



Sagicor Investments Trinidad & Tobago Limited

Financial Statements

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

Sagicor Investments Trinidad & Tobago Limited

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Sagicor Investments Trinidad & Tobago Limited

Statement of Management's Responsibility

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Sagicor Investments Trinidad & Tobago Limited (the Company) which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes comprising material accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.


In preparing these audited financial statements, management utilised IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Executive VP & CFO Finance
27 March 2025



Assistant Vice President, Financial Accounting
27 March 2025



Independent auditor's report

To the shareholder of Sagicor Investments Trinidad & Tobago Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Investments Trinidad & Tobago Limited (the Company) as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the 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 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). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

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

In preparing the 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.

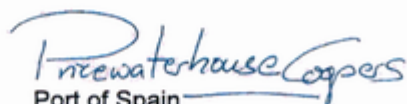
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The logo for PricewaterhouseCoopers, featuring the company name in a stylized, cursive blue font.

Port of Spain
Trinidad, West Indies
28 March 2025

Sagicor Investments Trinidad & Tobago Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at	
	Notes	31 December	
		2024	2023
		\$	\$
Assets			
Property, plant and equipment	5	31,369	41,138
Deferred tax asset	6	4,268,523	1,431,907
Investments	7	578,807,347	555,478,601
Amounts due from related parties	8	1,106,218	954,344
Other receivables	9	767,999	287,445
Taxation recoverable		749,624	--
Cash and cash equivalents		<u>11,165,614</u>	<u>16,474,114</u>
Total assets		<u>596,896,694</u>	<u>574,667,549</u>
Liabilities			
Amount due to related parties	8	20,853,173	29,095,055
Repo repurchase obligation	10	301,975,398	280,138,464
Collateralised loan notes	11	202,437,498	202,236,667
Other payables		429,562	500,454
Taxation payable		<u>--</u>	<u>9,028</u>
Total liabilities		<u>525,695,631</u>	<u>511,979,668</u>
Equity			
Share capital	12	36,911,943	36,911,943
Contributed surplus	12	433,057	433,057
Reserves	13	(9,693,316)	(3,061,495)
Retained earnings		<u>43,549,379</u>	<u>28,404,376</u>
Total equity		<u>71,201,063</u>	<u>62,687,881</u>
Total equity and liabilities		<u>596,896,694</u>	<u>574,667,549</u>

The notes on pages 8 to 34 are an integral part of these financial statements.

On 27 March 2025, the Company's Board of Directors authorised these financial statements for issue.



Director



Director

Sagicor Investments Trinidad & Tobago Limited

Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 31 December	
		2024 \$	2023 \$
Income			
Interest income	14	29,006,896	28,492,817
Interest expense	17	<u>(15,116,901)</u>	<u>(14,333,299)</u>
Net interest income		13,889,995	14,159,518
Fees and commission income	15	6,312,932	613,914
Other Income	16	355,885	--
Fair value gain on financial assets		662,494	1,089,484
Foreign exchange gain/(loss)		208,925	(160,901)
Realised loss on investments		--	(7,732,478)
Impairment gain/(loss)		<u>13,053</u>	<u>(10,516)</u>
Total net income		<u>21,443,284</u>	<u>7,959,021</u>
Expenses			
Operating expenses	18	(5,519,551)	(6,323,241)
Marketing expenses	18	<u>(591,729)</u>	<u>(623,337)</u>
Total expenses		<u>(6,111,280)</u>	<u>(6,946,578)</u>
Net income before tax		15,332,004	1,012,443
Income tax expense	19	<u>(187,001)</u>	<u>(166,032)</u>
Profit after tax		<u>15,145,003</u>	<u>846,411</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net fair value change in FVOCI financial assets		<u>(6,632,821)</u>	<u>7,732,054</u>
Total comprehensive income		<u>8,512,182</u>	<u>8,578,465</u>

The notes on pages 8 to 34 are an integral part of these financial statements.

Sagicor Investments Trinidad & Tobago Limited

Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Share Capital \$	Contributed surplus \$	Reserves \$	Retained earnings \$	Total \$
Year ended 31 December 2024					
Balance at 31 December 2023	36,911,943	433,057	(3,061,495)	28,404,376	62,687,881
Net profit for the year	--	--	--	15,145,003	15,145,003
Other comprehensive income	--	--	(6,631,821)	--	(6,631,821)
Balance at 31 December 2024	<u>36,911,943</u>	<u>433,057</u>	<u>(9,693,316)</u>	<u>43,549,379</u>	<u>71,201,063</u>
Year ended 31 December 2023					
Balance at 31 December 2022	36,911,943	433,057	(10,793,549)	27,557,965	54,109,416
Net profit for the year	--	--	--	846,411	846,411
Other comprehensive income	--	--	7,732,054	--	7,732,054
Balance at 31 December 2023	<u>36,911,943</u>	<u>433,057</u>	<u>(3,061,495)</u>	<u>28,404,376</u>	<u>62,687,881</u>

The notes on pages 8 to 34 are an integral part of these financial statements.

