Independent auditor's report

To the Board of Directors of Sagicor Reinsurance Bermuda Ltd.

Our opinion

In our opinion, the condensed financial statements of Sagicor Reinsurance Bermuda Ltd. (the Company) are prepared, in all material respects, in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial statements (the 'Legislation').

What we have audited

The Company's condensed financial statements comprise:

- the condensed balance sheet as at December 31, 2023;
- the condensed statement of income for the year then ended;
- the condensed statement of capital and surplus as at December 31, 2023; and
- the notes to the condensed financial statements, which include significant accounting policies 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 condensed 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 Company 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) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the condensed financial statements in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Emphasis of matter – basis of accounting

Without modifying our opinion, we note that the condensed financial statements have been prepared in accordance with the financial reporting provisions of the Legislation. The accounting policies used and the disclosures made are not intended to, and do not, comply with all of the requirements of IFRS Accounting Standards.

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

Management is responsible for the preparation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation, and for such internal control as management determines is necessary to enable the preparation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the condensed 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 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 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 condensed 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 Company to cease to continue as a going concern.

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.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Hamilton, Bermuda

May 15, 2024

CONDENSED CONSOLIDATED BALANCE SHEET

Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.		2023	2022
1.	CASH AND CASH EQUIVALENTS	1,070	519
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	-	-
3.	UNQUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii . Mutual funds		
(d)	Total equities	-	-
(e)	Other unquoted investments		
(f)	Total unquoted investments	-	-
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a)	Unregulated entities that conduct ancillary services		
(b)	Unregulated non-financial operating entities		
(c)	Unregulated financial operating entities		
(d)	Regulated non-insurance financial operating entities		
(e)	Regulated insurance financial operating entities		
(f)	Total investments in affiliates	-	-
(g)	Advances to affiliates	1,534	1,057
(h)	Total investments in and advances to affiliates	1,534	1,057
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens		
(b)	Other than first liens		
(c)	Total investments in mortgage loans on real estate	-	-
6.	POLICY LOANS		
7.	REAL ESTATE:		
(a)	Occupied by the company (less encumbrances)		
(b)	Other properties (less encumbrances)		
(c)	Total real estate	-	-
8.	COLLATERAL LOANS		
9.	INVESTMENT INCOME DUE AND ACCRUED		
10.	ACCOUNTS RECEIVABLE		
11.	INSURANCE AND REINSURANCE CONTRACT ASSETS		
(a)	Insurance Contract Assets		
(b)	Reinsurance Contract Assets		
(c)	Investment Contracts with Discretionary Participation Features (DPF) assets		
(d)	Total Insurance and Reinsurance Contract Assets	-	-
13.	SUNDRY ASSETS:		
(a)	Derivative instruments		
(b)	Segregated accounts companies - long-term business - variable annuities		
(c)	Segregated accounts companies - long-term business - other	448,016	513,840
(d)	Segregated accounts companies - general business		
(e)	Deposit assets		
(f)	Net receivables for investments sold		
(g)	Other Sundry Assets (Specify)		
(h)	Other Sundry Assets (Specify)		
(i)	Other Sundry Assets (Specify)		
(j)	Total sundry assets	448,016	513,840
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	450,620	515,416
	INSURANCE LIABILITIES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
	INSURANCE LIABILITIES		
17.	GENERAL BUSINESS INSURANCE CONTRACT LIABILITIES		
17A.	GENERAL BUSINESS REINSURANCE CONTRACT LIABILITIES		
18.	INVESTMENT CONTRACT WITH DPF LIABILITIES		

CONDENSED CONSOLIDATED BALANCE SHEET

Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.		2023	2022
27.	LONG-TERM BUSINESS INSURANCE CONTRACT LIABILITIES		
27A.	LONG-TERM REINSURANCE CONTRACT LIABILITIES		
	OTHER LIABILITIES		
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE		
30.	LOANS AND NOTES PAYABLE		
31.	(a) INCOME TAXES PAYABLE		
	(b) DEFERRED INCOME TAXES		
32.	AMOUNTS DUE TO AFFILIATES	1,611	580
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		
35.	DIVIDENDS PAYABLE		
36.	SUNDRY LIABILITIES:		
(a)	Derivative instruments		
(b)	Segregated accounts companies	448,016	513,840
(c)	Deposit liabilities		
(d)	Net payable for investments purchased		
€	Other sundry liabilities (specify)		
(f)	Other sundry liabilities (specify)		
(g)	Other sundry liabilities (specify)		
(h)	Total sundry liabilities	448,016	513,840
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(d)	Total letters of credit, guarantees and other instruments	-	-
38.	TOTAL OTHER LIABILITIES	449,627	514,420
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	449,627	514,420
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	993	996
41.	TOTAL	450,620	515,416
		TRUE	TRUE
		-	-

