Sagicor Group Jamaica

2022

ANNUAL REPORT

IMPACT | INNOVATION | TRANSFORMATION

Our Vision

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

Our Philosophy

Only when our clients win, we win.

Our Brand Vision

To be loved by our clients and team members and admired by our competitors.

Table of Contents

002 Financial Highlights
005 Chairman's Statement
006 Statement of the President and CEO
010 Welcoming Alliance Financial Services
012 Group 10 -Year Financial Statistics
014 Notice of Annual General Meeting
015 Directors' Report
018 Our Board of Directors
026 Leadership Team
032 Management's Discussion and Analysis
068 Corporate Governance Report
085 Organization Structure
086 Sagicor Client Experience 2022
090 Corporate Social Responsibility
098 Our Scholarship Awardees
100 Manager of the Year
102 Team Member of the Year Finalists
104 Sagicor Group Team Member of the Year
106 Group Human Resources
115 A sustainable work environment
116 Subsidiaries
117 Corporate Data
118 Vice Presidents
119 Assistant Vice Presidents
120 Branch Managers
121 Financial Statements
232 Corporate Directory
234 Disclosure of Shareholdings
Form of Proxy

IMPACT | INNOVATION | TRANSFORMATION

In 2022, Sagicor Group Jamaica remained agile in the face of global uncertainties as the world grappled with managing the tail end of the COVID-19 pandemic and the negative effects of geopolitical tensions. As a Group we achieved success by innovating and adapting to meet the needs of our stakeholders, while striking a balance between accelerated growth and maintaining the Group's resilient foundation.

Christopher Zacca
President & CEO
Sagicor Group Jamaica

IMPACT | INNOVATION | TRANSFORMATION

FINANCIAL HIGHLIGHTS

Net Profit Attributable to Stockholders

$16.38B

Stockholders' Equity

$113.87B

Total Assets

$519.18B

Earnings Per Stock Unit

$4.19

Dividends Per Share

$1.60

In 2022 we continued to focus on putting our strategy into action.

IMPACT | INNOVATION | TRANSFORMATION

CHAIRMAN'S STATEMENT

Sagicor Group performed creditably over the financial year 2022, despite a very challenging environment, featuring sharply elevated interest rates and economic fall-out from the ongoing geopolitical conflict in Ukraine. During the year, we invested behind a number of important initiatives as part of an ongoing commitment to making our businesses easy, simple and personal for our customers. We continued our focus on making an important difference in the lives of our fellow citizens through the Sagicor Foundation, donating over $107 Million to important institutions in the fields of health and education.

As a Board of Directors, we sought to improve our governance structures as the Group navigates an increasingly complex risk environment, and correspondingly, continues to meet the regulatory and statutory requirements across our various business segments. We were pleased to see our efforts rewarded by an 'A' rating from the Jamaica Stock Exchange's Corporate Governance Index, continuing a 6 consecutive year streak of this noteworthy designation. I extend my personal appreciation to our 50 Directors across the 28 main companies, who conducted some 122 Board/Committee meetings over the year, to ensure effective oversight of our operations.

We also welcomed a new Chairman of Sagicor Investments Jamaica Limited, Joanna Banks, as well as a new Group Director, Andre Mousseau, then a senior executive of Sagicor Financial Company, and now its Chief Executive Officer, having succeeded Dodridge Miller on April 1, 2023.

Of course, we would have no business without our loyal customers, and we applaud our 2,500-plus complement of team members for their commitment to delighting this critical stakeholder group as reflected in our Net Promoter Score (a metric that gauges customer loyalty and satisfaction) of +47.6%, improved from 2021 and well above the global industry benchmark of +32%. Importantly, our brand awareness also grew (from 97% in 2021 to 99% in 2022), meaning we are extending our presence and becoming more recognised and accessible island wide.

The Board is aware of the significance of data collection and analytics in today's increasingly digital world and continues to support our President's vision to transform Sagicor into a leader in products and services that offer exceptional value to our customers. This strategic focus has many strands, including the investment in technology but also in developing the capability of our team members and indeed, leveraging external capacity, as in the case of our Innovation Lab at the University of Technology. The Lab continues to generate ideas that have found their way into digital applications, which are already enhancing our customer experience.

The Group has also sought to widen its offerings to our customers, through the acquisition of Alliance Financial Services Limited, a money services leader, along with the introduction of Sagicor Investments Cayman, providing a wider range of investment options to clients across the Caribbean.

Corporate Social Responsibility remains a major priority for the Group and part of our company's vision of improving the lives of the people in the communities in which we operate. We take this opportunity to recognise the tremendous work done by the Foundation, ably supported by hundreds of team members who donated their time and expertise in staging the Sigma Corporate Run, which raised over $52 million for the Kingston Public Hospital. In continuing our support for education, we added more than 100 students to our secondary and tertiary Scholarship Programme and engaged three additional early childhood institutions in our Adopt-A-School Programme.

We recognise the work of the many stakeholders in public office that continue to uphold the principles of fiscal stability; the value of this endeavour is reflected in our recent international bond rating upgrade, which has a salutary impact on all Jamaicans, including financial sector entities.

As Group Chairman, I extend my wholehearted gratitude to our clients for their continued support of our various businesses, our Board Directors for their diligence and focus, our team members for their enterprise and commitment, and all other stakeholders, who contribute to making us Sagicor Strong.

Peter K. Melhado
Chairman
April 28, 2022

The Group continues to make changes to effect greater efficiencies, streamline our business, and strengthen our operations with the goal of deepening our focus on our clients, transforming the way we do business, and developing our people.

STATEMENT OF THE PRESIDENT AND CEO

On behalf of the Board of Directors of Sagicor Group Jamaica Limited (SGJ or the Group), I am pleased to share with you this report of our 2022 performance.

A year of wins...

2022 was a year of financial wins and a commendable performance for Sagicor Group Jamaica, despite the challenging economic environment which prevailed both locally and internationally due to global uncertainties that affected financial markets.

The Group's creditable performance is credited to our dedicated, hardworking, and passionate team members who remained resolute and committed to serving our clients.

While the Group adjusted to the challenging market conditions, net profit for the year ending December 2022 closed six percent lower than prior year at J$16.60 billion - down from the J$17.64 billion booked in 2021.

Sagicor Life's Individual Life Division had a strong year, leading the Group's profit generation, which accounted for $8.74 billion in reported net profit. Net premium income grew year over year by $2.16 billion across Jamaica and the Cayman Islands, due to new business sales growth and strong policy retention.

Sagicor Life's Employee Benefits Division produced profits of $4.05 billion which was 10.5% above prior year. Net group health premium income of $12.32 billion increased by 13.2% while net insurance benefits paid increased by $1.77 billion when compared with prior year.

Sagicor Bank also had a notable performance for 2022, producing a net profit of $3.29 billion, which was 1% higher than the previous year. The segment was aided by a 10.5% increase in total revenues, primarily due to increases in banking activities through credit card and point-of-sale transactions. Additionally, a 17% growth in the segment's loans portfolio translated to a $1.52 billion increase in interest income. Total assets of $191.8 billion grew 9.1% over December 2021.

Sagicor Investments was significantly impacted by the prevailing macro-economic conditions. Notwithstanding, the segment benefitted from our recently formed Cayman subsidiary, Sagicor Investments Cayman, which grew its interest earnings asset base by 95% and positioned itself to benefit from higher yielding securities within the market.

Advantage General Insurance Company (AGIC) contributed revenues of $2.6 billion to the group, characterised by credible growth in the non-motor portfolio.

Best in class governance

Sagicor Group Jamaica's Corporate Governance Code continued to guide our operations in 2022 and ensure that the Group and its subsidiaries operate at the highest level.

As we continue to meet and exceed the expectations of our more than 800,000 clients, over 11,000 shareholders, our team, and the respective regulatory bodies, we pride ourselves on being transparent, ethical, effective, and accurate in how we do business.

Our decades of success would not have been achieved without the guidance of the Board of Directors and its Committees, and we thank them for their support and expert advice in the governance and strategic direction of the Group.

New beginnings...

In 2022, we welcomed the newest member to our financial conglomerate - Alliance Financial Services Limited (AFSL). I am happy to report that AFSL has been seamlessly integrated into the corporate structure. This acquisition has further strengthened our position in the foreign exchange market while providing additional distribution points for financial services.

As a Group, we continue to make changes to effect greater efficiencies, streamline our business, and strengthen our operations with the goal of deepening our focus on our clients, transforming the way we do business, and developing our people.

A significant component of that transformation is focused on our strategic move to be a more digitally inclusive and efficient company. This led to the redesign of our senior leadership structure for Sagicor Group Jamaica effective October 1, 2022.

Consequently, Mark Chisholm, former Executive Vice President for the Individual Life Division is now Chief Revenue Officer. Willard Brown former head of the Employee Benefits Division is now the Chief Technology and Insurance Operations Officer. Karl Williams, former Senior Vice President Human Resources & Corporate Services is now the Executive Vice President – Shared Services, Sagicor Group Jamaica. A completely new role of Senior Vice President, Group Technology & Sagicor Life Jamaica Operations, was added to the structure and is now filled by Howard Gordon.

These changes will allow us to refocus our energies to be more nimble and better equipped to innovate as quickly as our clients and the market demands require.

Our journey towards digitalisation...

Sagicor Group Jamaica is a significant player in the financial industry's digital revolution having launched several initiatives over the years that promote digital inclusion and better meet the expectations of our clients.

For 2022, we rolled out new technologies and improved several of our digital tools and processes. For Sagicor Investments Jamaica (SIJ), automated electronic delivery of monthly Sigma Global Funds statements proved to be a game changer along with enhancements made to the eBank platform which improved client transactions for both SIJ and Sagicor Bank Jamaica (SBJ). SBJ also rolled out its new EMV chip debit cards as well as new state-of-the-art Point of Sale (POS) machines.

Sagicor Life Jamaica's virtual client experience solution allows our clients to conduct transactions via Zoom from anywhere in the world. Employee Benefits Administration's Pension Services also continued to digitise their benefit option for Defined Contribution (DC) plans. In this first of its kind local move, our clients' Human Resources teams are now able to initiate and instantly generate retirement benefit options online for their members via our Sagicor Connect platform.

In 2022 we began the development of Sagicor PLUS – our new facial recognition technology to confirm proof of life for pensioners – and with its launch in Q1 of 2023 this technology has already begun to revolutionize the verification process for our pension clients. This innovation, done in partnership with the Sagicor Innovation Lab at the University of Technology, Jamaica (UTech), will result in the phasing out of the manual verification process that required pensioners to visit a Justice of the Peace annually to have a physical form signed to prove that they are alive and eligible to continue receiving their pension payments.

Sagicor Property Services (SPS) also improved its property management system which now automates monthly billing. Additionally, the introduction of the 'mobile maintenance' phone app for SPS technicians has improved client experience.

Putting our customers first...

The Group's 47.6% Net Promoter Score® (NPS) for 2022 – a world-class result, is an accurate indication of the alignment of our strategies with our clients' expectations. The ease with which they can do business with us is a core strategic objective, and the drive and commitment of our team to deliver an excellent customer experience to our clients are at the heart of all our innovations and operations.

A household name...

As a result of the trust and confidence our clients have in us as well as the relatable stories they share through our marketing campaigns, brand Sagicor has become a household name over the years.

Our presence via traditional and new media, as well as our social and digital media visibility, public relations efforts, and top-class events, has earned us a Group brand awareness score of 99% for 2022.

We will continue to deliver strategic and heartfelt initiatives that resonate with Jamaicans, as we live up to being a leading financial institution.

Caring, inspiring, serving...

Through the Sagicor Foundation and the Group's Corporate Social Responsibility (CSR) programme, and in keeping with our Foundation's mandate of "Caring, Inspiring and Serving", the team continued to implement and support initiatives that align with the Foundation's pillars.

The 24th staging of the Sagicor Sigma Corporate Run raised over $52 million in cash and kind to help the Kingston Public Hospital purchase much-needed surgical equipment. This was a tremendous achievement, as due to COVID-19 pandemic restrictions, the charity road race had to be scaled down, to approximately 1,000 participants.

Education is central to the Sagicor Foundation's core principles and over $33 million was invested in tertiary and secondary students through the Foundation's scholarship programme.

Additionally, through the Foundation's Adopt-A-School Programme, over $25 million was invested in three early childhood education institutions - Bermaddy Basic School in Linstead, St Catherine, and John Anglin Basic School in Warsop, Trelawny. The Foundation also spearheaded and supported several philanthropic initiatives through cash donations.

The way forward...

As we look to another year of progress and successful ventures, I am positive that Sagicor Group Jamaica will remain at the top of the financial industry with our team, our clients, and other stakeholders propelling us to even greater accomplishments.

As we implement seamless ways to operate, we thank you all for being a part of the Sagicor family over the years. Through our roughest periods, your immense support proved to be the brightest star.

We look forward to growing with you as we seek to achieve greater things in 2023.

Christopher Zacca
President & CEO

April 2023

A Growing Family

Welcoming Alliance Financial Services

In April 2022, Sagicor Group Jamaica (SGJ) welcomed remittance services company Alliance Financial Services Limited (AFSL) to its family of leading financial institutions.

Fully enabled on the international MoneyGram platform, AFSL and its approved subagents were given the green light to resume full cambio and remittance operations, subsequently giving SGJ the opportunity to reach and allow more leverage in the foreign exchange market while complementing Sagicor's commercial banking operations.

The acquisition of AFSL was also significant as it aligned with SGJ's overall strategy for growth, leading the way for new business segments and expanding product offerings to clients.

Additionally, the completed transaction also ramped up Sagicor's plans to develop products around prepaid cards and digital wallets.

After joining the SGJ family, some 50 sub-agents of AFSL from across the island were feted to a special brunch event at the Terra Nova All-Suites Hotel in Kingston which allowed executives and team members of Sagicor and Alliance to become acquainted.

Since the acquisition, AFSL has achieved a few milestones, including a partnership with Unicomer Jamaica that saw its agent network being expanded by almost 50 per cent. This meant that MoneyGram customers could now pick up their money transfers at any of the 28 Courts stores island wide.

With Alliance's growth mindset and Sagicor's resources and dominance in the financial services space, there is no doubt that the Group will continue to strengthen and improve its services islandwide as they chart a new course to success.

Top Photo: (from left) Liz Alicea-Velez, Head of MoneyGram Americas; Omar Brown, CEO, AFSL; Ro-yen Chin, Chief Operations Officer, AFSL and Robert Dinkins, Head of MoneyGram Caribbean Region share a photo moment.

Bottom Photo: (from left) Omar Brown, CEO, Alliance Financial Services Limited; Christopher Zacca, President and CEO, Sagicor Group Jamaica, and Edwin Vaquerano, Managing Director, Unicomer Jamaica Limited engage in conversation.

GROUP 10 -YEAR FINANCIAL STATISTICS

Year ended December 31, 2022

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
SALES:											
INSURANCE AMOUNTS											
Individual Life - Sums Assured	$m	303,462	314,991	272,584	236,353	209,675	184,455	176,329	171,246	151,131	149,096
Group Life - Sums Assured	$m	19,771	15,746	7,236	7,706	5,860	11,718	6,109	9,678	6,940	4,988
Total New Insurance Amount	**$m**	**323,233**	**330,736**	**279,819**	**244,060**	**215,535**	**196,173**	**182,438**	**180,924**	**158,071**	**154,084**
NEW ANNUALISED PREMIUMS											
Individual Life and Health	$m	4,936	5,160	4,668	4,470	4,140	3,614	3,341	2,918	2,656	2,583
Individual Annuities	$m	396	274	383	209	223	103	401	387	83	117
Group Life and Health	$m	2,001	1,590	531	1,447	1,399	817	510	794	496	647
Group Health Single Premiums	$m	-	-	31	23	14	9	26	33	49	-
Group Annuities	$m	4,303	5,266	4,741	3,522	2,815	2,323	2,007	1,900	1,209	1,456
Bulk Annuities Single Premiums	$m	-	-	-	1,525	-	5,713	1,147	1,904	2,212	4,820
Group Pensions	$m	2,816	3,107	9,335	2,161	2,362	2,284	1,756	3,392	4,348	475
Total New Annualised Premiums	**$m**	**14,452**	**15,398**	**19,689**	**13,357**	**10,953**	**14,863**	**9,187**	**11,328**	**11,053**	**10,098**
IN FORCE:											
INSURANCE AMOUNT											
Individual Life - Sums Assured	$m	2,180,025	2,017,206	1,779,705	1,587,313	1,437,151	1,289,703	1,198,090	1,075,967	996,768	908,068
Group Life - Sums Assured	$m	1,237,273	1,090,630	1,036,284	967,899	882,103	772,050	661,581	601,357	591,020	493,945
Property and Casualty	$m	722,229	256,358	220,230	213,258	87,340	76,036	67,937	43,940	40,135	34,481
Total Insurance Amounts in Force	**$m**	**4,139,527**	**3,364,194**	**3,036,219**	**2,768,470**	**2,406,594**	**2,137,789**	**1,927,608**	**1,721,264**	**1,627,922**	**1,436,494**
Number of Individual Life policies in force		674,182	656,008	627,677	594,249	556,742	520,888	492,355	440,328	421,937	407,927
Number of New Individual Life policies		70,124	78,721	76,685	75,908	73,635	68,131	63,968	56,164	59,449	59,318
FINANCIAL POSITION & STRENGTH:											
Total Assets [1]	$m	519,179	527,991	490,695	459,999	394,133	352,037	340,955	300,390	284,216	198,310
Pension Funds under Management [2]	$m	230,345	238,573	214,944	247,537	206,359	186,759	154,734	130,311	98,209	85,506
Other Funds under Management	$m	226,546	189,739	195,760	220,631	163,180	141,023	113,842	95,616	78,865	45,692
Total Assets Under Management	**$m**	**976,070**	**956,303**	**901,399**	**928,167**	**763,672**	**679,819**	**609,531**	**526,317**	**461,290**	**329,508**

GROUP 10 -YEAR FINANCIAL STATISTICS

Year ended December 31, 2022

		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Bank Loans and Advances, net of provision for credit losses	$m	108,490	93,388	87,425	84,663	69,061	61,329	56,038	43,760	37,302	10,819
Customer Deposits	$m	145,950	133,339	120,570	107,250	92,264	84,280	75,166	62,924	56,044	12,468
Invested Assets [5]	$m	431,504	431,822	406,626	382,208	326,287	293,363	290,118	256,506	232,678	180,330
Policyholders' Funds (including Segregated Funds)	$m	125,792	130,505	119,697	116,991	97,623	95,493	86,390	77,617	71,143	64,538
Shareholders' Equity	$m	113,871	114,824	106,384	91,252	74,340	68,502	56,411	46,569	46,065	35,926
Market Capitalisation	$m	232,073	227,503	195,086	304,444	155,444	148,609	116,778	78,113	40,033	39,867
OPERATING RESULTS:											
Total Revenue [5]	$m	97,104	102,561	84,573	92,600	70,657	70,444	59,701	54,998	45,630	42,356
Total Policyholder Benefits and Reserves [3,5]	$m	33,290	39,332	28,687	38,055	27,727	32,584	25,838	23,868	22,770	23,231
Total Commissions, Expenses, and Taxes [5]	$m	47,172	45,026	40,114	39,067	30,510	26,933	23,108	21,278	17,515	12,660
Net Profit, Attributable to Shareholders [5]	$m	16,379	17,395	13,780	15,650	14,232	12,070	11,258	9,793	8,513	6,298
FINANCIAL RATIOS:											
Return on Average Assets	%	3	3	3	4	4	3	4	3	4	3
Return on Average Shareholders' Equity	%	14	16	14	19	20	19	22	21	21	18
Share Price	$	59.42	58.25	49.95	77.95	39.80	38.05	29.90	20.00	10.25	10.60
Earnings Per Share	$	4.19	4.46	3.53	4.01	3.65	3.11	2.90	2.51	2.21	1.67
Price Earnings Ratio	$	14.18	13.05	14.15	19.44	10.90	12.23	10.31	7.97	4.64	6.35
Dividends Per Share	$	1.60	1.11	0.85	1.44	1.20	1.28	1.12	0.73	0.63	0.40
Administration Expenses and Depreciation to Revenue	%	34	32	32	31	31	32 [4]	29 [4]	29 [4]	29 [4]	22 [4]
"Commissions and Related Sales Expenses to net premium income"	%	13 [4]	14 [4]	14 [4]	14 [4]	15 [4]	14 [4]	14 [4]	14 [4]	14 [4]	15 [4]

Footnotes:

1 - Includes Segregated Funds
2 - Includes Sagicor Pooled Funds and Self-Directed Funds
3 - Includes movement in Actuarial Liabilities
4 - These ratios reflect a 10% weighting for single premiums
5 - Prior period computations have been adjusted to include Segregated Funds

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE NINTH ANNUAL GENERAL MEETING of the Company will be held on Friday 26th day of May 2023 at 3:00 p.m., at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 in the parish of St Andrew to consider and, if thought fit, pass the following Resolutions:

ORDINARY BUSINESS

1. **To Receive the Audited Accounts**

   Resolution No. 1

   "THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2022 be and are hereby adopted."

2. **To elect Directors.**

   Resolution No. 2:

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

3. **Resolution No. 3:**

   a) Article 98 of the Company's Articles of Incorporation provides that one-third of the directors or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office at each Annual General Meeting. The directors retiring under this Article are Directors Stephen Facey; Marjorie Fyffe-Campbell; Gilbert Palter; and Jacqueline Coke-Lloyd who, being eligible, offer themselves for re-election.

   "THAT Directors Stephen Facey; Marjorie Fyffe-Campbell; Gilbert Palter; and Jacqueline Coke-Lloyd who retire by rotation and are eligible for re-election be and are hereby re-elected as Directors of the Company en bloc".

   b) Article 100 of the Company's Articles of Incorporation provides that the Directors shall have power at any time from time to time to appoint any other person to be a Director of the Company, either to fill a casual vacancy or as an addition to the Board. Accordingly, Directors Andre Mousseau and Joanna Banks who were appointed by the Board of Directors since the last Annual General Meeting to fill casual vacancies, retire and being eligible, offer themselves for re-election.

   "THAT Directors Andre Mousseau and Joanna Banks be and are hereby elected as Directors of the Company en bloc".

4. **To fix the remuneration of the Directors.**

   Resolution No. 4:

   "THAT the amount of $38,701,005.69 included in the Audited Accounts of the Company for the year ended December 31, 2022, as remuneration for their services as Directors be and is hereby approved."

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

   Resolution No. 5:

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

6. **To ratify interim dividends and declare them final.**

   Resolution No. 6:

   "THAT the interim dividends of One Dollar and Six cents ($1.06) paid on the 19th day of April 2022 and Fifty-Four cents ($0.54) paid on the 10th day of October 2022, respectively, be and are hereby ratified and declared as final for the year ended December 31, 2022."

DATED THIS 16th day of February 2023

BY ORDER OF THE BOARD

DR. SHARMA TAYLOR
Corporate Secretary

REGISTERED OFFICE

28-48 Barbados Avenue
Kingston 5, Jamaica

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

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

DIRECTORS' REPORT

The Directors are pleased to submit their Report and the Audited Financial Statements for the year ended December 31, 2022. The Financial Statements reflect the consolidated results of Sagicor Group Jamaica Limited (SGJ) and its subsidiaries.

	2022 **J$000's**	2021 J$000's
OPERATING RESULTS:		
Group Profit before tax	21,930,637	24,093,047
Taxation	(5,334,757)	(6,449,959)
Net Profit after tax	16,595,880	17,643,088
Attributable to:		
Stockholders of the parent company	16,378,634	17,395,431
Non-controlling interests	217,246	247,657

Sagicor Jamaica performed creditably in what was an extremely challenging year and continues to strategically position itself for growth by optimising our operations and transforming our business processes.

Dividends

Interim dividends of One Dollar and Six cents per share were paid on April 19, 2022, and 54 cents were paid on October 10, 2022.

Directors

Article 98 of the Company's Articles of Incorporation provides that one-third of the directors or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office at each Annual General Meeting. The directors retiring under this Article are Directors Stephen Facey, Marjorie Fyffe-Campbell; Gilbert Palter; and Dr. Jacqueline Coke-Lloyd who being eligible offer themselves for re-election. Director Lisa Lake resigned from the Board effective December 31, 2022. Two new directors were appointed - Joanna Banks and Andre Mousseau on December 31, 2022.

Auditors

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

Peter Melhado
Chairman

February 16, 2023

Creating **INNOVATIVE** solutions to better serve our clients

Innovation is a key factor for industry growth, and as such, Sagicor Group Jamaica is devoted to creating ground-breaking solutions that serve our clients in a way that makes doing business with us easier.

Client experience for us means that the client should always know that we care and that exceeding their expectations should always be the end goal. Our mantra 'only when our clients win, we win' is not taken lightly. We are aware that innovative solutions are what will set us apart from the rest and grow client sentiment.

In this ever-evolving digital and technology era, Sagicor intends to continue innovating with our client's needs being top of mind.

Clients want to be at ease when doing business and so we are always thinking of ways to ensure they leave our virtual or physical spaces satisfied and pleased with the process. Our clients trust us to give them sound financial advice, and as such, we promise to continue to innovate and be creative with our business solutions.

As the world continues to grow, so too businesses, and Sagicor is no different. To our clients, we will continue to elevate your experience with your satisfaction as our goal, as we look forward to many more years of adapting and innovating as a family.

OUR BOARD OF DIRECTORS

Each Director brings different skills, experience and knowledge to the Company, with the Non-executive Directors bringing additional independent thought, judgement and challenge.

DIRECTORS

1. MR. PETER MELHADO (CHAIRMAN)
2. MR. CHRISTOPHER ZACCA
3. DR. THE HON. R.D. WILLIAMS
4. DR. DODRIDGE MILLER
5. MS. JOANNA BANKS
6. MR. PETER CLARKE
7. MRS. JACQUELINE COKE-LLOYD
8. MR. PAUL FACEY
9. MR. STEPHEN FACEY
10. MRS. MARJORIE FYFFE CAMPBELL
11. MR. PAUL HANWORTH
12. MR. MAHMOOD KHIMJI
13. MR. STEPHEN MCNAMARA
14. MR. ANDRE MOUSSEAU
15. MR. GILBERT PALTER


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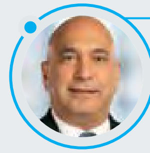
PETER K. MELHADO B.Sc., M.B.A.

Chairman
Appointed 2014
Citizen of Jamaica

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

Mr. Melhado currently serves as Board Chairman of Sagicor Life Jamaica Limited, CGM Gallagher Group, West Indies Home Contractors, Social Commerce Inc (Puerto Rico), American International School of Kingston, Industrial Chemical Company and Red Stripe and as a Director on the Boards of Sagicor Bank Jamaica, Sagicor Investments Jamaica, British Caribbean Insurance Company and Advantage Communications.

He is currently President & CEO of ICD Group Limited. He is a former Vice President of the Private Sector Organisation of Jamaica and former CEO of Manufacturers Group until its merger with PanCaribbean in 2004. During his time with that company, he was responsible for the growth and development of Manufacturers, leading to the merger with Sigma to create Manufacturers Sigma Merchant Bank, then one of the leading financial and asset management companies in Jamaica.



CHRISTOPHER W. ZACCA B.Sc., M.B.A., CD, JP

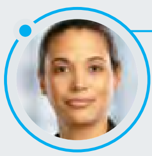
Appointed 2017
Citizen of Jamaica

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

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

His track record in public sector service is equally impressive, having served as special advisor to the Prime Minister from 2009 to 2011. He is a former Chairman of the Development Bank of Jamaica and the National Health Fund. Mr Zacca was previously the Chairman of the Private Sector Vaccine Initiative in Jamaica which was established in March 2021 as a mechanism to support the government's COVID-19 vaccination efforts.

Mr. Zacca holds an M.B.A. from the University of Florida and a B.Sc. in Engineering from the Massachusetts Institute of Technology.



JOANNA BANKS BSc, MBA, CFA

Appointed 2022
Citizen of Jamaica and The United States of America

Ms. Joanna Banks is the President of PanJam Investment Limited. She holds an undergraduate degree in Systems Engineering from The University of Pennsylvania, and an MBA from The University of Chicago Booth School of Business. She is also the holder of the Chartered Financial Analyst designation. Prior to joining PanJam, Ms. Banks worked at Exxon Mobil Corporation and Pan Caribbean Financial Services Limited. As such, she has over eight years of senior management experience in roles focused on corporate finance, investor relations, pension fund management and strategy.

Ms. Banks is a director of a number of companies within the Sagicor Group, including Sagicor Life Jamaica Limited and Sagicor Investments Jamaica Limited, which she also chairs. Outside of the group, her directorships span the boards of companies such as PanJam Investment Limited, Agostini's Limited, Outsourcing Management Limited and Term Finance (Jamaica) Limited.

PETER E. CLARKE B.A.

Appointed 2012
Citizen of Trinidad &Tobago

Mr. Peter Clarke is a financial consultant. He is the Chairman of the Audit Committee and a member of the Risk Management Committee of Sagicor Group Jamaica. He is a director of Sagicor Financial Company Limited and sits on the board of several other companies in the SFCL Group including Sagicor Life Inc. and Sagicor General Insurance.

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

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

Mr Clarke is the Chairman of Guardian Media Limited and a board member of a number of other companies in Trinidad and Tobago. He is a member of the Finance Council of the Roman Catholic Archdiocese of Port of Spain and chairs its Investment Committee.

THE HON. R.D. WILLIAMS OJ, CD, JP

Hon. LLD (UTech), Hon. LLD (UWI)
Chairman (Retired April 30, 2017)
Appointed 1969
Citizen of Jamaica

Dr. the Hon. R. Danvers (Danny) Williams is the founder of Life of Jamaica Limited, now Sagicor Life Jamaica, serving as President & CEO on two separate occasions and now serves as the Group's esteemed Director Emeritus, a role he also holds on the Board of the Jamaica Broilers Group Limited.

In 1972 Dr. Williams was awarded the National Honour of Commander of the Order of Distinction (CD) and in 1993 was conferred with the Order of Jamaica (OJ) for voluntary service to his community. He served the Government of Jamaica for three years (from 1977 to 1979) as a Senator, Minister of State and Minister of Industry and Commerce, respectively. He was conferred twice with the degree of Doctor of Laws (Hon) by the University of Technology in 2005 and by the University of the West Indies (Mona) in 2013. Dr. Williams currently serves on the boards of several major Jamaican companies, organisations and foundations.

DODRIDGE MILLER FCCA M.B.A., LLM, Hon. LLD

Appointed 2001
Citizen of Barbados

Dr. Dodridge D. Miller is Group President and Chief Executive Officer of Sagicor Financial Company Limited (SFCL). He joined SFCL in 1989 and has more than 30 years' experience in the banking, insurance, and financial services industries. Mr. Miller is a Fellow of the Association of Chartered Certified Accountants (FCCA) and obtained his Master of Business Administration from the University of Wales and the Manchester Business School. He holds an LL.M in Corporate and Commercial Law from the University of the West Indies and in 2008 was conferred with an honorary Doctor of Laws degree by that institution. Mr. Miller is a director of a number of companies within the Sagicor Group.

JACQUELINE COKE-LLOYD DTL, MTL, B.Sc., CBC, JP

Appointed 2010
Citizen of Jamaica

Dr. Jacqueline Coke-Lloyd is the Founder/Managing Director of Make Your Mark Group Ltd. She is a transformational visionary leader, negotiator and change agent with over 30 years of expertise in Leadership, General Management, Human Resource Development, Negotiation, Employee/Employer Relations, Strategic Planning, Governance and International Relations. She is a graduate of the University of Technology Jamaica ,the International Training Centre of the International Labour Organisation (ILO), Turin, Italy, and BGU, U.S.A. Dr. Coke-Lloyd holds a Doctorate in Transformational Leadership, is a SHRM Certified Behavioural Coach, Certified Mediator and Job Readiness Trainer. She has served on several local boards including the National Housing Trust (NHT), Jamaica Productivity Centre, University of Technology Jamaica (UTech), Young Entrepreneurs Association of Jamaica (YEA), Jamaica Employers Federation (JEF) and the Labour Advisory Council (LAC). She has been elected to serve on International Boards such as the International Labour Organization (ILO/UN) and the Caribbean Employers Confederation (CEC).

Dr. Coke-Lloyd is the former CEO of Jamaica Employers' Federation (JEF). She is deputy Chairman of the Council of Community Colleges of Jamaica, a member of PSOJ Human Capital Development Committee, the United Way Women's Leadership Initiative (WLI) and the Human Resource Management Association of Jamaica (HRMAJ). She serves with Grateful Faces Charity, TLC and as a Justice of the Peace for St. Andrew

PAUL A.B. FACEY B.Sc., M.B.A.

Appointed 2005
Citizen of Jamaica

Mr. Paul Facey holds a B.Sc. in Marketing and Management from the University of South Florida and an M.B.A. in Finance from Florida International University Business School. He has a wide range of experience in banking, investment, manufacturing, retail and distribution.

Mr. Facey is the Chief Investment Officer at PanJam Investment Limited. He currently sits on the Boards of PanJam, Jamaica Property Company Limited and is Chairman of the Board of Sagicor Investments Jamaica Limited.

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

Appointed 2004

Citizen of Jamaica

Mr. Stephen B. Facey is a Director of Sagicor Group Jamaica Limited and Sagicor Financial Company Ltd. He is the Chairman of PanJam Investment Limited and Chairman of a number of other organizations, including Jamaica Property Company Limited, Caribbean Policy Research Institute (CAPRI), Kingston Restoration Company Limited and the New Kingston Civic Association. Mr. Facey serves as Chairman of the C.B. Facey Foundation, the charitable arm of PanJam Investment Limited. He is a Director of the National Gallery of Jamaica and Devon House Development Limited and a Trustee of the Institute of Jamaica.

A Registered Architect with the Architect Registration Board of Jamaica, he has over 40 years' experience in architecture and urban development, real estate development and management, and private equity investing.

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

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

STEPHEN MCNAMARA CBE, LLD

Appointed 2014

Citizen of St. Lucia and Ireland

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

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

Mr. McNamara was made a Commander of the Order of the British Empire (CBE) in the 2015 Queen's Birthday Honours for public service and services to the legal profession. In 2015 he was also awarded an honorary doctorate from the University of the West Indies for his outstanding achievements and contribution to the region in the areas of business, sport and general philanthropy for more than forty years.

MARJORIE M. FYFFE CAMPBELL J.P., BSc (Hons.), M.Sc., FCA, DBA

Appointed 2003

Citizen of Jamaica

Dr. Marjorie Fyffe Campbell is a Management Consultant who possesses extensive knowledge and experience in Corporate Governance, Finance and Accounting, Organisational Management, Risk Management, Property Development and Property Management. She holds a Doctorate in Business Administration (DBA) from Mona School of Business and Management and her dissertation focused on Corporate Governance in the Caribbean. She also holds an M.Sc. in Accounting and a B.Sc. (Hons) from the University of the West Indies. She has also attended Developmental Management courses at Harvard University, Duke University and Wharton School at the University of Pennsylvania. She is a Fellow of the Institute of Chartered Accountants of Jamaica, a former member of the Hospitality, Financial and Technology Professionals (HFTP). She also serves as a Justice of the Peace/Lay Magistrate.

She is a former President and Chief Executive Officer of the Urban Development Corporation, Jamaica and a former Adjunct Lecturer at the Mona School of Business, University of the West Indies, Mona, in Financial and Managerial Accounting and Enterprise Risk Management Governance.

Dr. Fyffe Campbell is also a member of the Board of Directors of Sagicor Life Jamaica (SLJ), Sagicor Life Cayman Island. Sagicor Property Services Limited and Sagicor Foundation and a former director of Sagicor Financial Corporation.

ANDRE MOUSSEAU BA, MBA

Appointed 2022

Citizen of Canada

Mr. Andre Mousseau is the former Group Chief Operating Officer and current Group Chief Executive Officer of Sagicor Financial Company Ltd. He holds an undergraduate degree in Economics from McGill University, and an MBA from the Richard Ivey School of Business, University of Western Ontario. Formerly a Partner with Alignvest Private Capital, Portfolio Manager for the Long-Term Equities Group at the Ontario Teachers' Pension Plan (OTPP), and Principal at EdgeStone Capital Partners, Mr. Mousseau has over 20 years of experience in the financial services industry.

Mr. Mousseau is a director of a number of companies within the Sagicor Group; outside of the group, his prior directorships also span the boards of Aurigen Reinsurance, a Bermuda-based life reinsurance provider, Impark Corp., one of North America's largest parking management providers, and Premier Lotteries. He was also an alternate board member of Camelot Group PLC, the operator of UK National Lottery.

PAUL HANWORTH M.A., M.Sc., F.C.A., C.P.A
Appointed 2008
Citizen of Jamaica and the United Kingdom

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

Prior to joining PanJam, Mr. Hanworth worked with KPMG in the USA and England for 14 years, with Diageo in the USA and South Africa for 9 years, and with the Mechala Group (now ICD Group) in Jamaica for 5 years. He is a Director of PanJam Investment Limited and several of PanJam's subsidiary and associated companies, British Caribbean Insurance Company, Carreras and Rainforest Seafoods. He founded Jamaica's first specialty fine wine business in 2004, which he sold in 2012.

MAHMOOD KHIMJI B.A., J.D.
Appointed 2020
Citizen of United States of America

Mr. Mahmood Khimji is a founding Principal of Highgate, an industry-leading real estate investment and management firm, and has been involved in all aspects of Highgate's development since its founding in 1988. Prior to founding Highgate, Mr. Khimji practiced law at Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Khimji is the Chairman of the Board of Directors of Sagicor Financial Corporation. He also serves on the board of directors of Sagicor Jamaica, Playa Hotels & Resorts and American Hotel Income Properties and is a member of the Young Presidents' Organization (YPO) and the Real Estate Forum. Mr. Khimji also serves on the National Committee of Aga Khan Foundation USA and on the boards of Aga Khan Museum and the Asia Society. Additionally, Mr. Khimji serves on the Board of Visitors for Columbia Law School. He attended the University of British Columbia, holds a B.A., summa cum laude, from the University of Houston and a J.D. from Columbia Law School.

GILBERT J. PALTER B.Sc., M.B.A.
Appointed 2020
Citizen of Canada

Mr. Gilbert Palter is the Co-Founder and Chief Investment Officer of EdgeStone Capital Partners, an alternative asset management firm. He is also the Chairman and CEO of EGADS Group, which invests in public and private companies. Mr. Palter was the founding Chairman of Aurigen Capital Limited, a Bermuda-based life reinsurer, leading the $500 million initial funding. He is the former Chairman of Affinion Group Holdings Inc., which operated Affinion Benefits Group, LLC, a U.S. accidental death and dismemberment business.

Over his 30-year career as a private equity investor he has served on numerous private company boards and, on behalf of EGDAS Group, on the public boards of Atlantic Power Corporation since 2015, cxLoyalty Group Inc. since 2017, and RPX Corporation from 2016-2018. In his early career Mr. Palter worked at Morgan Stanley, McKinsey & Company, Clairvest Group, and Smith Barney. Mr. Palter received a Master's in Business Administration from Harvard Business School where he graduated as a Baker Scholar and the winner of the John L Loeb Fellowship in Finance, and he earned a B.Sc. degree in Computer Science and Economics at the University of Toronto, where he was the Gold Medallist in his class. He was a 2003 recipient of "Canada's Top 40 Under 40" award, and a recipient of the Ernst & Young Entrepreneur of The Year® Award 2006.

Corporate Governance is the task of a company's board to provide entrepreneurial leadership, guidance, and oversight to the company for maximizing shareholder wealth within the bounds of law and community standards of ethical behaviour. The direction and momentum assumed by the Governance process must be driven by a value system that permeates the enterprise to ensure business priority alignment between board and management.

Positively **IMPACTING** the lives of people in our communities

Our people-centric culture is not just focused on our clients and the services we provide for them, but it also extends to the communities in which we operate and our commitment to impacting the lives of those who reside there. Through our charitable arm, The Sagicor Foundation, and its tagline 'caring, inspiring, serving' we remain steadfast and passionate about creating a legacy for generations upon generations to benefit from.

Through supporting charitable organisations and executing health and education initiatives of our own, Sagicor shows that the wellbeing of Jamaicans is something we hold dear to our heart.

Corporate Social Responsibility is not just something we do, it's something we live, breathe, and believe in. The Sagicor brand will forever uplift Jamaica by developing communities and strengthening the lives of those around us.

Our Scholarship Programme, Adopt-A-School-Programme and Sigma Corporate Run are three of our flagship initiatives and it brings us joy to see the smiles they leave upon our beneficiaries' faces when completed.

As we continue to make a difference in the lives of others, we also learn valuable lessons of love, patience and kindness - lessons that we use to continue our journey of being a world-class corporate citizen.


Sagicor
FOUNDATION
Children
Day

LEADERSHIP TEAM

Central to managing our business is a relentless focus on strategic and innovative thinking, strategic planning, financial modelling, and performance measurement and monitoring. The leadership drives the implementation of specific initiatives to achieve the strategic objectives, whilst always ensuring congruence with the Group vision.

1. CHRISTOPHER ZACCA
2. ANDRE HOLUNG
3. MARK CHISHOLM
4. WILLARD BROWN
5. CHORVELLE JOHNSON-CUNNINGHAM
6. KARL WILLIAMS
7. TARA NUNES
8. DONNETTE SCARLETT
9. MARK THOMPSON
10. OMAR BROWN
11. HOWARD GORDON
12. CAREN SCOTT-DIXON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CHRISTOPHER ZACCA, B.Sc., MBA, CD, JP
President and CEO
Sagicor Group Jamaica

Christopher Zacca joined Sagicor Group Jamaica as President & CEO on May 1, 2017. With over three decades of experience in the private and public sectors, he has brought a wealth of knowledge in business management to the Group. He sits on the boards of all Sagicor Group Jamaica member companies. Zacca's experience spans a wide range of industries and his expertise includes General Management, Asset & Investment Management, Innovation, Strategic Management, International Business, Corporate Finance and Information Technology. For his contributions to the private and public sectors, he was conferred in 2014 with the National Honour of the Order of Distinction in the rank of Commander (CD).

ANDRE HO LUNG, B.Sc., M.Sc.
Executive Vice President and Group Chief Financial Officer

With an M.Sc. in Accounting and over 17 years of experience in the financial sector, Andre has a strong track record of delivering operational performance transformation; strategy, corporate development, restructuring, mergers and acquisitions. Andre's knowledge and expertise encompass a diverse field of industries, including Life and General Insurance, Securities, Investments and Banking and Audit, across areas such as Compliance and Operations, in addition to Finance. As a key member of Sagicor's Senior Leadership Team, Andre directs the Accounting, Taxation, Financial Management, Regulatory and Financial Reporting functions of the Group.

MARK CHISHOLM, MBA (HONS.), JP
Chief Revenue Officer, Insurance, Sagicor Group Jamaica
President & Chief Executive Officer, Sagicor Life of the Cayman Islands

Mark Chisholm's experience in the insurance industry spans over 30 years. Over this period, he has moved up the corporate ladder to his current positions. Mark has direct responsibility for the growth of the Group's Life Insurance, Health Insurance, and Pensions portfolios, which encompasses Sales and Distribution in Jamaica and the Cayman Islands. He also provides executive oversight at the Group Level for Sagicor's Insurance Brokerage and General Insurance entities, Sagicor Insurance Brokers, and Advantage General Insurance Company, respectively.

TARA NUNES, B.Sc. (HONS.)
Senior Vice President & Chief Executive Officer
Sagicor Investments Jamaica

Tara Nunes has over 20 years' experience in Wealth Management and Investment Banking. She has played an integral role in the development and execution of strategic plans that have led to significant growth in funds under management, and the establishment of Sagicor Investments as one of the leading wealth and asset management institutions in Jamaica. She has direct responsibility for the Investment Banking division in Jamaica and the Cayman Islands which includes Capital Markets, Research & Strategy, Wealth & Corporate Relationship Management and Client Experience. Tara is a director of the Jamaica Stock Exchange, an officer of the Jamaica Securities Dealers Association and a member of the Women's Leadership Initiative (WLI), where she served on the Executive Committee as Chair of Finance for six years.

DONNETTE SCARLETT, B.Sc. (HONS.), CFA
Senior Vice President
Group Treasury and Asset Management

Donnette Scarlett has over 25 years of experience in the financial services industry and is currently the Senior Vice President, Group Treasury and Asset Management at Sagicor Group Jamaica. In her role, Donnette manages key risks for the Group's Treasury and Asset Management portfolios, including liquidity, concentration and financial risks. She also manages the Group's policy, operations and regulatory responsibilities related to the investment portfolios across business lines. Donnette holds a B.Sc. in Economics & Management from the University of the West Indies, Mona Campus and is a CFA charter holder and a member of the CFA Institute and the CFA Society of Jamaica.

