2025



SFC – listed on Toronto Stock Exchange

SGJ – listed on Jamaica Stock Exchange

Pan Jamaica Group Limited
 – (formerly PanJam Investment Limited)
 – listed on Jamaica Stock Exchange

Domiciled in:

- Jamaica
- Costa Rica
- Cayman
- Spain
- Barbados
- Panama
- Bermuda
- Trinidad & Tobago

- Funds Under Administration:**
- Pooled Pension Funds
 - Self Directed Pension Funds
 - GEASO
 - GPASO
 - Sigma Global Funds Limited
 - Sagikor Select Funds Limited

Notes:
 1. Percentages in the boxes reflect ownership interest of the significant shareholders.

SAGICOR SIGMA CORPORATE RUN

A LEGACY THAT RACES THROUGH JAMAICA'S VEINS

Kingston has hosted many races over the years, but the Sagicor SIGMA Corporate Run has become a standout event for the city and country. Celebrating its 27th year in 2025, the event is testament to what can be achieved when sport, philanthropy and community spirit come together for a greater cause.

When the race first began in 1999, its mission was simple yet ambitious – to bring together corporate Jamaica and the wider public in a 5K run for charity. What unfolded went far beyond expectations, giving rise to a movement that has grown steadily over time. In those early days, when organised road races were not common on the island, SIGMA Corporate Run played a humble but pivotal role in popularising the format and encouraging more Jamaicans to lace up their sneakers. For so many Jamaicans, the race has become an annual tradition. Thousands now come together each year, representing companies, community groups and families, all united by a sincere desire to make a difference, no matter how small their contribution.

At the heart of SIGMA's story is the positive impact it has had on countless lives. Over the years, the race has raised more than J\$800 million, supporting over thirty-five charitable causes and national institutions across Jamaica. These funds have helped strengthen our healthcare system, invest in education and empower youth development. In 2025, the event saw its largest turnout ever, with more than 30,000 participants and a record J\$128 million raised, surpassing the original target of J\$115 million. Beneficiaries included Kingston Public Hospital's Intensive Care Unit, Sir John Golding Rehabilitation Centre, and Father Ho Lung & Friends Foundation's Bethlehem Home. The event was further enriched by patrons Cedella Marley, recording artiste Nigy Boy, and Olympic hurdler Rasheed Broadbell.

While participation records and generous supporters are certainly milestones to celebrate, SIGMA's most meaningful legacy is the culture of giving and togetherness it has nurtured. The event reminds us that charity, when approached with sincerity and humility, can transform a simple morning run into a powerful act of national unity and hope.



1. Cedella Marley, 2025 Sagicor SIGMA Run Patron and philanthropist, signals the start of the race.
2. Christopher Zacca (centre), President and Chief Executive Officer of Sagicor Group Jamaica, is joined by representatives of the 2025 Sagicor SIGMA Run beneficiaries. From left, Brother Prem Sagar and Father Ho Lung, Founder, both of the Father Ho Lung and Friends Foundation, along with Dr Christine Stephen, Head of Anaesthesia and Intensive Care Unit at Kingston Public Hospital, and Dr. Rory Dixon, Senior Medical Officer at the Sir John Golding Rehabilitation Centre.
3. Volunteers from the Edna Manley School of the Visual and Performing Arts pause for a photo while working on a mural for the 2025 Sagicor SIGMA Corporate Run.
4. Members of the Sagicor Group Jamaica executive team pose for a pre-race photo at the start line. From left, Latoya Mayhew Kerr, Senior Vice President, Operations, Insurance Operations Services; Mark Chisholm, Chief Revenue Officer, Insurance; Meila McKitty Plummer, Branch Manager, Corporate Circle; Chorvelle Johnson Cunningham, CEO, Sagicor Bank Jamaica; Willard Brown, CEO, Sagicor Life Jamaica; and Tara Nunes, CEO, Sagicor Investments Jamaica.

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CORPORATE SOCIAL RESPONSIBILITY OVERVIEW

At Sagicor Group Jamaica Limited, corporate social responsibility shapes how we lead, invest and serve our clients and communities. Through Sagicor Foundation Jamaica, our charitable arm, we continue to deliver meaningful, measurable impact across Jamaica, guided by our core pillars of health, education, along with youth and community development.

In 2025, we invested J\$119.13 million, impacting more than 7,000 Jamaicans, reflecting both proactive national investment and responsive leadership in moments of crisis.

HEALTH & WELLNESS - EXPANDING ACCESS, STRENGTHENING SYSTEMS

The 2025 staging of our flagship corporate social responsibility activity – Sagicor SIGMA Corporate Run – once again demonstrated the power of collective action. With 30,477 registrants, the highest number in the event's 27-year history, the Corporate Run raised over J\$128 million in support of the Kingston Public Hospital Intensive Care Unit, the Sir John Golding Rehabilitation Centre, and Father Ho Lung & Friends Foundation's Bethlehem Home.

A series of curated fund-raising events, including Market on the Terrace, Pilates & Brunch, and A Stush Affair with Cedella, were held leading up to race day, engaging diverse audiences and reinforcing SIGMA's role as the Caribbean's largest charity road race.

The Foundation also supported national health and wellness advocacy through participation and financial contributions to external events. A total of J\$1.38 million was made in donations to 5Ks across the island.

FUNDS INVESTED

\$119.13m

PERSONS IMPACTED

7,000+

SIGMA REGISTRANTS

30,477

1. (From left) Christopher Zacca, President & CEO, Sagicor Group Jamaica and Chairman, Sagicor Foundation Jamaica; Dr. Christopher Tufton, Minister of Health and Wellness; and Willard Brown, CEO, Sagicor Life Jamaica, at the \$100M clinic restoration cheque handover during the 2026 SIGMA launch held at the Jamaica Pegasus last December.
2. (From left) Daidre Sloley-McKay, VP, Group Marketing, Sagicor Group Jamaica; Christopher Zacca, President & CEO, Sagicor Group Jamaica and Chairman, Sagicor Foundation Jamaica; Nicole Campbell Robinson, VP, Communications, Social Media and CSR, Sagicor Group Jamaica; and Peter Melhado, Chairman, Sagicor Group Jamaica, with beneficiaries from the Father Ho Lung & Friends Foundation, Kingston Public Hospital, and the Sir John Golding Rehabilitation Centre at the 2025 Sagicor SIGMA Corporate Run.

SIGMA FUNDS RAISED
IN 2025

\$128m

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WE ARE COMMITTED TO SUPPORTING OUR COMMUNITIES

Scholarship Programme

New scholarships, as well as the renewal of existing scholarships.

\$24M

55

New Scholars
2025 Scholarship Programme

Hurricane Melissa Relief Efforts

Support relief and recovery efforts across western Jamaica. From this commitment, **J\$100** million was allocated to rehabilitate health clinics damaged during the hurricane.

\$200M

Missionaries of the Poor

Father Ho Lung & Friends' JESUS 2025 production, with proceeds benefiting the vulnerable communities they serve.

\$2.5M

Adopt-A-School Programme Beneficiaries

4

\$1.38M

Donations to 5Ks across the island

\$12M

JTA/Sagicor National Athletics Championship

40th staging of the Championship

EDUCATION - INVESTING IN THE FUTURE

In May, the Foundation opened applications for its 2025 Scholarship Programme, receiving 1,412 submissions. In August, fifty-five (55) new scholars – in recognition of Sagicor Group Jamaica's 55th Anniversary – were awarded at the annual Scholarship Awards Ceremony, with J\$24 million allocated to new scholarships, as well as the renewal of existing scholarships.

The Foundation also provided targeted educational support through:

- **J\$600,000** toward scholarships for fifteen (15) students at Chantilly Primary School, during the inaugural Sagicor Foundation Scholars Luncheon, featuring renowned actress and philanthropist Sheryl-Lee Ralph as keynote speaker.
- **J\$262,500** donated to Future Makers for Read Across Jamaica Day outreach, an initiative which aimed to strengthen literacy development and broaden exposure to non-traditional career pathways. 150 students were impacted across five early childhood institutions – Holy



Family Primary School (Kingston), Bogue Hill Primary School (Montego Bay), Crawford Primary School (St. Elizabeth), Black River Primary School, and Black River Preparatory School (both in St. Elizabeth).

- **J\$500,000** donated by 2025 Sagicor SIGMA Corporate Run patron Nigy Boy to the Salvation Army School for the Blind and Visually Impaired in support of its Music Department.



SCAN HERE TO VISIT OUR SAGICOR FOUNDATION SCHOLARSHIP WEBSITE



- (From left) Judith Scott, Principal, Chantilly Primary; Sheryl-Lee Ralph, Emmy Award-winning actress and humanitarian; and Christopher Zacca, President & CEO, Sagicor Group Jamaica and Chairman, Sagicor Foundation Jamaica, with students at the Sagicor Foundation Scholars Luncheon.
- Nigy Boy, 2025 Sagicor SIGMA Corporate Run Patron and entertainer (centre), with Nicole Campbell Robinson, VP, Communications, Social Media and CSR, and Megan Edwards (right), CSR Officer, Sagicor Group Jamaica, during a cheque handover to the Salvation Army School for the Blind and Visually Impaired are joined by representatives of the institution.
- (From left) Christopher Zacca, President & CEO, Sagicor Group Jamaica and Chairman, Sagicor Foundation Jamaica; Calicia Vassell, R. Danny Williams Visionary Award recipient; James Barrett Jnr., Chairman's Award recipient; and Senator Dr. Dana Morris Dixon, Minister of Education, Skills, Youth & Information, at the Sagicor Foundation Scholarship Awards Ceremony.
- (From Left) Megan Edwards, CSR Officer; Akeem Beckford, Communications Specialist; and Marika Pecco, Corporate Communications Officer, Sagicor Group Jamaica, with students during Read Across Jamaica Day.



7. Chairman of Sagicor Foundation Jamaica and President and CEO of Sagicor Group Jamaica, Christopher Zacca and Sagicor Foundation Jamaica Board Director, Bridget Azan, pose with the secondary school recipients of the scholarships from Sagicor Foundation Jamaica.
8. (From left) Members of Sagicor Life Corporate Circle team volunteered at the Caymanas Estate Basic School for the Adopt-A-School Labour Day project.

9. (From left) Peta-Gaye Simpson, VP, Real Estate, Sagicor Group Jamaica and Jacqueline Donaldson, VP, Corporate Services, Sagicor Group Jamaica, volunteer for the Labour Day project at Jackson's Basic School, a 2025 beneficiary of Sagicor Foundation's Adopt-A-School Programme.

Sagicor Foundation Jamaica also successfully revamped its Adopt-A-School Programme in 2025, with increased team member involvement. A total of 145 students from four early childhood institutions benefitted from an allocation of J\$8.5 million for repairs and beautification. The schools are:

- Pineapple Basic School, Ocho Rios, St. Ann;
- Cotton Piece Early Childhood Development Centre, Linstead, St. Catherine
- Caymanas Estate Basic School, Caymanas, St. Catherine;
- Jackson's Basic School, Arnett Gardens, Kingston.

YOUTH & COMMUNITY DEVELOPMENT - MOBILISING COLLECTIVE ACTION

Community engagement remained a defining feature of our corporate social responsibility work in 2025.

For Labour Day, our volunteers conducted beautification works at our four newly minted adopted schools, which also served as the programme relaunch. Activities such as painting, school beautification and minor repairs were done, highlighting our commitment to hands-on community development.

Sagicor Foundation partnered with the organisers of the MoBay City Run to support a Labour Day initiative at Learn Smart Academy in Montego Bay. In addition to Sagicor Foundation's donation of J\$450,000, we provided 10 volunteers to support the beautification works which took place on the school's grounds.

The 40th staging of the JTA/Sagicor National Athletics Championship received J\$12 million in support, continuing a longstanding partnership with the Jamaica Teachers' Association (JTA) and benefiting 1,120 student-athletes across the island.

The Foundation also pledged J\$2.5 million in support of the Father Ho Lung & Friends' JESUS 2025 production, with proceeds benefiting the Missionaries of the Poor and vulnerable communities they serve.



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HURRICANE MELISSA RELIEF EFFORTS

Following the passage of Hurricane Melissa in October, Sagcor committed J\$200 million through Sagcor Foundation Jamaica to support relief and recovery efforts across western Jamaica. The response included the distribution of family relief packages, financial assistance for affected employees and mobile medical clinics serving impacted communities. From this commitment, J\$100 million was allocated to rehabilitate health clinics damaged during the hurricane, helping restore access to essential healthcare services.

LEADING WITH PURPOSE

From record-breaking fund-raising for critical healthcare services to expanding scholarship investment and mobilising support for national disaster recovery, our 2025 impact reflects a consistent principle: when communities face challenges, we respond with action.

Through Sagcor Foundation Jamaica, we remain committed to initiatives that deliver immediate relief and long-term impact. As we look ahead, our focus remains on deepening partnerships, strengthening resilience, and ensuring that our investments continue to drive meaningful national progress by caring for and inspiring the communities we serve.

10. Willard Brown, CEO, Sagcor Life, shares a moment with Champion Boys at the 2025 JTA/Sagcor National Athletics Championship.

11. Father Ho Lung and Friends Launch: Nicole Campbell Robinson, VP, Communications, Digital Media and CSR, Sagcor Group Jamaica, and Father Richard Ho Lung, Founder, Missionaries of the Poor, at the launch of JESUS 2025.

12. (From left) Tracy-Ann Spence, Executive VP and Chief Investment Officer, with team members during Sagcor Foundation's relief supply packaging at Food For The Poor Jamaica.

13. President & CEO of Sagcor Group Jamaica and Chairman of Sagcor Foundation Jamaica, Christopher Zacca, shows support for a local vendor at Market on the Terrace.

JAMES BARRETT

SAGICOR FOUNDATION CHAIRMAN'S INNOVATION AWARD

ILERN AI MOBILE APP

Built to bridge the gap between understanding and performance, James Barrett's innovative iLern was born out of a challenge he knew all too well – translating classroom knowledge into exam success.

After interviewing over 100 students across three Jamaican high schools and listening to harrowing stories of poor exam performance, including that of a regional manager's 'A' student grandson scoring a 'D' in CXC comprehension, Barrett knew something had to change. "Students weren't failing because they didn't know the material, they just couldn't apply it under exam conditions," Barrett explained.

"I started by building a prototype for the auto-marking feature, drawing on my computer science background at NCU. Guided by Dr. Hazel O'Connor, NCU Executive Director, and the Business Model Canvas, I tested the app with students, teachers and principals, all of whom were excited and eager to use it," Barrett shared.

The mobile app features a personalised AI tutor, adaptive practice questions, instant essay auto-marking, real-time feedback, and a unique "Think-Aloud" function that helps students articulate their reasoning under pressure.

His path to innovation was far from linear. Initially studying biological sciences to become an orthopaedic surgeon, his plans unravelled during the COVID-19 pandemic when his father's business faltered and tuition became a burden.

While searching for income-generating opportunities, Barrett stumbled onto a discounted mobile development course. That single impulse enrolment ignited a passion for coding, leading him to switch his major to computer science at NCU.

Today, iLern AI has the potential to expand from Caribbean classrooms and has led him to being awarded a Sagicor Foundation Tertiary Scholarship, as well as the Sagicor Foundation Chairman's

Innovation Award. "Before I got the Sagicor scholarship, I still owed money from past semesters. My parents couldn't fund my college education, so this gave me the hope I needed to continue. When I heard my name being called, I started to do a flashback of the journey I had gone through and what I had to overcome to bring me to this exact moment."

Barrett hopes to expand iLern AI to underserved communities worldwide, apply technology to large-scale societal challenges and mentor emerging innovators. His advice is straightforward: "Start with a problem you care about, find mentors and protect your ideas. Don't wait for the perfect moment, build with what you have. That's exactly how I started."

Photo: James Barrett (left) receives the Sagicor Foundation Chairman's Innovation Award from Chairman of Sagicor Foundation Jamaica and President and CEO of Sagicor Group Jamaica, Christopher Zacca, for his iLern AI mobile app.



Start with a problem you care about, find mentors and protect your ideas. Don't wait for the perfect moment, build with what you have. That's exactly how I started."

JAMES BARRETT

The mobile app features a personalised AI tutor, adaptive practice questions, instant essay auto-marking, real-time feedback, and a unique "Think-Aloud" function that helps students articulate their reasoning under pressure.



CALICIA VASSELL

R. DANNY WILLIAMS VISIONARY AWARD

FOR TRAILBLAZING DEAF DEBATES INITIATIVE

At just 22 years old, Calicia Vassell has pioneered the Deaf Debates initiative – the first of its kind in Jamaica and the wider region – empowering deaf students to participate confidently in public discourse. Vassell’s quest to break barriers and redefine inclusive communication has earned her a scholarship from the Sagicor Foundation, along with one of their special awards, the R. Danny Williams Visionary Award for Leadership and Volunteerism.

“Being acknowledged this way made me feel truly seen for all that I have endured and all that I have accomplished,” Vassell stated. “The award also validates my mission of creating space for marginalised voices through initiatives like the Deaf Debates,” she continued.

When Vassell first imagined the Deaf Debates as programmes manager for the Jamaican Association for Debating and Empowerment (JADE), she wasn’t just thinking about a competition but also about rewriting what inclusion should look like. Working

in partnership with the Sign Clubs of Jamaica, she made it a reality.

“Too often, society assumes that participation in meaningful discourse requires a ‘preferred’ language or certain background,” she explained. “The Deaf Debates challenged that narrative, showing that communication doesn’t happen despite language differences, but [rather] because of them.” The idea grew into a groundbreaking platform that proved deaf students not only belonged in critical conversations but also had powerful contributions to make.

Together with her partners, Vassell designed a debate structure that was accessible to the deaf community while retaining the spirit of competitive discourse. She and her team hosted workshops that introduced the fundamentals of debating, developed training manuals to guide both students and teachers, and ensured interpreters were available to facilitate real-time translation during the debates.

What might have seemed like logistical hurdles were, for Vassell, opportunities to build a model of communication that was as inclusive as it was rigorous. Still, the greatest obstacle was psychological – convincing students and even their teachers that they could not only participate in debates but also thrive while doing so. “Many were intimidated at first, fearful of stepping into a space they thought wasn’t made for them,” she recalled. “We met them where they were, dismantled that fear through workshops, and introduced modified debate formats that gave them freedom to express themselves without pressure. Slowly, the hesitation faded, replaced with confidence and pride.”

The impact was immediate and far-reaching. High schools across Jamaica joined the initiative, from the Lister Mair Gilby High School for the Deaf to the May Pen Unit for the Deaf, and corporate sponsors, tertiary student organisations and national media outlets rallied behind the project.


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There will only ever be one you, let that guide the change you bring to your community and the world."

CALICIA VASSELL

For the first time, many deaf students stood before their peers, articulating arguments with conviction and being fully a part of the national conversation. "Seeing them share their voices, empowered, confident, unafraid, was the moment I realised this was so much bigger than an event," Vassell said. The success has cemented the Deaf Debates as an annual programme, inspiring not only the students but also their teachers, peers and wider communities.

Now, Vassell stands as a young woman proving that resilience, vision and purpose can move mountains. With her mother as her compass, Vassell continues to break barriers, expand her initiatives across Jamaica and the Caribbean, and inspire other young people, especially women, to embrace their individuality and turn it into impact. Her advice: "There will only ever be one you, let that guide the change you bring to your community and the world."

Photo: Calicia Vassell (left) receives the R. Danny Williams Visionary Award for her trailblazing Deaf Debates initiative from Sagikor Foundation Board Director, Bridget Azan.



2025

TEAM MEMBER OF THE YEAR NOMINEES

This year's nominees for Sagicor Team Member of the Year represent the very best of who we are — dedicated professionals who go above and beyond in their roles, champion our values, and make a lasting impact on their colleagues, clients, and communities. It is our honour to celebrate these exceptional individuals.

1 Joenel Bent

Accounting Officer, Financial Reporting - Insurance Accounting Unit

Joenel is a highly regarded team member known for her reliability and collaborative spirit. A graduate of the Sagicor Hey S.I.S Mentorship Programme and finalist in the 2025 Sagicor DataVersity Dashboard Competition, she brings energy and excellence to everything she does. She actively serves on both the Sagicor Group Finance and Insurance Accounting Social Committees, and extends her commitment beyond the workplace through volunteerism, including support for Hurricane Melissa victims and the 2025 Sagicor SIGMA Run.

2 Tracy-Ann Thomas Wright

Assistant Manager, Bank Operations - Savanna-La-Mar Branch

With over two decades of banking experience, Tracy-Ann is a proven leader in operations and investment management. She began her career in 2004 and has grown through leadership roles across Pan Caribbean Merchant Bank, Sagicor Bank, and RBC. Holding a B.Sc. in Business Administration, an M.B.A. in Banking & Finance, and A.C.C.A. Level II certification, she is a multiple award-winning professional known for driving portfolio growth and operational excellence — guided by her faith and her commitment to her team.

3 Shawna-Kay Dias-Chambers

Assistant Manager, People Culture & Team Member Experience

With over 13 years at Sagicor across Banking, Investments, and Human Resources, Shawna-Kay is a passionate advocate for people-first strategies. She leads the S.P.E.K.T.R.A programme, supporting team members with children on the autism spectrum, and created the LEADERS with a WOW initiative to spotlight impactful leadership across the Group. Shawna-Kay consistently bridges people initiatives with organizational goals, building a workplace where every team member feels valued and empowered.

4 Sashakay Clarke

Personal Banking Officer - Sagicor Bank Dominica Drive Branch

Sashakay began her Sagicor journey as an intern in 2014 and has grown into a top-performing team member who leads by example. In 2025, she

achieved an outstanding 177% of her loans target and 117% of her credit card target, a standout contribution that helped her branch earn Branch of the Year. A winner of the 2024 Contributor of the Year Award and Sagicorian of the Year, Sashakay is deeply client-focused and a genuine role model for her peers. Her guiding motto: "Only the best is good enough."

5 Stephenie Johnson Bennett

Assistant Manager, Group Compliance

Stephenie is a dedicated compliance professional with over a decade of experience in banking and financial services. Specialising in AML/CFT/CPF frameworks and risk management, she has led key initiatives including CRAVE DNA, Risk Powered Partner, and the Risk and Compliance Expansion programmes. A recipient of multiple performance awards, Stephenie embodies the Sagicor SCRIPT values and gives back through volunteering with the Sagicor SIGMA Corporate Run, Red Cross Jamaica, and the Hey S.I.S Mentorship Programme.

6 Yannique Thomas

Employee Benefits Administrator - EBA Unit

Yannique is a high-performing team member whose precision and dedication speak for themselves. In 2025, she maintained a 100% accuracy rate in the calculation and vetting of benefit payments and a 93% regulatory compliance rate, helping EBA achieve an 81% average turnaround time. Beyond her professional role, Yannique volunteers with the Sagicor Group and chairs the Bring Up Grades (BUG) Committee at the Kiwanis Club of Young Professionals Kingston, making a meaningful difference in the lives of children every Saturday.

SHORTLISTED TEAM MEMBER OF THE YEAR 2025 NOMINEES



JoeneI Bent
Insurance Accounting

Tracy Ann Thomas-Wright
Branch Sales (Savanna-La-Mar)

Shawna-Kay Dias-Chambers
Group HR & People Experience

Sashakay Clarke
Branch Sales (Dominica Drive)

Stephenie Johnson-Bennett
ERM & Group Compliance

Yannique Thomas
Pension Services (EBA)

SHAWNA-KAY DIAS-CHAMBERS

2025 SAGICOR TEAM MEMBER OF THE YEAR

“SERVE PEOPLE, LOVE PEOPLE”

Every year, the Sagicor Group Jamaica Corporate Awards Team Member of the Year award recognises an individual who exemplifies the organisation's core values through exceptional performance, service, leadership and a deep commitment to people. In 2026, that honour was awarded to Shawna-Kay Dias-Chambers, an Assistant Manager in the People Culture & Team Member Experience Department, whose journey embodies determination, purpose, and a faith-driven commitment to growth.

When Dias-Chambers heard her name announced on the night of the awards, she recalls being overwhelmed by emotion and disbelief. The recognition follows a deeply personal chapter of her life, as she balanced a new portfolio at work with pregnancy and family responsibilities. She credits her strength during this period to her support system and her faith. “God is the foundation of everything I do,” she shared. “He has carried me through every season of my life.”

She also paid tribute to her husband, Mark Dias-Chambers, describing him as a pillar of support throughout her journey. “My husband has been incredible. He told me to go ahead and shine, and he held it down for me at home so I could give my best at work,” she said.

Raised in Westmoreland, Shawna-Kay later came to Kingston, attending Ardenne High School before pursuing studies at the University of Technology, Jamaica, where she specialised in Business Administration. Her journey has been shaped by both achievement and adversity, including the loss of her mother a week after her high school graduation and the destruction of her family home due to Hurricane Melissa in 2025. Despite these challenges, she describes her path as one defined by perseverance.

“Life hasn't been easy, but every experience built me,” she said. “It taught me resilience and how to keep moving forward no matter what.”

Professionally, Dias-Chambers' journey spans more than a decade of growth within Sagicor Group Jamaica and the wider financial services sector. She began in entry-level operational and administrative roles before progressing through multiple functions over 10 years, steadily building a career grounded in service and persistence. A key influence in her development was her leader, Michelle Higgins, Assistant Vice President – People Development, whom she credits with consistently pushing her towards greater success. “Michelle believed in me at a time when I doubted myself,” she said. “She saw potential in me before I saw it in myself, and she kept pushing me to go further.”

Dias-Chambers' passion for people is at the centre of her leadership style. In her current role, she focuses on employee engagement, culture and development, guided by a belief in creating workplaces where people feel valued and supported. “I love people. The goal is to serve people, love people and stay authentic,” she said. “If someone is struggling, they know they can come to me. I'll sit with them, I'll listen and I'll support them. That's what matters most to me. Everything I do is rooted in purpose and making an impact.”

Dias-Chambers also credits Sagicor's culture of learning and development as a major driver of her growth, highlighting training programmes, cross-functional exposure, and leadership development opportunities as key enablers of her career progression.

Her focus going forward is on expanding her impact across the Caribbean, particularly in employee engagement, recognition, and people development initiatives. She also intends to continue growing professionally in human resources, aligning her personal goals with the organisation's broader vision. Her advice to others aspiring to reach similar heights is simple but powerful: “Be consistent, stay intentional, and don't give up. Growth takes time, but if you stay ready, your opportunity will come.”



RR

Be consistent, stay intentional, and don't give up. Growth takes time, but if you stay ready, your opportunity will come."

SHAWNA-KAY DIAS-CHAMBERS

Shawna-Kay Dias-Chambers holds her 2025 Team Member of the Year trophy on stage at the 2026 Saginor Group Jamaica Corporate Awards.

GROUP HUMAN RESOURCES

SHAPING A FUTURE-READY WORKFORCE

In 2025, the Human Resources (HR) function remained a critical enabler of Sagicor's strategic ambitions, driving initiatives that strengthened organisational performance, leadership capability and team member experience across the Group. Guided by our strategic pillar to embed a culture that retains, engages and attracts the best talent as we pursue excellence, embody innovation and embrace change, HR continued to play a central role in shaping a future-ready workforce.

Our priorities for the year were firmly aligned to the Group's broader goal, ensuring that people strategies supported business growth, operational resilience and long-term sustainability. Through targeted

investments in talent development, culture building, compliance governance, workforce capability and team member well-being, we strengthened organisational readiness while maintaining a strong focus on performance excellence and risk management.

This report highlights the key achievements, strategic initiatives and operational outcomes delivered by the HR function throughout 2025. It reflects our commitment to building a high-performing, inclusive and agile workforce that is equipped to meet evolving business demands and deliver value to our clients, shareholders and communities.

PEOPLE CULTURE & TEAM MEMBER EXPERIENCE

Strengthening our people-first culture and enhancing the overall team member experience remained central to our strategic objective of building a high-performing, future-ready workforce. In 2025, our engagement and culture-focused initiatives were intentionally designed to reinforce Sagicor's values, foster inclusion and belonging, and support the organisation's ability to attract, retain and motivate top talent within an evolving business environment.

Sports Programmes

In 2025, the Company continued to actively promote participation in organised sports and recreational clubs, including netball, football, basketball, table tennis and dominoes, as part of broader efforts to strengthen team connection, collaboration and workplace camaraderie. These programmes provided valuable opportunities for team members to build relationships across departments while fostering teamwork, discipline and a strong sense of organisational pride.

Inter-departmental sporting competitions once again generated high levels of engagement across the Group, fostering a vibrant, inclusive environment that encouraged teamwork, participation and healthy competition. Notably, Sagicor secured the 2025 Corporate Business House Shield Domino Championship, reinforcing our strong culture of camaraderie and team excellence.


OUR STRATEGIC PILLARS



ATTRACT & RETAIN TALENT
Embed a culture that retains, engages and attracts the best talent as we pursue excellence.



EMBODY INNOVATION
HR continued to play a central role in shaping a future-ready workforce.



EMBRACE CHANGE
Building an agile workforce that is equipped to meet evolving business demands.



1. Shawna-Kay Dias-Chambers, Assistant Manager, People Culture and Team Member Experience, Group HR & People Experience, holds her 2025 Team Member of the Year Trophy at the 2026 Sagicor Group Corporate Awards.
2. 2025 Manager of the Year, Von-Dane Lambert, Manager, ERM (Strategic and Operational Risk), ERM & Group Compliance, was a crowd favourite at the 2026 Sagicor Group Corporate Awards.
3. 2025 Contributor of the Year Kirk Shaw, Assistant Manager, Facilities and Records Management, Group Corporate Services receives his award from Ingrid Card, Head - Marketing, Human Resources & Communications, Caribbean Operations at the 2026 Sagicor Group Corporate Awards.
4. Jadiene Shaw, Assistant Manager, Data Administration Support, receives her 2025 Pioneer of the Year Award from Ingrid Card, Head - Marketing, Human Resources & Communications, Caribbean Operations at the 2026 Sagicor Group Corporate Awards.
5. Ingrid Card (right), Head - Marketing, Human Resources & Communications, Caribbean Operations, hands over the Rookie of the Year trophy to Chantal Smith, Supervisor - Operations Support, Group Client Support.

Rewards & Recognition Programme

During 2025, the Company continued to recognise and reward team members for exceptional performance, outstanding contributions and consistent demonstration of Sagicor's core values. Special recognition was given to individuals who went above and beyond their roles and delivered high-quality service to our clients.

The 2025 Team Member of the Year trophy was awarded to Shawna-Kay Dias-Chambers, Assistant Manager, People Culture and Team Member Experience, while the Manager of the Year trophy was awarded to Von-Dane Lambert, Manager, ERM (Strategic and Operational Risk). The Contributor of the Year award was presented to Kirk Shaw, Assistant Manager, Facilities and Record Management with Jadiene Shaw, Assistant Manager, Data Administration walking away with the Pioneer of the Year award. Additionally, the Rookie of the Year trophy was awarded to Chantal Smith, Supervisor Operations Support.



6.

TEAM MEMBER ENGAGEMENT

In April 2025, the S.P.E.K.T.R.A. Programme was officially launched. S.P.E.K.T.R.A. (Support for Parents Embracing Kids Through Resilience & Awareness) is a strategic and compassionate initiative led by Group Human Resources and the People Experience team, aimed at providing meaningful support to team members who are parents of children on the autism spectrum. This programme strengthens our culture of inclusion,

understanding and empowerment, while reinforcing Sagicor's commitment to holistic employee support and psychological safety. The community connects through monthly engagement sessions and active WhatsApp and Microsoft Teams groups, where members share experiences, exchange practical resources and provide ongoing peer support.

Mental Health Awareness Month was observed in May under the theme "Fostering Community". Activities

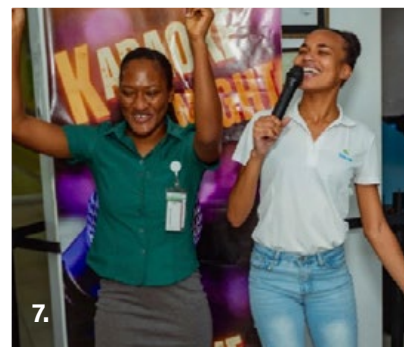
6. Sagicor Group Jamaica's marketing team in full support of S.P.E.K.T.R.A.

7. Team members enjoy a night of karaoke hosted by Sagicor.

8. Karaoke was well received on the road as the event took place across several Sagicor locations.

commenced with a worship and inspirational word session, followed by stress management and relaxation technique workshops designed to equip team members with practical tools for personal well-being. The month concluded with a signature comedy event titled "Laughter Unleashed", where team members participated by wearing shades of green to further promote mental health awareness and engagement across the Group.

In June, the organisation commenced celebrations for its 55th Anniversary under the theme "A Journey in Time". This milestone was marked by a week of dynamic engagement activities that celebrated Sagicor's legacy, acknowledged present achievements, and reinforced a shared vision for the future, strengthening connection, pride and unity among team members.



7.

In August, the Company hosted an end-of-summer Karaoke Night as part of its ongoing team engagement initiatives, aimed at strengthening interpersonal connections, encouraging collaboration and promoting a positive workplace culture. The event provided team members with an opportunity to unwind, showcase their talents and build camaraderie outside the traditional work environment. Interactive activities such as "Spin the Wheel (Karaoke Edition)" and "Rip Off" added excitement, while food and refreshments enhanced the overall experience.

In September, the engagement momentum continued with the launch of the Karaoke Road Show, designed to reach and engage non-corporate team members across multiple locations. The initiative was successfully executed at several



8.

Sagicor Bank Jamaica (SBJ) sites, bringing together team members from Advantage General, Sagicor Investments and Sagicor Life. This outreach initiative celebrated workforce diversity, strengthened morale and further reinforced a unified culture across the broader Sagicor Group.

October marked the observance of World Mental Health Day, during which a dedicated Mental Health Break Room and a team member awareness podcast were introduced to promote open dialogue, education and mental health awareness in the workplace.

In November, team members at the Black River Branch participated in the Sagicor Financial Company (SFC) 185th Anniversary Celebrations, featuring creative engagement activities such as Candle Making and the Sagicor Praise Experience, fostering connection, reflection and team bonding. The month also included the observance of World Diabetes Day, highlighted by an educational podcast titled Diabetes in the Workplace, which focused on awareness, prevention and healthy lifestyle practices.

The year concluded in December with the Stronger Together Gospel Concert, which brought team members together

in a powerful celebration of unity, inspiration and shared values, further strengthening organisational culture and team spirit across the Group.

PEOPLE DEVELOPMENT AND CHANGE MANAGEMENT

We endeavour to be as innovative and resourceful as possible in an effort to ensure the professional and personal growth of our team members, implementing tools and strategies such as those shared below to deliver group-wide development initiatives.

Self-paced Training Sessions

– These sessions were hosted in Sage Academy and allowed our team members to complete training sessions on their own time and at their own pace, without impacting business operations.

Managerial Courage & Accountability

– This course was designed for our people leaders to aid them in celebrating successes, navigating difficult conversations, addressing performance issues and making tough decisions without hesitation. This training builds the emotional intelligence and leadership resilience required to lead with conviction.

Client Experience: Meet the Bakers Part 2 - A Winning Client Experience Journey

– In an effort to deliver the best and most innovative forms of training this year, our mandatory Client Experience training took the form of a simulated game, which required team members to implement our client experience service standards to simulated client interactions across all business lines.

ONE Sagicor: Cultural Transformation

– This course was designed to bring awareness to, as well as strengthen the ONE Sagicor culture across the Group. Frontline team members attended this training in person, as we observed that they benefited best from a hands-on, personalised approach. This hands-on

experience was essential for enhancing their client experience skills and effectiveness in their roles. Support team members had the opportunity to attend this course virtually or in person.

H.E.Y. SIS – This was a comprehensive development programme, specifically tailored to foster and support the personal and professional growth of women throughout the organisation. Through interactive learning sessions, mentorship opportunities and executive guidance, participants got the chance to enhance their confidence, improve their career readiness, boost their financial intelligence, develop strong leadership skills and cultivate a well-rounded perspective on life and work.



9. H.E.Y. SIS graduates were all smiles as they were joined by Christopher Zacca (centre), President & CEO, Sagicor Group Jamaica, at the end of the programme.



10.



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- 10. Sagicor's Mental Health Ambassadors are happy to begin their quest of peer support in the workplace.
- 11. Merl Grove High School – I-Care Launch with SagicorLead Cohort 4.
- 12. CBRJ Fund-raiser - Handing over of J\$500,000 with SagicorLEAD Cohort 4.

Mental Health Ambassadors Programme -

This initiative was a well-timed response to the increasing demand for mental health awareness and peer support in the workplace. The programme offered comprehensive training and expert guidance, ensuring that selected team members acquired fundamental knowledge and essential skills necessary to provide peer-level mental health support. These trained individuals will be empowered to identify symptoms of mental distress, provide compassionate peer support and play a pivotal role in cultivating a work environment that values psychological safety and emphasises overall well-being. This programme was very valuable in dealing with the aftermath of Hurricane Melissa.

Maximising Leadership – This was a comprehensive six-week development programme, specifically designed for a select group of people leaders, aimed at enhancing their leadership skills and abilities.

Rated M - Development Programme for Male Team Members - In 2025, we continued providing customised training sessions based on expressed needs and desired skills of our male team members. The following sessions were offered to our Sagicor Men:

- **Rated M Resonin': Fatherhood Uncensored**
- **Mental Health: Man in the Mirror**
- **Men's Health Champion**
- **Men's Health Expo**
- **Mind Session with Rated M**
- **Built for More: Strong, Resilient & Growing**
- **Holiday Hacks - Budget Better! Be Safer with Rated M**

TotallyHER Series - Development Programme for female team members

In 2025, we persisted in our commitment to offer tailored training sessions, specifically catering to the unique requirements and desired abilities of our female team members. This personalised approach allowed us to effectively address their individual learning goals and help them enhance their professional skills.

- **International Women's Day podcast**
- **Endo-Uncovered with Rated M**
- **Mind Session with Rated M**
- **Body Talk Session with Rated M**
- **Hey SIS Programme**
- **Holiday Hacks: Budget Better. Be Safer with Rated M**

TALENT MANAGEMENT & PEOPLE COMPLIANCE

SagicorLEAD Leadership Development Programme

In December 2025, the SagicorLEAD Cohort 4 participants graduated, and SagicorLEAD Cohort 5 candidates were inducted. The participants of Cohort 4 were exposed to structured learning, experiential development, and applied project work aligned with organisational priorities. Core development activities encompassed transformational leadership training. The SagicorLEAD I-Care component of the programme was initiated at Merl Grove High School, specifically

targeting third form students as they transition to upper school. In the latter part of the year, Hurricane Melissa resulted in unavoidable operational disruptions. As a result, the graduation, originally scheduled for October and November, respectively, were rescheduled and completed in December 2025. These adjustments ensured programme continuity while maintaining participant engagement and programme integrity. The training and workshops were thoughtfully designed to support holistic development, empowering the participants to grow in a well-rounded manner. Despite these challenges, the SagicorLEAD Programme demonstrated resilience and adaptability, with successful completion of key milestones and graduation of participants. The programme continues to serve as a strategic investment in leadership development and succession planning for the organisation.

PEOPLE RELATIONS & TEAM WELL-BEING

Hurricane Melissa

Team Support and Well-being Response

The People Relations and Team Welfare function remained a critical pillar of the employee experience in 2025. This unit continued to focus on fostering positive employee relations, strengthening trust, and promoting a supportive and inclusive work environment across the organisation.

Through proactive engagement, responsive case management and targeted welfare initiatives, the team played a key role in enhancing workplace harmony, strengthening employee morale, and supporting team members through both professional and personal challenges. These efforts contributed to improved collaboration, sustained performance and a strong sense of belonging, reinforcing Sagicor's commitment to people-first leadership and organisational excellence.

Approximately two thousand (2,000) relief packages were distributed to impacted team members and their families in Western Jamaica. Our outreach efforts also included nine (9) visits to the region to provide immediate support and aid to those impacted by Hurricane Melissa. These visits included team members from Sagicor Life Jamaica (SLJ), Sagicor Bank Jamaica Limited (SBJ) and Advantage General Insurance Company (AGIC).

Sustained team member morale and engagement levels were maintained, despite significant personal and environmental disruptions. This demonstrated organisational commitment to team member care, strengthening trust, loyalty and employer brand credibility.

Fostering Well-being and Support

Team member well-being and support were prioritised. Counselling services were offered to all team members, with particular focus on those in St. Elizabeth, Westmoreland, St. Ann and St. James. An all-team member counselling



13. Sagicor Team members participate in Hurricane Melissa relief efforts by donating items and their time to the cause.

14. The Sagicor Auditorium, located in the R. Danny Williams building was buzzing as team members packed items for colleagues in the West that were impacted by Hurricane Melissa.



15.



16.

15. & 16. Team members from western Jamaica enjoy a candle-making session during Sagicor's "You are Not Alone" event.

session entitled, "You are Not Alone", was held on October 31 and led by a certified clinical psychologist who provided helpful coping tips for the team.

Additionally, a dedicated in-person wellness and engagement session, "Ignite the Flame Within", was hosted at the Golf View Hotel for Black River team members. This session facilitated connection with colleagues, SBJ Leadership and Group HR and People Experience teams. A hands-on candle-making activity was a part of the experience, with candles provided as personal keepsakes.

Effective cross-branch collaboration ensured business continuity while supporting displaced team members. Proactive financial and psychosocial interventions reduced team member stress and enabled faster personal recovery.

Hurricane Melissa Relief Grants and Interest-Free Loans

In October 2025, Hurricane Melissa significantly impacted several communities across the island, affecting many of our team members and their families through property damage, displacement and unexpected financial hardship.

Consistent with our commitment to putting people first, the Company moved swiftly to implement a comprehensive Hurricane Relief Programme designed to provide both immediate financial assistance and ongoing recovery support. Our goal was simple: to stand with our team members during their time of greatest need

and ensure they had the resources required to rebuild and recover with dignity.

The relief initiative consisted of two primary forms of financial support:

- **Emergency Grants** – to provide immediate, non-repayable assistance for urgent needs such as temporary housing, repairs, food and essential supplies.
- **Interest-Free Loans** – to support longer-term recovery expenses without placing additional financial burden on team members.

These grants enabled affected team members to quickly address critical needs without the added stress of repayment, ensuring timely stabilisation for themselves and their families.

Overall Financial Support Provided:

- **Combined value of grants and loans: \$110,880,800.96.**

Group Human Resources Mental Health Outreach Initiative

In recognition of Mental Health Awareness Month and National Depression and Mental Health Screening Month, Sagicor's Group HR and People Experience Team carried out a Mental Health Outreach Initiative, aimed at promoting holistic wellness and fostering community development, with a focus on the elderly population living with disabilities.



17.



18.

17. Christopher Zacca, President & CEO, Sagicor Group Jamaica, hands over a care package to Vilma Guthrie, Sagicor Bank Black River Branch Manager inside the Bank's building which was damaged by the passing of Hurricane Melissa.
18. Tasha Malcolm (left), Public Relations Officer at the Middle Quarters Community Development Committee collects her free medication from Jewel Reid, COO, RA Williams Distributors Ltd. and Registered Pharmacist.

In partnership with Miss Little Hot Kitchen, Sagicor's Group HR and People Experience team conducted an outreach activity in Dover, St. Mary in May and October 2025, during which warm meals and care packages were distributed to over 35 elderly individuals. The initiative addressed key challenges such as social isolation and limited access to healthcare, while strengthening community relationships.