Sagicor Investments Trinidad & Tobago Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2024 \$	2023 \$
Operating activities		
Profit before tax	15,332,004	1,012,443
Adjustment for non-cash items:		
Impairment (gain)/loss	(13,053)	10,516
Interest earned	(29,140,314)	(28,677,647)
Interest expense	15,116,901	14,333,299
Net fair value gain	(662,494)	(1,089,484)
Foreign exchange (gains)/losses	(180,326)	160,901
Amortisation on bonds	133,417	184,830
Depreciation	12,616	52,040
Changes in operating assets and liabilities:		
Interest received	28,808,929	30,354,959
Interest paid	(14,486,866)	(14,971,162)
Tax paid	(945,655)	(157,003)
Increase in prepayments and other receivables	(480,553)	(284,899)
Decrease in amount due from/to related parties	(8,393,755)	(7,522,437)
Decrease in accounts payable	(70,892)	(71,963)
Increase/(decrease) in Repo Repurchase Obligations	21,360,567	(34,741,114)
Purchase of financial assets	(43,883,951)	(27,927,000)
Sale of financial assets	<u>12,187,772</u>	<u>76,749,941</u>
Net cash (outflow)/inflow generated from operating activities	<u>(5,305,653)</u>	<u>7,416,220</u>
Investing activities		
Purchase of property plant and equipment	<u>(2,847)</u>	<u>(32,485)</u>
Net cash outflow from investing activities	<u>(2,847)</u>	<u>(32,485)</u>
(Decrease)/increase in cash and cash equivalents	(5,308,500)	7,383,735
Cash and cash equivalents		
Cash and cash equivalents at beginning of year	<u>16,474,114</u>	<u>9,090,379</u>
Cash and cash equivalents at end of year	<u><u>11,165,614</u></u>	<u><u>16,474,114</u></u>
Represented by:		
Fixed deposits	3,561	3,544
Cash at bank	<u>11,162,053</u>	<u>16,470,570</u>
	<u><u>11,165,614</u></u>	<u><u>16,474,114</u></u>

The notes on pages 8 to 34 are an integral part of these financial statements.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

1 General information

Sagicor Investments Trinidad & Tobago Limited (SITTL or the Company), formerly Sagicor Asset Management (Trinidad & Tobago) Limited (SAMTT), was incorporated on 11 August 2005 and registered with the Trinidad and Tobago Securities Exchange Commission on 13th October 2005.

The Company was renamed to SITTL on 31st January 2020 and is licensed by the Securities and Exchange Commission of Trinidad and Tobago to operate as a Broker Dealer (Agent and Principal) and Underwriter under the Securities Industry Act (1995).

The Company owns units in the Sagicor Life Inc. US Global Balanced Fund (USGBF) and the Sagicor Go Mutual Funds, both governed by the Trinidad and Tobago's Financial Institutions Act 2008.

The Trustee of the USGBF is First Caribbean International Bank (Trinidad and Tobago) Limited and the trustee of the Sagicor Go Mutuals Funds is Republic Bank Limited -Trust Services Division.

The Company primarily engages in securities trading including broker- dealer activities and repurchase agreements. In 2024, it expanded its bond trading operations.

Sagicor Life Insurance Trinidad & Tobago Limited was approved as a substantial shareholder of SITTL.

2 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a. Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fair value through profit and loss and fair value through other comprehensive income financial assets.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Note 4.

(i) New and amended standards and interpretations effective in 2024

The following standards and interpretations apply for the Company's accounting period commencing on or after 1 January 2024:

- *IAS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants*
- *IAS 7 – Statement of Cash Flows and IFRS 7 Financial Instruments*
- *IFRS 16 – Lease liability in sale and leaseback*

These amendments had no impact on the financial statements of the Company

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

a. Basis of preparation (continued)

- (ii) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company*

The following is a list of new IFRS reporting standards, interpretations and amendments issued that are not yet effective as at 31 December 2024 and have not been early adopted by the Company. The Company expects to implement these standards when they become effective.

Effective 1 January 2025:

- IAS 21, 'The effects of changes in foreign exchange rates' - Amendments - Lack of exchangeability.

Effective 1 January 2026:

- IFRS 9, 'Financial instruments', and IFRS 7, 'Financial instruments: Disclosures' - Amendments - Amendments to the classification and measurement of financial instruments.

Effective 1 January 2027:

- IFRS 18, 'Presentation and disclosure in financial statements'. This is a new IFRS standard replaces IAS 1, 'Presentation of financial statements'.
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'. This is a new IFRS standard.

b. Foreign currency translation

- (i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Trinidad and Tobago Dollars, which is the Company's functional and presentation currency.

- (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through profit and loss are recognised in profit or loss as part of the foreign exchange gain or loss. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. Financial assets

(i) Classification of financial assets

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit and loss (FVTPL). Financial assets and liabilities are recognised when the Company 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 Company commits to purchase or sell the asset.

(ii) Business model assessment

The Company's business model is to:

- Receive contractual cash flows from its debt securities with a view to earning a spread between interest income received on its debt securities and the interest paid on its funding obligations.
- Generate fee income from wealth management services through a combination of mutual fund vehicles and direct management of third-party assets.

The maturity profile on its debt securities was significantly longer than the maturity profile of the funding obligations. As a result, management believes the Company will only be able to hold the debt securities until maturity if the funding obligations are renewed upon maturity. Management believes that it is highly likely that the underlying securities will have to be sold to generate liquidity to settle maturing funding obligations.

The Company classifies its financial assets through the following measurement categories:

Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

When debt securities measured at FVOCI are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

Income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange gains/(losses).

Fair value through profit and loss

Investments classified as fair value through profit and loss are those intended to be held indefinitely but may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. Financial assets (continued)

(ii) Business model assessment (continued)

Fair value through profit and loss (continued)

Fair value through profit and loss financial assets are subsequently carried at fair value. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the statement of comprehensive income within "Fair Value gains/loss on financial assets" in the period in which it arises.