MARK THOMPSON, CPA, CA
Chief Executive Officer
Advantage General Insurance Company

Since July 2007, Mark Thompson has presided over the transformation of Advantage General Insurance Company as CEO, and plays a pivotal role in the Company's commitment to becoming the 'Digital Insurer of Choice.' He has worked in several prominent businesses over the years in Canada and the Caribbean, and currently serves as Corporate Secretary of the Caribbean Catastrophe Risk Insurance Facility (CCRIF). Mark holds a BCom. Degree with a minor in Actuarial Science and Economics and has been a member of the Canadian Institute of Chartered Accountants for 25 years.

WILLARD BROWN, FSA, B.Sc. (HONS.)
Chief Technology and Insurance Operations Officer, Sagicor Group Jamaica

Willard Brown has direct responsibility for Group Technology and Insurance Operations at Sagicor Group Jamaica. He also has oversight of Corporate Actuarial, Employee Benefits Administrator Limited (EBA), Insurance Pricing and Product Management, Wellness, and the Expansion of Sagicor Life in Latin America. He has served the company in various capacities including Information Technology, and Special Projects Departments, and is a director on the boards of Sagicor Employee Benefits Administrator (EBA) Limited and Advantage General Insurance Company (AGIC). Willard holds a B.Sc. in Mathematics and Computer Science and is a Fellow of the Society of Actuaries.

CHORVELLE JOHNSON CUNNINGHAM, B.Sc.
Chief Executive Officer, Sagicor Bank Jamaica

Chorvelle is a member of the Chartered Banker Institute and holds a Chartered Banker MBA from Bangor University in the United Kingdom. With over two decades of senior leadership experience in the financial sector, Chorvelle joined Sagicor in January 2018. She is a former Vice President of the Jamaica Bankers' Association, and is the current Chair of the Board of Governors of the United Way of Jamaica. An advocate for women's empowerment, she serves as the Deputy Chair of the Women's Leadership Initiative (WLI), is Jamaica's first International Women's Forum Fellow, and sits on the Board of Sagicor Bank Jamaica Limited.

KARL WILLIAMS, B.Sc., EXECUTIVE MBA
Executive Vice President – Shared Services Sagicor Group Jamaica

Karl Williams' leadership spans over 25 years in the management disciplines of Marketing & Sales, Learning & Development, and Human Resources. In his current role as Executive Vice President – Shared Services, Karl has direct responsibility for Group Human Resources, Group Procurement, Facilities and Records Management, Group Security Operations, Group Marketing, Group Legal, Corporate Trust & Corporate Secretarial, Group Client Support & Experience. Karl is the Immediate Past President of the Human Resource Management Association of Jamaica (HRMAJ), and serves as a Director at the Jamaica Institute of Financial Services (JIFS), e-Learning Jamaica Company Limited and the Universal Service Fund (USF).

OMAR BROWN
CEO, Alliance Financial Services Limited

Omar Brown is an experienced career banker and has been serving in the financial sector for over 20 years. A dedicated and diligent professional, he is a CFA Charter holder, a Certified Financial Modelling Specialist and has an honours degree in Banking and Finance from the University of the West Indies. Omar is also a director of Sagicor Select Funds Limited, Chain of Hope Jamaica and is a member of the CFA Society of Jamaica.

HOWARD GORDON
Senior Vice President, Group Technology and Sagicor Life Operations

Howard Gordon has direct oversight of the team implementing digital transformation initiatives and optimizing operations within Sagicor Life Jamaica Limited. He has over 35 years' experience, spanning areas such as: Technology, Banking Operations, Business Administration, Anti-Fraud, Procurement, Auditing, Risk Management as well as Process and Productivity Management, gained across several major Jamaican financial institutions. He is a graduate of the Manchester School of Business where he earned a Master of Business Administration degree and holds a First Class Honours degree in Business Administration from the University of Technology, Jamaica. He is an Associate of the Chartered Institute of Bankers (ACIB) London.

CAREN SCOTT-DIXON
Assistant Vice President, Head of Enterprise Risk & Group Compliance Enterprise Risk Management & Group Compliance

Caren Scott-Dixon manages our robust risk and compliance framework to ensure mitigation of operational, financial and business risks across the Group. She has over 18 years' experience in the financial industry, with specific focus in the areas of risk management, compliance as well as financial analysis. Caren completed her Bachelor of Business Administration degree at the University of Technology in 2003 (with Distinction) and a Master of Business Administration degree from the University of the West Indies in 2007, where her focus was Banking and Finance. She is a fellow of the Association of Chartered Certified Accountants (ACCA) and a Certified Anti-Money Laundering Specialist.

Building a **TRANSFORMATIVE** culture in which team members thrive

At Sagicor Group Jamaica, our team members play a pivotal role in the growth and success of our company and are our most important resource. It is no secret that without the dedication, support, and skills of our team members, Sagicor would not be the industry leader it is today.

Our team members are the epitome of passion and commitment and are a true reflection of the diverse and empowering backgrounds they are from.

Equipping them with the right tools to perform highly and in an environment that supports growth is important to us. Through several internal initiatives, we ensure that our team members are celebrated, supported, and rewarded all year round for the work they put into making Sagicor a great company. Our team spirit is something we pride ourselves with at Sagicor and it is built entirely around the vibrant, captivating, and genuine personalities that make up our unique team.

We are Sagicor Strong, and we stand firm in our continuous efforts to build a transformative culture that team members can thrive in, while being reassured of the invaluable assets they are.

Karl Williams (centre), Executive Vice President - Shared Services, Sagicor Group Jamaica, poses with the 2022 SagicorLEAD graduates.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

The Management's Discussion and Analysis (MD&A) is intended to provide Management's perspective on the operating environment (internal and external), operating results and financial condition of Sagicor Group Jamaica (SGJ, Sagicor, or the Group). This MD&A should be read in conjunction with the Group's 2022 financial statements dated 27 February 2023 which form a part of this Annual Report.

Sagicor Group Jamaica is a leading financial conglomerate, commanding a large market share in many of the lines of business in which it operates. The Group is also the largest on the Jamaica Stock Exchange by market capitalization and the second-largest conglomerate on the Jamaica Stock Exchange, measured in terms of profitability.

The Group has a diversified business model that offers products and services in:

Life & Health Insurance	Captives' Management
Property & Casualty Insurance	Pension Fund Management
Commercial Banking	Treasury and Asset Management
Investment Banking	Insurance Brokerage
Real Estate	Microfinancing
Property Management	Cambio And Remittance Services

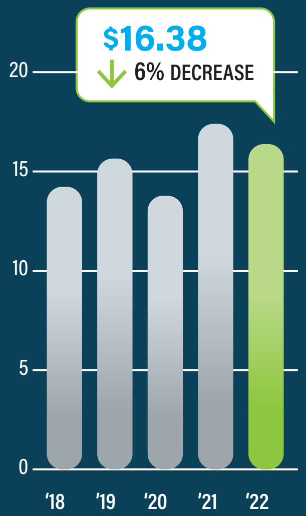
44%

Increase in Dividends Paid in 2022

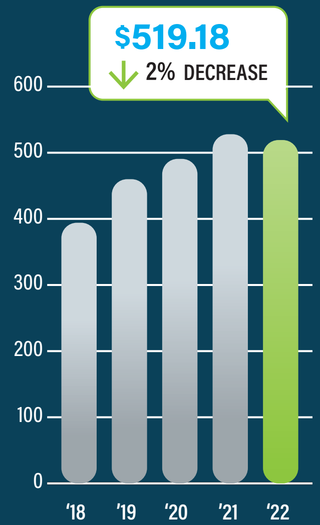
As part of our commitment to providing a return on capital to our shareholders

SGJ achieved net profit attributable to stockholders of $16.38 billion, a 6% reduction over the prior year but a creditable performance in a challenging year characterised by volatility in local and international financial markets.

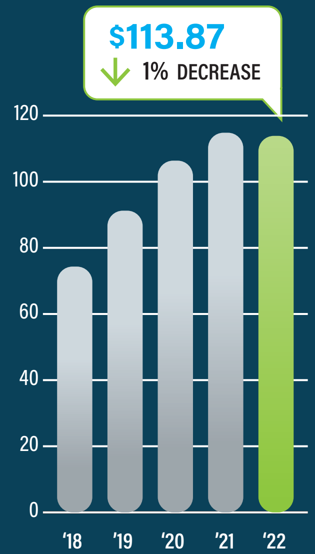
Net Profit Attributable to Stockholders
J$ BILLIONS



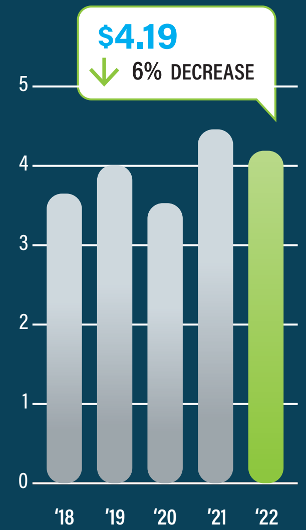
Total Assets
J$ BILLIONS



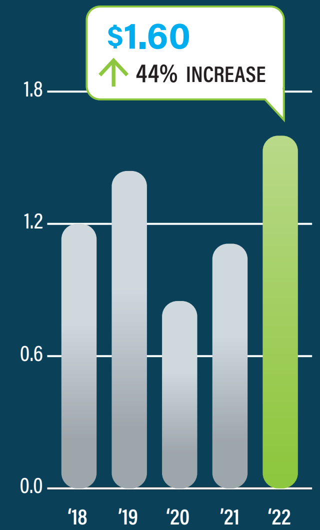
Stockholders' Equity
J$ BILLIONS



Earnings Per Share
J$ DOLLARS



Dividends Per Share
J$ DOLLARS



At the core of our operations is the wellness of our clients, employees and other stakeholders. This continues to guide the strategic initiatives the Group undertakes and the decisions it takes during the year. On 1 April, 2022, Sagicor acquired 100 per cent of the outstanding shares in Alliance Financial Services Limited (AFSL), a provider of cambio and remittance services in Jamaica. The acquisition represents a move into a new business segment and affords the Group an opportunity to expand its product offerings to its customers. Following the divestment of holdings in PLAYA, in 2021, Sagicor Group completed the disposal of all its shareholdings in Sagicor Real Estate X Fund effective September 30, 2022. The disposal of X Fund generated net proceeds of $5.39 billion. At the start of 2023, Sagicor Bank announced financing of a multibillion-dollar repair and maintenance shipyard project in the Kingston Harbour. This project, in part, will be financed through a bank loan of approximately $3 billion and will see Jamaica positioning itself as a global logistics hub.

For the financial year ended December 31, 2022, the Group's operations produced net profits attributable to stockholders of $16.38 billion, 6% lower than 2021. The results were driven by a strong performance from the Insurance business amid rising medical cost in a high inflationary environment. New business sales contributed to exceptional premium income growth, particularly in the Individual Life division. The Employee Benefits and the Commercial Banking segments had year over year performance improvements in 2022 stemming from growth in net group health premium and increased banking activities respectively. The Investment banking segment had a challenging year with prevailing adverse macroeconomic conditions contributing to falling prices in the investment security markets and a reduction in capital market opportunities.

The Group declared dividends totalling $1.60 per share (December 2021: $1.11 per share) during the year as part of our commitment to providing a return on capital to our shareholders, despite the challenging environment.

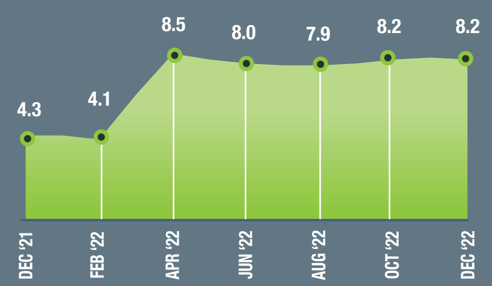
2022 FINANCIAL PERFORMANCE HIGHLIGHTS

	Dec 2022 Audited	Dec 2021 Audited	% Change
Operating Results (Income Statement Data):			
Net Profit, attributable to Stockholders - J$ billions	16.38	17.40	-6%
Total Revenue - J$ billions	97.10	102.56	-5%
Financial Position & Strength (Balance Sheet Data):			
Total Assets of Sagicor Group Jamaica - J$ billions	519.18	527.99	-2%
Total Assets under management - J$ billions	976.07	936.30	4%
Stockholders' Equity - J$ billions	113.87	114.82	-1%
Stockholders' Equity to total assets	22%	22%	0%
Profitability:			
Return on average Stockholders' Equity (ROE)	14%	16%	-2%
Return on average assets (ROA)	3%	3%	0%
Group efficiency ratio (Admin. expenses/Revenue)*	34%	32%	2%
Earnings per stock unit (EPS) - J$	4.19	4.46	-6%
Dividends paid per stock unit - J$	1.60	1.11	44%

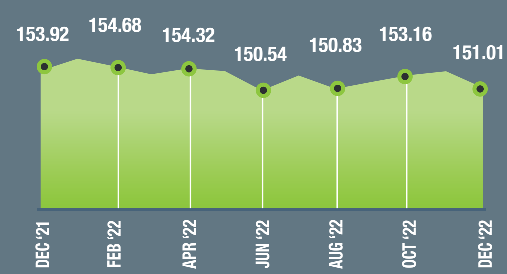
	Dec 2022	Dec 2021	% Change
Other Market Information:			
SGJ Share Price - J$	59.42	58.25	2%
Market capitalization - J$ billions	232.07	227.50	2%

*Normalised & before segregated funds

180-Day T-Bill Movements
% PERCENTAGE



J$ vs US$ Exchange Rate Movements
$ DOLLARS



12-Month Inflationary Changes
% PERCENTAGE

Interest Rate
% PERCENTAGE

JSE Main Index Movements

Jamaica's inflation rate, measured by the consumer price index, peaked in April 2022 at 11.8%, representing the highest inflation reading since 2014. The monthly CPI breached the BOJ's 4% to 6% target range for all twelve months in 2022.

OUR ECONOMIC ENVIRONMENTS

Sagicor Group Jamaica operates primarily in the economies of Jamaica, the Cayman Islands, Costa Rica and the United States. The Group also has investments in several other countries and is exposed to the macro-economic performance of these countries. Commentaries on the landscape of the main economies in which the Group operates are set out below:

JAMAICA

In 2022, recovery of the Jamaican economy faced headwinds by a challenging global economic environment impacted by:

- the lingering effects from COVID-19 containment measures,
- higher commodity prices owing to the Russia-Ukraine war; and
- the ongoing tightening of global financial conditions due to synchronous interest rate hikes by central banks.

Notwithstanding, key macroeconomic variables such as GDP and unemployment benefitted from the relaxation of most COVID-19 restrictive measures resulting in higher outturn in the services industry led by the tourism sector. There was improvement in business and consumer confidence marked by increased economic activity in all industries. On the contrary, inflation remain elevated above the Bank of Jamaica's 4% to 6% target range primarily due to higher commodity prices resulting in an increase in the current account deficit.

In March 2022, Fitch Ratings affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating (IDR) at 'B+' with a "Stable" outlook rating. Jamaica's 'B+' rating is supported by World Bank Governance Indicators that are substantially stronger than the 'B' and 'BB' medians, a favorable business climate and consistent fiscal policy efforts to lower the debt burden.

5.9%

Growth in the economy for nine months ending September 2022. Source: STATIN

6.6%

Unemployment rate at July 2022

J$152.05

Weighted average selling rate for the US$ at the end of Dec. 2022

US$3.98B

NIR at the end of December 2022

Economic Growth

According to data from the Statistical Institute of Jamaica (STATIN), the economy grew by 5.9% for the last nine months ending September 2022 when compared to the similar period in 2021. Growth was led by the services industries predominantly supported by the 'Hotel & Restaurants' sector which grew by 35.3% during the 9-month period. This outturn was driven by an increase in global travel as pandemic fears waned along with high levels of discretionary spending on leisure activities. According to the Jamaica Tourist Board, total visitor arrivals to the island increased by 137.9% from January to September. The IMF estimated that real value added for 2022 is expected to have grown by 4.0%.

Unemployment

Jamaica's unemployment rate declined to 6.6% for July 2022 relative to 8.5% in July 2021. This level of unemployment was the third lowest reading since July 2017 and reflects sustained expansion in economic activities. A total of 1,268,000 persons were employed, an increase of 53,000 compared to July 2021. Females accounted for 79.2% of the increase in employment resulting in a 2.8 percentage points decline in unemployment rate to 5.2% relative to an 8.2% unemployment rate for their male counterparts. Youth unemployment also recorded a decline to 16.7% in July 2022, a 7.2% decrease from July 2021. The majority of the increase in the employed labour force resulted from the occupation groups 'Clerks' and 'Service Workers and Shop and Market Sales Workers' which saw increases of 23.9% and 7.9%, respectively.

Inflation, Exchange Rate & Net International Reserves

Jamaica's inflation rate, measured by the consumer price index, peaked in April 2022 at 11.8%, representing the highest inflation reading since 2014. The monthly CPI breached the BOJ's 4% to 6% target range for all twelve months in 2022. Elevated prices for the year were impacted by supply-chain bottlenecks and further bolstered by higher commodity prices such as grain and fuel due to the Russia -Ukraine war. Toward the latter part of 2022, prices began to moderate with December's point-to-point inflation reading of 9.4%. We anticipate that inflation should trend toward the BOJ's target at the end of 2023, partly due to supply-chain conditions which are expected to improve following China's discontinuation of their zero-covid policy. Additionally, supply and demand dynamics for grain and oil, have begun to normalize, however, the risk is skewed to the downside as further military operations by Russia could weigh heavily on sentiments and increase volatility in the commodities market.

At the end of December 2022, the BOJ's weighted average selling rate closed at J$152.05 for the US dollar relative to J$155.09 at the start of the year. At the end of December 2022, the YTD appreciation was 1.96%, relative to a depreciation of 8.72% for calendar year 2021. The BOJ maintained a very active role in the foreign exchange market through its Foreign Exchange Intervention Trading Tool (B-FXITT). While foreign earnings rebounded due to strong recovery in the tourism sector, demand for US dollar surged as the manufacturing sector grew. There was also elevated demand from retail users for FOREX. Under the B-FXITT programme, a total of US$1.4B was supplied to the market with a total of US$2.2B eligible bids. The goal was to ensure stability in the FOREX market to achieve price stability.

The NIR stood at US$3.98B at the end of December 2022, a slight decline from the US $4.0B recorded in December 2021. Changes in the NIR resulted from a decline in foreign assets from US$4.83B to US$4.52B as well as a 25.5% decline in currency and deposits. However, the fall-out was tempered by an increase in securities from US$340.5 in December 2021 to US$1.5B in December 2022. The reserves as at December 2022 were sufficient to cover approximately 37.5 weeks of imports of goods and 25.2 weeks of imports of goods and services.

Interest Rate

In 2022, the BOJ accelerated its pace of monetary tightening with the aim of bringing the inflation rate within its target range. At the start of the year, the benchmark policy rate was at 2.50%. During 2022, the Monetary Policy Committee (MPC) increased interest rates by 450 basis points to 7.00% at the end of the year. In November 2022, the MPC paused further hikes so as to watch its pass-through effects on deposit and loan rates. The pause was also conditioned on the pass-through of international commodity price reductions to domestic prices and on the Federal Reserve not exceeding their targeted rate increases for 2022 and 2023. As at December 2022, the yields on the 90-day T-bills increased to 8.04% from 7.86% while the 180-day T-bills declined marginally from 8.27% to 8.18%, respectively for December.

Debt

Jamaica's public debt continues its downward trajectory following a temporary increase in 2020. The higher debt level in 2020 was largely due to the impact of COVID-19. At the end of 2022 the debt to GDP was estimated at 85%, below its pre-pandemic level. Jamaica's budget balance has improved since 2020. The rolling 12-months balance of central government was 1.8% of GDP at the end of December 2022. Government revenues increased by 18%, exceeding the growth of nominal GDP and higher than expected expenditures, which grew by 12% at the end of December 2022. In March 2022, Fitch Ratings affirmed Jamaica's Long-Term Foreign Currency Issuer Default Rating (IDR) at 'B+' with a "Stable" outlook rating. Jamaica's 'B+' rating is supported by World Bank Governance Indicators that are substantially stronger than the 'B' and 'BB' medians, a favorable business climate and consistent fiscal policy efforts to lower the debt burden. The draft 2023-2024 budget, to be adopted by mid-March 2023, targets a primary surplus above 5% of GDP.

Outlook

The economy is expected to return to pre-pandemic growth levels in 2023 however the outlook for growth is weaker due to tighter than expected global financial conditions. For 2022, the economy is expected to have grown by 4%, lower than the 4.6% growth in 2021. For 2022, the outturn was driven mainly by tourism, especially from U.S stopover arrivals. According to the Bank of Jamaica, GDP growth forecast will fall in the range of 3.0% to 4.5% for FY2022/23. The IMF projects that the local economy will grow at 3.5% for FY2022/23 to 2.0% in 2023/24. Inflation is expected to return to the Central Bank's 4% to 6% target range by the end of 2023 as import prices fall and domestic policy actions take effect. However, the probability of breach remains high due to ongoing geo-political tension in the economies of major trading partners as well as the war in Ukraine.

The economy is expected to return to pre-pandemic growth levels in 2023. The IMF projects that the local economy will grow at 3.5% for FY2022/23 to 2.0% in 2023/24.

85%

Debt to GDP

At the end of 2022, below its pre-pandemic level

Inflation (%)

	JA	USA	COSTA RICA	CAYMAN
2019	3.9	2.2	2.1	6.0
2020	5.2	1.3	0.7	1.0
2021	7.3	7.5	1.3*	1.3*
2022	9.4	6.5	8	12.1
2023 (e)	8.1	6.4	8	9.2

GDP Growth (%)

	JA	USA	COSTA RICA	CAYMAN
2018	1.9	3.00	2.6	4.1
2019	0.9	2.2	2.3	3.8
2020	-9.9	-3.4	-4.1	-6.73
2021	4.4	5.6	5.4	1.2
2022	5.9	2.7	3.3	3.2

2.1%

Growth in the US economy in 2022 compared to 5.9% in 2021.

6.4%

US rate of Inflation at December 2022

3.5%

US unemployment rate at December 2022

The Cayman Islands

The Cayman Islands' Real GDP for the 2022 Q1 expanded at annualized rate of 3.8% relative to 0.4% in the similar period for 2021. The outturn largely reflected recovery in tourism and transportation-related sectors. Hotels and restaurants grew by 27.8% for the period, while transportation and communication expanded by 14.3%. Other services, which include arts, entertainment, and also household activities, rose by 9.1% for the quarter. The financing and services sector, which is the largest contributor to GDP, is estimated to have grown by 2.5%. While official data on real GDP is lagging, GDP is forecasted to grow by 3.4% for 2022.

The Consumer Price Index (CPI) rose by 9.1% in the third quarter of 2022 compared to 6.5% in the similar period in 2021. All twelve CPI divisions recorded higher prices led by 'Housing and Utilities' which increased by 14.2% followed by 'Transport' which saw prices surging by 10.5% for the review period. The increase in the division for 'Housing and Utilities' was impacted by 54.3% increases in the index for water supply. Additionally higher electricity costs, rents and materials for maintenance and repair of dwelling also contributed to increases in this division. The divisions of 'Food & Non-Alcoholic Beverages' and 'Clothing and Footwear' also recorded price increases of 10.3% and 10.2%, respectively. The weighted average lending rate fell to 5.85% from 6.09%, while the prime lending rate remained rose to 3.54% from 3.25%.

It is expected that continued recovery in tourism and transport should support activities in other sectors. As global financial conditions continue to tighten due to synchronous rise in interest, there are anticipated headwinds that could slow recovery in the tourism sector. Inflation projections have been revised upwards stemming from stronger than anticipated pass-through effect from the US and other major training partners.

US Economy

GDP

The US economy grew by 2.1% in 2022 compared to 5.9% in 2021. For the first and second quarter, the economy contracted by 1.6% and 0.6%, respectively. However, a resilient consumer and labour market resulted in positive growth in the third and fourth quarters of 3.2% and 2.9%, respectively. Growth in 2022 was driven by higher levels of consumer spending, export spending, private inventory investment and non-residential fixed investment. The outturn for 2022 was however tempered by lower residential fixed investment as well as lower federal government spending which was attributable to lower defence spending and COVID-19-related expenditures. Further relaxation of COVID-19 containment measures augurs well for growth. The increase in consumer spending which accounts for 68% of GDP, reflected increases in services which were driven mainly by international travel, food services, accommodation, and healthcare. According to the International Monetary Fund, the US economy is expected to grow by 1.4% in 2023 and 1.0% in 2024.

Inflation

Inflation weighed heavily on growth in 2022 moderating at 6.4% in December 2022. The consumer price index peaked at a 41-year high in June at 9.1%.

Much of the inflation for the year emanated from high prices for gas and fuels which were impacted primarily by the Russia-Ukraine war. Energy prices increased by 41.6% on a 12-month basis with food prices increasing by 5.6% annually. Gasoline prices hit record high, almost 60%, with prices at the pump topping US$5.00 per gallon. The inflation rate of 6.4% remained above the Federal Reserve's 2% target range.

Unemployment

The labour market remained tight for 2022 as the economy recovered from the pandemic-induced recession. For the month of December, the unemployment rate fell to 3.5% from a high of 5.6% in March. As of November, there were 1.7 job openings for every available worker. This imbalance in the labour market pushed wages higher, further building inflationary pressures in the economy.

Interest Rates

After holding the federal fund rate at around zero up until the first quarter of 2022, the Federal Reserve enacted tight monetary policy to tame inflation. The Federal Reserve increased interest rates seven times in 2022. The first increase in March of 25 basis points, followed by six additional increases which combined amounted to 400 basis points, to bring the federal fund rate to a range of 4.25% to 4.50% at the end of December 2022. The bond market plummeted in 2022 with the Total Bond Index, which tracks U.S. investment grade-bonds, declining by 13%. Yields on the 2-Year U.S. Treasury increased from 0.73% at the start of the year to 4.41% as at December 31. The 10-Year U.S. Treasury closed the year with a yield of 3.88% relative to 0.93% at the start of the year.

Equities Market

Major US indices posted their worst year since 2008. The S&P 500 lost 19.4% and the NASDAQ plummeted by 33.10%. The Dow Jones Industrial fared the best of the three indices, down 8.8%.

Investors' sentiment for much of the year weighed heavily by geo-political concerns, record levels of inflation, aggressive interest rate hikes and general economic volatility. The worst performing sector in the S&P 500 was communication, declining by 40.42%, followed by consumer discretionary which fell by 37.58%. Energy was the best performing sector in the S&P 500 posting growth of 59.05% for 2022.

Costa Rica

Costa Rica's economy experienced a growth of 3.8% in 2022. However, for 2023, GDP growth is projected to slow to 2.3% before increasing to 3.7% in 2024. This slower growth is expected to be influenced by tighter global and domestic financial conditions over the next two years. The growth of the economy is anticipated to be powered by a rise in consumption, supported by improvements in the labor market and an increase in private investment.

Headline inflation is expected to decrease further, moving towards El Banco Central de Costa Rica's (BCCR) target rate of 3% by late 2024. Headline inflation increased from 3.3% (y-o-y) in December 2021 to 12.1% in August 2022 (highest recorded in the last ten years), this was driven mostly by higher global commodity prices. However, core and headline inflation has started to moderate, closing the year at 7.9%. To bring inflation within target range, the BCCR has tightened its monetary policy. Between December 2021 and October 2022, the policy rate was increased from 0.75% to 9%, with the central bank indicating its readiness to raise rates further as needed. The BCCR expectations for inflation in the next three to five years remained wellanchored within the target range providing that wage pressures remain under control. Inflation has increased due to global supply constraints and Russia's invasion of Ukraine, with food and energy prices experiencing the most significant impact. Costa Rica has implemented targeted measures to support those most affected by high energy prices.

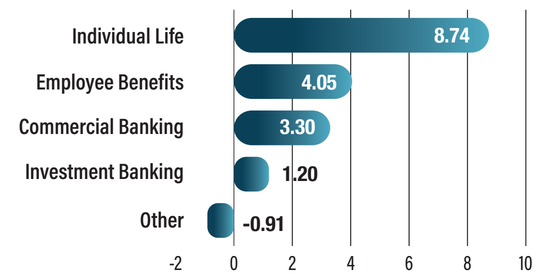
In June 2021 the central bank finalised a credit facility programme. The programme was designed to provide liquidity to the private sector and accounted for approximately 2.3% of GDP. The programme was mostly utilized to renew existing credits at lower interest rates, primarily for households and micro and small businesses. There still exist concerns about persistent global supply chain bottlenecks, which may result in inflationary pressures.

High and persistent inflation and a tight monetary policy stance expected to impact household real disposable incomes. Private consumption should remain subdued in the second half of 2023 and in 2024. This should slow recovery of tourism sector and further impact employment and growth. Export growth is expected to slow before rebounding in 2024. Inflation is projected to fall to 6.9% in 2023 and further moderate to 4.2 % in 2024, on the expectation of tight monetary working through the economy.

FINANCIAL PERFORMANCE

Sagicor Group delivered a creditable performance despite a challenging year. The Group's net profit attributable to stockholders was $16.38 billion, a 6% decline when compared to prior year. This was generated from total revenues of $97.10 billion, being 5% below the comparative prior year and total benefits and expenses of $75.87 billion, 3.1% lower than the comparative prior period.

Sagicor Group Jamaica
Net Profit by Business Segment
J$ BILLIONS



The revenue performance of the Group was influenced by:

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

   Net premium income of $56.55 billion grew by 7.1% year over year. Individual Life new business sales and policy retention contributed to the improvement in net premium income by $2.16 billion across Jamaica and the Cayman Islands. Employee benefits new business sales benefitted from the onboarding of a large corporate client in the Group Health portfolio.

2. **Growth in Commercial Banking Activities**

   A general uptick in commercial banking activities during the year resulted in growth in our loan assets portfolio as well as increased usage of our credit and debit card facilities. Loan interest increased by $767.7 million or 11% growth year over year. Whilst fee-based income from Loans, Credit card, Point-of sale and Service charges grew by $1 billion.

3. **New Fee Income Streams**

   Fee and other income of $18.51 billion had an increase of 6.4% over prior year's amount of $17.40 billion. The Group's revenues benefitted from the acquisition of Alliance Financial Services Limited, which contributed $769 million in cambio and remittance fees. The Group also realized gains on the sale of real estate of $416 million during the year.

4. **Unfavourable trading conditions and capital losses**

   Realised and unrealised capital losses of $3.31 billion were significantly lower than the prior year capital gains of $8.97 billion. Depressed prices of mark-to-market securities resulted in capital losses of $4.06 billion in the current year, against a capital gain of $2.11 billion in the prior year. The rising interest rates resulted in falling asset prices on our fixed income securities. This resulted in a $6.27 billion decrease in gains on derecognition of financial assets.

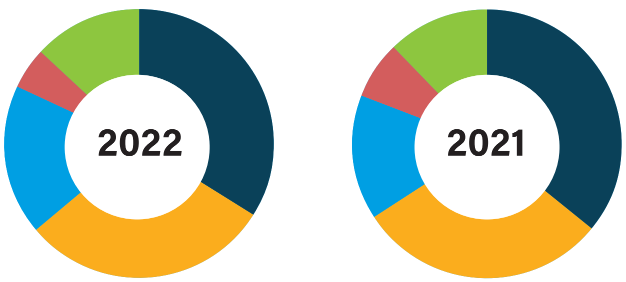
7.1%

Increase in Net Premium Income

Sagicor Group Jamaica

Revenue by Business Segment

PERCENTAGE (%)



2022		2021	
34%	INDIVIDUAL LINES	36%	INDIVIDUAL LINES
30%	EMPLOYEE BENEFITS	30%	EMPLOYEE BENEFITS
18%	COMMERCIAL BANKING	15%	COMMERCIAL BANKING
5%	INVESTMENT BANKING	7%	INVESTMENT BANKING
13%	OTHER	12%	OTHER

Revenue by Business Segment

	2022 J$M	%	2021 J$M	%
Individual Lines	33,064	34%	37,379	36%
Employee Benefits	29,293	30%	29,710	30%
Commercial Banking	17,183	18%	15,560	15%
Investment Banking	4,674	5%	7,336	7%
Other	12,913	13%	12,577	12%
Total	**97,126**	**100%**	**102,561**	**100%**

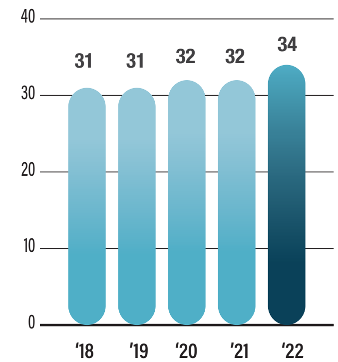
Benefits by Expense Type

	2022 J$M	%	2021 J$M	%
Living Benefits	6,659	18%	6,681	19%
Surrenders, Maturities & Withrawals	968	3%	1,015	3%
Segregated Funds Withdrawals	8,569	23%	7,574	22%
Annuity Payments	6,067	16%	5,998	17%
Health Benefits	12,080	33%	10,801	31%
Property & Casualty	1,351	4%	1,654	5%
Other	1,442	4%	1,330	4%
Total	**37,136**	**100%**	**35,053**	**100%**

Sagicor Group Jamaica

Efficiency Ratio

% PERCENTAGE



The benefits and expenses of the Group was impacted by:

1. **Persistent medical inflation**

   Overall, net benefits expense of $37.14 billion increased 6% when compared to the prior year. This was primarily driven by a sharp increase in health claims, a result of persistent medical inflation. Net group health claims of $11.49 billion was 12% or $1.24 billion more than the prior period. Nevertheless, the Group health loss ratio improved to 89% in 2022 (2021: 96%).

2. **Favourable changes in actuarial reserves from prevailing market interest rates.**

   Total changes in actuarial reserves ended with a release of $3.85 billion in December 2022 against a charge of $4.28 billion in the prior period. The current year was impacted by the upward movement in prevailing market interest rates. This whilst, the prior year was impacted primarily by adjustments to our morbidity, mortality and lapse assumptions.

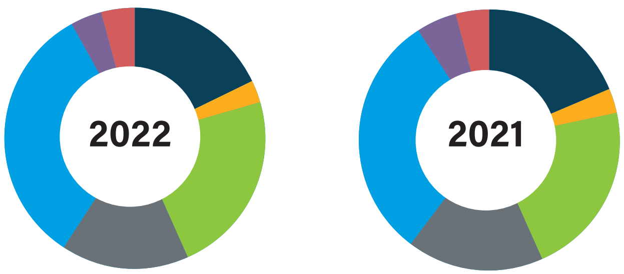
3. **Increases in administrative expenses**

   Operating expenses, inclusive of depreciation and amortization of software increased by 13% year on year to end December 2022 at $30.75 billion. This is a result of costs associated with the implementation of IFRS 17, cost of living increases for staff and additional operating expenses related to the operation of AFSL which was acquired in April 2022. The Group's efficiency ratio ended at 34%.

Sagicor Group Jamaica

Benefits by Expense Type

PERCENTAGE (%)



2022

- 18% LIVING BENEFITS
- 3% SURRENDERS, MATURITIES & WITHDRAWALS
- 23% SEGREGATED FUNDS WITHDRAWALS
- 16% ANNUITY PAYMENTS
- 33% HEALTH BENEFITS
- 4% PROPERTY & CASUALTY
- 4% OTHER

2021

- 19% LIVING BENEFITS
- 3% SURRENDERS, MATURITIES & WITHDRAWALS
- 22% SEGREGATED FUNDS WITHDRAWALS
- 17% ANNUITY PAYMENTS
- 31% HEALTH BENEFITS
- 5% PROPERTY & CASUALTY
- 4% OTHER

Liabilities under Annuities and Insurance Contracts

	2022 $ '000	2021 $ '000
Group annuities	60,181,915	61,157,286
Group insurance	5,669,173	6,136,905
Individual insurance	26,397,594	30,702,558
Total	**92,248,682**	**97,996,749**

$ 113.66 B **Sagicor Group Jamaica's Gross Loans**

The joint venture arrangement with Sagicor Costa Rica creditably contributed $440 million to the Group's share of profits. In the current year, the Group recorded $258 million share of gains from the sale of Sagicor Real Estate XFund.

Total assets as at December 2022 of $519.18 billion decreased by 2% over December 2021. The Group's total assets were impacted by the sale of Sagicor Real Estate XFund during the year along with falling asset prices.

INVESTED ASSETS

The Group's financial investments is made up of debt securities, equity securities, derivatives, repurchase agreements, policy loans and short-term deposits. Fixed Income securities which account for 83.77% of our portfolio ended the year at $264.08 billion. This represented a marginal increase over 2021 in-spite of significant fair value losses recognised through other comprehensive income from falling asset prices. Mark-to-market securities, also impacted by adverse market conditions, totaled $40.20 billion, an increase of $38.46 billion in the prior year, yielding a dividend income of $273.71 million in 2022 (2021: $169.64 million).

LOAN ASSETS

Sagicor Group Jamaica's gross loans of $113.66 billion, improved $16.43 billion year over year. This was primarily driven by new loan business primarily from our corporate loans segment. The credit quality of the Group's loan book also improved relative to the size of its portfolio with credit losses of $1.85 billion comprising only 1.62% of gross loans. The Group's non-performing loans book also improved from 2.19% in 2021 to 1.45% in 2022.

INTANGIBLE ASSETS

Intangible assets comprise of goodwill, customer relationships, trade names and computer software.

The Group's acquisition of Alliance Financial Services Limited in April 2022, resulted in goodwill of $2.67 billion, customer relationships of $688 million and acquisition of trade name. Computer software of $592.58 million were added during the year.

FIXED ASSETS

The Group's fixed assets include Land and Buildings, Leasehold improvement, Furniture and Equipment as well as Motor Vehicles. As at December 31, 2022, the

Group's fixed assets decreased by $14.37 billion. This was primarily due to a disposal of $17.01 billion for land and building, which is directly related to the disposal of Sagicor Real Estate X Fund. The Group's additions totalled $928.07 million for the year.

DEPOSITS AND SECURITIES LIABILTIES

Deposits and securities liabilities of $250.83 billion increased 13% over the prior year end. Customer Deposits, which represents 58% of the deposits and securities liabilities balance continues to be a significant source of funding for commercial banking activities. Our customer deposits of $145.95 billion increased 6% year over year. Securities sold under repurchase agreement, 35% of the total, amounted to $87.39 billion, a 12% over the prior year.

LIFE AND HEALTH INSURANCE CONTRACT LIABILITIES

The Group's insurance contract liabilities decreased by $5.75 billion. The contraction in liabilities resulted from upward movements in market interest rates as well as changes in actuarial assumptions, particularly on individual insurance and annuity products. The calculation of life insurance and annuity actuarial liabilities for future policy benefits involves the use of estimates concerning such factors as mortality and morbidity rates, future investment yields, future expense levels and persistency, including reasonable margins for adverse deviations. As experience unfolded, these resulting provisions for adverse deviations are included in income to the extent they are released when they are no longer required to cover adverse experience. The movement in actuarial liabilities was also aided by strong new business growth and a favourable product mix.

The Group's return on equity was 14% as at December 2022, declining from 16% in the prior year.

Equity reserves decreased by $14.06 billion, a result of $15.50 billion unrealized losses on financial assets carried at fair value through other comprehensive income. This was influenced by increases in market interest rates.

The overall liquidity of the Group remains solid with cash and cash equivalents to end the year at $42.94 billion, albeit a decline over prior year by 17%.

RELATED PARTY TRANSACTIONS

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

The Group's major related party transactions include financial investments of $28.62 billion held in Sigma units, repurchase agreements of $15.10 billion issued to managed funds and promissory loan notes of $11.10 billion issued to its subsidiaries. The Group also earns management fee income for shared services offered to its subsidiaries.

CAPITAL MANAGEMENT

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

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

CAPITAL RATIOS

Regulated Entities	Key Regulatory Ratios	Minimum Statutory Requirements	Dec 31 2022	Dec 31 2021
Sagicor Life Jamaica Limited	Minimum continuing capital and surplus requirements ratio (MCCSR)	150.0%	208.6%	163.8%
Sagicor Bank Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	13.0%	14.1%
Sagicor Investments Jamaica Limited	Regulatory capital to risk weighted assets ratio	10.0%	14.9%	17.7%
Sagicor Life of the Cayman Islands Limited	Minimum capital requirement (MCR)	125.0%	303.5%	287.1%
Advantage General Insurance Company Limited	Minimum capital test ratio (MCT)	250.0%	344.7%	328.9%

Industry Ratings

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

In September 2022, A. M. Best rating agency affirmed SLJ's Financial Strength Rating (FSR) of A- (Excellent) and an Issuer Credit Rating (ICR) of "a-"with a stable outlook.

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

Sagicor Group Jamaica Limited (SGJ) retained the highest credit rating in Jamaica from Caribbean Information and Credit Rating Services Limited (CariCRIS).

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

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

The CariCRIS ratings were awarded following a review in March 2023.

A.M. Best
Sagicor Life

A-
(Excellent)
Financial Strength Rating (FSR)

a-
(Stable)
Issuer Credit Rating (ICR)

jmAA
(Stable)
Jamaica National Scale - CariCRIS

FUNDS UNDER MANAGEMENT

Sagicor Group Jamaica's key financial assets are managed by our Group Treasury and Assets Management (GTAM) division. This includes assets under management, such as Sigma funds, Investment funds, Segregated funds, Pension Funds' assets managed on behalf of clients and Unit Trusts. The Group's funds under management, which includes Group assets, totaled $976.07 billion, appreciating in value by 2% year over year.

Pension Funds

Sagicor Life Jamaica, as a licensed investment manager, operates three pension investment structures as follows:

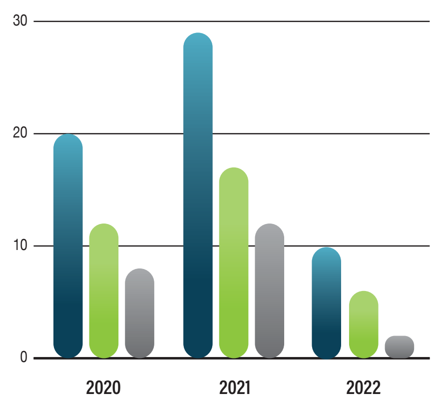
- Type I Pooled Funds
- Self-Directed Funds
- Deposit Administration

The net total pension funds under management as at December 31, 2022, stood at $212.2 billion, which represents a 4% decrease over 2021's $220.3 billion. The year over year decline was primarily due to increased asset price volatility. Nonetheless, we continue to offer our clients the most flexible and diverse range of investment options of local and global stocks and bonds, as well as a diversified real estate portfolio that spans commercial, warehousing and tourism properties diversified across Jamaica and the region. This allows pension fund Trustees to efficiently diversify portfolios, thereby reducing the

Sagicor Group Jamaica

Top 3 Performing Pension Funds 2020 - 2022

PERCENTAGE RETURN (%)



2020
- 20% POOLED INTERNATIONAL EQUITY
- 12% POOLED FOREIGN CURRENCY INDEXED
- 8% POOLED INTERNATIONAL EQUITY

2021
- 29% POOLED INTERNATIONAL EQUITY
- 17% POOLED MORTGAGE & REAL ESTATE
- 12% POOLED GLOBAL MARKETS

2022
- 10% POOLED CONSUMER PRICE INDEX
- 6% POOLED MORTGAGE & REAL ESTATE
- 2% POOLED MONEY MARKET

CariCRIS Sagicor Group	CariA- (Stable)	CariA (Stable)	jmAA+ (Stable)	jmAAA (Stable)
	Regional Scale Foreign Currency	Regional Scale Local Currency	Local Scale Foreign Currency	Local Scale Local Currency

overall level of investment risk for their respective pension plans. The structure also facilitates better duration matching of pension liabilities and assets.

The Pooled Funds comprise nine unitised funds, the assets of which are segregated from the assets of SLJ and held under trust arrangement via a wholly owned subsidiary company, Sagicor Pooled Investment Funds (SPIF) Limited. Sagicor manages pension funds on behalf of corporate clients as approved superannuation funds, as well as for individuals through an approved retirement scheme known as 'Sagicor Lifestyle.'

The top performing Pooled Fund was the Pooled CPI Fund, which is geared at hedging against inflation. The CPI Fund generated 12-month returns of 9.9%. This was followed by the Pooled Mortgage & Real Estate Fund which generated a return of 6.3%.

Sagicor has a proven track record of pension fund management spanning over fifty years, and we continue to deliver strong performance through the experience, dedication and hard work of our team. We are proud of our achievements, which include being Jamaica's top investment manager in funds under management.

As the leading investment manager in Jamaica, our objective remains to generate real positive long-term investment growth for our clients based on a prudent long-term strategic asset allocation which incorporates the process of diversification.