Reconciliation of Net Changes in Insurance Contracts Liabilities by Remaining Coverage and Incurred Claim - General Business

Line 17 and 11(a)

	Liability for Remaining Coverage		Liabilities for Incurred Claims			
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	Total
Opening assets						-
Opening liabilities						-
Net opening balance	-	-	-	-	-	-
Changes in the statement of income or loss						
Insurance revenue						-
Insurance service expenses						
Amortisation of insurance acquisition cash flows						-
Incurred claims and other insurance service expenses						-
Losses and reversals on onerous contracts						-
Adjustments to liabilities for incurred claims						-
Total Insurance service expenses	-	-	-	-	-	-
Investment components						-
Insurance service result	-	-	-	-	-	-
Net finance expenses from insurance contracts						-
Effect of movements in exchange rates						-
Total changes in the statement of income or loss	-	-	-	-	-	-
Cash flows						
Premiums received						-
Insurance acquisition cash flows						-
Claims and other insurance service expenses paid						-
Total cash flows	-	-	-	-	-	-
Contracts transferred on acquisition of subsidiary						-
Contracts transferred on disposal of subsidiary						-
Net closing balance	-	-	-	-	-	-
Closing assets						-
Closing liabilities						-
Net closing balance	-	-	-	-	-	-

CONDENSED CONSOLIDATED BALANCE SHEET

Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.	2023	2022
	-	True
	-	True

CONDENSED CONSOLIDATED BALANCE SHEET

Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No. | 2023 | 2022

Reconciliation of Net Changes in Insurance Contracts Liabilities by Remaining Coverage and Incurred Claim - Long-Term Business

Line 27 and 11(a)

	Liability for Remaining Coverage		Liabilities for Incurred Claims			
	Excluding loss component	Loss component	Products not under PAA	(PAA) Estimates of present value of future cash flows	(PAA) Risk adjustment for non-financial risk	Total
Opening assets						-
Opening liabilities						-
Net opening balance	-	-	-	-	-	-
Changes in the statement of income or loss						
Insurance revenue						-
Insurance service expenses						
Amortisation of insurance acquisition cash flows						-
Incurred claims and other insurance service expenses						-
Losses and reversals on onerous contracts						-
Adjustments to liabilities for incurred claims						-
Total Insurance service expenses	-	-	-	-	-	-
Investment components						-
Insurance service result	-	-	-	-	-	-
Net finance expenses from insurance contracts						-
Effect of movements in exchange rates						-
Total changes in the statement of income or loss	-	-	-	-	-	-
Cash flows						
Premiums received						-
Insurance acquisition cash flows						-
Claims and other insurance service expenses paid						-
Total cash flows	-	-	-	-	-	-
Contracts transferred on acquisition of subsidiary						-
Contracts transferred on disposal of subsidiary						-
Net closing balance	-	-	-	-	-	-
Closing assets						-
Closing liabilities						-
Net closing balance	-	-	-	-	-	-
					-	True
					-	True

Reconciliation of Changes in Net Reinsurance Contracts Assets by Remaining Coverage and Incurred Claims- General Business

Line 11b and 17A

	Assets for Remaining Coverage		Assets for Incurred Claims			
	Excluding loss-recovery component	Loss recovery component	Products not under PAA	(PAA) Estimates of present value of future cashflows	(PAA) Risk adjustment for non-financial risk	Total
Opening assets						-
Opening liabilities						-
Net opening balance	-	-	-	-	-	-
Changes in the statement of income or loss						
Allocation of reinsurance premiums paid						-
Amounts recovered from reinsurers						
Recoveries on incurred claims and other incurred reinsurance service expenses						-
Recoveries and reversals of recoveries of losses on onerous contracts						-
Adjustments to assets for incurred claims						-
Total Amounts recovered from reinsurers	-	-	-	-	-	-
Investment components and premium refunds						-
Effect of changes in non-performance risk of reinsurers						-
Net expenses from reinsurance contracts held	-	-	-	-	-	-
Net Finance income or expenses from reinsurance contracts						-
Effect of movements in exchange rates						-
Total changes in the statement of income or loss	-	-	-	-	-	-
Cash flows						
Premiums paid						-
Amounts received from reinsurers relating to incurred claims						-
Total cash flows	-	-	-	-	-	-
Net closing balance	-	-	-	-	-	-
Closing assets						-
Closing liabilities						-
Net closing balance	-	-	-	-	-	-