Interest income from these financial assets is included in "Interest income" using the effective interest rate method. Dividends on fair value through profit and loss equity instruments are recognised in the statement of comprehensive income when the entity's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Company establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

(iii) Impairment of financial assets measured at FVOCI

At initial recognition of a financial asset, allowance is required for Expected Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are defined as being in default or otherwise credit-impaired are in 'stage 3'.

To determine whether the lifetime credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available including information from the past and forward-looking information.

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following criteria have been met:

SICR criteria	Actual threshold applied	Change in threshold
Investments	2-notch downgrade since origination (on internal investment securities rating scale)	1-notch downgrade since origination (on internal investment securities rating scale)

(iv) Definition of default

The Company determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

c. Financial assets (continued)

(iv) Definition of default (continued)

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.

d. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

e. Interest income and expense

Interest income and expense for all interest-bearing financial instruments, are recognised on the effective interest rate basis within 'interest income' and 'interest expense' in the statement of comprehensive income. For financial assets that are credit impaired (stage 3), interest income is calculated by applying the effective interest rate to the carrying value net of the expected credit loss provision.

f. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and call deposits balances with a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

g. Share capital

Ordinary shares are classified as equity.

h. Sale and repurchase obligation

Securities sold under sale and repurchase agreements (repos) are retained in the statement of financial position as financial assets. The corresponding liability is stated as Repo Repurchase Obligation. The difference between the sale and repurchase price is treated as interest and accrued over the life of the repurchase agreement using the effective interest yield method.

i. Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

i. *Income tax (continued)*

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date in the country where the Company operates and generated income. 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 on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities resulting from temporary differences are computed at tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the asset may be utilised.

The Company has unused tax losses being brought forward from prior periods.

j. *Employee benefits*

Staff of the Group participate in the employee stock ownership plan of its ultimate parent Company, Sagicor Financial Company (SFC).

The services received in an equity-settled transaction with staff are measured at fair value of the equity instruments granted. The fair value of those equity instruments is measured at the grant date.

If the equity instruments granted vest immediately and the individual is not required to complete a further period of service before becoming entitled to those instruments, the services received are recognised in full on grant date in the income statement for the period, with a corresponding increase in equity.

Where the equity instruments do not vest until the individual has completed a further period of service, the services received are expensed in the income statement during the vesting period.

k. *Property plant and equipment*

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

2 Material accounting policies (continued)

k. *Property plant and equipment (continued)*

Depreciation is calculated using a straight line method to allocate costs or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:-

Furniture, fittings and equipment - 3 - 8 years

l. *Collateralised loan notes*

The Company records the amount as a liability on the Statement of Financial Position on an amortised cost basis.

m. *Fees and commission income*

The core underlying principles of IFRS15 are that an entity should recognise revenue in a manner that depicts the pattern of transfer of goods and services to customers. The performance obligations are very contract specific for the services provided. The Company currently offers brokerage and wealth advisory services to its customers.

Brokerage & advisory fees are generally recognized at a point in time upon full completion of the scope of works to the contract. However, for Initial Public Offerings and services of that nature, the performance obligation may be specific to the stage of completion of the services. In addition, some contracts may require variation to the performance obligation based on the client specifications. These contracts would qualify for revenue recognition over time. There were no such contracts in the current period.

In addition to this, the Company earns syndicated fees in relation to its role in facilitating syndicated loan arrangements. These fees are recognized as income at the point in time when the loan is arranged and the fees become due and payable, in accordance with the terms of the agreement.

3 Financial risk management

The Company's activities expose it to a variety of financial risks. These activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The aim of the Company is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance. The principles utilised by management in dealing with these risks are set out below.

a. *Credit risk*

Credit risk is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation.

Credit risk is the most important risk for the Company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in investment activities that bring debt securities into its asset portfolio. The credit risk management and control are centralised in the credit risk management department within the parent company Sagicor Life Inc. This department reports to the Board of Sagicor Life Inc.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Credit risk (continued)

Credit risk measurement

The Company uses the external ratings where available to benchmark its internal credit risk assessment. The Investment Manager has developed an internal credit rating for its financial assets which is being utilised by the Company. The internal rating is a 10 point scale which allows for distinctions in risk characteristics and is referenced to the rating scales of international credit rating agencies. The scale is as follows:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	CariCRIS
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa	AAA, AA
		2	Low risk	A	A	A	a	A
		3	Moderate risk	BBB	Baa	BBB	bbb	BBB
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb	BB
		5	Average risk	B	B	B	b	B
	Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	ccc, cc	C
7		Special mention	C	C	C	c	C	
Default	8	Substandard			DDD			
	9	Doubtful	D	C	DD	d	D	
	10	Loss			D			

For debt securities, internal credit assessment accompanied with external rating such as Standard & Poor's rating where available or their equivalents are used by the Risk Management department for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

Risk limit control and mitigation policies

The Company manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Company's Investment Committee.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Credit risk (continued)

Credit risk measurement (continued)

Risk limit control and mitigation policies (continued)

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

b. Market risk

The Company takes on exposure to market risks, 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 risks arise from open positions in interest rate products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate. The Company separates exposures to market risk into either trading or non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the entity's assets and liabilities.

(i) Foreign exchange risk

Along with its TT\$ assets, the Company also holds assets which are denominated in US\$. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Company monitors the exposure on all foreign currency denominated assets and liabilities.