Sagicor Sigma Global Funds

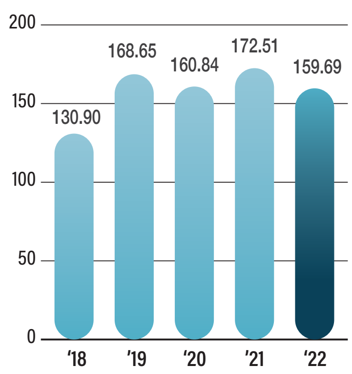
Sagicor Sigma Global Funds maintained its coveted position as the largest collective investment scheme (CIS) in the region. Total net funds under management as at December 31, 2022, stood at $123.8 billion, a 7% decrease compared to the prior year's $133.7 billion, a result of economic conditions during 2022.

The financial market challenges impacted the performance of the Sigma Global Funds over the 12-month period. Despite the challenges, Sigma Real Growth and Sigma Global Venture provided double-digit returns to investors of 13.8% and 10.6%, respectively.

Sagicor Sigma Global Funds

Funds Under Management

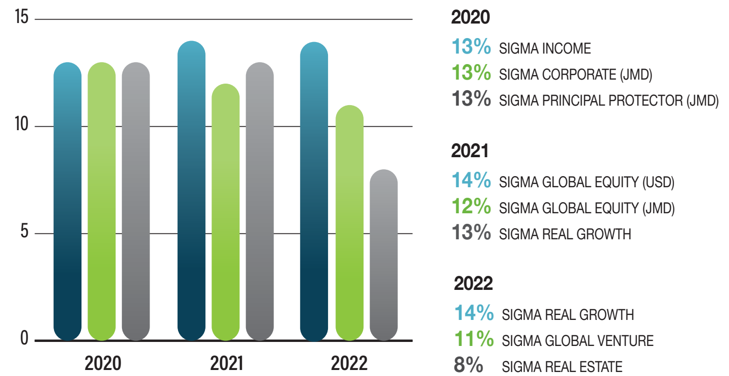
J$ BILLIONS



Sagicor Sigma Global Funds

Top 3 Performing Performing Funds 2020 - 2022

PERCENTAGE RETURN (%)



Segregated Policy Investment Funds

Sagicor manages segregated investment funds on behalf of policyholders of both SLJ and SLCI. The policyholders share all the rewards and risks associated with the performance of these funds. SLJ's segregated investment funds under management totalled $37.4 billion at the end of 2022, representing a decrease of 5% over the prior year's total. This decrease was primarily due to market volatility impacting asset prices in the context of elevated inflation levels and rising interest rates, locally and globally.

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

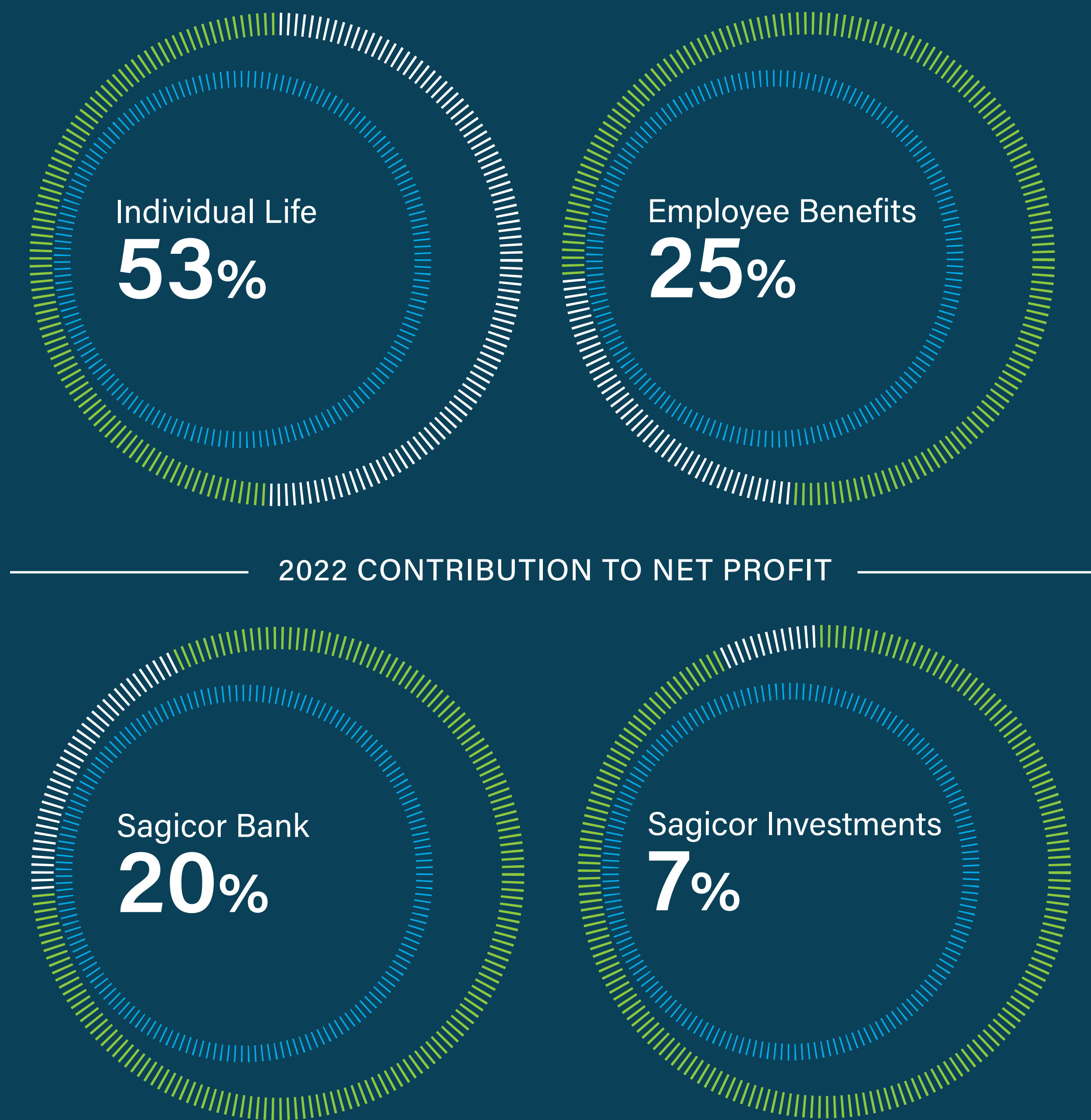
In the face of market instability experienced during 2022, the performance of the SLJ Segregated Funds were negatively impacted and the returns were in accordance with their benchmark performance. However, the SLJ segregated funds have created wealth generating solid medium to long-term returns for our policyholders over the past 30 years.

SLCI's segregated funds under management totalled $3.6 billion, a decrease of 28% over the prior year. These funds are invested in global equities and fixed-income securities. The performance of these funds was negatively impacted in 2022. All three funds performed in accordance with their respective benchmarks.

BUSINESS SEGMENT PERFORMANCE

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

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



Other Segment represents -5% of the overall group performance.

SECTOR PERFORMANCE

INDIVIDUAL INSURANCE

The Individual Insurance Division provides individual clients with life and health insurance policies, individual annuities, investment products, living benefits and other insurance-related solutions through a wide range of products. The Division is serviced through a large distribution network of 524 financial advisors in the Core Branch Distribution Channel and 36 Agency and Brokerage House Affiliates in Jamaica (Sagicor Life Jamaica or SLJ) and the Cayman Islands (Sagicor Life of the Cayman Islands Ltd or SLCI), a composite total of 973 Financial Advisors.

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

This segment continued its strong performance, contributing $8.74 billion to the Group for the year, a 2.4% decline over prior year. This was derived from revenues of $33.1 billion as the segment continues to deliver an attractive return on the capital allocated.

The market share, a key performance indicator, was reported in Jamaica's last report for 2022 as 64%.

The results were driven by exceptional new business sales and improvement of the in-force block of policies. A very important measure of any life insurance company's business growth is the continuous positive movement in the block of in-force policies. In 2022, the Division's block of in-force policies grew by 3% (2021 – 5%).

Net premium income for the Individual Insurance lines of business of $33.44 billion was 8% higher than the comparative 2021 period. This was driven by growth in new annualized premium income in Jamaica and Cayman being 4% ahead of last year.

Benefits incurred to policyholders were $15.68 billion, an increase of $0.62 billion over 2021, due mainly to high death claims and an increase in living benefits. The actuarial liabilities continue to be positively influenced by improvements in mortality, morbidity and lapse experience.

In Jamaica, the Division was able to produce New Annualized Premium income of $4.52 billion, 5% below 2021. New Individual Life and Health policies sold were 76,895, showing a 2% increase when compared to 2021 and was accompanied by an increase in average premium written per policy compared to 2021. The number of new cases sold represented 68% of total cases sold by the entire industry. In November 2022 we launched our very own Pap Smear testing facility, which operates out of the existing Paramedical Unit. This is indeed a landmark achievement which will redound to an enhanced client experience for our female clients, who previously had to utilize facilities at the Jamaica Cancer Society.

SLCI generated New Individual Life and Annuities Premium Income of US$2.777 million, whereas US$2.143 million was delivered in 2021. Cayman's performance was

Individual Insurance Division
High level P&L for 2022 and 2021

	2022 J$M	2021 J$M	% Variance
Revenue	33,099	37,379	-11.5%
Benefits	(15,685)	(15,064)	-4.1%
Movement in Actuarial liabilities	4,437	(571)	877.6%
Commissions	(6,069)	(6,082)	0.2%
Expenses	(4,558)	(3,964)	-15.0%
Taxes (including asset tax)	(2,488)	(2,747)	9.4%
Net Profit	**8,736**	**8,952**	**-2.4%**

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

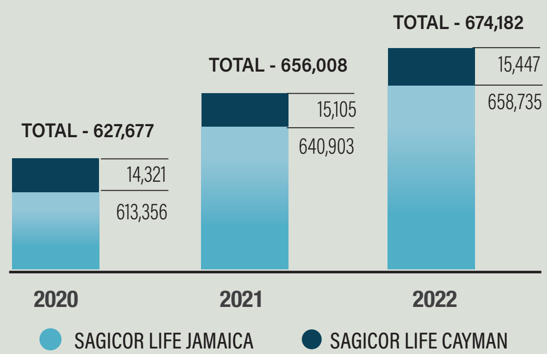
boosted by a continued thrust to gain significant operational and strategic efficiency. Another key driver of the Sales performance would have been linked to the heightened demand for Life Insurance mortgages, stemming from the uptick in the Cayman Real Estate market.

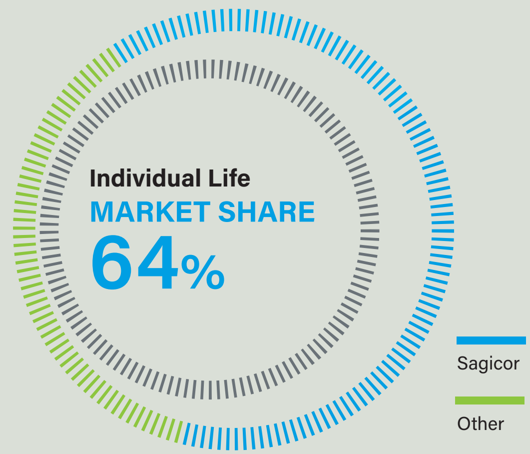
Within the local landscape, a large segment of the Jamaican population continues to be under-insured or does not have insurance (underserved) or participate in an approved pension scheme, allowing for opportunities for product design and further market penetration supported by effective technologies.

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

Sagicor Life Jamaica

Total In-Force Policy Count





$8.74 B Net Profit

$15.68 B Benefits Incurred to Policyholders

$33.44 B Net premium Income

$4.52 B New Annualized Premium Income

SECTOR PERFORMANCE

EMPLOYEE BENEFITS

This Division provides group health, group life, creditor life and personal accident insurance to institutional clients and associations. The Division also provides pension fund administration services and annuity products to corporate clients as well as a pension solution for individuals. The Division focuses on building financial security programmes that balance the needs of both employer and employees and remains the market leader in these areas.

The Division also provides administration services to the Government of Jamaica for the Employees and Pensioners Health Insurance Schemes. As such, it operates in a highly competitive environment where most contracts are renewed annually.

The Employee Benefits Division earns its revenue from insurance premiums; fees from funds under management and administration services; and investment income generated on the assets required to support the liabilities and surplus of its insurance and annuities portfolios. The Division generated profits of $4.05 billion on revenues of $29.3 billion during 2022, an increase of 10% when compared to $3.67 billion in 2021. Profit was driven by $1.4B increase year over year in the Group Health portfolio arising from new business and renewal premiums.

Segment revenue of $29.3 billion was 1% behind 2021. The Annuity line of business generated premiums of $4.3 billion which was 16% below the premiums for the prior year. Group Health premiums were 13% above prior year and Group Life premiums were 18% above 2021. Policy benefits expense of $20.1 billion was 10% higher than last year, resulting from the increased claims costs seen on the health portfolio, as well as increased death benefit payouts on the life portfolio. The increase in actuarial liabilities was due primarily to portfolio growth in Annuity Business.

New Business from annuities, group life and health portfolios totalled $6.9 billion, 30% higher than 2021.

The Group Insurance line of business continue to pursue key strategic initiatives to overcome their clients' challenges of greater utilization levels and increased cost of health care by developing and offering wellness solutions and tools to improve the health outcomes of employees and their families covered under the portfolio.

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

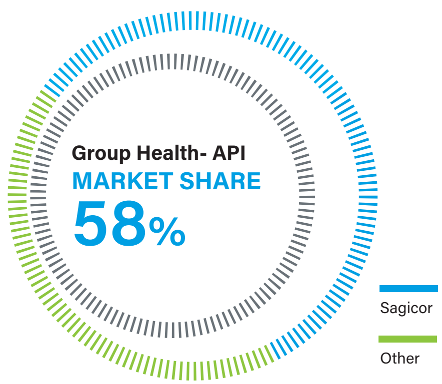
Throughout the year, the pension line maintained focus on executing its digitization agenda by continuing the automation of benefit payments which allows members to gain immediate access to their benefit options anywhere and anytime. Attention was also paid to pensioners, by introducing Sagicor PLUS , a first for the region, which allows pensioners to instantly verify that they are alive, using facial recognition technology, anywhere and anytime. Finally, the Trustees were given a first world experience in Trustee education through our partnership with Canada's largest pension administrator fiduciary, LifeWorks. Feedback from

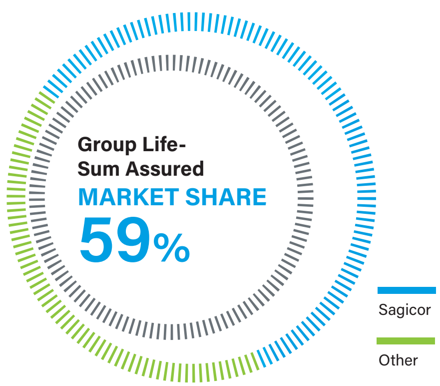
Employee Benefits Division
High level P&L for 2022 and 2021

	2022 J$M	2021 J$M	% Variance
Revenue	29,293	29,710	-1.4%
Benefits	(20,100)	(18,335)	-9.6%
Movement in Actuarial liabilities	(429)	(3,783)	88.7%
Commissions	(1,166)	(1,226)	4.9%
Expenses	(3,670)	(3,322)	-10.5%
Taxes (including asset tax)	(314)	16	2055.2%
Share of Profit/(Loss) from Joint Venture	440	608	27.6%
Net Profit	**4,053**	**3,667**	**10.5%**

all the respondents to the post-training surveys indicated that the Trustee training programme provided information that they need to improve their performance as Trustees and they all agreed that they would recommend the course to other Trustees.

The Division remains determined to keep the customer at the centre of everything it does and to continue creating a positive impact in their lives.





SECTOR PERFORMANCE

COMMERCIAL BANKING

Sagicor Bank Jamaica Limited had a successful year in 2022 where we again surpassed the budget by producing net profits of $3.25 Billion which represents a one (1%) increase compared to the prior year. Despite the challenges faced globally and locally, the team remained committed and delivered a great performance despite the economic fallout.

As the fourth (4th) largest bank, we continued our focus on service delivery to our clients, specifically finding new, innovative and consistent ways to being "In Our Clients' Corner" i.e., meeting them where they needed us to do so most. This was seen in our Net Promoter Score for 2022 which reflected a score of 54.9%.

2022 was the year of partnerships and we had two (2) major initiatives. Our Pricesmart Partnership, which was sealed in April 2022, saw us having the exclusive acquiring business and a co-branded PriceSmart Visa Gold Credit Card. In addition, there was also another partnership with the Sagicor Life where we partnered with them to offer our Credit Card Clients the opportunity to have Critical Illness Coverage and a Hospital Care Plan. For our SME Clients we continued to cement the relationship with the Jamaica Business Development Corporation (JBDC) whereby we worked together on initiatives which were beneficial to our SMEs.

Profits for 2022 were produced from revenues of $17.18 Billion, which were 11% more than prior year, driven by income from credit card fees, POS fees and loan fees. The provision for expected credit losses decreased year over year by $567M mainly from a decline in the non-performing loan portfolio combined with improved recoveries.

Total assets of $192.88 Billion were 10% above the December 2021 total of $175.87 Billion. Loans and advances, net of provision for loan losses, were $108.49 Billion, 17% higher than the December 2021 balance.

Commercial Banking Division

High level P&L for 2022 and 2021

	2022 J$M	2021 J$M	% Variance
Revenue	17,183	15,560	10.4%
Expenses	(11,688)	(10,208)	-14.5%
Taxes (Corporation & Other)	(2,200)	(2,084)	-5.6%
Net Profit	**3,294**	**3,268**	**0.8%**

Total revenue of $17.18 Billion showed an increase of 10% or $1.62 Billion over the 2021 financial year. This revenue comprised net interest income, fees and commission income and other fee-earning activities. Net interest income increased by 11%, while net interest margin fell to 6.73%, down from 6.81% in 2021.

In our core business (deposits & loans), the deposits portfolio grew by 9.2%, the loan portfolio grew by 17%. The Credit Card spend grew by 26%.

Our lending portfolio increased by $16 Billion. The new loan business was largely funded by deposits, which grew by $12.5 Billion. Return on allocated assets fell to 1.80%, down from 1.96% in 2021. Return on allocated equity increased to 13.17% from 12.61% in 2021.

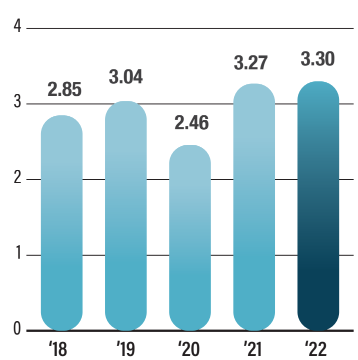
Non-interest income increased to 19% over the prior year. It should be noted that the increase recorded was well supported by fees from our electronic payments segment which grew 34% over prior year.

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

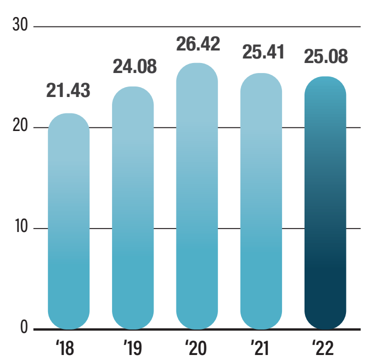
Sagicor Bank Key Performance Indicators

Indicators	2022	2021
Profitability		
Return on assets	1.80%	1.96%
Return on equity	13.17%	12.61%
Efficiency		
Operating efficiency	66.61%	67.38%
Net interest margin	6.73%	6.81%
Credit Quality		
Non-performing loans to gross loans	1.45%	2.19%
Provisions to total loans	2.08%	2.63%
Financial Leverage		
Deposits to total assets	77.20%	77.56%
Capital Adequacy	13.02%	14.06%

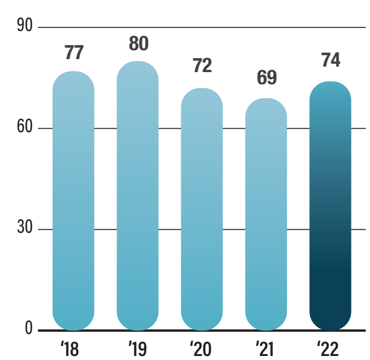
Sagicor Bank Jamaica
Profit
J$ BILLIONS



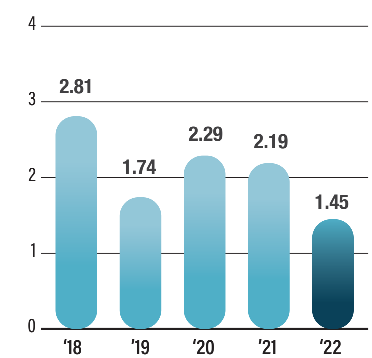
Sagicor Bank Jamaica
Stockholders' Equity
J$ BILLIONS



Sagicor Bank Jamaica
Loans to Deposit Ratio
PERCENTAGE (%)



Sagicor Bank Jamaica
Non-Performing Loans to Total Loans
PERCENTAGE (%)



SECTOR PERFORMANCE

INVESTMENT BANKING

Sagicor Investments Jamaica (SIJ) and Sagicor Investments Cayman (SIC) are the investment banking, asset management, trading and wealth management arm of SGJ. In 2022, the segment generated net profit of $1.2 billion, a 64% decline over prior year, excluding the share of AGIC earnings.

This performance was impacted by the prevailing macroeconomic conditions that have negatively impacted the industry as a whole and caused a significant reduction in business transactions.

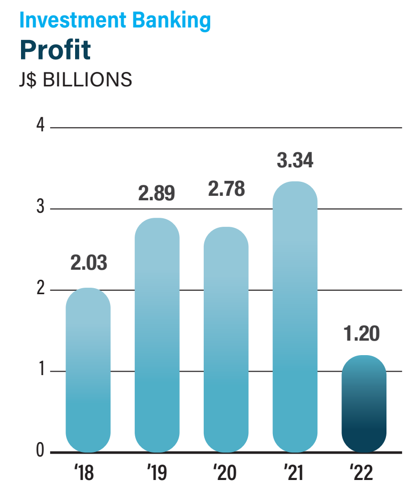
Despite the headwinds, various segments of the business delivered strong performance. Our Asset Management segment through our SIGMA funds continues to be the leader in both performance and funds under management, commanding a 40% share of the market and continuing to offer the most extensive range of fund options. In 2022 SIGMA funds held the top position for performance across four of the six asset classes: JMD Fixed Income, JMD Equity, USD Equity, and Balanced Funds. We continue to provide expert and prudent fund management in line with our strategic focus to build wealth for our clients.

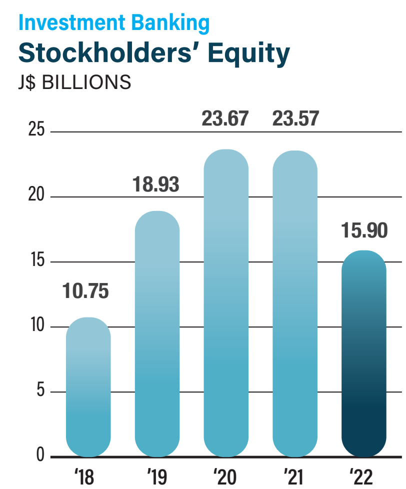
Our Capital Markets segment acted as lead arranger and broker for several deals brought to market during the year. Notably we successfully raised US$221M for NFE South Jamaica Limited, one of the largest Private Placements issued.

SIJ was also pleased to execute the listing of the 100th company on the JSE with the successful IPO of One on One Educational Services Limited in September 2022.

The Treasury and Trading segment had mixed results, performance was negatively impacted due to the rapid rise in interest rates which depressed margins and curtailed trading opportunities. However, the team delivered a strong performance in the brokerage unit reclaiming the number one position on the JSE for value traded on the exchange overall as well as the number one positions for Value and Volume traded on the Main Market of the exchange, respectively. Sagicor Investments Jamaica also received awards in the categories of Revenue Generation & Market Activity, Expansion of Investors & Listed Companies and Website at the Jamaica Stock Exchange's Best Practices Awards held in 2022 recognizing performance for 2021.

The Wealth Management team continued to go the extra mile to engage and deepen relationships with existing clients as well as new clients, providing access to timely research and advice to guide investment decisions during uncertain times. In August the business successfully





Sagicor Investments Key Performance Indicators

Indicators	2022	2021
Profitability		
Return on assets	0.85%	2.49%
Return on equity	5.61%	14.16%
Efficiency		
Operating efficiency	69.09%	39.29%
Net interest margin	2.27%	2.48%
Financial Leverage		
Interest bearing liabilities to total assets	83.14%	78.71%
Capital Adequacy	14.90%	17.53%

Investment Banking Division

High level P&L for 2022 and 2021

	2022 J$M	2021 J$M	% Variance
Revenue	4,674	7,336	-36.3%
Expenses	(2,827)	(2,361)	-19.8%
Taxes (including asset tax)	(649)	(1,634)	60.3%
Net Profit	**1,198**	**3,341**	**-64.2%**

$4.67B
Total Revenue

$1.82B
Non-interest Income

During the year the business implemented several digital initiatives geared towards improving client experience and efficiencies including auto email of contracts and statements, upgrade of the internet banking portal allowing for Sigma subscriptions to be done online as well as the ability to view Sigma transactions real time along with transaction history.

completed the acquisition of the assets and liabilities of Alliance Investment Management Limited leading to further expansion of the client base and assets under management.

During the year the business implemented several digital initiatives geared towards improving client experience and efficiencies including auto email of contracts and statements, upgrade of the internet banking portal allowing for Sigma subscriptions to be done online as well as the ability to view Sigma transactions real time along with transaction history. Further upgrades to the online platform are slated for 2023. Continued investment in upskilling and build out of team capacity in support areas of Operations and Research was undertaken.

In September we completed the first of our regional expansion initiatives with the opening of operations in Cayman through Sagicor Investments Cayman Limited and the onboarding of the first clients. The business grew its interest earning asset base by 95% and positioned itself to benefit from higher yielding securities within the market.

In 2022, the segment's total revenue of $4.67 billion decreased 36% over the 2021 financial year. This revenue comprised net interest income, fees and commission income, trading income and dividend. Net interest income was 13.7% lower than 2021. Net interest margin fell to 2.27% compared to 2.49% in 2021. Non-interest income of $1.82B billion was affected by prevailing market conditions.

Operating costs increased marginally over the prior year.

OTHER SUBSIDIARIES

Advantage General Insurance Company Limited

Advantage General Insurance Company Limited. (AGIC), our general insurance arm subsidiary operating from eleven branches across the island and supported by an interactive digital network, offers a suite of insurance services in Jamaica like:

- Motor Insurance
- Property Insurance [Commercial and Residential]
- Public, Product and Employers Liability Insurance

The Group currently owns a 60% stake in AGIC, through Sagicor Investments Jamaica.

During the year, AGIC posted its highest insurance premiums in its history contributing revenues for the group of $2.6 billion.

AGIC's growth in premium income was led substantially by the property and liability portfolio, further diversifying a portfolio that was previously dominated by motor. Through improved claims management which saw a 15 point reduction in AGIC's loss ratio relative to prior year. Despite the increase in the benchmark interest rates in 2022, this did not translate to improved investment returns for AGIC in 2022 relative to 2021; we anticipate that this will improve in 2023. Overall, AGIC net income contribution to the group was $182M.

Throughout the year, AGIC continued its journey to build out its digital platforms. The company's products and services are now more easily accessible by our customers through all the digital channels that have been developed in recent years. We have successfully launched our customer renewal, quote and buy and claims reporting interfaces on our digital platforms.

For 2023, AGIC's plan is to deepen our digital footprint allowing seamless and secure interface of our customers with our information systems to transact businesses. We also anticipate that AGIC will continue to grow in the commercial and homeowners' property insurance space thereby furthering the growth in insurance premiums for AGIC.

Alliance Financial Services Limited

Sagicor Jamaica Limited, acquired Alliance Financial Services Limited (AFSL) as of March 1, 2022, and restarted its operations on April 4, 2022. AFSL is a Primary Agent for MoneyGram International as well as a provider of Cambio services through its five branches island-wide.

The primary revenue sources are fee-based income from remittance transactions which are processed on behalf of MoneyGram International and trading gains from our Cambio

Advantage General Insurance

$182M

Net Income Contribution to the Group

Alliance Financial Services

$697M

Total Revenues for nine months of operations

operations. Total revenues for the nine months of operations amounted to J$697M, as both Cambio and Remittance services gradually regained the market share which was lost during the four-month closure.

As we look forward to 2023, AFSL will embark on an aggressive growth strategy which should see an increase in our Cambio and Remittance locations island wide. Additionally, AFSL will re-enter the bill payment market with the intention of becoming an 'Instant Payment Provider' for all utility companies and for our own, Sagicor Life Jamaica.

This plan of action will provide a gateway for additional services to Sagicor Group Jamaica (SGJ), through our island wide network of over ninety sub-agents, to provide additional essential remittance services, to even more Jamaicans in their communities. As we continue on this growth trajectory, Alliance Financial Services will achieve these initiatives through digitally transforming the business to allow for increased convenience and greater operational efficiency.

Sagicor Property Services Limited (SPS)

Sagicor Property Services Limited (SPS), our property management subsidiary, provides property management (including property maintenance), leasing, real estate sales and rental services for Group-owned and affiliated as well as third-party properties. During the third the quarter of the year the SPS entered into a Management Service contract with Sagicor Real Estate X Fund that is expected to increase its profitability significantly.

For 2022, SPS recorded an increase in total revenues, with net profit growing by approximately 239%. The primary revenue sources for SPS are fee-based income from the various services offered. In 2022, Rent & Lease commissions, along with Property Management Fees all exceeded the annual targets.

This level of profit growth highlights the year over year recovery from the pandemic and its impact on SPS revenues. SPS has adapted to this new environment and, with the implementation of improved processes and initiatives, is positioned for continued growth in 2023.

At the end of 2022, SPS managed approximately 2.5 million square feet of prime commercial and residential real estate across the island, making the company the largest private property managers in Jamaica.

SPS' goal is to leverage all the key business lines to increase its value added to the Group through several strategies. The continued growth in the real estate market offers a significant opportunity for SPS to position itself both for Group-owned and third-party property opportunities.

Sagicor Insurance Managers

Sagicor Insurance Managers Ltd. (SIM), our Cayman Islands subsidiary which manages Captive Insurance companies, continues to make a positive contribution to the Group's results. Among its client base are private sector companies and the prestigious CCRIF SPC, formerly the Caribbean Catastrophe Risk Insurance Facility, Segregated Portfolio Company.

It is the first multi-country risk pool in the world, which provides Parametric Insurance products to 23 members - 19 Caribbean governments, three Central American governments and one Caribbean Electric Utility Company – specifically through the unique opportunity to purchase disaster risk insurance with the lowest possible pricing. SIM has provided insurance management services to CCRIF SPC since its inception in 2007.

Current service offerings include Earthquake and Tropical Cyclone policies, Excess Rainfall Product, Electric Utilities Products, Fisheries and plans for new Drought Product - insurance products not readily available in traditional insurance markets. Parametric Insurance coverage has been taken up by Central American countries underwritten by its own segregated portfolio. There are currently three countries in this portfolio.

Sagicor Costa Rica

Sagicor Costa Rica, a joint venture with Central America Investors, celebrated its 9th fiscal year as a composite insurance company with sustained profitability, achieving a significant increase in profits before taxes, and creating enhanced e-commerce and service capabilities. The Company has grown its market share, to access new markets and to positively impact its insured members, sponsors and brokers. The 2021 financial performance of the Sagicor CR Team places the company as one of the top performers in the insurance market based on the return over equity.

Sagicor Costa Rica is committed to continuing to innovate and implement initiatives towards creating a healthier society via a healthy leadership and operation and while respecting the limits of the planet.

SAGICOR GROUP

TREASURY AND ASSET MANAGEMENT

Group Treasury & Asset Management (GTAM) Division has responsibility for the management of the key financial assets across Sagicor Group Jamaica Limited. Its role is geared towards the effective management of these assets engineered to improve profitability through a single oversight of investment decisions for financial assets, with due consideration to risks across all business lines. Its objectives are:

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

To effectively manage the Group's assets, GTAM includes a matrix structure to allow coordination of the Treasury-related activities of Sagicor Life Jamaica, Sagicor Life Cayman, Sagicor Bank Jamaica, Sagicor Investments Jamaica, Sagicor Investments Cayman and Advantage General Insurance Company.

GTAM's function also incorporates oversight for:

- Real estate management and development including assessment, analysis, project management, sales and leasing, property management and maintenance
- Sales and administration of mortgages for policyholders, team members and administration for third parties
- Portfolio management responsibilities for Pension Funds, Collective Investment Schemes (CIS), Investment Banking and Insurance Funds.

The division successfully re-engineered the Group Treasury and Asset Management operational functions that support the management of our financial assets and continues to enhance our processes to improve investment decision-making and efficiency.

Group Treasury and Asset Management Operations coordinates activities related to settlement, liquidity and regulatory risk while providing a robust internal control mechanism for Treasury-and Asset Management related activities.

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

GTAM manages the activities related to the development of real estate within the Sagicor Group for resale or the generation of rental income. During 2022 the team continued work on commercial and residential developments which are slated for completion in 2023.

Additionally, there remains continued focus on identifying and delivering on lucrative real estate projects as real estate continues to provide suitable risk-adjusted returns for our many portfolios under management.

ENTERPRISE RISK MANAGEMENT & COMPLIANCE

Given the nature of Sagicor's business operations and the wide diversity of products and services offered across various jurisdictions, the Group is exposed to several financial and non-financial risks as it pursues its strategic objectives. The aim of Sagicor's risk management programme is to ensure that risks taken are aligned with strategy and are within acceptable minimums outlined in the Risk Appetite Statements and Tolerance Limits of each entity. Risks are proactively managed and communicated to ensure that the Group achieves the optimal balance between risk and return, to maximize stakeholder value and minimize potential adverse effects on performance, reputation, and business relationships.

Sagicor Group Jamaica's (SGJ) Enterprise Risk Management Framework is aligned to international best practice standards and is supported by the following elements:

- **Risk Governance** - The Board of Directors is ultimately responsible for risk oversight and management within the Sagicor Group and has a fiduciary responsibility to stakeholders. In dispensing its oversight functions, the Board is supported by several subcommittees that convene regularly and closely monitor the risk exposures of the Group and its subsidiaries against established limits.
- **Three Lines of Defense** - The three lines of accountability model (Core Business, Support Function and Assurance Function) offers SGJ a balanced approach to managing risk and seizing opportunities, all while enabling risk-based decision-making that is free of bias.
- **Risk Culture** - Sagicor's Risk-Aware Culture aligns risk taking and decision making with the core values and expected behaviors of the organization.
- **Risk Appetite Statements & Tolerance Limits** - The Risk Appetite Statements and Tolerance Limits expresses the amounts and types of risk that each entity within the group is willing to take to meet its goals.

- **Risk Management Tools** - Risk management tools are integrated within SGJ's processes, and these are revised regularly and refreshed to ensure consistency with strategies and the business environment.
- **Risk Identification & Assessment** - A comprehensive process is in place to identify current and emerging risks and assess their materiality and potential impact on the objectives of the Group.

The Audit Committee

The Audit Committee is a sub-committee of the Board comprising independent directors, with responsibility for but not limited to:

- Overseeing management's monitoring of internal controls, compliance with Regulations and the Group's policies and procedures, and adequacy of the risk management framework;
- Reviewing the Group's annual and quarterly financial statements and related policies;
- Reviewing the internal audit function as well as the external auditor's independence, objectivity, and effectiveness.

The Audit Committee is assisted in its oversight role by the Enterprise Risk Management & Group Compliance Department and the Internal Audit Department as the second and third lines of defense, respectively. The Internal Audit Department undertakes both regular and ad hoc reviews on the adequacy of internal controls and risk management processes, the results of which are reported to the Audit Committee and the Board.

Investment & Risk Management Committee

The Risk Management Committee is a Board sub-committee and as part of its mandate, the Committee:

- Oversees the Group's risk management framework and ensures that risk management policies, standards and procedures are in place to effectively manage key risks;
- Approves the investment and risk management policies and limits within which the Group's investment portfolios are managed;
- Evaluates the effectiveness and prudence of senior management in managing the group's key risk exposures;
- Reviews key exposures to financial and non-financial risks, including the amount, nature, characteristics, concentration and quality of the investment and credit portfolios, liquidity, funding and capital management positions and processes;
- Reviews the effectiveness of management's risk responses and risk response tactics to key risks. That is, decisions taken to either accept, avoid, pursue, reduce, share, review business objectives or review strategies in response to key risks.

Asset/Liability Management Committees

As the first line of defense/ accountability there are established Asset/Liability Management (ALM) Committees in place. The Committees:

- Monitor the levels, trends and profile of assets and liabilities;
- Plan, direct and monitor various financial risks, including interest rate risk, liquidity risk, foreign currency risk and credit risk;
- Provide guidance to Treasury with regards to the appropriateness of investments assigned or purchased to support the liabilities of the various lines of business;
- Monitor market variables and adjust as needed in the investment and lending portfolios; and
- Monitor any change in strategy given changing macro-economic conditions impacting the Group.

Risk Process

SGJ's risk management process is interactive and iterative, as risk assessment activities are ongoing to ensure that key risks being monitored and reported on remain relevant to the Group's business strategies. Key risks and mitigation strategies are identified during this process, and the ownership of these risks are assigned to the relevant executives for management and reporting. In this regard reports are prepared on a quarterly basis, or more frequently if necessary, for the attention of the Board of Directors and Board Sub-Committees, on the management of financial and non-financial risks. Risk assessment activities are continuous and the Group's Key Risks and Risk Appetite and Tolerance Statements are reviewed as necessary to ensure that they adequately reflect the Group's current risk profile and remain relevant to the Group's business strategies.

Key Risks

Financial Risk

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

Geopolitical tensions along with increasing interest rates and the slowdown of global markets were some of the challenges faced throughout 2022. The Group maintained its heightened monitoring and implemented additional risk controls to minimize the adverse impacts on its positions and performance.

Credit Risk

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

Market Risk

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

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

Frequent and active monitoring of the Group's market exposures continued during 2022 by using such measures as stress testing, stop loss limits and other sensitivity assessments across all entities to minimize losses related to the effects of geopolitical tensions and adverse global macroeconomic conditions experienced through the year.

Liquidity Risk

Changes in liquidity supply or demand, which can translate into three different levels of impact: (a) untimely sale of assets at unexpected price/volume; (b) inability to meet contractual obligations; or (c) default. Sagicor is exposed to liquidity risks through the mismatches in the timing of its cash flows and maturity of its assets and liabilities. Sagicor mitigates liquidity risk by maintaining a diversified and stable source of funding, which includes deposits from retail and corporate customers. Sagicor's liquidity position is managed daily by the Treasury department, which ensures adherence to policy limits. The Asset-Liabilty Committee (ALCO) meets monthly, or more frequently if necessary, to review the management of liquidity risk exposures and reports to the Investment and Risk Management Committee on a periodic basis. During the reporting period, we continued to monitor and report on all key internal and regulatory liquidity metrics to ensure that liquidity is maintained and managed with prudent levels.

Insurance Risk

Insurance Risk refers to potential financial losses due to variations of actual events and the assumptions used in the process of pricing insurance products. This variation may occur because of inadequate underwriting, pricing and improper reserves and claims settlement. The Group engages in insurance underwriting through Sagicor Life Jamaica and Advantage General Insurance Company. The risks inherent to the operations are managed with controls carefully selected to match business objectives and risk tolerances. These controls include established underwriting guidelines and other internal controls including, inter alia, as well as frequent reporting to the Board of Directors and various sub-committees of the Board.

International Accounting Standard Board (IASB) issued a new accounting standard (IFRS 17), which establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the standard. Sagicor, has deployed the necessary human and technical resources to ensure its compliance to this new standard which became effective on January 1, 2023.

Operational Risk

Losses resulting from inadequate or failed internal processes, people, and systems or from external events that disrupt the flow of business operations. Operational risk losses can be disastrous and therefore require consistent monitoring and effective management. To this end, Sagicor has implemented policies, processes, and assessment methodologies to ensure that operational risks are appropriately identified and managed with effective controls. In addition, there are business continuity and disaster recovery plans in place to ensure the continuity of critical business functions and minimization of adverse impacts on clients, team members and other stakeholders in the event of business disruptions. Sagicor's key operational risks include Compliance risks, Data, Information & Technology risks and Human Resource risks.

Data, Information & Technology Risk

Information Technology risk refers to the likelihood of deficiencies related to the IT environment including security, data governance and integrity, reliability, and necessary supporting infrastructure to handle business requirements. The continuous evolution of, and access to various technologies have facilitated the increase in volumes and the sophistication level of the threats. The era of digitization has led to the development and deployment of various solutions that simplify transactions and provide greater convenience for our clients. However, they have also increased the possible sources of attacks, breaches, or points of compromise. This can result in disruption to operations, unauthorized access to client data, fines, sanctions, and reputational damage.

Sagicor has continually maintained and improved the requisite policies, procedures and technologies required to protect against and report on critical system failures, loss of service availability or any breach of data security, particularly involving confidential client data. Sagicor operates under a rigorous Information Security Policy and programme designed to protect the security and confidentiality of client, team member and proprietary information. The Company has also developed a Cybersecurity Strategy across the Group. In addition, there is a strict code of ethics for all team members that requires confidential treatment of all information, as well as mandatory data protection training completed annually. The Group also maintains physical, electronic, and procedural safeguards to protect against unauthorized access to information.

Compliance Risk

This refers to the risk of exposure to legal fines, penalties, financial forfeiture, and material loss that an organization faces when it fails to act in accordance with accepted corporate governance standards, the law and regulations, internal policies or prescribed best practices.

As a company that operates within highly regulated industries, Sagicor is expected to meet and maintain high standards in all business dealings and transactions. Failure to adequately address conflicts of interest, regulatory requirements, anti-money laundering and terrorist financing regulations, data privacy laws, ethical practices and other legal requirements may result in penalties, censures, and reputational damages. The first line of defence is trained and guided in the management of day-to-day compliance risks, while Sagicor's Legal and Compliance teams act as the second line of defence, providing advice and close monitoring of these risks.

In 2021, The Bank of Jamaica informed stakeholders of the tentative implementation timeline for the Basel III Capital Adequacy Framework of June 2023. This is expected to impact capital charge methodologies for credit risk, market risk, and operational risk, as well as the working definition of regulatory capital. The Group has started to take steps to ensure that there is a smooth implementation when this regulation becomes effective.

While ensuring the loss absorbency of bank capital is a key focus of Basel III, loss absorbency is also central to effective resolution of banks. The main characteristics of regulatory capital are a degree of permanence, ability to absorb losses and freedom from impairments that erode value and loss absorbing capacity. The Basel III framework requires that financial institutions have a capital buffer to protect against the cyclicality in earnings.

Human Resource Risk

This includes the risks to the organization and its performance that can be attributed to team members. It includes risks associated with staff performance, productivity, conduct, recruitment, retention, compensation and benefits, succession planning, organized labour activity, codes of conduct, or internal policies. There are documented policies and procedures to guide the hiring, retention, and compensation processes. In addition, Sagicor is focused on building its talent pool to support its growth. There is a focus on ensuring the development of resources to fill key roles, should they become vacant; execute on strategic projects; and to fill roles that will emerge in the future. SGJ has a People First Culture, which is augmented by a continuous focus on cultivating a culture that makes excellence, innovation, and teamwork habitual, and is supported by various engagement activities.

Strategic Risk

This risk relates to unexpected changes in key strategic elements or factors, because of improper choice of strategy, non-viable strategy design, and ineffective strategy execution, in relation to but not limited to, the choices of products/services, distribution channels, target markets, resource allocation, or value proposition. Additionally, poor business decisions, pursuing unsuccessful business plans, or lack of responsiveness to changes in the business environment may increase the strategic risks faced by the Group.

Sagicor has a robust strategic planning and approval process to determine the strategic objectives. This includes processes surrounding the identification of opportunities in the context of the competitive environment, as well as current and prospective market developments. The strategy is approved by the Board of Directors; and ownership and accountability for strategy implementation is supported by communication of the strategy to all employees. Additionally, on an ongoing basis the internal and external factors that may impede the achievement or progress of these objectives are identified, assessed, and managed by the respective heads of business lines and entities within the Group. The executive senior leadership team meets monthly or, more frequently if necessary, to evaluate the execution of the Group's strategic plan, and amendments may be made.

OPERATIONAL CAPABILITIES AND TECHNOLOGY

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

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

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

Use of Technology

Sagicor Group recognizes the criticality of technology as an important lever of business, especially in financial services. It is our vision to develop the Group as a leading digital financial services organization in the Caribbean, increasing value through digital transformation, innovation, invention, customer experience and efficiencies.