CONDENSED CONSOLIDATED BALANCE SHEET
Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.	2023	2022
	-	True
	-	True

Reconciliation of Changes in Net Reinsurance Contracts Assets by Remaining Coverage and Incurred Claims- Long Term

Line 11b and 27A

	Assets for Remaining Coverage			
	Excluding loss-recovery component	Loss recovery component	Amounts recoverable: Incurred claims	Total
Opening assets				-
Opening liabilities				-
Net opening balance	-	-	-	-
Changes in the statement of income or loss				
Allocation of reinsurance premiums paid				-
Amounts recovered from reinsurers				
Recoveries on incurred claims and other incurred reinsurance service expenses				-
Recoveries and reversals of recoveries of losses on onerous contracts				-
Adjustments to assets for incurred claims				-
Total Amounts recovered from reinsurers	-	-	-	-
Investment components and premium refunds				-
Effect of changes in non-performance risk of reinsurers				-
Net expenses from reinsurance contracts held	-	-	-	-
Net Finance income or expenses from reinsurance contracts				-
Effect of movements in exchange rates				-
Total changes in the statement of income or loss	-	-	-	-
Cash flows				
Premiums paid				-
Amounts received from reinsurers relating to incurred claims				-
Total cash flows	-	-	-	-
Net closing balance	-	-	-	-
Closing assets				-
Closing liabilities				-
Net closing balance	-	-	-	-
			-	True
			-	True

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.		2023	2022
1.	INSURANCE CONTRACT REVENUE		
2.	INSURANCE SERVICE EXPENSES		
(a)	Incurred Claims and Insurance Contract Expenses		
(b)	Insurance Contract Acquisition Cash Flows		
(c)	Adjustments to Liabilities for Incurred Claims		
(d)	Losses (and reversals of losses) on Onerous Insurance Contracts		
(e)	Other Insurance Service Expenses		
(f)	TOTAL INSURANCE SERVICE EXPENSES	-	-
3.	INSURANCE SERVICE RESULTS BEFORE REINSURANCE	-	-
4.	NET EXPENSES FROM REINSURANCE CONTRACT HELD		
(a)	Reinsurance recoveries and other income		
(b)	Reinsurance expenses (allocated reinsurance premiums)		
(c)	TOTAL NET EXPENSES FROM REINSURANCE CONTRACTS HELD	-	-
5.	NET INSURANCE SERVICE RESULTS	-	-
6.	INVESTMENT RETURNS		
(a)	Net interest revenue/investment income		
(b)	Net realised fair value gains/(losses) through P&L		
(c)	Net foreign exchange income		
(d)	Credit impairment losses on financial assets		
(e)	Other investment returns		
(f)	TOTAL INVESTMENT RETURNS	-	-
7.	INSURANCE FINANCE RESULTS		
(a)	Net finance income and expenses from insurance contracts issued		
(b)	Net finance income and expenses from reinsurance contracts held		
(c)	TOTAL NET INSURANCE FINANCE RESULTS	-	-
8.	NET INSURANCE FINANCIAL AND INVESTMENT RESULTS	-	-
9.	COMBINED OTHER INCOME (DEDUCTIONS)	(3)	(4)
10.	PROFIT BEFORE TAX	(3)	(4)
11.	INCOME TAX		
12.	NET INCOME	(3)	(4)

Unconsolidated Disclosures for Statement of Profit or Loss

Line 1	Notes to Insurance Revenue	
	Contracts not measured under the PAA	
	Amounts relating to changes in liabilities for remaining coverage	
	Expected incurred claims and other insurance service expenses	
	CSM recognised for services provided	
	Change in risk adjustment for non-financial risk for risk expired	
	Allocation of the portion of premiums that relate to the recovery of insurance acquisition cashflows	
	Contracts measured under the General Model	-
	Contracts measured under the PAA	
	Total Insurance Revenue	-