The Company does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements. Note 20 g provides an analysis of the Company's assets and liabilities by currency.

(ii) Interest rate risk

Cash flow interest rate 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. These risks are managed by duration analysis and measurement of interest rate gaps.

c. Liquidity risks

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due. Liquidity is managed by a process which includes:

- Week to week funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against unforeseen interruption of cash flow.
- Monitoring balance sheet liquidity ratios.
- Managing the concentration profile of debt maturities.
- Limits on redemptions by any one investor per month.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgments

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Company's financial statements are set out below.

a. Fair valuation of investment securities

The value of the financial assets in the Company represent the value of its debt securities as well as its units in the Sagicor Life Inc. US Global Balanced Fund (The Fund) and the investment in the Sagicor Go-Mutual Funds.

The fair value of financial instruments that are not traded in an active market is determined by using an internally developed bond valuation model. The key assumptions used in this model relate to current market yields. These assumptions are validated and reviewed internally by qualified personnel on a periodic basis. Where applicable, data is calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in the assumptions used in these valuations could affect the reported fair value of investment securities. The fair value of these investments amount to TT\$570,285,056 and accrued interest amount to TT\$8,522,291.

Units in the Sagicor Life Inc. US Global Fund and the Sagicor Go Mutual Funds are valued at the Fund's net asset value (NAV) per unit. The NAV is calculated as the value of the Fund's assets less its liabilities divided by the number of units outstanding.

The NAV per unit as at 31 December 2024 is as follow:-

US Global Fund	- US\$15.247 (2023:US \$14.219)
Go Mutual Bond USD	- US\$1.031 (2023:US \$0.996)
Go Mutual Bond TTD	- TT\$7.145 (2023:TT \$7.149)
Go Mutual Balanced TTD	- TT\$7.003 (2023:TT \$7.087)

If the NAV had increased or decreased by 1% with all other variables held constant, the total comprehensive income for the year would have increased/(decreased) as follows:-

US Global Fund	- \$71,030 (2023 \$65,931)
Go Mutual Bond USD	- \$500,049 (2023 \$478,561)
Go Mutual Bond TTD	- \$52,683 (2023 \$52,712)
Go Mutual Balanced TTD	- \$51,270 (2023 \$51,885)

b. Impairment of financial assets

A financial asset is considered impaired when management determines that it is probable that all amounts due according to the original contract terms will not be collected. This determination is made after considering the payment history of the borrower, the discounted value of collateral and guarantees, and the financial condition and financial viability of the borrower. The determination of impairment may either be considered by individual asset or by a grouping of assets with similar relevant characteristics.

Using the Expected Credit Losses (ECL) to measure the impairment of financial assets the following is reflected:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgments

b. Impairment of financial assets (continued)

- 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.

The measurement of the ECL's calculated is as follows:

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience, the historical period for such review is limited. 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, and particularly to changes in economic and credit conditions across wide geographical areas.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD.

A scorecard approach is adopted to incorporate the possible outcomes of multiple forward looking macroeconomic scenarios. This approach applies a baseline, best and worst-case scenario to the model. In the forward-looking model, there were four variables used as these were deemed the most correlated to the environment in which the Company is trading/operating. The main macro factors applied were GDP, oil price index and unemployment rate. Each macroeconomic variable is then given a state, depending on market forecast and management's expectation. Each state is assigned a corresponding multiplier which indicates the impact of the state on the portfolio.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk 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.

5 Property, plant and equipment

	2024	2023
	\$	\$
Furniture fittings and equipment		
Opening net book value	41,138	60,693
Additions	2,847	32,485
Depreciation charge	(12,616)	(52,040)
Closing net book value	<u>31,369</u>	<u>41,138</u>

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

6 Deferred tax asset

The Company has unused tax losses being brought forward from prior periods. The unused tax losses for which no deferred tax asset is recognised is \$5,124,951 (2023: \$8,587,196), the potential tax benefit @ 30% is \$1,537,485 (2023: \$2,576,159). The Company has selected not to recognise a deferred tax asset at this point in time given the insufficient certainty regarding future taxable profits.

Deferred tax has been provided on the fair value gains and losses of assets measured at fair value through other comprehensive income.

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal rate of 30% on the financial assets.

The movement on the deferred income tax account is as follows:

	2024 \$	2023 \$
Opening amount	1,431,907	4,741,139
Tax on unrealised losses/(gains) (Note 13)	<u>2,836,616</u>	<u>(3,309,232)</u>
Closing amount	<u>4,268,523</u>	<u>1,431,907</u>

Deferred tax assets and the deferred tax charge in the statement of comprehensive income and reserves are attributed to the following:

	Opening balance Dec 2023 \$	Charge to reserves \$	Closing balance Dec 2024 \$
Unrealised gains	1,431,907	2,836,616	4,268,523
	<u>1,431,907</u>	<u>2,836,616</u>	<u>4,268,523</u>
	Opening balance Dec 2022 \$	Charge to reserves \$	Closing balance Dec 2023 \$
Unrealised gains	4,741,139	(3,309,232)	1,431,907
	<u>4,741,139</u>	<u>(3,309,232)</u>	<u>1,431,907</u>

7 Investments

	2024 \$	2023 \$
Investments at FVTPL	24,976,013	24,245,894
Investments at FVTOCI	<u>553,831,334</u>	<u>531,232,707</u>
Total investments	<u>578,807,347</u>	<u>555,478,601</u>

Investments at fair value through profit and loss

The Company classifies equity investments as fair value through profit and loss to reflect the Company's primary focus on fair value information which is used to assess its performance.