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

To realize our vision of becoming a leading fully integrated financial services player in the Caribbean through:

- Data Analytics and Business Intelligence

- Innovation and Digital Transformation
- Increased focus on resilience, data privacy and protection
- Providing platforms to underserved market segments

Data Privacy and Security

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

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

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

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

Business Continuity

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

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

The Corporate Business Continuity Plan (BCP) was developed with input from all business units, critical business partners and approved by the Board of Directors. The BCP ensures the continuity of critical business functions in the event of a recoverable business disruption and helps to minimise the impact on team members, customers and other stakeholders. The BCP seeks to address events such as natural disasters, loss of utilities, loss of services by external providers, organised and/or deliberate disruption, and other organisational threats. The Crisis Management Plan includes the processes that will be taken to respond to a critical situation (physical or non-physical) that could negatively affect profitability, reputation or our ability to operate.

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

The Information Technology Disaster Recovery Plan (IT DRP) was developed in congruence with the BCP and encompasses the policies and procedures related to preparing for recovery or continuation of the technology and communications infrastructure after a recoverable disaster or emergency. Our IT infrastructure also includes a high level of redundancy, resilience and data protection features, and alternative computing sites, aimed at ensuring the availability, integrity and confidentiality of the information asset.

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

OUR CORPORATE STRATEGY

1 Digitally transform the business

2 Generate and grow revenue in new ways

3 Build client intimacy and loyalty through effective relationships

In 2023, Sagicor Group Jamaica will be guided by six (6) strategic pillars which facilitate alignment across the Group and will propel growth and increase stockholders' value.

Central to managing our business is a relentless focus on strategic and innovative thinking, strategic planning, financial modelling, and performance measurement and monitoring. This is accompanied by the use of data, performance-driven compensation, and benchmarking against the best of class in the world.

Being guided by the Group's vision and strategic objectives, each business unit and operating division assesses the internal and external operating environments to outline strategies which will drive the implementation of specific initiatives to achieve the strategic objectives, always ensuring congruence with the Group vision.

These detailed plans are used to build the Group strategic plan with supporting budgets for a three-year planning horizon. Our Board of Directors approves the strategic plans and budgets in December each year.

Amidst the local and global competitive and economic challenges, we at Sagicor will continue to leverage our strengths and capitalize on key opportunities while managing risks and exposures. We also remain committed to developing, implementing and delivering strategic initiatives which will add value to our stockholders, clients and team members.

OUTLOOK

As we come to the close of an undoubtedly challenging year, our outlook for 2023 remains conservative as many of the constraining factors to economic growth remain in place, namely inflation, the war in Ukraine and the lagging effect of high interest rates, causing the World Bank to issue a downward revision in global economic growth from 3% to 1.7%. We expect a continued slowing of growth amongst our key trading partners, including the United States and Britain, as consumer spending and market activity responds to the extended period of high interest rates. Domestically,

4. Embed a culture that retains, engages and attracts the best talent
5. Expand our geographical footprint
6. Digitally improve our operating efficiencies

we anticipate the Bank of Jamaica will remain focused on taming inflation, but indications are that its recent market actions have been effective given the downward trajectory of this key measure. The Group is cognizant of and well prepared for the potential impact of International Financial Reporting Standard ("IFRS") 17. The standard which becomes effective January 1, 2023, replacing IFRS 4, is anticipated to materially change the recognition and measurement requirements for our insurance business segments, as well as the presentation and disclosures in the Group's Consolidated Financial Statements.

Sagicor Group Jamaica continues to focus on its capital management and liquidity strategies, as it did successfully in 2022. In 2023 the Group will also continue to aggressively pursue digitalization of all its business segments, and place even greater focus on providing excellent service to all our clients across the Group. Our vision for 2023 remains true, to be a great company committed to improving the lives of people in the communities in which we operate.

ACKNOWLEDGEMENT

Our Team Members, Financial Advisors and Brokers are the heart and soul of Sagicor Group Jamaica and we would like to express our deepest gratitude for their continued tremendous positive work ethic in contributing to our customers, especially in these times of uncertainty. To our customers, thank you for the trust and confidence you repose in us; we are Sagicor Strong in our commitment to help you navigate these challenging times. Thank you to our supportive business partners and to our stockholders for the continued support and not least, our Directors for their diligence, wise counsel and continued guidance.

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

ANDRE HO LUNG
CHIEF FINANCIAL OFFICER

Data is Everybody's Business

Data Heptathlon Challenge

With the aim of increasing data literacy among team members, Sagicor Group Jamaica's Data and Analytics Department ran a series of weekly data-centred challenges throughout July and August that culminated with a quiz show between the finalists.

Named after each athletic event in an Olympic heptathlon, 11 teams from the group's various departments, lines of businesses, and subsidiaries participated in the virtual play-offs each week. Teams accumulated points by completing puzzles, creating videos, designing posters, and other fun activities using the data study texts and study materials from Sagicor's Data Governance Framework and other internal and external resources.

After a thrilling 'data bingo' tournament, the top-three teams in the heptathlon advanced to the final event on August 31 — B.A.D. Squad from Group Marketing, Vector 18 from Group Project Management Office, and Gen X.Y.Z. from Group Revenue Solutions.

In the end, it was Team Vector 18 who edged out the B.A.D. Squad in the Sagicor Data Heptathlon Challenge. In an intense final, both teams tied on eight points at the end of round one, with Vector 18 gaining a slight advantage in the speed section and in a nail-biting buzzer section, Vector 18 edged out B.A.D. Squad by three points.

Vector 18 walked away with the top prize of $200,000, while B.A.D. Squad won $100,000, and third-place finishers Gen X.Y.Z. won $75,000. All teams in the finals earned trophies and other prizes.

Sagicor Group Jamaica President and CEO Christopher Zacca praised the data and analytics team for consistently creating ways to improve the conglomerate's data culture through team member engagement, highlighting that with continued creative initiatives such as these, the Group is on track to achieving the Data Governance Committee's vision of creating a world-class, data-centric Sagicor Group Jamaica.

With the theme 'Data is Everybody's Business', the series' mission involved helping team members to better read, understand, create, and communicate using data across Sagicor Group. With entire departments engaging with the core content, it is safe to say the campaign was a success.

Top: The top three teams in Sagicor's Data Heptathlon Challenge pose with their cheques and trophies at the end of the competition series.

Bottom Left: B.A.D. Squad: The members of Team B.A.D. Squad (from left) Candiece Knight, Aundhrae Richardson and Sarah Bright are all smiles.

Bottom Right: (from left) Dejanee Martin, Dukiemar Shaw and Kelley-Ann Grant celebrate as their team, Vector 18, are named champions of Sagicor's Data Heptathlon Challenge for 2022.

Sagicor Group Jamaica Limited (along with its subsidiaries) remains committed to maintaining a high standard of corporate governance by adopting and complying with the principles and guidelines set out in its Corporate Governance Code.

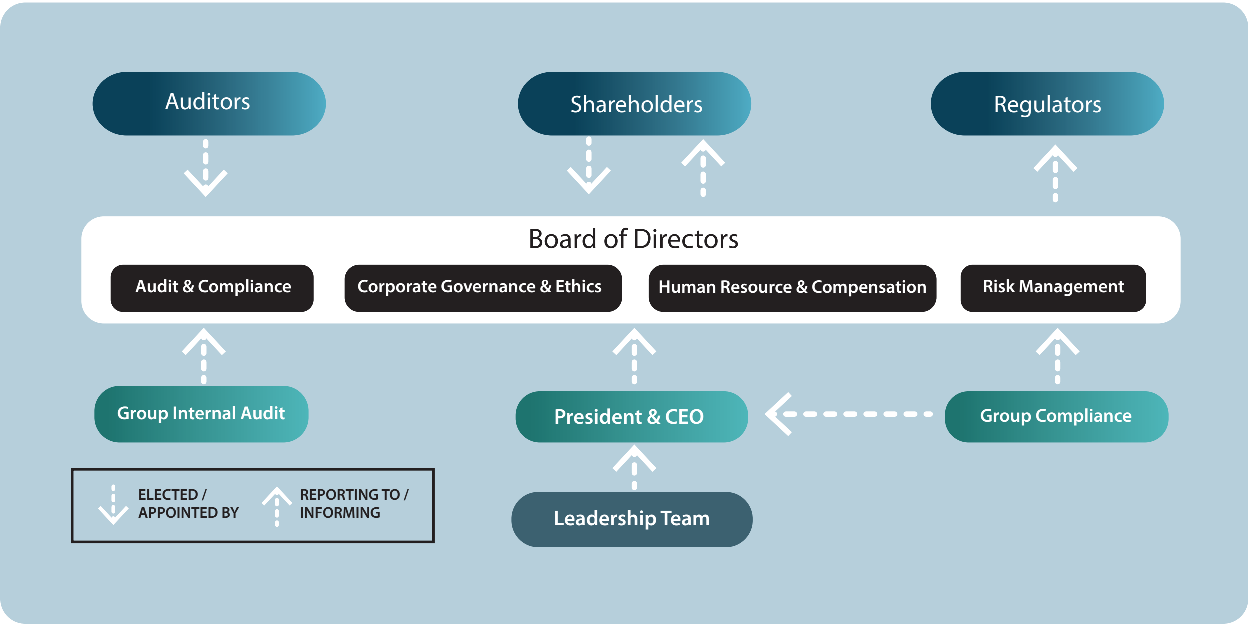
CORPORATE GOVERNANCE REPORT

Sagicor Group Jamaica Limited (along with its subsidiaries) remains committed to maintaining a high standard of corporate governance by adopting and complying with the principles and guidelines set out in its Corporate Governance Code. This Code is influenced by applicable laws and regulations and internationally accepted corporate governance best practices, as well as the Private Sector of Jamaica (PSOJ) Code of Corporate Governance which is available on our website at https://www.sagicor.com/en-JM. The Jamaica Stock Exchange (JSE) assigned Sagicor Group Jamaica Limited an A rating on its Corporate Governance Index (CGI) for 2022.

CORPORATE GOVERNANCE FRAMEWORK

Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times. It also ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

CORPORATE GOVERNANCE FRAMEWORK



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

The Company believes in preserving investor confidence in the market by complying with its disclosure obligations (at a minimum) in a way that provides investors with equal access to timely, balanced and effective disclosures. All market-sensitive information is released to the Jamaica Stock Exchange (JSE) in compliance with applicable disclosure obligations under the exchange's listing rules.

Marjorie Fyffe Campbell
Chair - Corporate Governance & Ethics Committee

OUR COMMITMENT TO OUR SHAREHOLDERS – DISCLOSURE AND TRANSPARENCY

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

Our shareholders can proactively engage the Board and Management during a question-and-answer session at the Company's Annual General Meeting and are given clear guidelines before voting at the General Meeting of the shareholders.

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

Additionally, the Company facilitates regular investor briefings using digital platforms that allow shareholders, journalists and other stakeholders to participate.

The Company also posts information released to the Jamaica Stock Exchange (JSE) on its website. The Company utilises several avenues to communicate with and keep our shareholders informed. Information on company developments including financial results, are readily provided via the Company's website,

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

social media accounts, through media briefings, as well as print media, radio and television. Significant regulatory developments are communicated via JSE announcements and press releases published in the daily newspapers.

OVERALL BOARD RESPONSIBILITIES AND ACTIVITIES

Strategic Planning

- Approving and administering a consolidated Group Strategic Plan.
- Directing Management in the formulation of the Group's Strategic Plan.
- Reviewing and approving the Group's financial objectives and action plans.
- Reviewing and approving the Group's annual strategic plan, including operating and capital expenditure programmes and plans.
- Enterprise Risk Management
- Identifying the Group's inherent risk profile and internal control priorities and ensuring that Management's plans and supervision of such risks are adequate, independent, and objective.
- Approving the Group's policies for identifying, originating, administering, monitoring, and reporting the Group's significant risks.
- Approving major capital expenditures, raising capital, allocation of capital among lines of business, transactions within the Board's reserved power, organizational restructurings, and other major financial activities.

Performance Evaluation

- Evaluating the Board's performance and conducting peer reviews of each Director annually.
- Reviewing and approving annual performance targets for Group President/CEO, and other executive officers.
- Reviewing and approving the process within the Group for identifying high potential officers.
- Completing annual internal and external evaluations of its own performance as a Board and individually as Directors.

Communication

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

Internal Controls

- Reviewing and approving the Group's Code of Conduct and Management's plans for instilling the right value system in the Company.
- Ensuring the Group's compliance with applicable legislative, regulatory, and internal policy requirements.

Corporate Governance

- Ensuring the maintenance of corporate governance policies and guidelines and a code of ethics consistent with regulatory and legal requirements, industry best practices, and company needs.
- Establishing the protocols for subsidiary supervision.

BOARD CULTURE

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

Culture and the fostering of an inclusive performance-based organisation is a key focus for us as part of our wider governance framework. The Board will continue to work to ensure the Group's strategy, operating model and remuneration framework are aligned with our cultural focus. We continue to ensure that the Group's core vision and values are developed and clearly understood by all our stakeholders, particularly our team members. We recognise that the Board must lead by example to promote a culture across the Group that supports the pursuit of teamwork and excellence.

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

BOARD COMMITTEES

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

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

The Board Committees meet periodically (typically on a quarterly basis) to examine issues which fall within their respective mandate and each Committee Chairman presents a report to the Board on the Committee's activities at the scheduled Board Meetings. Committee members are appointed by the Board of Directors immediately following the Annual General Meeting each year and hold office for three (3) years or until they cease to be Directors. Each Board Committee comprises a majority of independent directors, is chaired by an independent director and, save for the Investment and Capital Allocation Committee, consists entirely of non-executive directors. Members of the Executive Management Team are invited to attend meetings and participate through presentation of discussion documents and development of strategies.

> **We continue to ensure that the Group's core vision and values are developed and clearly understood by all our stakeholders, particularly our team members.**

AUDIT COMMITTEE REPORT

for the year ended 31 December 2022

The Audit Committee has responsibility for monitoring the effectiveness of the Company's internal control systems and compliance with applicable regulations and laws. It also oversees the internal and external audit processes. Audit Committee meetings are regularly attended by key members of the management team.

The Committee met five (5) times during the year with close to full attendance at all meetings held. The Committee:

1. Reviewed the quarterly Financial Statements and Stock Exchange Report for submission to the Board for approval;
2. Reviewed and evaluated the Internal Audit, the ERM and Compliance Reports;
3. Considered the independent Actuary's Report;
4. Reviewed the External Auditor's proposed audit strategy, scope and fees for the annual audit;
5. Evaluated the services of the internal auditor; and
6. Reviewed the Audit Committee Charter.

AUDIT AND ACCOUNTABILITY

External Auditors

The external auditors, PricewaterhouseCoopers (PwC), are appointed by the shareholders at each Annual General Meeting of the Company on the recommendation of the Audit Committee and Board. During the year, the Audit Committee managed the relationship with the Company's external auditors on behalf of the Board and carried out an assessment of the cost-effectiveness of the audit process, together with the auditor's independence, approach to audit quality and transparency in making its recommendation.

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

- performing services which would result in the auditing of their own work or advice;
- participating in activities normally undertaken by management;
- acting as an advocate for the Company; or
- creating a mutuality of interest between the auditors and the Company, for example being remunerated through a success fee structure.

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

Internal Auditors

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

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

- Annual internal audit plans to ensure that the audit of particularly high-risk areas is adequately covered;
- Internal controls of the Group;
- Significant internal audit observations and management's responses thereto; and
- Budget and staffing for the internal audit functions.

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

Signed,

Mr. Peter Clarke

Chairman

SGJ Audit Committee

CORPORATE GOVERNANCE AND ETHICS COMMITTEE REPORT

For the year ended 31 December 2022

THE CORPORATE GOVERNANCE AND ETHICS COMMITTEE MANDATE

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

THE ROLE OF THE BOARD

We believe that an active, well-informed, and independent Board is necessary to ensure the highest standards of corporate governance. It is well recognised that an effective Board is a prerequisite for a strong and effective corporate governance. The Board is at the core of our corporate governance practice and oversees how Management serves and protects the long-term interests of our stakeholders.

In 2022 the Board undertook:

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

As of December 31, 2022, with the resignation of Director Lisa Lake and the addition of Mr. Andre Mousseau and Ms. Joanna Banks, the Board is now composed of fifteen (15) directors - fourteen (14) Non-Executive Directors (six (6) of whom are independent) and one Executive Director (being the President and Group CEO).

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

OUR CHAIRMAN

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

DIRECTOR INDEPENDENCE

We firmly believe that Board independence is essential to bringing objectivity and transparency in the Management and dealings of the

Company. Currently 40% of the Directors of the Board are independent members. An independent director is nominated as the Chairperson of each of the audit, corporate governance and ethics, human resources and compensation, and risk management committees.

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

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

(i) control/ hold investment equal to 15% or more of his/her net worth

(ii) serve as an officer; or

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

Directors are required to submit to an annual self-assessment of their compliance with these criteria and any conflict of interest requirements. The assessment is reviewed by the Corporate Governance & Ethics Committee to determine whether a director is conflicted by virtue of his involvement in other businesses.

In 2022 the Directors who met the independent criteria were:

- Dr. the Hon. R. Danny Williams
- Mr. Peter Melhado
- Dr. Jacqueline Coke-Lloyd
- Dr. Marjorie Fyffe Campbell
- Mr. Peter Clarke
- Mr. Stephen McNamara
- Ms. Lisa Lake

DIRECTOR NOMINATION AND APPOINTMENT

The Committee is guided by the Director Nomination process, Board Composition and Director Independence Policies outlined in the Company's Corporate Governance Manual in assessing candidates for directorship.

Candidates are assessed against six (6) **criteria:**

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

The Committee, among other things, considers the prevailing needs of the Company in terms of its strategic imperatives, external business drivers and the existing talents around the Board table. The Committee must also be mindful of the importance of maintaining an essential mix and balance of talents on the Board to deal with the Company's present and impending challenges.

Once potential candidates are identified, the Committee conducts the relevant interviews, does due diligence checks, and prepares a New Director profile providing information on the assessment criteria. If the Committee deems the independence qualifications and biographical information to be in order and meets the requirements of the six (6) aforementioned criteria, the Committee

The Board is required to be up to date with current business, industry, regulatory and legislative developments, as well as trends. The Board's existing Directors receive periodic training relating to the core business of the Company and its subsidiaries, including the drivers of the business lines and their products.

will make a recommendation to the full Board for the admission of the candidate as a director pending regulatory approval for a specified term or for a period of no more than three years.

DIRECTOR ORIENTATION AND TRAINING

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

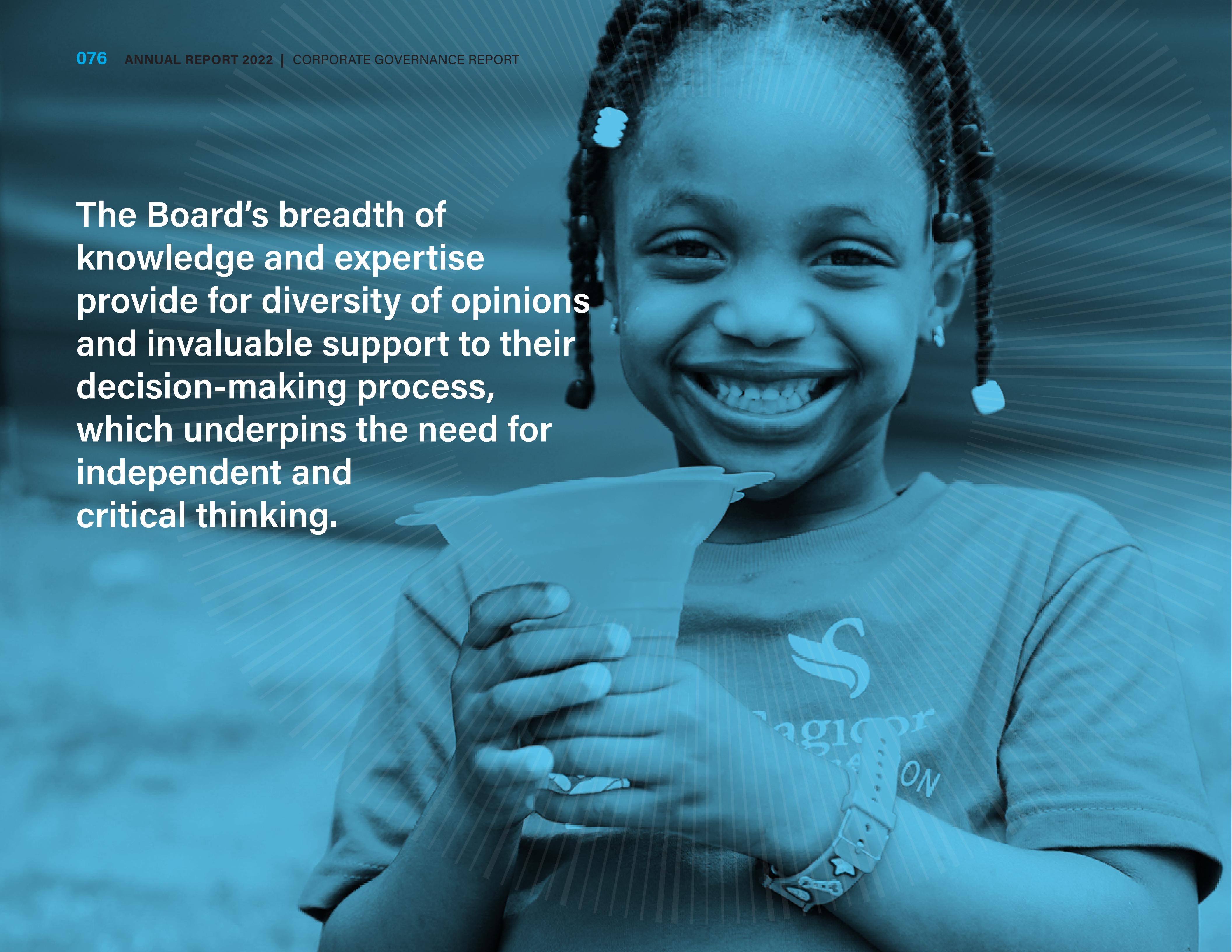
The Board is required to be up to date with current business, industry, regulatory and legislative developments, as well as trends. The Board's existing Directors receive periodic training relating to the core business of the Company and its subsidiaries, including the drivers of the business lines and their products. Directors are also kept abreast of trends in the business and regulatory environment and informed of trends in financial reporting. Directors are also required to participate in annual mandatory AML/CFT (Anti Money Laundering & Counter Finance Terrorist Activity) training, as well as training in Data Privacy. Over 85% of the Board Directors attended each training session held in 2022.

The annual offsite strategic Board/Management Retreat was held in hybrid form (physical and virtual) on December 5, 2022. This provided an opportunity for an in-depth assessment of the strategic plan and issues impacting the lines of business and a look at the future direction of the Group. All Directors attended this session.

2022 DIRECTOR TRAINING

TRAINING COVERAGE	PRESENTER	DATE
Crypto Assets and Fintech as the next step for financial institutions.	**Mr. Andrew Burke** Vice President- Innovation, Assurance and Projects IT & Data Security Sagicor Group Jamaica Limited	May 20, 2022
ESG: Strategy, Metrics and Processes - Monitoring by Boards and Stakeholders	**Mrs. Carolyn Bell-Wisdom** Partner, Risk Assurance Services PwC Jamaica. & **Ms. Janice Noronha** Partner, Sustainability and Climate Change PwC Montreal, Canada	June 24, 2022
Data Protection & The Directors' Responsibility	**Mr. Andrew Nooks** Executive Director, Chief Risk Intelligence Officer, Symptai Consulting Limited	July 22, 2022
Governance: from an Audit and Risk Management perspective – balancing the oversight of risks	**Ms. Allison Peart** Managing Director A. Peart Advisory Services Ltd.	September 23, 2022

The Board's breadth of knowledge and expertise provide for diversity of opinions and invaluable support to their decision-making process, which underpins the need for independent and critical thinking.



BOARD EXPERTISE AND COMPOSITION

Board members possess a range of qualifications, skills, and experience/competencies, and the board is diverse in the gender, industry knowledge and age of each member. The Board appoints members who combine a broad and relevant spectrum of experience and expertise with a reputation for integrity. Its members have experience in positions with a high degree of responsibility and possess the necessary competencies and knowledge in wide and diverse areas relevant to the business. These include areas of international business, banking, corporate finance, mergers and acquisitions, strategic management, human resources, corporate governance, corporate law, asset management, insurance, property management, information technology, marketing and general management. This breadth of knowledge and expertise provide for diversity of opinions and invaluable support to the Board's decision-making process, which underpins the need for independent and critical thinking in their ability to represent the interests of shareholders. Additionally, Directors are afforded the opportunity through internal and external training to build on or to be exposed to other disciplines.

This diagram illustrates the diverse skill set of the Directors.

SKILLS & EXPERTISE	BOARD MEMBERS																	
	Peter K. Melhado	Christopher Zacca	The Hon. R.D. Williams	Dr. Dodridge Miller	Paul Hanworth	Peter Clarke	Jacqueline Coke-Lloyd	Marjorie Fyffe Campbell	Stephen Facey	Paul Facey	Stephen Mcnamara	Mahmood Khimji	Gilbert Palter	Andre Mousseau	Joanna Banks	Lisa Lake*	TOTAL	%GE
GENERAL MANAGEMENT	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	16	100.00%
INTERNATIONAL BUSINESS	●	●		●	●		●				●	●	●	●	●	●	11	68.75%
FINANCE	●	●		●	●			●	●	●		●	●	●	●		11	68.75%
STRATEGIC MANAGEMENT	●	●	●	●	●		●	●	●	●		●	●	●	●	●	14	87.50%
CORPORATE LAW				●		●					●						3	18.75%
BANKING	●		●	●						●		●		●			6	37.50%
CORPORATE FINANCE (Mergers & Acquisitions)	●	●		●	●	●			●				●	●	●		9	56.25%
ASSET MANAGEMENT	●			●		●				●		●	●	●	●		8	50.00%
INSURANCE	●	●	●	●	●								●	●	●		8	50.00%
HUMAN RESOURCE MANAGEMENT							●	●					●				3	18.75%
PROPERTY		●	●		●		●	●	●	●	●	●			●	●	11	68.75%
INFORMATION TECHNOLOGY				●									●				2	12.50%
CORPORATE GOVERNANCE							●	●			●			●			4	25.00%
MARKETING & PUBLIC RELATIONS							●										1	6.25%
REGULATORY EXPERIENCE														●			1	6.25%

KEY INDEPENDENT DIRECTOR

* OUTGOING DIRECTOR

APPOINTMENT, TERM, ELECTION & RETIREMENT

The Corporate Governance and Ethics Committee evaluates the Board size and composition annually and may recommend directors for appointment by the shareholders. Directors serve for three (3) years and are eligible for re-election to hold office up to age 72 and on a discretionary basis (per the Company's Articles of Incorporation) may be appointed after the age of 72 for a specified period.

The Company's Articles of Incorporation mandate the retirement of at least one-third of the Directors at the Company's Annual General Meeting (who are liable to retire by rotation) each year and qualifies the retiring Directors for re-appointment by the shareholders.

Directors Mahmood Khimji; Dr. Marjorie Fyffe-Campbell; Gilbert Palter; and Dr. Jacqueline Coke-Lloyd shall retire by rotation and are eligible for re-election. All four (4) directors are being recommended for re-election by the shareholders having regard to their expertise, core competencies, and performance and their willingness to devote the time required to effectively perform their role as Directors.

BOARD AND COMMITTEE MEETINGS

ATTENDANCE AND ACTIVITIES FOR THE YEAR ENDED 2022

2022 Board and Committee Attendance

	Board	Audit Committee	Investment & Capital Allocation Committee	Risk Management Committee	Corporate Governance & Ethics Committee	Human Resource & Compensation Committee
Peter Melhado	6/6	-	3/4	2/2	4/4	4/4
Hon. R. D. Williams	4/6	-	4/4	-	-	4/4
Dr. Dodridge Miller	6/6	-	2/4	1/2	-	2/4
Stephen Facey	5/6	-	3/4	-	-	4/4
Paul Hanworth	6/6	5/5	-	2/2	-	-
Marjorie Fyffe-Campbell	5/6	5/5	-	-	4/4	4/4
Stephen McNamara	6/6	-	-	-	-	-
Jacqueline Coke-Lloyd	6/6	5/5	-	-	4/4	4/4
Paul Facey	4/6	-	3/4	-	-	-
Peter Clarke	5/6	5/5	-	1/2	-	-
Christopher Zacca	5/6	-	4/4	2/2	-	-
Lisa Lake*	5/6	-	-	2/2	-	-
Mahmood Khimji	5/6	-	-	-	-	-
Gilbert Palter	5/6	-	-	-	-	-
Andre Mousseau**	0/6	-	-	-	-	-
Joanna Banks***	0/6	-	-	-	-	-

* Ms. Lisa Lake resigned from the Board as at December 31, 2022 and is no longer a member of the Risk Management Committee as at December 31, 2022

** Mr. Andre Mousseau was appointed to the Board on December 31, 2022

***Ms. Joanna Banks was appointed to the Board on December 31, 2022.

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

BOARD MEETINGS

In 2022, the Board held six (6) formal meetings. Additional meetings were held to deal with other urgent matters. With the Board being represented by Directors residing in other countries, under the Company's Articles of Incorporation, video/teleconferencing facilities are utilised to enable those Directors to participate. Meetings and training sessions continued to be held virtually with Directors receiving their meeting packs through an online Board portal, which facilitates the secure and convenient sharing and utilisation of Board and Board Committee documentation.

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

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

COMMITTEE MEETINGS

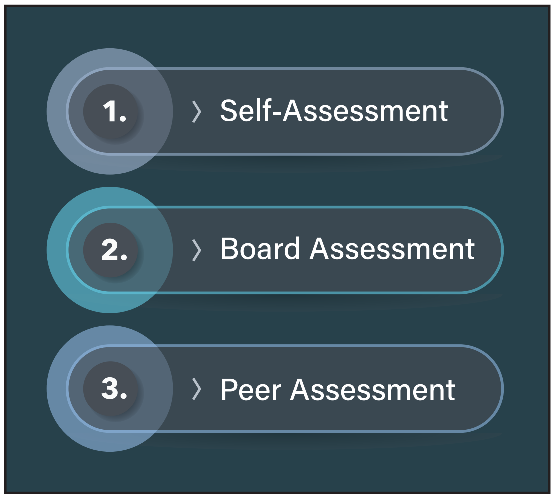
The frequency of Committee meetings and activities held during the year ending December 31, 2022 was in accordance with the respective Committee Charters.

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Audit and Compliance Committee	**Peter Clarke** Chairman Marjorie Fyffe Campbell Paul Hanworth Jacqueline Coke-Lloyd	▪ reviewed and recommended the approval of the audited financial statements to the Board ▪ considered and approved inter alia the financial reports of the Company and its subsidiaries and disclosures to the shareholders and regulators ▪ reviewed and assessed the main areas of operational risk management and internal control processes ▪ reviewed the activities of the internal and external auditors and assessed the level of compliance with legal and regulatory requirements. ▪ approved the Annual Internal Audit Plan and the Audit Charter during the period. ▪ considered the management of fraud activities across the Group ▪ recommended the Anti-Fraud framework for approval by the Board. ▪ considered the Company's compliance with local laws and regulations. ▪ reviewed the Group's Business Continuity Management plan
Risk Management Committee	**Paul Hanworth** Chairman Peter Clarke Peter Melhado Dodridge Miller Christopher Zacca Lisa Lake	▪ considered and approved the Risk Management Charter and the Top Risks which are likely to impact the business and the effectiveness of the risk management framework on a Group-wide basis. ▪ reviewed and approved risk management principles and policies recommended by the risk committees of each subsidiary who are charged to monitor financial, regulatory, and operational risks.

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Human Resource and Compensation Committee	**Peter Melhado** Chairman R. Danny Williams Dodridge Miller Stephen Facey Jacqueline Coke-Lloyd Marjorie Fyffe Campbell	▪ considered and approved the annual and long-term incentive plan for executives and the bonus payment to staff ▪ approved changes to the Committee Charter and reviewed the Pension Fund Performance and amendments to benefits to members ▪ considered issues affecting team members ▪ gave oversight to the union negotiations and issues which are likely to affect the business arising from the exercise ▪ monitored the annual team member Satisfaction Survey ▪ considered amendments to the Pension Plans proposed by Management
Corporate Governance and Ethics Committee	**Marjorie Fyffe Campbell** Chair Jacqueline Coke-Lloyd Peter Melhado	▪ reviewed and approved Related Party Transactions ▪ approved the Procurement Policy and Framework (as revised) ▪ reviewed the process for dealing with potential conflicts of interest ▪ reviewed the list of Corporate Policies to ensure that these were being updated periodically ▪ reviewed the Company's procurement process ▪ approved contracts awarded to suppliers and vendors ▪ reviewed JSE Corporate Governance Index to ensure that governance protocols are being adhered to ▪ reviewed and approved amendments to the Risk Management and Internal Audit Charters
Investment & Capital Allocation Committee	**Peter Melhado** Chairman Dodridge Miller Christopher Zacca R. Danny Williams Stephen Facey Paul Facey Joanna Banks - invitee	▪ reviewed the Company's capital structure and financial strategies (including debt and equity) issuances, and the current and anticipated financial requirements in relation to the Company's short- and long-term plans) ▪ recommended to the Board, as appropriate, whether or not to approve any of the expenditures, investments, business acquisitions or divestitures it has reviewed, provided that the Board shall not approve any such expenditure, investment, business acquisition or divestiture unless the Committee has recommended such action ▪ recommended that the Board requests management to perform post-audits of major capital expenditures and business acquisitions or divestitures, and review the results of such audits ▪ had oversight of the Company's surplus assets and determined the optimal deployment of such surplus assets

PERFORMANCE EVALUATION

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



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

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

DIRECTORS' REMUNERATION

The level and structure of fees paid to non-executive directors annually are approved by the Board, based on prevailing market conditions while taking into consideration the significant responsibilities and time commitment required to meet their obligations. Fees are benchmarked against other organisations of similar size, operation and complexity as well as in light of annual market surveys conducted by independent auditing firms. These fees are fixed and not linked to the annual financial results of the Company. Executive directors are not paid fees in respect of their office as a Director of the Company or any of its subsidiaries. The Company now has a Board Remuneration Policy which provides a framework and outlines the principles for the remuneration of the directors.

The Directors' fees comprise a basic retainer fee and additional fees for appointment to board committees. Directors who were required to travel out of their country or city of residence to attend board meetings and board committee meetings were reimbursed for any reasonable related expense. The Chairperson of each board committee is also paid a higher fee given the greater responsibility carried by that office. Directors do not receive any share-based compensation; however, they are encouraged to purchase shares on the open market.

Directors' Remuneration

For the period ended December 31, 2022

Board/Committee (J$-Gross)	Annual Retainer	Audit	Investment & Capital Allocation	Risk Management	Corporate Governance & Ethics	Human Resource & Compensation
Board Chairman	$8,022,341.00					
Board Director	$1,701,708.75					
Committee Chair		$1,250,235.00	$681,345.00	$1,250,235.00	$694,575	$694,575.00
Members		$694,575.00	$434,230.00	$833,490.00	$463,050.00	$463,050.00

The direction and momentum assumed by the Governance process must be driven by a value system that permeates the enterprise to ensure business priority alignment between board and management.

CORPORATE VALUES

Corporate Governance is the task of a company's board to provide entrepreneurial leadership, guidance, and oversight to the company for maximizing shareholder wealth within the bounds of law and community standards of ethical behaviour. The direction and momentum assumed by the Governance process must be driven by a value system that permeates the enterprise to ensure business priority alignment between board and management. The Sagicor value system is guided by the following policies:

Code of Conduct

The Sagicor Code of Business Conduct and Ethics, which is available on the Company's website, governs the behaviour of Directors, officers, agents, and employees of the Group. The standards contained in the Code emphasize the deterrence of wrongdoing that could lead to fraud and misconduct, and address the following essential areas:

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

Ultimate accountability for the Code with regard to the employees rests with the President and CEO with delegated responsibility for its administration to the Chief Compliance Officer, and the Directors, along with the Corporate Governance and Ethics Committee.

Conflict of Interest

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

Whistleblower Policy & Ethical Standards

The Company provides a confidential system to allow employees to anonymously report observed breaches of the Code and other Company guidelines related to fraud, misconduct, bribery, non-compliance with legal or regulatory mandates or questionable accounting or audit practices.

The Whistleblower process and procedure remains robust and is utilized. Management has reiterated to the entire team in company-wide communication campaigns the existence and confidentiality of the Whistleblower framework. Complaints made are tracked and monitored until closure and the complainant advised of the steps taken. The Whistleblower Policy is available on the website.

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

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

Annually, team members undergo refresher ethics and compliance training and are required to successfully complete the assessments. We require our contractors, vendors and other service providers to adhere to the ethical standards established by the Company. The Company provides guidance to external stakeholders in understanding the company's ethical stance and expected codes of conduct.

Key Governance Policies

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

- **The Enterprise Risk Management Policy**
- **The Anti-Bribery and Corruption Policy**

Health and Safety and Environmental Sustainability and Human Development

The Company considers its employees to be part of the corporate governance framework. Employees were kept up to date on the performance of the business. They also have the opportunity to interact with executives via frequently held webinars and virtual and in-person town hall meetings. The Board also carefully considers the results of the organisational employee survey presented, which would reflect feedback received from employees, in addition to any action plans put forward by Management. Non-executive staff members can bring matters of concern to the attention of the Board by routing these matters through Management, including the Group President & CEO.

The Company places great emphasis on the health and safety of its employees and these matters are addressed in the Human Resources Committee of the Board. In 2022 the Company continued to invest in the upgrading of the physical facilities in which our team operates as well as continued investment in reducing waste and becoming more energy efficient in our operations.

JSE Corporate Governance Index Rating

The Corporate Governance Index Review Committee (CGIRC), the independent body with responsibility to measure how well a company conforms to the various principles of corporate governance and to aggregate the corporate governance of all listed companies, completed its assessment of the listed companies for the 2021/2022 period. The Company achieved a Corporate Governance Index (CGI) rating score of 86.50% in the 2022, its highest score since the introduction of the CGI in 2016.

Management and all stakeholders in corporate governance are to be commended for continued improvement in corporate governance practices.

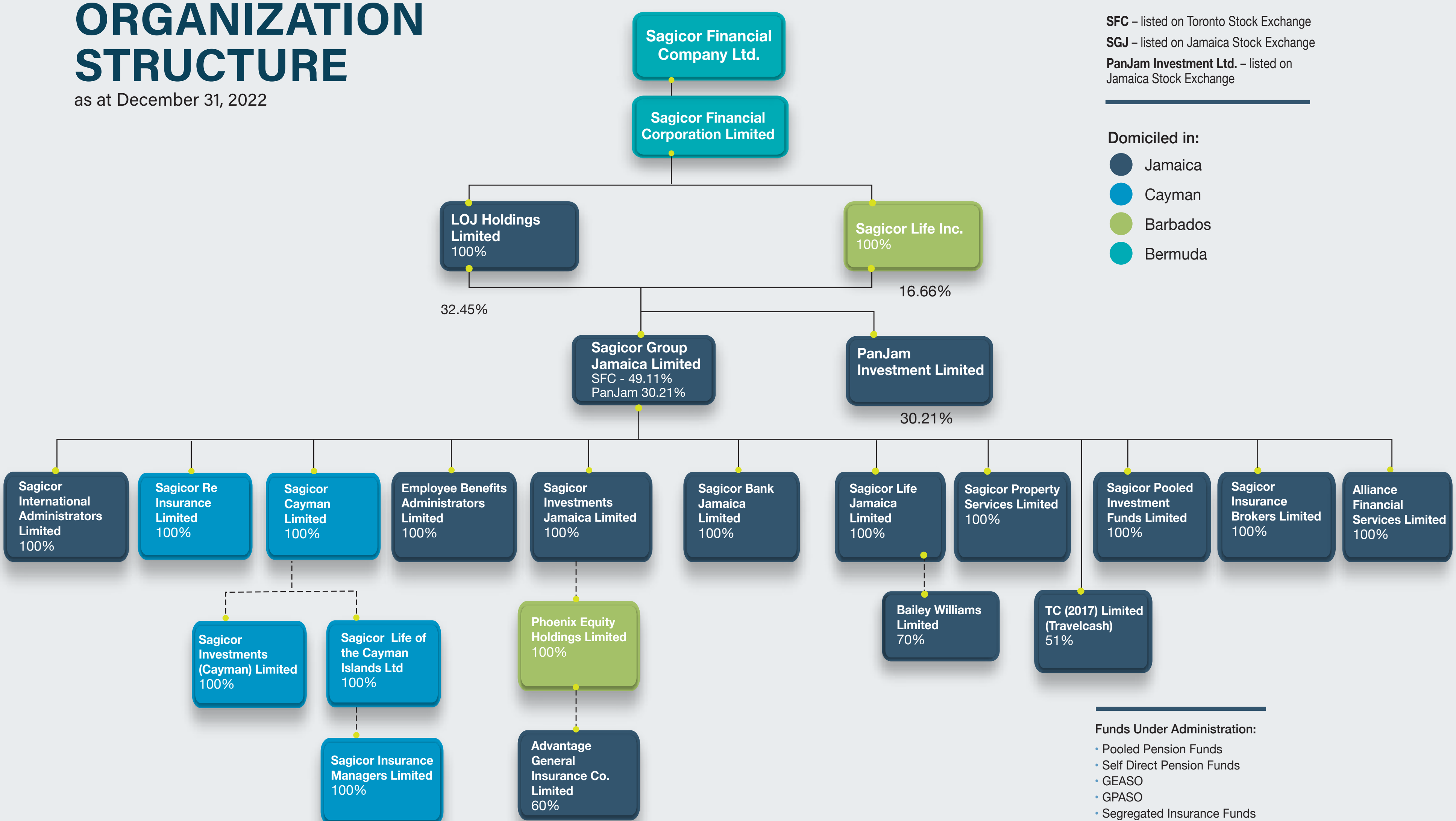
Marjorie Fyffe Campbell
Chair
Corporate Governance & Ethics Committee

28 March 2023

Sagicor Group Jamaica Limited

ORGANIZATION STRUCTURE

as at December 31, 2022



Funds Under Administration:

- Pooled Pension Funds
- Self Direct Pension Funds
- GEASO
- GPASO
- Segregated Insurance Funds
- Sigma Global Funds Limited
- Sagicor Select Funds Limited

Joint Venture -
Sagicor Costa Rica **SCR S.A.** (50%)

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

In 2022 we further cemented into our Group Culture the importance of internal service delivery on the quality of The Sagicor Experience with the implementation of the Internal Service Index.

SAGICOR CLIENT EXPERIENCE 2022

Our clients' goals...our focus

At Sagicor, our core values are represented by the SCRIPT – Service, Communication, Respect, Integrity, Performance and Teamwork. Working together with our solid purpose, these qualities energize us every day, even as the demands of our clients continue to evolve.

Guided by clearly articulated principles such as "we will make every effort to go above our clients' expectations" which is scripted under our Value of Service, we consistently adapt to deliver on our value proposition. We are determined to be our clients first choice for any financial solutions their life's journey demands with a focus on ease, consistency, authentic partnership, flexibility, and responsiveness.

Miguel Smith, CEO and owner of S & V Developments accepts a gift from Jodian Spencer during Sagicor Investments Jamaica's Money Talk Soiree event.

Our market and clients' demands of their financial service providers continue to evolve at record pace. As one of the largest financial solutions providers, Sagicor Group Jamaica remained agile which led to us enhancing, and expanding our offerings to meet these changing needs.

47.6%
Net promoter Score® (NPS)

790,350
Client Interactions
across service channels

90%
Overall Quality Score

98.6%
Complaint Resolution Rate

7.6
Customer Effort Score (CES)

In 2022 we further cemented into our Group Culture the importance of internal service delivery on the quality of The Sagicor Experience with the implementation of the Internal Service Index. This very important goal was added to the performance plans of key support departments to strengthen accountability and elevate our overall service delivery. Once again staying true to our Value of Service principle which states "we will always support our colleagues because exceptional service is a team effort." We also further expanded our Client Experience oversight with the optimization of the Group CX team which enabled faster turnaround responses to our clients' complaints, demonstrating our unwavering commitment to maintaining our clients' trust and confidence in our promises.

Our market and clients' demands of their financial service providers continue to evolve at record pace. As one of the largest financial solutions providers, Sagicor Group Jamaica remained agile which led to us enhancing, and expanding our offerings to meet these changing needs. In addition to our usual business activities, we rolled out several initiatives across the Group to strengthen our partnership with our individual and business clients. The extremely positive feedback from these initiatives resulted in us maintaining an unrivalled overall NPS performance of 47.6%, ensuring SGJ remains one of the most highly recommended financial services companies in the region.