Following the success of the first partnership with Miss Little Hot Kitchen activity in May 2025, the second initiative executed in October 2025 was expanded to include a Mental and Physical Health Check-Up Day, in collaboration with the Sagicor Wellness Unit and the Ministry of Health and Wellness. Services provided included physical health assessments, mental health support, wellness education, hair grooming and the distribution of additional care packages.

The initiative reinforced Sagicor's commitment to community empowerment, corporate social responsibility and the promotion of holistic well-being through compassionate and sustainable outreach.

Sagicor's Aftercare Programme

The Company's Aftercare Programme was officially reopened on October 28, 2025, at the Dumfries Road location, marking a meaningful investment in supporting working families across the Organisation. The programme launched with the enrolment of over 14 children of team members, ranging from ages 3 to 16 years, and was offered at a significantly subsidised rate to ensure accessibility and affordability.

The Aftercare Programme was supported by three dedicated "aunties" who provided supervision, homework assistance, and structured activities,

creating a safe, nurturing and engaging environment tailored to the varying developmental needs of the children. Since its launch, the initiative has been positively received, easing the afterschool care burden for team members and reinforcing the Company's commitment to team member well-being and work-life balance.

This initiative has had a positive impact for the Company, strengthening team member engagement, loyalty and productivity, while demonstrating a practical and compassionate approach to people-centred leadership. The president's support and endorsement of the Aftercare Programme underscored the Organisation's commitment to creating a family-friendly workplace and investing in initiatives that positively impact both team members and their families.

TECHNOLOGY AND TRANSFORMATION AT SAGICOR

REIMAGINING FINANCIAL SERVICES FOR A DIGITAL-FIRST FUTURE

In 2025, Sagicor Group Jamaica made bold strides toward realising its digital transformation mandate, solidifying its commitment to implementing a technology-driven approach in financial services. By strategically investing in advanced platforms and intelligent automation, the Group enhanced accessibility, efficiency and client focus, all while improving internal operations.

The highlight of Sagicor's digital transformation was the introduction of investment capabilities on the Sagicor e-bank platform. This allows Sagicor Bank clients with Sagicor Investments Jamaica accounts to view and manage aspects of their portfolio on e-bank. Clients can now buy or sell stocks, repurchase agreements and unit trust

instruments in the same place they manage their day-to-day spending and cash flow. This is another channel for clients to access investment opportunities, right at their fingertips. The features are accessible at any time and from any location, further emphasising Sagicor's dedication to offering flexible and convenient financial services.

The Group began work on Client Identity and Access Management (CIAM), which is a strategic, digital capability that centralises client identity and access across Sagicor. It enables faster, fully digital onboarding, strengthens compliance through centralised controls and provides a scalable foundation for future

products. CIAM is expected to move us from fragmented onboarding to a consistent, compliant and growth-ready digital experience.

To strengthen its digital capabilities even further, Sagicor launched its new Client Relationship Management (CRM) system, powered by Microsoft Dynamics 365. This system empowers financial advisors and managers to efficiently manage leads. With integrated data sources, users can distinguish between contact records and retain clear visibility into client engagement activities. The streamlined information management system enables informed decision-making and nurtures stronger relationships with clients.

Organisational efficiency was boosted with the introduction of Robotic Process Automation (RPA). This initiative automates repetitive manual tasks, freeing team members to focus on more complex issues and deliver personalised client support.

Concurrently, the Organisation continues to advance the development of a new digital loan origination portal aimed at transforming the lending experience. Currently in its pilot phase, the system is expected to simplify the application, tracking and approval process, making it faster and more transparent for clients. Upon full rollout, the portal will allow clients to apply digitally for products such as

SAGICOR IS FOCUSED ON ADVANCING INNOVATION AND DIGITAL PROGRESS. BY HARNESSING MODERN TECHNOLOGY AND AUTOMATION, THE ORGANISATION IS ELEVATING ITS ABILITY TO DELIVER SEAMLESS, RESPONSIVE AND ACCESSIBLE FINANCIAL SERVICES.

auto loans, credit cards and mortgages through a streamlined online process.

Together, these initiatives exemplify Sagicor's ongoing focus on advancing innovation and digital progress. By harnessing modern technology and automation, the Organisation is elevating its ability to deliver seamless, responsive and accessible financial services.

As the financial services industry continues to evolve, Sagicor is dedicated to building a digital future that enhances client experience, promotes operational excellence and positions the Group for sustainable growth in the years ahead.





ESG STATEMENT

Our vision is "To be a great company committed to improving the lives of the people in the communities in which we operate". Achieving this vision requires a strong commitment to sustainability and responsible business practices. SGJ recognises that long-term success depends on our ability to adapt to an evolving economic, environmental and social landscape, while continuing to create value for all stakeholders.

SGJ is committed to integrating environmental stewardship, social responsibility and sound governance into how we operate, make decisions and deploy capital. These principles guide how we pursue responsible growth, serve clients, support our team members, strengthen our communities and generate long-term shareholder value.

Over the years, SGJ has built a legacy rooted in strategic foresight and adaptability. Our history reflects disciplined execution, prudent risk management and a commitment to sustainable growth that benefits both shareholders and society. We remain focused on blending operational excellence with community empowerment, to create long-term, positive impacts across the markets we serve.

Our ESG Strategy is anchored on four key pillars:

-
- 1. Building a Foundation of Trust:** Governance & Business Ethics
-
- 2. Securing Our Future:** Proactive Risk Management & Climate Resilience
-
- 3. Enabling Our Communities to Thrive:** Corporate Social Responsibility Initiatives
-
- 4. Embracing Responsible Business Practices:** Transparency, Data Security and Customer-Centricity
-

Across every pillar of our sustainability programme, SGJ continues to advance towards our goal of being committed to sustainability by balancing the present and future needs of our Organisation. Through innovation, responsible business practices, environmental stewardship, and our unwavering commitment to our core values and social well-being, we strive to build a future where prosperity and progress are aligned.



OVER THE YEARS, SGJ HAS BUILT A LEGACY ROOTED IN STRATEGIC FORESIGHT AND ADAPTABILITY. OUR HISTORY REFLECTS DISCIPLINED EXECUTION, PRUDENT RISK MANAGEMENT AND A COMMITMENT TO SUSTAINABLE GROWTH THAT BENEFITS BOTH SHAREHOLDERS AND SOCIETY.

Building a Foundation of Trust:	Securing Our Future:	Enabling Our Communities to Thrive:	Embracing Responsible Business Practices:
<p>Governance and Business Ethics</p> <ul style="list-style-type: none"> » Maintained ongoing focus on cultivating a diverse and inclusive culture, with near gender parity across all levels: 72% female executives, 60% female non-executives. » Integrated sustainability considerations directly into core business functions through our enterprise risk management system. » Proactively engaged with key stakeholders including regulators (BOJ, FSC, CIMA, JSE), rating agencies, and community partners to align strategy with their expectations. 	<p>Proactive Risk Management & Climate Resilience</p> <ul style="list-style-type: none"> » Successfully navigated the impacts of Hurricane Melissa on team members and operations, demonstrating the effectiveness of our risk management framework. » Enhanced cross-departmental coordination and emergency communication protocols based on real-world experience. » Implemented comprehensive scenario analysis and tabletop exercises to systematically identify and address climate-related risks. 	<p>Corporate Social Responsibility Initiatives</p> <ul style="list-style-type: none"> » J\$128 million raised in support of the Kingston Public Hospital Intensive Care Unit, the Sir John Golding Rehabilitation Centre, and Father Ho Lung & Friends Foundation's Bethlehem Home. » Invested over J\$31 million in education initiatives, including scholarships and the relaunch of our Adopt-A-School programme. » Engaged 450+ volunteers and impacted more than 7,000 beneficiaries through our strategic CSR initiatives focused on health, education, sports, and community development. 	<p>Transparency, Data Security and Customer-Centricity</p> <ul style="list-style-type: none"> » Maintained exceptional customer retention rates: 101.6%. » Controls established and monitored for robust data security protocols, resulting in zero monetary losses from privacy-related proceedings. » Enhanced digital innovations to remove traditional barriers to financial services for underserved clients.

BUILDING A GREENER JAMAICA

ENVIRONMENTAL SUSTAINABILITY ACROSS SAGICOR GROUP

In 2025, Sagicor Group Jamaica demonstrated that financial services and environmental stewardship can go hand in hand. Across its banking, insurance, investment and community engagement functions, the Group wove sustainability into its core operations, with several marketing campaigns that integrated environmental sustainability as a core element being launched.

The Sagicor eInvest platform was upgraded to eliminate paper-based transactions, such as buying stocks and repos and making encashments, significantly reducing the carbon footprint. Life clients received continuous reminders about the benefits of eConnect and Client Web, allowing them to make insurance policy adjustments from home, further supporting sustainability by minimising travel and paper use.

Opening bank accounts online became a year-long campaign, targeting both existing and prospective Sagicor Bank clients. The Bank also introduced its prepaid

card, enabling Alliance customers to receive money transfers directly onto their cards, thus reducing the need for physical cash handling and associated environmental impacts.

A special Memorandum of Understanding (MOU) was signed between Sagicor Life Jamaica and the Jamaica Manufacturers & Exporters Association, leading to the hosting of workshops at the Sagicor Business Resource Centre. These workshops educated manufacturers on adopting environmentally sustainable practices and provided information on accessing additional funding through multilateral corporations. The Resource Centre also welcomed a delegation from the World Bank, who engaged directly with SME clients whose businesses positively impacted the environment.

In May, the Group launched the “Protect the Environment, Our Duty, Our Future” campaign, encouraging clients and the wider Jamaican community to participate in tree planting and community clean-up activities. A separate campaign

was also developed for World Environmental Day, further promoting environmental awareness.

Sagicor showcased its financing of the Rio Cobre project, which aims to deliver potable drinking water to thousands of Jamaicans, highlighting the Group’s commitment to environmental sustainability. The manufacturing and agro-processing loan was promoted to SME and corporate clients, particularly farmers, to support sustainable agricultural practices.

Mortgage campaigns in 2025 featured a solar loan component, and select mortgage clients received energy-saving appliances to enhance the eco-friendliness of their homes. Life clients were introduced to a “proof of life” feature, eliminating the need for physical visits to verify pension eligibility, thereby reducing travel and paper waste.

Advantage General aggressively promoted hurricane preparedness campaigns, incorporating environmental best practices. The

Bank’s new auto loan campaign offered special financing for electric vehicles, while Advantage General continued to facilitate the online purchase of auto insurance, reducing the environmental impact associated with traditional processes.

Following Hurricane Melissa, a post-campaign reminded clients of best environmental practices and offered free replacement of lost bank and insurance cards, helping clients recover sustainably and efficiently after the storm.

The annual Sagicor SIGMA Corporate Run — held on 16 February 2025 — was reimagined in 2025 as a model of large-event sustainability. With over 30,000 participants converging on Kingston, the Group partnered with Pan Jamaica Group Limited and Recycling Partners of Jamaica to minimise the event’s environmental impact.

In a first for the event, Sagicor committed to donating 30 per cent of food waste collected from the run to farmers for use as animal feed —

facilitated through Pan Jamaica Group's network via JP Farms.

A target was set to collect and recycle 50,000 plastic bottles at the event. Clearly labelled recycling drums were positioned at water stops along the route, where road marshals — provided by Pan Jamaica — directed participants to dispose of plastic bags and bottles correctly. A dedicated “green team” patrolled Emancipation Park after the event, separating waste streams and ensuring bottles were handed over to Recycling Partners of Jamaica for processing.

As Jamaica navigates the dual challenges of climate change and economic development, Sagcor's 2025 record demonstrates the powerful role that a diversified financial group can play: mobilising capital, changing behaviour, and building the resilient, green Jamaica that clients and communities depend on.

1. Minister Aubyn Hill (left) looks on as Sagcor Group Jamaica President and CEO Christopher Zacca (centre) and Jamaica Manufacturers and Exporters Association (JMEA) President Sydney Thwaites (right) sign a Memorandum of Understanding between Sagcor Life Jamaica and the JMEA at Sagcor's Head Office in Kingston on Tuesday, February 25. Also observing are Sagcor Life Jamaica's Chief Revenue Officer Mark Chisholm and JMEA Executive Director Kamesha Blake.
2. 'The Eco-Champion,' a 10-foot sculpture made from recycled plastic bottles, was created live by sculptor Scheed Cole at Emancipation Park during the Sagcor SIGMA Corporate Run 2025, highlighting sustainability through art as part of Pan Jamaica Group's SIGMA partnership.



1.



2.

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Appointed Actuary:

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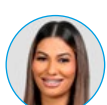


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Errol Moss

Branch Manager

Sagicor Life Jamaica Limited
Ocho Rios

Ian Bourne

Branch Manager

Sagicor Life Jamaica Limited
Holborn

Jermaine Tomlinson

Branch Manager

Sagicor Life Jamaica Limited
Knutsford

SAGICOR LIFE JAMAICA

Mark Lindsay

Branch Manager

Sagicor Life Jamaica Limited
Senators

Maurice McDonald

Branch Manager

Sagicor Life Jamaica Limited
Spanish Town

Meila McKitty Plummer

Branch Manager

Sagicor Life Jamaica Limited
Corporate Circle

Odine Dacosta

Branch Manager

Sagicor Life Jamaica Limited
Half Way Tree

Patrick Sinclair

Senior Branch Manager

Sagicor Life Jamaica Limited
Montego Bay

Philbert Perry

Branch Manager

Sagicor Life Jamaica Limited
Mandeville

Sophia Morris

Branch Manager

Sagicor Life Jamaica Limited
New Kingston

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025



Sagikor Group Jamaica



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31 December 2025

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APPOINTED ACTUARY'S REPORT TO THE SHAREHOLDERS AND POLICYHOLDERS

I have valued the policy actuarial liabilities of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd. for the consolidated statement of financial position at 31 December 2025, and the change in the consolidated income statement for the year then ended, in accordance with accepted actuarial practice, including selection of appropriate assumptions and methods.

The valuations of the Sagicor Life Jamaica Limited and the Sagicor Life of the Cayman Islands Ltd. business were conducted in accordance with the International Financial Reporting Standard 17, Insurance Contracts. The valuation complies with the Caribbean Actuarial Association's Actuarial Practice Standard 0 for General Actuarial Practice (APS0) and Actuarial Practice Standard 6 for Actuarial Services in Connection with International Financial Reporting Standard 17 (APS6).

In my opinion the amount of the actuarial reserves and other policy liabilities of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd. reported in the annual financial statements prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2025, is appropriate for this purpose and the annual financial statements presents fairly the results of the valuation.

JANET SHARP, FSA, MAAA, CERA
APPOINTED ACTUARY FOR SAGICOR LIFE JAMAICA LIMITED AND
SAGICOR LIFE OF THE CAYMAN ISLANDS LTD

27 FEBRUARY 2026

INSURANCE | INVESTMENTS | BANKING | REAL ESTATE | RETIREMENT

DIRECTORS | Mr. Peter K. Melhado (Chairman) | Mr. Christopher W. Zacca, C.D., J.P. (President & CEO) | Mr. Peter Clarke | Dr. Jacqueline Coke Lloyd J.P.
Mr. Stephen Facey, C.D. | Dr. Marjorie Fyffe Campbell | Mr. Paul Hanworth | Mr. Andre Mousseau | Mr. Mahmood Khimji
Dr. the Most Hon. Dodridge D. Miller | Dr. Stephen McNamara, C.B.E | Mr. Jeffrey Hall | Mr. Philip Armstrong | Ms. Cathleen McLaughlin
Dr. Sharma Taylor (Company Secretary)



Independent auditor's report

To the Members of Sagicor Group Jamaica Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Sagicor Group Jamaica Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2025, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2025;
- the company statement of comprehensive income for the year then ended;

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G.K. Moore T.N. Smith DaSilva K.D. Powell.

- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and stand-alone 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.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Loans and leases – Probabilities of Default, Forward Looking Assumptions & Significant Increase in Credit Risk (Group)</p> <p>Refer to Notes 2 (f), 3 (b) (iv), and 9 to the financial statements for disclosures of related accounting policies and balances.</p> <p>As at 31 December 2025, loans and leases, after allowance for credit losses, totalled \$157.6 billion on the Group's consolidated statement of financial position and represented 22.4% of total assets. The impairment provision recorded under the IFRS 9 Financial Instruments expected credit loss (ECL) model amounted to \$2.6 billion.</p> <p>The ECL impairment model takes into account reasonable and supportable forward looking information (FLI) as well as probabilities of default (PDs).</p> <p>PDs represent the likelihood of a borrower defaulting on its obligation over the next twelve months or over the remaining lifetime of the obligation.</p> <p>For loans and leases, PDs are developed based on the Group's specific historical default rates for each industry classification. In performing historical analyses, management identified economic variables impacting credit risk and ECLs for each portfolio. Various scenarios were identified, and weightings assigned using macro-economic factors as well as management's experience and judgement</p> <p>To determine whether there is a significant increase in credit risk (SICR), the Group considers reasonable and supportable information that is available including information from the past and FLI. The underlying model and its calibration, including its sensitivity to FLI, requires the use of assumptions which are highly subjective and sensitive to the risk factors, the estimation of which requires significant judgment.</p> <p>We focused on this area because of the complexity of the techniques used to determine PDs and the number of significant judgements made by management regarding possible future economic scenarios.</p>	<p>Our approach to addressing the matter, with the assistance of our valuation experts, included the following procedures amongst others:</p> <ul style="list-style-type: none"> • Updated our understanding of management's ECL model including any changes to source data and assumptions and tested the mathematical integrity of the model. • Evaluated the design and tested the operating effectiveness of the relevant controls for the FLI and SICR in the ECL model. • Evaluated the appropriateness of management's judgements pertaining to FLI, including macroeconomic factors and the basis of the multiple economic scenarios used. • Sensitised the various inputs and assumptions as part of our reasonableness tests. • Tested the completeness and accuracy of the historical data used on a sample basis, by agreeing the details of the customer payment profile to source documents. • Tested the staging of a sample of loans by reference to the number of days outstanding on the loan. • Tested the critical data fields used in the ECL model for the PD determination, such as default date, effective interest rate, write-off data, and loan type by tracing data back to source documents. • Performed an independent qualitative assessment for a sample of borrowers to determine whether there was any adverse public information affecting the criteria used to perform the staging in relation to management's SICR. • Evaluated the reasonableness of the weighting used for the worst case scenario by agreeing the forward looking economic information to published external sources or reputable third parties. • Sensitised the probability weightings used in the calculation.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities – Estimation of fulfilment cash flows (Group)</p> <p>Refer to Notes 2 (q), 3 (b) (i), 30, and 33 to the financial statements for disclosures of related accounting policies and balances.</p> <p>As at 31 December 2025, insurance contract liabilities totalled \$199.6 billion or 34.1% of total liabilities. Insurance contract liabilities measured under the variable fee approach and general measurement model consist of:</p> <ul style="list-style-type: none"> • 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. • 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). <p>Measurement of the FCFs requires management judgements in estimating the probability weighted mean of expected future cash flows on a present value basis, in addition to applying a risk adjustment.</p> <p>Estimates of expected cash flows incorporate best estimate assumptions for mortality, morbidity, longevity, expenses, and policyholder behaviour, as well as assumptions for discount rates and the risk adjustment. The assumptions are reviewed and updated at least annually by the Appointed Actuary.</p> <p>We focused on this area due to the judgement applied by management when determining the FCFs and the assumptions described above.</p>	<p>Our approach to addressing the matter, with the assistance of our actuarial experts, included the following procedures amongst others:</p> <ul style="list-style-type: none"> • Updated our understanding on management's end to end process and controls supporting the determination of FCFs. • Tested the accuracy and completeness, on a sample basis, of data inputs such as gross policy premium and reinsured amounts, used in the estimates of future cash flows. • Assessed the independence, experience and objectivity of management's actuarial experts. • Assessed the reasonableness of management's best estimate assumptions for mortality, morbidity, longevity, expenses and policyholder behaviour (lapse and surrenders), and economic assumptions for discount rates, and the adjustment for non-financial risk by: <ul style="list-style-type: none"> ○ Evaluating whether management's assumptions were determined in accordance with the requirements of IFRS 17. ○ Evaluating the Company's internal experience studies for appropriateness by considering published industry studies, market data and the product's specific facts and circumstances. • Evaluated a sample of actuarial models used in management's determination of the FCFs, by: <ul style="list-style-type: none"> ○ Assessing the appropriateness of the modelling of product features. ○ Assessing the appropriateness of the application of best-estimate assumptions. • Assessing 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 the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

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 and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone 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 and stand-alone 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 and stand-alone 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 and Company'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 or Company'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 and stand-alone 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 or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone 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 and stand-alone 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.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

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



Chartered Accountants

Kingston, Jamaica

2 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

		December 31, 2025	December 31, 2024
	Note	\$ '000	\$ '000
ASSETS			
Cash resources	6	13,200,473	22,586,502
Cash reserve at Central Bank	7	17,929,827	15,029,842
Financial investments	8	299,181,714	260,798,358
Loans and leases, after allowance for credit losses	9	157,560,278	138,670,942
Pledged assets	10	122,228,739	98,579,723
Investment properties	11	1,471,269	1,614,440
Investment in joint ventures	12	2,977,806	2,533,543
Intangible assets	15	6,589,309	6,941,398
Property, plant and equipment	16	7,620,005	7,097,551
Right-of-use assets	38	6,310,964	1,773,801
Reinsurance contract assets	30	27,556,654	3,552,974
Insurance contract assets	30	1,355,271	627,410
Retirement benefit asset	17	193,549	324,679
Deferred income taxes	18	7,305,629	8,151,039
Taxation recoverable	19	10,733,874	8,887,434
Other assets	20	21,381,417	20,625,054
TOTAL ASSETS		<u>703,596,778</u>	<u>597,794,690</u>

The accompanying notes on pages 130-245 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

		December 31, 2025	December 31, 2024
	Note	\$ '000	\$ '000
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Stockholders' Equity Attributable to:			
Stockholders' of the Parent Company			
Share capital	22	8,999,157	8,997,402
Equity reserves	23	5,858,279	2,887,453
Capital redemption reserve		3,121,572	3,121,572
Special investment reserve		752,341	686,739
Loan loss reserve		(835,351)	(908,701)
Retained earnings reserve		10,763,161	9,013,161
Retained earnings		<u>86,387,676</u>	<u>78,369,076</u>
		115,046,835	102,166,702
Non-Controlling Interests	48	<u>2,256,078</u>	<u>2,053,298</u>
Total Equity		<u>117,302,913</u>	<u>104,220,000</u>
Liabilities			
Deposit and security liabilities	27	331,792,650	285,242,068
Deferred income taxes	18	278,500	320,283
Taxation payable		1,245,724	962,220
Retirement benefit obligations	17	5,173,576	5,000,719
Lease liabilities	38	5,862,473	1,895,975
Insurance contract liabilities	30	199,643,191	160,351,946
Reinsurance contract liabilities	30	366,240	620,373
Investment contract liabilities	31	23,391,908	21,941,329
Other liabilities	29	18,539,603	17,239,777
Total liabilities		<u>586,293,865</u>	<u>493,574,690</u>
TOTAL EQUITY AND LIABILITIES		<u>703,596,778</u>	<u>597,794,690</u>

Approved for issue by the Board of Directors on the 2 March 2026 and signed on its behalf by:



Peter Melhado

Chairman



Christopher Zacca

Director

The accompanying notes on pages 130-245 form an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

		2025	2024
	Note	\$ '000	\$ '000
Insurance revenue	33	60,267,045	54,533,839
Insurance service expenses	33	(65,623,755)	(44,556,096)
Net revenue/(expense) from reinsurance contracts held	33	18,127,461	(3,736,164)
INSURANCE SERVICE RESULT		12,770,751	6,241,579
Interest income earned from financial assets measured at amortised cost and FVTOCI	34	28,801,662	26,072,409
Net (loss) / gain on de-recognition of financial assets measured at amortised cost	34	(93)	1,123
Net gain on de-recognition of financial assets measured at FVTOCI	34	973,120	496,812
Interest income earned and capital net gain from assets measured at FVTPL and other investment income	34	17,599,797	11,818,552
Interest expense	34	(9,771,133)	(9,080,028)
Credit impairment losses	34/8	(1,713,041)	(1,409,645)
NET INVESTMENT INCOME	34	35,890,312	27,899,223
Finance expenses from insurance contracts issued	34	(12,866,136)	(8,239,979)
Finance income / (expenses) from reinsurance contracts held	34	16,528	(39,939)
NET INSURANCE FINANCE EXPENSES		(12,849,608)	(8,279,918)
NET INSURANCE AND INVESTMENT RESULT		35,811,455	25,860,884
Fees and other income	35	20,241,226	18,699,698
Administration expenses	36	(31,635,841)	(28,358,642)
Depreciation and amortisation	15/16	(1,772,539)	(1,692,152)
Other taxes and levies	37(a)	(994,450)	(937,791)
		(14,161,604)	(12,288,887)
Share of profit from joint ventures	12	281,418	226,379
Impairment charge on goodwill	15	(186,066)	(700,000)
Profit before Taxation		21,745,203	13,098,376
Taxation	37(a)	(5,302,588)	(4,047,533)
NET PROFIT		16,442,615	9,050,843
Attributable to:			
Stockholders of the parent company	39	16,222,327	9,238,468
Non-controlling interests	48	220,288	(187,625)
		16,442,615	9,050,843
Earnings per stock unit for profit attributable to the stockholders of the parent company during the year:			
Basic and fully diluted	39	4.16	2.37

The accompanying notes on pages 130-245 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

		2025	2024
	Note	\$ '000	\$ '000
Net Profit for the year		16,442,615	9,050,843
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Fair value reserve:			
Unrealised gains / (losses) on securities designated as FVTOCI		3,205,869	(828,977)
Share of joint ventures unrealised gains on securities designated as FVTOCI		57,319	7,159
		3,263,188	(821,818)
Currency translation -			
Currency translation of foreign subsidiaries		292,152	95,338
Currency translation of joint ventures		48,490	48,490
		340,642	143,828
Gains recycled to the income statement on sale and maturity of FVTOCI securities		(997,301)	(476,392)
Provision for expected credit losses on securities designated as FVTOCI	8	(16,837)	19,968
Expected credit losses recycled to the income statement on sale and maturity of FVTOCI securities		-	282
		(1,014,138)	(456,142)
Items that will not be subsequently reclassified to profit or loss			
Owner Occupied Property (OOP)			
Unrealised gains on OOP		379,696	399,380
		379,696	399,380
Re-measurements of retirement benefits obligations	37	92,186	(930,039)
Total other comprehensive income recognised directly in stockholders' equity, net of taxes		3,061,574	(1,664,791)
Total Comprehensive Income		19,504,189	7,386,052
Attributable to:			
Stockholders of the parent company		19,301,409	7,620,707
Non-controlling interests		202,780	(234,655)
		19,504,189	7,386,052

Items in the statement above are stated net of taxes. The income tax relating to each component of other comprehensive income is disclosed in Note 37(c).

The accompanying notes on pages 130-245 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

Note	Share Capital	Equity Reserves (Note 23)	Capital Redemption Reserve	Special Investment Reserve	Loan Loss Reserve	Retained Earnings Reserve	Retained Earnings	Equity Owners' Total	Non-controlling Interests Total	Grand Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at January 1, 2025	8,997,402	2,887,453	3,121,572	686,739	(908,701)	9,013,161	78,369,076	102,166,702	2,053,298	104,220,000
Profit for the year	-	-	-	-	-	-	16,222,327	16,222,327	220,288	16,442,615
Other comprehensive income, net of taxation	-	2,956,434	-	-	-	-	122,648	3,079,082	(17,508)	3,061,574
Total comprehensive income for the year	-	2,956,434	-	-	-	-	16,344,975	19,301,409	202,780	19,504,189
Transactions with owners -										
Employee stock option plan										
- value of services provided	23	-	14,392	-	-	-	-	14,392	-	14,392
Dividend	25	-	-	-	-	-	(6,483,354)	(6,483,354)	-	(6,483,354)
Treasury shares	24	1,755	-	-	-	-	45,931	47,686	-	47,686
Total transactions with owners		1,755	14,392	-	-	-	(6,437,423)	(6,421,276)	-	(6,421,276)
Transfers between reserves -										
To special investment reserves	2(o)	-	-	-	65,602	-	(65,602)	-	-	-
To loan loss reserves	9	-	-	-	-	73,350	(73,350)	-	-	-
To retained earnings reserves		-	-	-	-	-	1,750,000	(1,750,000)	-	-
Total transfers between reserves		-	-	-	65,602	73,350	1,750,000	(1,888,952)	-	-
Balance as at December 31, 2025	8,999,157	5,858,279	3,121,572	752,341	(835,351)	10,763,161	86,387,676	115,046,835	2,256,078	117,302,913

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

Note	Share Capital	Equity Reserves (Note 23)	Capital Redemption Reserve	Special Investment Reserve	Loan Loss Reserve	Retained Earnings Reserve	Retained Earnings	Equity Owners' Total	Non-controlling Interests Total	Grand Total
Balance as at January 1, 2024	8,879,881	3,597,762	3,121,572	617,317	(590,850)	7,703,161	76,450,203	99,779,046	2,435,953	102,214,999
Profit for the year	-	-	-	-	-	-	9,238,468	9,238,468	(187,625)	9,050,843
Other comprehensive income, net of taxation	-	(740,549)	-	-	-	-	(877,212)	(1,617,761)	(47,030)	(1,664,791)
Total comprehensive income for the year as restated	-	(740,549)	-	-	-	-	8,361,256	7,620,707	(234,655)	7,386,052
Transactions with owners -										
Employee stock option plan										
- value of services provided	23	30,240	-	-	-	-	-	30,240	-	30,240
Dividend	25	-	-	-	-	-	(5,350,720)	(5,350,720)	(148,000)	(5,498,720)
Treasury shares	24	117,521	-	-	-	-	(30,092)	87,429	-	87,429
Total transactions with owners		117,521	30,240	-	-	-	(5,380,812)	(5,233,051)	(148,000)	(5,381,051)
Transfers between reserves -										
To special investment reserves	2(o)	-	-	69,422	-	-	(69,422)	-	-	-
From loan loss reserves	9	-	-	-	(317,851)	-	317,851	-	-	-
To retained earnings reserves		-	-	-	-	1,310,000	(1,310,000)	-	-	-
Total transfers between reserves		-	-	69,422	(317,851)	1,310,000	(1,061,571)	-	-	-
Balance as at December 31, 2024	8,997,402	2,887,453	3,121,572	686,739	(908,701)	9,013,161	78,369,076	102,166,702	2,053,298	104,220,000

The accompanying notes on pages 130-245 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025	2024
		\$ '000	\$ '000
Cash Flows from Operating Activities			
Net profit		16,442,615	9,050,843
Adjustments for:			
Items not affecting cash			
Adjustments to reconcile net profit to net cash provided by operating activities	40(a)	(72,169,450)	(36,003,494)
Interest and dividends received		39,325,757	36,677,623
Interest paid		(9,780,736)	(9,145,645)
Income and asset taxes paid		(5,645,198)	(4,731,141)
Net cash used in operating activities		<u>(31,827,012)</u>	<u>(4,151,814)</u>
Cash Flows from Investing Activities			
Investment in joint venture		(143,431)	(320,796)
Distribution received from joint venture		143,431	379,300
Proceeds from disposal of Investment Property, net		166,977	238,565
Acquisition of property, plant and equipment	40(a)	(899,099)	(723,917)
Purchase of intangible assets, net	15	(434,039)	(487,579)
Net cash used in investing activities		<u>(1,166,161)</u>	<u>(914,427)</u>
Cash Flows from Financing Activities			
Deposits and securities liabilities excluding structured products	40(c)	43,698,871	21,925,934
Loan payable	40(c)	-	(2,180,000)
Finance lease repayment	40(c)	(884,162)	(908,959)
Issue/(Purchase) of treasury stock, net		47,686	87,429
Dividend paid to minority interests		-	(148,000)
Dividends paid to stockholders	25	(6,483,354)	(5,350,720)
Net cash generated from financing activities		<u>36,379,041</u>	<u>13,425,684</u>
Effect of exchange rate on cash and cash equivalents		784,863	298,879
Increase in cash and cash equivalents		4,170,731	8,658,322
Cash and cash equivalents at beginning of year		54,011,742	45,353,420
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	<u>58,182,473</u>	<u>54,011,742</u>

The accompanying notes on pages 130-245 form an integral part of these financial statements

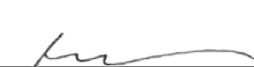
COMPANY STATEMENT OF FINANCIAL POSITION


YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025	2024
		\$ '000	\$ '000
ASSETS			
Cash resources	6	171,812	435,076
Financial investments	8	1,189,314	1,249,643
Pledged assets	10	156,518	150,115
Investment in joint ventures	12	878,466	735,063
Investment in subsidiaries	14	71,826,639	71,826,639
Intangible assets	15	42,022	55,745
Property, plant and equipment	16	262,117	249,661
Deferred income taxes	18	165,435	204,094
Taxation recoverable	19	180,575	125,073
Other assets	20	963,204	1,079,465
TOTAL ASSETS		<u>75,836,102</u>	<u>76,110,574</u>
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Stockholders' Equity Attributable to:			
Stockholders' of the Company			
Share capital		8,999,157	8,997,402
Equity reserves		28,510,729	28,496,337
Retained earnings		23,256,903	22,888,825
		<u>60,766,789</u>	<u>60,382,564</u>
Liabilities			
Promissory notes	27	8,952,766	9,726,934
Taxation payable		-	474,083
Other liabilities	29	6,116,547	5,526,993
Total liabilities		<u>15,069,313</u>	<u>15,728,010</u>
TOTAL EQUITY AND LIABILITIES		<u>75,836,102</u>	<u>76,110,574</u>

Approved for issue by the Board of Directors on the 2 March 2026 and signed on its behalf by:


Peter Melhado Chairman


Christopher Zacca Director

The accompanying notes on pages 130-245 form an integral part of these financial statements

COMPANY STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$ '000	2024 \$ '000
Revenue:			
Investment income	34	6,619,052	6,019,495
Interest and net investment expense	34	(185,832)	(209,396)
Net Investment Income	34	6,433,220	5,810,099
Management fees	35	7,086,524	6,812,187
Other income	35	(5,271)	15,415
Total revenue, net of interest and other investment expense		13,514,473	12,637,701
Expenses:			
Administration expenses	36	(6,461,002)	(5,865,969)
Depreciation	16	(91,589)	(66,344)
Amortisation of intangible assets	15	(17,170)	(43,045)
		(6,569,761)	(5,975,358)
Profit before Taxation		6,944,712	6,662,343
Taxation	37(a)	(148,031)	(475,284)
Net Profit being Total Comprehensive Income		6,796,681	6,187,059

Note	Share Capital \$ '000	Equity Reserves (Note 23) \$ '000	Retained Earnings \$ '000	Grand Total \$ '000
Balance as at January 1, 2024	8,879,881	28,466,097	22,052,486	59,398,464
Profit for the year, being total comprehensive income	-	-	6,187,059	6,187,059
Dividends paid to owners of parent	25	-	(5,350,720)	(5,350,720)
Treasury shares	24	117,521	-	117,521
Employee stock options	40(a)	-	30,240	30,240
	117,521	30,240	836,339	984,100
Balance as at December 31, 2024	8,997,402	28,496,337	22,888,825	60,382,564
Profit for the year, being total comprehensive income	-	-	6,796,681	6,796,681
Dividends paid to owners of parent	25	-	(6,483,354)	(6,483,354)
Treasury shares	24	1,755	54,751	56,506
Employee stock options	40(a)	-	14,392	14,392
	1,755	14,392	368,078	384,225
Balance as at December 31, 2025	8,999,157	28,510,729	23,256,903	60,766,789

COMPANY STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2025 \$ '000	2024 \$ '000
Cash Flows from Operating Activities			
Net profit		6,796,681	6,187,059
Adjustments for:			
Items not affecting cash			
Adjustments to reconcile net profit to net cash provided by operating activities	40(a)	(5,471,806)	(4,776,651)
Interest and dividends received		6,473,677	5,643,390
Interest paid		(199,942)	(301,826)
Income tax paid		(583,369)	(39,027)
Net cash generated from operating activities		<u>7,015,241</u>	<u>6,712,945</u>
Cash Flows from Investing Activities			
Acquisition of Property, plant and equipment	16	(104,119)	(161,582)
Investment in joint venture		(143,431)	(320,796)
Distribution received from joint venture		143,431	379,300
Purchase of intangible assets, net	15	(3,447)	(14,319)
Net cash used in investing activities		<u>(107,566)</u>	<u>(117,397)</u>
Cash Flows from Financing Activities			
Securities liabilities		(760,058)	(1,118,300)
Issue/(Purchase) of treasury stock, net		1,755	117,521
Dividends paid to stockholders	25	(6,483,354)	(5,350,720)
Net cash used in financing activities		<u>(7,241,657)</u>	<u>(6,351,499)</u>
Effect of exchange rate on cash and cash equivalents		10,389	-
(Decrease) / Increase in cash and cash equivalents		(323,593)	244,049
Cash and cash equivalents at beginning of year		1,684,719	1,440,670
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	<u>1,361,126</u>	<u>1,684,719</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(a) Sagicor Group Jamaica Limited (SGJ, the Company) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 32.45% (2024 – 32.45%) owned by LOJ Holdings Limited (LOJH) which is also incorporated and domiciled in Jamaica and 6.06% (2024 – 6.06%) owned by Sagicor Life Inc which is domiciled in Barbados. In 2024, SLI sold 10.6% of its interest in SGJ to Sagicor Life Insurance Trinidad and Tobago Limited (SLITT), a wholly owned subsidiary.

Both LOJH and SLI are wholly owned by Sagicor Financial Company Limited (Sagicor), the ultimate parent company, which is incorporated and domiciled in Bermuda. Sagicor has an overall interest of 49.11% (2024 – 49.11%) in the Company. The other significant shareholder in SGJ is Pan Jamaica Group Limited with a 30.23% (2024 – 30.21%) holding.

The registered office of the Group is located at 28 - 48 Barbados Avenue, Kingston 5, Jamaica.

(b) The Company, its subsidiaries and joint ventures all have co-terminous year ends. The Company's subsidiaries and joint ventures, which together with the Company are referred to as "the Group", are as follows:

Subsidiaries, and Joint Ventures	Principal Activities	Incorporated In	Holdings
• Sagicor Life Jamaica Limited	Life insurance, health insurance annuities, retirement products, pension administration and investment services	Jamaica	100%
• Bailey Williams Limited	Real estate development	Jamaica	70%
• Sagicor Investments Jamaica Limited	Investment banking	Jamaica	100%
• Phoenix Equity Holdings Limited	Holding Company	Barbados	100%
• Advantage General Insurance Company Limited	General insurance	Jamaica	60%
• Sagicor Bank Jamaica Limited	Commercial banking	Jamaica	100%
• Grupo Sagicor G.S., G.A. and subsidiary	Group insurance and general insurance	Costa Rica	50%
• Sagicor Capital & Advice Spain S.L	Holding Company	Spain	50%
• Sagicor Panama, S.A.	Life and Health insurance	Panama	100%
• Sagicor Re Insurance Ltd.	Property and casualty insurance (captive)	Grand Cayman	100%
• Employee Benefits Administrator	Pension administration services	Jamaica	100%
• Sagicor Property Services Limited	Property management, real estate sales and rentals	Jamaica	100%
• Sagicor Pooled Investment Funds Limited	Pension fund management	Jamaica	100%
• Sagicor Insurance Brokers Limited	Insurance brokerage	Jamaica	100%
• Sagicor International Administrators Limited	Group insurance administration	Jamaica	100%
• Travel Cash Jamaica Limited	Microfinance	Jamaica	51%
• Sagicor Cayman Limited	Holding Company	Grand Cayman	100%
• Sagicor Investments (Cayman) Ltd.	Investment banking	Grand Cayman	100%
• Sagicor Life of the Cayman Islands	Life insurance	Grand Cayman	100%
• Sagicor Insurance Managers	Captives management	Grand Cayman	100%
• Alliance Financial Services Limited	Provision of remittance and cambio services	Jamaica	100%

All shareholdings remained the same as prior year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS Accounting Standards) and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS Accounting Standards and have been prepared under the historical cost convention as modified by the revaluation of fair value through other comprehensive income (FVTOCI) securities, investment property, certain property, plant and equipment and the determination of retirement benefit liabilities, using the projected united credit method and the determination of actuarial liabilities using methods described in note 2 (q).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to existing standards effective during the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and have determined that there are no material impact which are relevant to its operations.

Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and is assessing their potential financial reporting and disclosure impact.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Annual improvements to IFRS – Volume 11 (effective for annual reporting periods beginning on or after 1 January 2026). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective for annual reporting periods beginning on or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective for annual reporting periods beginning on or after 1 January 2027). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

There are no other IFRS Accounting Standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. Material Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

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

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

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition (negative goodwill). Any non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interests.

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 SGJ's interest.

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

Non-controlling interest balances are increased/decreased by the non-controlling interest's proportionate share of changes in equity after the date of acquisition.

Investments in subsidiaries are stated in the Company's financial statements at cost less impairment.

(i) Change in ownership interests in subsidiaries

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest in an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Associates and Joint Ventures

The investments in associated companies and joint ventures where significant influence exists are included in these consolidated financial statements under the equity method of accounting and in the stand-alone financial statements of the Company at cost less impairment. Investments in associated companies and joint ventures are originally recorded at cost and include intangible assets identified on acquisition. The Group recognises in income its share of associate and joint venture companies' post acquisition income and its share of the amortisation and impairment of intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint venture. The Group recognises in other comprehensive income, its share of post acquisition other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(b) Basis of consolidation (Continued)

(iii) Pension and investment funds

Insurers have issued deposit administration and units linked contracts in which 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 also manages a number of segregated pension funds, mutual funds and unit trusts. These funds are segregated and investment returns on these accrue directly to the unit-holders. The assets, liabilities and activity of these funds are not included in these consolidated financial statements unless the Group is acting as principal and has significant exposure to variable returns. Where a significant exposure to variable returns 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.

(iv) Employees share ownership plans (ESOP)

The Group operates two ESOP Trusts which acquire its shares on the open market. The Trusts hold the shares on behalf of employees. Until transfer to employees, shares held by the Trusts are accounted for as treasury shares. All dividends received by the Trusts are applied towards the future purchase of the Group's shares.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The operating segments have been defined in accordance with performance and resource allocation decisions of the chief operating decision-maker. The chief operating decision-maker is the Group's President and CEO.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is the Group's functional currency.

(ii) Transactions and balances

Transactions denominated in a foreign currency or transactions that require settlement in a foreign currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary financial instruments items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. These rates represent the weighted average rates at which the Group trades in foreign currency.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in the income statement. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial instruments, such as equities held at FVTPL, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as FVTOCI financial assets, are included in the fair value reserve in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of stockholders' equity in the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(d) Foreign currency translation (Continued)

(iii) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recorded in other comprehensive income. When a foreign operation is sold, such exchange differences are recycled to income statement as part of the gain or loss on sale.

Goodwill and other intangible assets recognised on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the rate ruling on December 31.

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 'other income'.

(e) Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and balances at Central Banks (excluding statutory reserves), bank balances, investment securities, reverse repurchase agreements and bank overdrafts.