Mutual fund	<u>24,976,013</u>	<u>24,245,894</u>
	<u>24,976,013</u>	<u>24,245,894</u>

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

7 Investments (continued)

Investments at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise of debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved by both collecting contractual cash flows and selling financial assets.

	2024 \$	2023 \$
Opening balance	531,232,707	571,041,841
Exchange difference	159,864	(132,243)
Additions	44,215,335	26,249,688
Disposals	(12,187,772)	(76,749,941)
(Losses)/gains from changes in fair value	<u>(9,588,800)</u>	<u>10,823,362</u>
At end of year	<u>553,831,334</u>	<u>531,232,707</u>

At the statement of financial position date, all repurchase agreements and the collateralised loan notes were securitised by an underlying security. Included in these are financial assets amounting to \$534,840,293 (2023: \$531,137,707) that have been pledged to third parties under sale and repurchase agreements.

8 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operations decisions.

The Company is a subsidiary of Sagicor Life Insurance Trinidad & Tobago Limited and engages in related party transactions.

The investment manager, SITTL, for the Sagicor Go Mutual Funds is paid 1.75% per annum of the Net Fund.

A number of transactions are entered into with related parties in the normal course of business. These include securities sold under repurchase agreements.

Repo Repurchase Obligations

Statement of financial position:

Individuals	5,066,410	2,819,923
Companies - RGM Ltd.	11,846,409	11,574,905
Companies – Sagicor Go Mutual Balanced TTD	--	204,610
	<u>16,912,819</u>	<u>14,599,438</u>

Statement of comprehensive income:

Individuals	155,019	45,228
Companies - Sagicor General Insurance Trinidad & Tobago Limited	--	49,726
Companies - RGM Ltd.	228,836	209,113
Companies – Sagicor Go Mutual Balanced TTD	114	7,019
	<u>383,969</u>	<u>311,086</u>

The following related party transactions are included in the statement of financial position as at 31 December 2024.

Amount due from related parties

Amounts receivable from Sagicor Life EC Branch	704,276	704,276
Amounts receivable from Sagicor TT Fixed Income Fund	55,048	31,524
Fees receivable from Sagicor Go Mutual Funds	88,329	78,442
Amounts receivable from Sagicor Go Mutual Funds	<u>258,565</u>	<u>140,102</u>
	<u>1,106,218</u>	<u>954,344</u>

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Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

8	Related party transactions (continued)	2024 \$	2023 \$
	<i>Amount due to related parties</i>		
	Amounts due to Sagicor Life Insurance Trinidad & Tobago Limited	19,288,895	27,792,788
	Amounts due to Sagicor Life Inc.	1,563,502	1,259,893
	Amounts due to Sagicor TT Fixed Income Fund	--	40,174
	Amounts due to Sagicor Go- Mutual Balance Fund	--	2,200
	Amounts due to Sagicor Go- Mutual Bond Fund TTD	776	--
		<u>20,853,173</u>	<u>29,095,055</u>
9	Other receivables		
	Prepayments	--	2,185
	Other receivables	767,999	285,260
		<u>767,999</u>	<u>287,445</u>
10	Repo repurchase obligation		
	Invested principal	297,224,759	275,820,367
	Accrued interest	4,750,639	4,318,097
		<u>301,975,398</u>	<u>280,138,464</u>
	Repo repurchase obligation are analysed by sector as follows:		
	Private institutions	142,675,745	159,586,686
	Consumer	159,299,653	120,551,778
		<u>301,975,398</u>	<u>280,138,464</u>
	Repo repurchase obligation are analysed by duration as follows:		
	Principal		
	Current	164,838,211	189,391,533
	Long term	132,386,547	86,428,834
	Accrued interest		
	Current	2,733,666	3,090,873
	Long term	2,016,974	1,227,224
		<u>301,975,398</u>	<u>280,138,464</u>

These financial instruments accrued interest at an average interest rate of 3% in the current year and prior year.

11 Collateralised loan notes

On the 17 August 2024, Tranche 3 of the Collateralised Loan Note matured and the Company issued a Tranche 4 facility maturing in August 2025. The note issued is \$200,000,000 at 3.25% (3.05% 2023).

The notes are as follows:

Face value of notes issued	200,000,000	200,000,000
Interest expense accrued	2,437,498	2,236,667
	<u>202,437,498</u>	<u>202,236,667</u>

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

12 Share capital and contributed surplus

(a) Authorised and Issued Capital

	2024		2023	
	No of shares	\$	No of shares	\$
Issued 36,911,943 shares of \$1.00 each	36,911,943		36,911,943	
Contributed Surplus: re ESOP		433,057		433,057

The Employee Share Ownership Plan (ESOP) is administered by Trustees under a discretionary trust. The amount awarded is used by the Trustees to acquire Sagicor Financial Company Limited (SFC) shares. Administrative employees are required to serve a qualifying period of five years from the award date in order to qualify as a beneficiary. Shares are distributed to beneficiaries upon their retirement or termination of employment.

During the year, no new shares of SFC were acquired by the Trustees for the employees of SITTL.