Our Client Service Centres and world-class Group Client Support Department continued to serve unprecedented numbers of clients as they engaged the company using traditional and non-traditional touch points. During the year, we handled over 790,350 client interactions across our service channels. Despite this overall increase in engagements, we maintained solid quality standards with a year over year 90% overall quality score, 98.6% complaint resolution rate and continuously improving Customer Effort Score (CES) of 7.6. As we incorporate even more advanced technology over our next financial year, expanding our self-service options to our valued clients, we are poised to deliver even greater service experience.

Sagicor Life Jamaica operationalized our Virtual Client Experience Solution that enabled our clients to conduct their transactions conveniently via Zoom from anywhere around the globe. This innovation allowed us to significantly improve our service delivery through shorter processing times, ease of access and convenience. The 'Employee Benefits' Health Claims team delivered a very productive year, with one of our major accomplishments being meeting our 5-day turn-around time for more than 95% of the over 3.5 million claims processed. Health claims paid out increased by 9% over 2021, reaching almost $21.5 billion. We continue to pay out over $1.5 billion in Group Life death claims which, together with the health claims payout, help our clients to maintain financial security during difficult times. We further enhanced our Sagicor Connect (SC) portal – transforming health insurance service delivery that rivals first world experiences. Our clients have even more options to auto enroll for group health and supplemental insurance coverage, submit their manual health and telemedicine claims electronically and so much more.

Reducing the client wait and transaction times in our banking halls remained a top service priority for Sagicor Bank Jamaica (SBJ) in 2022. The average time spent in our banking halls continued its downward trend with the average time being under 40 minutes ensuring Sagicor Bank maintained its standard of being one of the fastest most efficient "lunch time" banks, resulting in tremendous commendations from our retail clients.

Staying true to form and in commitment to our campaign #InYourCorner, we partnered with one of our longer-term clients to deliver a wish to her mom who was always in her corner – a car! A true community-focused and client-sensitive bank, we joined hands with the Victoria Jubilee Hospital when it treated 450 new mothers to gift certificates. SBJ also made a significant impact on the quality of education received by over 3,000 Jamaican children. Our Star Savers Day initiative took place at several primary schools across the island. Students were given lessons on money management; their own Star Savers puzzle books and a Star Savers Challenge game was also created - This allowed the children to demonstrate financial literacy in a practical way. Star Savers accounts were also offered to all students enrolled at the respective institutions.

Sagicor Investments Jamaica continued its integration into the Group's digitalisation strategy, having made advances in several initiatives to improve our clients' experience. We implemented automated electronic delivery of monthly Sigma Statements and completed development for auto email of equity contract notes for rollout in January 2023. Enhancements were also made to the eBank platform to provide historical transaction information to clients. These initiatives provided clients with seamless access to information at their fingertips. Additionally, we further expanded the centralised service hub and improved processes and procedures, which enabled more timely and efficient processing of client transactions. To top it off for our investors, we upgraded the quality and frequency of research pieces disseminated to clients, providing insightful information to guide their investment decisions and maximize wealth creation.

In Pension Services, we implemented the next phase of our benefit option digitization for Defined Contribution (DC) plans. This innovation allows Human Resources Teams to initiate and instantly generate retirement benefit options online for their members via our Sagicor Connect platform. The instant generation of benefit options is a first of its kind in pension administration in Jamaica and has provided members of DC pension plans with unprecedented access to their benefit options anywhere and anytime. Further, Sagicor PLUS - our state of the art, cutting-edge biometric solution for proof of life verification, was introduced to pensioners. This innovation replaced our paper-based proof of life certificates which required pensioners to visit a Justice of the Peace. This solution now allows pensioners to instantly verify that they are alive, using facial recognition technology and their mobile device. As our Pensioners continue to demand more convenience, we are pleased to be able to offer a safe means to complete this verification on an annual basis. As we continue to digitize our pension administration operations, we are inspired to continue making a difference in the lives of our clients.

As the largest Property Management company in Jamaica, Sagicor Property Services (SPS) expanded the utilization and capabilities of the existing property management system which fully automated monthly billing, eliminating the delays in getting invoices to our clients. Our clients praised us for the implementation of our 'mobile maintenance' phone app used by our technicians, which allows the team to log and track all work orders to completion in real time, thereby improving our response times and overall efficiencies. This solution also enabled our clients to provide feedback which is tracked in the app and support our client experience efforts.

Our newest addition to the Group – Alliance Investments refocused its efforts and redefined its business strategy to provide additional robust financial solutions to our clients.

All our initiatives, at the core, were aligned with our Brand Vision "to be loved by our clients and admired by our competitors." No matter the tide or realities of life's moments, we remain committed to our clients' success. We continue to engage our clients for their feedback to ensure we are always delivering on our promises and addressing with utmost priority any gaps they may experience on their respective Sagicor journeys. We continue our mission where every single client will see us as their dedicated financial partner. To every client - A Sagicor Group where brilliance, execution excellence, authenticity and pride define the Sagicor Way.

CARING, INSPIRING & SERVING AT THE HEART OF SAGICOR'S CORPORATE SOCIAL RESPONSIBILITY

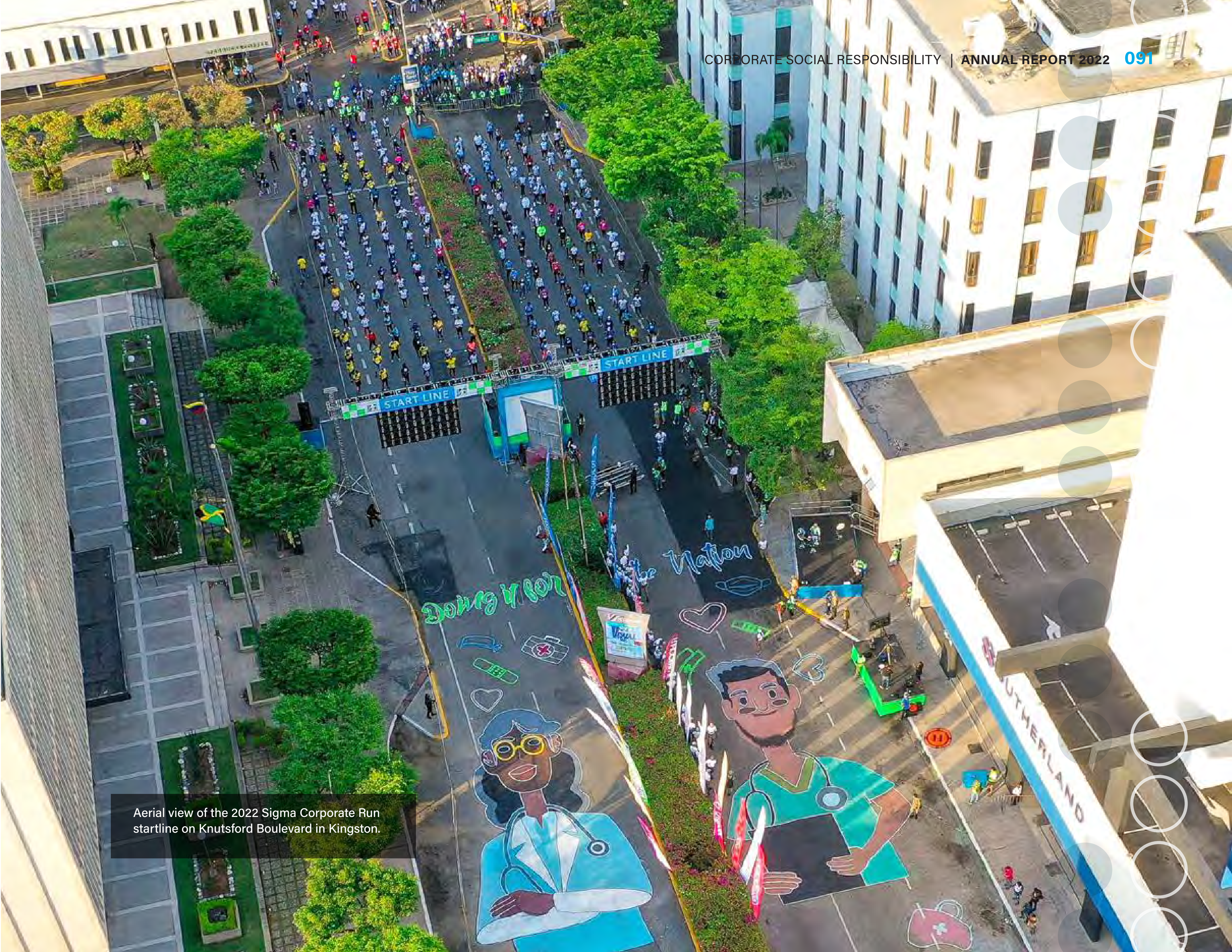
Through increased investment in its core corporate social responsibility (CSR) programmes and initiatives in 2022, Sagicor Group Jamaica, primarily through its charitable arm – Sagicor Foundation continued to reaffirm its commitment to improving the lives of the people in the communities in which it operates.

Sagicor Foundation's primary CSR objectives remain: providing greater access to education for our nation's youth; helping to create a healthy Jamaica by giving practical and tangible donations to the health sector; and supporting community development.

With a keen focus on health and education, the Group continued its mission of caring, inspiring, and serving positively impacting and influencing the lives of thousands of Jamaicans across the island.

$52+ MILLION
RAISED DURING SAGICOR SIGMA RUN 2022

1000 PARTICIPANTS



Aerial view of the 2022 Sigma Corporate Run startline on Knutsford Boulevard in Kingston.

1. Mark Chisholm (left) Chief Revenue Officer, Sagicor Group Jamaica, presents the symbolic cheque of $52 million to Dr. Natalie Whylie (3rd left), Kingston Public Hospital (KPH) CEO, Dr. Lindberg Simpson (2nd right), Head of Surgery at the KPH and Mr. Errol C. Greene (2nd left), Regional Director for the South East Regional Health Authority (SERHA) at the 2022 Sigma Corporate Run staging in New Kingston. Joining them are the 2022 Sagicor Sigma Run Patrons, Mr. Hansle Parchment, Olympic Champion, 110m hurdles, and Megan Tapper, Olympic medalist, 100m hurdles.
2. 2022 Sagicor Sigma Run winners, Jozanne Harris (female winner), and Noel Ellis (male winner) pose for a photo after crossing the finish line.
3. Karl Williams, Executive Vice President – Shared Services, Sagicor Group Jamaica, (right) and Michael Leslie, acting executive director of the Jamaica Cancer Society (left), stand with the six breast cancer survivors who are a part of Sagicor's Together We Can breast cancer awareness campaign. The women are (L-R) Gloria Thomas, Shamara Morrison, Latoya Jones, Rubyline McFadden, Jean Archer and Vernecia LaTouche.

4. Sagicor Foundation Scholars and Edna Manley students jump for joy during the painting of the 2022 Sigma Run Mural.
5. Kimmeko Williams, Investment Associate, Sagicor Investments Jamaica adds the name of her hero to the Sagicor Breast Cancer Awareness Tribute Wall.
6. Michael Leslie (left), acting executive director of the Jamaica Cancer Society, receives a symbolic cheque valued at $250,000 from Karl Williams, Sagicor Group Jamaica's executive vice-president, shared services on behalf of the Sagicor Foundation. Joining in the moment are Sagicor team members Kadia Adlam (second left), manager, brand experience, and breast cancer survivor Michelle Distant, manager, relationship management & HR compliance.

HEALTH

Sagicor Sigma Corporate Run

The 24th staging of the Sagicor Foundation's flagship annual charitable initiative – the Sagicor Sigma Corporate Run – set out to raise at least 50 million dollars in aid of Jamaica's largest and oldest public healthcare institution, Kingston Public Hospital (KPH), in March 2022. Under the patronage of Olympic hurdlers Hanlse Parchment and Megan Tapper, Sagicor rallied the support of corporate Jamaica and benevolent individuals to surpass this target for a total raise of over 52 million dollars for KPH.

For the first time in history, due to the gathering restrictions, the charity road race was held over two weekends – a team 'bubble run' was held on Sunday March 13, which featured corporate groups running in their own 'bubble' and an invitational event held on March 20 with approximately 1,000 participants.

All proceeds raised from the run were used to procure life-saving medical equipment for the hospital's surgery department.

Breast Cancer Awareness

In support and recognition of Breast Cancer Awareness Month in October, Sagicor Group Jamaica executed its Together We Can Survive breast cancer awareness campaign. The campaign aimed to raise awareness of and promoted early screening for breast cancer while sharing the journeys of six Jamaican breast cancer warriors and survivors. Sagicor Foundation also donated $250,000 to the Jamaica Cancer Society's towards its annual fundraising Keeping Abreast luncheon.

We are committed to supporting our Communities

$33+M to Scholarship Programme

$25+M to Basic School Renovation

$2.5+M UTECH Teach Di Youths Summer Camp

$2.5+M Desktop Computers for Liberty Academy

$3.5+M Support Camp Activities

$650,000 approx. donation for laptops and tablets on behalf of Sigma Run 2022 patron Olympic hurdler Megan Tapper.

$6M Jamaica Premier League Footbal Tournament

$4M Ballaz Football Academy

$1M Sunshine Girls National Team

$7M Joy Town Community Development Foundation Intervention Programme for at-risk youth

$250K to The Jamaica Cancer Society

EDUCATION

Adopt-A-School Programme

As one of the longest-running charitable initiatives by the Sagicor Foundation, the Adopt-A-School Programme continued in 2022 with increased investments into the teaching and learning environment for Jamaica's children and administrators at the early childhood level.

Renovations were completed at the Bermaddy Basic School in Linstead, St Catherine, and John Anglin Basic School in Warsop, Trelawny, at a combined value of over 25 million dollars.

In addition to infrastructural renovations done at these institutions to become more compliant with the Early Childhood Commission, the Sagicor Foundation also engaged students and staff in several initiatives throughout the academic year, which included a health fair, a reading and play day on National Children's Day at Hope Zoo, and special treat for the closing-out ceremony.

For the 2022/2023 Adopt-A-School cycle, the Sagicor Foundation has selected four schools to participate in the programme to receive much needed upgrades. The newly-adopted schools are Iron Gate Basic School in Clarendon, Irish Pen Basic School in Spanish Town, St Catherine, Freetown Basic School in rural St Andrew, and Shrewsbury Basic School in St Elizabeth.

Scholarship Programme

In 2022, the Sagicor Foundation invested over $33 million in its scholarship programme for new and renewing scholarships, awarding 114 new tertiary and secondary scholars with funds to support their educational journey. New scholarships were awarded to 30 tertiary-level students valued at up to $300,000 each; 60 tertiary-level educational grants valued at $60,000 each, which was done in support of Jamaica 60th celebration of Independence; 21 scholarships to PEP students matriculating to high school valued at $50,000 each as well as scholarships for the two champion boys and champion girl for the 2022 JTA/Sagicor National Athletic Championships.

Tertiary scholarships are applicable to students studying for their first degree only at seven Jamaican universities - The University of the West Indies, University of Technology, Jamaica, Northern Caribbean University, The Mico University College, Caribbean Maritime University, University of the Commonwealth Caribbean and Edna Manley School of the Visual and Performing Arts. Scholars are selected

1

2

1. 2022 Sagicor Foundation grant awardees (from left) Christina Leslie, Daniel Carniege and Toni-Shae Thomas show off their certification of award. Beside them is 2022 Sagicor Foundation Scholar Alethea Bucknor.
2. Little Jhenesia Palmer of John Anglin Basic School is ready to read her new book, The Magical Fruits, presented to her by Abigail Davis, Investment Analyst, Sagicor Group Treasury and Asset Management.

1. Sagicor Life Advisor Fabian Gordon is sandwiched by Bermaddy Basic School's Principal Angela Graham Miller (right) and School Board Chair Amoy Levers, as they stand below the newly unveiled sign.
2. Kayon Walker-Heslop (left), manager — marketing services, Employee Benefits Division, Sagicor Life Jamaica, Winston Smith (right), president of the Jamaica Teachers' Association and J'Voughnn Blake, team captain, Jamaica College Track Team strikes a pose with the symbolic cheque at the launch of JTA/Sagicor National Athletics Championships.

based on academic performance, community involvement and volunteerism, strong leadership potential, and financial need.

Scholarships are renewable up to four years once scholars maintain a 3.0 GPA and above and completes at least 20 hours of volunteerism with the Sagicor Foundation.

SCAN HERE TO VISIT OUR SAGICOR FOUNDATION SCHOLARSHIP WEBSITE

Get Back on Track Educational Programme

To help with bridging the 'educational gap' caused by the extensive learning loss that occurred during the heights of the COVID-19 pandemic, the Sagicor Foundation partnered with the ILAH's Lemon-Aid Stand for Kids Foundation for its Summer Camp initiative. The summer camp provided extra lesson classes to some 150 students in grades 7 and 8 to improve their literacy and numeracy to 'get back on track' in the classroom.

The Sagicor Foundation invested over $3.5 million in cash into the initiative and provided volunteers to assist in the activities at the four camps across the island. Sagicor also hosted the awards ceremony for each camp at the end of the programme, which celebrated the improvements made in the cohorts.

Additionally, the Sagicor Foundation contributed $2.5 million towards the University of Technology, Jamaica Teach Di Youths summer camp, which also helped to bridge the learning gap that was caused by the closure of schools in the pandemic, particularly in rural communities.

In continuing to provide resources to facilitate online learning in the changing educational environment, Sagicor also made several donations of desktop, laptops, and tablet computers throughout the year. The foundation donated 15 desktop computers, valued at approximately 2.5 million dollars to Liberty Academy at the Priory. A donation of laptops and tablets valued at $650,000 was also made to ten student-athletes attending high schools across the island on behalf of Olympic hurdler Megan Tapper, who served as one of the Sagicor Sigma Run 2022 patrons.

SPORTS

Sagicor/JTA National Athletic Championships

The annual Sagicor/JTA National Athletic Championship took place on June 10 and 11 at the National Stadium in 2022 and saw over 1,100 primary school students competing in various track and field disciplines. The event, which received over 10 million dollars in sponsorship as well as immense volunteer support from the Sagicor Foundation, saw defending champions St Andrew parish walking away as the overall victors. The overall champion girl and the two champion boys were automatically enrolled into the Sagicor Foundation scholarship programme and will receive cash grants for the duration of their high school tenure.

Sports Support

As a sporting discipline that continues to provide opportunities for at-risk youth – particularly boys – in communities across Jamaica, football was an area that remained a part of Sagicor Group Jamaica's CSR efforts in 2022. In June, the Group donated four million dollars to the Ballaz Football Academy to assist with the refurbishment of the facility, branding, gears, and helping to facilitate participation in local and overseas tournaments.

The Group also sponsored the Jamaica Premier League for the second consecutive year in 2022. In addition to an initial cash sponsorship of six million dollars towards the football tournament, Sagicor also gave a donation of $500,000 to Dunbeholden FC – the team assigned to the conglomerate in the tournament – after they placed second overall in the competition.

In netball, Sagicor Group Jamaica renewed its ongoing support of Jamaica's national team, the Sunshine Girls, with one million dollars in sponsorship. The symbolic cheque was handed over to the girls before they departed Jamaica for the Commonwealth Games in Birmingham, where they placed second overall.

Contributions were made toward several other sports initiatives across Jamaica throughout the year that served to further develop young athletes.

COMMUNITY OUTREACH

The Group continued to support community outreach initiatives in 2022 making several key contributions toward community rehabilitation projects and programmes, particularly aimed at supporting vulnerable groups.

One major donation done by the Sagicor Foundation towards community outreach last year was a seven million dollars investment to Joy Town Community Development Foundation's in-school intervention Programme for at-risk youth. The year-long programme will close in May 2023.

The Foundation also assisted in the rehabilitation of the Friendship Park in Arnett Gardens to the tune of over half a million dollars. In addition to beautifying the green space for community members, Sagicor outfitted the park with swings, monkey bars and slides for children from the nearby basic and primary schools to utilise.

Several other donations in cash and kind were made to help equip communities across the island with resources to facilitate inclusivity and camaraderie.

LABOUR DAY

For Labour Day 2022, Sagicor Group Jamaica team members volunteered their time to support the 'sprucing up' activities at the Kingston Public Hospital (KPH) and Cornwall Regional Hospital. Team members did extensive painting to the Outpatient Department at the KPH while team members de-bushed and cleaned up sections of the Cornwall Regional Hospital.

3. ILAH Lemon-Aid Dip & Come Again Summer Programme participants are sandwiched by ILAH's founder, Imani-Leigh Hall (right) and Taylor Valentine, Sagicor Bank Teller.

4. Students from the Iris Gelly Primary School in Arnett Gardens, Kingston, are all smiles as they play on the new monkey bar that was installed at the Friendship Park in their community by the Sagicor Foundation.

OUR SCHOLARSHIP AWARDEES

Hassanah Al-Saba

University: University of the West Indies

Programme: BSc. Computer Science (major), Economics (minor)

Scholarship awarded: 2019

Graduated: 2022

My Sagicor Foundation scholarship journey started in 2019. I shared my Aviation dream with the panel of interviewers then in 2019 and they believed in me and the path I was aiming to pave. I have now successfully completed my Computer Science degree with a Pilot's Licence. Being a Sagicor Scholar provided me with many great opportunities to meet wonderful people, both professionally and academically, some of whom I am still in contact with today. Volunteering is a personal mandate and being able to fulfil this mandate with the Sagicor team has been an absolute blast that also made me feel like I was part of something bigger than myself. The future looks bright as I currently work in the Fin-Tech industry while pursuing my Commercial Pilot's Licence. I have my journey ahead and I am grateful to Sagicor for giving me the push start I needed.

Matthew Arnold

University: University of the West Indies

Programme: BSc Civil Engineering

Scholarship awarded: 2021

Graduated: 2022

The Sagicor Foundation scholarship has been extremely important to my development as a training engineer. While studying for my Civil Engineering degree, the scholarship provided me with the opportunity to focus on my coursework without having to worry about the financial requirements associated with the cost of university tuition. I have the utmost gratitude to the Sagicor Foundation for affording me this scholarship.

I am currently working as a civil engineer at a local firm, and I am grateful for this opportunity which exposes me to civil engineering projects both locally and internationally. I am excited about the future as I continue to gain knowledge and improve on my skills with the hope of becoming a registered professional engineer.

Rena Brown

University: University of West Indies

Programme: BSc Actuarial Science

Scholarship awarded: 2019

Graduated: 2022

Being a Sagicor Foundation scholarship recipient has greatly impacted my life and university journey. It has provided me with the financial support I needed to focus on my studies in Actuarial Science and pursue my goals without having to be worried about how I would pay for my education. The scholarship has also afforded me the opportunity to get involved in extracurricular activities and volunteer work, which has helped to develop new skills and gain valuable experience. I am currently working as a business transformation analyst and I intend to work hard to be the best version of myself possible while making a positive impact on the world. I believe the experiences I have gained as a Sagicor scholar will help me on the path to achieving my dreams. Thank you, Sagicor Foundation, for giving me this opportunity.

Shavane Clarke

University: University of the West Indies
Programme: BSc Actuarial Science
Scholarship awarded: 2019
Graduated: 2022

As a Sagicor scholar, it was great to have a company that acknowledged and believed in my dreams and aspiration. The Sagicor Foundation took a chance on me by giving me this scholarship which contributed significantly to alleviating the financial burdens that I faced upon entering university. Receiving the scholarship was added fuel and motivation to excel. I was driven and dedicated to not only excel, but to also inspire those around me, too. The Sagicor Foundation scholarship gave me hope when I needed it most, and because of this opportunity, I am on track to achieving my dreams of being an actuary. Thank you, Sagicor! You have inspired a generation to dream, boldly.

Mickailia Reid

University: Northern Caribbean University
Programme: BSc Computer Science
Scholarship awarded: 2021-2022
Graduated: 2022

With the COVID-19 pandemic in full swing, I felt truly grateful and blessed to be named as a Sagicor Foundation scholar. Without Sagicor's assistance, I would not have been able to complete my studies in the allocated time based on the financial pressures. Because of the scholarship, I was able to accelerate my progress to graduate on time. After four years, on August 14, 2022, I finally achieved my dreams of completing my first degree.

That dream was realised because of Sagicor's investment and I am forever grateful. I appreciate the company for their commitment and dedication to seeing youths fulfil their dreams and aspiration and for strongly supporting education through their scholarship programme and other initiatives.

Thank you, Sagicor for believing in me.

Kaydian Taylor

University: University of the West Indies
programme: BSc Social Work
Scholarship awarded: 2019-2022
Graduated: 2022

At the time of receiving the Sagicor Foundation scholarship, I was working and attempting to send myself through school part time, however based on what I was able to afford at the time, it would have taken me seven years to complete a three-year programme. Receiving the Sagicor scholarship saved me time, and the physical and psychological strain that I would have been burdened with.

I am grateful for all the opportunities and experiences I had as a scholar, which made me into a more rounded individual. Now I have successfully completed my studies and have landed a great job, where I get to do what I love in the field of social work. I am excited for the future and to contribute to my country.

Thanks, Sagicor.

BRILLIANT
INNOVATIVE
HUMBLE
ARTICULATE
HUMOROUS

Michelle Higgins - Manager of the Year

Dubbed as a visionary leader by her peers, Michelle Higgins is no stranger to the Manager of the Year award, having won the prestigious title in 2016 at the Group level in her second year at Sagicor, and again in 2021 at the Group Human Resources department level.

"The recent win was just epic as this is the first time that this category was introduced at our Corporate Awards ceremony. To know that I was nominated and went on to be the big winner has been an exhilarating and humbling feeling. It is a very rewarding and great feeling and it signifies to me that my hard work is recognised and appreciated," expressed Higgins.

Currently, she manages Group Learning & Development, Talent & Change Management where she works as part of a collaborative team. She also manages the company's change management and communication activities.

With the task of creating and implementing creative ways to impact team members and their career journey, Higgins is known as a natural people person with a contagious energy. Coupled with a bachelor's degree in business administration from the University of Technology and a specialized post graduate degree in functional and strategic human resource management from Walden University, Higgins has spearheaded several career growth programmes during her tenure at Sagicor Group Jamaica.

"I think I have a futuristic mindset and so I am always researching what other countries are doing for their Talent so that our team members can be easily aligned to international talent. I like when the programmes I pitch get accepted by Sagicor and we become pioneers," she shared.

Some of her most impactful programmes include the SagicorLEAD Leadership Development Programme which is currently in its third cohort and churning out successful leaders; she is the founder of the company's unique Mentorship Society dubbed "Sagicor's Pro-Millennial Mentorship Society" which is the only type of its kind in this region and which has been recognised both locally and internationally by the Human Resource Management Association of Jamaica, innovation awards and the Optimas Award from Workforce Magazine respectively.

Described as brilliant, innovative, humble, humorous, articulate, confident, and agile, Michelle shared that listening to music, shopping and spending time with her family are a few things that she uses to personal time. "Balance has been absolutely difficult to achieve so I think what has happened over the years is work life integration. My husband and I support each other in our careers, we understand the role we each play within our organizations and we respect that. When we have our downtimes and holidays we make every effort to do something special with our family," she shared.

Michelle has seen to the implementation of the company's Learning and Talent Management System – Sage Academy. She is also responsible for the ideation of the unique multifaceted Sage Hub which currently houses spaces for virtual training, workplace hoteling and a few cutting-edge meeting and training rooms.

"My driving force comes from being empowered by those around me. I feel as a leader my leaders have empowered me to take ownership of my tasks and to contribute significantly to decision making within the company. Having this empowerment opportunity also reflects in how I lead my team and empower them to support the strategies of the company and to always go the extra mile to ensure that we deliver first class service to our team members."

TEAM MEMBER OF THE YEAR FINALISTS

Danique Cargill

Enterprise Risk Management & Group Compliance, Sagicor Group Jamaica

Favourite Quote: "Nothing easy is worth doing"- unknown

What do you love about Sagicor?

I love the 'People First' culture throughout the Company. Sagicor really embodies this culture through the resources expended on rewards and recognition for team members, learning and development, corporate events, engagement activities and even community work. There's also a great level of teaming and collaboration that really makes you feel a part of the wider Sagicor family.

Crystal Bernard

Group Human Resources, Sagicor Group Jamaica

Favourite Quote: "Success is not final; fear is not fatal, but it is the courage to continue that counts." – Winston Churchill.

What is your motivation to succeed?

My desire to improve as an individual. Growth happens when you step outside of the box, and you might even become uncomfortable, but overcoming these challenges pushes me to grow and become a better version of myself. I believe success will come when you are consistently growing.

Alex Morrison

Corporate & Commercial Banking, Sagicor Bank Jamaica Limited

Favourite Quote: "Everything in life has its beauty, but not everyone sees it". I believe everyone has a purpose in this life and should be given a chance to prove their worth. Society often clouds our visions with its norms, disabling our ability to give each other a chance to shine when it is required the most.

Tell us a fun fact about you.

I am a JCDC music gold medallist, and I am the life of the party.

Shantel Smith

Group Client Support, Sagicor Group Jamaica

Favourite quote: "The two most important days in your life are the day you are born and the day you find out why." - Mark Twain.
My reason for loving this quote is that it stands tall on purpose, which is how I believe we should live.

What is your motivation to succeed?

My motivation to succeed is to honour my mother's memory. She worked hard to see her children succeed and it is one of my primary missions.

Karen Ramsay

Group Marketing, Sagicor Group Jamaica

Favourite Quote: "Write the vision; make it plain on tablets, so he may run who reads it. For still the vision awaits its appointed time; it hastens to the end—it will not lie. If it seems slow, wait for it; it will surely come; it will not delay." Habbakuk 2:2-3

What was your reaction when you found out you were nominated for team member of the year?
I was grateful, humbled, and excited. Being nominated to be team member of the year epitomizes a true Sagicorian and I am honored to be a part of such an elite group of persons.

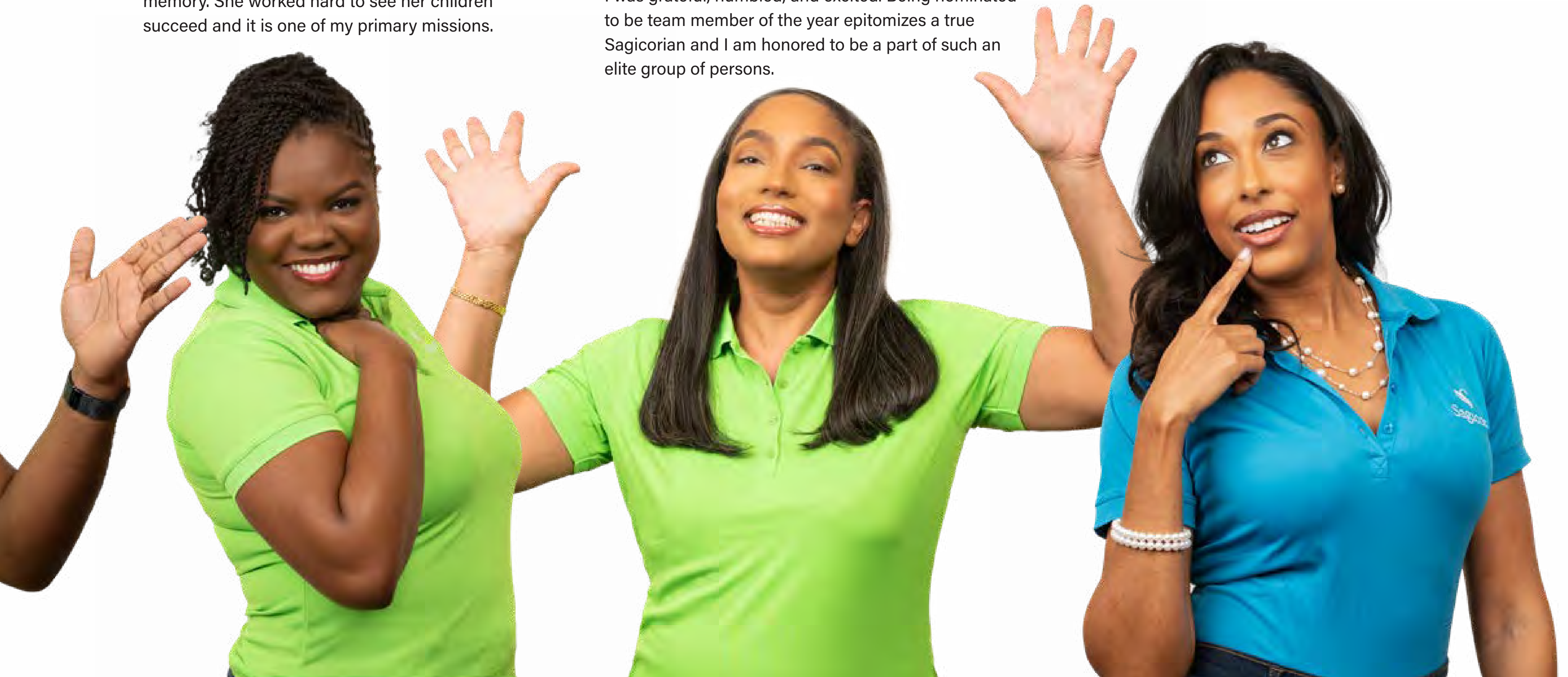
Christine Grant

Pension Services, Employee Benefits Administrator (EBA) Limited

Favourite Quote: "In the middle of every difficulty lies opportunity."- Albert Einstein

Tell us a fun fact about you?

I have a photographic memory. I can remember the most random information by just taking a quick glance of it.



Christine Grant - Sagicor Group Team Member of the Year

Kingston native Christine Grant always had a passion for numbers, a love that has proved very influential in different aspects of her life and has led to several momentous achievements. The most recent? Winning the Sagicor Group Jamaica's coveted Team Member of the Year award for 2022 while also being awarded Top Performer for Year 2022 – Employee Benefits Administration (EBA).

Being a Pension Administrator for 8 years, Grant has made an indelible mark in the business and has engraved her presence in the consciousness of her clients. In 2022, she met with 100% of her clients, exceeding the 85% target. Her reporting skills were also exceptional with excellent output quality and was the first to complete her regulatory reports for the 2022 season. With consistent positive feedback from clients and being known as an outstanding team player, Grant was also awarded Team Member of the Month for March.

When asked how it felt to walk away with two sought-after trophies at the 2023 Corporate Awards, Grant humbly expressed feeling a sense of pride while acknowledging her team. "I am extremely grateful to Sagicor, team members and mentors who have supported and guided me. This recognition will inspire and motivate me to continue to work hard and strive for constant excellence in my role. While it is important to feel proud, it is vital to also remain humble and continue to work collaboratively with team members and recognizing that this award reflects the team's effort as well," shared Grant.

The Immaculate Conception High School alumni is not new to big wins, as at age twenty-two, Grant had already received a first-class bachelors and master's in actuarial science and before reaching thirty years old, she became a homeowner through disciplined saving and strategic financial planning.

Coming from a small, tight-knit family, Grant highlighted that finding the best balance between work and family plays an important part in her success and wellbeing. "I find the best balance between work and family requires a combination of planning, communication, flexibility and self-care. By implementing these strategies, I can reduce stress and anxiety, increase productivity, enjoy a fulfilling and satisfying life both at work and at home. I also committed myself to a regular exercise routine. And was able to achieve my desired level of physical and mental wellbeing," she shared.

Grant, who also enjoys exploring different culinary experiences, interior decorating, playing tennis, the violin and the piano, is quite passionate about volunteerism and currently offers weekly tutoring lesson to ADHD students at her home. Additionally, she is a chartered member of the Kiwanis Club.

Although she has faced personal challenges such as the loss of a loved one, self-doubt and insecurities, Grant says life is a journey of growth and learning. "I am always looking forward to explore unique interests, expanding knowledge, new experiences and adventures. I am cognizant of the fact that life is what you make of it, therefore I keep a positive attitude and look for the good things in every situation. My inner peace is very valuable to me and working on my inner self certainly brings immense satisfaction, joy and contentment in my personal life," she expressed.

Grant revealed that having a soft spot for the elderly makes her job enjoyable, as outside of helping them to make the best decisions regarding their pension, she also has the opportunity to engage them in meaningful conversation where they share life lessons and stories of fond moments of their past. "We really do become friends by the end of the call, and I like to check in with our clients occasionally to see how they are enjoying retirement," she shared.

When asked to share advice with team members who aspire to be a Team Member of the Year awardee, she shared

"One should be proactive and take initiative in identifying and solving problems, offering solutions and contributing to the team's success. Build strong working relationships, develop new skills, and embrace feedback both positive and constructive and use it as an opportunity for growth and development. Most importantly, practise self-care and maintain a healthy work-life balance, recognising that one's well-being is essential for sustained success."


Sagicor Team Member
of the Year
2014
DAVENE ROWE
2015
ANDRE LATCHMAN
2016
TERRON DEWAR
2017
STEPHEN LEVY
2018
WAYNE THORPE
2019
STUART SOUTH

Group HR will work relentlessly in 2023 to serve, prioritize and optimize the company's people; driving and embedding a culture that attracts, engages and retains the best talent and preparing our existing workforce for the roles and mindset of the future.

GROUP HUMAN RESOURCES AND CORPORATE SERVICES

2022 HIGHLIGHTS AND ACHIEVEMENTS

A Look Back at 2022

As COVID-19 restrictions were increasingly relaxed throughout 2022, Group Human Resources and Corporate Services took the opportunity to safely reconnect and re-engage with our team members face to face.

The team member experience, along with recognition and rewards activities were significantly ramped up during 2022, as we took an internal spin on the company tagline - "Only when our clients win, we win" - recognizing the efforts of the team members who work tirelessly to make Sagicor a household name.

We further continued the work of digitally transforming and managing the workforce, facilitating and encouraging resilient leadership through upskilling of people leaders, competitively positioned the company to attract & retain talent while cementing the 'People First' Culture.

COVID-19 Response

The COVID-19 protocols developed in 2020, continued to steer the Group into 2022. As we continued to monitor instances of COVID-19 amongst the Team, we experienced a steady decrease in positive cases which resulted in the lifting of our mandatory mask mandate in November 2022. Whilst the mandate was lifted, team members were encouraged to always observe appropriate hygiene factors that limit the spread of the COVID-19 virus.

Christopher Zacca (right), President & CEO, Sagicor Group Jamaica, and Karl Williams (left), Executive Vice President, Shared Services, Sagicor Group Jamaica, pose with Sagicor team members honoured with Long Service Awards for 35 years of service to the company: (from left) Daneth Knight-Smith, Yvette Morris, Annmarie Richards and Marie Foster.

Team Engagement & Wellness Activities

In recognition of the full impact of the pandemic on the team, targeted Team Engagement & Wellness Activities continued with focus on Mental Health, Parenting, Coping Strategies, Managing Relationships and Financial Management.

This meant a return of team engagement as we knew it, prior to the pandemic. Excitingly, team engagement continued, and Group HR began actions to evolve these activities that remain an integral part of our DNA. We executed a plethora of team engagement events, catering to a wide cross-section of the team, allowing for greater participation and involvement – delivered both virtually and in person.

The list of activities held during 2022 included the following:

- **Our 2022 Blast Off, held in January, was dubbed "Peak Everything** – People, Purpose, Passion". The delivery of this annual event was hybrid. The tone for the rest of the year was set with our Leaders delivering the year's strategic plan with strong focus on people-centricity being a part of the foundation for success.
- **SIGMA Corporate Run** – The 24th staging of the SIGMA Corporate Run was a virtual event held in March 2022. Notwithstanding, the Sagicor Team was able to enjoy the same camaraderie and competition whilst participating in a healthy outdoor activity deemed to be low risk as the pandemic continued.
- **Sports Programme Relaunch** – In June 2022, our weekly fitness activities resumed, inviting team members to enjoy participation in Zumba, Pilates, Aerobics & Abs & Core classes. In August 2022, wellness activities were enhanced further with the reintroduction of Football, Netball, Basketball & Dominoes Departmental Competitions.
- **September to Remember Recognition Roadshow** – We win only when our clients win and, in September, we highlighted team members across the group who make this winning culture possible. Journeying to branches and departments across the island, we recognized and celebrated our greatest asset – the indomitable team members of the Sagicor Group.
- **Hike or Bike** – Hike or Bike returned in October 2022 with approximately 200 team members and their guests accepting the rewarding challenge of hiking or biking to the cool and picturesque Boone Hall Oasis. At the end of the trek, participants were rewarded with prizes and surprises, as well as an exciting game of Treasure Hunt.

We continued to spearhead innovative and creative ways of ensuring the professional growth of our team members, leveraging strategies such as those shared below to deliver group-wide Learning and Development initiatives:

Our annual S.T.A.R.S (Showcasing Talent and Recognizing Staff) Week hosted during the month of December was an extra special week of activities dedicated to team members, as this year we returned to face to face. Team members were treated to engaging, fun, and entertaining activities fully focused on getting them involved while showcasing their talents. Our two (2) weeks of activities included:

- **Church & Thanksgiving Services** – The spiritual life of team members was also celebrated during our Thanksgiving Services as we recognized thirty-eight (38) years of S.T.A.R.S Week. This year we attended Saturday and Sunday services island wide- Mandeville, Black River, Montego Bay, Ocho Rios, Kingston and the Cayman Islands. This provided our team members with varied religious affiliations and geographical locations the opportunity to participate with their family members and friends.
- **Non-Corporate & Cayman Islands Tour** – The team visited all our non-corporate locations and the Cayman Islands and engaged them in team-building activities. These included, candle making, mixology, trash art, karaoke, bowling, Jeopardy and scavenger hunt among others. Team members were excited to participate and fully enjoyed the experience.
- **Movie Night** – Lights, Cameras, Action!! A staple among S.T.A.R.S Week events is movie night and our team members rolled out in their numbers to watch Woman King and Black Panther 2-Wakanda Forever. This year, movie night was not just a corporate area (Kingston) event, as Ocho Rios, Montego Bay and Cayman also participated.
- **Business Showcase** – Twenty-nine (29) team members showcased their products and services in our Business Showcase at no cost to them for the entire week on the Sagicor Life Head Office Terrace. This event was open to the public with products ranging from personalised key chains, paintings, handmade bags, plants, homemade wines, and pastries. Team members' businesses also provided the audio-visual support and setup for the event in the form of tents, décor, music etc.
- **Long Service Awards Ceremony** – The Peak Experience! – We celebrated and recognized 311 team members (including Advantage General Insurance Company Limited) who were awarded for their continued dedication and contribution to the organization. The success and growth of the Group is the direct result of their combined efforts. Team members were celebrated from 5 years up to 35 years of service with the company.
- **Sagicor's Got Talent** – A competition aimed at showcasing and developing our team members, was held at the Wolmer's Boys' School Auditorium. Eleven team members entered this year's competition, showcasing their talent, which included original renditions as well as dramatic speeches. Our winners

2

Top: Team members at Hike or Bike 2022 on their 3k trek at Boon Hall Oasis.

Bottom: Members of Team Mexico created a holistic cultural experience that led them to victory.

were singer Avia Aiken-Brown, and Candiece Knight, who performed an original dramatic monologue.

- **World Cup Décor Competition & World Cup Watch Party** – World Cup is a global event and our team members scored big with decoration and presenting on respective countries participating in the World Cup. Also, daily watch parties were held for team members to share their own pre-game, half time and post-game analysis of the respective matches.
- **S.T.A.R.S Week Charity** – The wider community also benefits as our various events help to not only expose the talents of our team, but to also raise money for charity. This year's beneficiaries were submitted by our team members: Santa Cruz Infirmary, Kingdom Kids, and the Cure and Conquer Foundation. All proceeds from the Sagicor's Got Talent event and the World Cup Décor Competition went to charity. Team members were also encouraged to donate items in the respective drop boxes- toiletries, sanitation items etc.

Learning & Development, Change & Talent Management Initiatives

Learning and Development continued to be a strong area of focus for Group Human Resources throughout 2022, with a total of 60,533 training hours completed for the year. This represents a 16% increase over 2021, with 18,499 participants trained in over 60 courses.

Most of our training courses continued to be held online to ensure the utmost safety and well-being of all our team members, both physically and mentally.

We continued to spearhead innovative and creative ways of ensuring the professional growth of our team members, leveraging strategies such as those shared below to deliver group-wide Learning and Development initiatives:

- **e-Learning Instructor-led sessions** – These were held using online platforms such as Microsoft Teams and Zoom. The duration of the sessions was also strategically adjusted to 2- to 3-hour online sessions instead of 7-hour face-to-face sessions;
- **Online learning** – Team members were offered courses on online platforms such as Udemy, Allison and EdX;
- **Gamification** – Gamification is one strategy we used to motivate, engage and increase participation in training. The main application we used was Kahoot (an online game-based learning platform), which allowed us to integrate fun and engaging game-based activities into our training sessions. We also introduced the use of breakout rooms, polls and quizzes in our training which allowed us to create a classroom like experience for our team members.
- **Learning & Development E-store** – As an incentive for attending and completing training sessions, team members were awarded points on a tiered basis. Training points ranged from 100 to 500, depending on the complexity of the training (some sessions had a test which the team member must pass before the training can be considered complete) and the number of days the training was conducted (for example, Teller Training which runs for two weeks). Team members can accumulate their points and redeem branded Sagicor items such as mugs, water bottles, notebooks, umbrellas and lunch bags from the online store.
- **Upskill in Technology** – This became a critical strategy as more team members worked remotely. Team members were exposed to more training sessions

geared towards not only improving their technological expertise, but also providing them with a greater level of confidence in dealing with technology as we become more digital, creating a more seamless and experience for not only our team members but also our clients.