CONDENSED CONSOLIDATED STATEMENT OF CAPITAL AND SURPLUS

Sagicor Reinsurance Bermuda Ltd.
As at December 31, 2023
expressed in ['000s] United States Dollars

LINE No.			2023	2022
1.	**CAPITAL:**			
(a)	Capital Stock			
	(i) Common Shares		250	250
	authorized	25,000,000 shares of par		
	value	$ 0.010 each issued and		
	fully paid	25,000,000 shares		
	(ii)			
	(A) Preferred shares:			
	authorized	10,000 shares of par		
	value	$ 0.010 each issued and		
	fully paid	2 shares		
	aggregate liquidation value for —			
	2023			
	2022			
	(B) Preferred shares issued by a subsidiary:			
	authorized	shares of par		
	value	each issued and		
	fully paid	shares		
	aggregate liquidation value for —			
	2023			
	2022			
	(iii) Treasury Shares			
	repurchased	shares of par		
	value	each issued		
(b)	Contributed surplus		750	750
(c)	Any other fixed capital			
	(i) Hybrid capital instruments			
	(ii) Guarantees and others			
	(iii) Total any other fixed capital		-	-
(d)	Total Capital		1,000	1,000
2.	**SURPLUS:**			
(a)	Surplus - Beginning of Year		(4)	
(b)	Add: Income for the year		(3)	(4)
(c)	Less: Dividends paid and payable			
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments			
(e)	Add (Deduct) change in any other surplus			
(f)	Surplus - End of Year		(7)	(4)
3.	**MINORITY INTEREST**			
4.	**TOTAL CAPITAL AND SURPLUS**		993	996

Part I – General Notes to the Financial Statements

1. Sagicor Reinsurance Bermuda Ltd (the "Company") is a Bermuda exempted company limited by shares and incorporated in Bermuda on October 4, 2017, licensed as a Class C insurer effective March 29, 2019, under the Bermuda Insurance Act 1978 and Related Regulations, as amended (the "Insurance Act") and licensed as a Segregated Accounts Company effective March 28, 2019, under the Segregated Accounts Companies Act 2000 ("SAC Act"). The Company is managed and has its principal place of business in Bermuda. The Company is a wholly owned subsidiary of Sagicor Financial Corporation Ltd., a Bermuda exempted holding company.

2. The Company through its Segregated Account – 1 ("SA1"), which is owned by an affiliate entity, Sagicor USA Inc ("SUSA"), entered into a Coinsurance agreement with another affiliated company Sagicor Life Insurance Company ("SLIC") to reinsure 90% of its block of Life business which covers fixed term life insurance and whole life policies. The effective date of this transaction was June 30, 2020. Effective April 1,2021, the Coinsurance agreement was amended to include additional block of Annuity business. The Company through its Segregated Account – 2 ("SA2"), which is owned by an affiliate entity, Sagicor Financial Company Limited ("SFCL"), entered into a Modified Coinsurance agreement with Sagicor Life Inc ("SLI") to reinsure 100% of its block of Life and Annuity business. The effective date of this transaction was January 1, 2022. The Company doesn't write any reinsurance business through its general account.

3. These condensed general-purpose financial statements are prepared in conformity with financial reporting provisions of the Insurance Act, amendments thereto and the Insurance Account Amendment Rules 2024 with respect to condensed general purpose financial statements (the "Legislation"). The recognition and measurement principles applied are based upon International Financial Reporting Standards ("IFRS") but are in accordance with the reporting requirements of the legislation, which varies in certain aspects from IFRS. The more significant variances are as follows:

   - The presentation and classification of financial statement line items is in accordance with schedules IX and X of the Insurance Account Amendment Rules 2024 and differ from the expected presentation and classification under IFRS;
   - Statement of cash flows or equivalent is not included;
   - The notes included in the condensed general-purpose financial statements have been prepared in accordance with Schedule X of the Insurance Account Amendment Rules 2024 and exclude certain information required under IFRS; and
   - A statement of Comprehensive income is not included.

   The effects of the foregoing variances from IFRS on the accompanying condensed general-purpose financial statements have not been determined but are presumed to be material.