13 Reserves

	2024	2023
	\$	\$
Balance at beginning of year	(3,061,495)	(10,793,549)
Fair value (losses)/gains arising on revaluation	(9,468,437)	11,041,286
Tax on unrealised losses/(gains) (Note 6)	<u>2,836,616</u>	<u>(3,309,232)</u>
Balance at end of year	<u>(9,693,316)</u>	<u>(3,061,495)</u>

14 Interest income

Interest income - debt securities	29,005,404	28,490,970
Interest income - deposits	<u>1,492</u>	<u>1,847</u>
	<u>29,006,896</u>	<u>28,492,817</u>

15 Fees and commission income

Arrangement and other fees	1,257,099	359,074
Brokerage fees	5,038,324	250,000
	<u>17,509</u>	<u>4,840</u>
	<u>6,312,932</u>	<u>613,914</u>

16 Other Income

Bond trading income	<u>355,885</u>	<u>--</u>
	<u>355,885</u>	<u>--</u>

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

17	Interest expense	2024 \$	2023 \$
	Interest expense – Repo Repurchase Obligation	8,816,070	8,233,299
	Interest expense- Collateralised Loan Notes	<u>6,300,831</u>	<u>6,100,000</u>
		<u>15,116,901</u>	<u>14,333,299</u>
18	Expenses		
	<i>Operating expenses</i>		
	Other staff cost	3,994,843	4,336,576
	Other expenses	1,512,092	1,934,625
	Depreciation	<u>12,616</u>	<u>52,040</u>
		<u>5,519,551</u>	<u>6,323,241</u>
	<i>Marketing expenses</i>		
	Advertising	460,061	517,959
	Other promotional expenses	<u>131,668</u>	<u>105,378</u>
		<u>591,729</u>	<u>623,337</u>
19	Tax		
	Current tax	<u>(187,001)</u>	<u>(166,032)</u>
	The tax on profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:		
	Income tax reconciliation as at 31 December:-		
	Profit before tax	<u>15,332,004</u>	<u>1,012,443</u>
	Tax calculated at effective tax rate of 30%	4,599,601	303,733
	Income exempt from tax	(1,392,023)	(1,392,023)
	Expenses not deductible for tax	36,507	29,780
	Provision for business levy	(187,001)	(166,032)
	(Utilisation of unrecognised losses)/losses not recognised	<u>(3,244,085)</u>	<u>1,058,510</u>
		<u>(187,001)</u>	<u>(166,032)</u>
20	Financial risk		
	a. <i>Credit risk</i>		
	(i) <i>Maximum exposure to credit risk before collateral held or other credit enhancements</i>		
	<i>Exposures</i>		
	Amounts due from related parties	1,106,218	954,344
	<i>Cash and cash equivalents:</i>		
	Scotiabank Trinidad and Tobago Limited	11,147,315	16,469,834
	Trinidad and Tobago Unit Trust Corporation	3,561	3,544
	Morgan Stanley	740	736
	Oppenheimer	<u>13,998</u>	<u>--</u>
		<u>11,165,614</u>	<u>16,474,114</u>

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk

a. Credit risk

(i) Maximum exposure to credit risk before collateral held or other credit enhancements (continued)

Debt securities:

	2024 \$	2023 \$
Mutual Fund units	24,976,013	24,245,894
Government Bonds	<u>553,831,334</u>	<u>531,232,707</u>
	<u>578,807,347</u>	<u>555,478,601</u>
Total	<u>591,079,179</u>	<u>572,907,059</u>

(ii) Credit risk exposure

This table is based on the internal risk ratings scale in Note 3 (a) credit risk measurement.

Investment portfolios		2024	
Risk Rating	Classification	Exposure TT\$	Exposure %
1	Minimal risk	11,147,315	2%
2	Low risk	553,831,334	94%
3	Moderate risk	3,561	0%
4	Acceptable risk	24,990,751	4%
5	Average risk	--	--
6	Higher risk	--	--
7	Special mention	--	--
8	Substandard	--	--
Total rated exposures		589,972,961	100%
Unrated exposures		1,106,218	0%
TOTAL		591,079,179	100%

Investment portfolios		2023	
Risk Rating	Classification	Exposure TT\$	Exposure %
1	Minimal risk	16,469,834	3%
2	Low risk	531,232,707	93%
3	Moderate risk	3,544	0%
4	Acceptable risk	24,246,630	4%
5	Average risk	--	%
6	Higher risk	--	%
7	Special mention	--	%
8	Substandard	--	%
Total rated exposures		571,952,715	100%
Unrated exposures		954,344	0%
TOTAL		572,907,059	100%

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

a. Credit risk (continued)

(ii) Credit risk exposure (continued)

The following tables contain analyses of the credit risk exposure of financial assets for which an ECL allowance is recognised.

	Financial Assets at Fair Value through Other Comprehensive Income			
	2024			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	
31 December 2024				
Credit grade:				
Investment	553,911,879	--	--	553,911,879
Gross carrying amount	553,911,879	--	--	553,911,879
Loss allowance	(80,545)	--	--	(80,545)
Carrying amount	553,831,334	--	--	553,831,334

	Financial Assets at Fair Value through Other Comprehensive Income			
	2023			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	
31 December 2023				
Credit grade:				
Investment	531,326,305	--	--	531,326,305
Gross carrying amount	531,326,305	--	--	531,326,305
Loss allowance	(93,598)	--	--	(93,598)
Carrying amount	531,232,707	--	--	531,232,707

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;

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

a. Credit risk (continued)

(ii) Credit risk exposure – financial assets subject to impairment (continued)

- 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.