- **Client Experience: A Peak Experience-People, Passion, Purpose**
  As the world changes and our normal has been redefined the needs of our clients and the way we serve them will also have to change. As such this year we ventured on a path to equip our team members with the tools necessary to meet those needs and to do so in ways which align with Sagicor's culture, vision, and mission.

- **A Peak: Our Business Code of Ethics, Conduct & Regulatory Compliance**
  This course created an opportunity to educate our team members on our code of ethics and show them the importance of it, while demonstrating the consequences of not following the code and the impact it will have on not only the organization but on them individually.

- **Diversity at Sagicor**
  This programme created an opportunity to acknowledge the many facets of our uniqueness demonstrated how we can leverage the unique abilities to make us an exceptional organization.

- **Mental Health Series**
  As we create our new normal, the changes happening in the world whether it be inflation, loss of loved ones or the impact of COVID-19, we understand that these changes have also impacted our team members. We therefore used the month of May - designated as Mental Health Month – as well as October and November to give team members the opportunity to attend various mental wellness sessions with attending psychologists. This was done through a series titled "The Virtual Couch" where conversations focused on how team members can take care of themselves and their mental health, especially in these trying times.

- **Rated M – Development Programme for male team members.**
  Our male team members were invited and engaged in customized training sessions based on expressed needs and desired skills. The theme for the Rated M learning sessions was "Leading by Example" and the following sessions were offered to our Sagicor Men:
  - The Emotive Man: Let's Talk Vulnerability & Weakness
  - Equity in an Unequal World
  - Season in a Man's Life
  - Faded Conversation – Barbershop Talk for Men
  - Ultimate Male Experience
  - Prostate Cancer Awareness Session

Top: Rated-M "The Ultimate Male" in celebration of International Mens' Day 2022

Bottom: The Ultimate male celebration, L-R: Baruka Morris, Indexing Assistant and Travis Gordon, Financial Advisor

Top: Rated-M "The Ultimate Male" in celebration of International Men's Day 2022. Karl Williams, Executive Vice President-Shared Services (left), and Christopher Zacca, Group President and CEO, spar in a game of table tennis.

Bottom: SagicorLEAD co-valedictorian Jhanine Jackson accepts her graduating gift from Sagicor Life's chief revenue officer for insurance, Mark Chisholm.

- **TotallyHER Series** – Development Programme for female team members.

  This year we kicked off the TotallyHER series with the theme Hope, Endure and Rise(HER). Throughout the year, the following sessions were also specially designed for our Sagicor Women:

  - Financial Management
  - Stress Management
  - Polycystic Awareness Session
  - HealthierHER – Demystifying Fibroids
  - Breast Cancer Awareness Session
  - Understanding the Male Agenda
  - Managing & Resolving Conflict
  - Parenting 101 – Helping Kids achieve their best

- **People First Culture Podcast**

  We continued our People First Culture Podcast for 2022. These podcasts were geared at highlighting various aspects of the Sagicor culture and was also an opportunity for our team to share their Sagicor experiences and inspire other team members. See details below:

  - People First Podcast: Delivering the Peak Experience-People, Purpose & Passion
  - Culture Connections: "The Generations Edition"
  - Career Month Podcast-The Path to Career Success

Development Programmes

SagicorLEAD Leadership Development Programme

In May 2022, SagicorLEAD Cohort 2 graduated and Cohort 3, consisting of 17 participants from across the Group were inducted. Cohort 3 has been exposed to a variety of initiatives aimed at providing leadership exposure and developing strategic and critical thinking as well as management skills. This included book discussions with senior leaders (The Leader Who Had No Title by Robin Sharma and Start with Why by Simon Sinek, Dale Carnegie's Leadership Skills for New Managers and Supervisors, Strategic and Critical Thinking Training delivered by Management Consultant Dr. William Lawrence, Public Speaking and Presentation Skills Training and the Make Your Mark Middle Managers' Conference). In fulfilling the mentorship requirements of the programme, the team has partnered with the Wolmer's Boys' School to provide mentorship to their sixth form students as they prepare to make the transition to university and the world of work, through the Sagicor LEAD I-Care programme.

Succession Planning

Business continuity is a strategic priority for Group Human Resources. As such, robust succession planning is paramount. For 2022, the succession pool was revised. Succession plans for all senior leadership roles and identified critical roles were put in place and successors engaged for development. Select Candidates in

The work environment continues to evolve and is doing so at a rapid pace. With this in mind, it is important that Sagicor remains proactive in engaging its workforce. Therefore, in September 2022, a workforce audit was conducted to unearth the key variables which play a central role in enhancing talent attraction and retention within Sagicor.

the succession pool were trained in Agile Leadership and Strategy by the American Management Association (AMA). Candidates are expected to share this knowledge with their teams and utilized the strategies taught on the job. On-the job training continues for candidates in the pool.

Cross Training

To supplement the extensive learning and development opportunities provided across the Group, cross training continues to be encouraged as a way for team members to explore their areas of career interest, acquire new knowledge and achieve professional growth opportunities.

As at the end of 2022, cross training statistics for the 40 applications received throughout the year were as follows:

Talent Management Initiatives

Career Month

This was a month of activities that were geared towards the professional and personal development of team members. It involved team members participating in various sessions that equipped them with skills and knowledge to build strong and dynamic careers within Sagicor. The activities included:

- Mock interviews with real time feedback
- Upskilling sessions (Microsoft Excel, Word, PowerPoint)
- Zoom and Learn Session - The Power of Content Creation in the Social Space
- Career Month Podcast - The Path to Career Success
- Career in Focus – Resume Writing
- Mastering the Art of Interviews
- Continuing Professional Development Training
- Interviewing Skills for Hiring Manager Training
- Weekly send out of Career Tips

Workforce Analysis

The work environment continues to evolve and is doing so at a rapid pace. With this in mind, it is important that Sagicor remains proactive in engaging its workforce. Therefore, in September 2022, a workforce audit was conducted to unearth the key variables which play a central role in enhancing talent attraction and retention within Sagicor. It sought to attain this outcome by soliciting feedback from the different generations that exist within the organization through various focus groups. Also engaged were the Executive Team and the People influencers within Sagicor. The focus group questions and responses will assist Sagicor in gaining an in-depth understanding in relation to where it stands; to improve talent acquisition and talent retention and other critical people challenges that surfaced during the discussions. The answers provided a "wealth of tacit knowledge" from which recommendations were developed.

Sagicor Group Jamaica Pro-Millennial Mentorship Society

The Pro-Millennial Mentorship Society continues to foster an environment for the development of emerging leaders across Sagicor. For 2022, a new executive committee was appointed which consists of the members of SagicorLEAD Cohort 3. This new approach will give the SagicorLEAD participants the opportunity to hone their leadership skills in areas of budgeting, decision making, negotiation, strategic planning, and public speaking. It provides a practical avenue for the team to apply the knowledge they are gaining from the programme.

Team Member Satisfaction

Maintaining a work environment that is fit and friendly continues to be a key priority for Group HR.

Our 2022 LOMA Survey was launched on October 3, 2022 and closed November 4, 2022, to assess the team's perspective on whether this key objective is being met.

One thousand, four hundred and thirty-four (1,434) team members participated in 2022, in comparison to one thousand six hundred and thirty two (1,632) team members in 2021.

The overall satisfaction of the group remained stable, with a slight decrease. Our LOMA rating in 2021 was 78.5. The 2022 LOMA score was 77.4.

Talent Acquisition

Group HR continues to maintain a robust Talent Acquisition programme, focused on sourcing and onboarding top talent, and providing internal team members with opportunities for movement and development.

A total of 773 positions were filled as at December 31, 2022. 45% (342 positions) of the total vacancies filled were permanent positions, of which 72% (247 positions) were filled internally. Consequently, we have exceeded our 70% internal fill mandate.

A total of 106 Promotions and 116 Appointments to Staff were earned by our team members. Most promotions were in the Banking Division and most of the appointments to staff were in the Shared Services Division, with a further breakdown provided in the charts below.

Group HR remained resilient in its talent acquisition efforts, and worked closely with hiring managers to fill vacancies.

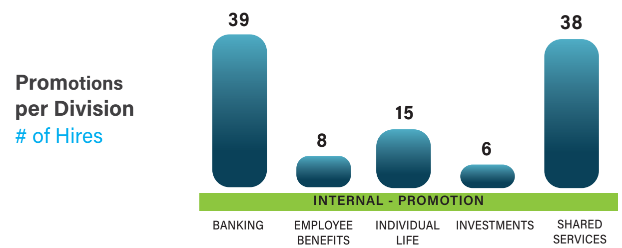
Recruitment Marketing / Outreach / Youth Development

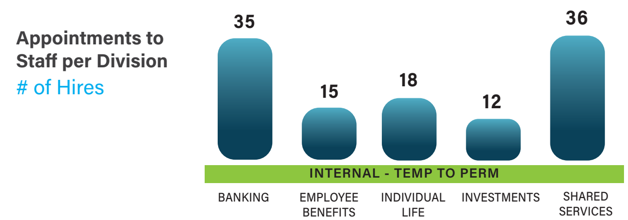
24 entry-level positions were filled through our HEART Trainee programme.

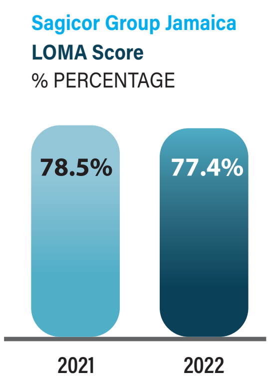
The department was also able to successfully execute/participate in career development, promotional and outreach initiatives including the following:

- Caribbean Jobs representative to facilitate the promotion of our jobs on their website.
- Partnership with UWI Mona Alumni Association to strengthen our candidate pipeline.
- Partnership with UTech Careers and Placement to strengthen our candidate pipeline.
- UWI Annual Job Fair – February 24, 2022
- UWI Department of Economics Graduate Seminar "Interview Intervention" – March 17, 2022
- 94 Summer Workers were onboarded for Batch 1 – June 13, 2022-July 8, 2022
- 70 Summer Workers were onboarded for Batch 2 – July 11, 2022-August 5, 2022
- YES to Careers Unlocked - 1on1 Educational Services (Money Magic) – August 26, 2022
- Group Client Contact Centre – Virtual Job Fair – September 7, 2022 & November 9, 2022
- Jamaica National Service Corp Career Fair – September 15, 2022
- Employment Empowerment Session (UTech, Ja.) – September 29, 2022
- #SecureTheJobJA, Virtual Job Fair – October 6, 2022
- Mock Interviews for Sagicor's Career Month in November

60,533 **Training hours completed, a 16% increase over 2021**







1,434
Team member participants in 2022

Appointments

The following management promotions also occurred throughout 2022 which resulted in changes or additions to succession positions for critical roles:

Team Member	New Role
Karl Williams	Executive Vice President – Shared Services
Howard Gordon	Senior Vice President – Group Technology & Sagicor Life Operations
Annette Osbourne	Vice President - Banking Operations
Camisha Sinanon	Vice President – Corporate Accounting
Yvonne Pandohie	Vice President - Finance: Banking
Robert McKenzie	Assistant Vice President – Asset Management
Dale Nicholson	Assistant Vice President – Innovation & Application Development
Keri-Leigh Manning	Assistant Vice President (Treasury)
Marilyn Flynn	Assistant Vice President - Group Human Resources
Vanesa Williams	Assistant Vice President – Special Projects & Operational Support
Tanya Sloley	Assistant Vice President – Cards & Payments
Candace Villiers	Manager - Pension Investments
Denea Samuels Virtue	Manager - Underwriting
Mark Madan	Team Lead - Credit Solutions
Monique Miller	Issuing Programme Manager
Theola Moore Bruce	Manager - Capital Markets
Nordia Fearon	Manager - Credit Risk
Sandy Gray Drummond	Manager - Talent Acquisition & HR Services
Dervin Brown	Manager – Asset Recoveries & Collections
Dejanee Martin	Project Manager
Davin Doman	Manager – IT Service Desk
Philip Bond	Manager – Disbursement Operations
Alicia Suckie	Manager - Claims
Jason Allen	Manager – Group Investment Accounting
Ricardo Mahabeer	Branch Manager
Craig Clarke	Manager – Acquiring Programmes

Corporate Services

Sage Hub

The SAGE Hub was officially launched in September, 2022.

Conceptualized during the pandemic to provide the best-in-class co-working space for team members, the Hub provides meeting rooms, working nooks and office rentals to promote our remote workers and those with no physical office space, and is the home of all things Learning & Development at Sagicor.

This launch saw Group HR fulfilling one of the initiatives in strategic objective for transformation of work options and workspaces.

2023 Future Ready Now!

As the wider Sagicor Group works to fulfill its vision of being a company focused on people, processes and technology, Group HR will work relentlessly in 2023 to serve, prioritise and optimise the company's people; driving and embedding a culture that attracts, engages and retains the best talent and preparing our existing workforce for the roles and mindset of the future.

A SUSTAINABLE WORK ENVIRONMENT

At Sagicor Group Jamaica, our digitization movement is tied in with continued sustainability efforts. For 2022, we improved and phased out several sustainable efforts to improve efficiencies while monitoring our environmental footprint.

Straight-through processing system

As a part of its ongoing digital transformation strategy, Sagicor Investments Jamaica (SIJ) has implemented a straight-through processing system to allow for client transactions to be actioned using the Sagicor e-Bank® platform. The aim of this is to improve client experience and business efficiencies and further reduce the need for physical forms for Sigma Global Fund transactions. With this digitalization process being realized, SIJ has changed the way clients can now invest in Sigma Global Funds and added the option to utilize Sagicor e-Bank ® to transfer funds to purchase Sigma Global Funds units. In addition, clients can now view their SIGMA transactions electronically and receive their Sigma Account statements via email. The project is ongoing with future phases to be implemented.

Digitization of team member records

Sagicor Group Jamaica in 2022 continued the digitization of manual team members records and are now 80% completed. We also continue the scanning of SIJ records island-wide which are ongoing. The workflow process for GHR transactions was also implemented, this will lead to a significant reduction in the utilization of paper and reduce the rental footprint for storage requirement.

DocuSign

In 2022, we continued our efforts of reducing the use of paper by expanding our use of the DocuSign software across all business lines. Not only does DocuSign's e-signature solutions improve efficiency, but it also promotes sustainability while playing a role in Sagicor Group Jamaica's digital transformation efforts.

SUBSIDIARIES

SAGICOR LIFE JAMAICA LIMITED
Head Office
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I
Tel: (876) 929-8920-9
Fax: (876) 929-4730
Christopher Zacca
President & CEO

SAGICOR BANK JAMAICA LIMITED
Head Office
17 Dominica Drive
Kingston 5, Jamaica W.I.
Tel: (876) 960-2340
Chorvelle Johnson Cunningham
CEO

EMPLOYEE BENEFITS ADMINISTRATOR LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Latoya Mayhew-Kerr
General Manager

SAGICOR INVESTMENTS JAMAICA LIMITED
Head Office
85 Hope Road
Kingston 6, Jamaica W.I.
Tel: (876) 929-5583
Tara Nunes
CEO

SAGICOR INSURANCE BROKERS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730
Dave Hill
General Manager

SAGICOR LIFE OF THE CAYMAN ISLANDS LTD.
1st Floor Sagicor House
198 North Church Street,
George Town
Grand Cayman KY1-1102
Cayman Islands
Tel: (345) 949-8211
Fax: (345) 949-8262
Mark Chisholm
President & CEO

SAGICOR COSTA RICA, SCR, S.A.
102 Avenida Escazu,
Torre, 2 Suite, 405
Escuzu, San Jose,
Costa Rica
Fernando Viquez
Deputy Manager

SAGICOR POOLED INVESTMENT FUNDS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue, Kingston 5,
Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730

SAGICOR RE-INSURANCE LIMITED
198 North Church Street,
George Town
Grand Cayman KY1-1102
Cayman Islands
Tel: (345) 949-8211
Fax: (345) 949-8262

SAGICOR PROPERTY SERVICES LIMITED
63-67 Knutsford Boulevard
Kingston 5, Jamaica W.I
Tel: (876) 929-9182-9

SAGICOR INSURANCE MANAGERS LIMITED
198 North Church Street
George Town
Grand Cayman KY1-1102
Cayman Islands
Tel: (345) 949-8211
Fax: (345) 949-8262

SAGICOR FOUNDATION JAMAICA
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR INTERNATIONAL ADMINISTRATORS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR PROPERTY DEVELOPERS LIMITED
28-48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9

SAGICOR INVESTMENTS (CAYMAN) LTD)
c/o HSM Corporate Services Ltd.
68 Fort Street
PO Box 31726
George Town
Grand Cayman KY1-1207
Cayman Islands

SAGICOR CAYMAN LIMITED
c/o HSM Corporate Services Ltd.
68 Fort Street
PO Box 31726
George Town
Grand Cayman KY1-1207
Cayman Islands

TC (2017) LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5, Jamaica W.I.
Tel: (876) 929-8920-9
Fax: (876) 929-4730

PHOENIX EQUIITY HOLDINGS LIMITED
c/o Worthing Corporate Centre
Worthing, Christ Church
Barbados

ADVANTAGE GENERAL INSURANCE COMPANY LIMITED
(Head Office)
4 – 6 Trafalgar Road
Kingston 10
Mark Thompson
CEO

BAILEY WILLIAMS LIMITED
10 Leonard Road
Kingston 10
Half Way Tree P.O.
St Andrew

ALLIANCE FINANCIAL SERVICES LIMITED
(Head Office)
7 Belmont Road,
Kingston 5
Omar Brown
CEO

CORPORATE DATA

DIRECTORS:

Peter K. Melhado
Chairman

Christopher Zacca
C.D., J.P.
President & CEO

Dr. the Hon. R.D. Williams
O.J., C.D., LL.D. (Hon.), J.P.
Director Emeritus

Dr. Dodridge Miller

Joanna Banks

Peter Clarke

Dr. Jacqueline Coke-Lloyd

Paul A.B. Facey

Stephen B. Facey

Dr. Marjorie Fyffe Campbell

Paul Hanworth

Mahmood Khimji

Lisa Lake
(Resigned December 31, 2022)

Stephen McNamara

Andre Mousseau

Gilbert Palter

EXECUTIVE TEAM:

Christopher Zacca
President & CEO

Andre Ho Lung
Executive Vice President,
Finance and Group CFO

Mark Chisholm
Executive Vice President, Chief
Revenue Officer, Insurance

Willard Brown
Executive Vice President, Chief
Technology and Insurance
Operations Officer

Chorvelle Johnson Cunningham
CEO
Sagicor Bank Jamaica Limited

Karl Williams
Executive Vice President,
Shared Services

Tara Nunes
CEO
Sagicor Investments Jamaica Limited

Omar Brown
CEO
Alliance Financial Services Limited

Mark Thompson
CEO
Advantage General
Insurance Company

Donnette Scarlett
Senior Vice President
Group Treasury & Asset Management

Howard Gordon
Senior Vice President, Group
Technology and Sagicor
Life Operations

Catherine Allen
Senior Vice President -
Appointed Actuary

Caren Scott- Dixon
Assistant Vice President –
Enterprise Risk Management and
Group Compliance

Sharma Taylor
Vice President, General Counsel

Mark Clarke
Vice President - Group Infrastructure &
Technical Services

Andrew Burke
Vice President - Innovation, Assurance
& Projects

Alysia White
Vice President – Group Marketing
(Separated December 31, 2022)

Corporate Secretary:

Janice Grant Taffe

Appointed Actuary:

Janet Sharp

Auditors:

PricewaterhouseCoopers

Bankers:

Sagicor Bank Jamaica Limited
Scotiabank Jamaica Limited
National Commercial Bank
(Jamaica) Limited
Cayman National Bank Ltd.

Attorneys:

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6
St. Andrew

Nunes, Scholefield, Deleon & Company
6A Holborn Road
Kingston 10
St. Andrew

Myers, Fletcher & Gordon
21 East Street
Kingston
St. Andrew

DunnCox
48 Duke Street
Kingston

Registered Office:

R. Danny Williams Building
28-48 Barbados Avenue,
Kingston 5,
Jamaica, W.I.

Telephone	:	(876) 929-8920-9
Toll Free	:	888-SAGICOR
Fax No	:	(876) 929-4730
Email	:	infoja@sagicor.com
Cable Code	:	'LOJAM'
Website	:	www.sagicor.com/en-jm.com

VICE PRESIDENTS

EMPLOYEE BENEFITS

Latoya Mayhew-Kerr
Vice President
Employee Benefits Administrators Ltd.
Pension Services (EBA)

Nicola Leo-Rhynie
Vice President
EBD Marketing
Marketing Services (EBD)

BANKING

Annette Osborne
Vice President
Banking Operations

Damion Hylton
Senior Vice President
Retail & Payments
Executive (Banking)

Michael Willacy
Vice President
Corporate Banking and
SME Business Banking

Jeffrey Chevannes
Vice President
Credit Risk

Sabrina Cooper
Vice President
Card & Payments
Resigned 31-Dec-22

SHARED SERVICES

Coretta Foster
Vice President
Group Human Resources

Andrew Burke
Vice President
Innovation & Data
IT & Data Security

Yvonne Pandohie
Vice President
Finance: Banking (SBJ/SIJ)

Sharma Taylor
Vice President
General Counsel & Corporate Secretary
Group Legal Trust & Corporate Secretarial

Jacqueline Brown-Barnes
Vice President
EBD Group Insurance Services
Group Insurance Services (Administration)

Merrick Plummer
Vice President
Group Analytics & Revenue Solution

Audrey Flowers-Clarke
Vice President
Insurance Operations
Executive (Insurance Operations)

SHARED SERVICES

Camisha Sinanon
Vice President
Corporate Accounting
Group Corporate Accounting

Jacqueline Donaldson
Vice President - Corporate Services
Group Human Resources

Mark Clarke
Vice President
Group Infrastructure & Technical Services
Infrastructure & Technical Services

Brenda-lee Martin
Chief Executive Officer
Sagicor Real Estate X Fund;
Vice President - Asset Management
Real Estate & Investment Management
Separated 30-Sept-22

Nadani Chung
Vice President
Finance
Insurance Accounting
Resigned 31-Dec-22

Alysia Moulton White
Vice President
Group Marketing
Separated 31-Dec-22

INVESTMENTS

Mischa McLeod-Hines
Vice President
Capital Markets

ASSISTANT VICE PRESIDENTS

EMPLOYEE BENEFITS

Corrinne Bellamy
Assistant Vice President
EBA Actuarial Services
Actuarial Services (EBA)

Neil Kellyman
Assistant Vice President
Pension Investment

Megan Irvine
Assistant Vice President
Annuities & Business Transformation
Marketing Services (EBD)

INDIVIDUAL LIFE

Vanesa Williams
Assistant Vice President
Special Projects & Operational Support
Individual Life
Executive (Insurance Operations)

Andrea Taylor
Assistant Vice President
New Business Underwriting & Paramed
New Business

Philbert Perry
Assistant Vice President
Sales & Distribution
Individual Life Sales

BANKING

Neville Oddman
Assistant Vice President
Card Operations

Vinette Notice
Assistant Vice President
Credit Risk

Danyu Dacres
Assistant Vice President
Business Re-engineering & Operations
Efficiency

BANKING

Keri-Leigh Manning
Assistant Vice President
Banking Treasury

Tanya Sloley
Assistant Vice President
Banking Cards & Payments

Clinton Hunter
Assistant Vice President
Retail Banking
Executive (Banking)

Kevin Chin-Shue
Assistant Vice President
Cards & Payments
Separated 19-Aug-2022

SHARED SERVICES

Dale Nicholson
Assistant Vice President
Innovation & Application Development
Separated 31-Aug-2022

Lorie-Ann Turner
Assistant Vice President
Treasury & Asset Management Operations
Shared Services Group Treasury Operations

Robert McKenzie
Assistant Vice President
Asset Management
Real Estate & Investment Management

Andrea Chung
Assistant Vice President
Group Project Management Office

SHARED SERVICES

Bryan Johnson
Assistant Vice President
Network Infrastructure Support
Infrastructure & Technical Services

Roger McKenzie
Assistant Vice President
Treasury & Trading (Fixed Income)

Camille Witter
Assistant Vice President
Insurance Pricing and Product Management
Shared Services Insurance Pricing and
Product Management

Christopher King
Assistant Vice President
Corporate Actuarial Services

Marilyn Flynn
Assistant Vice President
Group Human Resources

Charmaine Leckie
Assistant Vice President
Group Internal Audit

Grace Royal Bassaragh
Assistant Vice President
Legal Counsel
Group Legal Trust & Corporate Secretarial

Jassetta Jones
Assistant Vice President
Group Legal Services
Group Legal Trust & Corporate Secretarial

Lorna Jamieson-Bond
Assistant Vice President
Group Management Accounting
Disbursement Operations

SHARED SERVICES

Aldane Milton
Assistant Vice President
Application Services
Shared Services IT (Jamaica)

Faith Vincent
Assistant Vice President
Treasury & Investment Operations
Real Estate & Investment Management

Opal Donaldson
Assistant Vice President
Data and Analytics

INVESTMENTS

Karen Richards
Assistant Vice President
Investment Client Services (Dominica Drive)

Bianca Nam
Assistant Vice President
Wealth Management Investments Wealth &
Corporate Relationship Management

BRANCH MANAGERS

SAGICOR LIFE JAMAICA LTD.

Dave Hill
General Branch Manager
Sagicor Insurance Brokers

Michael Forbes
Branch Manager
New Kingston

Leslie G. Francis
Branch Manager
Knutsford

Odine DaCosta
Branch Manager
Half Way Tree

Mark Lindsay
Branch Manager
Senators

Dalton Thompson
Branch Manager
Belmont Dukes

Ramoth Watson
Branch Manager
Ocho Rios

Meila McKitty Plummer
Branch Manager
Corporate Circle

Maurice McDonald
Branch Manager
Spanish Town

Derrick Lewis
Branch Manager
Liguanea

Flora "Dale" Greaves- Smith
Senior Branch Manager
Mandeville

Patrick Sinclair
Senior Branch Manager
Montego Bay

Christopher Lawe
Senior Branch Manager
Holborn

Norman Wilson
Branch Manager
Sagicor Life of the Cayman Islands

SAGICOR BANK JAMAICA LTD.

Glenroy Morgan
Branch Manager
Portmore

Clement Ellington
Branch Manager
Duke & Tower Street

Claudette Ramdanie
Branch Manager
Hope Road

Kavon Walker
Branch Manager
Mandeville

Natalie Buddan
Branch Manager
May Pen

Wendy Bernard
Branch Manager
Sagicor Commercial Centre

Nursita Gray Barriffe
Branch Manager
Tropical Plaza

Doreen Pindling Williams
Branch Manager
Ocho Rios

Vilma Barrett Gunter
Branch Manager
Black River

Laurel Webster
Branch Manager
Liguanea

Laurel Webster
Branch Manager
Manor Park

Ricardo Mahabeer
Branch Manager
Sav-la-mar

Omoi Green
Branch Business Development Manager (Relief)
Fairview Shopping Centre

Joyce Gordon
Branch Manager (Relief)
Dominica Drive

SAGICOR INVESTMENTS JAMAICA LTD.

Melicia Jones
Regional Manager
Investment Client Services- West

Carlos Gordon
Regional Manager
Investment Client Services- Central

Kimberley Garbutt
Regional Manager
Investment Client Services- North

Shelly-Ann Morgan
Manager
Investment Client Services- KMA

Anthony Howard
Manager
Investment Client Services- KMA,

Stephanie Vassell
Regional Manager
Investment Client Services- West
(Resigned, April 2022).

FINANCIAL STATEMENTS

Year Ended 31 December 2022

INDEX TO THE FINANCIAL STATEMENTS

31 December 2022

Note		Page
	Actuary's Report	
	Independent Auditors' Report to the Members	
	Financial Statements	
	Consolidated statement of financial position	129
	Consolidated income statement	130
	Consolidated statement of comprehensive income	130
	Consolidated statement of changes in equity	131 - 132
	Consolidated statement of cash flows	133
	Company statement of financial position	133
	Company statement of comprehensive income	134
	Company statement of changes in equity	134
	Company statement of cash flows	135
	Notes to the financial statements	
1	Identification and principal activities	135
2	Summary of significant accounting policies	136 - 151
3	Critical accounting estimates, and judgements in applying accounting policies	152 - 154
4	Responsibilities of the appointed actuary and external auditors	154
5	Segmental financial information	155 - 158
6	Cash resources	159
7	Cash reserve at central bank	159

Note		Page
8	Financial investments	159 - 166
9	Premiums due and unpaid	167
10	Loans and leases, after allowance for credit losses	167 – 171
11	Pledged assets	171
12	Investment properties	171
13	Investment in joint venture	171 – 172
14	Interest in structured entities	173
15	Investment in associated company	174
16	Investment in subsidiaries	174-176
17	Intangible assets	176 - 178
18	Property, plant and equipment	178 - 179
19	Retirement benefits	179 - 183
20	Deferred income taxes	184 - 186
21	Taxation recoverable	187
22	Other assets	187
23	Related party balances and transactions	187 - 188
24	Share capital	188
25	Equity reserves	189 -190
26	Stock options and grants	190 - 191
27	Dividends	191
28	Net profit	191
29	Deposit and security liabilities	191 - 192
30	Loans payable	192 - 193
31	Other liabilities	193
32	Life and Health Insurance contract liabilities	194 -195

Note		Page
33	Investment contract liabilities	195
34	Property and Casualty Insurance Contract and Other policy liabilities	196
35	Collateralised Reversed Repurchase Agreement	196
36	Premium income	197
37	Net investment income	197-199
38	Results of Hotel operations	200
39	Fees and other income	200
40	Insurance benefits and claims	200
41	Administration expenses	200
41	Commission and sales expense	201
43	Taxation	201 - 202
44	Leases	203
45	Earnings per stock unit	203
46	Cash flows	205 - 206
47	Fair values of financial Instruments	206 - 209
48	Insurance and Financial Risk Management	209 - 223
49	Sensitivity Analysis	224 - 225
50	Capital management	225 - 226
51	Fiduciary risk	226
52	Contingent liabilities	226
53	Litigations	226 - 227
54	Offsetting financial assets and financial liabilities	226 - 229
55	Non-controlling Interest	229 - 230
56	Business Combination	230- 231

Sagicor Group

Sagicor Group Jamaica Limited
R. Danny Williams Building
28-48 Barbados Avenue
Kingston 5
Tel: (876) 929-8920-9
Fax: (876) 929-4730

For customer service call
888-SAGICOR (724-4267)

www.sagicor.com

APPOINTED ACTUARY'S REPORT
TO THE SHAREHOLDERS
AND POLICYHOLDERS

I have valued the policy actuarial liabilities of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd. for the consolidated statement of financial position at 31 December 2022, and the change in the consolidated income statement for the year then ended, in accordance with accepted actuarial practice, including selection of appropriate assumptions and methods.

The valuations of the Sagicor Life Jamaica Limited and the Sagicor Life of the Cayman Islands Ltd. business were conducted using the Policy Premium Method assuming best-estimate assumptions together with margins for adverse deviations in accordance with the Actuarial Regulations, 2001. The valuation has been carried out in accordance with the International Financial Reporting Standard 4, Insurance Contracts and the results satisfy the liability adequacy tests as required by this standard. The valuation also complies with the Caribbean Actuarial Association's Practice Standards for Long-term Insurance Business (APS2) and for General Actuarial Practice (APS0).

In my opinion, the amount of the policy actuarial liabilities makes appropriate provision for all policyholder obligations and the financial statements fairly represent the results of the valuation.

JANET SHARP, FSA, MAAA, CERA
APPOINTED ACTUARY FOR SAGICOR LIFE JAMAICA LIMITED AND
SAGICOR LIFE OF THE CAYMAN ISLANDS LTD

28 FEBRUARY 2023

INSURANCE | INVESTMENTS | BANKING | REAL ESTATE | RETIREMENT

pwc

Independent auditor's report

To the Members of Sagicor Group Jamaica Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Sagicor Group Jamaica Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2022, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- The consolidated statement of financial position as at 31 December 2022;
- The consolidated income statement for the year then ended;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended;
- The company statement of financial position as at 31 December 2022;
- The company statement of comprehensive income for the year then ended;
- The company statement of changes in equity for the year then ended;
- The company statement of cash flows for the year then ended; and
- The notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The context of our audit is set by the Group's major occurrences and business activities for 2022. It was noted that there was a significant reopening of the global economy in 2022, which saw the Group's level of business activities similar to pre-pandemic levels. Rising interest rates and inflation also impacted the Group's performance. The Group entered into two major transactions this year, being the acquisition of a new subsidiary, Alliance Financial Services Limited (AFSL), and the disposal of its interest in Sagicor Real Estate X Fund Limited. There is one new Key Audit Matter (KAM) this year, in relation to the acquisition of AFSL.

We determined the scope of our audit by considering the internal organisation of the Group and identifying the components of the audit that have the most significant impact on the financial statements. The Group comprised the parent company and 21 reporting components of which we selected 14 (including the parent company), which represent the principal business units within the Group and are located in Jamaica, the Cayman Islands and Costa Rica. Full scope audits were performed for the parent and 8 other components, while audits of one or more financial statements line items were performed for 5 further components. The audit work performed covered 95% of the Group's total assets and 99% of total revenue, net of reinsurance, interest expense and credit losses. All reporting components were audited by PwC network firms. Throughout the audit, we had regular meetings and correspondence with management and component auditor teams to follow up on progress of work for all components. The Group engagement team performed reviews of workpapers for a sample of the component auditors.

The Group's businesses are organised into four primary business segments being Individual Lines, Employee Benefits, Commercial Banking and Investment Banking as well as Other. Geographically, the segments are Jamaica, Cayman Islands, United States of America and Other (Costa Rica and St. Lucia). The entity disposed of during the year had operations in Jamaica and the United States of America.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the Company financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
Actuarial methodologies and assumptions used in the valuation of life and health insurance contract liabilities (Group) *Refer to notes 2(q-r), 3b(i) and 32 to the financial statements for disclosures of related accounting policies and balances.* As at 31 December 2022, total reserves for life and health insurance contracts account for $92.2 billion or 23% of total liabilities of the Group. We focused on this area as it involves significant judgement over uncertain future outcomes, mainly the ultimate total settlement value of long-term policyholder liabilities. Management consider the following as key inputs used to estimate life and health insurance contract liabilities: • Economic assumptions such as investment return and associated discount rates; and • Operating assumptions such as mortality and persistency (including consideration of policyholder behaviour). Management uses qualified internal actuaries to assist in determining these assumptions and in valuing the actuarial liabilities. Management's experts did not make an explicit assumption for deaths related to COVID-19 as they deemed COVID-19 to be a shock event.	Our approach to addressing the matter, with the assistance of our actuarial expert, involved the following procedures, amongst others: • Updated our understanding for any changes impacting the assumptions, with a focus on mortality, contract lapses, investment return and associated discount rate, and operating expenses, all of which are based on entity experience or published industry studies. • Evaluated the methodologies and assumptions utilised by management's actuaries considering industry and component specific facts and circumstances. • Tested the policy master file for completeness and accuracy of the underlying data utilised by management as inputs to the actuarial valuation. • Tested a sample of contracts to assess whether contract features corresponded to the data file as part of our reliability of data tests. • Challenged management's assertion that COVID-19 is a shock event by examining the current mortality rate for COVID-19 and by considering perspectives on mortality improvements, based on medical advances. The results of our procedures indicated that the actuarial methodologies and assumptions used by management in the valuation of life and health insurance contract liabilities were not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Valuation of claims payable and incurred but not reported (IBNR) claims for property & casualty contracts (Group) *Refer to notes 2(q-r), 3(b)(i) and 34 to the financial statements for disclosures of related accounting policies and balances.* As at 31 December 2022, total claims payable and incurred but not reported reserves account for $3.0 billion or 0.7% of total liabilities of the Group. The methodologies and assumptions utilised to develop claims payable and IBNR reserves involve a significant degree of judgement. The liabilities are based on the best-estimate ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs. There is generally less information available in relation to these claims, which can result in variability between initial estimates and final settlement. A range of methods may be used to determine these provisions. We focused on this area because underlying these methods are a number of explicit and implicit assumptions relating to the expected settlement amount and settlement patterns of claims and the values determined are subject to complex calculations.	Our approach to addressing the matter, with the assistance of our actuarial expert, involved the following procedures, amongst others: • Tested the completeness, accuracy and reliability of the underlying data utilised by management and their external actuarial experts to support the actuarial valuation. • Tested a sample of claims payable by agreeing to supporting documents including claim adjudication results and approvals and assessors' reports. • Performed a methods and assumptions analysis of the actuarial valuation prepared by the Group's actuary. • Evaluated the assumptions used by management and assessed the methodologies used for appropriateness and consistency with established actuarial practice and methodologies used in the prior year. The results of our procedures indicated that management's valuation of claims payable and IBNR claims for property & casualty contracts was not unreasonable.

Key audit matter	How our audit addressed the key audit matter
IFRS 9 'Financial Instruments' – Probabilities of Default, Forward-Looking Information & Significant Increase in Credit Risk (Group) *Refer to notes 2(f), 3(b)(iv), 8 and 10 to the financial statements for disclosures of related accounting policies and balances.* As at 31 December 2022, loans and leases, net of provision for credit losses, totaled $112.7 billion on the Group's consolidated statement of financial position. The Group's debt securities measured at amortised cost and fair value through other comprehensive income (FVTOCI) totaled $255.4 billion. Overall, the above exposures represent 71% of total assets in aggregate. The impairment provision recorded under the IFRS 9 expected credit loss (ECL) model amounted to $1.8 billion for loans and leases and $0.62 billion for debt securities. The IFRS 9 ECL impairment model takes into account reasonable and supportable forward-looking information as well as probabilities of default (PDs). PDs represent the likelihood of a borrower defaulting on its obligation over the next twelve months or over the remaining lifetime of the obligation. The twelve-month and the lifetime PDs are determined differently for loans and leases and debt securities. For loans and leases, management-determined PDs are developed based on the Group's specific historical default rates for each industry classification. In performing historical analyses, management identified economic variables impacting credit risk and ECLs for each portfolio. Various scenarios were identified, and weightings assigned using macro-economic factors as well as management's experience and judgement. For debt securities, including sovereign and corporate investment securities, PDs are developed with reference to external data collated by Standard & Poor's (S&P) with specific adjustments for industry and country specific risks, where necessary.	Our approach to addressing the matter involved the following procedures, amongst others: • Updated our understanding of management's ECL model including any changes to source data and assumptions and tested the mathematical integrity of the model. • Evaluated the design and tested the operating effectiveness of certain relevant controls over the forward-looking information and SICR in the ECL determination by performing inquiries with management and inspecting the evaluation, review and approval of key assumptions, judgements and forward-looking information. • Evaluated, with the assistance of our specialists, for both loans and leases and debt securities, the appropriateness of management's judgements pertaining to forward-looking information, including macro-economic factors and the basis of the multiple economic scenarios used. • Sensitised the various inputs and assumptions as part of our reasonableness tests. • Evaluated the reasonableness of management's judgements pertaining to PD, SICR and forward-looking information, including macro-economic factors. Loans and leases: • Tested the completeness and accuracy of the historical data used on a sample basis by agreeing the details of the customer payment profile to source documents. • Tested the staging of a sample of loans by reference to the number of days outstanding on the loan. • Tested the critical data fields used in the ECL model for the PD determination, such as default date, effective interest rate, write-off data, and loan type by tracing data back to source documents. Debt Securities: • Tested the reliability of source data used to determine the PD in the model by corroborating the data to external public information, where available. • Tested the critical data fields used in the ECL model for the PD determination, such as the credit rating and date of default if any, and type of debt security by tracing data back to source documents.