(f) Financial assets

(i) Classification of financial assets

The Group utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortised cost based on the nature of the cash flows of these assets and the Group's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVTOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVTOCI or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

Measured at amortised cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI), such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

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2. Material Accounting Policies (Continued)

(f) Financial assets (Continued)

(i) Classification of financial assets (Continued)

Measured at FVTOCI

Financial assets that are held for collection of contractual cash flows and for selling the assets, where cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments carrying value, which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity, through OCI, to profit or loss and recognised as part of net investment income. Interest income from these financial assets is included in the profit or loss using the effective interest rate method.

Measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest income on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised and presented in the profit or loss within income earned and capital gains from assets measured at FVTPL and other investment income in the period earned. Interest income from these financial assets is included in profit or loss using the effective interest rate method.

Held for trading securities 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. Derivatives are also classified as held for trading unless designated as hedges. Assets held for trading are measured at FVTPL.

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 past experience on how the cash flows of these assets were collected;
- How the asset's performance is evaluated and reported to key management;
- How risks are assessed and managed and how managers are compensated;
- How the Group intends to generate profits from holding a portfolio of assets; and
- The historical and future expectations of asset sales within a portfolio.

Solely Payment 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 are SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(ii) Embedded derivatives

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. The Group may hold debt securities and preferred equity securities which may contain embedded derivatives. Where financial assets contain embedded derivatives, the embedded derivative is treated in the same manner as the host contract.

2. Material Accounting Policies (Continued)

(f) Financial assets (Continued)

(iii) Impairment of financial assets measured at amortised cost and FVTOCI

IFRS 9 requires the recognition of expected credit losses ("ECL") on financial assets measured at amortised cost and FVTOCI and off-statement of financial position loan commitments and financial guarantees.

At initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for 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 is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a SICR are in 'stage 2'; and financial assets for which there is objective evidence of impairment and are therefore considered to be in default or otherwise credit-impaired are in 'stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the life-time 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 delinquency, an adverse change in the 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.

(iv) 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 at origination of the financial asset instead of its gross carrying amount and incorporates the impact of ECLs in estimated future cash flows. This rate is used to calculate interest revenue and amortised cost. Their ECL is always measured on a lifetime basis, but they do not carry a day-1 loss.

(v) Definition of default

The Group determines that a financial instrument is in default, 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.

(vi) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

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2. Material Accounting Policies (Continued)

(f) Financial assets (Continued)

(vii) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- 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

ECLs 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. The Group has calculated these inputs based on the estimated forward looking economic and 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 life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, provisioning is done based on groupings of exposures 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 periodically during the year. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

One key difference between Stage 1 and Stage 2 ECL is the respective PD horizon. Stage 1 and Stage 2 ECLs also incorporate different exposures at default which is based on the amortising schedule for non-revolving assets. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired exposures, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An ECL estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating ECL. The measurement of ECLs for each stage and the assessment of SICR must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of ECLs which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

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2. Material Accounting Policies (Continued)

(f) Financial assets (Continued)

(vii) The general approach to recognising and measuring ECL (Continued)

Forward looking information (Continued)

The weightings assigned to each economic scenario were as follows:

	Base	Upside	Downside
December 31, 2025:			
Sagicor Group Jamaica - investments portfolios	80%	10%	10%
Sagicor Group Jamaica – Other lending portfolios	65%	10%	25%
December 31, 2024:			
Sagicor Group Jamaica - investments portfolios	80%	10%	10%
Sagicor Group Jamaica – Other lending portfolios	65%	10%	25%

Impairment on financial assets measured at amortised cost and FVTOCI are recognised in profit or loss. For FVTOCI debt instruments, an amount equal to the impairment recognised in profit or loss, is also recognised in OCI. Unrealised gains and losses arising from changes in fair value on FVTOCI assets are recognized in OCI. When a FVTOCI debt instrument is sold, the cumulative gain or loss and the cumulative provision for ECL previously recognised in OCI are reclassified to profit or loss as part of net gain on de-recognition of financial assets measured at FVTOCI.

(viii) Interest income and interest earned on assets measured at FVTPL

Interest income is earned based on the interest rate before allowances. Interest earned on assets measured at FVTPL is recognised based on the effective interest rate. For assets that are credit-impaired when purchased or originated, the carrying amount after allowances for ECL is the basis for applying the interest rate.

(ix) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay; or
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan; or
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate; or
- Change in the currency the loan is denominated in; or
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

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2. Material Accounting Policies (Continued)

(f) Financial assets (Continued)

(ix) Modification of loans (Continued)

If the terms are substantially different, the group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Group will assess if the asset is POCL.

(x) Reclassified balances

The Group reclassifies debt securities where its business model for managing those investments changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

(xi) Classification of equity instruments

The Group classifies and subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVTOCI. The Group's policy is to designate equity investments as FVTOCI when those investments are held for purposes other than to generate investment returns.

(xii) Presentation in the Income Statement and Statement of Other Comprehensive Income (OCI)

Financial instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in other investment income.

Financial instruments measured at amortised cost

- Interest income is included in interest income earned from financial assets measured at amortised cost and FVTOCI in the consolidated statement of income.
- Credit impairment losses are included in the consolidated statement of income.
- Gain or loss on derecognition of debt securities 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 amortised cost and FVTOCI in the consolidated statement of income.
- Credit impairment losses are included in the consolidated statement of income.
- Unrealised gains and losses arising from changes in fair value are presented in OCI.
- On derecognition, the cumulative fair value gain or loss is transferred from OCI and is presented in the consolidated statement of income.

Equity securities measured at FVTOCI

- Dividend income is included in other investment income.
- Unrealised changes in fair value 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.

(g) Investment properties

Investment property consists of freehold land and freehold properties which are held for rental income and/or capital appreciation.

Investment property is recorded initially at cost. In subsequent financial years, investment property is recorded at fair values determined by independent valuers, with the appreciation or depreciation in value being taken to investment income. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at the valuation date. Fair values are derived using the market value approach and the income capitalisation approach, which reference market-based evidence, using comparable prices adjusted for specific factors such as nature, location and condition of property.

Rental income is recognised on an accrual basis.

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2. Material Accounting Policies (Continued)

(h) Leases

(i) The Group's leasing activities and how these are accounted for are detailed below.

The Group leases various office spaces. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. Where these exist, the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The extension and termination options need to be approved by the lessor. There are no variable lease payments and there were no residual value guarantees on leases. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Sagicor Life Jamaica Limited, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and interest expense. The interest charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- restoration costs.

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2. Material Accounting Policies (Continued)

(h) Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of land and buildings, management has included various extension options in the lease liability, as relocating from existing locations would be onerous.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(i) Acceptances, guarantees, indemnities, letter of credit and undertakings

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- (i) The amount of the loss allowance; and
- (ii) The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the ECLs on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, the ECLs are recognised as a provision.

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2. Material Accounting Policies (Continued)

(j) Provision for credit losses determined under the Bank of Jamaica regulatory requirements

The effect of the provision for credit losses determined under the Bank of Jamaica regulatory requirements is to preserve capital. No amounts are booked to the income statement in respect of regulatory provisions. Provisions calculated based on regulatory requirements that exceed the amounts required under IFRS are transferred from retained earnings to a non-distributable loan loss reserve in stockholders' equity.

The provision for credit losses determined under the Bank of Jamaica regulatory requirements comprises a "specific provision", a "special provision" and a "general provision". The specific and special provisions are determined based on each specific loan for which problems have been identified. The general provision is considered to be prudential in nature and is established to absorb portfolio losses.

The specific provision is established for the estimated net loss for all non-performing loans and performing loans that meet specified criteria. Loans are considered to be non-performing where a principal or interest payment is contractually 90 days or more in arrears. At the time of classification as non-performing, any interest that is contractually due but in arrears is reversed from the income statement and interest is thereafter recognised in the income statement on the cash basis only. The estimated net loss is defined as the net exposure remaining after deducting the estimated net realisable value of the collateral (as defined by and determined by the regulations) from the outstanding principal balance of the loan. The regulations quantify the specific provision at ranges from 20% to 100% of the estimated net loss of each non-performing loan depending on the length of time the loan has been in arrears. In addition, where a non-performing loan is fully secured but the collateral is unrealised for a period of 12 months, a provision of 50% of the amounts outstanding should be made. Where the collateral is unrealised for a further 6 months (with limited exceptions which allow for up to a further 15 months) a full provision is made. The regulations further require that the specific provision for each loan should not be less than 1% of the amounts outstanding.

In respect of loans that are considered sub-standard for reasons other than being non-performing, a special provision is established for the greater of 1% of the amounts outstanding or 20% of the estimated net loss. A general provision is established for all loans (other than loans for which specific and special provisions were established) at 1% of the amounts outstanding.

(k) Property, plant and equipment

Freehold land and buildings owned and used by the Group are treated as owner-occupied properties. These properties are stated at their fair values based on valuations by external valuers, less subsequent depreciation for buildings. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at valuation date. All other property, plant and equipment are stated at historical cost less accumulated depreciation.

Increases in the carrying amounts arising from the revaluation of owner-occupied properties are included in the owner-occupied properties fair value reserve. Decreases that offset previous increases of the same asset are charged against the owner-occupied properties fair value reserve. All other reductions are taken directly to the income statement.

On the disposal of the property, the amount included in the fair value reserve is transferred to retained earnings.

Depreciation is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates are as follows:

Leasehold improvements	10%
Buildings	2.5%
Furniture	10%
Computer equipment	20 - 33½%
Other equipment	15%
Motor vehicles	20%
Land is not depreciated	

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2. Material Accounting Policies (Continued)

(k) Property, plant and equipment (Continued)

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the profit or loss when the expenditure is incurred. On disposal of revalued assets, the revaluation amounts are transferred to retained earnings. Gains or losses recognised in income on disposal of property, plant and equipment are determined by comparing the net sale proceeds to carrying value.

(l) Real estate developed

Construction in progress for resale is classified as real estate held for resale and are accounted for in accordance with IAS 2, Inventory. They are valued at the lower of cost and net realisable value. Gains and losses realised on the sale of real estate are included in revenue at the time of sale. Impairment is assessed at each reporting date. Impairment losses are recognised in the income statement for the period.

(m) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries or associates and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, as, in the case of a bargain purchase, the difference is recognised as negative goodwill directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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 impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is carried at cost less accumulated impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

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

(ii) Contractual customer relationships

This asset represents the present value of the benefit to the Group from customer lists, contracts, or customers relationships that can be identified separately and measured reliably. Customer relationships include those of insurance and banking customer relationships with an estimated useful life of 10 to 20 years.

(iii) Trademarks and licences

Trademarks and licences are shown at historical cost. They have a definite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful life.

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2. Material Accounting Policies (Continued)

(m) Intangible assets (Continued)

(iv) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful life of 5 years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(n) Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(i) Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group pays contributions to privately administered pension plans on a contractual basis. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are charged to the income statement in the period to which they relate.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality sovereign bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

For defined contribution plans, the Group pays contributions to the pension schemes on a mandatory or contractual basis. Once paid, the Group has no further payment obligations. Contributions are recognised in income in the period in which they are due.

Where a minimum funding requirement exists, the Group assesses the obligation, to determine whether the additional contributions would affect the measurement of the defined benefit asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(n) Employee benefits (Continued)

(ii) Other post-retirement benefit obligations

The Group provides supplementary health, dental and life insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year-end date.

(iv) Share-based compensation

The Group operates equity-settled, share-based compensation plans namely; Long-term Incentive Plan (LTI) and Staff Share Purchase Plan (SSPP).

Share options

Senior Executives of the Group participate in a LTI for Share Options. Shares are purchased on the market and held in trust by the LTI Trust until they are transferred to Executives. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). If the equity instruments granted vest immediately and the individual is not required to complete a further period of service before becoming entitled to those instruments, the services received are recognised in full on grant date in the income statement for the period, with a corresponding increase in equity. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity reserve for share based compensation over the remaining vesting period. 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, with a corresponding increase in the reserve for equity compensation benefits or in non-controlling interest. Proceeds received net of any directly attributable transaction costs are paid to the trust on transfer of share options being exercised. Any cost to the Group beyond the exercise price of the options is reported in equity as provided for under IFRS 2.

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.

Share grants

Senior Executives of the Group participate in a Long-term Incentive Plan for stock grants. Grants earned have a vesting period of four years after which they will expire. The market value of the shares issued at grant date is recognised as an expense in the measurement year to which the grants relate.

Share purchase plan

Non – Executive employees of the Group are eligible to purchase shares in the Sagicor Group Jamaica Limited at a discount under a share purchase plan.

(v) Bonus Plans

Annual Incentives Plan for Bonus

Senior Executives of the Group participate in an Annual Incentive plan for bonus which is paid on company and individual performance against a balanced score card.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(n) Employee benefits (Continued)

(v) Bonus Plans (Continued)

Productivity bonus

The Group recognises a liability and an expense for productivity bonuses as profit-sharing, paid to Non- Executive administrative staff based on a formula that takes into consideration the net profit for the period. The Group recognises a provision where contractually obliged or where past practice has created a constructive obligation.

(vi) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary separation. Benefits falling due more than twelve months after the year end date are discounted to present value.

(o) Share capital, reserves and transfers

Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

(i) Share issuance cost

Incremental costs directly attributable to the issue of new shares or options are shown in stockholders' equity as a deduction from the proceeds.

(ii) Mandatorily redeemable preference shares are classified as liabilities.

(iii) Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the Company's Board of Directors.

Dividends for the year that are declared after the year end date are dealt with in the subsequent events note.

(iv) Treasury Stock

Sagicor Group Jamaica Limited shares held by Group member companies or the LTI and SSPP are carried as treasury stock on consolidation and reported in stockholders' equity.

(v) Reserve and transfers

Special investment reserve

Unrealised gains on investment properties are recorded in the income statement under IFRS. Regulatory reserve requirements are met through the following:

- Net unrealised gains brought forward at the beginning of each year are transferred to the special Investment reserve from retained earnings at 10%.
- Net unrealised gains earned during the year are transferred from retained earnings to the special investment reserve at 10%.

Transfers to retained earnings

Unrealised gains on certain quoted equities were recorded in the investment and fair value reserves under IFRS. Regulatory reserve requirements are met by transferring the following:

- Net unrealised gains brought forward at the beginning of each year are transferred from the investment and fair value reserves to retained earnings at 25%.
- Net unrealised gains earned during the year are transferred from the investment and fair value reserves to the retained earnings at 25%.

(vi) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(p) Financial Liabilities

(i) Classification

Financial liabilities are measured at initial recognition at fair value and are classified as and subsequently measured either at amortised cost, or at FVTPL. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Derivative financial liabilities are carried at FVTPL. All other financial liabilities are carried at amortised cost. Financial liabilities measured at FVTPL do not have a cumulative own credit adjustment gain or loss.

During the ordinary course of business, the Group issues investment contracts or otherwise assumes financial liabilities that expose the Group to financial risk. The recognition and measurement of the Group's principal types of financial liabilities are disclosed in the following paragraphs.

Securities sold for repurchase

Securities sold for repurchase are treated as collateralised financing transactions and are recorded at the amount at which the securities were sold. Securities sold subject to repurchase are not derecognised but are treated as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The difference between the sale and repurchase price is treated as interest and is accrued over the life of the agreements using the effective yield method. The liability is extinguished when the obligation specified in the contract is discharged, assigned, cancelled or has expired.

Deposit liabilities

Deposits are recognised initially at fair value and are subsequently measured at amortised cost using the effective yield method plus or minus transaction costs.

Loans and other debt obligations

Loans and other debt obligations are recognised initially at fair value, being their issue proceeds, net of transaction costs incurred. Subsequently, obligations are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the loan obligations using the effective yield method.

Obligations undertaken for the purposes of financing operations and capital support are classified as loans payable and associated cost classified as interest expense. Loan obligations undertaken for the purposes of providing funds for on-lending, leasing or portfolio investments are classified as deposit and security liabilities and the associated cost is included in interest expense.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Structured products

Structured products are recognised initially at the nominal amount when funds are received. Derivatives are separately accounted for at FVTPL. The non-derivative elements are stated at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Insurance Operations

(i) Summary of measurement approaches

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

Contracts Issued	Product Classification	Measurement Model
Traditional Life contracts	Insurance contracts	GMM
Universal life contracts	Insurance contracts without direct participation features	GMM
Living Benefits	Insurance contracts	GMM
Single Premium Health and Annuities	Insurance contracts	GMM
Universal Life contract with direct participation	Insurance contracts with direct participation features	VFA
Variable endowments with direct participation	Insurance contracts with direct participation features	VFA
Group Life & Health	Insurance contracts	PAA
General Insurance – Accident, Liability, Marine, Property, Motor	Insurance contracts	PAA

(ii) Definition and classification

The Group issues insurance contracts that transfer significant insurance risk from the policyholder. The Group defines insurance risk as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Once a contract has been classified as an insurance contract, it remains an insurance contract for its duration, even if the insurance risk reduces significantly over time.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and are not treated as insurance contracts.

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

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

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

These criteria are assessed at the individual contract level based on the Group's expectations at the contract's inception, and they are not reassessed in subsequent periods, unless the contract is modified. 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(q)(iv)).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(ii) Definition and classification (Continued)

IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses. Investment components in some Universal Life and Indexed Deferred Annuities comprise policyholder account values less applicable surrender fees. The Group uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

Insurance contracts with direct participation features are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service. The variable fee comprises the amount of the Group's share of the fair value of the underlying items, which is based on a fixed percentage of investment management fees (withdrawn annually from policyholder account values based on the fair value of underlying assets and specified in the contracts with policyholders), less the FCF that do not vary based on the returns on underlying items. The measurement approach for insurance contracts with direct participation features is referred to as the VFA. The VFA modifies the accounting model in IFRS 17 to reflect that the consideration that an entity receives for the contracts is a variable fee.

All other insurance contracts originated by the Group are without direct participation features.

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

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

(iii) Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

1. contracts that are onerous at initial recognition;
2. a group of remaining contracts.

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

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition or in the group of remaining contracts. Expected profitability is determined at the sets of contract level, if the Group has reasonable and supportable information to access profitability at that level, otherwise profitability is assessed at the individual contract level. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For contracts measured under the GMA and VFA models, the Group develops rates or prices for the range of insurance contracts that may be issued under a given product form. Rates would typically be intended to result in similar levels of profitability across all insurance contracts issued.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iii) Unit of account (Continued)

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.

Similar to the treatment of the direct (underlying) contracts, the Group divides reinsurance contracts held into contracts with similar insurance risk. The risks for reinsurance contracts in the life business are mortality, morbidity, hybrid and longevity risks which correspond to portfolios of direct contracts. The hybrid risk for reinsurance contracts refers to treaties that cover both mortality and lapse benefits and therefore have more than one type of risk. The Group manages all reinsurance treaties on the same basis as it does for line of business reporting described above for direct contracts. Applying the grouping requirements to reinsurance contracts held, the Group's policy is to aggregate reinsurance contracts held concluded within a calendar year (annual cohorts) into groups limited to reinsurance contracts arising from a single treaty. IFRS 17 requires that reinsurance contracts be placed in groups of:

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

Before the Group accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

1. cash flows relating to embedded derivatives that are required to be separated;
2. cash flows relating to distinct investment components; and
3. promises to transfer distinct goods or distinct services other than insurance contract services.

The Group applies IFRS 17 to all remaining components of the contract. The Group does not have any contracts that require further separation of insurance contracts.

Groups of insurance contracts issued are initially recognised from the earliest of the following:

1. the beginning of the coverage period;
2. the date when the first payment from the policyholder is due or actually received, if there is no due date; and
3. when the Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination within the scope of IFRS 3 or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Groups of reinsurance contracts are recognised at the earlier of:

1. The beginning of the coverage period; and
2. The date at which an onerous group of underlying contracts was recognised if it entered into the reinsurance before that date.

For proportionate contracts, recognition is delayed until the date when the underlying insurance contract is initially recognised, if that date is after the beginning of the coverage period of the group of reinsurance contracts held. Most life reinsurance treaties are proportionate and are entered into on or before the underlying contracts are recognised.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iii) Unit of account (Continued)

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Insurance and reinsurance contracts are derecognised when they are:

1. extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
2. the contract is modified, and additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
 - i. is not within the scope of IFRS 17;
 - ii. results in different separable components;
 - iii. results in a different contract boundary; or
 - iv. belongs to a different group of contracts.
- b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition.
- c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the VFA eligibility, component separation requirements and contract aggregation requirements.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

- a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;
- b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:
 - i. if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
 - ii. if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party; or
 - iii. if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment for the premium that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received; and
- c) adjusts the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iii) Unit of account (Continued)

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to net income / (loss):

- a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
- b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
- c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(iv) Measurement

Fulfillment cash flows within contract boundary

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

The estimates of future cash flows:

- a) represent a probability-weighted mean of the full range of possible outcomes;
- b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 3(b)(i)

Discount rate applied for discounting of future cash flows are listed below:

	2025				
	1 Year	5 Years	10 Years	20 Years	30 Years
Jamaican portfolio					
JMD	6.14%	7.39%	9.05%	9.57%	9.59%
USD	4.88%	5.61%	6.61%	6.94%	6.95%
Cayman portfolio					
USD	4.01%	4.74%	5.71%	6.03%	6.04%
	2024				
	1 Year	5 Years	10 Years	20 Years	30 Years
Jamaican portfolio					
JMD	7.35%	8.23%	10.19%	10.39%	10.38%
USD	5.87%	6.33%	6.67%	6.78%	6.78%
Cayman portfolio					
USD	4.55%	5.01%	5.33%	5.42%	5.42%

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement (Continued)

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows reflect the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b) both of the following criteria are satisfied:
 - the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

With the exception of contracts that change character referred to in the discussion below, the Group does not have any contracts where it has the right to reassess the risk nor to terminate unilaterally at an individual contract level. For certain universal life and health insurance contracts, the Group has the right to reset premiums to reflect expected experience for the product. However, the Group does not have the right to reprice at the portfolio level as it intends on aggregating contracts with the right to reprice with contracts for which it does not have the right to reprice in the same portfolio.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary. Some insurance contracts issued by the Group provide policyholders with an option to alter the nature of the contract by exchanging one contract for another, for example, a term life contract being exchanged for a permanent contract or a deferred annuity contract being exchanged for a payout annuity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if the related cash flows are within or outside the insurance contract boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

Any direct contract written and ceded during the period covered by the contract boundary becomes an underlying contract for the reinsurance contract. Cash flows falling within the contract boundary will be determined in relation to the cash flows arising from the direct (underlying) contracts. Since most treaties cover the direct contracts, as long as the direct contracts are in force, the associated cash flows will be projected for the life of the direct contracts.

The excess of loss reinsurance contracts held provide coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement (Continued)

Contract boundary (Continued)

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

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

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- a) to that group; and
- b) to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1. an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;
2. in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised in step (1) above.

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement(Continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 3.

(v) Initial measurement – Groups of contracts not measured under the PAA

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised) and arises from:

- the initial recognition of the FCF;
- cash flows arising from the contracts in the group at that date; and
- the derecognition of any insurance acquisition cash flows asset.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in net income / (loss) immediately, with no CSM recognised on the statement of financial position on initial recognition, and a loss component is established in the amount of loss recognised (refer to the "Onerous contracts – Loss component" section in (f) Subsequent measurement – Groups of contracts not measured under the PAA).

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

- the initial recognition of the FCF;
- cash flows arising from the contracts in the group at that date; and
- any income recognised in net income / (loss) when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (c) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(iv) Measurement(Continued)

Contractual service margin (Continued)

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For insurance contracts acquired in a portfolio transfer or a business combination within the scope of IFRS 3, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- the initial recognition of the FCF; and
- cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

(vi) Subsequent measurement – Groups of contracts not measured under the PAA

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

- the LRC, comprising:
 - the FCF related to future service allocated to the group at that date; and
 - the CSM of the group at that date; and
- the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

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

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

Changes in fulfilment cash flows

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

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- changes that relate to current or past service are recognised in net income / (loss); and
- changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- experience adjustments – arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
- changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (c) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

- changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- changes in the FCF relating to the LIC;
- experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Changes in fulfilment cash flows (Continued)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a) changes in the amount of the Group's share of the fair value of the underlying items; and
- b) changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
 - iii. changes in estimates of the present value of future cash flows in the LRC, except differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable;
 - iv. differences between loans to a policyholder expected to become repayable in the period and the actual loan to a policyholder that becomes repayable in the period; and
 - v. changes in the risk adjustment for non-financial risk that relate to future service

Adjustments (ii)-(v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

- a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b) changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and
 - ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
 - iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

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

- a) The effect of any new contracts added to the group.
- b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d) The amount recognised as insurance revenue for insurance contract services provided during the period is determined after all other adjustments above.

The Group prepares consolidated financial statements on a quarterly basis. The Group has elected to treat every quarter as a discrete interim reporting period, and estimates made by the Group in previous interim financial statements are not changed when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

The Group does not publish interim financial statements for the last quarter in the year. If an estimate reported in the previous quarter changes significantly in the fourth quarter, the nature and amount of such changes are disclosed in the annual statements.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Changes in fulfilment cash flows (Continued)

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

- a) The effect of any new contracts added to the group.
- b) Interest accreted on the carrying amount of the CSM.
- c) Income recognised in the statement of income when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
- d) Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
- e) Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
- f) The amount recognised in net income / (loss) for insurance contract services received during the period, determined after all other adjustments above.

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

Interest accretion on the CSM

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

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

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows section earlier.

Release of the CSM to net income / (loss)

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

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA. The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Group expects these amounts to include an investment return that is achieved by the Group by performing investment activities to generate that investment return.

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.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Release of the CSM to net income / (loss) (Continued)

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	Net amount at risk and fund value
Universal Life contract with	Net amount at risk and fund value
Living Benefits	Sum insured
Payout Annuities	Periodic benefits
Endowment	Greater of maturity benefit and death benefit
Group Life	Maximum benefit
Deferred Annuities	Account value (during the accumulation period)

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 whose cash flows are included in the reinsurance contract boundary. Refer to the Contract boundary section in note 2(q)(iv) above.

Onerous contracts – Loss component

When negative adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- expected incurred claims and other liability and other directly attributable expenses for the period;
- changes in the risk adjustment for non-financial risk for the risk expired; and
- finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF relating to the future in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to the future in subsequent periods increase the loss component.

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, a loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held. The loss-recovery component results in an amount immediately recognised within the statement of income within the net income (expense) from reinsurance contracts held.

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vi) Subsequent measurement – Groups of contracts not measured under the PAA (Continued)

Onerous contracts – Loss component (Continued)

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

(vii) Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group has determined that all contracts within the General Insurance and the Group Life and Health lines of business (with the exception of the Single premium group creditor products) have a coverage period of one year or less and are therefore automatically eligible for PAA. The Group does not have contracts that have a coverage period of more than one year that are measured under PAA.

For insurance contracts issued, insurance acquisition cash flows are expensed as incurred given that all contracts under PAA have contracts that are one year or less.

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

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

- the LRC; and
- 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:

- the asset for remaining coverage; and
- the asset for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

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

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

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

- increased for ceding premiums paid in the period;
- decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less. The Group has determined that for all groups of contracts issued for which there is no significant financing component, the LRC will not be discounted. At the inception of the contract, the Group considers the facts and circumstances, with the use of judgement, to determine if there is a significant financing component.

The Group adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. The Group will reflect non-performance of reinsurers where it holds a net asset for the reinsurance treaty or where the reinsurance treaty does not provide the right of offset.

There are no investment components within insurance contracts issued and reinsurance contracts held that are measured under the PAA.

For contracts measured under the PAA and GMM, the LIC is measured similarly. Future cash flows are adjusted for the time value of money.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(vii) Initial and subsequent measurement – Groups of contracts measured under the PAA (Continued)

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the LRC to the amounts of the FCF determined using a methodology similar to the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined using a methodology similar to the GMM relating to the future service and the carrying amount of the LRC without the loss component.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in net income / (loss) and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

(viii) Amounts recognised in the statement of income within the insurance service result

Insurance revenue

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

Amounts relating to the changes in the LRC:

- a) claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - i. amounts allocated to the loss component;
 - ii. repayments of investment components and policyholder rights to withdraw an amount
 - iii. insurance acquisition expenses; and
 - iv. amounts related to the risk adjustment for non-financial risk (see (b));
- b) changes in the risk adjustment for non-financial risk, excluding:
 - i. changes included in insurance finance income (expenses);
 - ii. changes that relate to future coverage (which adjust the CSM); and
 - iii. amounts allocated to the loss component;
- c) the CSM release.

In period cash-flow variance would go through CSM if they are investment component, premium related or policy loan cash flow variances.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the applicable coverage units of each group.

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses include the following:

- a) incurred claims and benefits, excluding investment component and policy loans, reduced by loss component allocations;
- b) insurance acquisition cash flows amortisation;
- c) changes that relate to past service – changes in the FCF relating to the LIC;
- 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.

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2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(viii) Amounts recognised in the statement of income within the insurance service result (Continued)

Insurance revenue (Continued)

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income.

(ix) Amounts recognised in the statement of income within the insurance service result

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) ceding premiums paid;
- 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

Ceding premiums (reinsurance expenses) are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

For contracts measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

- a) claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
 - i. amounts allocated to the loss-recovery component;
 - ii. amounts related to the risk adjustment for non-financial risk (see (b));
- b) changes in the risk adjustment for non-financial risk, excluding:
 - i. changes included in finance income (expenses) from reinsurance contracts held;
 - ii. changes that relate to future coverage (which adjust the CSM); and
 - iii. amounts allocated to the loss-recovery component;
- c) amounts of the CSM recognised for the services received in the period; and
- d) experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part ceding premiums (reinsurance expenses). Ceding commissions that are contingent on claims of the underlying contracts issued increase incurred claims recovery.

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(expressed in Jamaican dollars unless otherwise indicated)

2. Material Accounting Policies (Continued)

(q) Insurance Operations (Continued)

(x) Amounts recognised in the statement of income within net insurance finance income / expenses

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance and reinsurance contracts arising from:

- a) the effect of the time value of money and changes in the time value of money; and
- b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a) interest accreted on the FCF and the CSM; and
- b) the effect of changes in interest rates and other financial assumptions.

For contracts measured under the VFA, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

Net income (expenses) from reinsurance contracts held

For contracts measured under the PAA, there are no amounts within insurance finance income or expenses.

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).

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 'other income'.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(s) Revenue recognition

Revenues from service contracts with customers consist primarily of management and administration fees earned from third party investment funds, pension plans and insurance benefit plans (managed funds or administrative service only (ASO) benefit plans). These service contracts generally impose single performance obligations, each consisting of a series of similar related services to the unitholder or policyholder of each fund or plan. The Group's performance obligations within these service arrangements are generally satisfied over time as the unitholders and policyholders simultaneously receive and consume contracted benefits over time.

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2. Material Accounting Policies (Continued)

(s) Revenue recognition (Continued)

The Group also earns revenues for the provision of corporate finance, stockbroking, trust and related services to various customers.

Revenue from service contracts with customers is recognised when (or as) the Group satisfies the performance obligation of the contract. For obligations satisfied over time, revenue is recognised monthly or over some other period. For performance obligations satisfied at a point in time, revenue is recognised at that point in time.

The various fees are billed periodically and are collected either by deduction or within a short period of time.

(i) Fee income

The Group earns fee income from:

- Investment management fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the instrument.
- Loan origination fees for loans which are likely to be drawn down are deferred, together with related direct costs, and recognised as an adjustment to the effective yield on the loan.
- Negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

Fee income is recognised on an accrual basis.

The Group charges customers for asset management and other related services using the following approaches:

- Front-end fees are charged to the client on inception. This approach is used particularly for single premium contracts. The consideration received is deferred as a liability and recognised over the life of the contract on a straight-line basis.
- Regular fees charged to the customer periodically either directly or by making a deduction from invested funds. Fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

(ii) Interest income

Jamaican banking regulations stipulate that, where collection of interest income is considered doubtful or payment is outstanding for 90 days or more, interest should be taken into account on the cash basis. See 2 (f) for policies with respect impairment for loan receivable. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

(iii) Land development and resale

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the purchaser. An enforceable right to payment does not arise until legal title has passed to the purchaser. Therefore, revenue is recognised at a point in time when the legal title has passed to the purchaser.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

(t) Interest (income)/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.

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2. Material Accounting Policies (Continued)

(u) Taxation

(i) Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In these cases, the tax is also recognised in OCI or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(ii) 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	Regulated Companies	Other lines of business
Jamaica	25% of profit before tax	Nil	33.33% of profit before tax	25% of profit before tax
Grand Cayman	Nil	Nil	Nil	Nil
Costa Rica	None	None	30% of profit before tax	None
Panama	None	None	25% of profit before tax	None
Barbados	None	None	None	2% of profit before tax

Asset tax

The Group is subject to an asset tax 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. Non-related entities are subjected to a fixed rate based on the total value of assets.

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2. Material Accounting Policies (Continued)

(v) Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(w) Financial instruments

Financial instruments carried on the statement of financial position include cash resources, investments, securities purchased under resale agreements, loans & leases, premiums due and unpaid, other assets, securities sold under repurchase agreements, due to banks and other financial institutions, customer deposits and other liabilities.

The fair values of the Group's and the Company's financial instruments are disclosed in the notes to the financial statements.

Financial assets and 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.

(x) Offsetting of financial instruments

Financial assets and liabilities are offset with the net amount presented in the statements of financial position, only if the Group holds a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis or to realise assets and settle the liability simultaneously. The legal right to set off the recognized amounts must be enforceable in both the normal course of business, and in the event of default, insolvency or bankruptcy of both the Group and its counterparty. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the statement of financial position, the associated income and expense items will also be offset in the income statement, unless specifically prohibited by an applicable accounting standard.

(y) Securities purchased/sold under agreements to resell/repurchase

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

(z) Presentation of current and non-current assets and liabilities

In Note 42(c) (ii), the maturity profiles of financial and insurance assets and liabilities are identified.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

(i) Consolidation of related entities

Management assessments were done for Sagicor Pooled Investment Fund and Sagicor Sigma Global Funds to ensure proper application of IFRS 10. A number of significant judgements were used regarding whether or not these entities had met the requirements to be consolidated within the financial statements of the Group and are highlighted below:

- Sagicor Pooled Investment Fund and Sigma Funds

Sagicor Pooled Investment Funds and Sigma Funds are Pooled Investment Funds and Unit Trusts managed by the Group, but which have independent trustees. Determining whether the Group has control over the Pooled Investment Funds and the Unit Trusts requires judgement. This would include a consideration of the trustees' rights to remove the investment manager and an assessment of the exposure to variability arising from the aggregate economic interests of the Group in the Unit Trusts.

Under IFRS 10, the single party substantive removal rights may in isolation be sufficient to conclude that the fund manager is an agent. However, the language in the Trust Deed is not specific on causes for which the manager can be removed. "Good and sufficient reason" envisaged by the Trust Deed may include negligence, poor financial performance and other reasons. However, the Deed also provides for the right for the manager to appeal. This appeal right and the requirement that the removal of the manager must be withheld by the independent party may limit the Trustee's freedom of removing the manager without good grounds for this. Under these circumstances, drawing a conclusion whether the removal rights of the Trustee are substantive rights requires significant judgement. Management considers that the Group does not have control of The Pooled Investment Fund and The Sagicor Sigma Funds. Although there are contractual terms which provide the Group with influence over The Pooled Investment Fund and The Sagicor Sigma Funds, the overall exposure of the Group to the variability of returns of Sagicor Sigma Funds is not sufficient to conclude that the Group has control. Therefore, the Sagicor Sigma Funds and Pool Investment Fund have not been consolidated in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of key sources of estimation uncertainty include the following:

(i) Insurance and reinsurance contracts

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

Contracts not measured under PAA

- Areas of Judgement

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

- Definition and classification

- Whether contracts are within the scope of IFRS 17 and, for contracts determined to be within the scope of IFRS 17, what measurement model is applicable. The Group was required to determine the classification of contracts issued in Participating product lines as insurance or investment contracts.
- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk. The Group issues investment contracts with discretionary participation features. In assessing whether these are within the scope of IFRS 17, the Group assessed if the discretionary amount is a significant amount of the total benefits.
- Whether contracts that were determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features, particularly:
 - o whether the pool of underlying items is clearly identified;
 - o 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
 - o 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.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)**(i) Insurance and reinsurance contracts(Continued)**

Contracts not measured under PAA (Continued)

- Unit of account

The Group was 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 a contract are distinct (that is, they meet the separation criteria).
- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

- Insurance contracts aggregation

The Group was required to make judgements involved in the identification of portfolios of contracts (that is, having similar risks and being managed together) This included 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.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)**(i) Insurance and reinsurance contracts (Continued)**

Contracts not measured under PAA (Continued)

- 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 were 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

- Discount rates

Life insurance contract liabilities are calculated by discounting expected future cash flows. Discount rates are composed of an observable component, an assumed ultimate discount rate and interpolation between the two.

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

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

- Risk adjustment for non-financial risk

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

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

The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level between 70% to 75% (2024 - between 70% to 75%).

- Amortisation of the Contractual Service Margin

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

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

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

- Amortisation of the Contractual Service Margin (Continued)

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

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

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

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

- Assets for insurance acquisition cash flows

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

NOTES TO THE FINANCIAL STATEMENTS

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts not measured under PAA (Continued)

Contracts measured under PAA

- Areas of Judgement

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

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

For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

NOTES TO THE FINANCIAL STATEMENTS

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts measured under PAA (Continued)

- Areas of Judgement (Continued)

The determination of whether laws or regulations constrain the Group's practical ability to set a different price or level of benefits for policyholders with different risk profiles, so that the Group might include such contracts in the same group, disregarding the aggregation requirements, is an area of judgement.

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

- Insurance and reinsurance contracts

The Group applies the PAA to simplify the measurement of insurance contracts in its general insurance and group life and health insurance portfolios. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group has elected not to discount the cash flows within the LIC for certain groups of contracts where the cash flows are expected to be paid within a year of the date on which the claim is incurred. For all groups of contracts, the Group includes an explicit risk adjustment for non-financial risk.

- Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

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

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

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

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(i) Insurance and reinsurance contracts (Continued)

Contracts measured under PAA (Continued)

- Risk adjustment for non-financial risk

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

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

- Assets for insurance acquisition cash flows

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

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

(ii) Pension and post-retirement benefits

The cost of these benefits and the present value of the pension and the other post-retirement liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and post-retirement benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-retirement benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investments returns. The discount rate represents the interest rate that should be used to determine the present value of estimated future cash outflows required to meet the pension, life insurance and medical benefits as they fall due. The discount rate is based on yields on long term Government of Jamaica and CARICOM bonds. The expected rate of increase of medical costs is based on expected increases in utilisation and general increases in medical expenses above expected price inflation. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on current market conditions.

(iii) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iv) Impairment of financial assets (Continued)

In determining ECL, management is required to exercise judgement in defining what is considered a 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 the earlier sections 'Measurement' and 'Forward-looking information'.

- Establishing staging for debt securities and deposits

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

Category	Sagikor 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		

- Establishing staging for debt securities and deposits.

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 SICR the investment will move from Stage 1 to Stage 2. Sagikor has assumed that the credit risk of a financial instruments 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 Sagikor risk rating of 1-3 is considered low credit risk. Stage 1 investments are rated (i) investment grade, or (ii) below investment grade 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 and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iv) Impairment of financial assets (Continued)

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

Exposures are considered to have resulted in a SICR and are moved to stage 2 based on the following:

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 criterion is a backstop rather than a primary driver of moving exposures into stage 2.

- 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 Jamaica, Cayman Islands and Costa Rica to a lesser extent. Management assesses data sources from the government, International Monetary Fund (IMF) and other reliable 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 long-term average performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

(v) Estimated impairment of intangible assets

Goodwill

The assessment of goodwill impairment involves the determination of the recoverable amount of the cash-generating units to which the goodwill has been allocated. Determination of the recoverable amount involves the estimation of future net income of these business units and the expected returns to providers of capital to the business units and the Group as a whole. Determinations of recoverable amounts can be sensitive to certain key inputs such as earnings forecasts, discount rates and terminal value growth rates. Amounts actually recovered from CGUs through either sale or use may differ from the amounts estimated.

Other intangible assets

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

(vi) Hurricane Melissa Impact

The financial results and disclosures related to Hurricane Melissa are subject to significant estimation uncertainty. Management has exercised considerable judgment in determining the amounts recognised for the anticipated insurance claims and reinsurance recoveries. These estimates are based on information available as of the reporting date, and incorporate preliminary loss adjuster reports, historical experience, and updated macroeconomic scenarios. The actual outcome may differ from these estimates as additional information becomes available, including final adjuster reports and settlement of claims. Refer to Note 33 (a) for additional details.

4. Responsibilities of the Appointed Actuary and External Auditors

The Board of Directors pursuant to the Insurance Act appoints the Actuary whose responsibility is to carry out an annual valuation of the Group's policy liabilities in accordance with accepted actuarial practice and regulatory requirements and report thereon to the policyholders and stockholders. In performing the valuation, the Actuary makes assumptions as to the future rates of interest, asset defaults, mortality, morbidity, claims experience, policy termination, inflation, reinsurance recoveries, expenses and other contingencies, taking into consideration the circumstances of the Group and the insurance policies in force.

The stockholders pursuant to the Companies Act appoint the external auditors. Their responsibility is to conduct an independent and objective audit of the financial statements in accordance with International Standards on Auditing and report thereon to the stockholders. In carrying out their audit, the auditors also make use of the work of the appointed Actuary and the report on the policy liabilities.

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5. Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the Group President and CEO that are used to make strategic decisions. The Group President and CEO is considered to be the Chief Operating Decision Maker (CODM).

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats. The Group is organised into four primary business segments and another which captures all other business activities:

- (a) Long term insurance - Provides annuities, traditional life and universal life products.
- (b) Short term insurance – Provides group life, group health and property & casualty offerings
- (c) Commercial Banking – Comprises of personal banking, retail mortgages, small business (SME's) banking, treasury management and corporate banking.
- (d) Investment Banking – Comprises of wealth management products and services offered to retail and institutional clients; including unit trusts, mutual funds, brokerage, asset management and corporate trust.
- (e) Other – Comprises property management, captives management, remittance and cambio services, real estate investment and stockholders' funds.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position, but exclude items such as investment in joint ventures.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is profit before taxation.

Segment liabilities that are reviewed by the CODM include insurance contract liabilities and interest-bearing liabilities.

Costs incurred by the support units of the Group are allocated to the business segments based on certain criteria determined by management. These criteria include staff complement, square footage and time spent providing the service to the business segment. The expenses that are allocated are mainly staff costs, depreciation and amortisation and other operating expenses and are treated as direct allocated costs.

Transactions between the operating segments are on normal commercial terms and conditions. There has been no change in the basis of the pricing of transactions over the prior year.

Eliminations comprise inter-company and inter-segment transactions.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2025 or 2024.