There were no transfers between stages recorded during the year. 2022 -None.

The following tables contain analysis of the movement of loss allowance from 1 January 2023 to 31 December 2023 in respect of financial assets subject to impairment.

	2024 ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Debt securities at FVOCI				
Loss allowance as at 31 Dec 2023	93,598	--	--	93,598
Changes to inputs used in ECL calculation	(13,053)	--	--	(13,053)
Loss allowance as at December 2024	80,545	--	--	80,545
	2023 ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Debt securities at FVOCI				
Loss allowance as at 31 Dec 2022	83,082	--	--	83,082
Changes to inputs used in ECL calculation	10,516	--	--	10,516
Loss allowance as at December 2023	93,598	--	--	93,598

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

b. Economic variable assumptions

The Company has the following economic factors which provide the overall macroeconomic environment in considering forward looking information for base, upside and downside forecasts. These are as follows:

	As of 31 December		
	2025	2026	2027
GDP Growth (USA)			
Base	2.4%	1.7%	2.1%
Upside	2.7%	3.1%	3.2%
Downside	1.6%	-2.1%	0.6%
World GDP			
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	\$6.9	\$6.60	\$6.44
Upside	\$11.97	\$11.43	\$11.16
Downside	\$2.57	\$2.45	\$2.39

Trinidad & Tobago	Expected state for the next 12 months	Scenario
Unemployment rate	Base	Negative
	Upside	Stable
	Downside	Super Negative
GDP growth	Base	Negative
	Upside	Stable
	Downside	Super Negative

c. Loss Given Default (LGD)

The ECL impact of changes in LGD rates is summarised as follows:

Loss Given Default	LGD		ECL impact of	
	Rate applied	Change in rate	Increase in value \$	Decrease in value \$
Investments - Corporate Debts	53%	(-/+)%	2,571	(2,571)
Investments - Sovereign Debts	35%	(-/+)%	7,436	(7,436)

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

d. Scenario design

The weightings assigned to each economic scenario as at 31 December 2024 are set out in the following table:

Weighting for Downside Scenario	Applied Values	Change in value	Increase in value	Decrease in value
Investments	80% for base scenario, 10% upside scenario, 10% downside scenario	(-/+5)%	4,501	(4,501)

e. Liquidity risk

Maturity analysis of financial assets and liabilities

The following table analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts disclosed in respect of financial liabilities are the contractual undiscounted cash flows.

	Due Within 1 year \$	Due between 1 – 5 years \$	Due after 5 years \$	Total \$
31 December 2024				
<i>Financial assets</i>				
Cash and cash equivalents	11,165,614	--	--	11,165,614
Investments	27,782,237	48,165,159	837,453,372	913,400,768
Other receivables	767,999	--	--	767,999
Taxation recoverable	749,624	--	--	749,624
Amounts due from related parties	1,106,218	--	--	1,106,218
Total	41,571,692	48,165,159	837,453,372	927,190,223
<i>Financial liabilities</i>				
Amount due to related parties	20,853,173	--	--	20,853,173
Other payables	429,562	--	--	429,562
Repo repurchase obligation	127,222,103	189,989,631	--	317,211,734
Collateralised loan note	206,500,001	--	--	206,500,001
Total	355,004,839	189,989,631	--	544,994,470
Net position	(313,433,147)	(141,824,472)	837,453,372	382,195,753

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

e. Liquidity risk (continued)

	Due Within 1 year \$	Due between 1 – 5 years \$	Due after 5 years \$	Total \$
31 December 2023				
<i>Financial assets</i>				
Cash and cash equivalents	16,474,114	--	--	16,474,114
Investments	27,230,680	16,014,858	868,363,275	911,608,813
Other receivables	287,445	--	--	287,445
Amounts due from related parties	954,344	--	--	954,344
Total	44,946,583	16,014,858	868,363,275	929,324,716
<i>Financial liabilities</i>				
Amount due to related parties	29,095,055	--	--	29,095,055
Other payables	500,454	--	--	500,454
Taxation payable	9,028	--	--	9,028
Repo repurchase obligation	212,712,599	71,534,480	--	284,247,079
Collateralised loan note	206,100,000	--	--	206,100,000
Total	448,417,136	71,534,480	--	519,951,616
Net position	(403,470,553)	(55,519,622)	868,363,275	409,373,100

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

f. Interest rate risk

i. Concentration of interest rate risk

The table below summarises the Company's exposure to interest rate risk. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Due Within 1 year \$	Due between 1 – 5 years \$	Due After 5 years \$	Non interest bearing \$	Total \$
31 December 2024					
<i>Financial assets</i>					
Cash and cash equivalents	11,147,315	--	--	18,299	11,165,614
Investments	2,707,836	40,771,917	501,829,290	33,498,304	578,807,347
Other receivables	--	--	--	767,999	767,999
Taxation recoverable	--	--	--	749,624	749,624
Amounts due from related parties	--	--	--	1,106,218	1,106,218
Total	13,855,151	40,771,917	501,829,290	36,140,444	592,596,802
<i>Financial liabilities</i>					
Amount due to related parties	--	--	--	20,853,173	20,853,173
Other payables	--	--	--	429,562	429,562
Repo repurchase obligation	123,524,796	173,699,963	--	4,750,639	301,975,398
Collateralised loan note	200,000,000	--	--	2,437,498	202,437,498
Total	323,524,796	173,699,963	--	28,470,872	525,695,631
Net position	(309,669,645)	(132,928,046)	501,829,290	7,669,572	66,901,171