Key audit matter	How our audit addressed the key audit matter
Management also performs scenario analyses to determine the impact of future economic conditions on PDs in the countries and industries where the Group holds debt securities. A macro-economic indicator is determined, which is statistically linked to the credit risk of the sovereign exposure and/or corporate exposure. We focused on this area because of the complexity of the techniques used to determine PDs and the number of significant judgements made by management regarding possible future economic scenarios. We further focused on management's assessment of Significant Increase in Credit Risk (SICR) as stage migrations can materially impact the ECL.	SICR (Loans and leases and debt securities): ● For debt securities only, tested, on a sample basis, the accuracy of the initial credit risk and the credit risk at the reporting date using rating agency definitions of 'investment grade' and evaluated the appropriateness of the Group stage migration applied to borrowers. ● Performed an independent qualitative assessment for a sample of borrowers to determine whether there was any adverse public information affecting the criteria used to perform the staging. Changes to weighting scenario for forward-looking information: ● Evaluated the reasonableness of the increase in the weighting used for the worst case scenario by agreeing the forward-looking economic information to external sources published or pronounced by reputable third parties. ● Sensitised the probability weightings used in the ECL calculation. The results of our procedures indicated that the assumptions used by management for determining the probabilities of default, significant increase in credit risk and forward-looking information were not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment (Group) *Refer to notes 2(m)(i), 3(b)(vi) and 17 to the financial statements for disclosures of related accounting policies and balances.* The total carrying value of goodwill is $5.7 billion or 1.1% of total assets as at 31 December 2022. Additional goodwill of $2.7 billion was recognised during the current year, as a result of the Group's acquisition of Alliance Financial Services Limited. Management performed goodwill impairment assessments using the Fair Value Less Costs to Sell approach (FVLCS) to derive the recoverable amount of the life insurance industry related Cash Generating Units (CGUs) and the Value-in-Use approach (VIU) to derive the recoverable amount of the non-life insurance industry related CGUs, as these are respectively considered the higher value model in each of these components. The VIU approach is based on discounted cash flows and FVLCS is based on the capitalised earnings approach. In performing these assessments, management were assisted by valuation experts where required. Both approaches cover a three-year period. We focused on this area as the determination of the carrying value of the goodwill requires management judgement and estimation, and the assessment remains sensitive to reasonably possible changes in key assumptions being: ● earnings multiples (FVLCS method); ● earnings growth rates (VIU method); and ● discount rates (VIU method).	Our approach to addressing the matter involved the following procedures, amongst others: ● Updated our understanding of management's approach to performing their annual impairment assessments. ● Evaluated management's future cash flow forecasts and updated our understanding of the process by which they were developed. Compared previous forecasts to actual results to assess the performance of the business and the extent to which reliance can be placed on management's ability to forecast. Evaluated the forecasts used in the valuation models against the Board approved business plan, and assessed whether the key assumptions were subject to oversight from the Board of Directors. ● Tested the assumptions and methodologies used, in particular those relating to the earnings multiple, earnings growth rate and discount rate, with the assistance of our valuation experts, as follows: ○ Evaluated these assumptions with reference to valuations and performance forecasts of similar companies; ○ Compared the key assumptions to externally derived data where available, including industry betas, equity and market risk premiums, risk free rates, macro-economic indicators and industry growth rates; and ○ Applied sensitivities in evaluating the Directors' assessment of the planned growth rate in cash flows. ● Tested the valuation model calculations for mathematical accuracy. Based on the work performed, management's assumptions utilised in the goodwill impairment assessments were, in our view, not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Business combination (Group) *Refer to notes 2(b), 3(b)(vii) and 56 to the financial statements for disclosures of related accounting policies and balances.* During the year, the Group acquired 100% of the issued share capital of Alliance Financial Services Limited (AFSL) for a total consideration of $3.3 billion. As a result of the transaction, and certain changes to the composition of AFSL's board of directors, management concluded that it controlled AFSL, and consequently, that AFSL became a subsidiary of the Group. The accounting for the acquisition was a key audit matter given the significance of the transaction and the financial and operational impacts on the Group. We focused on this area due to the nature of business combinations, the requirements of which can be complex and require management to exercise judgement in determining certain estimates. The complex judgements include determining, identifying and estimating the fair value of the intangible assets acquired. The Group was assisted by an external valuation expert in this process.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others: ● Evaluated the application of the valuation methodologies utilised to derive the fair value of the identified intangible assets. ● Tested the reasonableness of valuation assumptions and inputs by: ○ Referencing historical information in management's cash flow projections to supporting documents and information; ○ Corroborating the revenue growth rates, margins, attrition rates, expense forecasts, capital and tax rates by comparison to historical information as well as independent economic and statistical data; ○ Independently deriving a discount rate which would be applicable to market participants and comparing to that used in the calculations; and ○ Agreeing the remaining useful lives of each intangible asset identified to the period over which the cash flows are expected to be generated. ● Tested the mathematical accuracy of management's discounted cash flow by reperforming the underlying calculations. ● Performed sensitivity analyses on certain of management's assumptions and inputs. ● Assessed the competence and capability of management's valuation expert. Based on the procedures performed, management's assumptions and accounting for the acquisition were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

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

PricewaterhouseCoopers

Chartered Accountants
1 March 2023
Kingston, Jamaica

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
ASSETS			
Cash resources	6	22,252,670	23,383,971
Cash reserve at Central Bank	7	12,091,812	11,084,907
Financial investments	8	221,047,390	238,745,309
Premium due and unpaid	9	4,887,437	4,419,045
Loans and leases, after allowance for credit losses	10	112,736,829	96,889,917
Pledged assets	11	94,209,543	93,636,126
Investment properties	12	1,680,525	1,220,324
Investment in joint venture	13	1,830,001	1,329,797
Intangible assets	17	8,868,597	5,872,442
Property, plant and equipment	18	6,412,479	20,782,133
Right-of-use assets	44	1,823,204	2,155,117
Reinsurance contracts	34	4,072,339	3,689,080
Retirement benefit assets	19	706,137	472,179
Deferred income taxes	20	4,021,850	1,980,237
Taxation recoverable	21	6,281,323	4,186,609
Other assets	22	16,256,746	18,143,511
TOTAL ASSETS		519,178,882	527,990,704

The accompanying notes on pages 137-233 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Stockholders' Equity Attributable to:			
Stockholders' of the Company			
Share capital	24	8,998,808	8,816,093
Equity reserves	25	(5,391,790)	8,671,998
Capital redemption reserve		3,121,572	3,121,572
Special investment reserve		567,381	531,675
Loan loss reserve		(844,132)	(488,668)
Retained earnings reserve		6,602,098	5,327,140
Retained earnings		100,816,939	88,843,812
		113,870,876	114,823,622
Non-Controlling Interests	55	2,052,493	19,956,091
Total Equity		115,923,369	134,779,713
Liabilities			
Deposit and security liabilities	29	250,837,061	221,851,641
Loans payable	30	2,198,545	9,284,518
Deferred income taxes	20	421,305	2,169,101
Taxation payable		1,775,142	703,344
Retirement benefit obligations	19	3,000,585	5,780,581
Lease liabilities	44	2,143,801	2,521,790
Other liabilities	31	17,086,862	20,395,035
Policyholders' Funds			
Life and health insurance contracts liabilities	32	92,248,682	97,996,749
Investment contracts liabilities	33	20,164,220	19,356,485
Property and casualty insurance contracts and other policy liabilities	34	13,379,310	13,151,747
		125,792,212	130,504,981
Total Liabilities		403,255,513	393,210,991
TOTAL EQUITY AND LIABILITIES		519,178,882	527,990,704

Approved for issue by the Board of Directors on the 27 February 2023 and signed on its behalf by:

Peter Melhado — Chairman

Christopher Zacca — Director

The accompanying notes on pages 137-233 form an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Revenue:			
Gross premium revenue	36	62,814,376	57,927,956
Insurance premium ceded to reinsurers	36	(6,261,952)	(5,143,366)
Net premium revenue	36	56,552,424	52,784,590
Interest income earned from financial assets measured at amortised cost and FVTOCI	37	26,802,246	23,720,382
Net gain on de-recognition of financial assets measured at amortised cost	37	579,060	3,292,396
Net gain on de-recognition of financial assets measured at FVTOCI	37	49,581	2,663,679
Income earned and capital net (losses)/gains from assets measured at FVTPL and other investment income	37	(3,126,197)	3,652,326
Investment income	37	24,304,690	33,328,783
Interest expense	37	(6,311,064)	(5,121,852)
Credit impairment losses	37/8	(614,765)	(245,288)
Net investment income	37	17,378,861	27,961,643
Hotel revenue	38	4,659,437	4,418,749
Fees and other income	39	18,513,561	17,395,697
Total revenue, net of reinsurance, interest expense and credit losses		97,104,283	102,560,679
Benefits:			
Insurance benefits incurred		38,510,213	36,429,580
Insurance benefits reinsured		(1,374,259)	(1,376,292)
Net insurance benefits	40	37,135,954	35,053,288
Net movement in actuarial liabilities	32(b)	(3,845,674)	4,279,198
Expenses:			
Administration expenses	41	28,145,338	24,421,497
Commissions and sales expenses	42	7,558,190	7,556,465
Hotel expenses	38	3,379,914	3,367,407
Depreciation and amortisation	17/18	2,604,846	2,719,286
Other taxes and levies	43(a)	893,280	830,767
		42,581,568	38,895,422
		75,871,848	78,227,908
Share of profit from joint venture	13	439,994	607,764
Impairment charge on Goodwill	17	-	(614,400)
Loss on disposal/dilution of interest in associate	15	-	(233,088)
Gain on disposal of subsidiary	16	258,208	-
Profit before Taxation		21,930,637	24,093,047
Taxation	43(a)	(5,334,757)	(6,449,959)
NET PROFIT		16,595,880	17,643,088
Attributable to:			
Stockholders of the parent company	28/45	16,378,634	17,395,431
Non-controlling interests	55	217,246	247,657
		16,595,880	17,643,088
Earnings per stock unit for profit attributable to the stockholders of the parent company during the year:			
Basic and fully diluted	45	4.19	4.46

The accompanying notes on pages 137-233 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net profit for the year		16,595,880	17,643,088
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Fair value reserve:			
Unrealised net losses on securities designated as FVTOCI		(15,443,714)	(2,397,323)
Share of joint venture and associate unrealized (losses)/gains on securities designated as FVTOCI		(51,439)	32,733
		(15,495,153)	(2,364,590)
Currency translation -			
Currency translation of foreign subsidiaries		(1,872,691)	2,168,923
Currency translation of associate and joint venture		111,648	6,066
Retranslation of foreign operations recycled on sale of subsidiary		(152,490)	-
Retranslation of foreign operations recycled on sale/ dilution of associate		-	(2,534,160)
		(1,913,533)	(359,171)
Gains recycled to the income statement on sale and maturity of FVTOCI securities		(17,270)	(1,726,068)
Provision for expected credit losses on securities designated as FVTOCI		29,105	32,450
Expected credit losses recycled to the income statement on sale and maturity of FVTOCI securities		-	(539,455)
Change in actuarial liabilities recognised in other comprehensive income	32 (b)	2,536,928	121,612
Share of fair value losses on interest rate swap recycled on sale/dilution of associate company	15	-	526,436
		2,548,763	(1,585,025)
Items that will not be subsequently reclassified to profit or loss			
Owner Occupied Property (OOP)			
Unrealised gains on OOP		2,352,690	1,745,785
		2,352,690	1,745,785
Re-measurements of retirement benefits obligations	19	2,553,979	(1,934,186)
Total other comprehensive income recognised directly in stockholders' equity, net of taxes		(9,953,254)	(4,497,187)
Total Comprehensive Income		6,642,626	13,145,901
Attributable to:			
Stockholders of the parent company		5,023,230	12,992,803
Non-controlling interests		1,619,396	153,098
		6,642,626	13,145,901

Items in the statement above are stated net of taxes. The income tax relating to each component of other comprehensive income is disclosed in Note 43(c).

The accompanying notes on pages 137-233 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Equity Reserves (Note 25)	Capital Redemption Reserve	Special Investment Reserve	Loan Loss Reserve	Retained Earnings Reserve	Retained Earnings	Equity Owners' Total	Non-controlling Interests Total	Grand Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at January 1, 2022		8,816,093	8,671,998	3,121,572	531,675	(488,668)	5,327,140	88,843,812	114,823,622	19,956,091	134,779,713
Profit for the year		-	-	-	-	-	-	16,378,634	16,378,634	217,246	16,595,880
Other comprehensive income, net of taxation		-	(13,911,822)	-	-	-	-	2,556,418	(11,355,404)	1,402,150	(9,953,254)
Total comprehensive income for the year		-	(13,911,822)	-	-	-	-	18,935,052	5,023,230	1,619,396	6,642,626
Transactions with owners -											
Change in ownership of a subsidiary	16(c)	-	-	-	-	-	-	124,576	124,576	1,465,923	1,590,499
Wind up and sale of subsidiary	55	-	-	-	-	-	-	-	-	(20,988,917)	(20,988,917)
Employee stock option plan											
- value of services provided	25	-	38,252	-			-	-	38,252	-	38,252
- options exercised/expired	25	-	(19,126)	-	-	-			(19,126)	-	(19,126)
Dividends	27	-	-	-	-	-	-	(6,257,999)	(6,257,999)	-	(6,257,999)
Treasury shares	26	182,715	-	-	-	-	-	(44,394)	138,321	-	138,321
Total transactions with owners		182,715	19,126					(6,177,817)	(5,975,976)	(19,522,994)	(25,498,970)
Transfers between reserves -											
To special investment reserve	2(o)	-	-	-	35,706	-	-	(35,706)	-	-	-
To retained earnings	2(o)	-	(171,092)	-	-	-	-	171,092	-	-	-
From loan loss reserves		-	-	-	-	(355,464)	-	355,464	-	-	-
To retained earnings reserves		-	-	-	-	-	1,274,958	(1,274,958)	-	-	-
Total transfers between reserves		-	(171,092)	-	35,706	(355,464)	1,274,958	(784,108)	-	-	-
Balance at December 31, 2022		8,998,808	(5,391,790)	3,121,572	567,381	(844,132)	6,602,098	100,816,939	113,870,876	2,052,493	115,923,369

The accompanying notes on pages 137-233 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Equity Reserves (Note 25) $'000	Capital Redemption Reserve $'000	Special Investment Reserve $'000	Loan Loss Reserve $'000	Retained Earnings Reserve $'000	Retained Earnings $'000	Equity Owners' Total $'000	Non-controlling Interests Total $'000	Grand Total $'000
Balance as at January 1, 2021		8,991,044	11,207,518	3,121,572	496,446	(1,347,635)	4,565,904	79,349,157	106,384,006	20,462,993	126,846,999
Profit for the year		-	-	-	-	-	-	17,395,431	17,395,431	247,657	17,643,088
Other comprehensive income, net of taxation		-	(2,518,114)	-	-	-	-	(1,884,514)	(4,402,628)	(94,559)	(4,497,187)
Total comprehensive income for the year		-	(2,518,114)	-	-	-	-	15,510,917	12,992,803	153,098	13,145,901
Transactions with owners -											
Employee stock option plan									-		-
- value of services provided	25	-	31,122	-	-	-	-	-	31,122	-	31,122
- options exercised/expired	25	-	(20,768)	-	-	-	-	-	(20,768)	-	(20,768)
Dividends	27	-	-	-	-	-	-	(4,331,349)	(4,331,349)	(660,000)	(4,991,349)
Treasury shares	26	(174,951)	-	-	-	-	-	(57,241)	(232,192)	-	(232,192)
Total transactions with owners		(174,951)	10,354	-	-	-	-	(4,388,590)	(4,553,187)	(660,000)	(5,213,187)
Transfers between reserves -											
To special investment reserve	2(o)	-	-	-	35,229	-	-	(35,229)	-	-	-
To retained earnings	2(o)	-	(27,760)	-	-	-	-	27,760	-	-	-
From loan loss reserves		-	-	-	-	858,967	-	(858,967)	-	-	-
To retained earnings reserves		-	-	-	-	-	761,236	(761,236)	-	-	-
Total transfers between reserves		-	(27,760)	-	35,229	858,967	761,236	(1,627,672)	-	-	-
Balance at December 31, 2021		8,816,093	8,671,998	3,121,572	531,675	(488,668)	5,327,140	88,843,812	114,823,622	19,956,091	134,779,713

The accompanying notes on pages 137-233 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net profit		16,595,880	17,643,088
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments to reconcile net profit to net cash provided by operating activities	46a	(60,526,359)	(27,358,676)
Interest and dividends received		27,703,287	25,639,706
Interest paid		(5,750,488)	(5,016,176)
Income and asset taxes paid		(6,009,905)	(7,875,003)
Net cash (used in)/generated from operating activities		(27,987,585)	3,032,939
Cash Flows from Investing Activities			
Proceeds from disposal of associated company	15	-	13,604,064
Proceeds from disposal of subsidiary	16	1,732,007	-
Net cash outflows from purchase of subsidiary	56	(2,624,434)	-
Proceeds from disposal of Investment Property, net	12	-	193,381
Acquisition of Property, plant and equipment	46c	(928,072)	(496,745)
Purchase of intangible assets, net	17	(592,580)	(390,564)
Net cash (used in)/generated from investing activities		(2,413,079)	12,910,136
Cash Flows from Financing Activities			
Deposits and securities liabilities excluding structured products	46c	27,383,942	4,866,676
Loan payable	46c	(153,573)	(2,065,939)
Change in ownership of subsidiary	16	1,590,499	-
Finance lease repayment	46c	(667,729)	(525,324)
Disposals/(purchases) of treasury shares, net		138,321	(232,192)
Dividend paid to minority interests		-	(660,000)
Dividends paid to stockholders	27	(6,257,999)	(4,331,349)
Net cash generated from/(used in) financing activities		22,033,461	(2,948,128)
Effect of exchange rate on cash and cash equivalents		(574,787)	1,653,173
(Decrease)/Increase in cash and cash equivalents		(8,941,990)	14,648,120
Cash and cash equivalents at beginning of year		51,884,096	37,235,976
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	42,942,106	51,884,096

The accompanying notes on pages 137-233 form an integral part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
ASSETS:			
Cash resources	6	655,852	431,177
Financial investments	8	469,235	902,992
Pledged assets	11	267,294	439,997
Investment in subsidiaries	16	71,826,639	71,860,326
Investment in joint venture	13	414,267	414,267
Intangible assets	17	93,995	143,383
Property, plant and equipment	18	93,906	95,304
Deferred income taxes	20	225,671	225,674
Taxation recoverable	21	81,661	58,329
Other assets	22	1,203,648	929,810
TOTAL ASSETS		75,332,168	75,501,259
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Stockholders' Equity Attributable to Stockholders' of the Company			
Share capital	24	8,998,808	8,816,093
Equity reserves		28,432,803	28,413,677
Retained earnings		21,934,714	21,849,241
		59,366,325	59,079,011
Liabilities:			
Promissory notes	29	11,098,704	12,003,246
Taxation payable		325,173	-
Other liabilities	31	4,541,966	4,419,002
Total Liabilities		15,965,843	16,422,248
TOTAL EQUITY AND LIABILITIES		75,332,168	75,501,259

Approved for issue by the Board of Directors on the 27 February 2023 and signed on its behalf by:

Peter Melhado Chairman   Christopher Zacca Director

The accompanying notes on pages 137-233 form an integral part of these financial statements

COMPANY STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Revenue:			
Investment income	37	5,819,904	8,309,377
Interest and net investment expense	37	(234,729)	(309,709)
Net Investment Income	37	5,585,175	7,999,668
Management fees	39	5,138,881	43,215
Other income	39	712,488	54,983
Total revenue, net of interest and other investment expense		11,436,544	8,097,866
Expenses:			
Administration expenses	41	4,645,929	813,138
Depreciation	18	51,344	57,272
Amortisation of intangible assets	17	71,522	85,070
		4,768,795	955,480
Profit before Taxation:		6,667,749	7,142,386
Taxation	43(a)	(324,277)	886
NET PROFIT		6,343,472	7,143,272
Other Comprehensive Income, net of taxes:			
Unrealised losses on FVTOCI		-	(5,872)
Total Comprehensive Income		6,343,472	7,137,400

The accompanying notes on pages 137-233 form an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Equity Reserves (Note 25)	Retained Earnings	Grand Total
		$'000	$'000	$'000	$'000
Balance at 31 December 2020		8,991,044	28,300,910	19,037,318	56,329,272
Profit for the year		-	-	7,143,272	7,143,272
Other comprehensive income, net of taxation		-	(5,872)	-	(5,872)
Total comprehensive income for the year		-	(5,872)	7,143,272	7,137,400
Dividends paid to owners of parent	27	-	-	(4,331,349)	(4,331,349)
Transfer of treasury shares	26	208,827	-	-	208,827
Transfer of retained earnings			108,285		108,285
Purchase of treasury shares	26	(383,778)	-	-	(383,778)
Employee stock options		-	10,354	-	10,354
		(174,951)	112,767	2,811,923	2,749,739
Balance at 31 December 2021		8,816,093	28,413,677	21,849,241	59,079,011
Profit for the year, being total comprehensive income		-	-	6,343,472	6,343,472
Dividends paid to owners of parent	27	-	-	(6,257,999)	(6,257,999)
Transfer of treasury shares		182,715	-	-	182,715
Employee stock options	26	-	19,126	-	19,126
		182,715	19,126	85,473	287,314
Balance at 31 December 2022		8,998,808	28,432,803	21,934,714	59,366,325

The accompanying notes on pages 137-233 form an integral part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022	2021
		$'000	$'000
Net profit		6,343,472	7,143,272
Adjustments for:			
Items not affecting cash and changes to policyholders' funds:			
Adjustments to reconcile net profit to net cash provided by operating activities	46a	(5,435,111)	(7,702,417)
Interest and dividend received		5,826,793	8,305,015
Interest paid		(252,144)	(297,306)
Net cash generated from operating activities		6,483,010	7,448,564
Cash Flows from Investing Activities			
Net Cash outflow on acquisition of subsidiary	56	(3,155,150)	-
Cash received on disposal of subsiary		3,920,755	-
Acquisition of property, plant and equipment	18	(50,141)	(8,375)
Cash received on reorganisation	16	-	14,370
Purchase of intangible assets	17	(22,134)	-
Net cash generated from investing activities		693,330	5,995
Cash Flows from Financing Activities			
Securities liabilities		(887,126)	(3,023,377)
Disposal/(Purchase) of treasury shares		182,715	(174,951)
Dividends paid to stockholders	27	(6,257,999)	(4,331,349)
Net cash used in financing activities		(6,962,410)	(7,529,677)
Increase/(decrease) in cash and cash equivalents		213,930	(75,118)
Cash and cash equivalents at beginning of year		774,139	849,257
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	988,069	774,139

The accompanying notes on pages 137-233 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(a) Sagicor Group Jamaica Limited (SGJ, the company) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange. It is 32.45% (2021 – 32.45%) owned by LOJ Holdings Limited (LOJH) which is also incorporated and domiciled in Jamaica and 16.66% (2021 – 16.66%) owned by Sagicor Life Inc. (SLI) which is domiciled in Barbados. Both LOJH and SLI are wholly owned by Sagicor Financial Company Limited (Sagicor), the ultimate parent company, which is incorporated and domiciled in Bermuda. Sagicor has an overall interest of 49.11% (2021 – 49.11%) in the company. The other significant shareholder in SGJ is PanJam Investment Limited with a 30.21 (2021 – 30.21%) holding.

The registered office of the company is located at 28 - 48 Barbados Avenue, Kingston 5, Jamaica.

(b) The company, its subsidiaries and joint venture all have co-terminous year ends. The company's subsidiaries and joint venture, which together with the company are referred to as "the Group", are as follows:

Subsidiaries, and Joint Venture	Principal Activities	Incorporated In	Holdings
• Sagicor Life Jamaica Limited	Life insurance, health insurance annuities, retirement products, pension administration and investment services	Jamaica	100%
• Bailey Williams Limited	Real estate development	Jamaica	70%
• Sagicor Investments Jamaica Limited	Investment banking	Jamaica	100%
• Phoenix Equity Holdings Limited	Holding Company	Barbados	100%
• Advantage General Insurance Company Limited	General insurance	Jamaica	60%
• Sagicor Bank Jamaica Limited	Commercial banking	Jamaica	100%
• Grupo Sagicor G.S., G.A. and subsidiary	Group insurance and general insurance	Costa Rica	50%
• Sagicor Re Insurance Ltd.	Property and casualty insurance (captive)	Grand Cayman	100%
• Employee Benefits Administrator Limited	Pension administration services	Jamaica	100%
• Sagicor Property Services Limited	Property management, real estate sales and rentals	Jamaica	100%
• Sagicor Pooled Investment Funds Limited	Pension fund management	Jamaica	100%
• Sagicor Insurance Brokers Limited	Insurance brokerage	Jamaica	100%
• Sagicor International Administrators Limited	Group insurance administration	Jamaica	100%
• Travel Cash Jamaica Limited	Microfinance	Jamaica	51%
• Sagicor Cayman Limited	Holding Company	Grand Cayman	100%
• Sagicor Investments (Cayman) Ltd.	Investment banking	Grand Cayman	100%
• Sagicor Life of the Cayman Islands Ltd.	Life insurance	Grand Cayman	100%
• Sagicor Insurance Managers Limited	Captives management	Grand Cayman	100%
• Alliance Financial Services Limited	Provision of remittance and cambio services	Jamaica	100%

(i) Sagicor Real Estate X Fund Limited (a subsidiary at the end of 2021) owns 51.86% of Jamziv Montego Bay Portfolio Jamaica Limited, (Jamziv Jamaica Limited) and X Fund Properties Limited owns 8.95%. Together Sagicor X Fund Group owns 60.81% of Jamziv Jamaica Limited, which in turn held 14.87% of Playa which was subsequently fully disposed of in January 2021.

On 13 June 2022, a resolution was passed for the wind-up of Jamziv which led to the removal of the company from the Group.

During March 2022, SGJ sold 8.56% interest in X Fund Group, reducing the Group's holdings in the company to 20.75%. The remaining shares were gradually sold and fully disposed of effective September 30, 2022.

(ii) Sagicor Securities Jamaica Limited, a wholly owned subsidiary of Sagicor Group Jamaica Limited was wound up on May 1, 2021. Refer to note 16.

The accompanying notes on pages 137-233 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(b) continued

(iii) In April 2022, the Group acquired 100 per cent of the outstanding shares in Alliance Financial Services Limited (AFS). AFS is a provider of cambio and remittance services in Jamaica. Refer to note 56.

All other shareholdings remained the same as prior year.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and have been prepared under the historical cost convention as modified by the revaluation of fair value through other comprehensive income (FVTOCI) securities, derivatives, investment property, certain property, plant and equipment, defined benefit pension plans where plan assets are measured at fair value and financial assets and liabilities at fair value through profit or loss (FVTPL).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to existing standards effective during the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in the income statement. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'. There will be no impact to the Group on adoption of this amendment.

Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient, (effective for annual periods beginning on or after 1 April 2021). On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. There will be no impact to the Group on adoption of this amendment.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, Presentation of financial statements on classification of liabilities, (effective for annual periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

The Group will apply IFRS 17 – Insurance Contracts ("IFRS 17") for the first time on January 1, 2023. IFRS 17 replaces IFRS 4 – Insurance Contracts ("IFRS 4"). The IASB issued IFRS 17 in May 2017 and the Amendments to IFRS 17 in June 2020. IFRS 17, as amended, is effective for annual reporting periods beginning on or after January 1, 2023, to be applied retrospectively.

With the adoption of the new standard, the Group may elect to designate some financial assets, which are currently held at amortised cost and fair value through OCI (FVTOCI) which support insurance liabilities, at fair value through profit and loss (FVTPL). IFRS 9 – Financial instruments ("IFRS 9") was previously implemented by the Group on January 1, 2018.

The Group will adopt IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach will mostly be applied to the insurance contracts in force at the transition date that were originated less than 3-5 years prior to transition. Where the full retrospective approach was determined to be impracticable, the fair value approach was applied.

IFRS 17 establishes principles for the recognition, measurement, and presentation and disclosure of insurance contracts. The standard introduces three measurement approaches that will be used to measure insurance contracts: the general measurement model (GMM), variable fee approach (VFA), premium allocation approach (PAA).

The Group will mostly apply the GMM approach to its life contracts which uses updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance and reinsurance contracts. PAA will mainly be applied to short duration contracts where the policy's contract boundaries are one year or less, and this includes contracts, such as group life and health and general insurance business. Under PAA, insurance contracts are measured based on unearned profits and the accounting is broadly similar to the Group's current approach under IFRS 4. The VFA applies to insurance contracts issued with direct participation features, which are substantially investment-related service contracts under which the policyholder is promised an investment return based on underlying items, such as segregated funds and certain participating insurance contracts.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

IFRS 17 requires that the Group

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder

- Aggregates the insurance and reinsurance contracts into groups of portfolios it will recognise and measure. Portfolios of contracts are generally identified based on contracts subject to similar risks and managed together. The portfolios are then divided into groups based on expected profitability. The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group
- Recognises and measures groups of insurance contracts at:

  A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information

  Plus

  The contractual service margin (CSM) which is an amount representing the unearned profit in the group of contracts is recognised in profit or loss to reflect services provided in each year. The CSM is only applicable to GMM and VFA

  - Recognises insurance revenue from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately

  - Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Under IFRS 17, the discount rates used to present value future cash flows under IFRS 17 are based on the characteristics of the insurance contracts rather than the portfolio of assets supporting the insurance contract liabilities permitted under IFRS 4.

The new standard also includes a policy option, applied at the portfolio level which allows for the impacts from changes in financial variables (e.g. discount rate) to be disaggregated between OCI and the P&L (OCI option) or to flow through the P&L (P&L option). The Group may elect to use the P&L option.

Additionally, with IFRS 17 the risk adjustment which is incorporated measures the compensation required for uncertainty related to non-financial risk, such as mortality, morbidity, surrender and expenses. There is no amount provided for asset-liability mismatch, and the provisions for uncertainty related to financial risks, are included in the present value of future cashflows. In comparison, under IFRS 4 amounts provided for the risks identified are reflected in a provision for adverse deviations included in insurance contract liabilities.

The Group continues to assess the overall impact of IFRS 17, which is expected to be significant, on the timing of earnings recognition, as well as presentation and disclosure, of its insurance and reinsurance contracts. The Group is expecting that the establishment of the CSM and other measurement changes will result in a reduction to opening equity upon transition to IFRS 17 at January 1, 2022. The impact on the timing of earnings recognition or presentation and disclosure does not impact the cash flows generated by the Group; as a result, IFRS 17 is not expected to have a material impact on the Group's business strategies. The Group also continues to monitor the associated impact on its regulatory capital requirements in each of the jurisdictions in which it operates.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

IFRS 17 requires that the Group (continued)

Overall, the evaluation of the effect of the standard on the Group's consolidated financial statements and the refinement of the new accounting policies, assumptions, judgements and estimation techniques employed continues. These areas remain subject to change and may be revised as further analysis is completed prior to presentation of financial information for periods including the date of initial application.

The preparation of comparative period financial information under the requirements of IFRS 17 for the year ended December 31, 2022 is in progress and will be reported in the Company's March 31, 2023 interim financial reporting.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. There will be no impact to the Group on adoption of this amendment.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction, (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Group is currently assessing the impact of future adoption of the amendment on its financial statements.

Definition of Accounting Estimates – Amendments to IAS 8 (effective for annual periods beginning on or after 1 January 2023) The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The Group is currently assessing the impact of future adoption of the amendment on its financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries
Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

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

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

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition (negative goodwill). Any non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interests.

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

Non- controlling interest balances are increased/decreased by the non-controlling interest's proportionate share of changes in equity after the date of acquisition.

Investments in subsidiaries are stated in the company's financial statements at cost less impairment.

(i) Change in ownership interests in subsidiaries
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest is an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(ii) Associates and Joint Ventures
The investments in associated companies where significant influence exists are included in these consolidated financial statements under the equity method of accounting. Investments in associated companies and joint ventures are originally recorded at cost and include intangible assets identified on acquisition. The Group recognises in income its share of associate and joint venture companies' post acquisition income and its share of the amortisation and impairment of intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. The Group recognises in other comprehensive income, its share of post acquisition other comprehensive income.

(iii) Pension and investment funds
Insurers have issued deposit administration and units linked contracts in which full return of the assets supporting these contracts accrues directly to the contract-holders. As these contracts are not operated under separate legal trusts, they have been consolidated in these financial statements.

The Group also manages a number of segregated pension funds, mutual funds and unit trusts. These funds are segregated and investment returns on these accrue directly to the unit-holders. The assets, liabilities and activity of these funds are not included in these consolidated financial statements unless the Group is acting as principal and has significant exposure to variable returns.

(iv) Employees share ownership plans (ESOP)
The Group operates two ESOP Trusts which acquire SGJ shares on the open market. The Trusts hold the shares on behalf of employees. Until transfer to employees, shares held by the Trusts are accounted for as treasury shares. All dividends received by the Trusts are applied towards the future purchase of Sagicor Group Jamaica Limited shares.

(c) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's President and CEO.

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is the company's functional currency.

(ii) Transactions and balances
Transactions denominated in a foreign currency or transactions that require settlement in a foreign currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary financial instruments items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. These rates represent the weighted average rates at which the Group trades in foreign currency.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in the income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments and when part of shadow accounting. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as FVTOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial instruments, such as equities held at FVTPL, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as FVTOCI financial assets, are included in the fair value reserve in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of stockholders' equity in the currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations is taken to stockholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash and balances at Central Banks (excluding statutory reserves), bank balances, investment securities, reverse repurchase agreements and bank overdrafts.

(f) Financial assets

(i) Classification of financial assets

Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVTOCI with no subsequent reclassification to profit or loss. Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVTOCI or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories.

2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (continued)

(i) Classification of financial assets (continued)

Classification of debt instruments (continued)

Measured at amortised cost

Debt instruments that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI), such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

Measured at FVTOCI

Financial assets that are held for collection of contractual cash flows and for selling the assets, where cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVTOCI. Movement in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instruments carrying value, which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity, through OCI, to profit or loss and recognised as part of net investment income. Interest income from these financial assets is included in the profit or loss using the effective interest rate method.

Measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest income on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised and presented in the profit or loss within income earned and capital gains from assets measured at FVTPL and other investment income in the period earned. Interest income from these financial assets is included in profit or loss using the effective interest rate method.

Held for trading securities are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking. Derivatives are also classified as held for trading unless designated as hedges. Assets held for trading are measured at FVTPL.

Business model assessment

Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The past experience on how the cash flows of these assets were collected;
- How the asset's performance is evaluated and reported to key management;
- How risks are assessed and managed and how managers are compensated;
- How the Group intends to generate profits from holding a portfolio of assets; and
- The historical and future expectations of asset sales within a portfolio.

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows are SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (continued)

(i) Unit linked funds fair value model

The Group's liabilities include unit linked funds which are components of insurance contracts issued or unit linked investment contracts issued with terms that the full investment return earned on the backing assets accrue to the contract-holders. As these liabilities are accounted for at FVTPL, the financial assets backing these liabilities are consequently classified as and measured at FVTPL. This eliminates any accounting mismatch. The time to maturity of the short term deposits and securities purchased under resale agreements result in the carrying amount approximating to fair value.

(ii) Embedded derivatives

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

(iii) Impairment of financial assets measured at amortised cost and FVTOCI

IFRS 9 requires the recognition of expected credit losses ("ECL") on financial assets measured at amortised cost and FVTOCI and off-statement of financial position loan commitments and financial guarantees.

At initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

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

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in delinquency, an adverse change in the credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(iv) Purchased or originated credit-impaired assets

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. Theses financial assets are credit-impaired on initial recognition. The Group calculates the credit adjusted effective interest rate, which is calculated based on the fair value at origination of the financial asset instead of its gross carrying amount and incorporates the impact of ECLs in estimated future cash flows. This rate is used to calculate interest revenue and amortised cost. Their ECL is always measured on a lifetime basis, but they do not carry a day-1 loss.

(v) Definition of default

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

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

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (continued)

(vi) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(vii) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement

ECLs are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. The Group has calculated these inputs based on the estimated forward looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, provisioning is done based on groupings of exposures on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed periodically during the year. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

One key difference between Stage 1 and Stage 2 ECL is the respective PD horizon. Stage 1 and Stage 2 ECLs also incorporate different exposures at default which is based on the amortizing schedule for non-revolving assets. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired exposures, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An ECL estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating ECL. The measurement of ECLs for each stage and the assessment of SICR must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(f) Financial assets (continued)

(vii) The general approach to recognising and measuring ECL (continued)

Measurement (continued)

For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of ECLs which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the ECL calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a period up to three years, subsequently reverting to long-run averages. Management's estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Management's base case scenario is based on macroeconomic forecasts that are publicly available. Upside and downside scenarios are set relative to management's base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on a quarterly basis. The base scenario reflects the most likely outcome and is assigned with the highest weighting.

The weightings assigned to each economic scenario were as follows:

	Base	Upside	Downside
December 31, 2021:			
Sagicor Group Jamaica - Investments portfolios	80%	10%	10%
Sagicor Group Jamaica – Other lending portfolios	75%	10%	15%
Sagicor Group Jamaica – Tourism & Entertainment lending portfolios	65%	10%	25%
December 31, 2022:			
Sagicor Group Jamaica - investments portfolios	80%	10%	10%
Sagicor Group Jamaica – Other lending portfolios	75%	10%	15%
Sagicor Group Jamaica – Tourism & Entertainment lending portfolios	65%	10%	25%

Impairment on financial assets measured at amortised cost and FVTOCI are recognised in profit or loss. For FVTOCI debt instruments, an amount equal to the impairment recognised in profit or loss, is also recognised in OCI. Unrealised gains and losses arising from changes in fair value on FVTOCI assets are recognized in OCI. When a FVTOCI debt instrument is sold, the cumulative gain or loss and the cumulative provision for ECL previously recognised in OCI are reclassified to profit or loss as part of net gain on de-recognition of financial assets measured at FVTOCI.

2. Summary of Significant Accounting Policies (Continued)

(f) Financial assets(continued)

(viii) Interest income and interest earned on assets measured at FVTPL

Interest income is earned based on the interest rate before allowances. Interest earned on assets measured at FVTPL is recognised based on the effective interest rate. For assets that are credit-impaired when purchased or originated, the carrying amount after allowances for ECL is the basis for applying the interest rate.

(ix) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay; or
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan; or
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate; or
- Change in the currency the loan is denominated in; or
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Group will assess if the asset is POCI.

(g) Investment properties

Investment property consists of freehold land and freehold properties which are held for rental income and/or capital appreciation.

Investment property is recorded initially at cost. In subsequent financial years, investment property is recorded at fair values determined by independent valuers, with the appreciation or depreciation in value being taken to investment income. Transfers to or from investment property are recorded when there is a change in use of the property. Transfers to owner-occupied property or to real estate developed for resale are recorded at their fair value at the date of change in use. Transfers from owner-occupied property are recorded at their fair value at the date of change in use.

Investment property may include property of which a portion is held for rental to third parties and the other portion is occupied by the Group. In such circumstances, the property is accounted for as an investment property if the Group's occupancy level is not significant in relation to the total available occupancy. Otherwise, it is accounted for as owner-occupied. Rental income is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Leases

(i) The Group's leasing activities and how these are accounted for

The Group leases various offices. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. Where these exist, the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

I. where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
II. uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Sagicor Life Jamaica Limited, which does not have recent third party financing; and
III. makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

i. the amount of the initial measurement of lease liability;
ii. any lease payments made at or before the commencement date less any lease incentives received
iii. any initial direct costs; and
iv. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2. Summary of Significant Accounting Policies (Continued)

(h) Leases (continued)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of land and buildings, management has included various extension options in the lease liability, as relocating from existing locations would be onerous.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(i) Acceptances, guarantees, indemnities, letter of credit and undertakings

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:
(i) The amount of the loss allowance; and
(ii) The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contract that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the ECLs on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, the ECLs are recognised as a provision.

(j) Provision for credit losses determined under the Bank of Jamaica regulatory requirements

The effect of the provision for credit losses determined under the Bank of Jamaica regulatory requirements is to preserve capital. No amounts are booked to the income statement in respect of regulatory provisions. Provisions calculated based on regulatory requirements that exceed the amounts required under IFRS are transferred from retained earnings to a non-distributable loan loss reserve in stockholders' equity.

The provision for credit losses determined under the Bank of Jamaica regulatory requirements comprises a "specific provision", a "special provision" and a "general provision". The specific and special provisions are determined based on each specific loan for which problems have been identified. The general provision is considered to be prudential in nature and is established to absorb portfolio losses.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(j) Provision for credit losses determined under the Bank of Jamaica regulatory requirements (continued)

The specific provision is established for the estimated net loss for all non-performing loans and performing loans that meet specified criteria. Loans are considered to be non-performing where a principal or interest payment is contractually 90 days or more in arrears. At the time of classification as non-performing, any interest that is contractually due but in arrears is reversed from the income statement and interest is thereafter recognised in the income statement on the cash basis only. The estimated net loss is defined as the net exposure remaining after deducting the estimated net realisable value of the collateral (as defined by and determined by the regulations) from the outstanding principal balance of the loan. The regulations quantify the specific provision at ranges from 20% to 100% of the estimated net loss of each non-performing loan depending on the length of time the loan has been in arrears. In addition, where a non-performing loan is fully secured but the collateral is unrealised for a period of 12 months, a provision of 50% of the amounts outstanding should be made. Where the collateral is unrealised for a further 6 months (with limited exceptions which allow for up to a further 15 months) a full provision is made. The regulations further require that the specific provision for each loan should not be less than 1% of the amounts outstanding.

In respect of loans that are considered sub-standard for reasons other than being non-performing, a special provision is established for the greater of 1% of the amounts outstanding or 20% of the estimated net loss. A general provision is established for all loans (other than loans for which specific and special provisions were established) at 1% of the amounts outstanding.

(k) Property, plant and equipment

Freehold land and buildings owned and used by the Group are treated as owner-occupied properties. These properties are stated at their fair values based on valuations by external valuers, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation.

Increases in the carrying amounts arising from the revaluation of owner-occupied properties are included in the owner-occupied properties fair value reserve. Decreases that offset previous increases of the same asset are charged against the owner-occupied properties fair value reserve. All other reductions are taken directly to the income statement.

Depreciation is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates are as follows:

Freehold buildings	2.5%
Leasehold improvements	Period of lease, not to exceed ten years
Computer equipment	20 - 33⅓%
Furniture	10%
Other equipment	15- 50%
Motor vehicles	20%
Land is not depreciated	

2. Summary of Significant Accounting Policies (Continued)

(k) Property, plant and equipment (continued)

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the profit or loss when the expenditure is incurred. On disposal of revalued assets, the revaluation amounts are transferred to retained earnings.

(l) Real estate developed for sale

Construction in progress for resale is classified as real estate held for resale and are accounted for in accordance with IAS 2, Inventory. They are valued at the lower of cost and net realisable value. Gains and losses realised on the sale of real estate are included in revenue at the time of sale.

(m) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries or associates and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, as, in the case of a bargain purchase, the difference is recognised as negative goodwill directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Contractual customer relationships

This asset represents the present value of the benefit to the Group from customer lists, contracts, or customers relationships that can be identified separately and measured reliably. Customer relationships include those of insurance and banking customer relationships with an estimated useful life of 10 to 20 years.

(iii) Trademarks and licences

Trademarks and licences are shown at historical cost. They have a definite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful life.

(iv) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful life of three years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(n) Employee benefits
The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(i) Pension obligations
A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group pays contributions to privately administered pension plans on a contractual basis. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are charged to the income statement in the period to which they relate.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality sovereign bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

(ii) Other post-retirement benefit obligations
The Group provides supplementary health, dental and life insurance benefits to qualifying employees upon retirement. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Annual leave
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year-end date.

2. Summary of Significant Accounting Policies (Continued)

(n) Employee benefits (continued)

(iv) Share-based compensation
The Group operates equity-settled, share-based compensation plans namely; Long-term Incentive Plan (LTI) and Staff Share Purchase Plan (SSPP).

Share options
Senior Executives of the Group participate in a LTI for Share Options. Shares are purchased on the market and held in trust by the LTI Trust until they are transferred to Executives. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity reserve for share based compensation over the remaining vesting period. Proceeds received net of any directly attributable transaction costs are paid to the trust on transfer of share options being exercised. Any cost to the Group beyond the exercise price of the options is reported in equity as provided for under IFRS 2.

Share grants
Senior Executives of the Group participate in a Long-term Incentive Plan for stock grants. Grants earned have a vesting period of four years after which they will expire. The market value of the shares issued at grant date is recognised as an expense in the measurement year to which the grants relate.

Share purchase plan
Non – Executive employees of the Group are eligible to purchase shares in the Sagicor Group Jamaica Limited at a discount under a share purchase plan.

(v) Bonus Plans
Annual Incentives Plan for Bonus
Senior Executives of the Group participate in an Annual Incentive plan for bonus which is paid on company and individual performance against a balanced score card.

Productivity bonus
The Group recognises a liability and an expense for productivity bonuses as profit-sharing, paid to Non- Executive administrative staff based on a formula that takes into consideration the net profit for the period. The Group recognises a provision where contractually obliged or where past practice has created a constructive obligation.

(vi) Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary separation. Benefits falling due more than twelve months after the year end date are discounted to present value.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(o) Share capital, reserves and transfers

Share Capital
Shares are classified as equity when there is no obligation to transfer cash or other assets.

(i) Share issuance cost
Incremental costs directly attributable to the issue of new shares or options are shown in stockholders' equity as a deduction from the proceeds.

(ii) Mandatorily redeemable preference shares are classified as liabilities.

(iii) Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the company's Board of Directors.

Dividends for the year that are declared after the year end date are dealt with in the subsequent events note.

(iv) Treasury Stock
Sagicor Group Jamaica Limited shares held by Group member companies or the LTI and SSPP are carried as treasury stock on consolidation and reported in stockholders' equity.

(v) Reserve and transfers
Special investment reserve
Unrealised gains on investment properties are recorded in the income statement under IFRS. Regulatory reserve requirements are met through the following:

- Net unrealised gains brought forward at the beginning of each year are transferred to the special Investment reserve from retained earnings at 10%.
- Net unrealised gains earned during the year are transferred from retained earnings to the special investment reserve at 10%.

Transfers to retained earnings
Unrealised gains on certain quoted equities were recorded in the investment and fair value reserves under IFRS. Regulatory reserve requirements are met by transferring the following:

- Net unrealised gains brought forward at the beginning of each year are transferred from the investment and fair value reserves to retained earnings at 25%.
- Net unrealised gains earned during the year are transferred from the investment and fair value reserves to the retained earnings at 25%.

2. Summary of Significant Accounting Policies (Continued)

(p) Financial liabilities

(i) Classification
Financial liabilities are measured at initial recognition at fair value and are classified as and subsequently measured either at amortised cost, or at FVTPL. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The financial liabilities described under the unit linked fair value model are classified and measured at FVTPL as the Group is obligated to provide investment returns to the unit holder in direct proportion to the investment returns on a specific portfolio of assets, which are also carried at FVTPL. Derivative financial liabilities are carried at FVTPL. All other financial liabilities are carried at amortised cost. Financial liabilities measured at FVTPL do not have a cumulative own credit adjustment gain or loss.

During the ordinary course of business, the Group issues investment contracts or otherwise assumes financial liabilities that expose the Group to financial risk. The recognition and measurement of the Group's principal types of financial liabilities are disclosed in the following paragraphs.

Deposit liabilities
Deposits are recognised initially at fair value and are subsequently measured at amortised cost using the effective yield method plus or minus transaction costs.

Loans and other debt obligations
Loans and other debt obligations are recognised initially at fair value, being their issue proceeds, net of transaction costs incurred. Subsequently, obligations are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the loan obligations using the effective yield method.

Obligations undertaken for the purposes of financing operations and capital support are classified as loans payable and associated cost classified as finance costs. Loan obligations undertaken for the purposes of providing funds for on-lending, leasing or portfolio investments are classified as deposit and security liabilities and the associated cost is included in interest expense.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Structured products
Structured products are recognised initially at the nominal amount when funds are received. Derivatives are separately accounted for at FVTPL. The non-derivative elements are stated at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance and investment contracts

(i) Classification (continued)
The Group issues policy contracts that transfer insurance risk and/or financial risk from the policyholder.

The Group defines insurance risk as an insured event that could cause an insurer to pay significant additional benefits in a scenario that has a discernible effect on the economics of the transaction.

Insurance contracts transfer insurance risk and may also transfer financial risk. Once a contract has been classified as an insurance contract, it remains an insurance contract for its duration, even if the insurance risk reduces significantly over time. Investment contracts transfer financial risk and no significant insurance risk. Financial risk includes credit risk, liquidity risk and market risk.

A reinsurance contract is an insurance contract in which an insurance entity cedes assumed risks to another insurance entity.

(ii) Recognition and measurement
Insurance contracts and investment contracts issued by the Group are summarised below:

(1.1) Property and casualty insurance contracts
Property and casualty insurance contracts are generally one-year renewable contracts issued by the insurer covering insurance risks over property, accident and liability. Property insurance contracts provide coverage for the risk of property damage or of loss of property. Commercial property, homeowners' property and certain marine property are common types of risks covered. For commercial policyholders insurance may include coverage for loss of earnings arising from the inability to use property which has been damaged or lost. Casualty insurance contracts provide coverage for the risk of causing physical harm or financial loss to third parties. Personal accident, employers' liability, public liability, product liability and professional indemnity are common types of casualty insurance.