4. The Financial Statements are denominated in U.S. dollars. All estimates are subjective in nature and could materially influence the financial statements. Accordingly, management makes these estimates and assessments on an ongoing basis according to past experience and various factors that are deemed reasonable, and which constitute the basis for these assessments. The amounts shown in the Company's future financial statements are likely to differ from these estimates in accordance with changes in assumptions or different conditions. It is believed that the estimates utilized in preparing these financial statements are reasonable; however, actual results could differ from these estimates and such differences could be material.

   The following are the significant accounting policies adopted by the Company:

   a) Cash and cash equivalents

   Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments, including amounts held in trust accounts, with a maturity of three months or less at the date of purchase. The carrying value approximates fair value because of the short-term nature and high liquidity of these assets.

   b) Taxation

   Under current Bermuda Law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of such taxes being imposed, the Company will be exempted from taxation until the year 2035. However, certain U.S dividend income and interest income may be subject to a maximum 30% withholding tax. Further, certain U.S dividend income may be subject to a tax at a prevailing treaty or standard withholding rates with applicable country or local jurisdiction.

c) Segregated account assets and liabilities

The Company operates segregated accounts for the benefit of segregated account participants. Losses incurred by each segregated account are limited to the assets available within that segregated account. The segregated accounts do not transfer insurance risk to the Company. The Company has aggregated the assets held within its segregated accounts and presented these amounts as Segregated Account assets on line 13(c) on the balance sheet. Similarly, all liabilities within the Company's segregated accounts have been aggregated and recorded as Segregated Account Liabilities in line 36(b) on the balance sheet. The results of the segregated accounts are not included within these financial statements, as the Company does not have a controlling financial interest in the net income, assets, or liabilities of the segregated accounts. The insurance assets and insurance contract liabilities included within the segregated accounts are measured using the accounting policies outlined below contained within IFRS 17, Insurance Contracts.

d) Translation of foreign currencies

The company's functional currency is the United States Dollar.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the end of the reporting period. The resulting translation gains or losses are recorded as foreign exchange gains or losses in the statement of income. Non-monetary assets and liabilities carried at fair value are translated at the exchange rates prevailing when fair value was determined. The resulting translation gains or losses are recorded as a component of the change in fair value of the asset or liability. Non-monetary assets and liabilities carried at historical cost are translated at historical exchange rates. Revenue and expense transactions are translated using the closing exchange rate on the date of the transaction.

e) Insurance contract assets and Insurance contract liabilities (IFRS 17, Insurance Contracts)

(i) Summary of measurement approaches

The Company uses GMM for all portfolio of contracts issued.

(ii) Definition and classification

The Company issues insurance contracts that transfer significant insurance risk from the insurers. The Company 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 Company 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.

All insurance contracts originated by the Company are without direct participation features.

(iii) Unit of account

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

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

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

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

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. Expected profitability is determined at the contract level. The Company uses significant judgement to determine at what level of granularity the Company 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.

Before the Company 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 Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation of insurance contracts.

Groups of insurance contracts issued are initially recognized 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 Company determines that a group of contracts becomes onerous.

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 contracts are derecognized 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 Company as a result of an agreement with the counterparties or due to a change in regulations, the Company 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 Company derecognizes the original contract and recognizes the modified contract as a new contract if the following condition is present:

If the modified terms had been included at contract inception and the Company 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.

When a new contract is required to be recognized as a result of modification and it is within the scope of IFRS 17, the new contract is recognized from the date of modification and is assessed for, amongst other things, contract classification, component separation requirements and contract aggregation requirements.

When an insurance contract is derecognized from within a group of insurance contracts, the Company:

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 Company 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 recognizing the new contract in this case, the Company 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.

(iv) Measurement

Groups of insurance contracts are recognized and measured as the total of the following measurement components:

a) Fulfilment cash flows which comprise:
   - the present value of future cash flows (including the provisions of financial risk), and
   - the risk adjustment for non-financial risk; and
b) A CSM, representing the unearned profit that will be recognized in income as insurance contract services are provided.

These measurement components are outlined below, along with insurance acquisition costs which are allocated to groups of contracts.

Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company 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 Company, 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.

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.

Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

Contract boundary

The Company 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 Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a) the Company 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 Company 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.

The Company does not have any contracts where it has the right to reassess the risk or to terminate unilaterally at an individual contract level.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognized in other operating expenses as incurred.