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

f. Interest rate risk (continued)

i. Concentration of interest rate risk (continued)

	Due Within 1 year \$	Due between 1 – 5 years \$	Due After 5 years \$	Non interest bearing \$	Total \$
31 December 2023					
<i>Financial assets</i>					
Cash and cash equivalents	16,474,114	--	--	--	16,474,114
Investment	2,690,032	13,100,256	507,251,513	32,436,800	555,478,601
Other receivables	--	--	--	287,445	287,445
Amounts due from related parties	--	--	--	954,344	954,344
Total	19,164,146	13,100,256	507,251,513	33,678,589	573,194,504
<i>Financial liabilities</i>					
Amount due to related parties	--	--	--	29,095,055	29,095,055
Other payables	--	--	--	500,454	500,454
Taxation payable	9,028	--	--	--	9,028
Repo repurchase obligation	206,652,553	69,167,814	--	4,318,097	280,138,464
Collateralised loan note	200,000,000	--	--	2,236,667	202,236,667
Total	406,661,581	69,167,814	507,251,513	36,150,273	511,979,668
Net position	(387,497,435)	(56,067,558)	507,251,513	(2,471,684)	61,214,836

ii. Sensitivity analysis

As at 31 December 2024, if interest rates had been 1% higher/lower with all other variables held constant, net equity would have been \$5,532,871 (2023: \$5,214,586) lower/higher, mainly as a result of lower/higher unrealised losses/gains on fixed rate investment.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

g. Foreign exchange risk

As at 31 December 2024, if foreign exchange rates had been 1% higher/lower with all other variables held constant, total value of financial assets would have been \$751,630 (2023: \$737,836) higher/lower.

The following table analyses the Company's assets and liabilities by currency:

31 December 2024

	TT \$	US \$	Total \$
Assets			
Cash and cash equivalents	6,582,701	4,582,913	11,165,614
Investments	528,554,629	50,252,718	578,807,347
Other receivables	767,999	--	767,999
Taxation recoverable	749,624	--	749,624
Amounts due from related parties	1,072,862	33,356	1,106,218
Total	537,727,815	54,868,987	592,596,802
Liabilities			
Amounts due to related parties	20,853,173	--	20,853,173
Repo repurchase obligation	292,675,495	9,299,903	301,975,398
Other payables	429,562	--	429,562
Collateralised loan note	202,437,498	--	202,437,498
Total	516,395,728	9,299,903	525,695,631
Net position	21,332,087	45,569,084	66,901,171

31 December 2023

	TT \$	US \$	Total \$
Assets			
Cash and cash equivalents	6,431,939	10,042,175	16,474,114
Investments	511,574,080	43,904,521	555,478,601
Other receivables	287,445	--	287,445
Amounts due from related parties	922,820	31,524	954,344
Total	519,216,284	53,978,220	573,194,504
Liabilities			
Amounts due to related parties	29,095,055	--	29,095,055
Repo Repurchase Obligation	269,042,567	11,095,897	280,138,464
Other payables	500,454	--	500,454
Taxation payable	9,028	--	9,028
Collateralised loan note	202,236,667	--	202,236,667
Total	500,883,771	11,095,897	511,979,668
Net position	18,332,513	42,882,323	61,214,836

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

20 Financial risk (continued)

h. Price risk

(i) Definition

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

(ii) Sensitivity analysis

As at 31 December 2024, had the NAV of the financial assets held by the Company increased/decreased by 5% with all variables held constant, total comprehensive income for the year would have increased/decreased by \$1,245,464 (2023: \$1,208,934).

21 Financial instruments carried at fair value

Financial instruments carried at fair value in the financial statements are measured according to a fair value hierarchy which reflects the significance of market inputs in the valuations. This hierarchy is described below:

a. Level 1 - *unadjusted quoted prices in an 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 Company 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 date available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

b. 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.

c. Level 3 - *inputs for the instrument 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 fair value through other comprehensive income comprise primarily of government agency debt instruments issued in Trinidad and Tobago. The fair values of these instruments have been derived from 31 December market yields of government instruments of similar durations in Trinidad and Tobago.

Sagicor Investments Trinidad & Tobago Limited

Notes to the Financial Statements (continued)

31 December 2024

(Expressed in Trinidad and Tobago Dollars)

21 Financial instruments carried at fair value (continued)

<i>Financial assets carried at fair value</i>	31 December 2024			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<i>Financial assets at fair value through other comprehensive income</i>				
Debt securities	--	93,879,011	459,952,323	553,831,334
<i>Financial assets at fair value through profit and loss</i>				
Mutual Fund Units	--	24,976,013	--	24,976,013
Total assets	--	118,855,024	459,952,323	578,807,347
Total assets by percentage		21%	79%	100%
<i>Financial assets carried at fair value</i>	31 December 2023			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<i>Financial assets at fair value through other comprehensive income</i>				
Debt securities	--	94,892,860	436,339,847	531,232,707
<i>Financial assets at fair value through profit and loss</i>				
Mutual Fund Units	--	24,245,894	--	24,245,894
Total assets	--	119,138,754	436,339,847	555,478,601
Total assets by percentage		21%	79%	100%

22 Contingent liabilities

The Company is not involved in claims and counterclaims arising from the conduct of its business.

23 Subsequent events

After 31 December 2024, no events, situations or circumstances have occurred which might significantly affect the Company's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements.