CONSOLIDATED FINANCIAL STATEMENTS

Coralisle Group Ltd.
Year Ended December 31, 2025
With Independent Auditor's Report

Coralisle Group Ltd.

Consolidated Financial Statements

Year ended December 31, 2025

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Shape the future
with confidence

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Independent Auditor's Report

The Shareholder
Coralisle Group Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Coralisle Group Ltd. (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

This report is made solely to the Audit Committee as a body. Our audit work has been undertaken so that we might state to the Audit Committee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Audit Committee as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

Ernst & Young Ltd.

Hamilton, Bermuda
June 8, 2026

Coralisle Group Ltd.
Consolidated Statement of Financial Position
(In Thousands of Bermuda Dollars)

	At December 31	
	2025	**2024**
	$	**$**
Assets		
Cash and cash equivalents (Note 3,13)	**198,051**	184,278
Restricted cash (Note 3,13)	**5,556**	6,042
Financial assets (Note 4,13)	**507,084**	453,217
Accounts receivable and accrued interest (Note 13)	**8,059**	10,284
Other assets (Note 5)	**22,465**	19,276
Amounts due from related companies (Note 13,16)	**15,209**	16,303
Insurance contract assets (Note 9)	**6,654**	—
Reinsurance contract assets (Note 10,13)	**122,604**	100,989
Corporate tax assets (Note 21)	**1,339**	1,246
Deferred tax assets (Note 21)	**42,075**	—
Property, plant and equipment (Note 12)	**39,610**	41,420
Intangible assets (Note 11)	**20,649**	21,442
Total general assets	**989,355**	854,497
Segregated fund assets (Note 4,18)	**1,039,396**	918,497
Total assets	**2,028,751**	1,772,994
Liabilities		
Bank overdraft (Note 3,13)	**1,974**	400
Other liabilities (Note 14)	**26,010**	26,229
Insurance contract liabilities (Note 9,13)	**366,627**	307,307
Reinsurance contract liabilities (Note 10)	**7,750**	7,818
Income tax liabilities (Note 21)	**9,709**	3,872
Lease liabilities (Note 17)	**18,011**	20,233
Total general liabilities	**430,081**	365,859
Segregated fund liabilities (Note 4,18)	**1,039,396**	918,497
Total liabilities	**1,469,477**	1,284,356

Coralisle Group Ltd.
Consolidated Statement of Financial Position
(In Thousands of Bermuda Dollars)

	At December 31	
	2025	**2024**
	$	**$**
Shareholder's equity		
Share capital (Note 15)	**1,512**	1,512
Share premium (Note 15)	**2,500**	2,500
Contributed surplus (Note 15)	**9,804**	9,804
Retained earnings	**524,382**	452,525
Fair value through other comprehensive income	**1,319**	974
Currency translation through other comprehensive (loss) income	**(2,173)**	266
Total equity attributable to the equity holder of the group	**537,344**	467,581
Non-controlling interest (Note 15)	**21,930**	21,057
Total equity	**559,274**	488,638
Total liabilities and equity	**2,028,751**	1,772,994

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director Date: June 08, 2026

Director Date: June 08, 2026

Coralisle Group Ltd.

Consolidated Statement of Comprehensive Income
(In Thousands of Bermuda Dollars)

	Year Ended December 31	
	2025	**2024**
	$	**$**
Revenue		
Insurance contract revenue (Note 6,9,16)	**1,073,667**	1,008,659
Insurance service expense (Note 6,9,16)	**(674,274)**	(628,016)
Net expenses from reinsurance contract held (Note 6,10,16)	**(316,206)**	(280,457)
Insurance service result	**83,187**	100,186
Investment income (Note 4,7,16)	**35,288**	21,336
Investment expense (Note 4,7)	**(652)**	(361)
Insurance finance expense (Note 6,7)	**(5,701)**	(5,152)
Reinsurance finance income (Note 6,7)	**1,934**	1,323
Net financial result	**114,056**	117,332
Other operating income	**37,719**	40,591
Other operating expenses (Note 16,19)	**(87,876)**	(84,916)
Income before tax	**63,899**	73,007
Income tax (Note 21)	**30,831**	(4,413)
Net Income	**94,730**	68,594
Other comprehensive income		
Unrealized income on financial assets held at fair value through other comprehensive income (FVTOCI)	**345**	281
Currency translation	**—**	90
Other comprehensive income	**345**	371
Total comprehensive income for the year	**95,075**	68,965
Attributable to:		
Owners of the Group	**90,202**	63,042
Non-controlling interests	**4,873**	5,923
	95,075	68,965

See accompanying notes to consolidated financial statements.

Coralisle Group Ltd.
Consolidated Statement of Changes in Shareholder's Equity
(In Thousands of Bermuda Dollars)

	Share Capital	Share Premium	Contributed Surplus	Retained Earnings	Currency Translation Through Other Comprehensive (Loss) Income	Fair Value Through Other Comprehensive Income	Total	Non-Controlling Interest	Total Equity
	$	$	$	$	$	$	$	$	$
Balance as at December 31, 2023	**1,512**	**2,500**	**9,804**	**395,854**	**176**	**693**	**410,539**	**16,049**	**426,588**
Dividends	—	—	—	(6,000)	—	—	(6,000)	(903)	**(6,903)**
Subsidiary share repurchase	—	—	—	—	—	—	—	(12)	**(12)**
Total comprehensive income	—	—	—	62,671	90	281	63,042	5,923	**68,965**
Balance as at December 31, 2024	**1,512**	**2,500**	**9,804**	**452,525**	**266**	**974**	**467,581**	**21,057**	**488,638**
Impact of transition to IAS 21 - lack of exchangeability	—	—	—	—	(2,439)	—	(2,439)	—	**(2,439)**
Dividends	—	—	—	(18,000)	—	—	(18,000)	(4,000)	**(22,000)**
Total comprehensive income	—	—	—	89,857	—	345	90,202	4,873	**95,075**
Balance as at December 31, 2025	**1,512**	**2,500**	**9,804**	**524,382**	**(2,173)**	**1,319**	**537,344**	**21,930**	**559,274**

See accompanying notes to consolidated financial statements.

Coralisle Group Ltd.
Consolidated Statement of Cash Flows
(In Thousands of Bermuda Dollars)

	Year Ended December 31	
	2025	**2024**
	$	**$**
Operating activities		
Total comprehensive income	**94,730**	68,594
Adjustments for:		
Depreciation and amortisation (Note 11,12)	**5,749**	6,201
Deferred tax asset charge	**(42,075)**	382
Dividend and interest income (Note 16)	**(10,482)**	(8,947)
Finance costs (Note 17)	**965**	1,065
Net change in unrealised gains on investments (Note 4)	**(19,574)**	(10,715)
Impairment of financial assets recovery (Note 4)	**(312)**	(326)
Lease Liabilities - non-cash adjustments (Note 17)	**715**	318
Realised gains on sale of financial assets (Note 4)	**(3,232)**	(81)
Bond amortisation (Note 4)	**(1,107)**	(592)
Allowance for expected credit losses (Note 4)	**110**	203
Operating cash flow before changes in operating working capital	**25,487**	56,102
Change in operating working capital (Note 20)	**39,856**	40,933
Cash flows provided by operating activities	**65,343**	97,035
Investing activities		
Proceeds from sale of financial assets	**223,878**	53,816
Purchase of financial assets	**(259,991)**	(99,163)
Net interest income (Note 16)	**10,482**	8,947
Purchase of intangible assets (Note 11)	**(359)**	(74)
Purchase of property, plant and equipment	**(3,081)**	(1,918)
Proceeds from sale of property, plant and equipment	**182**	385
Repayments from related companies (Note 16)	**1,094**	454
Proceeds from sale of intangible assets (Note 12)	**—**	3
Cash flows used in investing activities	**(27,795)**	(37,550)
Financing activities		
Payments on principal portion of lease liabilities (Note 17)	**(3,835)**	(3,748)
Dividends paid to parent	**(18,000)**	(6,000)
Dividends paid to non-controlling interest	**(4,000)**	(915)
Cash flows used in financing activities	**(25,835)**	(10,663)
Net change in cash and cash equivalents	**11,713**	48,822
Cash and cash equivalents at beginning of year	**189,920**	141,098
Cash and cash equivalents at end of year	**201,633**	189,920

Coralisle Group Ltd.

Consolidated Statement of Cash Flows

(In Thousands of Bermuda Dollars)

	Year Ended December 31	
	2025	**2024**
	$	**$**
Cash and cash equivalents comprise:		
Cash available for use	**198,051**	184,278
Restricted cash	**5,556**	6,042
Bank overdraft	**(1,974)**	(400)
	201,633	189,920

See accompanying notes to consolidated financial statements.

(In Thousands of Bermuda Dollars)

Notes to Financial Statements

1. General

Coralisle Group Ltd., (the "Holding Company") is incorporated in Bermuda as a holding company and has its head office at Jardine House, 33-35 Reid Street, Hamilton HM 12, Bermuda. The Holding Company is a wholly-owned subsidiary of Edmund Gibbons Limited (the "Parent Company").

The Holding Company and its subsidiaries (together forming the "Company" or "Group") conduct business in Bermuda, Guyana, Belize and several jurisdictions across the Caribbean islands, underwriting primarily health and property and casualty insurance. The Company also underwrites certain life products, operates a pharmacy and issues a diversified portfolio of investment contracts to provide its customers with asset management solutions for their savings and retirement assets.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements, including all notes, were authorized for issue by the Board of Directors on May 11, 2026.

The consolidated financial statements of the Group include:

Company	Domicile	Principal Activities	Ownership Percentage
Coralisle Insurance Company Ltd. (CIC)	Bermuda	Property and casualty insurance: motor, home and commercial property, marine, general liability.	100%
Coralisle Medical Insurance Company Ltd. (CMI)	Bermuda	Group and individual medical and group life insurance.	100%
Coralisle Life Assurance Company Ltd. (CLAC)	Bermuda	Individual life and annuities, accidental death. CLAC also writes unit linked investment policies and personal pension plans	100%
Coralisle Pension Services Ltd. (CPS) [4]	Bermuda	Pension plans administration and investment business	100%
Coralisle Re Ltd. (CRe)	Cayman Islands [6]	Property catastrophe reinsurance	100%
CG Health Ltd. (CGH)	Bermuda	Operates a pharmacy	100%
CGI Property Holding (Bermuda) Limited	Bermuda	Property holding company	100%
Coralisle Insurance Brokers (TCI) Ltd.(CIB)	Turks & Caicos Islands	Insurance agent for CGAG and CMI	100%
CG Atlantic General Insurance Ltd. (CGAG)	Bahamas	Property and casualty insurance: motor, home and commercial property, marine, general liability	70.02%[2]

(In Thousands of Bermuda Dollars)

Company	Domicile	Principal Activities	Ownership Percentage
CG Atlantic Medical & Life Insurance Ltd. (CGAML)	Bahamas	Group and individual medical and life insurance	100%
CG Atlantic Insurance Agents & Brokers Ltd. (CGAA)	Bahamas	Insurance broker of CGAG	40%[1]
Coralisle Pension Services (Bahamas) Ltd. (CPSB) [4]	Bahamas	Pension plans administration and investment business	99.98%
CGI Property Holding (Bahamas) Limited	Bahamas	Property holding company[5]	100%
CG United Insurance Ltd. (United)	Barbados	Property and casualty insurance: motor, home and commercial property, marine, general liability.	100%
British Caymanian Holdings Limited (BCH) [3]	Cayman Islands	Property and casualty insurance: motor, home and commercial property, marine, general liability.	75%
Coralisle Insurance (BVI) Ltd. (CIBVI)	British Virgin Islands	Property and casualty insurance: motor, home and commercial property, marine, general liability. Group and individual medical	*50%[1]

[1] The Holding Company considers CIBVI and CGAA being under its control even if the Holding Company does not own more than 50% of the voting rights. This is due to the management of CIBVI's and CGAA's operations and decision-making power being held by the Holding Company.

[2] During the year ended December 31, 2024, the Company repurchased 10,000 ordinary shares from a CGAG shareholder valued at $1.21 per share. There was no impact to the Holding Company control of CGAG as a result of this share repurchase.

[3] BCH acts as a holding company for shareholders' ownerships in British Caymanian Insurance Company Limited and British Caymanian Insurance Agencies Limited. Both are Cayman Islands registered companies and are direct wholly owned subsidiaries.

[4] On December 30, 2022, CPS and CPSB entered into an agreement with a third party incorporated in Ireland, to provide implementation, operational and other services. Since the service commencement date, on December 2, 2024, the third party charges a monthly service fee based on the application of the relevant tariff and the level of invested assets under management.

[5] During the year ended December 31, 2024, CGI Property Holding (Bahamas) Limited completed the development of a property located in The Bahamas, which is now being rented to third parties and subsidiaries of Coralisle Group Ltd.

[6] During the year ended December 31, 2025, CRE re-domiciled from Bermuda to Cayman Islands, where it was registered by way of continuation.

2. Summary of Material Accounting Policies

Basis of Preparation

The preparation of Consolidated Financial Statements in conformity with IFRS Accounting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results may differ from these estimates. The most significant estimation processes relate to assumptions used in measuring insurance and reinsurance contract liabilities, assessing assets for impairment and fair valuation of certain invested assets. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. The material accounting policies used and the most significant judgments made by management in applying these accounting policies in the preparation of these financial statements are summarized below.

The Company presents its Consolidated Statement of Financial Position broadly in order of liquidity. The following balances are generally classified as current:

- cash and cash equivalents, restricted cash, financial assets, accounts receivable and accrued interest, other assets, amounts due from related companies, reinsurance contract assets and corporate tax assets.
- bank overdrafts, other liabilities, insurance contract liabilities, reinsurance contract liabilities and income tax liabilities.

The following balances are generally classified as non-current:

- deferred tax assets, property, plant and equipment (including right-of-use assets) and intangible assets.
- lease liabilities.

Prior year changes in the presentation of financial statements

Certain comparative information has been reclassified and/or updated to conform to the current year presentation and to enhance comparability.

Basis of Measurement

The financial statements have been compiled on the going-concern basis and prepared on the historical cost basis, except for:

- financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair value.
- financial assets carried at amortised cost.
- Insurance contract liabilities and reinsurance contract assets are measured on a discounted risk adjusted basis in accordance with accepted actuarial practice (which in the absence of an active market provides a reasonable proxy for fair value).

Basis of Consolidation

The Holding Company consolidates the financial statements of all entities it controls. Subsidiaries are entities controlled by the Holding Company. The Holding Company has control over an entity when the Holding Company has the power to govern the financial and operating policies of the entity, is exposed to variable returns from its activities which are significant in relation to the total variable returns of the entity and the Holding Company is able to use its power over the entity to affect its share of variable returns. In assessing control, significant judgment is applied while considering all relevant facts and circumstances. When assessing decision-making power, the Holding Company considers the extent of its rights relative to the management of an entity, the level of voting rights held in an entity which are potentially or presently exercisable, the existence of any contractual management agreements which may provide the Holding Company with power over an entity's financial and operating policies and to the extent of other parties' ownership in an entity, if any, the possibility for de facto control being present. When assessing returns, the Holding Company considers the significance of direct and indirect financial and non-financial variable returns to the Holding Company from an entity's activities in addition to the proportionate significance of such returns. The Holding Company also considers the degree to which its interests are aligned with those of other parties investing in an entity and the degree to which it may act in its own interest.

The financial statements of subsidiaries are included in the Holding Company's consolidated results from the date control is established and are excluded from consolidation from the date control ceases. The initial control assessment is performed at inception of the Holding Company's involvement with the entity and is reconsidered at a later date if the Holding Company acquires or loses power over key operating and financial policies of the entity; acquires additional interests or disposes of interests in the entity; the contractual arrangements of the entity are amended such that the Holding Company's proportionate exposure to variable returns changes; or if the Holding Company's ability to use its power to affect its variable returns from the entity changes.

The Company's consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances. Intercompany balances, and income and expenses arising from intercompany transactions, have been eliminated in preparing the consolidated financial statements.

Non-controlling interests are interests of other parties in the equity of the Holding Company's subsidiaries and are presented within total equity, separate from the equity of the Holding Company's shareholders. Non-controlling interests in the net income and other comprehensive income ("OCI") of the Holding Company's subsidiaries is included in total net income and total OCI. An exception to this occurs where the subsidiary's shares are required to be redeemed for cash on a fixed or determinable date, in which case other parties' interests in the subsidiary's capital are presented as liabilities and other parties in the subsidiary's income and OCI are recorded as expenses of the Holding Company.

The equity method of accounting is used to account for entities over which the Holding Company has significant influence ("associates"), whereby the Holding Company records its share of the associate's net assets and financial results using uniform accounting policies for similar transactions and events. Significant judgment is used to determine whether voting rights, contractual management and other relationships with the entity, if any, provide the Holding Company with significant influence over the entity. Gains and losses on the sale of associates are included in income when realized, while impairment losses are recognised immediately when there is objective evidence of impairment. Gains and losses on commercial transactions with associates are eliminated to the extent of the Holding Company's interest in the associate. Investments in associates are included in other assets on the Holding Company's consolidated statements of financial position.

Fair Value Measurement

Fair value is determined based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is measured using the assumptions that market participants would use when pricing an asset or liability. The Company determines fair value by using quoted prices in active markets for identical or similar assets or liabilities. When quoted prices in active markets are not available, fair value is determined using valuation techniques that maximise the use of observable inputs. When observable valuation inputs are not available, significant judgment is required to determine fair value by assessing the valuation techniques and valuation inputs. The use of alternative valuation techniques or valuation inputs may result in a different fair value.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical instruments. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These investments are included in Level 1.

Level 2 – Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable market data. Most debt securities are classified within Level 2.

Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. These measurements include circumstances in which there is little, if any, market activity for the asset or liability. In making the assessment, the Company considers factors specific to the asset or liability and such an assessment will involve significant management judgment. Because of the inherent uncertainty in the valuation of these Level 3 investments, fair values of such investments may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material.

Cash and Cash Equivalents

For the purposes of the Consolidated Statement of Cash Flows, the Company considers all cash on hand, time deposits with an original maturity of three months or less and money market funds which can be redeemed without penalty, net of overdrafts as equivalent to cash.

Restricted Cash and Cash Equivalents

The Company classifies cash and cash equivalents balances that are not available for immediate or general business use due to regulatory, licensing or legal restrictions as restricted cash and cash equivalents.

Financial Assets

The Company has the following classifications for measurement of financial assets: (i) financial assets at fair value through profit or loss, (ii) financial assets held at amortised cost, and (iii) financial assets at fair value through other comprehensive income.

Initial Recognition and Measurement

Management determines the classification at initial recognition and it is dependent on the nature of the assets and the purpose for which the assets were acquired. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'Solely Payments of Principal and Interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

Financial Assets Carried at Amortised Cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the Consolidated Statement of Comprehensive Income when the asset is de-recognised, modified or impaired. Financial assets classified as investments at amortised cost include term deposits, corporate bonds, non-US government bonds and US government bonds, notes and bonds, loans and other receivables and term deposits.

Financial Assets at Fair Value Through OCI (Debt Instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Consolidated Statement of Comprehensive Income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to the Consolidated Statement of Comprehensive Income.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the Consolidated Statement of Financial Position at fair value with net changes in fair value recognised in the Consolidated Statement of Comprehensive Income as a component of net investment income.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as investment income in the Consolidated Statement of Comprehensive Income when the right of payment has been established.

Impairment of Financial Assets

The Company assesses all debt instruments not held at fair value through profit or loss to determine if an allowance for expected credit losses (ECLs) is required. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk, and so allowances for financial assets should be measured on a Lifetime ECL ("LTECL") basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposure at Default ("EAD") and Loss Given Defaults ("LGD").
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Under the general approach, ECL is categorized into one of three stages. Under stage 1 of the general approach, each financial asset or financial asset grouping will be measured for ECL that results from default events that are possible within the 12 months subsequent to the current fiscal period (12-month ECL) ("12mECL"). Under stages 2 and 3 of the general approach, the financial asset or financial asset group must recognise an ECL allowance for possible default events that may take place over the remaining life of the instrument (LTECL). The categorization of an individual asset or asset group into stage 1, stage 2 or stage 3 is determined by whether there was a significant increase in credit risk since the initial recognition to the reporting date, with the exception of an asset that is categorized as low credit risk.

The stage 1 ECL classification is used for low credit risk assets or assets that have shown significant improvement in credit quality, and are reclassified from stage 2, or have had no significant change in credit risk since initial recognition.

The stage 2 ECL classification is used for assets for which there has been a significant decrease in credit quality since initial recognition, or stage 3 assets that have shown significant improvement in credit quality. The stage 3 ECL is reserved for assets considered to be credit impaired.

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. Further, the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

All financial liabilities are recorded in the Consolidated Statement of Financial Position at amortised cost using the effective interest method. Financial liabilities include accounts payable and accrued liabilities, included in other liabilities, which are all current liabilities. The carrying value of the Company's financial liabilities approximates their fair value.

Derecognition and modification of financial liabilities

The Company derecognises a financial liability when:

- its contractual obligations are discharged or cancelled, or expire; or its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Consolidated Statement of Comprehensive Income.

Insurance and Investment Contracts

Insurance contracts are those contracts where the Company has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Contracts held by the Company under which it transfers significant insurance risk related to insurance contracts are classified as reinsurance contracts. Contracts under which the Company does not accept significant insurance risk are classified as either investment contracts or considered service contracts and are accounted for in accordance with IFRS 9 *Financial Instruments* or IFRS 15 *Revenue from Contracts with Customers*, respectively. The Company does not have such contracts at the moment.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its term, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can be reclassified as insurance contracts if insurance risk subsequently becomes significant. All references to insurance contracts in these accounting policies apply to insurance contracts issued or acquired, and reinsurance contracts held, unless specifically stated otherwise.

Level of Aggregation

The Company identifies portfolios of insurance contracts. The Company aggregates all insurance contracts issued into one portfolio and all reinsurance contracts held into one portfolio based on similar risk and are managed together. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- Any contracts that are onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

At this time, facts and circumstances do not indicate the possibility of any onerous contracts. Therefore, all contracts are classified in the remaining contracts group.

Each group of insurance contracts is further divided by year of issue. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

Contract Boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

- A substantive obligation to provide services ends when the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- The Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

Summary of Measurement Models

Direct Contracts

Property and Casualty Contracts: The Company issues Property, Motor , Marine, Aviation and Transport, Pecuniary Loss, Personal Accident Short-Term, Liability and Workers' Compensation. These contracts are accounted for under the Premium Allocation Approach ("PAA").

Medical insurance: The Company issues comprehensive medical insurance on a single policyholder and group basis. These contracts are accounted for under the PAA.

Life Contracts: The Company issues Whole life, Term, Unit linked and annuity products. The measurement method is the also the PAA.

Company Life and Disability: The Company issues Life and Disability insurance on a group basis. These contracts are accounted for under the PAA.

Reinsurance Contracts: Reinsurance contracts are accounted for under the PAA.

Contract Separation

Embedded derivatives:

When an embedded derivative is not closely related to the host insurance contract, it should be accounted for by applying IFRS 9 as if it was a standalone derivative and measured at FVTPL. Where IFRS 9 considers the embedded derivative as closely related to the host insurance contract then the embedded derivative is not separated and is accounted for applying IFRS 17 together with the host insurance contract. No clauses were identified by the Company in any contract which would indicate the presence of an embedded derivative requiring separation.

Investment components:

Distinct investment components are accounted for by applying IFRS 9. In assessing whether an investment component is distinct, the Company considers whether the investment and insurance components are not highly interrelated and a contract with equivalent terms to the investment component is sold (or could be sold) separately in the same market or in the same jurisdiction by other entities (including entities issuing insurance contracts). No clauses were identified in the contracts which would indicate an obligation for the Company to repay a policyholder in all circumstances. Therefore, no investment components requiring separation were identified.

Distinct goods or Non-Insurance Services:

IFRS 17 paragraph 12 requires that any promise to transfer goods or non-insurance services to a policyholder must be unbundled from the host insurance contract by applying IFRS 15 Paragraph 7.

As with investment components and embedded derivatives, an assessment for the presence of goods and services will be required as each new treaty is issued under IFRS 17. Where goods and services are non-distinct (i.e. highly interrelated to the insurance component in the contract), they are not unbundled, and the entire contract is accounted for under IFRS 17.

Each of the insurance contracts underwritten and issued by the Company were reviewed for the inclusion of any distinct goods or services, which would require separation under paragraph 12 of IFRS 17. No clauses were identified in any contract which would indicate the presence of an embedded derivative requiring separation.

Initial Recognition & Measurement

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period;
- The date when the first payment from the policyholder is due or received, if there is no due date; and
- When the Company determines that a group of contracts becomes onerous.

For insurance contracts issued, on initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition, less deferred acquisition costs.

Groups of reinsurance contracts issued are initially recognised from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- The date an onerous group of underlying insurance contracts is recognised, if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date. For reinsurance contracts held, on initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the amount of ceded premium paid.

For reinsurance contracts held, on initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the amount of ceded premium paid.

Subsequent Measurement

For insurance contracts issued, subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received, and decreased by deferred acquisition costs and the amount recognised as insurance revenue for the coverage period.

For reinsurance contracts held, subsequently, the carrying amount of the liability for remaining coverage is increased by ceding premiums paid in the period and decreased by the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the liability for remaining coverage for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money and the effect of financial risk as the Company expects that the time between providing each part of the coverage and the related premium due date is not more than a year.

Insurance Acquisition Costs

Commission and other acquisition costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised. All other costs such as allocated acquisition expenses and premium tax are recognised as expenses when incurred.

Onerous Contracts Initial Recognition Parameter

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfillment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the liability for remaining coverage. The fulfillment cash flows are adjusted for the time value of money and the effect of financial risk if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Liabilities for Incurred Claims

The Company employs a hybrid approach, including the Bornhuetter-Ferguson method with the Incurred (Paid) Loss Development method, to estimate liabilities for incurred claims. The Company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfillment cash flows relating to incurred claims. The fulfillment cash flows are estimated using the input of assessment for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and include an explicit adjustment for non-financial risk (the risk adjustment). In addition, the fulfillment cash flows include internal loss adjustment expenses, which include estimated internal costs and other expenses that are expected to be incurred to finalize the settlement of the losses. The fulfillment cash flows are discounted unless the cash flows are expected to be paid in one year or less from the date the claims are incurred.

The discount rate is based on the risk free rate, plus an illiquidity premium. The Company has estimated the risk adjustment using a Cost of Capital approach. The risk adjustment is only applied to fulfillment cash flows related to past service.

The discount rates applied for discounting of future cash flows are listed below:

Discounting period	2025	2024
1 year	**4.04 %**	4.70 %
3 years	**4.26 %**	4.91 %
5 years	**4.44 %**	5.17 %

Derecognition and Contract Modification

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled. The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfillment cash flows..

On the derecognition of a contract from within a group of contracts:

- the fulfillment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the number of coverage units for the expected remaining coverage is adjusted to reflect the coverage units derecognised from the group.

Salvage and Subrogation

Recoveries from salvage and subrogation are recorded as an offset to claims costs. Expected future subrogation recoveries are included in the liabilities for incurred claims.

Presentation

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

The Company does not disaggregate insurance finance income or expenses between profit or loss and OCI. All insurance finance income or expenses are included in profit or loss.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued, comprising of an allocation of reinsurance premiums paid and amounts recoverable from reinsurers.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Depreciation is charged to general and administrative expenses and insurance service expenses in the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful life of the asset. The estimated useful lives are as follows:

Computer hardware	5 years
Motor vehicles	5 years
Leasehold improvements	5 – 10 years
Furniture and office equipment	5 – 15 years
Property	50 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Goodwill and Intangible Assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the acquisition cost over the fair value of the Company's proportionate share of net identifiable assets and liabilities of an acquired business at the acquisition date. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment on an annual basis. Any impairment is recognised immediately as an expense.

Finite-life intangible assets are amortised on a straight-line basis over their useful life. The Company has classified software costs as intangible assets if they are not an integral part of the computer equipment. Finite-life intangible assets are recorded at cost less accumulated amortisation. Amortisation is provided for on a straight line basis over the following estimated useful lives.

Computer software	5 – 7 years
Portfolio acquisition cost	10 years

Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. Impairment losses on other assets are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

The Company assesses, at contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, a lease is present. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Company at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to periodic review for impairment. The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset is as follows:

Right-of-use asset	1 – 14 years

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-Term Leases

The Company applies the short-term lease recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expenses on a straight-line basis over the lease term.

Segregated Funds

Segregated funds arise as a result of the Company entering into contractual arrangements to administer pension schemes and issuing investment contracts. Segregated funds are products for which the Company issues a contract where the benefit amount is directly linked to the fair value of the investments held in the particular segregated fund. Although the underlying assets are registered in the Company and its subsidiaries' name and the segregated fund contract holder has no direct access to the specific assets, the contractual arrangements are such that the segregated fund member bears the risks and rewards of the fund's investment performance.

Segregated funds' net assets are recorded at fair value and primarily include investments in mutual funds, debt securities, equities, short-term investments and cash and cash equivalents and are presented net of management fees not yet collected. The segregated assets are not available to creditors of the Company. The holders of the pension contracts and unit-linked life and investment contracts have no recourse to the Company's assets. Segregated funds' net liabilities are measured based on the value of the segregated funds' net assets.

The methodology applied to determine the fair value of investments held in segregated funds is consistent with that applied to direct investments held by the Company, as described above in the Note 18. The segregated fund assets and liabilities are presented in separate lines in the statement of financial position.

Investment returns on segregated fund assets belong to policy holders and pension plan holders and the Company does not bear the risk associated with these assets. Accordingly, investment income earned by segregated funds and expenses incurred by segregated funds are offset and are not separately presented in the Consolidated Statement of Comprehensive Income.

Fees and Commission Income

Fees and commission income primarily represent fees earned from the management of the Company's segregated funds, administrative services income and reinsurance commission income. Fees and commission income are recorded on an accrual basis when services are rendered.

Investment Income

Interest on cash and cash equivalents and debt securities are recorded on an accrual basis using the effective annual interest rate method. Dividend income is recognised when the right to receive the dividend is established.

For loans and receivables reported at amortised cost, interest income is calculated using the effective interest rate method and is reported in the Consolidated Statement of Comprehensive Income.

Rental income from investment properties is reported in the Consolidated Statement of Comprehensive Income linearly according to the term of the lease.

Defined Contribution Plan

Contributions to the defined contribution plan are recognised as an expense in net income or loss in the Consolidated Statement of Comprehensive Income as incurred. A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient funds to pay all employees the benefits relating to employee service in current and prior periods.

Retiree Health Benefits

Company employees are part of the Coralisle Retirees Pension and Health Insurance benefits (Coralisle Plan) whereby, the retirees will be reimbursed by the Company for a portion or the entirety of their Medical Plan premiums if they meet certain criteria. This plan is sponsored by the Parent. There is no contractual agreement or stated policy with the Parent for charging the Company its share of net defined benefit cost and therefore, the portion of premium paid for the eligible retiree is included in expenses.

Provisions and Contingent Liabilities

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company, in conjunction with internal counsel, makes its best estimate of the likelihood or outcome of these actions and considers this in the Company's accrued liabilities based on information as of the date the financial statements are available to be issued. The Company does not disclose information usually required by IAS 37 on the grounds to not prejudice seriously the outcome of any litigation but does not believe that adverse decisions in any pending or threatened proceedings will have a material impact on the financial condition or future results of operations.

Foreign Currency Transactions and Translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Bermuda Dollars, which is the Company's presentation currency. Monetary assets and liabilities denominated in currencies other than the functional currency of the Company or its subsidiaries are translated into the functional currency using the rate of exchange prevailing at the Statement of Financial Position date. Income and expenses are translated at rates of exchange in effect on the transaction dates. Foreign exchange gains and losses are expensed in the consolidated Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain and loss. Translation differences on non-monetary financial assets classified as fair value through other comprehensive income are included in other comprehensive income.

The financial statements of foreign operations are translated from their respective functional currency to Bermuda Dollars, the Company's presentation currency. Assets and liabilities are translated at rates of exchange at the Statement of Financial Position date, and income and expenses are translated using the average rates of exchange. The accumulated gains and losses arising from translation of functional currencies to the presentation currency are included in OCI in the Consolidated Statement of Comprehensive Income.

Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(In Thousands of Bermuda Dollars)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

New Standards, Interpretations and Amendments to Published Standards

New and Future Changes in Accounting Policy and Disclosure

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (IFRIC) that are mandatory for annual reporting periods beginning on or after January 1, 2025. Several amendments and interpretations apply for the first time in 2025, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following tables summarize all new and future pronouncements issued by IASB in 2025.

New Pronouncements	**Standard**	**Effective date**	**First time applied**	**Applicability**
Lack of exchangeability - Amendments	IAS 21	Jan 01, 2025	Dec 2025	Applicable
Future Pronouncements	**Standard**	**Effective date**	**First time applied**	**Applicability**
Classification and Measurement of Financial Instruments - Amendments	IFRS 9 & IFRS 7	Jan 01, 2026	Dec 2026	Not applicable
Contracts referencing nature-dependent electricity	IFRS 9 & IFRS 7	Jan 01, 2026	Dec 2026	Not applicable
Annual Improvements to IFRS Accounting Standards - Volume 11	Vol 11	Jan 01, 2026	Dec 2026	Not applicable
Presentation and Disclosure in Financial Statements	IFRS 18	Jan 01, 2027	Dec 2027	Applicable
Subsidiaries without Public Accountability	IFRS 19	Jan 01, 2027	Dec 2027	Not applicable
Translation to a Hyperinflationary Presentation Currency	IAS 21	Jan 01, 2027	Dec 2027	Not applicable
Sale or Construction of Assets between an investor and its Associate or Joint Venture - Amendments	IFRS 10 & IAS 28	Date postponed		

Applicable New Accounting Standards

In 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21). The amendments specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.
If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The impact of the transition for the Company is disclosed in Note 22.

In 2024, the IASB issued IFRS 18 (Presentation and Disclosure in Financial Statements), which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the Statement of Comprehensive Income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

IFRS 18 and all consequential amendments are effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted and must be applied retrospectively. The Company has not adopted this change in standard for the year ended December 31, 2025, however plans to adopt this within the timeline mandated by the IASB.

3. Restricted cash and cash equivalents

As at December 31, 2025 and 2024, restricted cash consists of cash held on behalf of clients which cannot be reduced or removed without prior consent of the respective client, and cash deposited with and/or required by a regulator for licensing. Restricted cash is not available for general use.

(In Thousands of Bermuda Dollars)

4. Financial assets

At the Statement of Financial Position date, financial assets are classified as follows:

	2025		2024	
	Carrying Value	**Cost**	**Carrying Value**	**Cost**
	$	**$**	**$**	**$**
At fair value through profit or loss	**289,162**	**250,584**	268,496	249,492
At fair value through OCI	**73,808**	**73,340**	57,478	57,239
Amortised Cost	**144,114**	**144,246**	127,243	130,443
	507,084	**468,170**	453,217	437,174

For all securities, regardless of classification, the Company's largest concentration in any one investee, or group of investees, is 50.50% (2024 - 49.20%).

The investment manager, PIMCO, is a large asset management firm through which the Company holds a number of managed funds which encompass a diversified asset mix of equities, fixed income and alternative investments.

At Fair Value Through Profit or Loss (FVTPL)

	2025		2024	
	Fair Value	**Cost**	**Fair Value**	**Cost**
	$	**$**	**$**	**$**
Managed funds	**247,929**	**211,555**	226,041	206,225
US Government Bonds	**32,688**	**30,609**	30,868	31,589
Corporate Bonds	**6,573**	**6,456**	6,189	6,192
Non-US Govt Bonds	**1,472**	**1,464**	4,180	4,268
Common equity securities	**500**	**500**	1,218	1,218
	289,162	**250,584**	268,496	249,492

The managed funds owned by the Company invests in a number of different types of investments which include: large cap, small cap and emerging market equity, sovereign bonds, investment grade corporate bonds, high yield bonds, asset backed securities, and alternative investments which can include private equity and real estate.

These investments are subject to the conditions and restrictions as further defined in the terms of the offering of each fund, which are usually contained in formal offering memoranda. Such offering memoranda generally define the nature and types of investments in which a managed fund can invest and provide for specified procedures regarding further investment in and redemption from the particular fund.

(In Thousands of Bermuda Dollars)

The investment portfolio is monitored by the Investment Committee and is subject to investment guidelines approved by the Board of Directors.

The maturity profile of fixed maturity securities, comprising Corporate, Bahamas Government Registered Stock, Non-US Government and US Government debt categorized at fair value through profit or loss, at their carrying value as at the balance sheet date is as follows:

	2025	2024
	$	$
Due less than one year	**10,421**	3,738
From one year to five years	**25,940**	24,883
Over five years	**4,372**	12,616
	40,733	41,237

At Fair Value Through Other Comprehensive Income (FVTOCI)

	2025	2024
	$	$
Bahamas Government Registered Stock	**73,808**	57,478

The Bahamas Government Registered Stock bear interest at rates varying between prime rate plus 3.60% and 8.95% (2024 - prime rate plus 0.03% and 5.50%) per annum and mature between March 2026 and September 2054 (2024 - March 2025 and October 2049).

The maturity profile of Bahamas Government Registered Stock as at balance sheet date is as follows:

	2025	2024
	$	$
Due less than one year	**3,217**	4,570
From one year to five years	**24,819**	13,943
Over five years	**45,772**	38,965
	73,808	57,478

As at December 31, 2025, the Company had $4,640 (2024 – $4,648) of Bahamas Government Registered Stock with maturity dates ranging from March 2026 to July 2049 (2024 – May 2025 and April 2039) in a trust held with Butterfield Bank to meet requirements of the Insurance Act 2005 (Bahamas), and as such this amount is not available for general corporate use.

Included in accounts receivable and accrued interest in the balance sheet is accrued interest totaling $910 (2024 -$910) on financial assets at FVTOCI.

Included in net investment income in the Consolidated Statement of Comprehensive Income is a charge of $(255) (2024 - $(117)) related to the movement in allowance for expected credit losses on Bahamas Government Registered Stock.

(In Thousands of Bermuda Dollars)

Amortised Cost Investments

	2025		2024	
	Carrying Value	**Cost**	**Carrying Value**	**Cost**
	$	**$**	**$**	**$**
Corporate bonds	**35,589**	**35,620**	30,602	31,068
Non-US Government bonds	**27,559**	**27,662**	23,617	26,597
Short term deposits	**45,401**	**45,363**	51,466	51,220
Mortgage loans	**92**	**92**	197	197
US Government bonds	**15,294**	**15,294**	6,899	6,899
Loan Receivable	**1,409**	**1,409**	775	775
Reverse repurchase agreements	**11,751**	**11,786**	13,688	13,688
Promissory notes	**7,019**	**7,019**	—	—
	144,114	**144,245**	127,243	130,443

Investments held at amortised cost include fixed maturity short-term deposits which are held for more than three months from the date of acquisition and have the following maturities and interest rates:

	Interest Rates		Interest Rates	
	2025	**2025**	**2024**	**2024**
Three months - one year	**0.1 %**	**9.0 %**	0.1 %	9.3 %

Investments held at amortised cost also include corporate, US Government, non-US Government fixed maturity debt instruments and a loan receivable which mature as follows:

	2025	2024
	$	**$**
Due less than one year	**71,958**	67,757
From one year to five years	**38,909**	32,729
Over five years	**33,247**	26,757
	144,114	127,243

Included in net investment income in the Consolidated Statement of Comprehensive Income is a (charge) credit of $(110) (2024 - $123) related to expected credit losses on Non-US Government and certain Corporate bonds held at amortised cost.

Included in the accounts receivable and accrued interest amounts in the Consolidated Statement of Financial Position is accrued interest totaling $1,751 (2024 - $1,512).

(In Thousands of Bermuda Dollars)

Reverse Repurchase Agreements

The Group enters into reverse repurchase agreements in the normal course of its investment activities. Under these arrangements, securities are purchased with a simultaneous agreement by the counterparty to repurchase the securities at a specified date and price.

Reverse repurchase agreements are recognized as collateralized lending transactions and are measured at amortised costs. Interest earned is recognized in investment income using the effective interest method over the term of the agreements.

Reverse repurchase agreements are presented on a gross basis in the statement of financial position, as no offsetting or netting arrangements have been applied.

Fair Value Hierarchy

The following table presents the fair value hierarchy for the Company's financial assets as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	**$**	**$**	**$**	**$**
Managed funds	**169,326**	**23,680**	**54,923**	**247,929**
US Government bonds	—	**32,688**	—	**32,688**
Corporate bonds	—	**6,573**	—	**6,573**
Non-US Govt bonds	—	**1,472**	—	**1,472**
Common equity securities	—	—	**500**	**500**
Total	**169,326**	**64,413**	**55,423**	**289,162**
Segregated fund assets	—	**1,039,395**	**1**	**1,039,396**
Fair value for assets at amortised cost				
Financial assets at FVTOCI	—	**73,808**	—	**73,808**
Financial assets at amortised cost	**11,864**	**118,979**	**11,927**	**142,770**

(In Thousands of Bermuda Dollars)

The following table presents the fair value hierarchy for the Company's financial assets as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	**$**	**$**	**$**	**$**
Managed funds	174,893	22,154	28,994	226,041
US Government bonds	—	30,868	—	30,868
Corporate bonds	—	6,189	—	6,189
Non-US Govt bonds	—	4,180	—	4,180
Common equity securities	447	—	771	1,218
Total	175,340	63,391	29,765	268,496
Segregated fund assets	28,490	890,006	1	918,497
Fair value for assets at amortised cost				
Financial assets at FVTOCI	—	57,478	—	57,478
Financial assets at amortised cost	6,899	108,512	11,832	127,243

(a) Financial Assets in Level 1

The fair value of investments traded in active markets is based on quoted market prices at the statement of financial position date. Investments included in Level 1 comprise primarily domestic and foreign quoted equity shares and managed funds.

(b) Financial Assets in Level 2 and 3

The fair value of investments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques include market standard valuation methodologies, which include discounted cash flow analysis, consensus pricing from various broker dealers that are typically the market makers, or other similar techniques. The assumptions and valuation inputs in applying these market standard valuation methodologies are determined primarily using observable market inputs, which include, but are not limited to, benchmark yields, reported trades of identical or similar instruments, broker-dealer quotes, issuer spreads, bid prices and reference data including market research publications. In limited circumstances, non-binding broker quotes are used. If all significant inputs required to determine the fair value of an investment are observable, the investment is included in Level 2.

(In Thousands of Bermuda Dollars)

Fair values of the Company's interests in unquoted managed fund investments are based upon the Net Asset Values of the underlying investment funds as reported by the investment managers or their independent administrators. The Company's ability to redeem its managed fund investments at the reported Net Asset Value per share (or its equivalent) determines whether the managed fund investment is categorized within Level 2 or Level 3 of the fair value hierarchy. If the managed fund can be redeemed within a time period of 3 months with no gates or other redemption restrictions it is classified within Level 2. Otherwise, the managed fund is classified within Level 3.

There were no reclassifications of investments between Level 1, Level 2, or Level 3 during the year ended December 31, 2025 and 2024.

(c) Financial Assets in Level 3

The Level 3 financial assets are primarily composed of funds valued on a Net Asset Value (NAV) basis. The most significant input in the valuation is the NAV of the underlying fund. Generally, an increase in the NAV of each underlying fund will have an increase in the fair value of the financial assets.

The Company holds an equity investment that is classified within Level 3 of the fair value hierarchy. This investment is an unlisted equity security for which there is no active market and observable inputs are not available.

The following table provides a summary of the changes in fair value of the Company's Level 3 financial assets for the year ended December 31, 2025:

	Managed Funds	**Common Equity**	**Amortised Cost**	**Total**
	$	**$**	**$**	**$**
Beginning balance as at January 1, 2025	**28,997**	**771**	**11,832**	**41,600**
Movement in unrealised gains	**1,348**	—	—	**1,348**
Realised gains	**9**	—	—	**9**
Amortisation	—	—	**102**	**102**
Impairment	—	—	**312**	**312**
Purchases	**29,786**	—	**2,742**	**32,528**
Sales	**(5,217)**	—	**(1,767)**	**(6,984)**
Transfer out of Level 3	—	**(271)**	**(1,294)**	**(1,565)**
Ending balance as at December 31, 2025	**54,923**	**500**	**11,927**	**67,350**
Total for the year included in income on Level 3 assets (recognized in investment income)	**1,445**	—	**414**	**1,859**

(In Thousands of Bermuda Dollars)

The following table provides a summary of the changes in fair value of the Company's Level 3 financial assets for the year ended December 31, 2024:

	Managed Funds	Common Equity	Amortised Cost	Total
	$	$	$	$
Beginning balance as at January 1, 2024	27,085	1	32,064	59,150
Movement in unrealised gains	1,563	—	—	1,563
Impairment	—	—	326	326
Purchases	6,201	771	—	6,972
Sales	(5,855)	—	—	(5,855)
Transfer out of Level 3	—	(1)	(20,558)	
Ending balance as at December 31, 2024	28,994	771	11,832	62,156
Total for the year included in income on Level 3 assets (recognized in investment income)	1,563	—	326	1,889

A review of the fair value hierarchy classifications is conducted on an ongoing basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets and liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the period in which the reclassifications occur.

Investment Income and Expense

Net investment income (loss) and expense comprises the following:

	2025	2024
	$	$
Dividend and interest income	**10,482**	8,947
Intercompany and related party interest income	**691**	878
Realised gain on sale of investments	**3,232**	81
Net unrealised gain on investments	**19,574**	10,715
Bond amortisation	**1,107**	592
Management fees	**(652)**	(361)
Allowance for expected credit losses charge	**(110)**	(203)
Impairment recovery	**312**	326
	34,636	20,975

(In Thousands of Bermuda Dollars)

5. Other assets

	2025	2024
	$	**$**
Prepaid and other assets	**7,693**	6,870
Inventory	**1,513**	1,106
Investment in associate (1)	**—**	11,300
Tax credits (2)	**13,259**	—
	22,465	**19,276**

(1) The investment in associate represented 40% of the shareholders' equity in Beacon Insurance Company Limited ("BICL"). On November 24, 2023 the Company entered a share purchase agreement to sell its 40% share in BICL for a consideration of $11,300, subject to regulatory approval. The transaction was completed on November 5, 2025, at a final sale price of $11,607. As a result, the Company recognized a gain on sale of $1,463.

(2) During the year ended December 31, 2025, the Government of Bermuda enacted the Tax Credits Act 2025, for which the Group qualifies. The Act provides tax credits for qualifying expenses incurred in Bermuda, categorized into three main areas: substance-based expenses, utilities and infrastructure, and community development. The tax credit benefits are being introduced gradually over a three-year transition period. Eligible entities may claim 50% of the available credits for the 2025 fiscal year, 75% for 2026, and the full 100% from 2027 onwards.

(In Thousands of Bermuda Dollars)

6. Insurance Service and Finance Results

The following table presents an analysis of the insurance revenues and expenses recognised in the period.

	2025	2024
	$	$
Insurance contract revenue		
Insurance contract revenue measured under PAA	**1,073,667**	1,008,659
Expenses from reinsurance contracts held		
Allocation of reinsurance premium paid	**(372,447)**	(351,658)
Claims recovered from the reinsurer	**49,534**	51,178
Adjustments to liabilities for incurred claims	**6,707**	20,023
	(316,206)	(280,457)
Expenses from insurance contracts issued		
Incurred claims and other incurred insurance service expenses	**(604,670)**	(541,514)
Changes relating to past service - adjustment to liabilities for claims incurred	**54,676**	39,162
Insurance acquisition expenses	**(124,280)**	(125,664)
	(674,274)	(628,016)
Finance expenses from insurance contracts issued		
Interest accreted	**(5,216)**	(5,115)
Effect of changes in interest rates and other financial assumptions	**(485)**	(37)
	(5,701)	(5,152)
Finance income from reinsurance contracts held		
Interest accreted	**1,832**	1,094
Effect of changes in interest rates and other financial assumptions	**102**	229
	1,934	1,323
Total insurance service and finance result	**79,420**	96,357

(In Thousands of Bermuda Dollars)

7. Insurance and Investment Results

The following table presents an analysis of the investment income and net insurance finance results recognised in the period.

	2025	2024
	$	$
Finance expenses from insurance contracts issued		
Interest accreted	**(5,216)**	(5,115)
Effect of changes in interest rates and other financial assumptions	**(485)**	(37)
	(5,701)	(5,152)
Finance income from reinsurance contracts held		
Interest accreted	**1,832**	1,094
Effect of changes in interest rates and other financial assumptions	**102**	229
	1,934	1,323
Net finance loss from insurance and reinsurance contracts	**(3,767)**	(3,829)
Amount recognized in OCI **Based on the assumption of the accounting policy choice, does not disaggregate insurance finance expense between profit/loss and OCI**		
Net investment income	**345**	281
Summary of the amounts recognized in consolidated statement of comprehensive income		
Insurance service result	**83,187**	100,186
Net investment income	**34,636**	20,975
Net finance loss from insurance and reinsurance contracts	**(3,767)**	(3,829)
Net insurance and investment result	**114,056**	117,332

(In Thousands of Bermuda Dollars)

8. Claims development

The claims development table below illustrates the actual claims payments in comparison to the reserves from previous years for property and casualty business, net of reinsurance, as of December 31, 2025. The net cumulative claim reserves for United as of December 31, 2022, and for preceding years, have been allocated to the 2022 diagonal.

Reporting year/period ended:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
	$	$	$	$	$	$	$	$	$	$	$	$
At end of reporting year/period	11,557	13,287	12,679	14,981	34,808	9,917	13,886	16,796	50,702	46,556	96,950	
One year later	12,659	15,351	13,652	16,074	33,103	10,751	14,590	28,616	51,650	51,749	—	
Two years later	12,995	15,672	13,667	15,669	32,577	11,127	21,509	29,184	50,835	—	—	
Three years later	13,277	15,773	13,502	15,787	32,749	19,224	21,778	28,880	—	—	—	
Four years later	13,563	16,232	13,472	15,800	39,144	19,497	21,642	—	—	—	—	
Five years later	13,630	16,460	13,430	20,517	39,713	19,585	—	—	—	—	—	
Six years later	13,582	16,262	15,657	20,014	40,511	—	—	—	—	—	—	
Seven years later	13,578	20,168	15,587	20,193	—	—	—	—	—	—	—	
Eight years later	15,585	20,296	16,173	—	—	—	—	—	—	—	—	
Nine years later	16,208	20,361	—	—	—	—	—	—	—	—	—	
Ten years later	13,576	—	—	—	—	—	—	—	—	—	—	
Current estimate of net cumulative claims	13,576	20,361	16,173	20,193	40,511	19,585	21,642	28,880	50,835	51,749	96,950	380,455
Cumulative payments to date	(9,001)	(12,249)	(7,909)	(18,708)	(38,292)	(17,007)	(18,091)	(23,679)	(42,284)	(39,081)	(27,227)	(253,528)
Net liabilities for accident years 2015 - 2025	4,575	8,112	8,264	1,485	2,219	2,578	3,551	5,201	8,551	12,668	69,723	126,927
Net liabilities for prior accident year												5,950
Effect of discounting												5,785
Effect of the risk adjustment margin for non-financial risk												(4,409)
Net LIC for the contracts originated												134,253

(In Thousands of Bermuda Dollars)

9. Reconciliation of insurance contract liabilities

The roll-forward of liabilities for insurance contracts showing liabilities for remaining coverage and liabilities for incurred claims are disclosed in the tables below:

	2025				
	Excluding Loss Component	Loss Component	Estimates of PV of Future Cash Flows	Risk adj. for non-financial risk	Total
	$	$	$	$	$
Opening insurance contract liabilities	**127,399**	**—**	**176,108**	**3,800**	**307,307**
Changes in the consolidated statement of comprehensive income					
Insurance contract revenue					
Insurance contract revenue measured under PAA	**(1,073,667)**	**—**	**—**	**—**	**(1,073,667)**
Insurance service expenses					
Incurred claims and other insurance service expenses	**124,280**	**—**	**604,670**	**—**	**728,950**
Adjustments to liabilities for incurred claims	**—**	**—**	**(56,336)**	**1,660**	**(54,676)**
Insurance service result	**(949,387)**	**—**	**548,334**	**1,660**	**(399,393)**
Insurance finance expenses from insurance contracts	**—**	**—**	**5,701**	**—**	**5,701**
Impact of transition to IAS 21 on opening balance	**(1,114)**	**—**	**(1,700)**	**(48)**	**(2,862)**
Total changes in the consolidated statement of comprehensive income	**(950,501)**	**—**	**552,335**	**1,612**	**(396,554)**
Investment components excluded from insurance revenue and insurance service expenses					
Cash flows					
Premiums received (including investment components)	**1,070,672**	**—**	**—**	**—**	**1,070,672**
Claims and other insurance service expenses paid (including investment components)	**(121,941)**	**—**	**(499,511)**	**—**	**(621,452)**
Total cash flows	**948,731**	**—**	**(499,511)**	**—**	**449,220**

(In Thousands of Bermuda Dollars)

	2025				
	Excluding Loss Component	**Loss Component**	**Estimates of PV of Future Cash Flows**	**Risk adj. for non-financial risk**	**Total**
	$	**$**	**$**	**$**	**$**
Closing insurance contract assets	**(37,805)**	**—**	**31,148**	**3**	**(6,654)**
Closing insurance contract liabilities	**163,434**	**—**	**197,784**	**5,409**	**366,627**
Net closing balance	**125,629**	**—**	**228,932**	**5,412**	**359,973**

(In Thousands of Bermuda Dollars)

	2024				
	Excluding Loss Component	Loss Component	Estimates of PV of Future Cash Flows	Risk adj. for non-financial risk	Total
	$	$	$	$	$
Opening insurance contract liabilities	97,501	—	145,500	3,471	246,472
Changes in the consolidated statement of comprehensive income					
Insurance contract revenue					
Insurance contract revenue measured under PAA	(1,008,659)	—	—	—	(1,008,659)
Insurance service expenses					
Incurred claims and other insurance service expenses	125,664	—	541,514	—	667,178
Adjustments to liabilities for incurred claims	—	—	(39,491)	329	(39,162)
Insurance service result	(882,995)	—	502,023	329	(380,643)
Insurance finance expenses from insurance contracts	—	—	5,152	—	5,152
Total changes in the consolidated statement of comprehensive income	(882,995)	—	507,175	329	(375,491)
Investment components excluded from insurance revenue and insurance service expenses					
Cash flows					
Premiums received (including investment components)	1,036,315	—	—	—	1,036,315
Claims and other insurance service expenses paid (including investment components)	(123,422)	—	(476,567)	—	(599,989)
Total cash flows	912,893	—	(476,567)	—	436,326
Closing insurance contract liabilities	127,399	—	176,108	3,800	307,307

(In Thousands of Bermuda Dollars)

10. Reconciliation of reinsurance contract assets

The roll-forward of the net asset for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising on insurance ceded to reinsurers are disclosed in the tables below:

	2025				
	Excluding Loss Component	Loss Component	Estimates of PV of Future Cash Flows	Risk adj. for non-financial risk	Total
	$	$	$	$	$
Opening reinsurance contract assets	52,503	—	47,546	940	100,989
Opening reinsurance contract liabilities	(7,818)	—	—	—	(7,818)
Net opening balance	44,685	—	47,546	940	93,171
Changes in the consolidated statement of comprehensive income					
Reinsurance contract revenue					
Allocation of reinsurance premiums paid	(372,447)	—	—	—	(372,447)
Recoveries on incurred claims and other incurred reinsurance service expenses	—	—	49,534	—	49,534
Reinsurance service expenses					
Changes in recoveries for past claims	—	—	6,013	694	6,707
Finance income or expenses from reinsurance contracts recognised in profit or loss	—	—	1,934	—	1,934
Reinsurance service result	(372,447)	—	57,481	694	(314,272)
Impact of transition to IAS 21 on opening balance	2,729	—	(1,685)	(48)	996
Total changes in the consolidated statement of comprehensive income	(369,718)	—	55,796	646	(313,276)

(In Thousands of Bermuda Dollars)

	2025				
	Excluding Loss Component	**Loss Component**	**Estimates of PV of Future Cash Flows**	**Risk adj. for non-financial risk**	**Total**
	$	**$**	**$**	**$**	**$**
Investment components excluded from reinsurance revenue and reinsurance service expenses					
Cash flows					
Premiums paid	**436,463**	**—**	**—**	**—**	**436,463**
Amounts received from reinsurers relating to incurred claims	**(51,971)**	**—**	**(49,533)**	**—**	**(101,504)**
Total cash flows	**384,492**	**—**	**(49,533)**	**—**	**334,959**
Closing reinsurance contract assets	**83,090**	**—**	**38,046**	**1,468**	**122,604**
Closing reinsurance contract liabilities	**(23,631)**	**—**	**15,763**	**118**	**(7,750)**
Net closing balance	**59,459**	**—**	**53,809**	**1,586**	**114,854**

(In Thousands of Bermuda Dollars)

	2024				
	Excluding Loss Component	Loss Component	Estimates of PV of Future Cash Flows	Risk adj. for non-financial risk	Total
	$	$	$	$	$
Opening reinsurance contract assets	53,592	—	26,472	669	80,733
Opening reinsurance contract liabilities	(7,478)	—	—	—	(7,478)
Net opening balance	46,114	—	26,472	669	73,255
Changes in the consolidated statement of comprehensive income					
Reinsurance contract revenue					
Allocation of reinsurance premiums paid	(351,658)	—	—	—	(351,658)
Recoveries on incurred claims and other incurred reinsurance service expenses	—	—	51,178	—	51,178
Reinsurance service expenses					
Changes in recoveries for past claims	—	—	19,752	271	20,023
Finance income or expenses from reinsurance contracts recognised in profit or loss	—	—	1,323	—	1,323
Reinsurance service result	(351,658)	—	72,253	271	(279,134)
Investment components excluded from reinsurance revenue and reinsurance service expenses					
Cash flows					
Premiums paid	400,423	—	—	—	400,423
Amounts received from reinsurers relating to incurred claims	(50,194)	—	(51,179)	—	(101,373)
Total cash flows	350,229	—	(51,179)	—	299,050
Closing reinsurance contract assets	52,503	—	47,546	940	100,989
Closing reinsurance contract liabilities	(7,818)	—	—	—	(7,818)
Net closing balance	44,685	—	47,546	940	93,171

(In Thousands of Bermuda Dollars)

11. Goodwill and Intangible Assets

	2025	2024
	$	$
Goodwill	**15,793**	15,793
Net Intangibles	**4,856**	5,649
	20,649	21,442

The Goodwill is allocated to two cash-generating units (CGU).

	2025	2024
	$	$
United	**9,275**	9,275
BCH	**6,518**	6,518
	15,793	15,793

When testing for impairment, the recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. A Group-specific risk-adjusted discount rate of 7% (2024 – 7%) is used. The projected cash flows are determined by past performances and management expectations for market developments.

No impairment loss was recorded as of December 31, 2025 and 2024.

Intangible assets as at December 31, 2025, are detailed below:

	2024	Additions	Disposals	2025
Cost	$	$	$	$
Insurance licenses	1,000	—	—	**1,000**
Computer software	11,902	359	(331)	**11,930**
Portfolio acquisition cost	8,713	—	—	**8,713**
Total	21,615	359	(331)	**21,643**

	2024	Amortisation	Disposals	2025
Accumulated amortisation	$	$	$	$
Computer software	10,026	904	(331)	**10,599**
Portfolio acquisition cost	5,940	248	—	**6,188**
Total	15,966	1,152	(331)	**16,787**
Net book value	5,649			**4,856**

(In Thousands of Bermuda Dollars)

Intangible assets as at December 31, 2024 are detailed below:

	2023	Additions	Disposals	2024
Cost	**$**	**$**	**$**	**$**
Insurance licenses	1,000	—	—	1,000
Computer software	15,060	85	(3,243)	11,902
Portfolio acquisition cost	8,948	—	(235)	8,713
Total	25,008	85	(3,478)	21,615

	2023	Amortisation	Disposals	2024
Accumulated amortisation	**$**	**$**	**$**	**$**
Computer software	12,582	684	(3,240)	10,026
Portfolio acquisition cost	5,726	449	(235)	5,940
Total	18,308	1,133	(3,475)	15,966
Net book value	6,700			5,649

Until December 31, 2014, management considered the portfolio acquisition cost as having an indefinite useful life. Consequently, the asset was not amortised, but was tested annually for impairment. Due to a change in circumstances, effective January 1, 2015, management determined that the asset's useful life had changed from indefinite to finite.

No impairment was recorded as of December 31, 2025 and 2024.

(In Thousands of Bermuda Dollars)

12. Property, Plant and Equipment

Property, plant and equipment as at December 31, 2025, comprises the following:

	2024	Additions	Disposals	Foreign exchange	2025
Cost	$	$	$		$
Land	4,453	—	—	—	**4,453**
Property	18,398	89	—	—	**18,487**
Leasehold improvements	11,082	643	(228)	—	**11,497**
Right-of-use assets	35,108	516	(102)	(267)	**35,255**
Computer hardware	5,507	448	(647)	—	**5,308**
Furniture and office equipment	10,916	1,336	(1,625)	(194)	**10,433**
Motor vehicles	918	49	(14)	—	**953**
	86,382	3,081	(2,616)	(461)	**86,386**

	2024	Depreciation	Disposals	Foreign exchange	2025
Accumulated depreciation	$	$	$		$
Property	4,744	259	—	—	**5,003**
Leasehold improvements	9,557	434	(223)	—	**9,768**
Right-of-use assets	16,362	2,697	(102)	(203)	**18,754**
Computer hardware	4,719	307	(647)	—	**4,379**
Furniture and office equipment	9,075	811	(1,448)	(146)	**8,292**
Motor vehicles	505	89	(14)	—	**580**
	44,962	4,597	(2,434)	(349)	**46,776**
Net book value	41,420				**39,610**

(In Thousands of Bermuda Dollars)

Property, plant and equipment as at December 31, 2024, comprises the following:

	2023	Additions	Disposals	2024
Cost	**$**	**$**	**$**	**$**
Land	4,453	—	—	4,453
Property	18,184	214	—	18,398
Leasehold improvements	14,040	346	(3,304)	11,082
Right-of-use assets	35,218	466	(576)	35,108
Computer hardware	10,377	235	(5,105)	5,507
Furniture and office equipment	12,237	616	(1,937)	10,916
Motor vehicles	966	41	(89)	918
	95,475	1,918	(11,011)	86,382

	2023	Depreciation	Disposals	2024
Accumulated depreciation	**$**	**$**	**$**	**$**
Property	4,293	618	(167)	4,744
Leasehold improvements	12,417	438	(3,298)	9,557
Right-of-use assets	13,884	2,711	(233)	16,362
Computer hardware	9,506	318	(5,105)	4,719
Furniture and office equipment	9,917	897	(1,739)	9,075
Motor vehicles	502	87	(84)	505
	50,519	5,069	(10,626)	44,962
Net book value	44,956			41,420

No impairment was recorded as of December 31, 2025 and 2024.

13. Risk Management and Financial Instruments

The activities of the Company involve the use of insurance contracts and financial instruments. As such, the Company is exposed to insurance risks and financial risks. This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established an Investment Management Committee, Risk Oversight Committee and Audit Committee, which along with the CEO are responsible for developing and monitoring the Company's risk management policies. The committees and CEO report regularly to the Board of Directors on their activities.

The risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Investment Management Committee, Risk Oversight Committee and Audit Committee of the Company are standing committees of the Board of Directors and assist the Board in fulfilling its oversight responsibilities relating to the financial reporting process, internal accounting and financial controls, audit and risk review process, risk assessment and risk management and compliance with legal and regulatory requirements. The Investment Management Committee, Risk Oversight Committee and Audit Committee meet at least four times per annum and report to the Board of Directors on their performance with regards to their respective terms of reference.

The principles used by the Company in managing its insurance risks are set out below.

Insurance Risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random and the actual number and amount of claims will vary from year to year from the level established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered. The Company insures the risks of individuals and companies located in Bermuda, Guyana, Belize and several jurisdictions across the Caribbean islands. There is a concentration of industry risk which is managed through its underwriting strategy and reinsurance arrangements. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

The Company predominantly funds its net insurance liabilities (net of reinsurance recoveries) through its cash and in the normal course of its operations. In the event of a catastrophe, the net insurance liabilities may require funding through the disposal of the Company's portfolio of investments.

The mean duration of liabilities is calculated using historical claims data to determine the expected settlement pattern for claims arising from insurance contracts in force at the statement of financial position date (both incurred claims and future claims arising from the unexpired risks at the statement of financial position date).

The majority of the insurance risk to which the Company is exposed is of a short-tail nature, as policies generally cover a 12-month period. The duration of claims liability varies as presented below:

	2025	2024
Net short-term insurance liabilities – medical	**2.5 months**	2.5 months
Net short-term insurance liabilities – property risk	**9 to 18 months**	9 to 13 months
Net short-term insurance liabilities – casualty risk	**8 to 24 months**	1 to 2 years

General Insurance

The Company provides health insurance coverage in The Bahamas, Bermuda, Cayman, the British Virgin Islands, the Turks & Caicos Islands, Barbados and other Eastern Caribbean jurisdictions. It includes medical, dental, vision, long term disability, short term disability, Company life and accidental death and dismemberment risks. The Company provides coverage for motor vehicle, motor cycle, property, marine and general liability risks in the jurisdictions above as well as in Aruba, Bonaire, Curacao, Antigua, Trinidad & Tobago, Guyana, Jamaica, Belize, Dominica, Saint Lucia, Grenada, Anguilla, Montserrat, and Saint Vincent and The Grenadines.

The Company provides property and casualty coverage with the following per risk treaty limits:

	Treaty Limit Per Risk (in millions of Bermuda dollars)				
	Bermuda	Barbados	Bahamas	Cayman	BVI
Property	13	13	10	7	3
Motor liability	5	30	10	12	1
General liability	5	5	5	6	5
Marine hull liability	1	1	1	1	1
Engineering	13	13	13	13	13
Professional indemnity and directors & officers liability	3	3	3	3	3
Bonds	—	3	3	—	—

The Company provides health coverage with the following maximum limits:

	2025	2024
	$	$
Medical	**5,000**	5,000
Group life	**2,000**	2,000
Individual Life	**100**	100
Accidental death and dismemberment	**2,000**	2,000

The Company also offers international health insurance coverage for medical, dental, life, long term disability and accidental death and dismemberment risks for individuals and groups working outside their home country. The maximum annual coverage limit is $2,000 (2024 - $2,000) per insured.

Contract Risk

Insurance contract risk is the risk that a loss arises from the following reasons:

- Fluctuation in the timing, frequency and severity of claims relative to expectations;
- Inadequate reinsurance protection, and;
- Large unexpected losses arising from a single event such as a catastrophe.

Insured events can occur at any time during the coverage period and can generate losses of variable amounts. An objective of the Company is to ensure that sufficient claims liabilities are established to cover future insurance claim payments related to past insured events. The Company's success depends upon its ability to accurately assess the risk associated with the insurance contracts underwritten by the Company. The Company establishes claims liabilities to cover the estimated liability for the payment of all losses, including loss adjustment expenses incurred with respect to insurance contracts underwritten by the Company. Claims liabilities do not represent an exact calculation of the liability. Rather, claims liabilities are the Company's best estimates of its expected ultimate cost of resolution and administration of claims.

The composition of the Company's insurance risk, as well as the methods employed to mitigate risks, are described below.

Risk Related to the Timing, Frequency and Severity of Claims

Due to the occurrence of claims being unforeseeable, the Company is exposed to the risk that the number and the severity of claims would exceed the estimates.

Strict claim review policies are in place to assess all new and ongoing claims. Regular detailed reviews of claims handling procedures and frequent investigations of possible fraudulent claims reduce the Company's risk exposure. Furthermore, the Company enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that could negatively impact the business.

Catastrophe Risk

Catastrophe risk is the risk of occurrence of a catastrophe defined as any one claim, or group of claims related to a single event such as large fires, hurricanes or windstorms. Catastrophes can have a significant impact on the underwriting income of an insurer.

The Company has limited its exposure to catastrophe risk by imposing maximum claim amounts on certain contracts, as well as by using reinsurance arrangements. The Company purchases a combination of proportional and non-proportional reinsurance to manage catastrophe exposure. Retention limits for the excess of loss reinsurance vary by product line.

(In Thousands of Bermuda Dollars)

The Company purchased catastrophic excess of loss life reinsurance providing cover for the loss of 6 lives or more (2024 - 6 lives or more) that are involved in any one loss.

	2025	2024
Life catastrophe risk	**$**	**$**
Per occurrence in excess of	**250**	250
Limit per occurrence	**5,000**	5,000

Reinsurance Protection

In the normal course of business, the Company limits the amount of loss on any one policy by reinsuring certain levels of risk with other insurers. Reinsurance ceded does not discharge the Company's liability as the primary insurer. In the event that the reinsurers are unable to meet their obligations under the reinsurance agreements, the Company would also be liable for the reinsured amount.

For larger individual property risks the Company obtains the additional coverage by way of prearranged facilities and facultative reinsurance. The Company also purchases property catastrophe reinsurance. The coverage and cost is shared by all property and casualty companies in the Holding Company. A subsidiary provides cover to reduce the treaty deductible from $10,000 (2024 - $12,760) on the first event and from $5,850 (2024 - $10,000) for the second event to the below:

	2025	2024
Shared by all subsidiaries of the Company	**$**	**$**
First event - Per event exposures in excess of	**3,000**	3,000
Second event - Per event exposures in excess of	**3,000**	3,000
Limited to a maximum of	**260,000**	270,000
Optional third event - Limited to a maximum of	**30,000**	30,000

The third event cover provides reinsurance protection for losses impacting the layer $10,000 in excess of $10,000 and $30,000 in excess of $20,000.

The Company's motor and general liability exposure is limited through the purchase of excess of loss reinsurance which covers the maximum limits insured on any one risk in all jurisdictions.

	2025	2024
Motor	**$**	**$**
Loss limit per occurrence	**1,000**	750

The Company follows the policy of underwriting and reinsuring all contracts of insurance which limit the retained liability of the Company to a maximum amount on any one individual medical loss per year:

(In Thousands of Bermuda Dollars)

	2025	2024
Medical	**$**	$
Individual loss limit per year	**350**	350

Exposure to Insurance Risk

Key Assumptions

The principal assumption underlying the unpaid claim estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions as well as internal factors such as portfolio mix, policy conditions and claims handling procedures.

Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

Sensitivities

The claims liabilities to certain assumptions are presented in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

Property and casualty entities

Sensitivity Factor	Description of Sensitivity Factor Applied
Average number of claims (frequency)	The impact of a change in number of claims by 10%
Average claim costs (severity)	The impact of a change in average claim cost by 10%

	Number of Claims +10%	Number of Claims -10%	Claim Costs +10%	Claim Costs -10%
	Increase (Decrease)			
	$	$	$	$
At December 31, 2025				
Impact on profit*	(11,315)	11,315	(11,315)	11,315
Impact on shareholder's equity*	(11,315)	11,315	(11,315)	11,315

(In Thousands of Bermuda Dollars)

Medical insurance entities

Sensitivity Factor	Description of Sensitivity Factor Applied
Average number of claims (frequency)	The impact of a 18% increase or 4% decrease in number of claims
Average claim costs (severity)	The impact of a 14% increase or 3% decrease in average claim cost

	Number of Claims +18%	Number of Claims -4%	Claim Costs +14%	Claim Costs -3%
	Increase (Decrease)			
	$	$	$	$
At December 31, 2025				
Impact on profit*	3,664	(814)	4,349	(932)
Impact on shareholder's equity*	3,664	(814)	4,349	(932)

Long Term Insurance

The Company provides life insurance and accidental death benefits coverage as well as investment and savings products in Bermuda, Cayman, British Virgin Islands and internationally. Life insurance contracts offered by the Company include: whole life, term assurance, single premium immediate annuity and variable life.

Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death.

All life insurance policies include the option to purchase contribution protection benefits that provide for payment of contributions on behalf of policyholders in periods of total disability.

The main risks that the Company is exposed to are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected.
- Longevity risk – risk of loss arising due to the annuitant living longer than expected.
- Investment return risk – risk of loss arising from actual returns being different than expected.
- Expense risk – risk of loss arising from expense experience being different than expected and the risk of future inflation causing expenses to be higher than projected, thus impacting reserves.
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured or by industry.

Life Risks

Reinsurance agreements are in place for individual life business. The Company does not assure any individual life risks in excess of the reinsurers' limits. The individual life business is reinsured on claims in excess of $100 domestically (2024 – $100) and $100 internationally (2024 – $100) with the reinsurers' limit being $3,000 (2024 – $3,000). However, the Company's reinsurer has made exceptions on individual considerations and has accepted higher limits.

Accidental Death Benefit

The reinsurer can participate in risks up to $1,000 (2024 - $1,000) of accidental death benefit (ADB) per life with all carriers. The Company does not insure any individual ADB risks in excess of the reinsurer's limits. The Company does not retain any exposure to ADB risks.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies of the Company are discussed below:

Credit Risk

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's maximum credit risk exposure is the carrying value of assets less any provisions for irrecoverable amounts. The Company is exposed to credit risk in the following areas:

Cash and Investments

The Company maintains its cash and cash equivalents with financial institutions that management believes to be of high credit quality. Credit risk associated with these balances is managed by placing funds with banks and financial institutions that have strong credit ratings. The Company evaluates the creditworthiness of counterparties on an ongoing basis, considering factors such as financial strength, credit ratings, and market conditions. The Company monitors the financial stability of these institutions and does not anticipate any losses on such balances.

Investment asset allocation is determined by the Company's Investment Committee who manages the distribution of the assets to achieve the Company's investment objectives and to mitigate credit risks. Divergence from target asset allocations and the composition of the portfolio is monitored by the Company's Board of Directors and Investment Committee. Details of the concentration on investments are disclosed in Note 4.

(In Thousands of Bermuda Dollars)

The Company's exposure to individual counterparty credit risk on cash and cash equivalents exceeding 10% of the total balance is set out below:

	2025	2024
	$	**$**
CIBC FirstCarribbean International Bank	**85,802**	63,159
Bank of N.T. Butterfield	**34,076**	40,148
	119,878	103,307

Expected credit loss on financial assets

The Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Purchased or originated credit impaired financial assets ("POCI") are financial assets that are credit impaired at initial recognition. These financial assets are always measured on the basis of lifetime expected credit loss.

Debt instruments measured at Amortised costs

The following table shows the fair value of the Company's debt instruments measured at amortised costs by credit risk based on its internal credit rating system.

(In Thousands of Bermuda Dollars)

	Financial Assets at amortised cost				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
Aaa	648	—	—	—	648
Aa1	19,121	—	—	—	19,121
Aa2	1,964	—	—	—	1,964
Aa3	3,035	—	—	—	3,035
A1	3,078	—	—	—	3,078
A2	4,817	—	—	—	4,817
A3	19,829	—	—	—	19,829
Baa1	2,472	—	—	—	2,472
Baa2	2,628	1,957	—	—	4,585
Baa3	13,466	5,369	—	—	18,835
Ba1	1,441	—	—	—	1,441
Ba2	—	20	—	—	20
Ba3	1,031	—	—	—	1,031
B2	762	—	—	11,927	12,689
B3	2,993	—	—	—	2,993
Caa1	1,402	—	—	—	1,402
Not rated	45,515	591	—	—	46,106
Total Gross Amount	**124,202**	**7,937**	**—**	**11,927**	**144,066**
ECL	(136)	(126)	—	(1,034)	(1,296)
Total Net Amount	**124,066**	**7,811**	**—**	**10,893**	**142,770**

(In Thousands of Bermuda Dollars)

	Financial Assets at amortised cost				
	2024				
	ECL Staging				
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
	$	$	$	$	$
Aaa	7,945	—	—	—	7,945
Aa2	26,364	—	—	—	26,311
Aa3	684	—	—	—	684
A1	4,565	—	—	—	4,565
A2	3,904	—	—	—	3,904
A3	2,060	—	—	—	2,060
Baa1	1,518	—	—	—	1,518
Baa2	3,269	—	—	—	3,269
Baa3	5,639	1,328	—	—	6,967
Ba1	1,000	—	—	—	1,000
Ba3	—	480	—	—	480
B2	13,398	7,910	—	2,593	23,901
B3	4,309	—	—	9,239	13,548
Caa1	—	1,361	—	—	1,361
Not rated	31,276	—	—	—	31,276
Total Gross Amount	105,931	11,079	—	11,832	128,842
ECL	(48)	(254)	—	(1,297)	(1,599)
Total Net Amount	105,883	10,825	—	10,535	127,243

(In Thousands of Bermuda Dollars)

The following table shows an analysis of changes in the fair value and the corresponding ECLs:

	Financial Assets at amortised cost				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
Fair value as at 1 January	**100,940**	**11,079**	**—**	**13,687**	**125,706**
New assets originated or purchased	**120,928**	**2,029**	**—**	**—**	**122,957**
Assets derecognised or matured	**(97,896)**	**(5,134)**	**—**	**(1,762)**	**(104,792)**
Change in fair value	**228**	**(35)**	**—**	**2**	**195**
At 31 December	**124,200**	**7,939**	**—**	**11,927**	**144,066**

	Financial Assets at amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
Fair value as at 1 January	66,260	13,394	—	16,033	95,687
New assets originated or purchased	66,521	—	—	—	66,521
Assets derecognised or matured	(25,610)	(2,315)	—	(4,201)	(32,126)
Change in fair value	(1,293)	—	—	—	(1,293)
At 31 December	105,878	11,079	—	11,832	128,789

(In Thousands of Bermuda Dollars)

	Financial Assets at amortised cost				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
ECL as at 1 January	**(48)**	**(254)**	**—**	**(1,298)**	**(1,600)**
New assets originated or purchased	**(87)**	**—**	**—**	**—**	**(87)**
Assets derecognised or matured (excluding write-offs)	**(1)**	**128**	**—**	**264**	**391**
ECL as at 31 December	**(136)**	**(126)**	**—**	**(1,034)**	**(1,296)**

	Financial Assets at amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
ECL as at 1 January	(11)	(31)	—	(786)	(828)
New assets originated or purchased	(39)	(92)	—	—	(131)
Assets derecognised or matured (excluding write-offs)	2	—	—	—	2
Other credit loss movement: changes in assumptions/ movement in categories	—	(130)	—	(511)	(641)
ECL as at 31 December	(48)	(253)	—	(1,297)	(1,598)

(In Thousands of Bermuda Dollars)

Debt instruments measured at FVTOCI

The following table shows the fair value of the Company's debt instruments measured at FVTOCI by credit risk based on its internal credit rating system.

	Financial assets through other comprehensive income				
	2025				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	POCI	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		
	$	$	$	$	$
B1	**73,808**	**—**	**—**	**—**	**73,808**

	Financial assets through other comprehensive income				
	2024				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	POCI	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		
	$	$	$	$	$
B1	57,478	—	—	—	57,478

The following table shows an analysis of changes in the fair value and the corresponding ECLs:

	Financial assets through other comprehensive income				
	2025				
	ECL Staging				
	Stage 1	Stage 2	Stage 3	POCI	Total
	12 month ECL	Lifetime ECL	Lifetime ECL		
	$	$	$	$	$
Fair value as at 1 January	**57,478**	**—**	**—**	**—**	**57,478**
New assets originated or purchased	**20,743**	**—**	**—**	**—**	**20,743**
Assets derecognised or matured	**(4,621)**	**—**	**—**	**—**	**(4,621)**
Change in fair value	**208**	**—**	**—**	**—**	**208**
At 31 December	**73,808**	**—**	**—**	**—**	**73,808**

(In Thousands of Bermuda Dollars)

	Financial assets through other comprehensive income				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
Fair value as at 1 January	49,992	—	—	—	49,992
New assets originated or purchased	16,145	—	—	—	16,145
Assets derecognised or matured	(8,830)	—	—	—	(8,830)
Change in fair value	171	—	—	—	171
At 31 December	57,478	—	—	—	57,478

	Financial assets through comprehensive income				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
ECL as at 1 January	**(549)**	—	—	—	**(549)**
New assets originated or purchased	**(130)**	—	—	—	**(130)**
ECL as at 31 December	**(680)**	—	—	—	**(680)**

	Financial assets through comprehensive income				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
	$	$	$	$	$
ECL as at 1 January	(295)	—	—	—	(295)
New assets originated or purchased	(261)	—	—	—	(261)
Assets derecognised or matured (excluding write-offs)	5	—	—	—	5
ECL as at 31 December	(551)	—	—	—	(551)

(In Thousands of Bermuda Dollars)

Geographical Concentration

The geographical concentration of financial assets at fair value through profit or loss is as follows:

	2025	2024
	$	$
Australia	—	386
Bahamas	**1,472**	3,930
Barbados	—	1,115
Bermuda	**500**	—
British Virgin Islands	—	250
Ireland	**162,639**	169,731
Netherlands	—	497
St. Lucia	—	147
Trinidad & Tobago	**208**	2,057
United States	**124,343**	90,383
Total	**289,162**	268,496

The geographical concentration of financial assets at fair value through other comprehensive income is as follows:

	2025	2024
	$	$
Bahamas	**73,807**	57,478

(In Thousands of Bermuda Dollars)

The geographical concentration of financial assets at amortised cost is as follows:

	2025	2024
	$	$
Anguilla	**578**	242
Antigua	**3,053**	2,658
Aruba	**7,191**	4,889
Bahamas	**12,951**	9,117
Barbados	**13,080**	13,802
Belize	**2,259**	2,211
Bermuda	**3,755**	3,124
British Virgin Islands	**250**	—
Canada	—	381
Curacao	**2,298**	1,111
Dominica	**17**	19
France	—	76
Grenada	**632**	1,216
Guyana	**3,143**	2,624
Jamaica	**4,127**	15,190
Jersey	—	81
Montserrat	**829**	826
Netherlands	—	317
St. Kitts	**1,023**	1,791
St. Lucia	**9,174**	9,210
St. Vincent	**1,518**	2,705
Trinidad and Tobago	**38,542**	27,433
Turks & Caicos	**3,675**	3,572
United Kingdom	—	194
United States	**36,019**	24,454
Total	**144,114**	127,243

Insurance Balances Receivable

The Company's exposure to credit risk on its insurance balances receivable is influenced by the financial stability of entities and individuals that purchase insurance products. This credit risk is controlled by monitoring the aging of all amounts outstanding on an ongoing basis and monitoring the customers' financial health by reference to the media and discussions with the customers. A provision is made for non-recovery if considered necessary.

Collateral is not held against any of the outstanding balances; however the Company has the right to cancel the policy for non-payment. Based on the Company's current aging analysis, all premiums receivable over 30 days are considered to be past due but not impaired. Customer accounts that are over 90 days past due are considered for impairment by management. Cancellation or extension of the terms of the credit is considered on a case by case basis.

Reinsurance Contract Assets

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, allowances are established for amounts deemed uncollectible. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of its reinsurers to minimize the exposure to significant losses from reinsurer insolvencies.

The Company reviews the creditworthiness of reinsurers on an annual basis and generally enters and maintains contracts with reinsurers that (1) have been rated as A- or higher by the AM Best credit rating agency and (2) have in excess of $500 million in capital and surplus. Current financial statements of the reinsurers are reviewed annually. Based on the individual reinsurance agreements, the Company may have the right to offset amounts due to reinsurers against any amounts due from reinsurers.

Amounts due from reinsurers are assessed regularly for any indication of impairment. At December 31, 2025, $76,843 (2024 - $54,233) was due from reinsurers who generally have an A.M. Best rating of at least A-. Management considers that there is no significant credit risk associated with any of the Company's reinsurers.

Related-Party Receivables

The Company applies the simplified approach for assessing ECLs on balances due from related parties. At December 31, 2025 and 2024, all amounts are considered collectible and no expected ECLs were recognized.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company is exposed to daily calls on its available cash resources for the payment of claims, policy benefits and operating expenses. In order to manage the Company's liquidity risk, management seeks to maintain levels of cash and short-term deposits sufficient to meet its liabilities when due, under normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The following table summarizes the contractual recovery or settlement of other assets held (within 12 months from the Statement of Financial Position date) and the maturity profile of the Company's liabilities relating to financial instruments and insurance contracts:

(In Thousands of Bermuda Dollars)

	2025				2024			
	Within 1 Year	**1-5 Years**	**5 Years and above**	**Total**	**Within 1 Year**	**1-5 Years**	**5 Years and above**	**Total**
Financial assets	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	**198,051**	—	—	**198,051**	184,278	—	—	184,278
Restricted cash	**5,556**	—	—	**5,556**	6,042	—	—	6,042
Financial assets	**334,025**	**89,668**	**83,391**	**507,084**	303,324	71,555	78,338	453,217
Accounts receivable and accrued interest	**8,059**	—	—	**8,059**	10,284	—	—	10,284
Other assets	**22,465**	—	—	**22,465**	19,276	—	—	19,276
Amounts due from related companies	**15,209**	—	—	**15,209**	16,303	—	—	16,303
Reinsurance contract assets	**122,604**	—	—	**122,604**	100,989	—	—	100,989
Corporate tax assets	**1,339**	—	—	**1,339**	1,246	—	—	1,246
Deferred tax assets	**42,075**	—	—	**42,075**	—	—	—	—
Insurance contract assets	**6,654**	—	—	**6,654**	—	—	—	—
	756,037	**89,668**	**83,391**	**929,096**	641,742	71,555	78,338	791,635

	2025				2024			
	Within 1 Year	**1-5 Years**	**5 Years and above**	**Total**	**Within 1 Year**	**1-5 Years**	**5 Years and above**	**Total**
Financial liabilities	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Bank overdraft	**1,974**	—	—	**1,974**	400	—	—	400
Other liabilities	**26,010**	—	—	**26,010**	26,229	—	—	26,229
Insurance contract liabilities	**366,627**	—	—	**366,627**	307,307	—	—	307,307
Reinsurance contract liabilities	**7,750**	—	—	**7,750**	7,818	—	—	7,818
Income tax liabilities	**9,709**	—	—	**9,709**	3,872	—	—	3,872
Lease liabilities	**2,740**	**13,661**	**1,610**	**18,011**	2,805	14,149	3,279	20,233
	414,810	**13,661**	**1,610**	**430,081**	348,431	14,149	3,279	365,859
Liquidity margin	**341,227**	**76,007**	**81,781**	**499,015**	293,311	57,406	75,059	425,776

(In Thousands of Bermuda Dollars)

Market Risk

Market risk is the risk that changes in market prices such as equity prices, interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Although the Company is not directly exposed to market risk on the net assets held in segregated funds arising from investment contracts issued, the valuation and recoverability of deferred acquisition costs associated with investment contracts may be adversely affected by changes in value of the segregated funds.

Interest-Rate Risk

The Company invests in fixed interest debt securities, managed funds, and holds insurance and reinsurance contract assets and liabilities arising from contracts issued and held, the fair values of which are affected by changes in interest rates. The coupon rates and maturity dates associated with the fixed interest debt securities held by the Company are disclosed in Note 4. Details of interest rate risk on related party balances are disclosed in Note 16.

	2025	**2024**
	$	**$**
Insurance and reinsurance contract assets	**129,258**	100,989
Insurance and reinsurance contract liabilities	**374,377**	315,125
Financial assets at FVTPL	**289,162**	268,496
Debt instruments at FVTOCI	**73,808**	57,478
Debt instruments at amortised cost	**144,114**	127,190
Total	**1,010,719**	869,278

		2025		**2024**	
	Increase (Decrease)				
	Change in interest rate	**Profit before tax**	**Equity**	**Profit before tax**	**Equity**
		$	**$**	**$**	**$**
Reinsurance contract assets and insurance contract liabilities	+100bps	**921**	**921**	921	921
Debt instruments	+100bps	**(3,987)**	**(6,350)**	(4,871)	(6,350)
Reinsurance contract assets and insurance contract liabilities	-100bps	**(1,075)**	**(1,075)**	(1,075)	(1,075)
Debt instruments	-100bps	**3,987**	**6,350**	4,871	6,350

As administrator of the segregated funds, the Company earns a fee based on the value of the segregated assets. Fluctuation in the valuation of segregated funds impacts the fee earned by the Company. Segregated funds are exposed to a variety of financial and other risks. These risks are primarily mitigated by investment guidelines that are actively monitored by professional and experienced portfolio advisors.

Foreign Currency Risk

The Company's exposure to foreign exchange risk arises from some of its subsidiaries which report in currencies other than Bermuda or US dollars. These subsidiaries are BCH which reports in Cayman Islands dollars, CGAG , CGAA and CGAML which report in The Bahamas dollars and CG United which report in Barbados dollars. United also operates in jurisdictions where transactions are carried out in various other currencies which include the Aruba Florin, the Netherlands Antillean Guilder and the Eastern Caribbean, Belize, Trinidad & Tobago, Jamaica and Guyana dollars. The Company is exposed to risks that the exchange rate of the Bermuda/US dollar relative to these currencies may change in a manner which will have an adverse effect on the reported amounts of assets and liabilities, profit and related cash flows. This risk is mitigated as, with the exception of Trinidad and Tobago, Guyana and Jamaica dollars, all are pegged to the US dollar. As a result, the Company is not exposed to material foreign currency risk.

Equity Price Risk

The Company is subject to equity price risk due to daily changes in the market value of securities in its fund and equity portfolios. Equity price risk is actively managed in order to mitigate anticipated unfavorable market movements where this lies outside the risk appetite of the Company's Investment Committee. Diversified portfolios of assets are held in order to reduce exposure to individual equities. At the balance sheet date, management estimates that a 10% increase in prices for common equities and equity based managed funds held, with all other variables held constant, would increase net income by approximately $9,235 (2024 – $8,285). A 10% decrease in equity prices would have a corresponding decrease in net income.

Level 3 Sensitivity Analysis

At December 31, 2025, the Company classified assets at fair value on a recurring basis using Level 3 inputs (Note 4). Level 3 fair value measurements are based on valuation techniques that use at least one significant input that is unobservable. These measurements are made when there is limited, or any, market activity for the asset. The Company's investment manager uses a variety of inputs, some of which may be unobservable, to value these Level 3 assets. Any change in these inputs might result in a change to the fair value measurement.

Limitations of Sensitivity Analysis

The sensitivity information included in this note demonstrates the estimated impact of a change in a major input assumption while other assumptions remain unchanged. In reality, there are normally significant levels of correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Furthermore, estimates of sensitivity may become less reliable in unusual market conditions such as instances when risk free interest rates fall towards zero.

(In Thousands of Bermuda Dollars)

14. Other liabilities

	2025	2024
	$	**$**
Cash held on behalf of clients and unallocated contributions	—	555
Accounts payable and miscellaneous liabilities	**26,010**	25,674
	26,010	26,229

Cash held on behalf of clients represents a net amount owed to clients for cash held by the Company for funds in transit between unit holders and the segregated funds, consisting of contributions and redemptions payable, less contributions and redemptions receivable.

15. Capital Management and Statutory Requirements

The Company's capital base is structured to exceed regulatory targets and desired capital ratios, maintain strong credit ratings and provide flexibility to take advantage of growth opportunities and provide an adequate return to shareholders. Capital is managed on a consolidated basis under principles that consider all the risks associated with the business. It is also managed at the business unit level under the principles appropriate to the jurisdiction in which the business unit operates. The objective is to provide an appropriate level of risk management over capital adequacy risk, which is defined as the risk that capital is not or will not be sufficient to withstand adverse economic conditions, to maintain financial strength or to allow the Company to take advantage of opportunities for expansion.

Common Shares

	2025	2024
	$	**$**
Authorized share capital:		
3,012,000 common shares of par value $1 each	**3,012**	3,012
Issued and fully paid:		
1,512,000 common shares of par value $1 each	**1,512**	1,512

The Company is authorized to issue 20,000,000 redeemable preferred shares.

Share Premium

Share premium represents the par value of the 2,500,000 common shares of CIC which were contributed to the Company as part of the corporate restructuring on January 30, 1996.

Contributed Surplus

A reassessment of assumptions used in valuing a business acquisition in 1995 resulted in $2,447 being recorded as contributed surplus.

(In Thousands of Bermuda Dollars)

During 2009, the Company received a cash contribution of $7,000 from the parent company.

In the periods 2010 through 2012 the Company received capital contributions totaling $357 by way of subsidized interest rates awarded to staff by an affiliate bank which was settled by the Company's parent. Thereafter the expense has been charged to subsidiaries.

Non-Controlling Interests

Non-controlling interest of $21,930 (2024 – $21,057) has been recorded as noted below:

		2025	2024
Non-Controlling Interest		**$**	**$**
BCH	25%	**12,755**	13,278
CGAG	29.98%	**5,095**	4,436
CIBVI	50%	**2,449**	2,078
CGAA	60%	**1,631**	1,265
		21,930	21,057

Statutory Requirements

Management monitors the adequacy of the Company and its operating subsidiaries' capital from the perspective of relevant legislation in the jurisdictions in which it operates. The Company's subsidiaries are required to file an audited financial return and meet minimum solvency margins and minimum liquidity ratios as defined by the Bermuda Insurance Act 1978, the minimum capital requirement as defined by the Act of The Bahamas (2005), the minimum capital requirement as defined by the Cayman Islands Insurance (Capital And Solvency) Regulations 2012 and the capital and solvency requirements as defined by the Barbados CAP.310 Insurance Act. The statutory capital and surplus and minimums solvency margins for the Company's insurance subsidiaries are noted below:

	2025		2024	
	Minimum Solvency Margin	**Statutory capital and surplus**	**Minimum Solvency Margin**	**Statutory capital and surplus**
	$	**$**	**$**	**$**
CIC	**4,644**	**47,289**	4,225	43,591
CMIC	**31,411**	**84,586**	45,323	84,174
CLAC	**779**	**29,104**	1,068	31,146
CRe	**200**	**45,814**	1,694	26,233
BCIC	**7,374**	**47,539**	7,067	44,055
United	**3,295**	**4,942**	3,056	4,584
CGAML	**32,896**	**64,806**	31,829	60,748
CGAG	**4,773**	**21,378**	4,761	19,613

(In Thousands of Bermuda Dollars)

Each year the Group is required to file with the Bermuda Monetary Authority (the "BMA"), a capital and solvency return for the Group. The prescribed form of capital and solvency return comprises the insurer's Bermuda Solvency Capital Requirement model ("Group BSCR"), a schedule of fixed income investments by rating category, a schedule of net loss and loss expense provision by line of business, a schedule of premiums written by line of business, a schedule of risk management and a schedule of fixed income securities.

The Group BSCR includes a standardized formula to measure the risk associated with an insurer's assets, liabilities and premiums. The BMA requires insurers to maintain their capital at a target level, the Enhanced Capital Requirement or "ECR", which is 120% of the amount calculated in accordance with the Group BSCR.

At December 31, 2025, the Group's ECR, a value not audited, was $289,056 (2024 – $144,122).

16. Related-Party Transactions

Year-end Balances

The amounts due to and from companies related through common control are due on demand. As of December 31, 2025 and 2024, no provisions are held against amounts due from related parties.

	2025	2024
Due from related parties	**$**	**$**
Gibbons Management Services Limited (GMSL)	**13,533**	15,407
Bahamas Master Retirement Trust	**518**	—
Bahamas Savings Investment Portfolio	**16**	—
Colonial Master Retirement Trust (CMT)	**315**	223
Coralisle Individual Master Retirement Trust (CIMT)	**121**	122
Coralisle Global Master Trust (CGT)	**37**	31
Colonial Master Deed (CMD)	**669**	520
	15,209	16,303
Total due from related parties	**15,209**	16,303
	15,209	16,303

Lease liabilities of $15,317 (2024 – $16,053) are also due to companies owned in part by directors of the Company.

	2025	2024
Net interest income	**$**	$
GMSL	**680**	869

The balance due from Gibbons Management Services Limited bears interest at rates varying from 5% to 5.75% per annum.

(In Thousands of Bermuda Dollars)

Balances with all other related parties are non-interest bearing.

Income and Expenses

The Group's subsidiaries insure the commercial and health risks of several related parties. These risks are written at standard commercial rates and are subject to the normal reinsurance protections of the Company. Below is the summary of income and expenses involving related parties:

	2025	2024
Income (expenses)	**$**	**$**
Insurance contract revenue (1)	**11,652**	10,621
Professional fees - payroll services (2)	**(269)**	(235)
Professional fees - pension costs (3)	**(1,269)**	(1,219)
	10,114	9,167

(1) The Company insures the commercial and health risks of several related companies. These risks are written at standard commercial rates and are subject to the normal reinsurance protections of the Company.

(2) The Company incurs general and administrative expenses related to pensions services provided by GMSL.

(3) The Company incurs general and administrative expenses related to payroll services provided by GMSL.

Key Management Compensation

Compensation to key management employees deemed to be related parties under IAS 24 was as follows:

	2025	2024
	$	**$**
Short term employee benefits	**18,115**	16,231
Defined contribution pension and medical insurance	**1,486**	1,195
Total	**19,601**	17,426

(In Thousands of Bermuda Dollars)

17. Leases

The Company lease contracts for buildings and motor vehicles with up to a five-year term and options to renew for up to a further fifteen years. Set out below are the carrying amounts of lease liabilities and movements during the period:

	2025	2024
	$	**$**
As at January 1	**20,233**	22,598
Non-cash additions	**817**	466
Non-cash reductions	**(169)**	(148)
Accretion of interest	**965**	1,065
Payments	**(3,835)**	(3,748)
As at December 31	**18,011**	20,233
Current	**2,740**	2,805
Non-current	**15,271**	17,428

The following are the amounts recognized in profit or loss:

	2025	2024
	$	**$**
Depreciation expense on right-of-use assets (Note 12)	**2,697**	2,711
Interest expense on lease liabilities	**965**	1,065
Expense relating to short-term leases (included in property expenses)	**458**	473
Total amount recognized in Consolidated Statement of Comprehensive Income	**4,120**	4,249

(In Thousands of Bermuda Dollars)

18. Segregated Funds

Segregated funds comprise holdings in mutual funds and cash held on behalf of pension plan clients, investors and holders of investment contracts.

	2025	2024
The assets are held in the trust as follows:	**$**	**$**
Coralisle Global Master Trust (CGT)	**30,690**	27,318
Colonial Master Deed – Cayman Islands (CMD)	**363,131**	293,938
Coralisle Master Retirement Trust (CMRT)	**242,299**	207,086
Coralisle Individual Master Retirement Trust (CIMRT)	**124,592**	123,148
Coralisle Bahamas Fund (BMRT)	**185,350**	177,146
Privately Held Funds – Bahamas	**6,241**	8,913
Coralisle Life Unit Trust	**87,093**	80,948
	1,039,396	918,497

The assets held in trust by CGT, CMT, CMD and CIMRT are in respect of pension plans administered by CPS in Bermuda and Cayman.

The assets held in trust by Coralisle Bahamas Fund and private funds in Bahamas are in respect of pension plans administered by CPSB in The Bahamas.

Coralisle Life Unit Trust is registered as an exempted trust in the Cayman Islands. The Fund is organized as a Multi Fund Unit Trust, providing for creation of any number of classes of units. The assets are held on behalf of holders of investment contracts issued by CLAC.

The underlying investments of the segregated funds consist exclusively of managed funds and cash with the exception of funds administered by CPSB. The carrying value is as follows:

	2025	2024
	$	**$**
Segregated funds measured at fair value:		
Managed funds	**104,732**	94,770
Fixed maturity securities	**383,996**	344,904
Common equity securities	**451,182**	386,845
Preferred shares	**23,882**	23,882
Cash and accruals	**75,604**	68,096
Total segregated funds at end of year	**1,039,396**	918,497

(In Thousands of Bermuda Dollars)

Changes in net assets during the year are as follows:

	2025	2024
	$	**$**
Segregated funds at the beginning of year	**918,497**	859,878
Net increase (decrease) during the year:		
Net contributions received and receivable from members	**99,490**	82,881
Net changes in market value of investments	**105,515**	44,551
Redemptions paid and payable to members	**(82,731)**	(67,467)
Amounts withdrawn for life premiums	**(1,399)**	(1,422)
Surrender values reverting to the Company	**24**	76
Segregated funds at the end of year	**1,039,396**	918,497

As a result of administering the above pension assets, the Company earned administration and asset based income of $16,227 (2024 – $15,137).

(In Thousands of Bermuda Dollars)

19. Other Operating Expenses

	2025	2024
	$	$
Staff salaries and benefits	**34,968**	39,620
Property	**214**	227
Amortisation	**4,214**	5,063
Marketing	**295**	2,091
IT	**11,686**	9,213
Professional fees	**10,061**	9,340
Management fee income	**(1,879)**	(1,785)
Office	**1,119**	677
Travel	**3,709**	2,892
Finance charges	**5,764**	5,480
Other expenses	**2,172**	2,907
Service fee expenses (1)	**2,256**	207
Cost of goods sold	**10,871**	7,275
Memberships & subscriptions	**502**	511
Donations	**664**	155
Corporate fees	**359**	381
Communication	**901**	662
Total expenses	**87,876**	84,916

(1) On December 30, 2022, the Company entered into an agreement with a third party incorporated in Ireland, to provide implementation, operational and other services. From December 2, 2024, the service commencement date, the third party charged a monthly service fee based on the application of the relevant tariff and the level of invested assets under management.

(In Thousands of Bermuda Dollars)

20. Change in Operating Working Capital

	2025	2024
	$	$
(Increase) decrease in:		
Accounts receivable and accrued interest	**2,284**	(142)
Insurance contract assets	**(6,654)**	—
Reinsurance contract assets	**(20,619)**	(20,256)
Other assets	**(3,201)**	(2,178)
Income tax recoverable	—	(305)
Corporate income taxes	**(93)**	—
Increase (decrease) in:		
Other liabilities	**(83)**	1,725
Insurance contract liabilities	**62,181**	59,024
Reinsurance contract liabilities	**(68)**	340
Income tax liabilities	**6,108**	2,725
	39,856	40,933

21. Income Tax

The Group must comply with tax regulations in multiple jurisdictions where it conducts its business activities. Every jurisdiction establishes its own tax laws, leading to distinct tax requirements.

Income tax expense (benefit) is comprised of:

	2025	2024
	$	$
Current tax	**11,244**	4,031
Deferred tax	**(42,075)**	382
	(30,831)	4,413

Deferred tax includes the provision release of $31,507.

(In Thousands of Bermuda Dollars)

The basis of the income tax benefit is as follows:

	2025	2024
	$	**$**
Income before tax	**63,899**	73,007
Tax calculated at a tax rate of 15% (2024 - 0%)	**9,585**	—
Effect of different tax rate	**(42,693)**	3,998
Overseas taxes not recoverable	**369**	827
Income not subject to tax	**(279)**	(500)
Items not deductible for tax	**(3)**	288
Utilization of deferred tax not recognised	**963**	(201)
Prior year under provisions of current and deferred tax	**1,228**	—
	(30,831)	4,413

The movements in deferred tax assets, as presented in the Consolidated Statement of Financial Position, are as follows:

	2025	2024
	$	**$**
Deferred tax assets:		
Balance - opening	**31,507**	31,889
Deferred tax amortisation	**(3,152)**	—
Deferred tax income (charge) for the year	**13,720**	(382)
Balance - closing	**42,075**	31,507

	2025	2024
	$	**$**
Deferred tax assets provision:		
Balance - opening	**(31,507)**	(31,507)
Provision release	**31,507**	—
Balance - closing	**—**	(31,507)

	2025	2024
	$	**$**
Net deferred tax assets:		
Balance - opening	**—**	382
Deferred tax amortisation	**(3,152)**	—
Deferred tax income (charge) for the year	**13,720**	(382)
Deferred tax assets provision	**31,507**	—
Balance - closing	**42,075**	—

22. Lack of Exchangeability

As of December 31, 2025, the Company holds certain assets and liabilities denominated in Trinidad and Tobago Dollars (TTD). In accordance with the amendment to IAS 21 on lack of exchangeability, management has evaluated the Company's ability to convert TTD into Bermuda Dollars.

Management has determined that it is not able to obtain more than an insignificant amount of Bermuda Dollars at the official Central Bank of Trinidad and Tobago exchange rate of TTD 6.718 to $1. This assessment is based on the Company's recent experience and observable market conditions, which indicate that access to Bermuda Dollars at the official rate is restricted.

The observable spot exchange rate available to the Company as of the reporting date is approximately TTD 8.000 to $1, which reflects the rate at which the Company is able to transact in practice. As a result, management has concluded that the official exchange rate is not available within a timeframe that allows for a normal administrative delay.

Accordingly, for the purposes of translating TTD denominated balances into Bermuda Dollars, the Company has used the observable exchange rate of TTD 8.000 to $1, resulting in a $2,439 reduction in opening equity for the year ended December 31, 2025.

23. Subsequent Events

The Company has completed its subsequent events evaluation for the period subsequent to the Statement of Financial Position through June 08, 2026, the date the financial statements were available to be issued.

Subsequent to year-end, the Company declared a dividend of $15,000 to the Parent Company. As of June 08, 2026, $4,000 remains outstanding.

There were no other subsequent events requiring disclosure or recognition in the audited financial statements.