Insurance acquisition costs

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

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio.

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 Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

(v) 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 Company will recognize 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 recognized) and arises from:

a) the initial recognition of the FCF;
b) cash flows arising from the contracts in the group at that date; and
c) the derecognition of any insurance acquisition cash flows asset.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous.

A loss from onerous insurance contracts is recognized in net income / (loss) immediately, with no CSM recognized on the statement of financial position on initial recognition, and a loss component is established in the amount of loss recognized.

(vi) Determination of IFRS 17 transition Amount

The Company adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The Company applied the fair value approach in IFRS 17 to identify, recognize and measure groups of contracts at January 1, 2022. Under the fair value approach, the CSM is determined as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at the transition date.

The Company considers the full retrospective approach impracticable due to the following circumstances:

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

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

The Company has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The effects of adopting IFRS 17 on the condensed financial statements impacting the segregated accounts' assets and liabilities at December 31, 2022 are outlined in Part III, notes 13 and 36.

5. Not Applicable.

6. All transactions have been executed in United States Dollar.

7. Not Applicable

8. Not Applicable

9. Not Applicable

10. Not Applicable

11. Not Applicable

12. Not Applicable

13. Not Applicable

14. Not Applicable

15. Not Applicable.

16. The Company has evaluated the effects of events subsequent to December 31, 2023, for recognition and disclosure, through to April 25, 2024, which is the date the financial statements were made available to be issued. There were no material events that occurred subsequent to December 31, 2023.

PART II – Matters to be set forth in Notes to the Statement of Capital and Surplus

1(a) (i) Common stock:

- Authorized – 25,000,000 shares of par value of US$0.01 each.
- Issued and fully paid – 25,000,000 shares of par value of US$0.01 each.

1(a) (ii) (A) Preferred Shares:

- Authorized – 10,000 shares of par value of $0.01 each.
- Issued and fully paid – 2 shares of par value of US$0.01 each.

1.b) Not Applicable.

2.c) No dividends were declared or paid in 2023 (2022: Nil).

Part III – Notes to the Balance Sheet

1. As at December 31, 2023, cash and cash equivalents amounted to $1,070 (2022: $519). It consists of balance held with Bank of NT Butterfield, Bermuda.

2. Not Applicable

3. Not Applicable.

4. Not Applicable

5-8. Not Applicable

9. Not Applicable

10. Not Applicable

11. Not Applicable

12. Not Applicable.

13. Segregated accounts' assets are shown separately on the balance sheet as assets held in and related to segregated accounts. A summary of these balances is as follows:

Segregated Accounts' Assets as at December 31, 2023:	**Amount (US$000's)**		
Assets	**SA-1**	**SA-2**	**Total**
Cash and Cash Equivalents	430	3,892	4,322
FINANCIAL INVESTMENTS - Bonds and Debentures	185,742	-	185,742
FINANCIAL INVESTMENTS - Equities - Common Stocks	30,737	-	30,737
FINANCIAL INVESTMENTS - Equities - Preferred Stocks	208,696	-	208,696
FINANCIAL INVESTMENTS - Other Unquoted Investments	3,319	-	3,319
Intercompany Balances Receivable	-	11,132	11,132
Investment Income Due and Accrued	3,971	-	3,971
Net Receivables for Investment Sold	97	-	97
Total Assets	**432,992**	**15,024**	**448,016**

Segregated Accounts' Assets as at December 31, 2022: Restated after conversation from IFRS 4 to IFRS 17	**Amount (US$000's) – Restated**		
Assets	**SA-1**	**SA-2**	**Total**
Cash and Cash Equivalents	13,365	1,666	15,031
FINANCIAL INVESTMENTS - Bonds and Debentures	244,029	-	244,029
FINANCIAL INVESTMENTS - Equities - Common Stocks	30,365	-	30,365
FINANCIAL INVESTMENTS - Equities - Preferred Stocks	216,324	-	216,324
FINANCIAL INVESTMENTS - Other Unquoted Investments	2,250		2,250
Intercompany Balances Receivable	-	8,801	8,801
Investment Income Due and Accrued	4,909		4,909
Sundry Assets	2,598		2,598
Total Assets	**513,840**	**10,467**	**524,307**

The effect of transition from IFRS 4 to IFRS 17 for the period ended December 31, 2022, is summarized below for Assets:

Assets (Total Basis)	**SA-1**	**SA-2**	**Total**
Balance as previously stated	519,630	4,841	524,471
Impact of transition from IFRS 4 to IFRS 17	(5,790)	5,626	(164)
Restated Assets Balance	**513,840**	**10,467**	**524,307**

13(h). For FY 2023 & 2022, the management fee to be received, consisting of reimbursement for the operating expenses, shall be recovered from segregated accounts. In the Statutory financial statements, the balances have been presented on a line-by-line consolidation basis and any balances between General account, SA-1 and SA-2 have been eliminated, therefore, causing a variance between Condensed financial statements and Statutory financial statements.

14 – 31. Not Applicable.

32. Amounts due to affiliates consist of balances payables to Sagicor Financial Corporation Ltd and Sagicor Life Inc towards operating expenses incurred by the affiliate entities on behalf of the Company amounting to US$1,611 (2022: US$580).

33. Not Applicable

34 – 35. Not Applicable

36. Segregated accounts' liabilities and equity are shown separately on the balance sheet as liabilities related to segregated accounts. A summary of these balances, along with the movement in income statement and other comprehensive income which forms part of equity section, is as follows:

Segregated Accounts' Liabilities & Equity as at December 31, 2023:		**Amount (US$000's)**	
Liabilities	**SA-1**	**SA-2**	**Total**
Long-Term Business Insurance Contract Liabilities	384,867	(110)	384,757
Income Taxes Payable	(10,108)	-	(10,108)
Deferred Income Taxes	(2,000)	-	(2,000)
Intercompany Balances Payable	26,894	794	27,688
Accounts Payable and Accrued Liabilities	856	44	900
Total Liabilities	**400,509**	**728**	**401,237**
Contributed Surplus	37,432	11,000	48,432
Retained Earnings	(4,949)	3,296	(1,653)
Total Equity	**32,483**	**14,296**	**46,779**
Total Equity & Liabilities	**432,992**	**15,024**	**448,016**

Segregated Accounts' Liabilities & Equity as at December 31, 2022: Restated after conversation from IFRS 4 to IFRS 17		**Amount (US$000's) – Restated**	
Liabilities	**SA-1**	**SA-2**	**Total**
Long-Term Business Insurance Contract Liabilities	455,801	(3,847)	451,954
Income Taxes Payable	(5,654)	-	(5,654)
Deferred Income Taxes	(3,515)	-	(3,515)
Intercompany Balances Payable	34,839	6,245	41,084
Accounts Payable and Accrued Liabilities	616	85	701
Total Liabilities	**482,087**	**2,483**	**484,570**
Contributed Surplus	37,432	11,000	48,432
Retained Earnings	(5,679)	(3,016)	(8,695)
Total Equity	**31,753**	**7,984**	**39,737**
Total Equity & Liabilities	**513,840**	**10,467**	**524,307**

The effect of transition from IFRS 4 to IFRS 17 for the period ended December 31, 2022, is summarized below for Liabilities and Equity:

Liabilities (Total Basis)	**SA-1**	**SA-2**	**Total**
Balance as previously stated	446,474	715	447,189
Impact of transition from IFRS 4 to IFRS 17	35,613	1,768	37,381
Restated Liabilities Balance	**482,087**	**2,483**	**484,570**

Equity (Total Basis)	**SA-1**	**SA-2**	**Total**
Balance as previously stated	73,156	4,126	77,282
Impact of transition from IFRS 4 to IFRS 17	(41,403)	3,858	(37,545)
Restated Equity Balance	**31,753**	**7,984**	**39,737**

The operations of the segregated accounts for the year ended December 31, 2023, are presented below:

Operations of Segregated Accounts for the year ended December 31, 2023		**Amount (US$000's)**	
	SA-1	**SA-2**	**Total**
Insurance Contract Revenue	**7,051**	**16,674**	**23,725**
Insurance Service Expenses:			
Incurred Claims and Insurance Contact	10,376	(7,190)	(2,564)
Losses (and reversal of losses) on Onerous Insurance Contracts	5,030	3,743	21,417
Total Insurance Service Expenses	**15,406**	**3,447**	**18,853**
Net Insurance Service Results	**(8,355)**	**13,227**	**4,872**
Investments Returns:			
Net Interest Revenue/Investment Income	23,780	-	23,780
Net Realized Fair Value Gains/(Losses) Through P&L	(345)	-	(345)
Other Investment Returns	25,407	-	25,407
Total Investment Returns	**48,842**	**-**	**48,842**
Insurance Finance Results:			
Net Finance Income and Expense from Insurance Contracts Held	(30,401)	(5,832)	(36,233)
Total Net Insurance Finance Results	**(30,401)**	**(5,832)**	**(36,233)**
Combined Other Income/(Deductions)	(5,646)	(1,083)	(6,729)
Profit before Tax	**4,440**	**6,312**	**10,752**
Income Tax	1,265	-	1,265
Net Income	**3,175**	**6,312**	**9,487**

The operations of the segregated accounts for the year ended December 31, 2022, are presented below:

Operations of Segregated Accounts for the year ended December 31, 2022 Restated after conversation from IFRS 4 to IFRS 17	**Amount (US$000's) – Restated**		
	SA-1	**SA-2**	**Total**
Insurance Contract Revenue	**6,085**	**14,280**	**20,365**
Insurance Service Expenses:			
Incurred Claims and Insurance Contact	14,045	8,095	22,140
Losses (and reversal of losses) on Onerous Insurance Contracts	80	8,841	8,921
Total Insurance Service Expenses	**14,125**	**16,936**	**31,061**
Net Insurance Service Results	**(8,040)**	**(2,656)**	**(10,696)**
Investments Returns:			
Net Interest Revenue/Investment Income	23,927	-	23,927
Net Realized Fair Value Gains/(Losses) Through P&L	(57,431)	-	(57,431)
Other Investment Returns	(48,253)	-	(48,253)
Total Investment Returns	**(81,757)**	**-**	**(81,757)**
Insurance Finance Results:			
Net Finance Income and Expense from Insurance Contracts Held	38,201	355	38,556
Total Net Insurance Finance Results	**38,201**	**355**	**38,556**
Combined Other Income/(Deductions)	(3,859)	(715)	(4,574)
Loss before Tax	**(55,455)**	**(3,016)**	**(58,471)**
Income Tax	(10,999)	-	(10,999)
Net Loss	**(44,456)**	**(3,016)**	**(47,472)**

(Expressed in thousands of United States Dollars ("US$000", "US$ thousand")

The effect of transition from IFRS 4 to IFRS 17 for the period ended December 31, 2022, is summarized below for Net Income/(Loss) and Other Comprehensive Income:

Net Income/(Loss) for the Period	**SA-1**	**SA-2**	**Total**
Balance as previously stated	8,324	(6,874)	1,450
Impact of transition from IFRS 4 to IFRS 17	(52,780)	3,858	(48,922)
Restated Net Income/(Loss)	**(44,456)**	**(3,016)**	**(47,472)**

Other Comprehensive Income	**SA-1**	**SA-2**	**Total**
Balance as previously stated	3,050	-	3,050
Impact of transition from IFRS 4 to IFRS 17	(3,050)	-	(3,050)
Restated Other Comprehensive Income	**-**	**-**	**-**

The SA1 has placed an irrevocable standby Letter of Credit in favor of affiliated cedant, SLIC, for an aggregate amount of US$40,000 towards the financial obligations arising from reinsurance agreement should SA1 fail to honor.

SA 1 has filed an application with the Internal Revenue Service (IRS) under section 953 (d) of the Internal Revenue Code to be treated as a U.S. domestic insurance company for the U.S. federal income tax purposes. As such, deferred tax assets and liabilities are recorded to recognize the tax effect of temporary differences between the financial reporting and income tax bases of assets and liabilities, which arise because of differences between IFRS and income tax accounting rules. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. Deferred tax assets are recognized when it is probable that the Company will be able to realize its benefits. Valuation allowances are established when necessary to reduce deferred tax assets to an amount that in the opinion of management, is more likely than not to be realized. The Company has considered that there is no need for any valuation allowance as of December 31, 2023. The Company has placed an irrevocable standby Letter of Credit in favor of the IRS, for an aggregated amount of US$10,000 towards the guarantee of payment of tax liabilities.

37. Not Applicable

Part IV – Notes to the Statement of Income

6. Not Applicable.

15. Not Applicable

32. Not Applicable

36. Not Applicable

37. Not Applicable.