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5. Segmental Financial Information

	The Group					Group \$'000
	2025					
	Long Term Insurance \$'000	Short Term Insurance \$'000	Commercial Banking \$'000	Investment Banking \$'000	Other & consolidation adjustments \$'000	
Insurance revenue	22,401,689	37,865,356	-	-	-	60,267,045
Insurance service expenses	(13,497,144)	(52,126,611)	-	-	-	(65,623,755)
Net expense from reinsurance contracts held	(195,762)	18,323,223	-	-	-	18,127,461
Inter-segment insurance results	(462,560)	(459,064)	-	-	921,624	-
Insurance service result	8,246,223	3,602,904	-	-	921,624	12,770,751
Interest income earned and capital net gain / (loss)	16,214,164	1,201,903	18,568,344	9,738,852	1,651,223	47,374,486
Interest expense	-	(23,706)	(3,628,369)	(5,076,466)	(1,042,592)	(9,771,133)
Credit impairment reversal / (losses)	(999)	844	(1,688,556)	14,440	(38,770)	(1,713,041)
Inter-segment net investment income	(20,528)	(4,116)	(976)	(130,503)	156,123	-
Net investment income / (expenses)	16,192,637	1,174,925	13,250,443	4,546,323	725,984	35,890,312
Net insurance finance income / (expense)	(12,713,180)	(136,428)	-	-	-	(12,849,608)
Net insurance and investment result	11,725,680	4,641,401	13,250,443	4,546,323	1,647,608	35,811,455
Fees and other revenue	301,804	148,675	10,591,493	2,054,940	7,144,314	20,241,226
Inter-segment fee and other income	-	-	(4,936)	(20,066)	25,002	-
Share of results of joint ventures	-	281,418	-	-	-	281,418
Other operating expenses	(462,560)	(958,976)	(16,222,896)	(3,742,193)	(10,249,216)	(31,635,841)
Inter-segment other operating expenses	462,560	434,485	(29,717)	(1,598)	(865,730)	-
Depreciation, amortisation and impairment	-	(53,611)	(888,435)	(390,114)	(626,445)	(1,958,605)
Asset and other taxes	(137,696)	(42,078)	(499,282)	(231,331)	(84,063)	(994,450)
Profit / (Loss) before taxation	11,889,788	4,451,314	6,196,670	2,215,961	(3,008,530)	21,745,203
Taxation	(2,564,900)	(1,071,286)	(2,191,186)	(549,230)	1,074,014	(5,302,588)
Net Profit / (Loss)	9,324,888	3,380,028	4,005,484	1,666,731	(1,934,516)	16,442,615

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5. Segmental Financial Information (Continued)

	The Group					Group
	2025					
	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other & consolidation adjustments	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Attributable to:						
Stockholders of the parent Company						16,222,327
Non-controlling interests						220,288
						<u>16,442,615</u>
Segment assets	187,936,324	52,620,974	241,530,100	157,978,820	46,471,343	686,537,561
Unallocated assets						17,059,217
Total assets						<u>703,596,778</u>
Segment liabilities	167,234,618	39,000,780	209,926,562	136,027,223	34,104,682	586,293,865
Total liabilities						<u>586,293,865</u>
Other segment items:						
Capital expenditure: Computer software (Note15)						(434,039)
Property, plant and equipment (Note 16)						(936,503)

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5. Segmental Financial Information (Continued)

The Group

2024

	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other & consolidation adjustments	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance revenue	19,768,151	34,765,688	-	-	-	54,533,839
Insurance service expenses	(14,866,903)	(29,689,193)	-	-	-	(44,556,096)
Net expense from reinsurance contracts held	(313,241)	(3,422,923)	-	-	-	(3,736,164)
Inter-segment insurance results	(462,556)	(459,564)	-	-	922,120	-
Insurance service result	4,125,451	1,194,008	-	-	922,120	6,241,579
Interest income earned and capital net gain / (loss)	11,172,194	1,121,429	16,482,284	8,366,931	1,246,058	38,388,896
Interest expense	(617)	(25,023)	(3,416,148)	(5,079,606)	(558,634)	(9,080,028)
Credit impairment reversal / (losses)	(366)	(174)	(1,254,520)	(32,913)	(121,672)	(1,409,645)
Inter-segment net investment income	(192,746)	(8,981)	(1,126)	(222,948)	425,801	-
Net investment income / (expenses)	10,978,465	1,087,251	11,810,490	3,031,464	991,553	27,899,223
Net insurance finance income / (expense)	(8,185,337)	(94,581)	-	-	-	(8,279,918)
Net insurance and investment result	6,918,579	2,186,678	11,810,490	3,031,464	1,913,673	25,860,884
Fee and other revenue	151,286	142,628	9,843,108	1,816,109	6,746,567	18,699,698
Inter-segment fee and other income	-	-	(4,485)	(23,813)	28,298	-
Share of results of joint ventures	-	226,379	-	-	-	226,379
Other operating expenses	(462,556)	(982,170)	(14,475,629)	(3,372,860)	(9,065,427)	(28,358,642)
Inter-segment other operating expenses	462,556	487,637	28,734	735	(979,662)	-
Depreciation, amortisation and impairment	-	(151,060)	(834,379)	(148,335)	(1,258,378)	(2,392,152)
Asset and other taxes	(114,753)	(45,002)	(462,726)	(226,272)	(89,038)	(937,791)
Profit / (Loss) before taxation	6,955,112	1,865,090	5,905,113	1,077,028	(2,703,967)	13,098,376
Taxation	(881,378)	(431,213)	(2,090,455)	(182,861)	(461,626)	(4,047,533)
Net Profit / (Loss)	6,073,734	1,433,877	3,814,658	894,167	(3,165,593)	9,050,843
Attributable to:						
Stockholders of the parent Company						9,238,468
Non-controlling interests						(187,625)
						<u>9,050,843</u>

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5. Segmental Financial Information (Continued)

	The Group					Group
	2024					
	Long Term Insurance	Short Term Insurance	Commercial Banking	Investment Banking	Other & consolidation adjustments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	170,557,652	27,257,109	215,462,425	134,611,008	47,372,953	595,261,147
Unallocated assets						2,533,543
Total assets						<u>597,794,690</u>
Segment liabilities	146,987,088	14,575,725	186,216,557	115,898,076	29,897,244	493,574,690
Total liabilities						<u>493,574,690</u>
Other segment items:						
Capital expenditure: Computer software (Note15)						(487,579)
Property, plant and equipment (Note 16)						(727,883)

The Group's geographic information:

	Jamaica	Cayman Islands	Other & Consolidation adjustments	Total
	2025			
	\$'000	\$'000	\$'000	\$'000
Revenue	121,669,320	6,213,437	281,418	128,164,175
Total assets	645,789,199	54,836,833	2,970,746	703,596,778
2024				
	\$'000	\$'000	\$'000	\$'000
Revenue	107,037,961	4,584,472	226,379	111,848,812
Total assets	548,581,723	46,679,424	2,533,543	597,794,690

Geographically, the segments are Jamaica, Cayman Islands and Other (Costa Rica, Barbados and Panama).

Segment assets consist of investments that match insurance and banking liabilities, intangible assets and other operating assets such as receivables and cash. They exclude investments in joint ventures.

Segment liabilities comprise insurance liabilities, financial liabilities arising mainly from investment contracts and borrowing arrangements.

The prior year amounts were restated to separately disclose external from inter-segment revenues and expenses.

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6. Cash Resources

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Balances with banks payable on demand	7,965,241	16,270,152	171,812	435,076
Cash in hand	5,235,232	6,316,350	-	-
Balances as per statement of financial position	13,200,473	22,586,502	171,812	435,076
Bank overdraft	(30,571)	(30,000)	-	-
Short term deposits	23,004,178	23,617,815	399,405	804,691
Securities purchased under resale agreement	5,272,495	3,607,156	789,909	444,952
USA Government Treasury Bills and bonds	16,735,898	4,230,269	-	-
Balances as per statement of cash flows	58,182,473	54,011,742	1,361,126	1,684,719

Cash and cash equivalents represent deposits and investment securities with original maturities of less than 90 days.

7. Cash Reserves at Central Bank

Minimum cash reserve and liquid asset ratios in respect of deposit liabilities are required to be maintained by Sagicor Bank Jamaica Limited with the Bank of Jamaica. Cash reserves are not available for investment, lending or other use by the Bank.

The cash reserve requirements and Liquid Asset Ratio are the same for deposit-taking institutions (DTIs). The local and foreign currency cash reserve and liquid asset ratios are 6% and 14% of average prescribed liabilities respectively.

No interest is paid on cash reserves.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Financial assets FVTPL -				
Debt Securities				
Sovereign bonds	110,473,247	94,499,533	-	-
Corporate bonds	33,004,208	35,297,266	-	-
	143,477,455	129,796,799	-	-
Equities				
Quoted and unquoted equities	9,250,595	10,512,861	-	-
Unit trusts	31,843,511	31,121,288	-	-
	41,094,106	41,634,149	-	-
Total FVTPL	184,571,561	171,430,948	-	-
Financial assets at FVTOCI -				
Debt Securities				
Sovereign bonds	134,287,518	94,352,147	-	-
Corporate bonds	42,668,273	39,879,336	-	-
	176,955,791	134,231,483	-	-
Equities				
Quoted and unquoted equities	93,716	84,952	-	-
Total FVTOCI	177,049,507	134,316,435	-	-
Investments at amortised cost, net of ECL -				
Debt Securities				
Sovereign bonds	2,337,868	554,263	-	-
Corporate bonds	3,478,242	7,011,068	-	-
Securities purchased under resale agreement	6,072,489	3,919,983	789,909	444,952
Short term deposits	47,900,786	42,145,384	555,923	954,806
Total investments at amortised cost, net of ECL	59,789,385	53,630,698	1,345,832	1,399,758
Less: Pledged assets (Note 10)	(122,228,739)	(98,579,723)	(156,518)	(150,115)
Total Financial Investments	299,181,714	260,798,358	1,189,314	1,249,643

Current portion of Financial Instruments disclosed under Note 42(c) (ii).

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8. Financial Investments (Continued)

The table below shows the composition of FVTPL securities according to those securities that were mandatorily designated, and those that were designated by election.

	The Group			The Group		
	2025			2024		
	Mandatory designation	Designated by election	Total	Mandatory designation	Designated by election	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Unit trust and equities	41,094,106	-	41,094,106	41,634,149	-	41,634,149
Debt securities	9,614,397	133,863,058	143,477,455	8,961,796	120,835,003	129,796,799
	<u>50,708,503</u>	<u>133,863,058</u>	<u>184,571,561</u>	<u>50,595,945</u>	<u>120,835,003</u>	<u>171,430,948</u>

Concentration of debt instruments

The group also manages its exposure to credit risk by analysing the financial investments by whether corporate or sovereign, and the location and sector of the issuer.

The table below is a summary of financial instruments by location, sovereign and corporate.

	The Group	
	2025	2024
	\$ '000	\$ '000
Debt securities		
Sovereign debt instruments		
Jamaica	211,653,346	174,747,212
Trinidad & Tobago	3,449,811	2,705,319
Barbados	-	166,051
USA	28,133,646	8,573,931
Other	3,861,830	3,213,430
Corporate debt instruments		
Jamaica	24,137,607	38,224,938
Trinidad & Tobago	4,159,321	3,249,619
Barbados	1,917,383	1,885,333
USA	37,057,285	28,171,303
Canada	12,709	12,209
Other	11,866,418	10,644,268
	<u>326,249,356</u>	<u>271,593,613</u>

The table below is a summary sector concentration of corporate instruments.

	The Group	
	2025	2024
	\$ '000	\$ '000
Corporate debt instruments		
Communication Services	4,501,945	3,207,184
Consumer Discretionary	7,803,215	6,384,257
Consumer Staples	2,736,004	2,754,944
Energy	10,753,007	22,295,253
Financials	25,958,392	26,570,182
Health Care	5,142,709	3,769,364
Industrials	7,742,156	3,775,116
Information Technology	7,166,754	6,829,877
Materials	1,513,640	1,475,146
Real Estate	495,169	592,761
Tourism	249,280	311,538
Utilities	5,088,452	4,222,048
	<u>79,150,723</u>	<u>82,187,670</u>

8. Financial Investments (Continued)

Provision for credit losses recognised in the Group's income statement are as follow:

	The Group	
	2025	2024
	\$ '000	\$ '000
Loans and Leases (Note 9)	(1,349,611)	(1,415,203)
Investments (Note 8)	(363,430)	5,558
Total per income statement	<u>(1,713,041)</u>	<u>(1,409,645)</u>

The Group categorises its financial assets into investment grade, non-investment grade, watch, default and unrated. The maximum exposure to credit risk for financial assets carried at fair value represents their amortised cost, as this is the maximum amount of credit loss the Group and Company will suffer in the event of a total default of the counterparty. For financial assets carried at FVTOCI, the amounts shown in the tables will therefore not necessarily reconcile to the financial statements, as the carrying amounts have been adjusted for fair value movements.

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised.

	The Group - 2025				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
FINANCIAL INVESTMENTS – AMORTISED COST					
Credit grade:					
Investment	2,199,163	-	-	-	2,199,163
Non-investment	55,267,220	175,909	2,572,634	-	58,015,763
Gross carrying amount	57,466,383	175,909	2,572,634	-	60,214,926
Loss allowance	(6,722)	(5,351)	(413,468)	-	(425,541)
Carrying amount	<u>57,459,661</u>	<u>170,558</u>	<u>2,159,166</u>	<u>-</u>	<u>59,789,385</u>

	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 lifetime ECL	Stage 3 lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
FINANCIAL INVESTMENTS – AMORTISED COST					
Credit grade:					
Investment	1,798,415	-	-	-	1,798,415
Non-investment	49,993,215	1,886,180	-	-	51,879,395
Gross carrying amount	51,791,630	1,886,180	-	-	53,677,810
Loss allowance	(14,994)	(32,118)	-	-	(47,112)
Carrying amount	<u>51,776,636</u>	<u>1,854,062</u>	<u>-</u>	<u>-</u>	<u>53,630,698</u>

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8. Financial Investments (Continued)

Credit risk exposure - financial investments subject to impairment

DEBT SECURITIES - FVTOCI	The Group - 2025				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Credit grade:					
Investment	57,795,944	-	-	-	57,795,944
Non-investment	123,869,852	1,467,760	-	-	125,337,612
Maximum credit exposure	181,665,796	1,467,760	-	-	183,133,556
Loss allowance	(100,765)	(20,223)	-	-	(120,988)
Maximum credit exposure less ECLs	181,565,031	1,447,537	-	-	183,012,568

DEBT SECURITIES - FVTOCI	The Group - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Credit grade:					
Investment	32,337,404	-	-	-	32,337,404
Non-investment	105,583,804	1,398,645	-	170,118	107,152,567
Maximum credit exposure	137,921,208	1,398,645	-	170,118	139,489,971
Loss allowance	(103,620)	(43,097)	-	-	(146,717)
Maximum credit exposure less ECLs	137,817,588	1,355,548	-	170,118	139,343,254

FINANCIAL INVESTMENTS - AMORTISED COST	The Company - 2025				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Credit grade:					
Non-investment	1,345,832	-	-	-	1,345,832
Gross carrying amount	1,345,832	-	-	-	1,345,832
Loss allowance	-	-	-	-	-
Carrying amount	1,345,832	-	-	-	1,345,832

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8. Financial Investments (Continued)

Credit risk exposure- financial investments subject to impairment

FINANCIAL INVESTMENTS - AMORTISED COST	The Company - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL		
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Credit grade:					
Non-investment	1,399,758	-	-	-	1,399,758
Gross carrying amount	1,399,758	-	-	-	1,399,758
Loss allowance	-	-	-	-	-
Carrying amount	1,399,758	-	-	-	1,399,758

Maximum exposure to credit risk - Financial instruments not subject to impairment

For financial investments measured at FVTPL which are related to under the unit-linked insurance contracts and investment contracts, the unit holders bear the credit risk and the Group has no direct credit exposure. For the remaining portion of the FVTPL portfolio, the Group bears the credit risk.

	The Group	
	2025	2024
	\$ '000	\$ '000
Financial assets designated at fair value		
Debt securities	9,498,079	8,961,796
Equity securities	33,272,489	33,072,952

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

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8. Financial Investments (Continued)

Loss allowances (Continued)

The following tables contain an analysis of the loss allowance financial investments for which an ECL allowance is recognised.

FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2025				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL	credit-impaired	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Loss Allowance as at January 1, 2025	14,994	32,118	-	-	47,112
Transfers:					
Transfer from Stage 1 to Stage 3	(18,157)	-	18,157	-	-
Transfer from Stage 2 to Stage 3	-	(24,452)	24,452	-	-
New financial assets originated or purchased	20,058	-	-	-	20,058
Financial assets fully derecognised during the period	(7,151)	(240)	-	-	(7,391)
Changes to inputs used in ECL calculation	(3,022)	(2,813)	370,859	-	365,024
Foreign exchange adjustment	-	738	-	-	738
Loss Allowance as at December 31, 2025	6,722	5,351	413,468	-	425,541
FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL	credit-impaired	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Loss Allowance as at January 1, 2024	18,610	38,506	-	-	57,116
Transfer from Stage 1 to Stage 2	(18,488)	18,488	-	-	-
New financial assets originated or purchased	25,723	-	-	-	25,723
Financial assets fully derecognised during the period	(8,739)	(8,157)	-	-	(16,896)
Changes to inputs used in ECL calculation	(2,169)	(16,901)	-	-	(19,070)
Foreign exchange adjustment	57	182	-	-	239
Loss Allowance as at December 31, 2024	14,994	32,118	-	-	47,112

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8. Financial Investments (Continued)

Loss allowances (Continued)

DEBT SECURITIES - FVTOCI	The Group - 2025				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL	credit-impaired	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Loss Allowance as at January 1, 2025	103,620	43,097	-	-	146,717
Transfers:					
New financial assets originated or purchased	57,865	-	-	-	57,865
Financial assets fully derecognised during the period	(47,625)	(597)	-	-	(48,222)
Changes to inputs used in ECL calculation	(14,246)	(23,360)	-	-	(37,606)
Foreign exchange adjustment	1,151	1,083	-	-	2,234
Loss Allowance as at December 31, 2025	100,765	20,223	-	-	120,988
DEBT SECURITIES - FVTOCI	The Group - 2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	Purchased	Total
	12-month ECL	lifetime ECL	lifetime ECL	credit-impaired	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Loss Allowance as at January 1, 2024	74,583	46,894	-	-	121,477
Transfers:					
New financial assets originated or purchased	27,688	-	-	-	27,688
Financial assets fully derecognised during the period	(13,054)	(135)	-	-	(13,189)
Changes to inputs used in ECL calculation	14,081	(3,990)	-	-	10,091
Foreign exchange adjustment	322	328	-	-	650
Loss Allowance as at December 31, 2024	103,620	43,097	-	-	146,717

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8. Financial Investments (Continued)

Loss allowances (Continued)

The most significant period-end assumptions used for the ECL were as follows:

Economic variable assumptions for exposure corporate securities

Outlook for the next three (3) years from December 2025:

		2026	2027	2028
S&P 500 Financial Index EPS	Base	55	59	62
	Upside	99	107	112
	Downside	29	32	33
World GDP growth rate	Base	3.1%	3.2%	3.2%
	Upside	4.6%	4.8%	4.8%
	Downside	2.3%	2.4%	2.4%

WTI Oil Prices/10	Base	5.90	6.10	6.65
	Upside	10.15	10.50	11.44
	Downside	2.19	2.27	2.47

Outlook for the next three (3) years from December 2024:

		2025	2026	2027
S&P 500 Financial Index EPS	Base	45	47	52
	Upside	75	79	87
	Downside	24	25	28
World GDP growth rate	Base	3.2%	3.3%	3.2%
	Upside	4.8%	4.9%	4.8%
	Downside	2.3%	2.4%	2.3%

WTI Oil Prices/10	Base	6.90	6.60	6.44
	Upside	11.97	11.43	11.16
	Downside	2.57	2.45	2.39

Outlook for the next three (3) years from December 2025:

		2026	2027	2028
Jamaica	Base	Stable	Stable	Stable
	Upside	Positive	Positive	Positive
	Downside	Negative	Negative	Negative

Outlook for the next three (3) years from December 2024:

		2025	2026	2027
Jamaica	Base	Positive	Positive	Positive
	Upside	Positive	Positive	Positive
	Downside	Stable	Stable	Stable

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8. Financial Investments (Continued)

Loss allowances (Continued)

Sensitivity analysis at December 2025

The tables below show the sensitivity of the ECL to its various components.

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	-

* See note 2(f) (vii) for full criteria for staging. The staging for lending products is primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Investments – Corporate Debts	53%	(- / + 5)%	9,648	(9,648)
Investments – Sovereign Debts (excluding Government of Barbados and Government of Jamaica)	35%	(- / + 5)%	2,425	(2,425)
Investments – Sovereign Debts (Government of Jamaica)	15%	(- / + 5)%	10,227	(10,227)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Investments – excluding Government of Barbados	10% (80% for base scenario and 10% for upside scenario)	(- / + 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	8,868	(8,868)

Sensitivity analysis at December 2024

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	29,363

* See note 2 (f) (vii) for full criteria for staging. The staging for lending products is primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Investments – Corporate Debts	53%	(- / + 5)%	11,419	(11,419)
Investments – Sovereign Debts (excluding Government of Barbados and Government of Jamaica)	35%	(- / + 5)%	5,775	(5,775)
Investments – Sovereign Debts (Government of Jamaica)	15%	(- / + 5)%	11,226	(11,226)

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8. Financial Investments (Continued)

Sensitivity analysis at December 2024 (Continued)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Investments – excluding Government of Barbados	10% (80% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	9,016	(9,016)

IFRS 9 maximum exposure to credit risk

The following tables explain the changes in the maximum credit exposure at the beginning and the at the end of the period due to these factors. For instruments at amortised cost, the gross carrying amount equals the maximum exposure.

8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (Continued)

FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2025				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Maximum exposure to credit risk as at January 1, 2025	51,791,630	1,886,180	-	-	53,677,810
Transfers:					
Transfer from Stage 1 to Stage 3	(732,052)	-	732,052	-	-
Transfer from Stage 2 to Stage 3	-	(1,704,076)	1,704,076	-	-
New financial assets originated or purchased	168,614,573	-	-	-	168,614,573
Financial assets fully recognized during the period	(187,433,642)	(5,691)	-	-	(187,439,333)
Changes in principal and interest	25,227,997	(51,949)	136,506	-	25,312,554
Foreign exchange adjustment	(2,123)	51,445	-	-	49,322
Maximum exposure to credit risk as at December 31, 2025	57,466,383	175,909	2,572,634	-	60,214,926
FINANCIAL INVESTMENTS – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Maximum exposure to credit risk as at January 1, 2024	40,049,979	2,246,264	-	-	42,296,243
Transfers:					
Transfer from Stage 1 to Stage 2	(519,421)	519,421	-	-	-
New financial assets originated or purchased	123,392,023	-	-	-	123,392,023
Financial assets fully recognized during the period	(120,717,500)	(878,560)	-	-	(121,596,060)
Changes in principal and interest	9,559,151	-	-	-	9,559,151
Foreign exchange adjustment	27,398	(945)	-	-	26,453
Maximum exposure to credit risk as at December 31, 2024	51,791,630	1,886,180	-	-	53,677,810

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8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (Continued)

DEBT SECURITIES - FVTOCI	The Group - 2025				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Maximum exposure to credit risk as at January 1, 2025	137,921,208	1,398,645	-	170,118	139,489,971
Transfers:					
Transfer from Stage 1 to Stage 2	(82,843)	82,843	-	-	-
New financial assets originated or purchased	77,105,299	-	-	-	77,105,299
Financial assets fully recognized during the period	(33,850,539)	(33,862)	-	(170,118)	(34,054,519)
Changes in principal and interest	(1,516,040)	(9,748)	-	-	(1,525,788)
Foreign exchange adjustment	2,088,711	29,882	-	-	2,118,593
Maximum exposure to credit risk as at December 31, 2025	181,665,796	1,467,760	-	-	183,133,556

DEBT SECURITIES - FVTOCI	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Maximum exposure to credit risk as at January 1, 2024	137,214,528	1,396,069	-	168,659	138,779,256
Transfers:					
New financial assets originated or purchased	34,911,311	-	-	-	34,911,311
Financial assets fully recognized during the period	(33,147,198)	(5,048)	-	-	(33,152,246)
Changes in principal and interest	(1,622,594)	(861)	-	1,459	(1,621,996)
Foreign exchange adjustment	565,161	8,485	-	-	573,646
Maximum exposure to credit risk as at December 31, 2024	137,921,208	1,398,645	-	170,118	139,489,971

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8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (continued)

FINANCIAL INVESTMENTS - AMORTISED COST	The Company - 2025				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Maximum exposure to credit risk as at January 1, 2025	1,399,758	-	-	-	1,399,758
New financial assets originated or purchased	16,793,641	-	-	-	16,793,641
Financial assets fully recognized during the period	(16,853,804)	-	-	-	(16,853,804)
Changes in principal and interest	6,237	-	-	-	6,237
Maximum exposure to credit risk as at December 31, 2025	1,345,832	-	-	-	1,345,832

FINANCIAL INVESTMENTS - AMORTISED COST	The Company - 2024				
	ECL Staging				
	Stage 1 12-month ECL \$ '000	Stage 2 lifetime ECL \$ '000	Stage 3 lifetime ECL \$ '000	Purchased credit-impaired \$ '000	Total \$ '000
Maximum exposure to credit risk as at January 1, 2024	1,314,202	-	-	-	1,314,202
New financial assets originated or purchased	5,152,557	-	-	-	5,152,557
Financial assets fully recognized during the period	(7,087,082)	-	-	-	(7,087,082)
Changes in principal and interest	2,020,081	-	-	-	2,020,081
Maximum exposure to credit risk as at December 31, 2024	1,399,758	-	-	-	1,399,758

NOTES TO THE FINANCIAL STATEMENTS

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9. Loans and Leases, after Allowance for Credit Losses

	The Group	
	2025 \$ '000	2024 \$ '000
Gross loans and advances	159,235,076	140,250,814
Less: Allowance for credit losses	(2,615,427)	(2,444,829)
	156,619,649	137,805,985
Loan interest receivable	846,201	770,529
	157,465,850	138,576,514
Lease receivables, net of allowance for credit losses	94,428	94,428
	157,560,278	138,670,942

Current portion of Loans and Leases, after Allowance for Credit Losses disclosed under Note 42(c) (ii).

The provision for credit losses determined under Central Bank regulatory requirements was as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Specific provision	1,397,215	1,390,422
General provision	1,583,004	1,394,936
	2,980,219	2,785,358
Excess of regulatory provision over IFRS Accounting Standards provision recognized in the Bank reflected in non-distributable loan loss reserve Note 2(j)	(73,350)	317,851

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

Credit risk exposure- loans and leases subject to impairment

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised.

LOANS AND LEASES – AMORTISED COST	The Group - 2025 ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Credit grade:					
Non-investment	154,144,061	3,201,919	-	-	157,345,980
Default	-	-	2,829,725	-	2,829,725
Gross carrying amount	154,144,061	3,201,919	2,829,725	-	160,175,705
Loss allowance	(1,354,053)	(218,176)	(1,043,198)	-	(2,615,427)
Carrying amount	152,790,008	2,983,743	1,786,527	-	157,560,278

LOANS AND LEASES – AMORTISED COST	The Group - 2024 ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Credit grade:					
Non-investment	134,151,964	4,237,979	-	-	138,389,943
Default	-	-	2,725,828	-	2,725,828
Gross carrying amount	134,151,964	4,237,979	2,725,828	-	141,115,771
Loss allowance	(1,231,878)	(166,253)	(1,046,698)	-	(2,444,829)
Carrying amount	132,920,086	4,071,726	1,679,130	-	138,670,942

Mortgage loans are collateralised by the underlying residential and commercial properties. The values ascribed to these properties have been considered in arriving at the LGDs for each mortgage loan. The total value of the collateral as at year end with respect to mortgage loans that were credit-impaired at the reporting date (stage 3) was \$3,687,100,000 (2024: \$410,650,000).

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

The following tables contain an analysis of ECL allowances recognised during the period.

LOANS AND LEASES – AMORTISED COST	The Group - 2025				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Loss Allowance as at January 1, 2025	1,231,878	166,253	1,046,698	-	2,444,829
Transfers:					
Transfer from Stage 1 to Stage 2	(10,071)	10,071	-	-	-
Transfer from Stage 1 to Stage 3	(6,409)	-	6,409	-	-
Transfer from Stage 2 to Stage 1	95,571	(95,571)	-	-	-
Transfer from Stage 2 to Stage 3	-	(17,183)	17,183	-	-
Transfer from Stage 3 to Stage 1	13,121	-	(13,121)	-	-
Transfer from Stage 3 to Stage 2	-	72,828	(72,828)	-	-
New financial assets originated or purchased	305,997	17,637	48,719	-	372,353
Financial assets fully derecognised during the period	(138,286)	(10,531)	(594,070)	-	(742,887)
Changes to inputs used in ECL calculation	(141,007)	74,630	600,154	-	533,777
Foreign exchange adjustment	3,259	42	4,054	-	7,355
Loss Allowance as at December 31, 2025	1,354,053	218,176	1,043,198	-	2,615,427

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances (Continued)

LOANS AND LEASES – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Loss Allowance as at January 1, 2024	718,703	112,877	906,495	-	1,738,075
Transfers:					
Transfer from Stage 1 to Stage 2	(27,963)	27,963	-	-	-
Transfer from Stage 1 to Stage 3	(98,782)	-	98,782	-	-
Transfer from Stage 2 to Stage 1	48,497	(48,497)	-	-	-
Transfer from Stage 2 to Stage 3	-	(17,405)	17,405	-	-
Transfer from Stage 3 to Stage 1	8,003	-	(8,003)	-	-
Transfer from Stage 3 to Stage 2	-	1,883	(1,883)	-	-
New financial assets originated or purchased	578,166	-	-	-	578,166
Financial assets fully derecognised during the period	(140,375)	(17,629)	(356,763)	-	(514,767)
Changes to inputs used in ECL calculation	144,923	107,061	388,563	-	640,547
Foreign exchange adjustment	706	-	2,102	-	2,808
Loss Allowance as at December 31, 2024	1,231,878	166,253	1,046,698	-	2,444,829

The most significant period-end assumptions used for the ECL were as follows:

Sagicor's lending operations in Jamaica have limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

At December 31, 2025

Outlook for lending at December 2025

Jamaica	Expected state for the next 12 months	
Interest rate	Base	Stable
	Upside	Positive
	Downside	Negative
Unemployment rate	Base	Stable
	Upside	Positive
	Downside	Negative

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances (Continued)

At December 31, 2024

Outlook for lending at December 2024

Jamaica	Expected state for the next 12 months	
Interest rate	Base	Stable
	Upside	Positive
	Downside	Negative
Unemployment rate	Base	Stable
	Upside	Positive
	Downside	Negative

The economic states assigned above are translated into numerical figures.

Sensitivity analysis at December 2025

The tables below show the sensitivity of the ECL to its various components.

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Lending products	Entertainment and tourism industry: 25% (65% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	10,774	(10,984)
	Other industries: 15% (75% for base scenario and 10% for upside scenario)			

Sensitivity analysis at December 2024

The tables below show the sensitivity of the ECL to its various components.

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of	
			Increase in value	Decrease in value
Lending products	Entertainment and tourism industry: 25% (65% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	10,937	(11,146)
	Other industries: 15% (75% for base scenario and 10% for upside scenario)			

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

IFRS 9 Maximum exposure to credit risk

The following tables explain the changes in the maximum credit exposure at the beginning and the at end of the period due to these factors. For instruments at amortised cost, the gross carrying amount equals the maximum exposure.

LOANS AND LEASES – AMORTISED COST	The Group - 2025				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Maximum exposure to credit risk as at January 1, 2025	134,151,964	4,237,979	2,725,828	-	141,115,771
Transfers:					
Transfer from Stage 1 to Stage 2	(2,291,711)	2,291,711	-	-	-
Transfer from Stage 1 to Stage 3	(1,032,350)	-	1,032,350	-	-
Transfer from Stage 2 to Stage 1	2,287,872	(2,287,872)	-	-	-
Transfer from Stage 2 to Stage 3	-	(620,763)	620,763	-	-
Transfer from Stage 3 to Stage 1	100,766	-	(100,766)	-	-
Transfer from Stage 3 to Stage 2	-	158,763	(158,763)	-	-
New financial assets originated or purchased	46,106,980	-	-	-	46,106,980
Financial assets fully derecognised during the period	(17,859,422)	(286,093)	(990,393)	-	(19,135,908)
Changes in principal and interest	(7,744,167)	(292,909)	(306,951)	-	(8,344,027)
Foreign exchange adjustment	424,129	1,103	7,657	-	432,889
Maximum exposure to credit risk as at December 31, 2025	154,144,061	3,201,919	2,829,725	-	160,175,705

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9. Loans and Leases, after Allowance for Credit Losses (Continued)

IFRS 9 Maximum exposure to credit risk (Continued)

LOANS AND LEASES – AMORTISED COST	The Group - 2024				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Maximum exposure to credit risk as at January 1, 2024	120,767,824	3,100,614	1,995,133	-	125,863,571
Transfers:					
Transfer from Stage 1 to Stage 2	(3,506,352)	3,506,352	-	-	-
Transfer from Stage 1 to Stage 3	(1,137,922)	-	1,137,922	-	-
Transfer from Stage 2 to Stage 1	1,212,596	(1,212,596)	-	-	-
Transfer from Stage 2 to Stage 3	-	(493,414)	493,414	-	-
Transfer from Stage 3 to Stage 1	65,284	-	(65,284)	-	-
Transfer from Stage 3 to Stage 2	-	22,338	(22,338)	-	-
New financial assets originated or purchased	40,711,291	-	-	-	40,711,291
Financial assets fully derecognised during the period	(18,958,954)	(457,653)	(667,957)	-	(20,084,564)
Changes in principal and interest	(5,127,122)	(227,662)	(148,442)	-	(5,503,226)
Foreign exchange adjustment	125,319	-	3,380	-	128,699
Maximum exposure to credit risk as at December 31, 2024	134,151,964	4,237,979	2,725,828	-	141,115,771

Concentration of loans and leases

Credit risk is an important risk for the Group's business; management therefore carefully monitors its exposure to credit risk in its lending activities. The group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Loans and leases	The Group	
	2025 \$ '000	2024 \$ '000
Industry segments		
Agriculture, fishing and mining	3,209,156	2,988,479
Construction and real estate	17,173,370	17,912,813
Distribution	13,482,295	11,906,809
Manufacturing	6,053,196	4,679,064
Personal	63,651,403	54,286,666
Professional and other services	31,463,348	29,735,633
Tourism and entertainment	15,053,551	9,933,779
Transportation, storage and communication	433,144	507,033
Other	8,810,041	8,394,966
	159,329,504	140,345,242
Less: Provision for credit losses	(2,615,427)	(2,444,829)
	156,714,077	137,900,413
Interest receivable	846,201	770,529
	157,560,278	138,670,942

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10. Pledged Assets

Assets of the Group are pledged as collateral under repurchase agreements with customers and financial institutions. Mandatory cash reserves and investment securities are also held with the regulators, the Bank of Jamaica and the Financial Services Commission.

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Investment securities pledged as collateral:				
With regulators	202,332	200,924	-	-
Under repurchase agreements (Note 27)	121,370,363	97,718,906	-	-
With bank and other financial institutions	656,044	659,893	156,518	150,115
	122,228,739	98,579,723	156,518	150,115

11. Investment Properties

	The Group	
	2025 \$ '000	2024 \$ '000
At beginning of year	1,614,440	1,618,306
Additions during the year	6,185	-
Disposal during the year	(180,571)	(248,666)
Fair value gains	31,215	244,800
At end of year	1,471,269	1,614,440

The investment properties as at December 31, 2025 were valued at current market value by Allison Pitter & Company and NIA Jamaica Langford & Brown qualified property appraisers and valuers.

- (i) Rental income and repairs and maintenance expenditure in relation to investment properties are disclosed in Note 34.
- (ii) During the year, some of the properties were tenanted and generated rental income. There were no operating expenses related to the properties which were not tenanted (2024: NIL).

The valuations of investment property have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement' in Note 41.

12. Investment in Joint Ventures

This relates to the group's investment in Grupo Sagicor GS, G.A. and Sagicor Capital & Advice Spain S.L.

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Balance at 1 January	2,533,543	2,310,020	735,063	414,267
Distribution received	(142,194)	(379,300)	-	-
Capital injection	143,403	320,796	143,403	320,796
Share of after tax earnings	281,418	226,379	-	-
Share of movement in other comprehensive income, net of taxation	161,636	55,648	-	-
Balance at 31 December	2,977,806	2,533,543	878,466	735,063

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12. Investment in Joint Ventures(Continued)

The joint ventures have share capital consisting solely of common and nominative shares, which are held directly by the Group.

Grupo Sagicor GS, G.A. and Sagicor Capital & Advice Spain S.L are private companies and there is no quoted market price available for the shares.

There are no contingent liabilities relating to the Group's interest in the joint venture.

Summarised Financial Information of Joint Ventures

Set out below are the summarised financial information for Grupo Sagicor GS, G.A., Sagicor Capital & Advice Spain S.L and subsidiaries, which is accounted for using the equity method.

Summarised Statement of Financial Position

	The Group - 2025		
	Grupo Sagicor GS, G.A.	Sagicor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Current assets			
Cash and cash equivalents	405,754	203,136	608,890
Insurance contract assets	-	201,858	201,858
Reinsurance contracts assets	76,409	-	76,409
Other current assets	1,377,307	1,009,602	2,386,909
	<u>1,859,470</u>	<u>1,414,596</u>	<u>3,274,066</u>
Non-current assets			
Investments	3,932,193	-	3,932,193
Other non-current asset	51,389	93,840	145,229
	<u>3,983,582</u>	<u>93,840</u>	<u>4,077,422</u>
Total Assets	<u>5,843,052</u>	<u>1,508,436</u>	<u>7,351,488</u>
Current liabilities			
Insurance contract liabilities	526,767	327,647	854,414
Other liabilities	336,724	177,026	513,750
	<u>863,491</u>	<u>504,673</u>	<u>1,368,164</u>
Non Current liabilities			
Other liabilities	27,713	-	27,713
	<u>27,713</u>	<u>-</u>	<u>27,713</u>
Total Liabilities	<u>891,204</u>	<u>504,673</u>	<u>1,395,877</u>
Net Assets	<u>4,951,848</u>	<u>1,003,763</u>	<u>5,955,611</u>

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12. Investment in Joint Ventures(Continued)

Summarised Statement of Financial Position

(Continued)

	The Group - 2024		
	Grupo Sagicor GS, G.A.	Sagicor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Current assets			
Cash and cash equivalents	273,925	371,123	645,048
Reinsurance contracts assets	267,769	-	267,769
Other current assets	1,724,303	169,116	1,893,419
	<u>2,265,997</u>	<u>540,239</u>	<u>2,806,236</u>
Non-current assets			
Investments	2,957,584	483,128	3,440,712
Other non-current asset	61,939	116,548	178,487
	<u>3,019,523</u>	<u>599,676</u>	<u>3,619,199</u>
Total Assets	<u>5,285,520</u>	<u>1,139,915</u>	<u>6,425,435</u>
Current liabilities			
Insurance contract liabilities	586,111	176,071	762,182
Other liabilities	288,356	217,894	506,250
	<u>874,467</u>	<u>393,965</u>	<u>1,268,432</u>
Non Current liabilities			
Other liabilities	13,443	76,474	89,917
	<u>13,443</u>	<u>76,474</u>	<u>89,917</u>
Total Liabilities	<u>887,910</u>	<u>470,439</u>	<u>1,358,349</u>
Net Assets	<u>4,397,610</u>	<u>669,476</u>	<u>5,067,086</u>

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12. Investment in Joint Ventures(Continued)

Summarised statement of comprehensive income

	The Group - 2025		
	Grupo Sagikor GS, G.A.	Sagikor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Insurance revenue	8,177,122	787,631	8,964,753
Insurance service expenses	(4,548,994)	(569,739)	(5,118,733)
Net expenses from reinsurance contracts held	(544,960)	32,757	(512,203)
Insurance service result	3,083,168	250,649	3,333,817
Net investment income/(expenses)	195,637	44,645	240,282
Net insurance and investment result	3,278,805	295,294	3,574,099
Fees and other income	33,863	136,491	170,354
Other operating expenses	(2,502,656)	(433,164)	(2,935,820)
Other interest and finance costs	(2,499)	(5,036)	(7,535)
Net profit before taxation	807,513	(6,415)	801,098
Taxation	(238,263)	-	(238,263)
Net profit after tax for the period	569,250	(6,415)	562,835
Other comprehensive income	175,214	41,846	217,060
Total comprehensive income	744,464	35,431	779,895
Reconciliation of summarized financial information			
Opening net assets at 1 January	4,397,610	669,476	5,067,086
Distribution made	(284,388)	-	(284,388)
Capital injection	-	286,806	286,806
Net profit after tax for the period	569,250	(6,415)	562,835
Other comprehensive income	175,214	41,846	217,060
Currency translation	94,162	12,050	106,212
Closing net assets	4,951,848	1,003,763	5,955,611

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12. Investment in Joint Ventures (Continued)

Summarised statement of comprehensive income

(Continued)

	The Group - 2024		
	Grupo Sagikor GS, G.A.	Sagikor Capital & Advice Spain S.L	Total
	\$ '000	\$ '000	\$ '000
Insurance revenue	6,255,694	589,734	6,845,428
Insurance service expenses	(3,232,484)	(479,625)	(3,712,109)
Net expenses from reinsurance contracts held	(467,587)	(22,491)	(490,078)
Insurance service result	2,555,623	87,618	2,643,241
Net investment income/(expenses)	126,879	42,170	169,049
Net insurance and investment result	2,682,502	129,788	2,812,290
Fees and other income	-	293,354	293,354
Other operating expenses	(1,957,561)	(394,608)	(2,352,169)
Other interest and finance costs	(11,453)	(5,812)	(17,265)
Net profit before taxation	713,488	22,722	736,210
Taxation	(283,453)	-	(283,453)
Net profit after tax for the period	430,035	22,722	452,757
Other comprehensive income	62,160	8,260	70,420
Total comprehensive income	492,195	30,982	523,177
Reconciliation of summarized financial information			
Opening net assets at 1 January	4,620,039	-	4,620,039
Distribution made	(758,600)	-	(758,600)
Capital injection	-	641,592	641,592
Net profit after tax for the period	430,035	22,722	452,757
Other comprehensive income	62,160	8,260	70,420
Currency translation	43,976	(3,098)	40,878
Closing net assets	4,397,610	669,476	5,067,086

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13. Interest in Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Group. Such interests include holdings of debt or equity securities and investment management agreements. Structured entities are assessed for consolidation as discussed in Note 3(a)(i).

Consolidated Structured Entity

The Group has no consolidated structured entity.

Unconsolidated Structured Entity

The Group established Sagicor Pooled Investment Fund Limited (PIF), Sagicor Sigma Global Unit Trust (twenty-one portfolios), and the Sagicor Select Funds Limited (two portfolios) to provide customers and pension funds with several investment opportunities.

(i) PIF

PIF is a custodian trustee for the assets of the Pooled Pension Investment Funds which are held in trust on behalf of pension funds. The trust has a separate Board of Directors. The administration of the assets in trust is done by one of the Group's subsidiaries, Employee Benefits Administrator Limited. The investment manager of these Funds is also one of the Group's subsidiaries, Sagicor Life Jamaica Limited. Both the administration of the assets and the provision of investment management services entitled the Group to receive management fees based on the assets under management. See critical accounting estimates Note 3(a)(i) for further details.

The table below shows the total assets of PIF, the Group's exposure in and income arising from involvement with PIF as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the PIF regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis. The Group's exposure to loss arises from the Group's defined benefit pension scheme's investment in units in PIF. The income earned from the Group's interests represents the income earned by the Group's defined benefit pension scheme's investment in units in PIF. Management fees are earned by the Group from its administration and investment management activities.

	The Group	
	2025 \$ '000	2024 \$ '000
Total assets of PIF	194,082,456	189,026,827
Maximum exposure to loss	23,169,986	27,799,227
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	6,699,168	11,683,146
Total income/(losses) from the Group's interests	806,222	1,661,268
Management Fees earned	2,430,909	2,295,505

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the fund in the future.

(ii) Sagicor Sigma Global Unit Trust

The Group established the Sagicor Sigma Global Unit Trust to provide customers with investment opportunities. The Unit Trust comprises twenty-one portfolios. See Note 3(a)(i) for further details.

The Unit Trust has an independent trustee. One of the Group's subsidiaries, Sagicor Investments Jamaica Limited is the investment manager of the Unit Trust and is entitled to receive management fees based on the assets under management. The Group also holds units in the Unit Trust.

13. Interest in Structured Entities (Continued)

(ii) Sagicor Sigma Global Unit Trust (Continued)

The table below shows the total assets of the Unit Trust, the Group's interest in and income arising from involvement with the Unit Trust, the Group's liability to the Unit Trust in relation to repurchase obligations and other borrowings, as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the Unit Trust regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	The Group	
	2025 \$ '000	2024 \$ '000
Total assets of the Unit Trust	157,297,606	153,567,272
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	31,533,124	30,830,797
Maximum exposure to loss	(31,533,124)	(30,830,797)
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	15,965,700	15,779,535
Liability issued by the Unit Trust	3,463,814	4,010,418
Managed Funds -Real Estate (Receivables)/Payables	-	(856,003)
Total income from the Group's interests	2,897,096	2,849,833

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Unit Trust in the future.

(iii) Sagicor Select Funds

Sagicor Select Funds consists of two publicly traded companies listed on Jamaica Stock exchange. They are the Financial Select Fund and the Manufacturing and Distribution Select Fund. The objective of these funds is to provide a low cost and effective means of investing in a diverse pool of companies listed on the stock market.

The table below shows the total assets of the Select Funds, the Group's interest in and income arising from involvement with the entities, the Group's liability to the Funds in relation to repurchase obligations as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the Funds regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	The Group	
	2025 \$ '000	2024 \$ '000
Total assets of Funds	7,705,290	7,826,640
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	72,243	69,233
Maximum exposure to loss	(72,243)	(69,233)
Total income from the Group's interests	23,239	21,639

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Funds in the future.

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14. Investment in subsidiaries

The investment in subsidiaries is represented as follows:

	The Company	
	2025 \$ '000	2024 \$ '000
Investment at January 1	71,826,639	71,826,639
Acquisitions	-	-
Disposal	-	-
Investment at December 31	71,826,639	71,826,639

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15. Intangible Assets

	The Group				
	Goodwill	Contractual Customer Relationship	Trade Names	Computer Software	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Cost -					
At 1 January 2024	5,155,207	5,801,499	940,433	5,243,015	17,140,154
Additions	-	-	-	487,579	487,579
Impairment charge	(700,000)	-	-	-	(700,000)
Transfers in/(out)	-	(108,839)	(802,433)	129,935	(781,337)
Translation adjustment	6,656	-	-	(383)	6,273
At 31 December 2024	4,461,863	5,692,660	138,000	5,860,146	16,152,669
Additions	-	-	-	434,039	434,039
Impairment charge	(186,066)	-	-	-	(186,066)
Translation adjustment	16,579	-	-	(1,013)	15,566
At 31 December 2025	4,292,376	5,692,660	138,000	6,293,172	16,416,208
Amortisation -					
At 1 January 2024	-	4,424,812	536,535	4,312,226	9,273,573
Translation adjustment	-	-	-	154	154
Transfers in/(out)	-	(377,535)	(533,723)	129,935	(781,323)
Amortisation charge	-	287,110	844	430,913	718,867
At 31 December 2024	-	4,334,387	3,656	4,873,228	9,211,271
Translation adjustment	-	16	-	82	98
Amortisation charge	-	186,860	844	427,826	615,530
At 31 December 2025	-	4,521,263	4,500	5,301,136	9,826,899
Net Book Value -					
31 December 2024	4,461,863	1,358,273	134,344	986,918	6,941,398
31 December 2025	4,292,376	1,171,397	133,500	992,036	6,589,309

	The Company
	Computer Software \$ '000
Cost -	
At 1 January 2024	1,867,854
Additions	14,319
At 31 December 2024	1,882,173
Additions	3,447
At 31 December 2025	1,885,620
Amortisation -	
At 1 January 2024	1,783,383
Amortisation charge	43,045
At 31 December 2024	1,826,428
Amortisation charge	17,170
At 31 December 2025	1,843,598
Net Book Value -	
31 December 2024	55,745
31 December 2025	42,022

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15. Intangible Assets (Continued)

(a) The allocation of goodwill to the Group's and the Company's CGU is as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Sagicor Life Jamaica Long Term Insurance Division	855,190	855,191
Sagicor Life of the Cayman Islands Long Term Insurance Division	792,874	776,294
Sagicor Investments Jamaica Limited	-	186,066
Travel Cash Jamaica Limited	119,994	119,994
Advantage General Insurance Company	558,706	558,706
Alliance Financial Services Limited	1,965,612	1,965,612
	<u>4,292,376</u>	<u>4,461,863</u>

(i) At December 31, 2025, management tested goodwill and the unamortised balance of other purchased intangibles allocated to all the CGUs as listed in the table above.

The goodwill on acquisition of Alliance Financial Services Limited was written down by \$700,000,000 at the prior year end due to decline in revenues from a sharp decline in remittances to Jamaica from the USA and declining foreign exchange margins. In the current year, goodwill related to Sagicor Investment Jamaica Limited was written off.

(ii) Fair values less costs to sell is used to determine the recoverable amounts of:

- Sagicor Life Jamaica Long Term Insurance Division
- Sagicor Life of the Cayman Islands Long Term Insurance Division

Management has determined the recoverable amount of the life insurance CGUs of the Group by assessing the fair value less cost of sell (FVLCS) of the underlying assets. The recoverable amounts are considered to be level 3 in the fair value hierarchy due to the unobservable inputs used in the valuation.

Management's approach and the key assumptions used to determine the CGU's FVLCS were as follows:

	The Group				The Group			
	2025		2024		2025		2024	
	Earnings Multiple	Cost to sell	Post-tax discount rate	Long term Growth Rate	Earnings Multiple	Cost to sell	Post-tax discount rate	Long term Growth Rate
Sagicor Life Jamaica Long Term Insurance Division	11.00	5.0%	13.1%	4.5%	10.20	5.0%	13.8%	4.5%
Sagicor Life of the Cayman Islands Long Term Insurance Division	8.30	5.0%	13.5%	2%	7.90	5.0%	14.2%	2%

The inputs are determined as follows:

- Earnings multiple represents the inverse of the capitalisation rate that is, 1 divided by post-tax discount rate less long-term growth rate.
- Cost to sell is estimated cost, based on management's experience of the typical incidental costs associated with a sale of business such as legal and professional fees as well as statutory charges, to dispose of CGU as a going-concern.
- Post-tax discount rate reflects specific risks related to the business, industry and country of operation.
- Long-term growth rate (%) is based on historical/projected financial performance of each CGU, nominal GDP growth rates and factors specific to the industry each CGU operates in.

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15. Intangible Assets (Continued)

(a) The allocation of goodwill to the Group's and the Company's CGU is as follows: (Continued)

(iii) Value in use calculations are used to determine the recoverable amount of the non-life CGUs:

- Sagicor Investments Jamaica Limited
- Travel Cash Jamaica Limited
- Advantage General Insurance Company
- Alliance Financial Services Limited

These calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash

Key assumptions used for the impairment calculations are as follows:

	2025		2024	
	Earnings Growth Rate	Discount Rate	Earnings Growth Rate	Discount Rate
Sagicor Investments Jamaica Limited	5.00%	13.02%	5.00%	13.34%
Travel Cash	5.00%	14.33%	6.00%	14.72%
Advantage General Insurance Company Limited	4.50%	13.79%	4.50%	14.38%
Alliance Financial Services Limited	4.50%	12.29%	4.50%	12.44%

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16. Property, Plant and Equipment

	The Group				
	Leasehold Improvements	Land & Buildings	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation -					
At January 1, 2024	2,114,546	4,555,270	5,969,598	400,598	13,040,012
Additions	104,435	-	465,976	157,472	727,883
Revaluation adjustments	-	403,449	-	-	403,449
Disposals	-	-	(5,993)	(57,164)	(63,157)
Translation adjustment	1,134	7,732	528	-	9,394
At December 31, 2024	2,220,115	4,966,451	6,430,109	500,906	14,117,581
Additions	287,390	-	493,354	155,759	936,503
Revaluation adjustments	-	380,054	-	-	380,054
Disposals	(17,075)	(17,875)	(33,284)	(65,562)	(133,796)
Translation adjustment	2,824	21,476	3,367	323.00	27,990
At December 31, 2025	2,493,254	5,350,106	6,893,546	591,426	15,328,332
Accumulated Depreciation -					
At January 1, 2024	1,263,096	180,706	4,624,512	276,345	6,344,659
Charge for the year	152,920	48,115	504,206	58,870	764,111
Relieved on revalued assets	-	(29,987)	-	-	(29,987)
Relieved on disposals	-	-	(5,993)	(54,502)	(60,495)
Translation adjustment	638	170	934	-	1,742
At December 31, 2024	1,416,654	199,004	5,123,659	280,713	7,020,030
Charge for the year	171,701	54,706	501,459	85,546	813,412
Relieved on revalued assets	-	(35,195)	-	-	(35,195)
Relieved on disposals	(15,534)	(9,868)	(18,478)	(52,512)	(96,392)
Translation adjustment	1,802	570	3,777	323.00	6,472
At December 31, 2025	1,574,623	209,217	5,610,417	314,070	7,708,327
Net Book Value -					
At December 31, 2024	803,461	4,767,447	1,306,450	220,193	7,097,551
At December 31, 2025	918,631	5,140,889	1,283,129	277,356	7,620,005

The valuations of Freehold Land and Building have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement'

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16. Property, Plant and Equipment (Continued)

	The Company			
	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Cost or Valuation -				
At January 1, 2024	60,474	601,226	64,840	726,540
Additions	4,652	49,066	107,864	161,582
Disposals	-	-	(21,840)	(21,840)
At December 31, 2024	65,126	650,292	150,864	866,282
Additions	16,386	23,818	63,915	104,119
Disposals	-	(179)	-	(179)
At December 31, 2025	81,512	673,931	214,779	970,222
Accumulated Depreciation -				
At January 1, 2024	22,494	516,545	33,078	572,117
Charge for the year	6,435	40,485	19,424	66,344
Disposals	-	-	(21,840)	(21,840)
At December 31, 2024	28,929	557,030	30,662	616,621
Charge for the year	7,094	46,057	38,438	91,589
Disposals	-	(105)	-	(105)
At December 31, 2025	36,023	602,982	69,100	708,105
Net Book Value -				
At December 31, 2024	36,197	93,262	120,202	249,661
At December 31, 2025	45,489	70,949	145,679	262,117

In accordance with the Group's policy, owner-occupied properties included in Freehold Land and Buildings were independently revalued during the year by professional real estate valuers. The excess of revalued amount over the carrying value of these property, plant and equipment, amounting to 2025 - \$415,249,000 (2024 - \$433,436,000), has been credited to investment and fair value reserves. If revalued assets of the Group were stated on a historical cost basis, the amounts would be as follows:

	The Group	
	2025 \$'000	2024 \$'000
Cost	1,623,301	1,608,626
Accumulated Depreciation	(238,241)	(216,846)
Net Book Value	1,385,060	1,391,780
Carrying value of revalued assets	5,140,889	4,767,447

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17. Retirement Benefits

	The Group	
	2025	2024
	\$ '000	\$ '000
Retirement benefit assets -		
Pension scheme	193,549	324,679
Retirement benefit obligations -		
Pension scheme	1,652,167	1,197,962
Other post-retirement benefits	3,521,409	3,802,757
	<u>5,173,576</u>	<u>5,000,719</u>

Pension schemes comprised the following –

	The Group	
	2025	2024
	\$ '000	\$ '000
Retirement benefit assets	193,549	324,679
Retirement benefit obligations	1,652,167	1,197,962
	<u>(1,458,618)</u>	<u>(873,283)</u>

The Group operates the following pension plans:

- (i) Sagicor Life Jamaica Limited operates a hybrid pension plan for its permanent staff. The plan has two sections – a Defined Contribution (DC) section and a Defined Benefit (DB) section, which is funded. The DB section is closed to new members and includes administrative staff joining the company before August 1, 2009, while the DC section includes eligible sales agents and administrative staff joining Sagicor Life Jamaica Limited on or after August 1, 2009. The assets of the plan are held independently of the company's assets in separate trustee administered funds. The benefits for the DB section are based on service and salary, whereas the DC section benefits are based on contributions made by the members and the company, with interest. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2024) was 108%.
- (ii) Sagicor Life of the Cayman Islands Ltd. participates in the Cayman Islands Chamber of Commerce Pension Plan. This plan is a money purchase contributory plan covering all the employees in the Cayman Islands. Contributions are vested immediately. The company contributes at a fixed rate of 7% of pensionable earnings.
- (iii) Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited jointly operate an open DC pension plan and a closed DB pension plan covering its permanent employees. The assets of these funded plans are held independently of the companies' assets in separate trustee administered funds. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2022) was 116% and 112% for the DB and DC plan, respectively.
- (iv) Sagicor Bank Jamaica Limited has a closed DC plan covering all permanent employees (formerly employed to RBC Jamaica Limited) who are not covered under the DC and DB plans it jointly operates with Sagicor Investments Jamaica Limited. The assets of this funded plan are held independently of the company's assets in separate trustee administered funds. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2022) was 109%.
- (v) Advantage General Insurance Company Limited sponsors a DB scheme, which is open to all employees who have satisfied certain minimum service requirements. The scheme is funded by employee and employer contributions at varying rates. Retirement and other benefits are based on average salary for the last three years of pensionable service.

The law requires each plan sponsor to be an ordinary annual contributor but does not stipulate a minimum funding rate or solvency level. In absence of guidance from the regulator, the actuaries have agreed on a minimum employer contribution rate of 0.25% of payroll per annum where plan rules do not specify a minimum. The Trustees of the pension schemes ensure benefits are funded, benefits are paid, assets invested to maximise returns subject to acceptable investment risks while considering the liability profile. Any plan surplus or funding deficiency for the defined benefits plans as determined by independent actuaries annually using the Projected Unit Credit Method are recognised fully as a charge to shareholders' equity.

17. Retirement Benefits (Continued)

- (a) Pension schemes

The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2025	2024
	\$ '000	\$ '000
Present value of funded obligations	26,480,767	24,881,831
Fair value of plan assets	(25,243,912)	(24,206,481)
	<u>1,236,855</u>	<u>675,350</u>
Impact of minimum funding requirement/asset ceiling	221,763	197,933
Surplus of funded plan	1,458,618	873,283
Liability in the balance sheet	<u>1,458,618</u>	<u>873,283</u>

Movement in the present value of the defined benefit obligations recognised in the statement of financial position:

	The Group	
	2025	2024
	\$ '000	\$ '000
Liability at start of year	24,881,831	21,827,178
Current service cost	811,479	666,214
Interest cost	2,290,962	2,307,180
Net expense recognised in income	3,102,441	2,973,394
Re-measurement:		
Gains / (Losses) from changes in financial assumptions	(582,316)	1,594,278
Gains from changes in experience	(649,214)	(916,668)
Net gains / Net losses recognised in other comprehensive income	(1,231,530)	677,610
Contributions by the members	1,182,101	1,021,951
Benefits paid	(1,454,076)	(1,618,302)
Net liability, end of year	<u>26,480,767</u>	<u>24,881,831</u>

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group	
	2025	2024
	\$ '000	\$ '000
Balance at start of year	24,206,481	22,896,927
Contributions made by the Employer	705,377	736,556
Contributions by the members	1,182,101	1,021,951
Benefits paid	(1,454,076)	(1,618,302)
Interest income on plan assets	2,319,267	2,525,777
Re-measurement:		
Losses from changes in experience	(1,715,238)	(1,356,428)
Net gains / gains recognised in other comprehensive income	1,037,431	1,309,554
Balance, end of year	<u>25,243,912</u>	<u>24,206,481</u>

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17. Retirement Benefits (Continued)

(a) Pension schemes (Continued)

Movement in the minimum funding requirement/asset ceiling recognised in the statement of financial position:

	The Group	
	2025 \$ '000	2024 \$ '000
Balance at start of year	197,933	434,210
Interest income on assets	19,472	75,102
	(668)	-
Funding requirement/asset ceiling		
Re-measurement: Gains/(Losses) from changes in experience	5,026	(311,379)
Net gains from changes in experience	23,830	(236,277)
Balance, end of year	221,763	197,933

The amounts recognised in the income statements as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Current service cost	811,479	666,214
Interest cost on plan obligations	2,310,434	2,382,282
Interest income on plan assets	(2,319,267)	(2,525,777)
Total, included in staff cost (Note 36(a))	802,646	522,719

The amounts recognised in other comprehensive income is as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Change in financial assumptions	(577,290)	1,282,899
Experience adjustments:		
Funding requirement/asset ceiling	(668)	-
Pension assets and liabilities	1,066,024	439,760
	488,066	1,722,659
Deferred tax	(142,535)	(440,090)
	345,531	1,282,569

The prior year amounts were restated to exclude purchased annuities.

The principal actuarial assumptions used were as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Discount rate J\$ Benefits	10.00%	9.50%
Discount rate - US\$ Indexed Benefits	7.50%	7.00%
Inflation	5.00%	5.00%
Expected return on plan assets	10.00%	9.50%
Future salary increases	8.50%	8.00%
Future pension increases	0.50%	0.50%
Minimum Funding Rate (MFR) as a % of payroll	0.25%	0.25%
Average expected remaining working lives (years)	14	12

The weighted average duration of the defined benefit obligation ranges from 28 years (2024 – 28 years) to 35 years (2024 – 35 years).

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65.

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17. Retirement Benefits (Continued)

(a) Pension schemes (Continued)

Pension plan assets are comprised as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Equities	6,469,217	6,753,376
Bonds	312,992	316,460
Inflation-linked(CPI) Fund	3,859,943	3,421,126
Real Estate	289,409	250,738
Mortgages and real estate fund	4,745,945	4,742,069
Money market fund	1,372,177	1,141,125
Fixed income fund	4,047,540	3,431,176
Foreign currency fund	3,297,566	3,206,184
Global market fund	740,978	737,050
Diversified investment fund	80,055	119,573
Leases	28,090	87,604
	25,243,912	24,206,481

The sensitivity of the defined benefit pension obligation to changes in the principal assumptions is as follows:

	Change in Assumption	The Group	
		Increase/(decrease) in defined benefit obligation	
		Increase in Assumption	Decrease in Assumption
		2025 \$ '000	2025 \$ '000
Discount rate	1.0%	(327,678)	411,231
Future salary changes	1.0%	105,825	(96,098)
Future pension changes	1.0%	446,667	(300,797)
Life expectancy	1 year	11,323	(12,455)
		2024 \$ '000	2024 \$ '000
Discount rate	1.0%	(269,002)	357,428
Future salary changes	1.0%	106,822	(94,537)
Future pension changes	1.0%	435,525	(299,124)
Life expectancy	1 year	29,712	(31,543)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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17. Retirement Benefits (Continued)

(b) Other retirement benefits

In addition to pension benefits, the Group offers retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries during retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Present value of unfunded obligations	3,884,657	4,132,982
Fair value of plan assets	(363,248)	(330,225)
Liability in the statement of financial position	<u>3,521,409</u>	<u>3,802,757</u>

Movement in the amounts recognised in the statement of financial position:

	The Group	
	2025 \$ '000	2024 \$ '000
Liability at beginning of year	4,132,982	4,216,812
Current service cost	147,366	88,948
Interest cost	404,437	475,020
Net expense recognised in income	551,803	563,968
Re-measurement:		
Gains / (losses) from changes in financial assumptions	(233,511)	950,698
Gains from changes in experience	(385,044)	(1,421,274)
Net (gains)/losses recognised in other comprehensive income	(618,555)	(470,576)
Benefits paid	(181,573)	(177,222)
Net Liability, end of year	<u>3,884,657</u>	<u>4,132,982</u>

The principal actuarial assumption used was as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Rate of medical inflation	7.0%	7.0%

The amounts recognised in the income statement are as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Current service cost	147,366	88,948
Interest cost on plan obligation	404,437	475,020
Interest income on plan assets	(33,023)	(34,059)
Total, included in staff cost (Note 36(a))	<u>518,780</u>	<u>529,909</u>

The amounts recognised in other comprehensive income are as follows:

	The Group	
	2025 \$ '000	2024 \$ '000
Change in financial assumptions	(233,511)	950,698
Experience adjustments	(385,044)	(1,421,274)
	(618,555)	(470,576)
Deferred tax	180,838	118,046
	<u>(437,717)</u>	<u>(352,530)</u>

17. Retirement Benefits (Continued)

(b) Other retirement benefits (Continued)

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group	
	2025 \$ '000	2024 \$ '000
Balance, as previously reported	330,225	296,166
Interest income on plan assets	33,023	34,059
Balance, end of year	<u>363,248</u>	<u>330,225</u>

The sensitivity of the other retirement benefits obligation to changes in the principal assumptions is as follows:

	Change in Assumption	The Group	
		Increase/(decrease) in defined benefit obligation	
		Increase in Assumption 2025 \$ '000	Decrease in Assumption 2025 \$ '000
Discount rate	1.0%	(171,990)	211,821
Future salary increases	1.0%	7,359	(6,313)
Medical cost inflation	1.0%	202,864	(165,302)
Life expectancy	1 year	28,809	(29,917)
		<u>228,032</u>	<u>(100,701)</u>
		<u>2024 \$ '000</u>	<u>2024 \$ '000</u>
Discount rate	1.0%	(182,540)	230,803
Future salary increases	1.0%	7,371	(6,321)
Medical cost inflation	1.0%	234,315	(190,374)
Life expectancy	1 year	39,454	(40,494)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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17. Retirement Benefits (Continued)

(c) Plan risks

Through its defined benefit pension plans and post-employment medical plans, the Company is exposed to a number of risks. The Company does not use derivatives to manage its plan risks. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. The Company has not changed the processes used to manage its risks from previous periods.

The most significant of these plan risks are detailed below:

(i) Investment risk

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform this yield, this will create a deficit.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term assets with maturities that match the benefit payments as they fall due. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations.

(ii) Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liability, although this will be partially offset by an increase in the return on plan's assets which are linked to debt investment.

(iii) Salary risk

The present value of the plan liabilities is calculated in reference to the future salaries of members. Therefore, an increase in the salary of members will increase the plan's liability.

(iv) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

18. Deferred Income Taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal rate for the entity.

Deferred tax assets and liabilities, net recognised on the statement of financial position are as follows:

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Deferred income tax assets, net	(7,305,629)	(8,151,039)	(165,435)	(204,094)
Deferred income tax liability, net	278,500	320,283	-	-

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18. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position included the following:

	The Group			
	Deferred tax assets		Deferred tax liabilities	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Deferred tax assets/liabilities to be recovered after more than 12 months	1,542,600	(6,963,600)	20,425	-

	The Company			
	Deferred tax assets		Deferred tax liabilities	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Deferred tax assets/liabilities to be recovered after more than 12 months	(165,435)	(204,094)	-	-

Net deferred income tax assets and liabilities are attributable to the following items:

	The Group			
	Net deferred tax assets		Net deferred tax liabilities	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Deferred income tax assets				
Property, plant and equipment	(759,834)	(559,248)	-	-
Investment securities - FVTOCI	(1,561,021)	(2,158,976)	-	-
Tax losses unused	(3,248,497)	(3,506,139)	-	-
Unrealised foreign exchange losses	(141,908)	(207,835)	-	-
Impairment losses on loans & investment securities (IFRS 9)	(287,947)	(126,144)	-	-
Pensions and other post-retirement benefits	(1,341,809)	(1,263,142)	-	-
Other	-	(329,555)	-	-
	(7,341,016)	(8,151,039)	-	-
Deferred income tax liabilities -				
Customer Relationship and Brand	-	-	268,389	295,815
Other	35,387	-	10,111	24,468
	35,387	-	278,500	320,283
Net deferred taxation (asset)/liability	(7,305,629)	(8,151,039)	278,500	320,283

	The Company	
	2025 \$ '000	2024 \$ '000
Deferred income tax assets		
Property, plant and equipment	(165,435)	(204,094)
Net deferred tax asset	(165,435)	(204,094)

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18. Deferred Income Taxes (Continued)

The movement in net deferred tax assets is as follows:

	Property, plant and equipment	Fair value gains/ (losses)	Unused tax losses and credits	Unrealised foreign exchange gains	Loan & investment securities loss provision	Post- employment benefits	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At January 1, 2024	(380,447)	(1,526,372)	(3,895,582)	(307,158)	(154,042)	(988,129)	(24,638)	(7,276,368)
(Credited)/Charged to income statement (Note 37(a))	(206,045)	(202,529)	389,443	99,323	20,490	(19,010)	(304,917)	(223,245)
(Credited)/Charged to other comprehensive income (Note 37(c))	27,244	(430,075)	-	-	7,408	(256,003)	-	(651,426)
At December 31, 2024	(559,248)	(2,158,976)	(3,506,139)	(207,835)	(126,144)	(1,263,142)	(329,555)	(8,151,039)
(Credited)/Charged to income statement (Note 37(a))	(236,139)	(214,627)	257,642	65,927	(149,831)	(116,970)	364,942	(29,056)
(Credited)/Charged to other comprehensive income (Note 37(c))	35,553	812,582	-	-	(11,972)	38,303	-	874,466
At December 31, 2025	(759,834)	(1,561,021)	(3,248,497)	(141,908)	(287,947)	(1,341,809)	35,387	(7,305,629)

The movement in net deferred tax liabilities is as follows:

	Property, plant and equipment	Fair value gains/ (losses)	Unused tax losses and charges	Unrealised foreign exchange gains	Loan & investment securities loss provision	Post- employment benefits	Customer Relationship and Brand	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At January 1, 2024	(167,176)	(40,723)	-	10,940	3,085	87,029	349,971	232,300	475,426
(Credited)/Charged to income statement (Note 37(a))	160,364	40,280	-	(10,940)	(3,085)	(20,988)	(54,156)	(57,183)	54,292
(Credited)/Charged to other comprehensive income (Note 37(c))	6,812	443	-	-	-	(66,041)	-	-	(58,786)
Transferred to taxation payable	-	-	-	-	-	-	-	(150,649)	(150,649)
At December 31, 2024	-	-	-	-	-	-	295,815	24,468	320,283
(Credited)/Charged to income statement (Note 37(a))	-	-	-	-	-	-	(27,426)	(14,357)	(41,783)
At December 31, 2025	-	-	-	-	-	-	268,389	10,111	278,500

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21. Related Party Balances and Transactions (Continued)

(b) The balances below resulted from transactions with related parties and companies as follows:

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Directors, key management and other related parties-				
Securities sold under agreements to repurchase and other loans	(511,173)	(211,340)	-	-
Customer deposits	(14,794,829)	(18,285,124)	-	-
Loans and leases, after allowance for credit losses	1,020,082	1,207,364	-	-

(c) The income statement includes the following transactions with related parties and companies. Income earned from the PIF, attributed to the Group's pension schemes, as well as income earned from the Sagicor Sigma Global Unit Trust and the Sagicor Select Funds are disclosed in Note 13.

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Ultimate parent company				
Interest income	480,157	523,588	-	-
Interest expense	495	2,542	-	-
Shared service fees	461,153	352,232	-	-
Sagicor Pooled Investment Funds -				
Interest expense	541,347	813,307	-	-
Capital appreciation/(depreciation)	806,222	1,661,268	-	-
Lease rental expense	141,893	123,406	-	-
Management fee income	2,430,909	2,295,505	-	-
Pension Schemes -				
Management Fees – Self Directed Funds	329,833	274,405	-	-
Management Fees – DA	4,797	4,425	-	-
Pan Jamaica Group Limited				
Interest expense	146,946	78,380	-	-
Directors and key management personnel -				
Interest expense	16,484	21,081	-	-
Interest Income	20,322	18,340	-	-

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21. Related Party Balances and Transactions (Continued)

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Parent Company transactions with subsidiaries -				
Management fees Income	-	-	7,086,524	6,812,187
Interest expense	-	-	(185,832)	(209,396)
Dividend income	-	-	6,530,949	5,871,300
Interest Income	-	-	88,103	148,195
Transactions with Select and Sigma Fund				
Service fee income	2,920,335	2,871,472	-	-
Interest expense	(404,453)	(328,375)	-	-
Lease expense	(789,097)	(702,080)	-	-
Capital appreciation/(depreciation)	242,383	374,455	-	-
Key management compensation -				
Salaries and other short-term benefits	1,055,236	1,106,416	-	-
Share based payments	77,279	205,766	-	-
Contributions to pensions and insurance schemes	51,104	52,478	-	-
	1,183,619	1,364,660	-	-
Directors' emoluments -				
Fees	144,619	133,851	44,417	40,201
Other expenses	3,531	1,407	3,528	1,407
Management remuneration (included in key management compensation)	284,805	280,979	-	-
	432,955	416,237	47,945	41,608

22. Share Capital

	The Group and The Company	
	2025 \$ '000	2024 \$ '000
Authorised		
13,598,340,000 (2024 – 13,598,340,000)		
Ordinary shares		
Issued and fully paid:		
Ordinary stock – January 1	8,997,402	8,879,881
Issue of Treasury shares (Note 24)	1,755	117,521
	8,999,157	8,997,402

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23. Equity Reserves

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance at December 31, 2024	141,013	(4,152,792)	6,899,232	2,887,453
Net gains recycled to revenue on disposal and maturity of FVTOCI securities	-	(997,301)	-	(997,301)
Net unrealised gains on FVTOCI securities	-	3,369,490	-	3,369,490
Net unrealised gains on revaluation of owner-occupied properties	-	375,623	-	375,623
Deferred tax on unrealised capital gains and impairment	-	(104,725)	-	(104,725)
Provision for expected credit losses - IFRS 9 on FVTOCI securities	-	(27,295)	-	(27,295)
Currency translation	-	-	340,642	340,642
Total comprehensive income for the year	-	2,615,792	340,642	2,956,434
Transactions with owners -				
Employee share option scheme - value of services provided	14,392	-	-	14,392
Total transactions with owners	14,392	-	-	14,392
Balance at December 31, 2025	155,405	(1,537,000)	7,239,874	5,858,279

Balance as at December 31, 2023

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	\$ '000	\$ '000	\$ '000	\$ '000
Net gains recycled to revenue on disposal and maturity of FVTOCI securities	110,773	(3,268,218)	6,755,207	3,597,762
Net unrealised losses on FVTOCI securities	-	(896,287)	-	(896,287)
Net unrealised gains on revaluation of owner-occupied properties	-	393,931	-	393,931
Deferred tax on unrealised capital gains and impairment	-	66,758	-	66,758
Provision for expected credit losses -IFRS 9 on FVTOCI securities	-	27,712	-	27,712
Currency translation	-	-	144,025	144,025
Total comprehensive income for the year	-	(884,574)	144,025	(740,549)
Transactions with owners -				
Employee share option scheme -value of services provided	30,240	-	-	30,240
Total transactions with owners	30,240	-	-	30,240
Balance at December 31, 2024	141,013	(4,152,792)	6,899,232	2,887,453

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23. Equity Reserves (Continued)

(a) Investment and fair value reserves include the following:

- (i) Owner Occupied Properties and Fair value Reserves (FVTOCI) - This represents the unrealised surplus or deficit on the re-measurement of securities classified as FVTOCI and the revaluation of property, plant and equipment.
- (ii) Currency Translation Reserve -This represents the unrealised foreign exchange gains and losses on the translation of subsidiaries and joint venture with functional currencies other than the Jamaican dollar.

(b) Special Investment Reserve - This represents a non-distributable reserve under the provisions of the Insurance Regulations, 2001.

(c) Loan Loss Reserve - This is a non-distributable reserve representing the excess of the allowance for impairment losses determined using the Bank of Jamaica's regulatory requirements over the amount determined under IFRS Accounting Standards.

(d) Retained earnings reserve - Section 2 of the Banking Act of 1992 permits the transfer of any portion of the Bank's net profit to a retained earnings reserve. This reserve constitutes a part of the capital base for the purpose of determining the maximum level of deposit liabilities and lending to customers. Transfers to the retained earnings reserve are made at the discretion of the subsidiary's Board of Directors. Such transfers must be notified to the Bank of Jamaica.

Reserve fund (included as a part of retained earnings reserve) - This fund is maintained in accordance with the Banking Act 1992 which requires that a minimum of 15% of the net profit of the banking subsidiary as defined by the Act be transferred annually to the reserve fund until the amount of the fund is 50% of the paid-up share capital of the subsidiary, and thereafter 10% of the net profit until the amount of the fund is equal to the paid-up capital of the subsidiary.

(e) The provision of section 62 (1) (d) of The Companies Act 2004, requires the transfer from retained earnings to the Capital Redemption Reserve fund a sum equal to the amount of the redeemable preference shares redeemed otherwise than out of the proceed of a fresh issue.

24. Stock Options and Grants

Long-term incentive plan

The Group offers stock grants and stock options to senior executives as part of its long-term incentive plan. The Group has set aside 150,000,000 of its authorised but un-issued shares at no par value for the stock grants and stock options.

In January 2007, the Group introduced a new Long-Term Incentive (LTI) plan which replaced the previous Stock Option plan. Under the LTI plan, executives are entitled but not obliged to purchase the Group stock at a pre-specified price at some future date. The options are granted each year on the date of the Board of Directors Human Resources Committee meeting following the performance year at which the stock option awards are approved. Stock options vest in 4 equal installments beginning the first December 31 following the grant date and for the next three December 31st dates thereafter (25% per year). Options are not exercisable after the expiration of 7 years from the date of grant. The number of stock options in each stock option award is calculated based on the LTI opportunity via stock options (percentage of applicable salary) divided by the Black-Scholes value of a stock option of Sagicor Group Jamaica Limited stock on 31 March of the measurement year. The exercise price of the options is the closing bid price on 31 March of the measurement year. This plan was discontinued effective 31 December 2023.

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(expressed in Jamaican dollars unless otherwise indicated)

24. Stock Options and Grants (Continued)

Long-term incentive plan (Continued)

Details of the combined share options outstanding are as follows:

	Sagikor Group Jamaica Limited			
	2025		2024	
Options (thousands)	Weighted Average exercise price in \$ per share	Options (thousands)	Weighted Average exercise price in \$ per share	
At beginning of year	11,893	45.34	12,317	44.60
Granted	-	-	-	-
Exercised	(874)	34.00	(424)	23.65
At end of year	11,019	46.24	11,893	45.34
Exercisable at the end of the period	10,432	48.00	9,933	45.87

Stock options outstanding at the end of the year for the Company have the following expiry dates and exercise prices:

Expiry Date	2025		2024	
	Exercise Price	No. of Outstanding Options 000's	Exercise Price	No. of Outstanding Options 000's
March 2025	-	-	34.10	887
March 2026	36.45	1,713	36.45	1,713
March 2027	39.99	2,169	39.99	2,186
March 2028	52.40	2,046	52.40	2,045
March 2029	51.88	2,503	51.88	2,503
March 2030	57.44	2,588	57.44	2,558
	39.69	11,019	45.38	11,892

For options outstanding at the end of the year, exercise prices range from \$36.45 to \$57.44 (2024 - \$34.1 to \$57.44). The remaining contractual terms range from 3 months to 6 years (2024 - 3 months to 7 years).

The weighted average share price for options exercised during the year was \$39.69 (2024 - \$45.38) and the cost of these options was \$22,775 (2024 - \$9,951).

The stock options reserve balance at the year-end represents the accumulated fair value of services provided by employees in consideration for shares, as measured by reference to the fair value of the shares. The fair value of the options granted during the prior year as determined using the Black-Scholes valuation model was 2024- \$46,136,500. The significant inputs into the model were:

	2024
Share Price	\$52.90
Dividend Yield	2.38%
Standard Deviation	28.00%
Risk free ratio	6.30%
Expected Volatility period	7 years

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24. Stock Options and Grants (Continued)

Long-term incentive plan (Continued)

The Sagikor Group Jamaica Limited recognised cumulative expenses of \$155,486,000 in the Stock Option Reserves (2024 - \$141,098,000) and share options expense of \$21,714,000 (2024 - \$31,610,000) in the income statement.

In 2019, the Sagikor Group Jamaica Board HR & Compensation Committee approved the amendment to the termination rules in the Sagikor Group Jamaica LTI Plan to conform with those in the SFC Plan. This amendment relates to the Accelerated Vesting under certain circumstances.

The Group also has in place a share purchase plan which enables its administrative and sales staff to purchase a pool of Sagikor Group Jamaica Limited shares at a predetermined discount rate of the closing bid price on December 31 each year. During 2025, the Staff Share Purchase Plan Trust purchased 3,229,221 (2024: 3,000,000) shares. The Group recognizes an expense in respect of Staff Share Purchase Plan shares at the point at which the shares are transferred to staff, when the Subsidiary Companies recognize their share of the cost of those shares in the income statement.

The Sagikor Group Jamaica Limited has not been issuing new shares to fulfill its obligations under these plans but instead the LTI and the Staff Share Purchase Plan Trust bought SGJ's shares on the open market. The total number of treasury shares held by the Group at year end was 5,236,000 (2024 - 3,775,000) at a cost of \$161,907,000 (2024 - \$163,661,000).

25. Dividends

	The Group and Company	
	2025 \$ '000	2024 \$ '000
First interim dividend - \$0.77 per share (2024 - \$0.96 per share)	3,007,339	3,749,410
Second interim dividend - \$0.89 per share (2024 - \$0.41 per share)	3,476,015	1,601,310
	6,483,354	5,350,720

Dividends represented a dividend per stock unit of \$1.66 (2024 - \$1.37). There were no dividends declared subsequent to the year end.

26. Net Profit

(i) Net profit attributable to stockholders of Sagikor Group Jamaica Limited, dealt with in the financial statements of:	2025	2024
	\$ '000	\$ '000
The Company	6,796,681	6,187,059
Less dividends from subsidiaries and joint ventures	(6,530,949)	(5,871,300)
The subsidiaries and joint ventures	16,176,883	8,735,084
	16,442,615	9,050,843

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(expressed in Jamaican dollars unless otherwise indicated)

27. Deposit and Security Liabilities

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Securities sold under repurchase agreements	116,371,834	93,640,790	-	-
Shareholders loan – Bailey Williams Limited	20,218	20,218	-	-
Due to banks and other financial institutions (i)	14,884,524	13,930,050	-	-
Customer deposits and other accounts	196,114,699	172,482,498	-	-
Promissory notes (ii)	4,370,804	5,138,512	8,952,766	9,726,934
Bank overdraft	30,571	30,000	-	-
	<u>331,792,650</u>	<u>285,242,068</u>	<u>8,952,766</u>	<u>9,726,934</u>

Current portion of Deposit and Security Liabilities disclosed under Note 42(c) (ii).

	Interest Rate (%)	Maturity Year	The Group		The Company	
			2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
(i) Due to banks and other financial institutions:						
Development Bank of Jamaica Limited (a)	various	various	656,525	836,370	-	-
National Housing Trust (NHT) (b)	various	various	1,000,102	1,036,591	-	-
Other Loans (c)	various	various	13,227,897	12,057,089	-	-
			<u>14,884,524</u>	<u>13,930,050</u>	<u>-</u>	<u>-</u>

(a) Development Bank of Jamaica Limited (DBJ)

The agreement allows DBJ, at its absolute discretion, to approve J\$ financing to Sagicor Bank Jamaica Limited (SBJ) for on-lending to customers for developmental projects which meet the criteria of DBJ and on such terms and conditions as DBJ may stipulate.

Funds disbursed to SBJ bear interest at DBJ's lending rate prevailing at the date of approval of each disbursement unless otherwise carried by DBJ and are extended to the client at a maximum spread as stipulated by DBJ.

(b) National Housing Trust (NHT)

This is a third-party financing agreement between Sagicor Life Jamaica Limited, Sagicor Bank Jamaica Limited and the National Housing Trust and attracts interest at rates ranging from 0% to 2%.

(c) Other Loans

These are loans issued by individuals and companies to Sagicor Investment Cayman Limited and Alliance Financial Services Limited with various maturity dates in 2026.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

27. Deposit and Security Liabilities (Continued)

(ii) Promissory notes

	The Group		The Company	
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000
Sagicor Life Jamaica Limited (i)	-	-	8,952,766	9,726,934
Other managed funds (ii)	4,370,804	5,138,512	-	-
	<u>4,370,804</u>	<u>5,138,512</u>	<u>8,952,766</u>	<u>9,726,934</u>

Items (i) to (ii) represent promissory notes that have been issued by the Sagicor Group Jamaica Limited with respect to the corporate reorganisation of the Group.

(i) These promissory notes are due by Sagicor Group Jamaica Limited to a subsidiary, Sagicor Life Jamaica Limited, as consideration for the value of Sagicor Investments Jamaica Limited, Sagicor Life of the Cayman Island, Sagicor Re Insurance Limited and other small subsidiaries whose ownership was transferred from the previous parent company, Sagicor Life Jamaica Limited to the holding company, Sagicor Group Jamaica Limited. The promissory notes are unsecured and attract interest at 2% per annum, maturing in March 2026.

(iii) This represents funding provided by managed funds to provide working capital support and to cover costs associated with development projects. The loans attract interest at 6.5% to 7.3% per annum and mature in 2026. The balance also includes loans issued by Sigma Global Funds to Alliance Financial Services Limited (AFSL). AFSL was compliant with the debt covenant ratio at year end.

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28. Loans Payable

The loans payable for the Group have now been fully settled.

29. Other liabilities

	The Group		The Company	
	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000
Suspense and other amounts	3,606,746	4,320,344	-	-
Accounts payable and accruals	4,242,555	3,694,678	76,201	206,332
Staff related payable	1,460,113	1,151,209	-	-
Dividends payable	326,273	294,313	255,753	221,745
Due to related parties (Note 21)	726,793	459,838	5,784,593	5,098,916
Due to brokers and agents	1,577	1,696	-	-
Mortgage principal and real estate payables	1,075,591	845,453	-	-
Customer settlement accounts	1,149,484	2,230,532	-	-
Regulatory fees and Statutory payables	1,570,835	1,521,293	-	-
Items in course of payment	380,029	410,110	-	-
Cheques issued but uncashed	1,061,009	1,033,438	-	-
Miscellaneous	2,938,598	1,276,873	-	-
	<u>18,539,603</u>	<u>17,239,777</u>	<u>6,116,547</u>	<u>5,526,993</u>

Current portion of Other Liabilities disclosed under Note 42(c) (ii).

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

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NOTES TO THE FINANCIAL STATEMENTS

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30. Insurance and Reinsurance Contract Assets and Liabilities

The table below presents a summary of contract assets and liabilities held by the Group.

	2025	2024 Restated
	\$'000	\$'000
Insurance contract assets (Note 30i.a)	1,355,271	627,410
Insurance contract liabilities (Note 30i.a)	199,643,191	160,351,946
Reinsurance contract assets (Note 30ii.a)	27,556,654	3,552,974
Reinsurance contract liabilities (Note 30ii.a)	366,240	620,373

The following table presents insurance contract and reinsurance contract assets and liabilities by contract type and summarises those contracts which are measured under the premium allocation approach (PAA) and those which are not measured under the PAA.

	2025	2024
	\$'000	\$'000
Insurance contracts issued (includes direct participation contracts)		
Contracts measured under PAA - net (asset) / liability, end of period (Note 30i.a)	37,242,536	13,290,322
Contracts not measured under PAA (VFA) - net (asset) / liability, end of period (Note 30i.a)	33,745,033	33,802,202
Contracts not measured under PAA (GMM) - net (asset) / liability, end of period (Note 30i.a)	127,300,351	112,632,012
Total - Net (asset) / liability, end of period	198,287,920	159,724,536
Reinsurance contracts held		
Contracts measured under PAA - net asset / (liability), end of period (Note 30ii.a)	26,698,402	2,537,186
Contracts not measured under PAA (GMM) - net asset / (liability), end of period (Note 30ii.a)	492,012	395,415
Total - Net asset / (liability), end of period	27,190,414	2,932,601

The following tables explain the components of insurance contract and reinsurance contract assets and liabilities, in addition to changes in these balances for the period.

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

Short Term Insurance

	2025				2024			
	LRC		LIC		LRC		LIC	
	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contracts issued								
Contracts measured under PAA								
Insurance contract liabilities, beginning of period	2,246,576	10,576,152	467,594	13,290,322	2,728,818	7,867,507	330,505	10,926,830
Insurance contract assets, beginning of period	-	-	-	-	(211,526)	206,357	(2,612)	(7,781)
Net balance – (asset) / liability, beginning of period	2,246,576	10,576,152	467,594	13,290,322	2,517,292	8,073,864	327,893	10,919,049
Insurance revenue	(37,865,356)	-	-	(37,865,356)	(34,765,688)	-	-	(34,765,688)
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	45,704,718	1,956,516	47,661,234	-	25,216,110	139,683	25,355,793
Insurance acquisition cash flows amortisation	4,465,376	-	-	4,465,376	4,333,401	-	-	4,333,401
Total insurance service expenses	4,465,376	45,704,718	1,956,516	52,126,610	4,333,401	25,216,110	139,683	29,689,194
Total amounts recognised in the insurance services result	(33,399,980)	45,704,718	1,956,516	14,261,254	(30,432,287)	25,216,110	139,683	(5,076,494)
Finance income / (expenses) from insurance contracts issued	-	217,005	-	217,005	-	133,580	-	133,580
Effect of exchange rate changes	(772)	(23,931)	45	(24,658)	2,529	1,008	18	3,555
Total amounts recognised in total comprehensive income	(33,400,752)	45,897,792	1,956,561	14,453,601	(30,429,758)	25,350,698	139,701	(4,939,359)
Cash flows								
Premiums received	37,220,814	-	-	37,220,814	34,409,977	-	-	34,409,977
Claims and other directly attributable expenses paid	-	(23,546,270)	-	(23,546,270)	-	(22,848,410)	-	(22,848,410)
Insurance acquisition cash flows	(4,175,931)	-	-	(4,175,931)	(4,250,935)	-	-	(4,250,935)
Total cash flows	33,044,883	(23,546,270)	-	9,498,613	30,159,042	(22,848,410)	-	7,310,632
Net balance – (asset) / liability, end of period	1,890,707	32,927,674	2,424,155	37,242,536	2,246,576	10,576,152	467,594	13,290,322
Insurance contract liabilities, end of period	1,890,707	32,927,674	2,424,155	37,242,536	2,246,576	10,576,152	467,594	13,290,322
Insurance contract assets, end of period	-	-	-	-	-	-	-	-
Net balance – (asset) / liability, end of period	1,890,707	32,927,674	2,424,155	37,242,536	2,246,576	10,576,152	467,594	13,290,322

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

i. a) Reconciliation of the liability for remaining coverage and the liability for incurred claims components (Continued)

Long Term Insurance

	2025				2024			
	LRC		LIC	Total	LRC		LIC	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Insurance contracts issued								
Contracts not measured under PAA								
Insurance contract liabilities, beginning of period	125,996,595	16,278,595	4,786,434	147,061,624	116,470,741	14,179,888	3,410,569	134,061,198
Insurance contract assets, beginning of period	49,652	798	(677,860)	(627,410)	69,750	-	(236,900)	(167,150)
Net balance – (asset) / liability, beginning of period	126,046,247	16,279,393	4,108,574	146,434,214	116,540,491	14,179,888	3,173,669	133,894,048
Insurance revenue	(22,401,689)	-	-	(22,401,689)	(19,768,151)	-	-	(19,768,151)
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	(810,219)	11,952,058	11,141,839	-	(739,842)	11,937,799	11,197,957
Losses on onerous contracts and reversal of those losses	-	(89,560)	-	(89,560)	-	2,177,317	-	2,177,317
Insurance acquisition cash flows amortisation	2,444,866	-	-	2,444,866	1,491,628	-	-	1,491,628
Total insurance service expenses	2,444,866	(899,779)	11,952,058	13,497,145	1,491,628	1,437,475	11,937,799	14,866,902
Total amounts recognised in the insurance services result	(19,956,823)	(899,779)	11,952,058	(8,904,544)	(18,276,523)	1,437,475	11,937,799	(4,901,249)
Finance income / (expenses) from insurance contracts issued	11,964,780	684,351	-	12,649,131	7,516,532	589,867	-	8,106,399
Effect of exchange rate changes	964,400	204,551	18,938	1,187,889	388,873	72,163	3,459	464,495
Total amounts recognised in total comprehensive income	(7,027,643)	(10,877)	11,970,996	4,932,476	(10,371,118)	2,099,505	11,941,258	3,669,645
Investment components	(14,247,009)	-	14,247,009	-	(13,212,960)	-	13,212,960	-
Cash flows								
Premiums received	42,052,569	-	-	42,052,569	39,672,868	-	-	39,672,868
Claims and other directly attributable expenses paid	-	-	(24,771,484)	(24,771,484)	-	-	(24,219,313)	(24,219,313)
Insurance acquisition cash flows	(7,602,391)	-	-	(7,602,391)	(6,583,034)	-	-	(6,583,034)
Total cash flows	34,450,178	-	(24,771,484)	9,678,694	33,089,834	-	(24,219,313)	8,870,521
Net balance – (asset) / liability, end of period	139,221,773	16,268,516	5,555,095	161,045,384	126,046,247	16,279,393	4,108,574	146,434,214
Insurance contract liabilities, end of period	134,955,434	15,443,957	12,001,264	162,400,655	125,996,595	16,278,595	4,786,434	147,061,624
Insurance contract assets, end of period	4,266,339	824,559	(6,446,169)	(1,355,271)	49,652	798	(677,860)	(627,410)
Net balance – (asset) / liability, end of period	139,221,773	16,268,516	5,555,095	161,045,384	126,046,247	16,279,393	4,108,574	146,434,214

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

i. b) Reconciliation of the measurement components of insurance contract balances

Long Term Insurance

Insurance contracts issued Contracts not measured under 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contract liabilities, beginning of period	89,815,726	12,541,117	44,704,781	147,061,624	78,101,760	11,706,439	44,252,999	134,061,198
Insurance contract assets, beginning of period	(626,274)	(2,090)	954	(627,410)	(173,365)	(1,209)	7,424	(167,150)
Net balance – (asset) / liability, beginning of period	89,189,452	12,539,027	44,705,735	146,434,214	77,928,395	11,705,230	44,260,423	133,894,048
Changes that relate to current service								
CSM recognised in net income / (loss) for the services provided	-	-	(6,339,335)	(6,339,335)	-	-	(5,900,452)	(5,900,452)
Change in the risk adjustment for non-financial risk for risk expired	-	(1,253,333)	-	(1,253,333)	-	(1,243,678)	-	(1,243,678)
Experience adjustments	(1,222,317)	-	-	(1,222,317)	65,562	-	-	65,562
	(1,222,317)	(1,253,333)	(6,339,335)	(8,814,985)	65,562	(1,243,678)	(5,900,452)	(7,078,568)
Changes that relate to future service								
Changes in estimate that adjust the CSM	2,053,547	(643,869)	(1,409,678)	-	2,660,734	(168,801)	(2,491,933)	-
Changes in estimates that result in onerous contract losses or reversal of Contracts initially recognised in the period	(301,285)	101,334	-	(199,951)	2,072,909	(60,866)	-	2,012,043
	(9,276,698)	1,444,640	7,942,450	110,392	(7,529,500)	1,279,470	6,415,306	165,276
	(7,524,436)	902,105	6,532,772	(89,559)	(2,795,857)	1,049,803	3,923,373	2,177,319
Total amounts recognised in the insurance service result	(8,746,753)	(351,228)	193,437	(8,904,544)	(2,730,295)	(193,875)	(1,977,079)	(4,901,249)
Finance income / (expenses) from insurance contracts issued	8,607,372	1,514,564	2,527,195	12,649,131	4,747,488	1,019,806	2,339,105	8,106,399
Effect of exchange rate changes	987,978	42,878	157,033	1,187,889	373,343	7,866	83,286	464,495
Total amounts recognised in total comprehensive income	848,597	1,206,214	2,877,665	4,932,476	2,390,536	833,797	445,312	3,669,645
Cash flows								
Premiums received	42,052,569	-	-	42,052,569	39,672,868	-	-	39,672,868
Claims and other directly attributable expenses paid	(24,771,484)	-	-	(24,771,484)	(24,219,313)	-	-	(24,219,313)
Insurance acquisition cash flows	(7,602,391)	-	-	(7,602,391)	(6,583,034)	-	-	(6,583,034)
Total cash flows	9,678,694	-	-	9,678,694	8,870,521	-	-	8,870,521
Net balance – (asset) / liability, end of period	99,716,743	13,745,241	47,583,400	161,045,384	89,189,452	12,539,027	44,705,735	146,434,214
Insurance contract liabilities, end of period	110,059,838	12,351,134	39,989,683	162,400,655	89,815,726	12,541,117	44,704,781	147,061,624
Insurance contract assets, end of period	(10,343,095)	1,394,107	7,593,717	(1,355,271)	(626,274)	(2,090)	954	(627,410)
Net balance – (asset) / liability, end of period	99,716,743	13,745,241	47,583,400	161,045,384	89,189,452	12,539,027	44,705,735	146,434,214

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

i. c) Impact of contracts recognised in the period

Long Term Insurance

	2025			2024		
	Contract issued		Total	Contract issued		Total
	Non-onerous \$'000	Onerous \$'000	\$'000	Non-onerous \$'000	Onerous \$'000	\$'000
Insurance contracts issued						
Estimates of present value of future cash outflows						
Insurance acquisition cash flows	(5,097,724)	(177,303)	(5,275,027)	(4,750,244)	(412,920)	(5,163,164)
Claims and other directly attributable expenses	(18,659,894)	(354,483)	(19,014,377)	(16,157,324)	(2,720,675)	(18,877,999)
Estimates of present value of future cash outflows	(23,757,618)	(531,786)	(24,289,404)	(20,907,568)	(3,133,595)	(24,041,163)
Estimates of present value of future cash inflows	33,075,047	491,055	33,566,102	28,455,591	3,115,072	31,570,663
Risk adjustment for non-financial risk	(1,374,979)	(69,661)	(1,444,640)	(1,132,717)	(146,753)	(1,279,470)
CSM	(7,942,450)	-	(7,942,450)	(6,415,306)	-	(6,415,306)
Increase / (decrease) in insurance contract liabilities from contracts	-	(110,392)	(110,392)	-	(165,276)	(165,276)

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

Long Term Insurance

	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contracts issued (Note 30i.b)						
CSM, beginning of period	39,034,162	5,671,573	44,705,735	32,511,518	11,748,905	44,260,423
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	(5,419,540)	(919,795)	(6,339,335)	(5,016,172)	(884,280)	(5,900,452)
Changes that relate to future service						
Changes in estimates that adjust the CSM	(3,304,345)	1,894,667	(1,409,678)	3,056,423	(5,548,356)	(2,491,933)
Contracts initially recognised in the period	7,942,450	-	7,942,450	6,415,306	-	6,415,306
	(781,435)	974,872	193,437	4,455,557	(6,432,636)	(1,977,079)
Finance income / (expenses) from insurance contracts issued	2,289,504	237,691	2,527,195	2,054,645	284,460	2,339,105
Effect of exchange rate changes	38,201	118,832	157,033	12,442	70,844	83,286
Total amounts recognised in total comprehensive income	1,546,270	1,331,395	2,877,665	6,522,644	(6,077,332)	445,312
CSM, end of period	40,580,432	7,002,968	47,583,400	39,034,162	5,671,573	44,705,735

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. a) Reconciliation of the remaining coverage and the incurred claims components

Short Term Insurance

	2025				2024			
	Remaining coverage		Incurred claims		Remaining coverage		Incurred claims	
	Excluding loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reinsurance contracts held								
Contracts measured under PAA								
Reinsurance contract liabilities, beginning of period	(197,504)	(1,137)	787	(197,854)	(90,925)	19,856	(100)	(71,169)
Reinsurance contract assets, beginning of period	973,290	1,675,582	86,168	2,735,040	1,029,952	750,696	66,152	1,846,800
Net balance – (asset) / liability, beginning of period	775,786	1,674,445	86,955	2,537,186	939,027	770,552	66,052	1,775,631
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(7,958,504)	-	-	(7,958,504)	(7,307,605)	-	-	(7,307,605)
Claims recovered		24,347,898	1,933,829	26,281,727		3,863,785	20,897	3,884,682
Net income / (expenses) from reinsurance contracts held	(7,958,504)	24,347,898	1,933,829	18,323,223	(7,307,605)	3,863,785	20,897	(3,422,923)
Finance income / (expenses) from reinsurance contracts held	-	80,577	-	80,577	-	38,999	-	38,999
Effect of exchange rate changes	31	(25,255)	15	(25,209)	2,423	106	6	2,535
Total amounts recognised in total comprehensive income	(7,958,473)	24,403,220	1,933,844	18,378,591	(7,305,182)	3,902,890	20,903	(3,381,389)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable	11,787,441	-	-	11,787,441	7,141,941	-	-	7,141,941
Recoveries from reinsurance	-	(6,004,816)	-	(6,004,816)	-	(2,998,997)	-	(2,998,997)
Total cash flows	11,787,441	(6,004,816)	-	5,782,625	7,141,941	(2,998,997)	-	4,142,944
Net balance – asset / (liability), end of period	4,604,754	20,072,849	2,020,799	26,698,402	775,786	1,674,445	86,955	2,537,186
Reinsurance contract liabilities, end of period	(233,097)	48,563	2,358	(182,176)	(197,504)	(1,137)	787	(197,854)
Reinsurance contract assets, end of period	4,837,851	20,024,286	2,018,441	26,880,578	973,290	1,675,582	86,168	2,735,040
Net balance – asset / (liability), end of period	4,604,754	20,072,849	2,020,799	26,698,402	775,786	1,674,445	86,955	2,537,186

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30 Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. a) Reconciliation of the remaining coverage and the incurred claims components
Long Term Insurance

	2025				2024			
	Remaining coverage		Incurred claims		Remaining coverage		Incurred claims	
	Excluding loss recovery component	Loss recovery component		Total	Excluding loss recovery component	Loss recovery component		Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reinsurance contracts held								
Contracts not measured under PAA								
Reinsurance contract liabilities, beginning of period	(196,991)	1,364	(226,892)	(422,519)	(323,024)	29,868	(231,416)	(524,572)
Reinsurance contract assets, beginning of period	299,908	43,951	474,075	817,934	137,291	-	800,950	938,241
Net balance – asset / (liability), beginning of period	102,917	45,315	247,183	395,415	(185,733)	29,868	569,534	413,669
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	(228,777)	-	-	(228,777)	(307,713)	-	-	(307,713)
Claims recovered	-	1,430	48,968	50,398	-	(13,381)	(20,123)	(33,504)
Changes that relate to future service – changes in the FCF do not adjust the CSM for the group of underlying insurance contracts	-	(17,383)		(17,383)	-	27,976	-	27,976
Net income / (expenses) from reinsurance contracts held	(228,777)	(15,953)	48,968	(195,762)	(307,713)	14,595	(20,123)	(313,241)
Finance income / (expenses) from reinsurance contracts held	(65,787)	1,738	-	(64,049)	(79,585)	647	-	(78,938)
Effect of exchange rate changes	4,970	939	4,558	10,467	204	205	2,026	2,435
Total amounts recognised in total comprehensive income	(289,594)	(13,276)	53,526	(249,344)	(387,094)	15,447	(18,097)	(389,744)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	480,659	-	-	480,659	675,744	-	-	675,744
Recoveries from reinsurance	-	-	(134,718)	(134,718)	-	-	(304,254)	(304,254)
Total cash flows	480,659	-	(134,718)	345,941	675,744	-	(304,254)	371,490
Net balance – asset / (liability), end of period	293,982	32,039	165,991	492,012	102,917	45,315	247,183	395,415
Reinsurance contract liabilities, end of period	(77,330)	532	(107,266)	(184,064)	(196,991)	1,364	(226,892)	(422,519)
Reinsurance contract assets, end of period	371,312	31,507	273,257	676,076	299,908	43,951	474,075	817,934
Net balance – asset / (liability), end of period	293,982	32,039	165,991	492,012	102,917	45,315	247,183	395,415

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30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

ii. b) Reconciliation of the measurement components of reinsurance contract balances

Long Term Insurance (Continued)

Reinsurance contracts held Contracts not measured under 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reinsurance contract liabilities, beginning of period	(844,753)	109,535	312,699	(422,519)	(970,449)	113,947	331,930	(524,572)
Reinsurance contract assets, beginning of period	62,873	268,097	486,964	817,934	253,910	240,843	443,488	938,241
Net balance – asset / (liability), beginning of period	(781,880)	377,632	799,663	395,415	(716,539)	354,790	775,418	413,669
Changes that relate to current service								
CSM recognised in net income / (loss) for the services received	-	-	39,099	39,099	-	-	(70,152)	(70,152)
Change in the risk adjustment for non-financial risk for risk expired	-	(35,277)	-	(35,277)	-	(34,497)	-	(34,497)
Experience adjustments	(182,201)	-	-	(182,201)	(236,568)	-	-	(236,568)
	(182,201)	(35,277)	39,099	(178,379)	(236,568)	(34,497)	(70,152)	(341,217)
Changes that relate to future service								
Changes in estimate that adjust the CSM	(172,429)	17,202	155,227	-	(8,198)	(36,538)	44,736	-
Changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts	(22,153)	34,214	(29,444)	(17,383)	1,793	32,261	(6,078)	27,976
Contracts initially recognised in the period	(79,225)	16,187	63,038	-	(28,543)	6,920	21,623	-
	(273,807)	67,603	188,821	(17,383)	(34,948)	2,643	60,281	27,976
Net income / (expenses) from reinsurance contracts held	(456,008)	32,326	227,920	(195,762)	(271,516)	(31,854)	(9,871)	(313,241)
Finance income / (expenses) from reinsurance contracts held	(137,789)	41,193	32,547	(64,049)	(158,339)	51,227	28,174	(78,938)
Effect of exchange rate changes	(6,463)	5,165	11,765	10,467	(6,976)	3,469	5,942	2,435
Total amounts recognised in total comprehensive income	(600,260)	78,684	272,232	(249,344)	(436,831)	22,842	24,245	(389,744)
Cash flows								
Premiums paid net of ceding commissions and other directly attributable expenses paid	480,659	-	-	480,659	675,744	-	-	675,744
Recoveries from reinsurance	(134,718)	-	-	(134,718)	(304,254)	-	-	(304,254)
Total cash flows	345,941	-	-	345,941	371,490	-	-	371,490
Net balance – asset / (liability), end of period	(1,036,199)	456,316	1,071,895	492,012	(781,880)	377,632	799,663	395,415
Reinsurance contract liabilities, end of period	(784,746)	137,209	463,473	(184,064)	(844,753)	109,535	312,699	(422,519)
Reinsurance contract assets, end of period	(251,453)	319,107	608,422	676,076	62,873	268,097	486,964	817,934
Net balance – asset / (liability), end of period	(1,036,199)	456,316	1,071,895	492,012	(781,880)	377,632	799,663	395,415

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(expressed in Jamaican dollars unless otherwise indicated)

30. Insurance and Reinsurance Contract Assets and Liabilities (Continued)

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

Long Term Insurance (Continued)

Reinsurance contracts held (Note 30ii.b)	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CSM, beginning of period	316,952	482,711	799,663	124,268	651,150	775,418
Changes that relate to current service						
CSM recognised in net income / (loss) for the services provided	876	38,223	39,099	(21,760)	(48,392)	(70,152)
Changes that relate to future service						
Changes in estimates that adjust the CSM	27,311	127,916	155,227	153,498	(108,762)	44,736
Contracts initially recognised in the period	63,038	-	63,038	21,623	-	21,623
Reversal of loss-recovery component from onerous underlying contracts	4,892	(34,336)	(29,444)	10,355	(16,433)	(6,078)
Finance income / (expenses) from insurance contracts issued	96,117	131,803	227,920	163,716	(173,587)	(9,871)
Effect of exchange rate changes	25,163	7,384	32,547	28,174	5,148	28,174
	2,205	9,560	11,765	794	-	5,942
Total amounts recognised in total comprehensive income	123,485	148,747	272,232	192,684	(168,439)	24,245
CSM, end of period	440,437	631,458	1,071,895	316,952	482,711	799,663

iii. Liability for Incurred Claims

Summary of LIC by segment

31-Dec-2025

Gross LIC:

Insurance contracts issued
Total (Note 30i.a)

Reinsurers' share of LIC:

Reinsurance contracts held (Note 30ii.a)

31-Dec-2024

Gross LIC:

Insurance contracts issued
Total (Note 30i.a)

Reinsurers' share of LIC:

Reinsurance contracts held (Note 30ii.a)

	Long term insurance	Short term insurance	Total
	\$'000	\$'000	\$'000
31-Dec-2025			
Insurance contracts issued	5,555,095	35,351,829	40,906,924
Total (Note 30i.a)	5,555,095	35,351,829	40,906,924
Reinsurers' share of LIC:			
Reinsurance contracts held (Note 30ii.a)	165,991	22,093,648	22,259,639
31-Dec-2024			
Insurance contracts issued	4,108,574	11,043,746	15,152,320
Total (Note 30i.a)	4,108,574	11,043,746	15,152,320
Reinsurers' share of LIC:			
Reinsurance contracts held (Note 30ii.a)	247,183	1,761,400	2,008,583

The gross and reinsured liabilities for incurred claims represented by insurance lines of business are as follow:

	Gross LIC		Reinsurers' share	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Life insurance and annuity benefits	11,716,256	10,131,672	657,262	732,910
Property and casualty	28,619,611	4,409,898	21,551,456	1,272,029
Health	571,057	610,750	50,921	3,644
	40,906,924	15,152,320	22,259,639	2,008,583

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31. Investment Contract Liabilities

	The Group	
	2025	2024
	\$ '000	\$ '000
Amortised cost -		
Amounts on deposit	21,582,339	20,059,147
Deposit administration fund	1,517,300	1,570,079
Other investment contracts	292,269	312,103
	<u>23,391,908</u>	<u>21,941,329</u>

Current portion of Investment contract liabilities is disclosed under Note 42(c) (ii).

The fair value of financial liabilities at amortised cost is based on a discounted cash flow valuation technique. This discount rate is determined by current market assessment of the time value of money and risk specific to the liability.

32. Collateralised Reversed Repurchase Agreements

At December 31, 2025, the Group held \$5,987,655,000 (2024 – \$4,000,466,000) of securities, mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements. None of the collateral for reverse repurchase agreements for the Group was repledged.

33. Insurance revenue and service expenses

(a) Insurance service result

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held is included below.

	The Group	
	2025	2024
	\$ '000	\$ '000
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	12,364,155	11,132,393
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	1,253,333	1,243,678
CSM recognised in net income / (loss) for the services provided	6,339,335	5,900,452
Insurance acquisition cash flows recovery	2,444,866	1,491,628
Insurance revenue for contracts not measured under the PAA (Note 30i.a)	22,401,689	19,768,151
Insurance revenue from contracts measured under the PAA (Note 30i.a)	37,865,356	34,765,688
Total insurance revenue	<u>60,267,045</u>	<u>54,533,839</u>

For insurance contracts not measured under the PAA, an analysis of the related revenue by transition method is included below.

	The Group	
	2025	2024
	\$ '000	\$ '000
New contracts and contracts measured under the full retrospective approach	13,178,541	10,628,173
Contracts measured under the fair value approach	9,223,148	9,139,978
	<u>22,401,689</u>	<u>19,768,151</u>

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(expressed in Jamaican dollars unless otherwise indicated)

33. Insurance revenue and service expenses (Continued)

(a) Insurance service result (Continued)

	The Group	
	2025	2024
	\$ '000	\$ '000
Insurance service expenses		
Contracts not measured under the PAA		
Incurred claims and other directly attributable expenses(Note 30i.a)	(11,141,839)	(11,197,957)
Losses on onerous contracts and reversal of those losses(Note 30i.a)	89,560	(2,177,317)
Insurance acquisition cash flows amortisation(Note 30i.a)	(2,444,866)	(1,491,628)
	<u>(13,497,145)</u>	<u>(14,866,902)</u>
Contracts measured under the PAA		
Incurred claims and other directly attributable expenses(Note 30i.a)	(47,661,234)	(25,355,793)
Insurance acquisition cash flows amortisation(Note 30i.a)	(4,465,376)	(4,333,401)
	<u>(52,126,610)</u>	<u>(29,689,194)</u>
Total insurance service expenses	<u>(65,623,755)</u>	<u>(44,556,096)</u>
Net income / (expenses) from reinsurance contracts held– contracts not measured under the PAA		
Amounts relating to the changes in the remaining coverage:		
Expected claims and other directly attributable expenses recovery	(50,398)	33,504
Change in the risk adjustment recognised for the risk expired	(35,277)	(34,497)
Experience adjustments	(182,201)	(236,568)
CSM recognised in net income / (loss) for the services received	39,099	(70,152)
Reinsurance expenses	(228,777)	(307,713)
Other incurred directly attributable expenses	50,398	(33,504)
Changes that relate to past service – adjustments to incurred claims	(17,383)	27,976
Total -contracts not measured under PAA (Note 30ii.a)	<u>(195,762)</u>	<u>(313,241)</u>
Net income / (expenses) from reinsurance contracts held– contracts measured under the PAA		
Reinsurance expenses	(7,958,504)	(7,307,605)
Claims recovered	26,281,727	3,884,682
Total -contracts measured under PAA (Note 30ii.a)	<u>18,323,223</u>	<u>(3,422,923)</u>
Total net income / (expenses) from reinsurance contracts held	<u>18,127,461</u>	<u>(3,736,164)</u>
Total insurance service result	<u>12,770,751</u>	<u>6,241,579</u>

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33. Insurance revenue and service expenses (Continued)

(a) Insurance service result (Continued)

Hurricane Melissa has notably affected the Property and Casualty segment this year, as detailed below:

Contracts measured under the PAA

Insurance revenue:

Group Life	5,753,289	5,074,798
Group and individual Health	20,364,102	19,656,058
Property and Casualty	11,747,965	10,034,832
	<u>37,865,356</u>	<u>34,765,688</u>

Insurance expense:

Group Life	(3,822,767)	(4,406,892)
Group and individual Health	(18,736,887)	(18,027,535)
Property and Casualty (i)	(29,566,956)	(7,254,767)
	<u>(52,126,610)</u>	<u>(29,689,194)</u>

Net income / (expenses) from reinsurance contracts held

Group Life	(207,647)	(190,484)
Group Health	(145,053)	(405,400)
Property and Casualty (i)	18,675,923	(2,827,039)
	<u>4,061,969</u>	<u>1,653,571</u>

(i) Property and Casualty includes policyholder claims reserves of \$22,658,959,000 and reinsurance recoveries of \$22,341,108,000 related to Hurricane Melissa, reflecting management's best estimate of the ultimate claim costs, including an incurred-but-not-reported (IBNR) component and recoveries. Estimation is based on preliminary reports, historical claims patterns, and the scope of reinsurance protection.

(b) Amounts determined on transition to IFRS 17

For insurance contracts not measured under the PAA, an analysis of the related CSM by transition method is included below.

	The Group	
	2025	2024
	\$ '000	\$ '000

CSM, end of period (Note 30i.d)

New contracts and contracts measured under the full retrospective approach at transition	40,580,432	39,034,162
Contracts measured under the fair value approach at transition	7,002,968	5,671,573
	<u>47,583,400</u>	<u>44,705,735</u>

REINSURANCE CONTRACTS HELD

CSM, end of period (Note 30ii.d)

New contracts and contracts measured under the full retrospective approach at transition	440,437	316,952
Contracts measured under the fair value approach at transition	631,458	482,711
	<u>1,071,895</u>	<u>799,663</u>

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(expressed in Jamaican dollars unless otherwise indicated)

33. Insurance revenue and service expenses (Continued)

(c) Expected recognition of the contractual service margin

The following tables summarise the expected recognition of the contractual service margin based on the estimate of the CSM using discounted coverage units to allocate the CSM to each year.

	The Group	
	2025	2024
	\$ '000	\$ '000
INSURANCE CONTRACTS ISSUED		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	3,207,255	3,027,840
2	2,796,338	2,695,383
3	2,470,857	2,369,652
4	2,230,709	2,119,268
5	2,039,549	1,938,695
6-10	8,597,330	7,779,538
>10	26,241,362	24,775,359
Total	<u>47,583,400</u>	<u>44,705,735</u>

	The Group	
	2025	2024
	\$ '000	\$ '000
REINSURANCE CONTRACTS HELD		
Contracts not measured under the PAA		
Number of years until expected to be recognised		
1	91,296	68,322
2	86,087	66,920
3	78,512	60,541
4	69,431	56,358
5	61,610	51,591
6-10	236,443	203,182
>10	448,516	292,749
Total	<u>1,071,895</u>	<u>799,663</u>

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34. Total Investment Income and Net Insurance Finance Result

	The Group		
	2025		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
Interest income -			
Debt securities	793,138	9,230,821	10,023,959
Mortgage loans	2,457,865	-	2,457,865
Loans and finance leases	13,301,381	-	13,301,381
Securities purchased for re-sale	325,937	-	325,937
Deposit	2,692,520	-	2,692,520
Total Interest Income	19,570,841	9,230,821	28,801,662
Net gain on de-recognition of financial assets measured at FVTOCI			973,120
Net loss on de-recognition of financial assets measured at amortised cost			(93)
			<u>29,774,689</u>
FVTPL investments			
Interest income			9,976,643
Dividend income			68,094
Unrealised gain on financial assets			6,256,193
Net gain on de-recognition of financial assets			1,216,829
			<u>17,517,759</u>
Investment properties:			
Unrealised gain			31,215
Realised losses			(7,409)
Rental Income			79,348
			<u>103,154</u>
Other investment income and expense:			
Other investment expense			(21,116)
			<u>(21,116)</u>
Income earned and capital gain from assets measured at FVTPL and other investment income			17,599,797
Total Investment Income			47,374,486
Interest expense -			
Investment contracts			(1,034,167)
Customer deposits			(3,228,311)
Repurchase liabilities			(4,565,407)
Due to banks and other financial institutions			(574,576)
Lease liabilities			(368,672)
			<u>(9,771,133)</u>
Credit impairment losses			(1,713,041)
Net investment income			35,890,312

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34. Total Investment Income and Net Insurance Finance Result (Continued)

	The Company		
	2025		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
Interest income -			
Securities purchased for re-sale	54,148	-	54,148
Deposits	33,955	-	33,955
Total interest income	88,103	-	88,103
Dividend income			6,530,949
			<u>6,619,052</u>
Interest expense -			
Promissory notes			(185,832)
Net investment income			6,433,220
			<u>6,433,220</u>
	The Group		
	2024		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
Interest income -			
Debt securities	721,481	8,261,899	8,983,380
Mortgage loans	1,991,198	-	1,991,198
Loans and finance leases	11,924,422	-	11,924,422
Securities purchased for re-sale	143,278	-	143,278
Deposit	3,030,131	-	3,030,131
Total Interest Income	17,810,510	8,261,899	26,072,409
Net gain on de-recognition of financial assets measured at FVTOCI			496,812
Net gain on de-recognition of financial assets measured at amortised cost			1,123
			<u>26,570,344</u>
FVTPL investments			
Interest income			9,841,766
Dividend income			78,405
Unrealised gain on financial assets			1,713,649
Net losses on de-recognition of financial assets			(80,751)
			<u>11,553,069</u>
Investment properties:			
Unrealised gain			244,800
Realised losses			(10,101)
Rental Income			70,501
			<u>305,200</u>
Other investment income and expense:			
Other direct investment expense			(39,717)
			<u>(39,717)</u>
Income earned and capital gain from assets measured at FVTPL and other investment income			11,818,552
Total Investment Income			38,388,896
			<u>38,388,896</u>

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34. Total Investment Income and Net Insurance Finance Result (Continued)

	Total		
	\$ '000		
Interest expense -			
Investment contracts			(874,950)
Customer deposits			(3,091,630)
Repurchase liabilities			(4,392,964)
Due to banks and other financial institutions			(463,907)
Lease liabilities			(164,659)
Loans payable			(91,918)
			<u>(9,080,028)</u>
Credit impairment losses			(1,409,645)
Net investment income			<u>27,899,223</u>

	The Company		
	2024		
	Amortised cost assets	FVTOCI assets	Total
	\$ '000	\$ '000	\$ '000
Interest income -			
Securities purchased for re-sale	88,332	-	88,332
Deposits	59,863	-	59,863
Total interest income	<u>148,195</u>	<u>-</u>	<u>148,195</u>
Dividend income			5,871,300
			<u>6,019,495</u>
Interest expense -			
Promissory notes			(209,396)
Net investment income			<u>5,810,099</u>

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

	The Group	
	2025	2024
	\$ '000	\$ '000
Net investment income – Underlying assets		
Interest income earned from financial assets measured at amortised cost and FVTOCI	1,541,571	1,357,264
Net (loss) / gain on de-recognition of financial assets measured at amortised cost	(58)	1,292
Net gain / (loss) on de-recognition of financial assets measured at FVTOCI	29,374	(349)
Interest income earned and capital net gain from assets measured at FVTPL and other investment income	15,117,106	10,703,104
Net credit impairment loss	(155)	(541)
Net investment income – Underlying assets	<u>16,687,838</u>	<u>12,060,770</u>
Net investment income – Other investments		
Loss on derecognition of amortised cost investments	(35)	(169)
Gain on derecognition of assets carried at FVTOCI	943,746	497,161
Interest income earned from financial assets measured at amortised cost and FVTOCI	27,260,091	24,715,145
Net gain on FVTPL investments	2,400,653	849,965
Net credit impairment loss	(1,712,886)	(1,409,104)
Net investment income – Other investments	<u>28,891,569</u>	<u>24,652,998</u>

Underlying assets are those directly related to the insurance portfolio.

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34. Total Investment Income and Net Insurance Finance Result (Continued)

	The Group	
	2025	2024
	\$ '000	\$ '000
Investment property		
Rental income	79,348	70,501
Unrealised gain	31,215	244,800
Realised losses	(7,409)	(10,101)
Other investment income	(21,116)	(39,717)
Net investment income – Other	82,038	265,483
Total net investment income	<u>45,661,445</u>	<u>36,979,251</u>
Finance expenses from insurance contracts issued		
Changes in fair value of underlying assets of contracts measured under the VFA	(2,357,112)	(2,923,745)
Interest accreted	(5,838,809)	(4,474,551)
Effect of changes in interest rates and other financial assumptions	(4,670,215)	(841,683)
Finance expenses from insurance contracts issued	<u>(12,866,136)</u>	<u>(8,239,979)</u>
Finance income / (expenses) from reinsurance contracts held		
Interest accreted	(4,335)	7,659
Effect of changes in interest rates and other financial assumptions	20,863	(47,598)
Finance income / (expenses) from reinsurance contracts held	<u>16,528</u>	<u>(39,939)</u>
Net insurance finance expenses	<u>(12,849,608)</u>	<u>(8,279,918)</u>
Summary of the amounts recognised in the statement of income		
Net investment income – Underlying assets	16,687,838	12,060,770
Net investment income – Other investments	28,891,569	24,652,998
Net investment income – Other	82,038	265,483
Net insurance finance expenses	<u>(12,849,608)</u>	<u>(8,279,918)</u>
	<u>32,811,837</u>	<u>28,699,333</u>

35. Fees and Other Income

	The Group		The Company	
	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000
Products and services transferred over time				
Service contract revenue	7,138,119	7,939,556	-	-
Other fees and commission income	-	678	-	-
Management fees	-	-	7,086,524	6,812,187
	<u>7,138,119</u>	<u>7,940,234</u>	<u>7,086,524</u>	<u>6,812,187</u>
Products transferred at a point in time				
Service contract revenue	8,078,673	7,300,654	-	-
Other fees and commission income	4,239,593	2,998,944	-	-
	<u>12,318,266</u>	<u>10,299,598</u>	<u>-</u>	<u>-</u>
Other Revenue				
Foreign exchange gains	241,621	175,285	(10,389)	14,118
Other fees and commission income	241,956	175,389	-	-
Miscellaneous fees & other income (a)	301,264	109,192	5,118	1,297
	<u>784,841</u>	<u>459,866</u>	<u>(5,271)</u>	<u>15,415</u>
	<u>20,241,226</u>	<u>18,699,698</u>	<u>7,081,253</u>	<u>6,827,602</u>

(a) Included in miscellaneous fees and other income is revenues from real estate developed for resale of \$4,842,000,000 offset by development costs of \$4,176,000,000.

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36. Administration Expenses

	The Group			
	2025			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
\$ '000	\$ '000	\$ '000	\$ '000	
Advertising and branding	248,549	22,865	856,561	1,127,975
Auditors' remuneration	-	10,888	307,070	317,958
Automated banking machines cost	-	-	274,359	274,359
Commission and fees	14,527	60,090	391,664	466,281
Commission and Sales Expense (b)	4,274,942	3,501,261	193,885	7,970,088
Communication and technology	355,505	500,050	4,325,065	5,180,620
Depreciation, amortisation and impairment (Notes 15/16/38)	354,810	302,728	1,958,605	2,616,143
Electronic channels charges	-	-	3,361,989	3,361,989
Fraud and operational losses	-	-	285,148	285,148
Insurance expense	38,412	15,198	729,526	783,136
Legal and professional fees	60,156	91,880	742,247	894,283
Office accommodation	270,470	120,924	1,266,991	1,658,385
Policy stamp duties and reimbursements	105,194	-	19,651	124,845
Postage, printing and office supplies	122,393	72,702	189,811	384,906
Sales convention and incentives	362,696	15	113,801	476,512
Services outsourced	65,053	177,392	2,320,375	2,562,820
Other expenses (c)	305,200	301,447	1,792,768	2,399,415
Staff costs (a)	2,612,770	2,132,496	14,464,930	19,210,196
	<u>9,190,677</u>	<u>7,309,936</u>	<u>33,594,446</u>	<u>50,095,059</u>

(a) Staff costs

	The Group			
	2025			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
\$ '000	\$ '000	\$ '000	\$ '000	
Salaries	2,034,655	1,644,556	10,288,360	13,967,571
Payroll taxes	241,836	187,035	1,140,670	1,569,541
Pension costs (Note 17)	45,151	41,612	715,883	802,646
Other post-retirement benefits (Note 17)	17,970	5,034	495,776	518,780
Share based compensation	68,448	73,126	377,096	518,670
Restructuring costs	-	-	110,640	110,640
Other	204,710	181,133	1,336,505	1,722,348
	<u>2,612,770</u>	<u>2,132,496</u>	<u>14,464,930</u>	<u>19,210,196</u>

(b) Commission and Sales Expense

Amount represents commission and bonuses paid to sales representatives.

(c) Other expenses - Included in the other expenses are non-audit service fees amounting to \$93,816,000 (2024 - \$91,298,000)

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36. Administration Expenses (Continued)

	The Group			
	2024			
	Attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
\$ '000	\$ '000	\$ '000	\$ '000	
Advertising and branding	287,472	41,529	959,135	1,288,136
Auditors' remuneration	-	6,928	414,754	421,682
Automated banking machines cost	-	-	196,782	196,782
Commission and fees	16,038	65,985	478,956	560,979
Commission and Sales Expense (b)	3,824,274	3,895,492	195,791	7,915,557
Communication and technology	313,892	473,218	4,086,236	4,873,346
Depreciation, amortisation and impairment (Notes 15/16/38)	300,074	251,726	2,392,152	2,943,952
Electronic channels charges	-	-	2,984,726	2,984,726
Fraud and operational losses	-	-	180,740	180,740
Insurance	24,425	14,380	640,553	679,358
Legal and professional fees	79,621	91,047	848,865	1,019,533
Office accommodation	275,999	123,173	1,104,370	1,503,542
Policy stamp duties and reimbursements	100,582	2,159	19,280	122,021
Postage, printing and office supplies	28,852	33,279	184,202	246,333
Sales convention and incentives	379,453	-	177,021	556,474
Services outsourced	65,844	172,400	1,306,900	1,545,144
Other expenses	290,247	236,980	1,740,106	2,267,333
Staff costs (a)	2,556,360	2,135,171	12,840,225	17,531,756
	<u>8,543,133</u>	<u>7,543,467</u>	<u>30,750,794</u>	<u>46,837,394</u>

(a) Staff costs

	The Group			
	2024			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
\$ '000	\$ '000	\$ '000	\$ '000	
Salaries	1,865,307	1,567,923	9,273,361	12,706,591
Payroll taxes	237,790	186,784	1,085,961	1,510,535
Pension costs (Note 17)	141,586	114,627	266,506	522,719
Other post-retirement benefits (Note 17)	74,315	31,880	423,714	529,909
Share based compensation	50,278	66,343	430,888	547,509
Restructuring costs	-	-	70,206	70,206
Other	187,084	167,614	1,289,589	1,644,287
	<u>2,556,360</u>	<u>2,135,171</u>	<u>12,840,225</u>	<u>17,531,756</u>

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36. Administration Expenses (Continued)

	The Company	
	2025	2024
	\$ '000	\$ '000
Advertising and branding	43,551	226,446
Auditors' remuneration	23,465	36,053
Communication and technology	210,323	286,383
Depreciation, amortisation and impairment (Notes 15/16/38)	108,759	109,389
Insurance	10,964	11,910
Legal and professional fees	233,388	179,956
Office accommodation	44,821	42,309
Postage, printing and office supplies	7,542	3,831
Sales convention and incentives	1,140	52,270
Other expenses	346,233	281,678
Staff costs (a)	5,539,575	4,745,133
	<u>6,569,761</u>	<u>5,975,358</u>

(a) Staff costs

	The Company	
	2025	2024
	\$ '000	\$ '000
Salaries	4,021,218	3,367,406
Payroll taxes	473,623	407,099
Share based compensation	123,369	225,221
Other	921,365	745,407
	<u>5,539,575</u>	<u>4,745,133</u>

(b) Commission and Sales Expense

Amount represents commission and bonuses paid to sales representatives.

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37. Taxation

(a) Tax is computed as follows:

	The Group		The Company	
	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000
Current year taxation -				
Dividend income tax @ 15%	8,752	4,396	-	-
Income tax at 33 1/3%	3,435,012	3,177,862	109,372	464,503
Income tax at 25%	1,929,663	1,034,228	-	-
	5,373,427	4,216,486	109,372	464,503
Deferred income tax (Note 18) -				
Deferred tax (credit)/charge relating to the origination and reversal of temporary differences	(70,839)	(168,953)	38,659	10,781
Taxation	5,302,588	4,047,533	148,031	475,284
Other taxes:				
Asset tax @ 0.25%	994,450	937,393	-	-
Withholding tax	-	398	-	-
Other taxes	994,450	937,791	-	-

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37. Taxation (Continued)

(b) Reconciliation of applicable tax charges to effective tax charge:

	The Group		The Company	
	2025	2024	2025	2024
	\$ '000	\$ '000	\$ '000	\$ '000
Investment income tax -				
Dividend income	63,253	28,256	-	-
Tax at 15%	9,488	4,238	-	-
Income tax -				
Profit before taxation	21,745,203	13,098,376	6,944,712	6,662,343
Tax at 2%, 25% & 33½%	6,436,296	4,426,980	2,313,836	2,220,781
Adjusted for:				
Income not subject to income tax (i)	(4,401,008)	(3,012,687)	(2,175,915)	(1,830,667)
Asset tax not deductible for tax purposes	297,077	241,237	-	-
Expenses not deductible for tax purposes (ii)	3,872,869	2,601,419	69,622	84,004
Subsidiaries taxed at zero rate	(181,932)	(53,072)	-	-
Prior year under/over provision	(188,322)	(13,915)	-	-
Net effect of other charges and allowances	(541,880)	(146,667)	(59,512)	1,166
	5,293,100	4,043,295	148,031	475,284
Taxation expense	5,302,588	4,047,533	148,031	475,284

(i) This includes dividend income in the stand-alone financials of the entity and income from Annuities and earnings from joint ventures at the Group level.

(ii) This includes expenses relating to annuities and interest charges

(c) The tax (charge)/credit relating to components of other comprehensive income is as follows

	The Group					
	2025			2024		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Fair value gains/(losses) on OCI, net amounts recycled to income on disposal and maturity of FVTOCI securities	3,078,469	(812,582)	2,265,887	(1,727,842)	429,632	(1,298,210)
Provision for expected credit losses - IFRS 9 on FVTOCI securities, net of amounts recycled to the Income Statement on sale and maturity of FVTOCI securities	(28,809)	11,972	(16,837)	27,658	(7,408)	20,250
Re-measurement of post-employment benefits	130,489	(38,303)	92,186	(1,252,083)	322,044	(930,039)
Unrealised gains on owner-occupied properties:	415,249	(35,553)	379,696	433,436	(34,056)	399,380
Retranslation of foreign operations	340,642	-	340,642	143,828	-	143,828
Other comprehensive income	3,936,040	(874,466)	3,061,574	(2,375,003)	710,212	(1,664,791)
Deferred income taxes (Note 18)						

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38. Leases

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2025	2024
	\$ '000	\$ '000
Right-of-use assets		
Buildings	6,259,592	1,721,233
Land	51,372	52,568
	6,310,964	1,773,801
Lease liabilities		
Current	807,962	482,551
Non-current	5,054,511	1,413,424
	5,862,473	1,895,975

Additions to the right-of-use assets during the 2025 financial year were \$4,850,660,000 (2024- \$661,523,000).

(b) Amounts recognised in the profit or loss statement

The income statement shows the following amounts relating to leases:

	2025	2024
	\$ '000	\$ '000
Amortisation charge of right-of-use assets	1,001,135	760,974
Interest expense (included in Interest and other interest expense – note 34)	368,672	164,659

(c) The total cash outflow for leases in 2025 was \$1,286,117,000 (2024 - \$1,127,496,000).

(d) As at December 31, 2025, potential future cash outflows of \$54,883,000 (2024- \$44,931,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

(e) During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$502,568,000 (2024- \$389,855,000).

(e) During the current financial year, the Group transferred \$789,614,000 from other assets to right-of-use assets. This transfer pertains to a joint arrangement in which the Group acquired the rights to construct a commercial complex on land owned by a third party. Prior to completion, the development costs were classified under other assets and were reclassified to right-of-use assets upon completion of the development.

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41. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (i) Investment securities at FVTPL are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items.
- (ii) Investment securities classified as FVTOCI are measured at fair value by reference to quoted market prices or dealer quotes when available (level 1). If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques. (level 3) Investments in unit trusts are based on prices quoted by the fund managers (level 2).
- (iii) The fair value of the equity indexed options and the exchange traded funds that are shorted are based on quoted prices (level 1).
- (iv) The fair value of demand deposits and customer accounts with no specific maturity is assumed to be the amount payable on demand at the year-end date. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new deposits (level 3).
- (v) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (vi) Loans are net of provision for impairment. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received (level 3). Expected cash flows are discounted at current market rates to determine fair value.

The table below summarises the carrying amount and fair value of financial assets and financial liabilities not presented on the Group's statement of financial position at their fair value and fair value is not expected to approximate to the carrying value.

	The Group			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2025	2025	2024	2024
	\$ '000	\$ '000	\$ '000	\$ '000
Financial Assets				
Investments at amortised cost (loans and receivables)	59,789,385	59,785,031	53,630,698	54,209,532
Loans & leases, after allowance for credit losses	157,560,278	151,161,183	138,670,942	134,163,501
	217,349,663	210,946,214	192,301,640	188,373,033
Financial Liabilities (Note 27)				
Customer deposits and other accounts	196,114,699	196,044,553	172,482,498	172,767,227
Due to banks and other financial institutions	14,904,742	14,863,235	13,950,268	13,902,117

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(expressed in Jamaican dollars unless otherwise indicated)

41. Fair Values of Financial Instruments (Continued)

	The Company			
	Carrying Value	Fair Value	Carrying Value	Fair Value
	2025	2025	2024	2024
	\$ '000	\$ '000	\$ '000	\$ '000
Financial Assets				
Financial investments – loans and receivables	1,345,832	1,345,832	1,399,758	1,399,758

- (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, considering factors such as tenor and currency; 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.

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41. Fair Values of Financial Instruments (Continued)

(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 FVTOCI securities include corporate and government agency debt instruments. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

Level 3 assets designated as FVTPL are mainly debt securities.

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.

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at December 31, 2025, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	The Group 2025			
	Level 1	Level 2	Level 3	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Financial Assets				
Financial investments	96,922,462	264,379,893	318,713	361,621,068
Non-Financial Assets				
Property, plant & equipment	-	-	5,140,889	5,140,889
Investment properties	-	-	1,471,269	1,471,269
	<u>96,922,462</u>	<u>264,379,893</u>	<u>6,930,871</u>	<u>368,233,226</u>

	The Group 2024			
	Level 1	Level 2	Level 3	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Financial Assets				
Financial investments	66,656,867	238,670,962	419,554	305,747,383
Non-Financial Assets				
Property, plant & equipment	-	-	4,767,447	4,767,447
Investment properties	-	-	1,614,440	1,614,440
	<u>66,656,867</u>	<u>238,670,962</u>	<u>6,801,441</u>	<u>312,129,270</u>

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41. Fair Values of Financial Instruments (Continued)

The following table summarizes the quantitative information about the significant unobservable inputs used to measure the Group's Level 3 financial instruments:

Description	The Group				Relationship of unobservable inputs to fair value
	Fair Value at		Range of unobservable inputs		
	2025 \$ '000	2024 \$ '000	2025 \$ '000	2024 \$ '000	
Investment properties (Note 11)	1,471,269	1,614,440	Comparable sale	5%	Increases in comparable sale prices will have direct correlation to the fair value.
Property, plant & equipment (Note 16)	5,140,889	4,767,447	Comparable sale	5%	Increases in comparable sale prices will have a direct correlation to fair value.
Unquoted ordinary equity	318,713	419,554	Adjustments to net assets	10%	Increases in adjusted net assets of the underlying entities will have a direct correlation to fair value.
	<u>6,930,871</u>	<u>6,801,441</u>			

Reconciliation of level 3 unquoted ordinary equity –

	The Group	
	2025 \$ '000	2024 \$ '000
Balance at beginning of year	419,554	608,460
Total gains/(losses) – income statement	20,166	(55,299)
Settlements	(121,007)	(133,607)
Balance at end of year	<u>318,713</u>	<u>419,554</u>

The gains or losses recorded in the profit or loss statement are included in Note 34.

The fair values for all other financial instruments approximate their carrying values and also fall within Level 2 based on the following:

- The fair value of liquid assets and other assets maturing within one year (such as cash and balances at Central Banks and amounts due from other banks) is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;
- The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the date of the statement of financial position; and
- The fair value of variable rate loans is assumed to approximate their carrying amounts and management does not believe that, after deduction of provision for credit losses, there is any significant difference between the fair value of fixed rate loans and their carrying values as interest rates approximate current market rates offered on similar loans.

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42. Insurance and Financial Risk Management

The Group's activities expose it to a variety of financial risks and those activities necessitate the analysis, evaluation, control and/or acceptance of some degree of risk or combination of risks. Taking various types of risk is core to the financial services business and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group has a risk management framework with clear terms of reference. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to Executive Management committees and senior managers. Policy frameworks which set out the risk profiles for the Group's risk management, control and business conduct standards for the Group's operations have been put in place. Each policy has a member of Executive Management charged with overseeing compliance with that policy.

The Board of Directors is ultimately responsible for the establishment and oversight of the risk management framework. The Board of Directors has established committees/departments/structures for managing and monitoring risks, as indicated below.

(i) Board Audit Committee

The Board Audit Committee comprises independent directors. The Committee:

- Oversees how management monitors internal controls, compliance with the Group's risk management policies and adequacy of the risk management framework to risks faced by the Group;
- Reviews the Group's annual and quarterly financial statements, related policies and assumptions and any accompanying reports or statements; and
- Reviews the internal audit function as well as the external auditor's independence, objectivity and effectiveness.

The Board Audit Committee is assisted in its oversight role by the Internal Audit Department. The Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

(ii) Board Capital Allocation and Investment Committee

The Board Capital Allocation and Investment Committee comprises mainly of independent directors. As part of its Terms of Reference, the Committee:

- Oversees the solvency position of regulated entities in the Group;
- Oversees the return on capital employed;
- Decides on the allocation of capital within the Group;
- Considers new capital funding options;
- Oversees the Group's financial risk management framework;
- Approves the investment policies within which the Group's investment portfolios are managed;
- Reviews the performance of the Group's investment portfolios;
- Ensures adherence to prudent standards in making investment and lending decisions and in managing investments and loans; and
- Approves new investment projects over certain thresholds, ensuring the required rates of returns are considered.

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42. Insurance and Financial Risk Management (Continued)

(iii) Asset/Liability Management (ALM) Committee

The Group has in place an Asset/Liability Management (ALM) Committee. This Committee:

- Monitors the profile of the Group's assets and liabilities;
- Plans, directs and monitors various financial risks including, interest rate risk, equity risk, liquidity risk, currency risk and country risk;
- Provides guidance to the Investment Managers with regards to the appropriateness of investments assigned or purchased to support the liabilities of the various lines of business; and
- Monitors market interest rates and establishes the credited rate for various investment contracts.

(iv) Anti-Money Laundering (AML)

The Group has assigned responsibility for AML and anti-fraud to a designated department. The responsibilities of this department include:

- Maintaining and communicating the AML and Anti-fraud policies and procedures;
- Interrogating financial transactions to identify suspicious and threshold reportable items;
- Coordinating information received from operating departments on reportable items;
- Ensuring that adequate anti-fraud controls are in place; and
- Filing required reports with Management, Board of Directors and Regulatory bodies.

(v) Regulatory Compliance

The Board has assigned responsibility for monitoring regulatory compliance to a designated department. This department maintains a catalogue of all required regulatory filings and follows-up the respective departments to ensure timely submissions. The Department files the required performance reports with management and the Board of Directors.

(vi) Enterprise Risk Management

The Group utilises an Enterprise Risk Management (ERM) framework, including policies and procedures designed to identify, measure and control risk in all business activities. The policies and procedures are reviewed periodically by senior managers and the Board of Directors.

The framework provides for quarterly evaluation of risks by senior management, with reporting to the Board Audit Committee. The risk exposures are prioritised each year and the top twenty (20) risks reported on.

Boards of subsidiary companies and management teams carry similar operating structures where applicable.

The most important types of risk facing the Group are insurance risk, reinsurance risk, credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk

The Group issues both short term and long-term contracts that transfer insurance risk or financial risk or both.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Insurance companies face under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Long term insurance contracts

The main risks that the Group is exposed to are, as follows:

- Mortality risk – risk of loss arising due to the incidence of policyholder death being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

Long-term contracts are typically for a minimum period of 5 years and a maximum period which is determined by the remaining life of the insured. In addition to the estimated benefits which may be payable under the contract, the insurer has to assess the cash flows which may be attributable to the contract. The process of underwriting may also be undertaken and may include specific medical tests and other enquiries which affect the insurer's assessment of the risk. The insurer assesses the likely benefits and cash flows both in establishing the amount of premium payable under the contract and in estimating the statement of financial position liability arising from the contract.

For long-term contracts in-force, the Group has adopted a policy of investing in assets with cash flow characteristics that closely match the cash flow characteristics of its policy liabilities. The primary purpose of this matching is to ensure that cash flows from these assets are synchronised with the timing and the amounts of payments that must be paid to policyholders.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

(i) Frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency and severity of claims are epidemics and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factors that could increase longevity are improvements in medical science and social conditions. At present, these risks do not vary significantly in relation to the location of the risk insured by the Group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed return premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The table below presents the Insurance companies' concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described below in Note 42(b). (These tables do not include annuity contracts, for which a separate analysis is reported in following pages).

Individual Life Benefits Assured per Life (\$'000)

0 – 200
200 - 400
400 - 800
800 - 1000
More than 1,000
Total

The Group - 2025			
Total Benefits Insured			
Before Reinsurance \$ '000	%	After Reinsurance \$ '000	%
160,535,155	6	134,516,786	5
154,910,384	6	130,485,500	5
200,649,034	8	177,087,067	7
146,259,434	6	140,429,286	6
1,959,637,120	74	1,908,676,235	77
2,621,991,127	100	2,491,194,874	100

Individual Life Benefits Assured per Life (\$'000)

0 – 200
200 - 400
400 - 800
800 - 1000
More than 1,000
Total

The Group - 2024			
Total Benefits Insured			
Before Reinsurance \$ '000	%	After Reinsurance \$ '000	%
160,423,004	6	136,871,212	6
154,863,760	6	132,728,534	5
191,133,152	7	171,871,427	7
143,938,263	6	139,643,101	6
1,934,924,741	75	1,888,562,478	76
2,585,282,920	100	2,469,676,752	100

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

The table below represents the Insurance company's concentration of insured benefits across five bands of insured benefits per group individual life assured. The benefit insured figured are shown gross and net of reinsurance.

Group Life Benefits Assured per Life (\$'000)

0 – 200
200 - 400
400 - 800
800 - 1000
More than 1,000
Total

The Group - 2025				
Total Benefits Insured				
Before	%	After	%	
Reinsurance		Reinsurance		
\$ '000		\$ '000		
34,166	-	22,293		-
5,561	-	3,912		-
9,559	-	8,887		-
16,090	-	16,090		-
1,136,818,257	100	1,032,201,824		100
1,136,883,633	100	1,032,253,006		100

Group Life Benefits Assured per Life (\$'000)

0 – 200
200 - 400
400 - 800
800 - 1000
More than 1,000
Total

The Group - 2024				
Total Benefits Insured				
Before	%	After	%	
Reinsurance		Reinsurance		
\$ '000		\$ '000		
36,641,627	3	25,008,678		3
5,219,992	-	3,548,749		-
1,313,869	-	524,455		-
13,490	-	13,490		-
1,098,733,842	97	1,010,041,782		97
1,141,922,820	100	1,039,137,154		100

The following tables for the Insurance companies' annuity contracts illustrate the concentration of risk based on five bands that group these contracts in relation to the amount payable per annum as if the annuity was in payment at the year end. The greatest risk concentration remains at the highest band, which is consistent with the prior year. The Group does not hold any reinsurance contracts against the liabilities carried for these contracts.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

Annuity Payable per annum per annuitant (\$'000)

0 – 20
20 - 40
40 - 80
80 - 100
More than 100
Total

The Group			
Total Benefits Insured			
2025	%	2024	%
\$ '000		\$ '000	
265,072	4	129,430	2
299,038	4	150,109	2
141,929	2	96,909	1
45,485	1	46,682	1
6,700,219	89	6,200,871	94
<u>7,451,743</u>	<u>100</u>	<u>6,624,001</u>	<u>100</u>

For interest-sensitive and unit-linked contracts the Group charges for mortality risks on a monthly basis for all insurance contracts and has the right to alter these charges based on mortality experience and hence to minimise its exposure to mortality risk. Delays in implementing increases in charges, and market or regulatory restraints over the extent of any increases may reduce this mitigating effect.

The Group manages these risks through its underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. The Group reinsures the excess of the insured benefit for new business for standard risks under an excess of loss reinsurance arrangement. Medically impaired lives are reinsured at a higher cost than standard risks. The Group does not place any reinsurance for contracts that insure survival risk. Insurance risk for contracts is also affected by the policyholders' rights to pay reduced or no future premiums, to terminate the contract completely, or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to the policyholders' behaviour. On the assumption that the policyholders will make decisions rationally, overall risk can be assumed to be heightened by such behaviour.

The Group has factored the impact of policyholders' behaviour into the assumptions used to measure these liabilities.

(ii) Sources of uncertainty in the estimation of future benefit payments and premium payments

Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in the policyholder behaviour.

The Group uses appropriate base tables of standard mortality according to the type of contract being written. An investigation as to the actual experience of the Group is carried out, and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. The best estimate of future mortality is based on standard industry tables adjusted for the group's overall experience. For life insurance and annuity contracts, an adjustment is made for future mortality improvements based on the mortality investigations performed by independent actuarial bodies. The Group maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates to be used for the best estimate assumption.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Long term insurance contracts (Continued)

(iii) Process used in deriving assumptions

The assumptions for short term life contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

For long-term insurance contracts, at the reporting date, the Group determines current best estimate assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. The best estimate assumptions are determined based on experience studies and the current circumstances of the business. The risk adjustment is also included (Note 3(b)(i)) which reflects an amount that Group would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

Short term insurance contracts

Short-term contracts are typically for one year's coverage, with an option to renew under terms that may be amended by the insurer. In determining the premium payable under the contract, the insurer considers the nature and amount of the risk assumed, and recent experience and industry statistics of the benefits payable. This is the process of underwriting, which establishes appropriate pricing guidelines, and may include specific tests and enquiries which determine the insurer's assessment of the risk. Insurers may also establish deductibles to limit amounts of potential losses incurred.

Policy benefits payable under short-term contracts are generally triggered by an insurable event, i.e. a medical expense or a death claim. Settlement of these benefits is expected generally within one year. However, some benefits are settled over a longer duration.

The principal risks arising from short-term insurance contracts are premium risk, claims risk and reinsurance risk (See Note 42(b)).

Premium risk is the risk that the premium rate has been set too low for the risk being assumed.

Claims risk is the risk that:

- the number of claims may exceed expectations
- the severity of claims incurred may exceed expectations
- the claim amount may develop during the interval between occurrence and settlement.

For the Group life and health insurance contracts, significant risk exposures arise from mortality and morbidity experience.

(i) Frequency and severity of claims

These contracts are mainly issued to employers to insure their commitments to their employees in terms of their employee benefit plans. This risk is affected by the nature of the industry in which the employer operates. The risk of death and disability will vary by industry. Undue concentration of risk by industry will therefore increase the risk of a change in the underlying average mortality or morbidity of employees in a given industry, with significant effects on the overall insurance risk.

Insurance risk under disability contracts is also dependent on economic conditions in the industry. The Group attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Excess of loss reinsurance contracts have been purchased by the Group to limit the maximum loss on any one life and health claims, see Note 42(b) for retention limits.

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

(ii) Sources of uncertainty in the estimation of future claim payments
There is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration.

(iii) Process used in deriving assumptions
The assumptions for short-duration life contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

The process to derive the assumptions for short-duration life contracts is similar to long-term insurance contracts. However, the short-term nature of the mortality risk underwritten makes the Group's estimate of the liability covering death benefit payments less uncertain than in the case of long-term contracts.

*Property and casualty insurance risk*Advantage General Insurance Company Limited (AGI)

The primary insurance activity carried out by the subsidiary is the transfer of risk from persons or entities that are directly subject to the risk, by means of the sale of insurance policies. As such the Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these policies.

The principal types of policy written by AGI are:

- Motor insurance
- Property insurance
- Liability insurance

The management team is responsible for the execution of the Insurance Risk Management policies established and monitored directly by the Board of Directors. AGI manages its insurance risk through its underwriting and claims policies that include inter alia, authority limits, approval procedures for transactions that exceed set limits, pricing guidelines and the centralised management of reinsurance. AGI actively monitors insurance risk exposures both for individual and portfolio types of risks. These methods include internal risk measurement, portfolio modeling and scenario analyses.

Underwriting strategy

Insurance companies assume risk through the insurance contracts they underwrite and the exposures are associated with both the perils covered by the specific line of insurance and the specific processes associated with the conduct of the insurance business. AGI manages the individual risk through its Underwriting Risk Management Policy to determine the insurability of risks and exposure to large claims. AGI follows detailed, uniform underwriting practices and procedures designed to properly assess and quantify risks before issuing coverage. AGI's underwriting guidelines also outline acceptance limits and the appropriate levels of authority for acceptance of risks.

Reinsurance strategy

A comprehensive reinsurance programme is critical to the financial stability of the organisation and a detailed analysis of AGI's exposures, reinsurance needs and quality of reinsurance securities is conducted by the Board and Senior Management.

AGI's exposures are continually evaluated by Management to ensure that its reinsurances remain adequate and mechanisms are in place to continually monitor the reinsurance counterparties to ensure that they maintain A ratings, in keeping with AGI's Board approved Reinsurance Risk Management Policy. Credit risk on reinsurance is discussed in more detail later in Note 42(b).

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Advantage General Insurance Company Limited (AGI) (Continued)

Terms and conditions of general insurance contracts and factors affecting cash flows:

The table below provides an overview of the terms and conditions of general insurance contracts written by AGI and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend:

Type of insurance contract	Terms and conditions	Key factors affecting future cash flows
Motor	Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle, bodily injuries sustained and a policy limit in respect of third-party damage.	In general, claims reporting lags are minor and claims complexity is relatively low except with respect to bodily injury claims. Bodily injury claims tend to be more difficult to estimate due to uncertainties with respect to the value at which they will be ultimately settled, and the timeframe within which they will be settled.
Property	Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage.	<p>The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property.</p> <p>The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (as for fire and burglary) and the cause is easily determinable. Therefore, claims are generally notified promptly and can be settled without delay. Property business is therefore classified as "short-tailed" and expense deterioration and investment return is of less importance in estimating provisions.</p> <p>The cost of repairing or rebuilding assets, of replacement or indemnity for contents and the time taken to restart or resume operations to original levels for business interruption losses are the key factors influencing the level of claims under these policies.</p>
Liability	Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposure is in relation to bodily injury.	<p>The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions.</p> <p>Although bodily injury claims have a relatively long tail, the majority of bodily injury claims are settled in full within three to five years. In general, these contracts involve higher estimation uncertainty.</p>

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

*Property and casualty insurance risk (Continued)*Advantage General Insurance Company Limited (AGI) (Continued)

Management of risks relating to Insurance contracts

Motor contracts:

The risks relating to motor contracts are managed primarily through the pricing and selection process. Management monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims appeals.

Property contracts:

The risks relating to property contracts are managed primarily through the pricing and selection processes. AGI uses strict underwriting criteria to ensure that the risk of losses is acceptable. Furthermore, AGI accepts property insurance risks for one year so that each contract can be re-priced on renewal to reflect the continually evolving risk profile.

Liability contracts:

Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, adopting an appropriate investment strategy, rating and reinsurance. Management monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten. In pricing contracts, AGI makes assumptions that costs will increase in line with the latest available research.

Risk exposure and concentrations of risk:

Total insurance coverage on insurance policies provides a quantitative measure of absolute risk. However, claims arising in any one year are a very small proportion in relation to the total insurance coverage provided. The table below shows the concentration of gross and net insurance contract liabilities by type of contract at December 31. Management has its largest risk concentration in the property line.

	The Group							
	2025				2024			
Total insurance coverage	Motor insurance	Property insurance	Liability insurance	Total	Motor insurance	Property insurance	Liability insurance	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contracts issued	117,759,619	490,853,612	160,728,744	769,341,975	113,713,690	492,310,979	23,824,853	629,849,522
Reinsurance held	47,330,290	425,188,358	141,237,482	613,756,130	56,087,512	422,400,444	3,046,874	481,534,830
Total net insurance contracts	70,429,329	65,665,254	19,491,262	155,585,845	57,626,178	69,910,535	20,777,979	148,314,692

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42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Liability for incurred claims - Claims development

In addition to sensitivity analysis, the development of of claims provides a measure of Sagicor Re and AGI's ability to estimate the ultimate value of claims. The table below illustrates how management's estimate of the ultimate claims liability for accident years 2020 - 2025 has changed at successive year ends, up to 2025. Updated unpaid claims and other directly attributable expenses related to claims management in each successive year, as well as amounts paid to date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the development calculations.

As required by IFRS 17, in setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The development of an insurer's claims in the course of settlement provides a measure of its ability to estimate the ultimate value of claims incurred. In the table below, the estimate of total claims incurred for each year is provided at successive year ends. The most recent estimate is then reconciled to the liability recognised as in the roll forward.

Gross undiscounted liabilities for incurred claims

Accident year	The Group						Total
	2025						
	2020	2021	2022	2023	2024	2025	
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At the end of accident year	1,700,600	1,672,251	1,907,781	2,001,269	3,250,510	25,916,037	
One year later	1,786,758	1,811,728	2,008,642	2,339,311	3,040,832		
Two years later	1,840,956	1,860,515	2,200,280	2,490,736			
Three years later	1,866,374	1,994,962	2,334,993				
Four years later	1,957,223	2,077,460					
Five years later	2,039,524						
Gross estimates of the undiscounted amount of the claims	2,039,524	2,077,460	2,334,993	2,490,736	3,040,832	25,916,037	37,899,582
Cumulative payments to date	(1,165,801)	(1,900,320)	(2,098,309)	(2,156,076)	(2,244,459)	(1,049,287)	(10,614,252)
Liability recognised in the statement of financial position	873,723	177,140	236,684	334,660	796,373	24,866,750	27,285,330
Liability in respect of prior years and ULAE Total liability							1,334,280
							<u>28,619,610</u>
At the end of accident year							
One year later	750,832	852,000	975,414	992,716	1,728,045	20,244,239	
Two years later	801,057	906,487	1,006,133	1,165,431	1,591,759		
Three years later	814,495	931,893	1,100,650	1,238,438			
Four years later	827,417	1,000,234	1,164,326				
Five years later	867,105	1,040,555					
Current estimate of cumulative claims	898,668						
Cumulative payments to date	898,668	1,040,555	1,164,326	1,238,438	1,591,759	20,244,239	26,177,985
Recoverable recognised in the statement of financial position	(826,032)	(951,257)	(1,048,866)	(1,068,018)	(1,187,307)	(443,390)	(5,524,870)
Recoverable in respect of prior years	72,636	89,298	115,460	170,420	404,452	19,800,849	20,653,115
Total recoverable from reinsurers							898,339
							<u>21,551,454</u>

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (Continued)

Short term insurance contracts (Continued)

Property and casualty insurance risk (Continued)

Liability for incurred claims - Claims development (Continued)

Gross undiscounted liabilities for incurred claims

Accident year	The Group						Total
	2024		2023	2022	2021	2020	
	2019	2018					
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
At the end of accident year	2,381,008	1,700,600	1,672,251	1,907,781	2,001,269	3,276,075	
One year later	2,423,211	1,786,758	1,811,728	2,008,642	2,339,311		
Two years later	2,530,613	1,840,956	1,860,515	2,200,280			
Three years later	2,596,148	1,866,374	1,994,962				
Four years later	2,676,085	1,957,223					
Five years later	2,793,089						
Gross estimates of the undiscounted amount of the claims	2,793,089	1,957,223	1,994,962	2,200,280	2,339,311	3,276,075	14,560,940
Cumulative payments to date	(1,828,101)	(1,791,918)	(1,796,380)	(1,936,976)	(1,859,275)	(983,345)	(10,195,995)
Liability recognised in the statement of financial position	964,988	165,305	198,582	263,304	480,036	2,292,730	4,364,945
Liability in respect of prior years and ULAE							44,953
Total liability							4,409,898
At the end of accident year	144,539	750,832	852,000	975,414	992,716	1,753,611	
One year later	256,792	801,057	906,487	1,006,133	1,165,431		
Two years later	265,100	814,495	931,893	1,100,650			
Three years later	267,872	827,417	1,000,234				
Four years later	270,441	867,105					
Five years later	278,615						
Current estimate of cumulative claims	278,615	867,105	1,000,234	1,100,650	1,165,431	1,753,611	6,165,646
Cumulative payments to date	(260,396)	(799,961)	(897,668)	(967,953)	(922,052)	(486,194)	(4,334,224)
Recoverable recognised in the statement of financial position	18,219	67,144	102,566	132,697	243,379	1,267,417	1,831,422
Recoverable in respect of prior years							(87,852)
Deferred Motor							(583,650)
Profit share							112,817
Total recoverable from reinsurers							1,272,737

	The Group					
	2025			2024		
	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Total gross LIC	26,490,791	2,128,819	28,619,610	4,237,816	172,082	4,409,898
Amount recoverable from reinsurers	19,540,613	2,010,841	21,551,454	1,193,665	79,072	1,272,737
Total net LIC	6,950,178	117,978	7,068,156	3,044,151	93,010	3,137,161

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42. Insurance and Financial Risk Management (Continued)

Sagicor Re Insurance Company Limited

Certain casualty risks for the Group and its affiliates are covered through the subsidiary, Sagicor Re Insurance Company Limited.

The frequency and severity of casualty claims can be affected by several factors. The most significant casualty risks under the professional indemnity, directors and officers liability, medical malpractice, contractors all risk, employer's liability and public liability policies are slip and fall accidents at the insured premises, and damage to areas occupied or contents at the insured premises due to blocked drains or burst pipes. In addition, increasing level of awards, the increasing number of cases coming to court and inflation all impact on ultimate claims costs. The Group manages these risks through its underwriting strategy and proactive claims handling. The underwriting strategy concentrates on fully reinsuring the exposures to casualty risks.

Property insurance risks (Sagicor Re)

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, river flooding, hurricanes, etc.) and their consequences (for example, subsidence claims). For certain contracts, there is a maximum amount payable for claims in any policy year.

Sagicor Re has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. The cost of rebuilding properties, of replacement or indemnity for contents are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage.

All of the property and casualty risks insured by Sagicor Re are reinsured, while only some of risks insured by AGI are reinsured. However, in the event that these reinsurers are unable to meet their obligations under the reinsurance agreements, the Group would be liable to pay the claims subject to deductibles and a "catch all clause". The Group mitigates the risks associated with failure of its reinsurers by transacting only with well-established and rated insurance/reinsurance companies. These are primarily international reinsurers, however, a portion of reinsurance is placed with local and regional insurers.

(b) Reinsurance risk

To limit its exposure of potential loss on an insurance policy, the insurer may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have established capability to meet their contractual obligations and which generally have high credit ratings. The credit ratings of reinsurers are monitored.

For its property risks, the Group uses Treaty reinsurance - Quota Share, Excess of Loss - and Facultative reinsurance arrangements to cover single events and multiple claims arising from catastrophes. The insurer may be required to pay an additional premium to reinstate the reinsurance coverage where a claim exhausts the reinsurance limit.

For other insurance risks, insurers limit their exposure by event or per person by excess of loss or quota share treaties.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(b) Reinsurance risk (Continued)

Retention limits represent the level of risk retained by the insurer. The Board of Directors approved policy retention limits. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit. The retention programs used by the Group are summarised below

Type of insurance contract - 2025

Health insurance contracts with groups
 Life insurance contracts with individuals
 Life insurance contracts with groups
 General Insurance - Property Q/S Treaty Commercial
 General Insurance - Property Q/S Treaty -Homeowners and Condominium
 General Insurance - Engineering & Construction Q/S Treaty
 Catastrophe Excess of Loss
 General Insurance – Motor Excess of Loss
 General Insurance – Property Excess of Loss

Retention by insurers

Retention per individual to a maximum J\$2,500,000.
 Retention per individual to a maximum of J\$35,000,000 and US\$500,000
 Retention per individual to a maximum of J\$35,000,000 and US\$100,000
 Retention – 20% of the sum insured per risk or US\$2,000,000
 Retention – 20% of the sum insured per risk or US\$1,600,000
 Retention – 10% of the sum insured per risk or US\$800,000
 Retention – US\$2,000,000.
 Retention – US\$500,000.
 Retention – US\$500,000.

Type of insurance contract - 2024

Health insurance contracts with groups
 Life insurance contracts with individuals
 Life insurance contracts with groups
 General Insurance - Property Q/S Treaty Commercial
 General Insurance - Property Q/S Treaty -Homeowners and Condominium
 General Insurance - Engineering & Construction Q/S Treaty
 Catastrophe Excess of Loss
 General Insurance – Motor Excess of Loss
 General Insurance – Property Excess of Loss

Retention by insurers

Retention per individual to a maximum J\$2,500,000.
 Retention per individual to a maximum of J\$35,000,000 and US\$500,000
 Retention per individual to a maximum of J\$35,000,000 and US\$100,000
 Retention – 20% of the sum insured per risk or US\$2,000,000
 Retention – 20% of the sum insured per risk or US\$1,600,000
 Retention – 10% of the sum insured per risk or US\$500,000
 Retention – US\$2,000,000.
 Retention – US\$500,000.
 Retention – US\$500,000.

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk

(i) Credit risk

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Company's exposure to credit risk.

The Group's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Group. Compliance with the policy is monitored and exposures and breaches are reported accordingly. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Credit risk relating to financial instruments is monitored by the Group's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. It is the Group's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.

The nature of the Group's exposure to credit risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period. For financial assets measured at either FVTOCI or amortised cost, credit risk exposure is the gross carrying amount, while financial assets measured at FVTPL, the Group's credit risk exposure is the carrying amount. Refer to Notes 3(b)(iv), 8, and 9.

Credit exposure

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of counterparties as defined in Note 3(b)(iv). The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Group manages the risk. The Group manages its credit exposure based on the carrying value of the financial instruments (detailed in Note 8) and insurance and reinsurance assets.

	The Group					Total
	Investment grade	Non-investment grade	Watch	Default	Unrated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash resources	5,635,939	7,564,534	-	-	-	13,200,473
Cash reserve at Bank of Jamaica	-	17,929,827	-	-	-	17,929,827
Financial investments & pledged assets excluding equities	87,414,156	292,808,475	-	-	-	380,222,631
Unit trusts	-	31,843,511	-	-	-	31,843,511
Loans and leases, after allowance for credit losses	-	155,773,751	1,786,527	-	-	157,560,278
Reinsurance contract assets	27,556,654	-	-	-	-	27,556,654
Other assets	-	8,219,595	-	-	-	8,219,595
Total credit risk exposure	120,606,749	514,139,693	1,786,527	-	-	636,532,969

NOTES TO THE FINANCIAL STATEMENTS

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(i) Credit risk (Continued)

	The Group 2024					Total
	Investment grade	Non-investment grade	Watch	Default	Unrated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash resources	4,707,564	17,878,938	-	-	-	22,586,502
Cash reserve at Bank of Jamaica	-	15,029,842	-	-	-	15,029,842
Financial investments & pledged assets excluding equities	58,936,807	258,522,998	199,175	-	-	317,658,980
Unit trusts	-	31,121,288	-	-	-	31,121,288
Loans and leases, after allowance for credit losses	-	136,991,812	1,679,130	-	-	138,670,942
Reinsurance contract assets	3,552,974	-	-	-	-	3,552,974
Other assets	-	8,429,096	-	-	-	8,429,096
Total credit risk exposure	67,197,345	467,973,974	1,878,305	-	-	537,049,624

The Group's maximum exposure to credit risk from insurance contract assets is as per balance on the Statement of Financial Position.

The Group actively manages its product mix to ensure that there is no significant concentration of credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Group is exposed to daily calls on their available cash resources from, insurance benefits payments, working capital requirements, overnight placement of funds, maturing placement of funds, loan draw-downs and guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Treasury Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining committed lines of credit and optimising cash returns on investments;
- (iv) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and
- (v) Managing the concentration and profile of debt maturities.

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Liquidity risk management process (Continued)

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Certain investment portfolios within the Group contain securities which can only be disposed of over a period of time. In such instances, the Group generally maintains higher levels of short term instruments to compensate for the relative illiquidity of the aforementioned securities.

The disclosures provided in this note are based on the Group's and the Company's investment portfolio as at December 31, 2025 and 2024.

The tables below present the undiscounted cash flows payable (both interest and principal cash flows) of the Group's financial based on contractual repayment obligations. The Group expects that many policyholders/customers will not request repayment on the earliest date the Group could be required to pay. The expected maturity dates of liabilities are based on estimates made by management as determined by retention history. Liquidity risk tables are shown for financial liabilities.

Undiscounted Financial Liabilities - December 31, 2025

Deposit and security liabilities

Other liabilities

Lease liabilities

Investment contracts liabilities

Total undiscounted liabilities

	The Group			Total \$000
	Within 1 year \$000	1-5 years \$000	Over 5 years \$000	
Deposit and security liabilities	332,454,096	3,389,963	1,317,199	337,161,258
Other liabilities	18,487,174	-	-	18,487,174
Lease liabilities	1,336,966	3,562,273	3,482,963	8,382,202
Investment contracts liabilities	17,407,534	6,625,332	221,429	24,254,295
Total undiscounted liabilities	369,685,770	13,577,568	5,021,591	388,284,929

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Undiscounted Financial Liabilities - December 31, 2024

Deposit and security liabilities
Other liabilities
Lease liabilities
Investment contracts liabilities
Total undiscounted liabilities

The Group			
Within 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
286,955,174	1,770,862	1,496,560	290,222,596
17,170,671	41,427	-	17,212,098
584,517	1,466,771	86,702	2,137,990
15,880,915	6,713,074	146,993	22,740,982
320,591,277	9,992,134	1,730,255	332,313,666

Undiscounted Financial Liabilities

Promissory notes
Other Liabilities
Total undiscounted liabilities

The Company			
2025			
Within 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
9,194,066	-	-	9,194,066
6,116,547	-	-	6,116,547
15,310,613	-	-	15,310,613

Undiscounted Financial Liabilities

Promissory notes
Other Liabilities
Total undiscounted liabilities

The Company			
2024			
Within 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
9,743,167	-	-	9,743,167
5,526,993	-	-	5,526,993
15,270,160	-	-	15,270,160

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Off-balance sheet items

The tables below show the contractual expiry by maturity of commitments.

At December 31, 2025

Credit commitments
Guarantees, acceptances and other financial facilities
Operating lease commitments

At December 31, 2024

Credit commitments
Guarantees, acceptances and other financial facilities
Operating lease commitments

The amounts of insurance contract liabilities that are payable on demand are set out below:

Long term contracts

The tables below reflect the financial assets and liabilities portion of the insurance contracts assets and liabilities at the year- end date

Insurance and Reinsurance Contracts Assets

	2025			2024		
	Long-term	Short-term	Total	Long-term	Short-term	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Reinsurance contract assets	(251,453)	20,024,286	19,772,833	62,873	1,675,582	1,738,455
Insurance contract assets	(10,343,095)	-	(10,343,095)	(626,274)	-	(626,274)
	(10,594,548)	20,024,286	9,429,738	(563,401)	1,675,582	1,112,181
Reinsurance contract liabilities	784,746	(48,563)	736,183	844,753	1,137	845,890
Insurance contract liabilities	110,059,838	32,927,674	142,987,512	89,815,726	10,576,152	100,391,878
	110,844,584	32,879,111	143,723,695	90,660,479	10,577,289	101,237,768

The Group			
No later than 1 year	1-5 years	Over 5 years	Total
\$000	\$000	\$000	\$000
9,599,676	728,124	1,175,448	11,503,248
5,381,806	79,202	1,578,703	7,039,711
47,323	-	-	47,323
15,028,805	807,326	2,754,151	18,590,282
12,469,504	312,171	527,381	13,309,056
5,259,470	55,259	1,556,653	6,871,382
44,931	-	-	44,931
17,773,905	367,430	2,084,034	20,225,369

The Group			
2025		2024	
Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
\$000	\$000	\$000	\$000
75,513,226	161,045,384	69,850,448	146,434,214

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42. Insurance and Financial Risk Management (Continued)

(ii) Liquidity risk (Continued)

The tables below reflect the expected maturities of the Group's discounted insurance contract and reinsurance assets and liabilities at the year-end date.

	The Group						Total
	2025						
	Within 1	1-2	2-3	3-4	4-5	Over 5	
	Year	years	years	years	years	years	
	\$000	\$000	\$000	\$000	\$000	\$000	
Insurance and Reinsurance Contracts Assets							
Reinsurance contract assets	19,167,743	283,748	153,828	101,108	71,020	(4,614)	19,772,833
Insurance contract assets	347,501	412,094	260,546	153,601	124,444	(11,641,281)	(10,343,095)
	19,515,244	695,842	414,374	254,709	195,464	(11,645,895)	9,429,738
Insurance and Reinsurance Contracts Liabilities							
Reinsurance contract liabilities	66,117	(4,150)	1,182	(2,123)	253	674,904	736,183
Insurance contract liabilities	15,745,832	7,037	(522,267)	34,356	(128,411)	127,850,965	142,987,512
	15,811,949	2,887	(521,085)	32,233	(128,158)	128,525,869	143,723,695
On statement of financial position liquidity gap	3,703,295	692,955	935,459	222,476	323,622	(140,171,764)	(134,293,957)
Cumulative liquidity gap	3,703,295	4,396,250	5,331,709	5,554,185	5,877,807	(134,293,957)	

	The Group						Total
	2024						
	Within 1	1-2	2-3	3-4	4-5	Over 5	
	Year	years	years	years	years	years	
	\$000	\$000	\$000	\$000	\$000	\$000	
Insurance and Reinsurance Contract Assets							
Insurance and Reinsurance Contract Assets	939,219	272,357	110,759	80,560	52,632	(343,346)	1,112,181
Insurance and Reinsurance Contract Liabilities	2,656,497	(3,507,396)	(2,446,604)	(1,146,297)	(210,311)	105,891,879	101,237,768
On statement of financial position liquidity gap	(1,717,278)	3,779,753	2,557,363	1,226,857	262,943	(106,235,225)	(100,125,587)
Cumulative liquidity gap	(1,717,278)	2,062,475	4,619,838	5,846,695	6,109,638	(100,125,587)	

	The Group			Total
	2025			
	Within 1	1-5	Over 5	
	Year	years	years	
	\$000	\$000	\$000	
Assets				
Financial assets excluding Insurance and Reinsurance Contracts Assets				
Cash resources	13,200,473	-	-	13,200,473
Cash reserve at Bank of Jamaica	17,929,827	-	-	17,929,827
Financial investments and pledged assets excluding equities	95,528,678	66,442,508	218,251,445	380,222,631
Unit trusts	31,843,511	-	-	31,843,511
Loans & leases, after allowance for credit losses	45,668,436	58,794,196	53,097,646	157,560,278
Other assets	8,214,167	5,428	-	8,219,595
Total financial assets excluding Insurance and Reinsurance Contracts Assets	212,385,092	125,242,132	271,349,091	608,976,315

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42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Liabilities**Financial liabilities excluding Insurance and Reinsurance Contracts Liabilities**

Deposit and security liabilities

Other liabilities

Lease liabilities

Investment contract liabilities

Total liabilities

On statement of financial position liquidity gap

Cumulative liquidity gap

Total financial assets excluding Insurance and Reinsurance Contracts Assets

Total financial liabilities excluding Insurance and Reinsurance Contracts Liabilities

On statement of financial position liquidity gap**Cumulative liquidity gap****Assets****Financial assets**

Cash resources

Financial investments and pledged assets

Other assets

Total assets**Liabilities****Financial liabilities**

Promissory notes

Other liabilities

Total liabilities

On statement of financial position liquidity gap

Cumulative liquidity gap

Financial assets

Financial liabilities

On statement of financial position liquidity gap**Cumulative liquidity gap**

The Group			
2025			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
328,038,698	2,791,678	962,274	331,792,650
18,487,174	-	-	18,487,174
807,962	2,792,615	2,261,896	5,862,473
17,291,082	5,931,889	168,937	23,391,908
364,624,916	11,516,182	3,393,107	379,534,205
(152,239,824)	113,725,950	267,955,984	229,442,110
(152,239,824)	(38,513,874)	229,442,110	
The Group			
2024			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
177,841,480	133,213,905	222,441,265	533,496,650
316,545,512	8,464,536	1,281,422	326,291,470
(138,704,032)	124,749,369	221,159,843	207,205,180
(138,704,032)	(13,954,663)	207,205,180	
The Company			
2025			
Within 1	1-5	Over 5	Total
Year	years	years	
\$000	\$000	\$000	\$000
171,812	-	-	171,812
1,345,832	-	-	1,345,832
260,768	-	-	260,768
1,778,412	-	-	1,778,412
8,952,766	-	-	8,952,766
6,116,547	-	-	6,116,547
15,069,313	-	-	15,069,313
(13,290,901)	-	-	(13,290,901)
(13,290,901)	(13,290,901)	(13,290,901)	
2024			
2,023,558	-	-	2,023,558
15,253,927	-	-	15,253,927
(13,230,369)	-	-	(13,230,369)
(13,230,369)	(13,230,369)	(13,230,369)	

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(ii) Liquidity risk (Continued)

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection, investment securities and other eligible bills, loans and advances to banks, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financing institutions.

(iii) Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Investment department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

The Group's investment portfolios were impacted by the widening of credit spreads and resulted in significant fall-off in asset prices. The Group has continually monitored its portfolios to determine if any further action would have been needed to protect the Group's statement of financial position and have re-balanced portfolios where necessary. The investment portfolios across the group, particularly in the main asset classes (fixed income, equities and real estate) were positively impacted in the recovery both locally and internationally for the current year.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency or interest rate risk, whether those changes are caused by factors specific to the instrument or affecting all similar instruments in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified as FVTOCI or at FVTPL. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's investments in equity securities are publicly traded on the Jamaica Stock Exchange (JSE), the National Association of Securities Dealers Automated Quotation System (NASDAQ) and the New York Stock Exchange (NYSE). The Group's sensitivity to equity securities price risk is disclosed in Note 43.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Group takes an open position in a currency. To control this exchange risk the Asset and Liability Committee (ALCO) has approved limits for net open position in each currency for both intra-day and overnight position. This limit may vary from time to time as determined by ALCO.

The Group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

The Group's operations in the Cayman Islands, Costa Rica and Panama create two additional sources of currency risk:

- The operating results of the Group's foreign subsidiaries in the Group financial statements are translated at the average exchange rate prevailing during the period.
- The equity investment in the foreign subsidiaries is translated into Jamaican dollars using the closing exchange rate.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Currency risk (Continued)

Concentrations of currency risk

The Group and the Company are most sensitive to currency risk in its operating currencies which float against the United States dollar.

The following tables summarise the exposure of the Group and the Company to foreign currency exchange rate risk. Included in the tables are the Group's financial and insurance assets and liabilities at carrying amounts categorised by currency.

	The Group			
	2025			
	Jamaican \$	US\$	Other	Total
	\$000	\$000	\$000	\$000
Financial Assets				
Cash resources	5,520,567	5,320,290	2,359,616	13,200,473
Cash reserve at Bank of Jamaica	7,334,197	10,254,836	340,794	17,929,827
Financial investments and pledged assets	224,143,528	196,098,216	1,168,709	421,410,453
Loans & leases, after allowance for credit losses	128,401,009	29,159,269	-	157,560,278
Insurance contract assets	137,654	(5,793)	1,223,410	1,355,271
Reinsurance contracts assets	6,634,426	20,456,605	465,623	27,556,654
Other assets	5,089,696	3,125,099	4,800	8,219,595
Total financial and insurance assets	<u>377,261,077</u>	<u>264,408,522</u>	<u>5,562,952</u>	<u>647,232,551</u>
Financial Liabilities				
Deposit and security liabilities	183,611,007	145,568,023	2,613,620	331,792,650
Other liabilities	15,189,083	3,279,911	18,180	18,487,174
Insurance contract liabilities	117,316,429	70,719,008	11,607,754	199,643,191
Lease liabilities	5,796,080	66,393	-	5,862,473
Investment contracts liabilities	16,081,946	7,309,962	-	23,391,908
Reinsurance contract liabilities	276,436	47,431	42,373	366,240
Total financial and insurance liabilities	<u>338,270,981</u>	<u>226,990,728</u>	<u>14,281,927</u>	<u>579,543,636</u>
Net on statement of financial position foreign currency exposure	<u>38,990,096</u>	<u>37,417,794</u>	<u>(8,718,975)</u>	<u>67,688,915</u>

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Currency risk (Continued)

	The Group			
	2024			
	Jamaican \$ \$000	US\$ \$000	Other \$000	Total \$000
Total assets	344,789,210	198,581,950	4,903,687	548,274,847
Total liabilities	298,313,535	176,167,064	12,783,190	487,263,789
Net on statement of financial position foreign currency exposure	46,475,675	22,414,886	(7,879,503)	61,011,058

As of December 31, 2025, the Company's maximum exposure to foreign currency exchange rate risk pertains to financial investments, pledged assets and cash resources amounting to J\$88,658,000 (2024: J\$123,490,000), denominated in US dollars.

Cash flow and fair value interest rate risk

Cash flow risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Interest rate changes may also result in losses if asset and liability cash flows are not closely matched with respect to timing and amount. The Asset and Liability Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored at least quarterly.

The return on investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Group monitors interest rate risk by calculating the mean duration of the investment portfolio and the liabilities issued. The mean duration is an indicator of the sensitivity of the assets and liabilities to change in current interest rates. The mean duration of the liabilities is determined by means of projecting expected cash flows from the contracts using best estimate assumptions.

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

(i) Long term traditional insurance contracts and some investment contracts

Insurance and investment contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at the inception of the contract. The financial components of these benefits may include a guaranteed fixed interest rate and hence the Group's primary financial risk on these contracts is the risk that interest income and capital redemptions from the financial assets backing the liabilities are insufficient to fund the guaranteed benefits payable.

(ii) Long term insurance contracts and investment contracts without fixed terms

For unit-linked contracts the Group matches all the assets on which the unit prices are based with assets in the portfolio. There is no price, currency, credit, or interest rate risk for these contracts.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(ii) Long term insurance contracts and investment contracts without fixed terms (Continued)

The Group's primary exposure to financial risk for these contracts is the risk of volatility in asset management fees due to the impact of interest rate and market price movements on the fair value of the assets held in the linked funds, on which investment management fees are based.

A decrease of 10% in the value of the assets would reduce the asset management fees to \$332,725,000 (2024 - \$330,730,000) per annum.

Unit-linked and interest-sensitive universal life type contracts have embedded surrender options. These embedded derivatives vary in response to the change in a financial variable (such as equity prices and interest rates). At year end, all embedded derivatives within insurance liabilities were closely related to the host contract and did not require separation.

For short term insurance contracts, the Group has matched the insurance liabilities with a portfolio of debt securities. The financial assets in this portfolio are characterised by interest rate risk.

Short term liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest bearing.

The following tables summarise carrying amounts of statement of financial position assets, financial liabilities and insurance liabilities in order to arrive at the Group and Company's interest rate gap based on earlier of contractual repricing or maturity dates.

The disclosures provided in this note are based on the Group and Company's financial assets portfolio as at December 31, 2025 and 2024.

	The Group				
	2025				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash resources	2,639,320	-	-	10,561,153	13,200,473
Cash reserve at Bank of Jamaica	-	-	-	17,929,827	17,929,827
Financial investments and pledged assets	90,111,772	66,442,508	218,251,445	46,604,728	421,410,453
Loans & leases, after allowance for credit losses	155,899,291	868,709	137,869	654,409	157,560,278
Reinsurance contract assets	22,200,565	560,711	240,808	4,554,570	27,556,654
Insurance contract assets	(10,372)	57,356	1,263,150	45,137	1,355,271
Other assets	237,291	-	-	7,982,304	8,219,595
Total financial assets	271,077,867	67,929,284	219,893,272	88,332,128	647,232,551

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

	The Group 2025				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	\$000	\$000	\$000	\$000	\$000
Financial Liabilities					
Deposit and security liabilities	324,066,681	6,252,413	734,999	738,557	331,792,650
Other liabilities	-	-	-	18,487,174	18,487,174
Lease liabilities	807,961	2,811,362	2,243,150	-	5,862,473
Insurance contract liabilities	12,618,919	(13,608,704)	191,993,593	8,639,383	199,643,191
Reinsurance contract liabilities	1,951,378	(60,327)	(620,020)	(904,791)	366,240
Investment contracts liabilities	17,291,082	5,931,889	168,937	-	23,391,908
Total financial liabilities	356,736,021	1,326,633	194,520,659	26,960,323	579,543,636
On statement of financial position interest sensitivity gap	(85,658,154)	66,602,651	25,372,613	61,371,805	67,688,915
Cumulative interest sensitivity gap	(85,658,154)	(19,055,503)	6,317,110	67,688,915	

	The Group 2024				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	\$000	\$000	\$000	\$000	\$000
Total financial assets	205,201,329	84,935,971	176,011,522	82,126,025	548,274,847
Total financial liabilities	271,074,096	15,946,438	175,082,951	25,160,304	487,263,789
On statement of financial position interest sensitivity gap	(65,872,767)	68,989,533	928,571	56,965,721	61,011,058
Cumulative interest sensitivity gap	(65,872,767)	3,116,766	4,045,337	61,011,058	

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

*Cash flow and fair value interest rate risk (Continued)***Financial Assets**

Cash resources
 Financial investments and pledged assets
 Other assets

Total financial assets**Financial Liabilities**

Deposit and security liabilities
 Other liabilities

Total financial liabilities**On statement of financial position interest sensitivity gap****Cumulative interest sensitivity gap**

The Company				
2025				
Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
\$000	\$000	\$000	\$000	\$000
171,812	-	-	-	171,812
1,345,832	-	-	-	1,345,832
-	-	-	260,768	260,768
1,517,644	-	-	260,768	1,778,412
<hr/>				
8,952,766	-	-	-	8,952,766
-	-	-	6,116,547	6,116,547
8,952,766	-	-	6,116,547	15,069,313
(7,435,122)	-	-	(5,855,779)	(13,290,901)
(7,435,122)	(7,435,122)	(7,435,122)	(13,290,901)	

Total financial assets**Total financial liabilities****On statement of financial position interest sensitivity gap****Cumulative interest sensitivity gap**

The Company				
2024				
Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
\$000	\$000	\$000	\$000	\$000
1,834,834	-	-	188,724	2,023,558
9,726,934	-	-	5,526,993	15,253,927
(7,892,100)	-	-	(5,338,269)	(13,230,369)
(7,892,100)	(7,892,100)	(7,892,100)	(13,230,369)	

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

The table summarises the average effective yields by the earlier of the contractual repricing or maturity dates:

		The Group					
		2025					
		Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
		%	%	%	%	%	%
Investments (1)		3.0	3.0	5.0	7.0	6.0	5.0
Loans		12.0	10.0	9.0	9.0	7.0	11.0
Mortgages (2)		-	8.0	-	-	-	8.0
Bank overdraft		-	-	-	-	-	-
Deposits		2.0	5.0	3.0	6.0	3.0	3.0
		The Group					
		2024					
		Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
		%	%	%	%	%	%
Investments (1)		3.5	2.5	5.4	6.5	6.1	5.7
Loans		10.8	9.3	8.5	8.8	3.5	10.3
Mortgages (2)		-	10.8	7.3	7.3	5.8	5.9
Bank overdraft		48.0	-	-	-	-	-
Deposits		1.9	5.2	4.4	6.7	8.3	2.6
		The Company					
		2025					
		Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
		%	%	%	%	%	%
Deposits		5.7	-	5.7	-	-	4.3

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

42. Insurance and Financial Risk Management (Continued)

(c) Financial risk (Continued)

(iii) Market risk (Continued)

Cash flow and fair value interest rate risk (Continued)

	The Company					
	2024					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Deposits	-	6.7	-	-	-	6.7

(1) Yields are based on book values and contractual interest adjusted for amortisation of premiums and discounts.

(2) Yields are based on book values, net of allowances for impairment and contractual interest rates.

Sensitivity

The Group's sensitivity to interest rate risk is disclosed in Note 43.

(iv) Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

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(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis

The sensitivity analysis for assets and liabilities including those relating to insurance and reinsurance contracts are detailed below.

(i) Sensitivity arising from the valuation of life insurance and annuity contracts

In summary, the valuation of liabilities of life insurance and annuity contracts is sensitive to:

- the economic scenario,
- the investments allocated to back the liabilities,
- the underlying assumptions used, and
- risk adjustment for non-financial risks

The assumption for future investment yields has a significant impact on contract liabilities. The other assumptions to which the liabilities of the Group are most sensitive, are in descending order of impact:

- Mortality and morbidity
- Lapse and surrender rates
- Longevity
- Operating expense

The following sensitivity analysis shows the impact (gross and net of reinsurance held) on contractual service margin, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options. When options exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

Insurance contracts issued

	The Group		
	2025		
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
	\$'000	\$'000	\$'000
Mortality/morbidity rate	+10%	(854,551)	(854,551)
Longevity	+10%	977,661	977,661
Expenses	+10%	(266,621)	(266,621)
Lapse and surrenders rate	+10%	74,308	74,308

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis (Continued)

(i) Sensitivity arising from the valuation of life insurance and annuity contracts (Continued)

Insurance contracts issued

	2025		
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
		\$'000	\$'000
Mortality/morbidity rate	-10%	776,737	776,737
Longevity	-10%	(1,080,584)	(1,080,584)
Expenses	-10%	260,923	260,923
Lapse and surrenders rate	-10%	42,007	42,007
		The Group	
	2024		
	Change in assumptions	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance
		\$'000	\$'000
Mortality/morbidity rate	+10%	(1,254,203)	(1,254,203)
Longevity	+10%	661,580	661,580
Expenses	+10%	(341,117)	(341,117)
Lapse and surrenders rate	+10%	(219,019)	(219,019)
Mortality/morbidity rate	-10%	1,133,717	1,133,717
Longevity	-10%	(738,248)	(738,248)
Expenses	-10%	246,646	246,646
Lapse and surrenders rate	-10%	98,809	98,809

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(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis (Continued)

(i) Sensitivity arising from the valuation of life insurance and annuity contracts (Continued)

	The Group				
	Change in assumptions	2025		2024	
		Impact on CSM before tax gross of reinsurance	Impact on CSM before tax net of reinsurance	Impact of CSM before tax gross of reinsurance	Impact of CSM before tax net of reinsurance
	\$'000	\$'000	\$'000	\$'000	
Mortality/morbidity rate	+10%	(6,784,914)	(6,451,195)	(6,117,561)	(5,787,795)
Longevity	+10%	988,297	988,297	181,038	181,038
Expenses	+10%	(1,561,661)	(1,561,668)	(1,252,211)	(1,252,218)
Lapse and surrenders rate	+10%	(2,622,958)	(2,572,417)	(2,437,222)	(2,391,176)
Mortality/morbidity rate	-10%	6,973,525	6,633,165	6,356,515	6,020,548
Longevity	-10%	(1,073,541)	(1,073,541)	(180,451)	(180,451)
Expenses	-10%	1,566,623	1,566,626	1,345,606	1,345,621
Lapse and surrenders rate	-10%	2,962,874	2,906,287	2,846,251	2,796,580

The determination of contract liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results. In applying the noted methodologies, the following assumptions were made:

- (i) The claims inflation rate implicitly used in the valuation is equivalent to that rate which is part of the historical data. To the extent that this has raised the average factors on which future development expectations are based, the valuation contains implicit provision for future inflationary shocks, which we believe is appropriate;
- (ii) With respect to the analysis of the incurred claims development history, the level of case reserve adequacy is relatively consistent (in inflation adjusted terms) over the experience period;
- (iii) With respect to the Bornhuetter-Ferguson method, the average on-level ultimate net loss ratios are representative of recent historical loss ratios. There is no evident trend in the historical net loss ratios adjusted for rate changes and cost changes;
- (iv) With respect to the analysis of the gross and net paid claims development history, the rate of payment of ultimate incurred losses for the more recent years is indicative of future settlement patterns. This assumption is based on management's view of the change in claims settlement practices in recent years; and
- (v) Claims are expressed at their estimated ultimate undiscounted value, in accordance with the requirement of the Insurance Act, 2001. Refer to the gross undiscounted liabilities for incurred claims table in Note (42(a)).

A 10% increase in the future development assumptions increases the liabilities for incurred claims by \$45,101,000 (2024 - \$78,475,000) while a 10% decrease, decreases the liabilities for incurred claims by \$59,036,000 (2024 - \$81,384,000).

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

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(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis (Continued)

(ii) Sensitivity arising from the valuation of property and casualty contracts (Continued)

The following sensitivity analysis shows the impact on profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

	The Group					
	2025					
	Change in assumptions	Impact of profit before tax gross of reinsurance	Impact of profit before tax net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance	
	\$'000	\$'000	\$'000	\$'000		
Weighted average term to settlement	+10%	(138,411)	(42,929)	(92,274)	(28,619)	
Expected loss	+10%	98,293	67,651	65,529	45,101	
Inflation rate	+1%	197,789	60,865	131,859	40,577	
Weighted average term to settlement	-10%	139,083	43,464	92,722	28,976	
Expected loss	-10%	(101,713)	(69,746)	(67,809)	(46,497)	
Inflation rate	-1%	(195,543)	(59,036)	(130,362)	(39,357)	
		2024				
Weighted average term to settlement	+10%	(57,496)	(37,006)	(38,331)	(24,671)	
Expected loss	+10%	117,622	78,475	78,415	52,317	
Inflation rate	+1%	73,642	48,106	49,095	32,071	
Weighted average term to settlement	-10%	58,260	37,527	38,840	25,018	
Expected loss	-10%	(122,475)	(81,384)	(81,650)	(54,256)	
Inflation rate	-1%	(71,446)	(46,668)	(47,631)	(31,112)	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis (Continued)

(iii) Sensitivity arising from a decline in equity prices

The Group is sensitive to fair value risk on its financial assets at FVTPL and FVTOCI equity securities. The effects of an increase by 10% and a decrease by 5% in equity prices at the year-end date are set out below.

	The Group					
	2025			2024		
	Carrying Value	Effect of 10% decrease at December 31, 2025	Effect of 5% increase at December 31, 2025	Carrying Value	Effect of 10% decrease at December 31, 2024	Effect of 5% increase at December 31, 2024
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets at fair value through profit or loss and other comprehensive income equity securities:						
Listed on Jamaica Stock Exchange	4,669,122	(46,691)	70,037	5,737,163	(573,716)	286,858
Listed on US Stock Exchange	4,669,155	(46,692)	70,037	4,854,616	(485,462)	242,731
Other	31,849,545	(318,495)	477,743	31,127,322	(3,112,732)	1,556,366
	41,187,822	(411,878)	617,817	41,719,101	(4,171,910)	2,085,955

(iv) Sensitivity arising from currency risk

The Group and the Company is most sensitive to currency risk in its operating currencies which float against the United States dollar.

The effect of further depreciation and appreciation in the Jamaican dollar (JMD) relative to the United States dollar (USD) at the year-end date is considered in the following tables. The correlation of variables will have a significant effect in determining the ultimate impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The method used for deriving sensitivity information and significant variables did not change from the previous period.

	The Group					
	2025			2024		
	Balances Denominated in currencies other than JMD	Effect of 10% appreciation at December 31, 2025	Effect of 10% depreciation at December 31, 2025	Balances Denominated in currencies other than JMD	Effect of 10% appreciation at December 31, 2024	Effect of 10% depreciation at December 31, 2024
	\$000	\$000	\$000	\$000	\$000	\$000
Statement of financial position:						
Assets	269,971,474	242,974,327	296,968,621	203,485,637	183,137,073	223,834,201
Liabilities	241,272,655	217,145,390	265,399,921	188,950,254	170,055,229	207,845,279
Net position	28,698,819	25,828,937	31,568,700	14,535,383	13,081,844	15,988,922
Impact on Net Profit and Other comprehensive Income						
		(2,869,882)	2,869,881		(1,453,539)	1,453,539

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis (Continued)

(iv) Sensitivity arising from currency risk (Continued)

	The Company					
	2025			2024		
	Balances Denominated in currencies other than JMD	Effect of 10% appreciation at December 31, 2025	Effect of 10% depreciation at December 31, 2025	Balances Denominated in currencies other than JMD	Effect of 10% appreciation at December 31, 2024	Effect of 10% depreciation at December 31, 2024
	\$000	\$000	\$000	\$000	\$000	\$000
Statement of financial position:						
Assets	88,658	79,792	97,524	123,490	111,141	135,839
Net position	88,658	79,792	97,524	123,490	111,141	135,839
Impact on Net Profit		(8,866)	8,866		(12,349)	12,349

The following analysis is performed for reasonably possible movements in key variables, with all other variables held constant, showing the impact on contractual service margin, profit before tax, and equity due to changes in the fair value of insurance and reinsurance contract assets and liabilities.

	The Group							
	2025				2024			
	Change in exchange rate	CSM denominated in US\$	Impact on profit before tax	Impact on equity	Change in exchange rate	CSM denominated in US\$	Impact on profit before tax	Impact on equity
		\$000	\$000	\$000	%	\$000	\$000	\$000
JMD/USD exchange rate								
Insurance and reinsurance contracts	+10%	6,026,553	(343,167)	(204,701)	+10%	5,133,896	(279,144)	(187,573)
Insurance and reinsurance contracts	-10%	4,930,816	343,167	204,701	-10%	4,200,461	187,573	187,573

	The Group						
	2025			2024			
	Change in exchange rate	Impact on profit before tax	Impact on equity	Change in exchange rate	Impact on profit before tax	Impact on equity	
JMD/USD exchange rate							
Insurance and reinsurance contracts, net	+10%	(4,387,879)	(643,684)	+10%	(4,129,014)	(637,677)	
Underlying assets	+10%	(5,558,834)	(1,726,203)	+10%	4,552,994	1,504,694	
Insurance and reinsurance contracts, net	-10%	4,387,879	643,684	-10%	4,129,014	637,677	
Underlying assets	-10%	5,558,834	1,726,203	-10%	(4,552,994)	(1,504,694)	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

43. Sensitivity Analysis (Continued)

(v) Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss and other components of equity.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables have been changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

	The Group					
	2025			2024		
	Change in interest rate	Impact on profit before tax	Impact on equity	Change in interest rate	Impact on profit before tax	Impact on equity
	\$000	\$000		\$000	\$000	
Insurance and reinsurance contracts	+100 bps	8,384,286	-	+100 bps	6,481,690	-
Insurance and reinsurance contracts	-100 bps	(9,038,512)	-	-100 bps	(7,147,582)	-
Debt instruments						
Long Term Insurance	+25 bps	(2,909,305)	(119,627)	+100 bps	(8,498,352)	(236,319)
Short Term Insurance	+25 bps	(311,041)	(17,273)	+100 bps	(315,354)	(63,991)
Other investment securities	+25 bps	(587)	(2,274,626)	+100 bps	(6,604)	(5,243,948)
Debt instruments						
Long Term Insurance	-25 bps	2,596,851	122,801	-100 bps	10,926,066	513,814
Short Term Insurance	-25 bps	(75,560)	20,098	-100 bps	343,920	81,610
Other investment securities	-25 bps	594	1,631,182	-100 bps	8,217	7,916,483

The Company is not exposed to changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

44. Capital Management

The capital adequacy of the principal operating entities within the Group is set out below.

- (i) To comply with capital requirements established by insurance, banking and other financial intermediary regulatory authorities;
- (ii) To comply with internationally recognised capital requirements for insurance, where local regulations do not require these international standards;
- (iii) To safeguard its ability to meet future obligations to policyholders, depositors, note-holders and stockholders;
- (iv) To provide adequate returns to stockholders by pricing insurance, investment and other contracts commensurately with the level of risk; and
- (v) To maintain a strong capital base which is sufficient for the future development of the Group's operations.

The Group deploys its capital resources to activities carried out through various lines of business in operating companies which are either insurance entities or provide other financial services. The capital is deployed in such a manner as to ensure that each line of business generates the desired return on capital employed, that the operating companies have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

Required capital adequacy information is computed for regulated entities of the Group on a quarterly basis and assessed by Management. These metrics are reported to Boards of Directors quarterly, and are filed with the Regulators in Jamaica quarterly, in Cayman annually, in Panama quarterly and in Costa Rica monthly.

The capital adequacy of the principal operating entities within the Group is set out below.

(a) Sagcor Life Jamaica Limited

Capital adequacy is calculated quarterly by the Appointed Actuary and reviewed by Executive Management and the Board of Directors. Sagcor Life Jamaica Limited seeks to maintain internal capital adequacy at levels higher than the regulatory requirements. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is one of the core measures of financial performance. The risk-based assessment measure is the Jamaican Life Insurance Capital Adequacy Test (JA-LICAT) which became effective January 1, 2023. The minimum standard requirement for LICAT is 100%. Sagcor Life Jamaica Limited exceeded the standard requirement at year-end.

(b) Sagcor Life of the Cayman Islands Ltd.

During 2014, the Cayman Islands Insurance (Capital and Solvency) (Class A Insurers) Regulations became effective. The minimum capital requirement (MCR) for a local Class A insurer was established as the greater of US\$300,000, or the square root of the sum of the square of five risk components – assets, policy liabilities, subsidiaries, catastrophe exposure and foreign exchange. Additionally, the prescribed capital for a local Class A insurer must be at least 125% of the minimum capital requirement. The MCR for the Sagcor Life of the Cayman Islands Ltd as at December 31, 2025 satisfied the regulatory capital requirements.

(c) Sagcor Bank Jamaica Limited and Sagcor Investments Jamaica Limited

Capital adequacy, capital management ratios and the financial statements of the Bank and Investment Company are monitored monthly by management. These are reviewed quarterly by the Boards of Directors. 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 Board of Directors Risk Management Committees. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

44. Capital Management (Continued)

The BOJ and the FSC require each regulated entity to:

- (i) Hold the minimum level of the regulatory capital; and
- (ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The regulatory capital is divided into two tiers:

- (i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- (ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and revaluation on property, plant and equipment.

Any investment in subsidiaries is deducted from Tier 1 and Tier 2 capital to arrive at the regulated capital.

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-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

Sagcor Bank Jamaica Limited and Sagcor Investments Jamaica Limited at the year-end were compliant with the regulatory capital requirements.

The subsidiary AGI manages capital to:

- (i) Comply with the capital requirements set by the FSC; and
- (ii) Safeguard the Company's ability to continue as a going concern.

For Jamaican property and casualty companies, the Minimum Capital Test (MCT) is used as a measure of capital with a minimum ratio of 150% effective January 1, 2023, reducing from 175%. AGI was compliant with the regulatory capital requirements as at December 31, 2025.

45. Fiduciary Risk

Certain subsidiaries in the Group provide custody, trustee, corporate administration, investment management or advisory services to third parties which may involve these subsidiaries making allocation and purchase and sale decisions in relation to a wide range of financial instruments. These assets are not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

46. Litigation

Legal proceedings

The Group and the Company are subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended, cannot be reasonably estimated or will result in exposure to the Group which is immaterial to both the financial position and results of operations.

Significant matter is as follow:

(a) *Peter & Robert Chin et al v Sagcor Group Jamaica Ltd*

The Claimants and their associated companies brought an action against SGJ alleging that the Company breached the Share Transfer Agreement in addition to breaching the reduction of share capital provisions of Section 71 of the Companies Act. The Claim surrounds a contractual dispute relating to the interpretation of a contractual clause concerning the post transaction earnout. The sum in dispute exceed \$1 billion. The Case Management Conference (CMC) occurred on 24 February 2025. The Court ordered at the CMC that the parties were to proceed to mediation. Mediation was held on 23 April 2025, however the exercise ultimately proved unsuccessful. The trial in this claim is now set for January 11 to January 29, 2027.

NOTES TO THE FINANCIAL STATEMENTS

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(expressed in Jamaican dollars unless otherwise indicated)

47. Offsetting Financial Assets and Financial Liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

The Group						
2025						
Related amounts not set off in the statement of financial position						
Gross amounts of financial assets \$'000	Gross amounts net off on the balance sheet \$'000	Net amounts of financial assets presented on the balance sheet \$'000	Impact of master netting agreements \$'000	Cash collateral \$'000	Financial instruments collateral \$'000	Net amounts \$'000
Assets						
Cash resources	31,130,300	-	31,130,300	-	-	31,130,300
Financial investments	578,970,731	-	578,970,731	(122,026,407)	-	456,741,992
	610,101,031	-	610,101,031	(122,026,407)	-	487,872,292
Liabilities						
Due to banks and other financial institutions	331,792,650	-	331,792,650	(116,371,834)	-	215,420,816
	331,792,650	-	331,792,650	(116,371,834)	-	215,420,816
The Group						
2024						
Related amounts not set off in the statement of financial position						
Gross amounts of financial assets \$'000	Gross amounts net off on the balance sheet \$'000	Net amounts of financial assets presented on the balance sheet \$'000	Impact of master netting agreements \$'000	Cash collateral \$'000	Financial instruments collateral \$'000	Net amounts \$'000
Assets						
Cash resources	37,616,344	-	37,616,344	-	-	37,616,344
Financial investments	498,049,023	-	498,049,023	(98,378,799)	-	399,469,300
	535,665,367	-	535,665,367	(98,378,799)	-	437,085,644
Liabilities						
Due to banks and other financial institutions	285,242,068	-	285,242,068	(93,640,790)	-	191,601,278
	285,242,068	-	285,242,068	(93,640,790)	-	191,601,278

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

47. Offsetting Financial Assets and Financial Liabilities (Continued)

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

	The Company						
	2025						
	Related amounts not set off in the statement of financial position						
Gross amounts of financial assets \$'000	Gross amounts set off on the balance sheet \$'000	Net amounts of financial assets presented on the balance sheet \$'000	Impact of master netting agreements \$'000	Cash collateral \$'000	Financial instruments collateral \$'000	Net amounts \$'000	
Assets							
Cash resources	171,812	-	171,812	-	-	171,812	
Financial investments	1,345,832	-	1,345,832	-	(156,518)	1,189,314	
	1,517,644	-	1,517,644	-	(156,518)	1,361,126	
Liabilities							
Due to banks and other financial institutions	8,952,766	-	8,952,766	-	-	8,952,766	
	8,952,766	-	8,952,766	-	-	8,952,766	
	The Company						
	2024						
	Related amounts not set off in the statement of financial position						
Gross amounts of financial assets \$'000	Gross amounts set off on the balance sheet \$'000	Net amounts of financial assets presented on the balance sheet \$'000	Impact of master netting agreements \$'000	Cash collateral \$'000	Financial instruments collateral \$'000	Net amounts \$'000	
Assets							
Cash resources	435,076	-	435,076	-	-	435,076	
Financial investments	1,399,758	-	1,399,758	-	(150,115)	1,249,643	
	1,834,834	-	1,834,834	-	(150,115)	1,684,719	
Liabilities							
Due to banks and other financial institutions	9,726,934	-	9,726,934	-	-	9,726,934	
	9,726,934	-	9,726,934	-	-	9,726,934	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(expressed in Jamaican dollars unless otherwise indicated)

48. Non-Controlling Interests

The non-controlling interests represent the share of net assets and net profit not attributed to Sagicor Group. The amounts were calculated as follows:

	2025			
	Travel Cash \$000	AGI \$000	Bailey Williams \$000	Total \$000
Total assets	1,177,538	37,306,464		
Total liabilities	186,304	33,091,746		
Net Assets	991,234	4,214,718	-	
Non-controlling interest	494,420	1,771,600	(9,942)	2,256,078
Revenue	230,408	12,295,534	545,847	
Net profit/(loss) for the period	109,016	401,611	544,580	
Total comprehensive income	109,016	401,611	544,580	
Non-controlling interest	44,346	162,568	13,374	220,288
Cashflows from operating activities	42,522	54,390	97,035	
Cashflows from investing activities	(255)	(267,441)	-	
Cashflows from financing activities	-	-	-	
Net increase/ (decrease) in cash and cash equivalents	42,267	(213,051)	97,035	
	2024			
	Travel Cash \$000	AGI \$000	Bailey Williams \$000	Total \$000
Total assets	1,117,659	12,607,436	-	
Total liabilities	235,437	8,750,562	-	
Net Assets	882,222	3,856,874	-	
Non-controlling interest	450,074	1,626,541	(23,317)	2,053,298
Revenue (b)	157,141	10,462,607	202	
Net profit for the period	52,288	(213,133)	(974)	
Total comprehensive income	52,288	(213,133)	(974)	
Non-controlling interest	(29,601)	(112,732)	(45,292)	(187,625)
Cashflows from operating activities	89,691	(22,219)	(691,512)	
Cashflows from investing activities	(280)	(164,474)	-	
Cashflows from financing activities	-	-	656,000	
Net increase/ (decrease) in cash and cash equivalents	89,411	(186,693)	(35,512)	

(a) The information above represents amounts before intercompany eliminations.

(b) Revenue includes Net Insurance Results, Net Investment Income and Fees and Other Revenues.

49. Subsequent Events

The Group has evaluated subsequent events through to March 1, 2026, the date the financial statements were available for issuance, and determined that there have not been any events that have occurred subsequent to December 31, 2025 that would require disclosure in the financial statements.

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DISCLOSURE OF SHAREHOLDINGS

SHAREHOLDINGS OF THE TEN LARGEST SHAREHOLDERS

AT 31 DECEMBER 2025

LIST OF SHAREHOLDERS	TOTAL NO. OF SHARES	%
1 LOJ Holdings Limited	1,267,474,056	32.45%
2 Pan Jamaica Group Limited	1,179,742,497	30.23%
(Cecil Boswell Facey Foundation - Connected Company)	718,400	
(Orange Hall Estates - Connected Company)	40,579	
3 Sagicor Life Insurance Trinidad & Tobago Limited	413,870,334	10.60%
4 Sagicor Life Inc	236,793,064	6.06%
5 (Sagicor Pooled Equity Fund - connected company)	102,314,869	2.76%
(Trustee Sagicor Long-Term Incentive Plan - connected company)	3,197,800	
(Sagicor Life Jamaica Share Purchase Plan 2003)	222,339	
(Trustee of the SLJ of Employee Share Purchase Plan)	2,038,112	
(Trustee SILL of Employee Share Inv Trust)	-	
6 National Insurance Fund	73,974,697	1.89%
7 SJIML 3119	46,846,223	1.20%
8 Ideal Portfolio Services Ltd	33,649,073	0.99%
(Ideal Global/Ideal Group/Ideal Betting/Ideal Finance - Con. Co.)	5,165,977	
9 ATL Group Pension Fund Trustee Nominee Limited	28,755,022	0.74%
10 JCS D Trustee Services Ltd - Sigma Equity	27,718,714	0.71%
Total	3,422,521,756	87.63%
Others	483,113,160	12.37%
Total Issued Shares	3,905,634,916	100.00%

SHAREHOLDINGS OF DIRECTORS

AT 31 DECEMBER 2025

LIST OF DIRECTORS	NO OF SHARES	%
1 Peter Melhado - Chairman	Nil	0.00%
2 Christopher Zacca - President & CEO	3,395,568	0.09%
(Karen E. Zacca - connected person)		
(Edward Zacca - connected person)	60	
3 Dr. The Most Hon. Dodridge D. Miller	25,389	0.00%
4 Dr. Marjorie Fyffe-Campbell	25,000	0.00%
5 Jeffrey Hall	321	0.00%
6 Stephen Facey	1,027,791	0.03%
(Wendy Facey - connected person)		
(Alexander & Matthew Facey - connected person)	107,463	
7 Paul Hanworth	49,799	0.00%
8 Peter Clarke	Nil	0.00%
9 Dr. Jacqueline D Coke-Lloyd	43,375	0.00%
10 Stephen McNamara	Nil	0.00%
11 Mahmood Khimji	Nil	0.00%
12 Cathleen McLaughlin	Nil	0.00%
(Thaddeus N. Cheng)		
13 Andre Mousseau	Nil	0.00%
14 Philip Armstrong	3,538,394	0.09%
15 Dr. Sharma Taylor (Company Secretary)	82,840	0.00%

DISCLOSURE OF SHAREHOLDINGS (Cont'd)

SHAREHOLDINGS OF LEADERSHIP TEAM

AT 31 DECEMBER 2025

	LIST OF LEADERSHIP TEAM		NO OF SHARES	%
1	Christopher Zacca - President & CEO	3,395,568	3,395,628	0.09%
	(Karen E. Zacca - connected person)	Nil		
	(Edward Zacca - connected person)	60		
2	Andre Ho Lung		500,926	0.01%
3	Joanna Banks	79,561	86,510	0.00%
	(Pierre-John Holmes - connected person)	6,949		
	(Ana Kay & Brady Holmes - connected person)	Nil		
4	Tracy-Ann Spence	85,194	85,194	0.00%
	(Carson Nicholas - connected person)	Nil		
5	Mark Chisholm		3,678,401	0.09%
	(Te-Anne Chisholm - connected person)			
	(Sharo Anne Chisholm - connected person)			
	(Joneel Chisholm - connected person)			
6	Willard Brown		1,018,263	0.03%
7	Chorvelle Johnson Cunningham		347,398	0.01%
8	Tara Nunes		1,039,230	0.03%
	(Kelly A. Nunes- connected person)			
	(Brooke M. Nunes - connected person)			
9	Omar Brown		85,749	0.00%
	(Polliana M. Brown - connected person)			
10	Donnette Scarlett		792,815	0.02%
	(Merrick Scarlett - connected person)			
	(Monique Scarlett - connected person)			

	LIST OF LEADERSHIP TEAM		NO OF SHARES	%
11	Howard Gordon		11,984	0.00%
	(Beverley Gordon - connected person)			
	(Michelle Gordon-Taylor - connected person)			
12	Latoya Mayhew Kerr		613,654	0.00%
	(Steven Kerr - connected person)			
	(Alexander Kerr - connected person)			
13	Caren Scott-Dixon		20,465	0.00%
14	Coretta Foster	111,165	111,165	0.00%
	(Goffrie A. Foster - connected person)	Nil		
15	Daidre Soley-McKay	10,198	10,198	0.00%
	(Adriel McKay - connected person)	Nil		
	(William & Isabel McKay - connected person)	Nil		
16	Nicole T. Campbell Robinson	9,654	9,654	0.00%
	(Justin Robinson - connected person)	Nil		
	(Asher Robinson- connected person)	Nil		
17	Grace Royal Bassaragh	61,002	151,002	0.00%
	(Wilfred Bassaragh - connected person)	90,000		
	(David Royal - connected person)	Nil		
	(Tianna Bassaragh - connected person)	Nil		
18	Dr. Sharma Taylor		82,840	0.00%

FORM OF PROXY



I _____ of _____

being a member of Sagicor Group Jamaica Limited hereby appoint _____

of _____ or failing him _____

of _____ as my proxy to vote for me on my behalf at the Annual General Meeting of the Company to be held in "The Auditorium" at Sagicor Group Jamaica Limited, R. Danny Williams Building, 28 - 48 Barbados Avenue, Kingston 5 in the parish of St. Andrew on the **20th day of May 2026 at 3:00 p.m.** and at any adjournment thereof.

The Proxy will vote on the undermentioned resolutions as indicated:

Resolutions	For	Against
1. To receive the Audited Accounts and Report of the Directors for the year ended December 31, 2025.		
2. To elect Directors en bloc.		
3. To elect the following Directors in accordance with Article 98: Peter Clarke Dr. Dodridge Miller Andre Mousseau Philip Armstrong Jeffrey Hall		
4. To fix the remuneration of Directors.		
5. To appoint and authorise the Directors to fix the remuneration of the Auditors.		
6. To ratify interim dividends and declare them final.		

NOTE: If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

As witness my hand this _____ day of _____ 2026

Signature _____

NOTE: (1) If the appointer is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.
(2) To be valid, this proxy must be lodged with the Secretary of the Company, 28-48 Barbados Avenue, Kingston 5, not less than 48 hours before the time appointed for holding the meeting.
A proxy need not be a member of the Company.

\$100.00
Stamp to
be affixed

Connect with us!

We welcome your feedback. Please use these convenient channels to keep up to date on developments at our Company, or to send us your comments and queries.

SHAREHOLDERS →	Connection Points
<p>Contact our Registrar for:</p> <ul style="list-style-type: none">Share transfers and dividend queriesEnquiries and updates to your share account/shareholdingsReplacement of lost/missing share certificates	<p>Corporate Trust Ground Floor R. Danny Williams Building 28-48 Barbados Avenue Kingston 5</p> <p>✉ sbj_registrar@sagicor.com</p> <p>☎ 876-936-7382-7 876-936-7390 876-733-8573</p>
<p>Obtain additional printed copies of the Annual Report or make enquiries about Company news and initiatives</p>	<p>Investor Relations ✉ sgj_investorrelations@sagicor.com</p>

CLIENTS →	Connection Points
<p>Get general information on the Company's activities, policies, products, and services</p>	<p>Client Relations ✉ infoja@sagicor.com ☎ 888-SAGICOR (724-4267) 876-618-1765</p>
<p>View information on Sagicor Group Jamaica online</p>	<p>Website 🌐 sagicor.com</p>
<p>Receive the latest Company news or learn more about Sagicor Group Jamaica</p>	<p>Public Relations ✉ sgj_publicrelations@sagicor.com</p>
<p>Call toll free</p>	<p>Within Jamaica - 888-SAGICOR (724-4267) From Canada & USA - 1-800-SAGICOR From Europe - +800-4-SAGICOR</p>

Don't forget to follow us on:



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