Written premiums are recognised when due. Premium revenue is recognised as earned on a pro-rated basis over the term of the respective policy coverage. If alternative insurance risk exposure patterns have been established over the term of the policy coverage, then premium revenue is recognised in accordance with the risk exposure. The provision for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage.

Claims and loss adjustment expenses are recorded as incurred. Claim reserves are established for both reported and un-reported claims. Claim reserves represent estimates of future payments of claims and related expenses less anticipated recoveries with respect to insured events that have occurred up to the date of the financial statements.

An insurer may obtain reinsurance coverage for its property and casualty insurance risks. The reinsurance ceded premium is expensed on a pro-rata basis over the term of the respective policy coverage or of the reinsurance contract as appropriate. Reinsurance claim recoveries are established at the time of the recording of the claim liability and are computed on a basis which is consistent with the computation of the claim liability. Profit sharing commission due to the Group is accrued as commission income when there is reasonable certainty of earned profit.

Commissions are recognised on the same basis as premiums earned. At the date of the financial statements, commissions attributable to unearned premiums are recorded as deferred policy acquisition costs. Profit sharing commission payable to reinsurers by the Group arises from contracts between an insurer and a broker; it is accrued on an aggregate basis and it is adjusted to actual in respect of each individual contract when due.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance and investment contracts (continued)

(ii) Recognition and measurement (continued)

(1.2) Health insurance contracts -
Health insurance contracts are generally one-year renewable contracts issued by the insurer covering insurance risks for medical expenses of insured persons.

Premium revenue is accrued when due for contracts where the premium is billed monthly. For contracts where the premium is billed annually or semi-annually, premium revenue is recognised as earned on a pro-rata basis over the term of the respective policy coverage. The provision for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage.

Claims are recorded on settlement. Reserves are recorded as described in Note 2(r).

An insurer may obtain reinsurance coverage for its health insurance risks. The reinsurance ceded premium is expensed on a pro-rata basis over the term of the respective policy coverage or of the reinsurance contract as appropriate.

Commissions payable are recognised on the same basis as premiums earned.

(1.3) Long-term traditional insurance contracts
These contracts are traditional participating and non-participating policies. The Group's participating policies do not have a discretionary participation feature as the amount of additional benefits is not paid at the discretion of the Group.

Long-term traditional insurance contracts are generally issued for fixed terms of five years or more, or for the remaining life of the insured. Benefits are typically a death, disability or critical illness benefit, a cash value on termination and/or a monthly annuity. Annuities are generally payable until the death of the beneficiaries with a provision for a minimum number of payments. Other benefits such as disability and waiver of premium on disability may also be included in these contracts. Some contracts may allow for the advance of policy loans to the policyholder and may also allow for dividend withdrawals by the policyholder during the life of the contract.

Premium revenue is recognised when due. Typically, premiums are fixed and are required to be paid within the due period for payment. If premiums are unpaid, either the contract may terminate, an automatic premium loan may settle the premium, or the contract may continue at a reduced value.

Policy benefits are recognised on the notification of death, disability or critical illness, on the termination or maturity date of the contract, on the declaration of a cash bonus or dividend or on the annuity payment date. Policy loans advanced are recorded as financial investments (investments at amortised cost) in the financial statements and are secured by the cash values of the respective policies. Policy bonuses may be "non-cash" and utilised to purchase additional amounts of insurance coverage. Accumulated cash bonuses and dividends are recorded as interest bearing policy balances.

Reserves for future policy liabilities are recorded as described in Note 2(r).

An insurer may obtain reinsurance coverage for death benefit insurance risks. Typically, coverage is obtained for individual coverage exceeding prescribed limits. The reinsurance premium is expensed when due, which generally coincides with when the policy premium is due. Reinsurance claim recoveries are established at the time of claim notification. Commissions payable is recognised on the same basis as earned premiums.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance and investment contracts (continued)

(ii) Recognition and measurement (continued)

(1.4) Long-term universal life and unit linked insurance contracts

Universal life and unit linked insurance contracts are generally issued for fixed terms or for the remaining life of the insured. Benefits are typically a death, disability or critical illness benefit, a cash value on termination and/or a monthly annuity. Annuities are generally payable until the death of the beneficiaries with a proviso for a minimum number of payments. Benefits may include amounts for disability or waiver of premium on disability.

Universal life and unit linked contracts have either an interest-bearing investment account and/or unit linked investment accounts. Either gross premiums or gross premiums net of allowances are deposited to the investment accounts. Investment returns are credited to the investment accounts and expenses, not included in the aforementioned allowances, are debited to the investment accounts. Interest bearing investment accounts may include provisions for minimum guaranteed returns or returns based on specified investment indices. Allowances and expense charges are in respect of applicable commissions, cost of insurance, and administrative expenses. Fund withdrawals may be permitted.

Premium revenue is recognised when due and consists of all monies received from the policyholders. Typically, premiums are fixed at the inception of the contract or periodically thereafter, but additional non-recurring premiums may be paid. Policy benefits are recognised on the notification of death, disability or critical illness, on the receipt of a withdrawal request, on the termination or maturity date of the contract, or on the annuity payment date. Reserves for future policy liabilities are recorded as described in Note 2(r).

An insurer may obtain reinsurance coverage for death benefit insurance risks. Typically, coverage is obtained for individual coverage exceeding prescribed limits. The reinsurance premium is expensed when due, which generally coincides with when the policy premium is due. Reinsurance claims recoveries are established at the time of claim notification.
Commissions are generally recognised only on settlement of premiums.

(iii) Liability adequacy test

At each year end date, liability adequacy tests are performed to ensure the adequacy of the contract liabilities, using current estimates of the related expected future cash flows. If a test indicates that the carrying value of insurance contract liabilities is inadequate, then the liabilities are adjusted to correct the deficiency. The deficiency is included in the income statement under benefits.

(iv) Deposit administration and other investment contracts

Deposit administration contracts are issued by an insurer to registered pension schemes for the deposit of pension plan assets with the insurer.

Deposit administration liabilities are recognised initially at fair value and are subsequently stated at:
- amortised cost where the insurer is obligated to provide investment returns to the pension scheme in the form of interest; or
- FVTPL where the insurer is obligated to provide investment returns to the pension scheme in direct proportion to the investment returns on specified blocks of assets.

Deposit administration contributions are recorded directly as liabilities. Withdrawals are deducted directly from the liability. The interest or investment return provided is recorded as an interest expense. In addition, the Group may provide pension administration services to the pension schemes. The Group earns fee income for both pension administration and investment services.

Other investment contracts are recognised initially at fair value and are subsequently stated at amortised cost and are accounted for in the same manner as deposit administration contracts which are similarly classified.

2. Summary of Significant Accounting Policies (Continued)

(q) Insurance and investment contracts (continued)

(v) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within loans and receivables), as well as longer term receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost.

Actuarial liabilities arising from reinsurance are included as an insurance contract liability.

(r) Actuarial liabilities

(1.1) Life insurance and annuity contracts

The determination of actuarial liabilities of long-term insurance contracts has been done using the Policy Premium Method (PPM) of valuation. Under this method, explicit allowance is made for all future benefits and expenses under the policies and expected earned investment income. The premiums, benefits and expenses for each policy are projected and the resultant future cash flows are discounted back to the valuation date to determine the reserves. The actuarial liabilities of health insurance policies and annual renewable group mortgage policies are estimated, in respect of claims that have been incurred but not yet reported or settled.

The process of calculating life insurance and annuity actuarial liabilities for future policy benefits necessarily involves the use of estimates concerning such factors as mortality and morbidity rates, future investment yields, future expense levels and persistency, including reasonable margins for adverse deviations. As experience unfolds, these resulting provisions for adverse deviations will be included in future income to the extent they are released when they are no longer required to cover adverse experience. Assumptions used to project benefits, expenses and taxes are based on insurer and industry experience and are updated annually.

Net insurance contract liabilities represent the amount which, together with estimated future premiums and net investment income, will be sufficient to pay projected future benefits, policyholder dividends and refunds, taxes (other than income taxes) and expenses on policies in-force net of reinsurance premiums and recoveries. The determination of net insurance liabilities is based on an explicit projection of cash flows using current assumptions plus a margin for adverse deviation for each material cash flow item. Investment returns are projected using the current asset portfolios and projected reinvestment yields. The period used for the projection of cash flows is the policy lifetime for most individual insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(r) Actuarial liabilities (continued)

The Group segments assets to support liabilities by major product segment and geographic market and establishes investment strategies for each liability segment. Projected net cash flows from these assets and the policy liabilities being supported by these assets are combined with projected cash flows from future asset purchases to determine expected rates of return on these assets for future years. Investment strategies are based on the target investment policies for each segment and the reinvestment returns are derived from current and projected market rates for fixed income investments. Investment return assumptions for each asset class make provision for expected future asset credit losses, expected investment management expenses and a margin for adverse deviation.

Under this methodology, assets of each insurer are selected to back its actuarial liabilities. Changes in the carrying value of these assets may generate corresponding changes in the carrying amount of the associated actuarial liabilities. Some of these assets may be designated as FVTOCI for which unrealised gains or losses in fair value are recorded in OCI. The fair value reserve for actuarial liabilities has been established in the equity reserves for the accumulation of changes in actuarial liabilities which are recorded in OCI and which arise from recognised unrealised gains or losses in fair value of securities backing liabilities. This approach is called “Shadow Accounting”.

Certain life insurance policies issued by the insurer contain unit policy side funds. The investment returns on these unitised funds accrue directly to the policies with the insurer assuming no credit risk. Investments held in these side funds are accounted for as financial assets at FVTPL and unit values of each fund are determined by dividing the value of the assets in the fund at the date of the financial statements by the number of units in the fund. The resulting liability is included in actuarial liabilities.

(1.1) Life insurance and annuity contracts

An actuarial valuation is prepared annually. Except as described above, changes in the policyholders’ liabilities are recorded in the income statement. Maturities and annuities are accounted for when due.

Death and disability claims and surrenders are recognised in the financial statements in the year in which they have been notified.

Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred.

(1.2) Health insurance contracts

The actuarial liabilities of health insurance policies and renewable term group mortgage policies are estimated in, respect of claims that have been incurred but not yet reported or settled.

(1.3) Property and casualty insurance contracts

The Group is required to actuarially value its insurance reserves annually. Consequently, provision for claims incurred but not reported (IBNR) as well as the provision for adverse deviations have been independently actuarially determined. The remaining components of the reserves, as below, are determined by management, but are also reviewed by the actuary in determining the overall adequacy of the provision for the Group’s insurance liabilities.

(i) Provision for unearned premium

The provision for unearned premium represents that proportion of premiums written in respect of risks to be borne subsequent to the year end, under contracts entered into on or before the date of the statement of financial position.

(ii) Unearned commission

The unearned commission represents the actual commission income on premium ceded on proportional reinsurance contracts relating to the unexpired period of risk carried. The income is deferred as unearned commission reserves and amortised over the period in which the commissions are expected to be earned. These reserves are calculated on the 24th basis.

2. Summary of Significant Accounting Policies (Continued)

(r) Actuarial liabilities (continued)

(1.3) Property and casualty insurance contracts (continued)

(iii) Claims outstanding

A provision is made to cover the estimated cost of settling claims arising out of events which occurred by the year end and IBNR, less amounts already paid in respect of those claims. This provision is estimated by management (insurance case reserves) and the appointed actuary (IBNR) on the basis of claims admitted and intimated.

(iv) *Claims incurred but not reported*

The reserve for IBNR claims has been calculated by an independent actuary using the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method, the Expected Loss Ratio method and the Claim Count method.

(v) Provision for adverse deviations

This provision reflects considerations relating to the company’s claims practices, the underlying data, and the nature of the lines of business and seeks to provide for any unforeseen adverse development in claims liabilities.

(vi) Liability adequacy test

At the end of each reporting period, liability adequacy tests are performed to ensure the adequacy of the policy liabilities, net of related deferred policy acquisition costs. In performing these tests, current best estimates of future contractual cashflows are compared to the carrying amount of policy liabilities and any deficiency is immediately recognised in profit or loss as unexpired risk provision.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(t) Revenue recognition

Revenues from service contracts with customers consist primarily of management and administration fees earned from third party investment funds, pension plans and insurance benefit plans (managed funds or administrative service only (ASO) benefit plans). These service contracts generally impose single performance obligations, each consisting of a series of similar related services to the unitholder or policyholder of each fund or plan. The Group's performance obligations within these service arrangements are generally satisfied over time as the unitholders and policyholders simultaneously receive and consume contracted benefits over time.

The Group also earns revenues for the provision of corporate finance, stockbroking, trust and related services to various customers.

Revenue from service contracts with customers is recognised when (or as) the Group satisfies the performance obligation of the contract. For obligations satisfied over time, revenue is recognised monthly or over some other period. For performance obligations satisfied at a point in time, revenue is recognised at that point in time.

The various fees are billed periodically and are collected either by deduction or within a short period of time.

(i) Premium income

Gross premiums for traditional life and health insurance contracts are recognised as revenue when due. Revenue for universal life products and annuity contributions are recognised when received. When premiums are recognised, the related actuarial liabilities are computed, resulting in benefits and expenses being matched with revenue.

Property and casualty insurance premiums are recognised on a pro-rated basis over the period of the respective policies. Unearned premiums are the proportion of net premiums written in the current year which relate to cover provided in the following year.

Commission payable on premium income and commissions receivable on reinsurance of risks are charged and credited to profit or loss, respectively, over the life of the policies.

Where collection of premium is considered doubtful, or payment is outstanding for more than 90 days, the insurance regulations stipulate that the outstanding premium should be provided for in full. IFRS requires that when premiums become doubtful of collection, they are written down to their recoverable amounts and thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

(ii) Fee income

Fees consist primarily of investment management fees arising from services rendered in conjunction with the issue and management of investment contracts where the Group actively manages the consideration received from its customers to fund a return that is based on the investment profile that the customer selected on origination of the instrument. Fee income is recognised on an accrual basis. Loan origination fees for loans which are likely to be drawn down are deferred, together with related direct costs, and recognised as an adjustment to the effective yield on the loan. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

The Group charges customers for asset management and other related services using the following approaches:

- Front-end fees are charged to the client on inception. This approach is used particularly for single premium contracts. The consideration received is deferred as a liability and recognised over the life of the contract on a straight-line basis.
- Regular fees charged to the customer periodically either directly or by making a deduction from invested funds. Fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

2. Summary of Significant Accounting Policies (Continued)

(t) Revenue recognition (continued)

(iii) Interest income

Jamaican banking regulations stipulate that, where collection of interest income is considered doubtful or payment is outstanding for 90 days or more, interest should be taken into account on the cash basis. See 2 (f) for policies with respect impairment for loan receivable. The difference between the regulatory and IFRS bases of interest recognition was assessed to be immaterial.

(iv) Hotel revenue - Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax or applicable sales tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

i.Sales of services

Sale of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

ii.Sale of goods

Sale of goods, mainly from gift shops is recognised when products are sold to customers. Sales are usually in cash or by credit card.

(v) Land development and resale

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the purchaser. An enforceable right to payment does not arise until legal title has passed to the purchaser. Therefore, revenue is recognised at a point in time when the legal title has passed to the purchaser.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

(u) Interest and commission expense

(i) Interest expense

Interest income (expense) is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments.

(ii) Commission expense

Commissions are expensed over the policy year on the same basis as earned premiums.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(v) Taxation

(i) Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In these cases, the tax is also recognised in OCI or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(w) Fiduciary activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

(x) Financial instruments

Financial instruments carried on the statement of financial position include cash resources, investments, securities purchased under resale agreements, loans & leases, premiums due and unpaid, other assets, securities sold under repurchase agreements, due to banks and other financial institutions, customer deposits and other liabilities.

The fair values of the Group's and the company's financial instruments are disclosed in the notes to the financial statements.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(y) Offsetting of financial instruments

Financial assets and liabilities are offset with the net amount presented in the statements of financial position, only if the Group holds a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis or to realise assets and settle the liability simultaneously. The legal right to set off the recognized amounts must be enforceable in both the normal course of business, and in the event of default, insolvency or bankruptcy of both the Group and its counterparty. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the statement of financial position, the associated income and expense items will also be offset in the income statement, unless specifically prohibited by an applicable accounting standard.

2. Summary of Significant Accounting Policies (Continued)

(z) Securities purchased/sold under agreements to resell/repurchase

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

Derivative financial instruments and hedging activities

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group transacts derivatives for three primary purposes: to create risk management solutions for customers, for proprietary trading purposes, and to manage its own exposure to credit and market risk.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into, and subsequently are re-measured at their fair value at each statement of financial position. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates its interest rate swap as a cash flow hedge. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges, gains and losses relating to the effective portion of changes in the fair value of derivatives are initially recognised in stockholders' equity, in the fair value reserve, and are transferred to the income statement when the forecast cash flows affect the profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in stockholders' equity are recycled to the income statement in the periods when the hedged item affects profit or loss. They are recorded in the revenue or expense lines in which associated with the related hedged item is reported.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in stockholders' equity at that time remains in stockholders' equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in stockholders' equity is immediately transferred to the income statement within net trading income'

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

(i) Consolidation of related entities
Management assessments were done for Sagicor Real Estate X Fund Limited, Sagicor Pooled Investment Fund and Sagicor Sigma Global Funds to ensure proper application of IFRS 10. A number of significant judgements were used regarding whether or not these entities had met the requirements to be consolidated within the financial statements of the Group and are highlighted below:

- Sagicor Pooled Investment Funds, Sagicor Real Estate X Fund Limited and Sigma Funds
  Sagicor Pooled Investment Funds and Sigma Funds are Pooled Investment Funds and Unit Trusts managed by the Group, but which have independent trustees. Determining whether the Group has control over the Pooled Investment Funds and the Unit Trusts requires judgement. This would include a consideration of the trustees' rights to remove the investment manager and an assessment of the exposure to variability arising from the aggregate economic interests of the Group in the Unit Trusts.

  Under IFRS 10, the single party substantive removal rights may in isolation be sufficient to conclude that the fund manager is an agent. However, the language in the Trust Deed is not specific on causes for which the manager can be removed. "Good and sufficient reason" envisaged by the Trust Deed may include negligence, poor financial performance and other reasons. However, the Deed also provides for the right for the manager to appeal. This appeal right and the requirement that the removal of the manager must be withheld by the independent party may limit the Trustee's freedom of removing the manager without good grounds for this. Under these circumstances, drawing a conclusion whether the removal rights of the Trustee are substantive rights requires significant judgement. Management considers that the Group does not have control of The Pooled Investment Fund and The Sagicor Sigma Funds. Although there are contractual terms which provide the Group with influence over The Pooled Investment Fund and The Sagicor Sigma Funds, the overall exposure of the Group to the variability of returns of Sagicor Sigma Funds is not sufficient to conclude that the Group has control. Therefore, the Sagicor Sigma Funds have not been consolidated in these financial statements. For Sagicor Real Estate X Funds Limited, the major consideration influencing the control and consolidation determinations was the Group's majority composition of the Board of Directors of Sagicor Real Estate X Funds Limited.

(ii) Disposal of Sagicor Real Estate X Fund Limited (SREX) and considerations for accounting for SREX as a discontinued operation

During March 2022, SGJ sold 8.56% interest in X Fund Group, reducing the Group's holdings in the company to 20.75%. The remaining shares were gradually sold and fully disposed of effective September 30, 2022.

Under IFRS 5, when a Group disposes of its interest in an entity or a significant portion of the Company, the disclosure should reflect a single amount in the statement of comprehensive income comprising the total of:

- the post-tax profit or loss of discontinued operations; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal Group(s) constituting the discontinued operation.

However, within the context of IAS 1, the analysis of the discontinued operations must be disclosed either in the statement of comprehensive income or in the notes, if material. Management assessed the materiality of SREX as a discontinued operation by considering the following factors:

- The Group's shareholdings – SGJ had a 29.31% stake in the SREX. The company was not a major shareholder of SREX. Considering the shareholdings only, SREX would not have met the criteria for consolidation. The Group was deemed to have control of SREX by maintaining significant representation on the Board of Directors.

3. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

(a) Critical judgements in applying the Group's accounting policies (continued)

(ii) Disposal of Sagicor Real Estate X Fund Limited (SREX) and considerations for accounting for SREX as a discontinued operation (continued)

- SREX as a major line of business –Management determines reportable segments by considering the contribution to net profit, revenues and total assets. For the current financial period, SREX contributed 1% of the profit attributable to shareholders. Its reported revenue was 5% of the Group's total revenue. At the point of sale, SREX had contributed 5% of the Group's asset base. SREX operates within the tourism and hospitality sector which did not meet the criteria for a reportable segment and was not considered to be a primary business segment for the Group.
- SREX contribution to shareholders' profit – The Group took effective control of SREX on October 1, 2018. For the years 2018 to 2021, the Group generated strong returns to shareholders, but, SREX adversely influenced these results. SREX made a negative 1% contribution to shareholders' profit for all periods except 2020. The COVID-19 pandemic caused a full closure of the tourism and hospitality sector in 2020 which led to SREX reducing shareholders' performance by 19%. The COVID-19 period is an outlier and when excluded, SREX did not make a significant contribution to shareholders' results.
- SREX geographical representation – SREX major operations are domiciled in the United States of America (USA). When the company was first consolidated in 2018, USA represented 11% of SGJ's total assets. This was reduced by 1% in 2019 and further a 3% in the following year to close 2020 at 7%. By 2021, USA was 3% of total assets. USA represented 2% to 6% of total revenues for the years 2018 to 2021.

SREX did not materially influence the Group's performance. Therefore, the statement of comprehensive income did not show a section identified as relating to discontinued operations separately from continuing operations. The results of the operations of SREX up to the date of disposal, with comparative, were disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of key sources of estimation uncertainty include the following:

(i) Insurance

The ultimate liability arising from claims made under insurance contracts.

There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Group. Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The Group bases these estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Group's own experience. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected mortality improvements. The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums.

The main source of uncertainty is that epidemics and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed for longevity risk.

Sensitivity analyses for key estimates used in determining the actuarial liabilities are included in Note 49.

For the property and casualty insurance business, outstanding claims comprise estimates of the amount of reported losses and loss expenses and a provision for losses (IBNR) based on the historical experience of the Group and industry data. These claims are analysed separately between those arising from damage to insured property and consequential losses. Claims arising from damage to insured property can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of claims arising from consequential losses makes the estimation process more uncertain for these claims. Significant delays may occur in the notification of claims and a substantial measure of experience and judgment is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as at the reporting date. The reserve for claims outstanding is determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

3. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (continued)

(ii) Pension and post-retirement benefits

The cost of these benefits and the present value of the pension and the other post-retirement liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and post-retirement benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-retirement benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investments returns. The discount rate represents the interest rate that should be used to determine the present value of estimated future cash outflows required to meet the pension, life insurance and medical benefits as they fall due. The discount rate is based on yields on long term Government of Jamaica and CARICOM bonds. The expected rate of increase of medical costs is based on expected increases in utilisation and general increases in medical expenses above expected price inflation. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on current market conditions.

(iii) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iv) Impairment of financial assets

In determining ECL, management is required to exercise judgement in defining what is considered a SICR and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in the earlier sections 'Measurement' and 'Forward-looking information'.

- Establishing staging for debt securities and deposits.

  The Group's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies. The scale is set out in the following table:

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (continued)

(iv) Impairment of financial assets (continued)

- Establishing staging for debt securities and deposits.
The Group uses its internal credit rating model to determine in which of the three stages an asset is to be categorised for the purposes of ECL. Once the asset has experienced a SICR the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition, if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagicor risk rating of 1-3 is considered low credit risk. Stage 1 investments are rated (i) investment grade, or (ii) below investment grade and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

- Establishing staging for other assets measured at amortised cost, lease receivables, loan commitments and financial guarantee contracts.

  Exposures are considered to have resulted in a SICR and are moved to stage 2 when:

  Qualitative test
  Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

  Backstop Criteria
  Accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into stage 2.

- Forward looking information
When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Jamaica, Cayman Islands and Costa Rica to a lesser extent. Management assesses data sources from the government, International Monetary Fund (IMF) and other reliable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the long-term average performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

(v) Fair value of securities not quoted in an active market

The Group owns a 4.5% shareholding in Cornerstone Financial Holding Limited (CFHL), a company registered in Barbados. In July 2020, there was a rights issue done by Cornerstone United Holdings Limited (CUHL), a company registered in Jamaica, in which the Group did not participate. Subsequent to the CUHL rights issue, CFHL issued shares to only those shareholders who participated in the CUHL rights issue thus diluting the Group's shareholding to 3.47% from 4.5%. CFHL had a second rights issue further diluting the company's shareholding to 2.82%. The Group is contesting the rights issues in CFHL on the basis of their legality and therefore valued its shareholding at 4.5% in these financial statements as at December 31, 2022. Should the courts rule against the Group then the value of its holding will need to be written down by $814,630,000. See also Note 53.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

(b) Key sources of estimation uncertainty (continued)

(vi) Estimated impairment of intangible assets

Goodwill
The assessment of goodwill impairment involves the determination of the recoverable amount of the cash-generating units to which the goodwill has been allocated. Determination of the recoverable amount involves the estimation of future net income of these business units and the expected returns to providers of capital to the business units and the Group as a whole. Determinations of recoverable amounts can be sensitive to certain key inputs such as earnings forecasts, discount rates and terminal value growth rates. Amounts actually recovered from CGUs through either sale or use may differ from the amounts estimated.

Other intangible assets
The assessment of impairment of other intangible assets involves the determination of the intangible asset's fair value or value in use. In the absence of an active market for an intangible, its fair value may need to be estimated. In determining an intangible asset's value in use, estimates are required of future cash flows generated because of the assets.

(vii) Purchase Price Allocation of a business combination
In a business combination, the acquirer must allocate the cost of the business combination at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at fair value at that date. The allocation is based upon certain valuations and other studies performed with the assistance of external valuation specialists. Due to the underlying assumptions made in the valuation process, the determination of those fair values requires estimations of the effects of uncertain future events at the acquisition date and the carrying amounts of some assets, such as intangible assets, acquired through a business combination could therefore differ significantly in the future.

4. Responsibilities of the Appointed Actuary and External Auditors

The Board of Directors pursuant to the Insurance Act appoints the Actuary whose responsibility is to carry out an annual valuation of the policy liabilities of the Insurance Companies in accordance with accepted actuarial practice and regulatory requirements and report thereon to the policyholders and stockholders. In performing the valuation, the Actuary makes assumptions as to the future rates of interest, asset defaults, mortality, morbidity, claims experience, policy termination, inflation, reinsurance recoveries, expenses and other contingencies, taking into consideration the circumstances of the companies and the insurance policies in force.

The stockholders pursuant to the Companies Act appoint the external auditors. Their responsibility is to conduct an independent and objective audit of the financial statements in accordance with International Standards on Auditing and report thereon to the stockholders. In carrying out their audit, the auditors also make use of the work of the appointed Actuary and the report on the policy liabilities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information

Management has determined the operating segments based on the reports reviewed by the Group President and CEO that are used to make strategic decisions. The Group President and CEO is considered to be the Chief Operating Decision Maker (CODM).

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats. The Group is organised into four primary business segments and another which captures all other business activities:

(a) Individual Lines - Provides life insurance, health and annuity products to individuals.

(b) Employee Benefits – Provides group life and creditor life, personal accident, group health, group annuities, pension funds investment and administration services and the administration of trust accounts.

(c) Commercial Banking – Comprises of personal banking, retail mortgages, small business (SME's) banking, treasury management and corporate banking.

(d) Investment Banking – Comprises of wealth management products and services offered to retail and institutional clients; including unit trusts, mutual funds, brokerage, asset management and corporate trust.

(e) Other – Comprises property management, captives management, property and casualty insurance, hospitality services, real estate investment and stockholders' funds.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position, but exclude items such as taxation, retirement benefit assets and obligations.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is profit before taxation.

Segment liabilities that are reviewed by the CODM include policyholders' funds and interest-bearing liabilities.

Costs incurred by the support units of the Group are allocated to the business segments based on certain criteria determined by management. These criteria include staff complement, square footage and time spent providing the service to the business segment. The expenses that are allocated are mainly staff costs, depreciation and amortisation and other operating expenses and are treated as direct allocated costs.

Transactions between the operating segments are on normal commercial terms and conditions. There has been no change in the basis of the pricing of transactions over the prior year.

Eliminations comprise inter-company and inter-segment transactions.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2022 or 2021.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information (Continued)

	The Group						
	2022						
	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	33,002,695	29,292,952	17,182,682	4,534,381	13,091,573		97,104,283
Revenue from other segments	61,241	-	84	139,789	782,899	(984,013)	-
Total revenue	33,063,936	29,292,952	17,182,766	4,674,170	13,874,472	(984,013)	97,104,283
Benefits and expenses	(26,075,322)	(24,816,281)	(10,971,954)	(2,676,547)	(12,095,635)	416,343	(76,219,396)
Change in actuarial liabilities	4,437,290	(429,167)	-	-	-	(162,449)	3,845,674
Depreciation and amortisation	(201,346)	(120,198)	(716,110)	(150,802)	(1,416,390)	-	(2,604,846)
Asset tax and other taxes	(117,654)	(36,181)	(404,804)	(242,547)	(92,094)	-	(893,280)
Total benefits and expenses	(21,957,032)	(25,401,827)	(12,092,868)	(3,069,896)	(13,604,119)	253,894	(75,871,848)
Share of profit from joint venture	-	439,994	-	-	-	-	439,994
Gains on disposal of subsidiary	-	-	-	-	258,208	-	258,208
Profit before taxation	11,106,904	4,331,119	5,089,898	1,604,274	528,561	(730,119)	21,930,637
Taxation	(2,370,488)	(277,961)	(1,795,525)	(406,505)	(484,278)		(5,334,757)
Net profit/(loss)	8,736,416	4,053,158	3,294,373	1,197,769	44,283	(730,119)	16,595,880
Segment assets -							
Intangible assets	1,626,848	583,559	1,548,458	650,832	4,458,900	-	8,868,597
Other assets	71,050,318	83,912,520	190,248,524	117,400,652	42,113,111	(972,828)	503,752,297
	72,677,166	84,496,079	191,796,982	118,051,484	46,572,011	(972,828)	512,620,894
Unallocated assets -							
Investments in joint venture (Note 13)							1,830,001
Deferred income taxes (Note 20)							4,021,850
Retirement benefits asset (Note 19)							706,137
Total assets							519,178,882
Segment liabilities	58,428,924	71,300,405	166,940,135	100,682,042	19,272,851	(16,790,734)	399,833,623
Unallocated liabilities -							
Deferred income taxes (Note 20)							421,305
Retirement benefit obligations (Note 19)							3,000,585
Total liabilities							403,255,513
Other segment items:							
Capital expenditure: Computer software (Note17)							592,580
Property, plant and equipment (Note 18)							928,072

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information (Continued)

	The Group						
	2021						
	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues	37,359,587	29,709,853	15,523,596	7,379,857	12,587,786		102,560,679
Revenue from other segments	19,623	-	35,924	(44,272)	629,844	(641,119)	-
Total revenue	37,379,210	29,709,853	15,559,520	7,335,585	13,217,630	(641,119)	102,560,679
Benefits and expenses	(24,898,663)	(22,721,910)	(9,529,138)	(2,230,157)	(11,398,817)	380,028	(70,398,657)
Change in actuarial liabilities	(570,651)	(3,783,394)	-	-	-	74,847	(4,279,198)
Depreciation and amortisation	(210,808)	(161,169)	(679,156)	(130,494)	(1,537,659)	-	(2,719,286)
Asset tax and other taxes	(105,518)	(35,634)	(363,645)	(231,484)	(94,486)	-	(830,767)
Total benefits and expenses	(25,785,640)	(26,702,107)	(10,571,939)	(2,592,135)	(13,030,962)	454,875	(78,227,908)
Share of profit from joint venture	-	607,764	-	-	-	-	607,764
Losses on disposal of associate	-	-	-	-	(233,088)	-	(233,088)
Goodwill impairment	-	-	-	-	(614,400)	-	(614,400)
Profit before taxation	11,593,570	3,615,510	4,987,581	4,743,450	(660,820)	(186,244)	24,093,047
Taxation	(2,641,512)	51,711	(1,719,914)	(1,402,284)	(737,960)	-	(6,449,959)
Net profit	8,952,058	3,667,221	3,267,667	3,341,166	(1,398,780)	(186,244)	17,643,088
Segment assets -							
Intangible assets	1,643,141	591,161	1,304,455	669,239	1,664,446	-	5,872,442
Other assets	74,142,601	84,974,612	173,716,507	125,394,021	75,976,578	(15,868,270)	518,336,049
	75,785,742	85,565,773	175,020,962	126,063,260	77,641,024	(15,868,270)	524,208,491
Unallocated assets -							
Investments in joint venture (Note 13)							1,329,797
Deferred income taxes (Note 20)							1,980,237
Retirement benefits asset (Note 19)							472,179
Total assets							527,990,704
Segment liabilities	60,516,060	72,157,243	148,980,811	100,825,423	43,533,671	(40,751,899)	385,261,309
Unallocated liabilities -							
Deferred income taxes (Note 20)							2,169,101
Retirement benefit obligations (Note 19)							5,780,581
Total liabilities							393,210,991
Other segment items:							
Capital expenditure: Computer software (Note17)							390,564
Property, plant and equipment (Note 18)							509,467

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

5. Segmental Financial Information (Continued)

	The Group 2022						
	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from contracts with customers:							
Products transferred at a point in time	-	-	7,054,859	39,877	2,228,182	-	9,322,918
Products and services transferred over time	154,412	1,360,737	659,147	1,831,866	5,604,412	-	9,610,574
Total included in fees and other revenue	154,412	1,360,737	7,714,006	1,871,743	7,832,594	-	18,933,492

	The Group 2021						
	Individual Lines	Employee Benefits	Commercial Banking	Investment Banking	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from contracts with customers:							
Products transferred at a point in time	-	-	5,536,737	296,846	1,020,608	-	6,854,191
Products and services transferred over time	142,706	1,297,758	355,019	2,207,061	5,611,150	-	9,613,694
Total included in fees and other revenue	142,706	1,297,758	5,891,756	2,503,907	6,631,758	-	16,467,885

The Group's geographic information:

	Jamaica	Cayman Islands	United States of America	Other	Total
2022					
	$'000	$'000	$'000	$'000	$'000
Revenue	89,091,420	3,353,427	4,659,436	-	97,104,283
Total assets	447,203,379	70,145,502	-	1,830,001	519,178,882
2021					
	$'000	$'000	$'000	$'000	$'000
Revenue	92,662,161	5,479,772	4,418,746	-	102,560,679
Total assets	473,119,393	35,140,731	18,400,783	1,329,797	527,990,704

Geographically, the segments are Jamaica, Cayman Islands, United States of America and Other (Costa Rica and St. Lucia).

Segment assets consist of investments that match insurance and banking liabilities, intangible assets and other operating assets such as receivables and cash. They exclude deferred income taxes, retirement benefit assets investments in joint ventures and investment in associates.

Segment liabilities comprise insurance liabilities, financial liabilities arising mainly from investment contracts and borrowing arrangements. They exclude items taxation, and retirement benefit liabilities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

6. Cash Resources

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balances with banks payable on demand	17,359,184	18,729,652	655,852	431,177
Cash in hand	4,893,486	4,654,319	-	-
Balances as per statement of financial position	22,252,670	23,383,971	655,852	431,177
Restricted cash	-	(941,626)	-	-
Short term deposits	3,161,031	16,993,393	22,549	-
Securities purchased under resale agreement	2,813,219	6,928,063	309,668	342,962
USA Government Treasury Bills and BOJ CD's	14,715,186	5,520,295	-	-
Balances as per statement of cash flows	42,942,106	51,884,096	988,069	774,139

Cash and cash equivalents represent deposits and investment securities with original maturities of less than 90 days.

7. Cash Reserves at Central Bank

Minimum cash reserve and liquid asset ratios in respect of deposit liabilities are required to be maintained by Sagicor Bank Jamaica Limited with the Bank of Jamaica. Cash reserves are not available for investment, lending or other use by the Bank.

The cash reserve requirements of deposit-taking institutions (DTIs) with respect to both local and foreign currency prescribed liabilities remained unchanged at 5% and 13% respectively. Effective October 1, 2022, the Liquid asset requirements were reduced by 4% points. The local currency liquid asset requirement was reduced to 5% and the foreign currency liquid asset requirement was reduced to 13%. This completed a series of reductions initiated by the Bank of Jamaica in April 2022 to reduce the liquid asset requirements by 14% points.

No interest is paid on cash reserves.

8. Financial Investments

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Financial assets at FVTPL -				
Debt Securities				
Sovereign bonds	3,766,067	3,270,805	-	-
Corporate bonds	4,950,985	5,965,293	-	-
	8,717,052	9,236,098	-	-
Equities				
Quoted and unquoted equities	11,040,472	14,278,885	-	-
Unit trusts	29,100,535	24,098,411	-	-
	40,141,007	38,377,296		-
Derivative	2,378	16,733	-	-
Total FVTPL	48,860,437	47,630,127	-	-
Financial assets at FVTOCI -				
Debt Securities				
Sovereign bonds	112,781,174	103,289,227	-	-
Corporate bonds	55,408,206	62,466,624	-	-
	168,189,380	165,755,851	-	-
Equities				
Quoted and unquoted equities	56,009	79,950	-	-
Total FVTOCI	168,245,389	165,835,801	-	-
Investments at amortised cost, net of ECL-				
Debt Securities:				
Sovereign bonds	78,210,834	75,858,109	-	554,348
Corporate bonds	8,959,896	12,510,025	-	-
Securities purchased under resale agreement	4,882,866	10,467,668	309,783	342,962
Policy loans	985,278	1,007,286	-	-
Short term deposits	5,112,233	19,072,419	426,746	445,679
Total investments at amortised cost, net of ECL	98,151,107	118,915,507	736,529	1,342,989
Less Pledged assets (Note 11)	(94,209,543)	(93,636,126)	(267,294)	(439,997)
Total Financial Investments	221,047,390	238,745,309	469,235	902,992

Current portion of Financial Instruments disclosed under Note 48 (d).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

Derivatives

Derivatives are carried at fair value and carried in the statement of financial position as separate assets and liabilities. Asset values represent the cost to the Group of replacing all transactions with a fair value in the Group's favour assuming that all relevant counterparties default at the same time and that transactions can be replaced instantaneously. Liability values represent the cost to the Group counterparties of replacing all their transactions with the Group with a fair value in their favour if the Group was to default. Derivative assets and liabilities on different transactions are only set off if the transactions are with the same counterparty, a legal right of set-off exists and the cash flows are intended to be settled on a net basis. The fair values are set disclosed in the table above.

The derivative is an Equity Indexed Option. Equity Indexed Options give the holder the ability to participate in the upward movement of an equity index while protecting from downward risk and form part of certain structured product contracts with customers (Note 29). The Group is exposed to credit risk on purchased options only, and only to the extent of the carrying amount, which is their fair value.

8. Financial Investments (Continued)

The table below shows the composition of FVTPL securities according to those securities that were mandatorily designated, and those that were designated by election.

	2022			2021		
	Mandatory designation $'000	Designated by election $'000	Total $'000	Mandatory designation $'000	Designated by election $'000	Total $'000
Unit trust and equities	31,040,930	9,100,077	40,141,007	30,930,383	7,446,913	38,377,296
Derivatives	-	2,378	2,378	-	16,733	16,733
Debt securities	8,622,399	94,653	8,717,052	8,554,670	681,428	9,236,098
	39,663,329	9,197,108	48,860,437	39,485,053	8,145,074	47,630,127

Concentration of debt instruments
The group also manages its exposure to credit risk by analysing the financial investments by whether corporate or sovereign, and the location and sector of the issuer.

The table below is a summary of financial instruments by location, sovereign and corporate.

	The Group	
	2022	2021
Debt securities	**$'000**	**$'000**
Sovereign debt instruments		
Jamaica	170,767,713	172,364,192
Trinidad & Tobago	2,694,574	2,756,325
Barbados	152,964	168,117
USA	18,864,969	4,464,961
Canada	267,737	305,294
Other	2,010,118	2,359,252
Corporate debt instruments		
Jamaica	37,065,698	33,575,814
Trinidad & Tobago	2,961,602	3,166,288
USA	21,209,867	29,873,069
Canada	426,993	984,000
Other	7,654,927	13,342,771
	264,077,162	263,360,083

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

The table below is a summary sector concentration of corporate instruments.

	The Group	
	2022	**2021**
	$'000	**$'000**
Corporate debt instruments		
Communication Services	3,076,033	4,321,592
Consumer Discretionary	5,225,386	6,669,654
Consumer Staples	2,430,955	3,849,729
Energy	18,935,193	11,598,797
Financials	18,993,042	27,204,450
Health Care	3,277,956	5,017,460
Industrials	3,361,698	4,146,706
Information Technology	5,853,591	7,824,528
Materials	2,676,851	3,687,946
Real Estate	1,154,722	735,886
Tourism	197,581	236,598
Utilities	4,136,079	5,648,596
	69,319,087	80,941,942

Provision for credit losses recognised in the Group's income statement are as follow:

	The Group	
	2022	**2021**
	$'000	**$'000**
Loans and Leases (Note 10)	(491,883)	(86,825)
Investments (Note 8)	(122,882)	332,113
Total per income statement	(614,765)	245,288

8. Financial Investments (Continued)

The Group categorises its financial assets into investment grade, non-investment grade, watch, default and unrated. The maximum exposure to credit risk for financial assets carried at fair value represents their amortised cost, as this is the maximum amount of credit loss the Group and Company will suffer in the event of a total default of the counterparty. For financial assets carried at FVTOCI, the amounts shown in the tables will therefore not necessarily reconcile to the financial statements, as the carrying amounts have been adjusted for fair value movements.

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

The Group-2022					
	ECL Staging				
FINANCIAL INVESTMENTS-AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Investment	3,606,830	-	-	-	3,606,830
Non-investment	94,763,927	-	-	-	94,763,927
Gross carrying amount	98,370,757	-	-	-	98,370,757
Loss allowance	(219,650)	-	-	-	(219,650)
Carrying amount	98,151,107	-	-	-	98,151,107

The Group-2021					
	ECL Staging				
FINANCIAL INVESTMENTS-AMORTISED COST	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Investment	7,340,753	-	-	-	7,340,753
Non-investment	111,791,693	-	-	-	111,791,693
Gross carrying amount	119,132,446	-	-	-	119,132,446
Loss allowance	(216,939)	-	-	-	(216,939)
Carrying amount	118,915,507	-	-	-	118,915,507

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

Credit risk exposure- financial investments subject to impairment (continued)

FINANCIAL INVESTMENTS at FVTOCI	The Group-2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Purchased credit-impaired	Total
	$000	$000	$000	$000	$000
Credit grade:					
Investment	63,413,292	-	-	-	63,413,292
Non-investment	119,086,319	2,820,957	-	165,095	122,072,371
Maximum credit exposure	182,499,611	2,820,957	-	165,095	185,485,663
Loss allowance	(231,375)	(173,297)	-	-	(404,672)
Maximum credit exposure less ECLs	182,268,236	2,647,660	-	165,095	185,080,991

FINANCIAL INVESTMENTS at FVTOCI	The Group-2021				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Purchased credit-impaired	Total
	$000	$000	$000	$000	$000
Credit grade:					
Investment	51,470,062	-	-	-	51,470,062
Non-investment	110,673,487	2,738,789	-	168,278	113,580,554
Maximum credit exposure	162,143,549	2,738,789	-	168,278	165,050,616
Loss allowance	(233,483)	(163,620)	-	-	(397,103)
Maximum credit exposure less ECLs	161,910,066	2,575,169	-	168,278	164,653,513

8. Financial Investments (Continued)

Credit risk exposure- financial investments subject to impairment (continued)

FINANCIAL INVESTMENTS – AMORTISED COST	The Company-2022				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Purchased credit-impaired	Total
	$000	$000	$000	$000	$000
Credit grade:					
Non-investment	736,529	-	-	-	736,529
Gross carrying amount	736,529	-	-	-	736,529
Loss allowance	-	-	-	-	-
Carrying amount	736,529	-	-	-	736,529

FINANCIAL INVESTMENTS – AMORTISED COST	The Company-2021				
	ECL Staging				
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL	Purchased credit-impaired	Total
	$000	$000	$000	$000	$000
Credit grade:					
Non-investment	1,343,939	-	-	-	1,343,939
Gross carrying amount	1,343,939	-	-	-	1,343,939
Loss allowance	(950)	-	-	-	(950)
Carrying amount	1,342,989	-	-	-	1,342,989

Maximum exposure to credit risk - Financial instruments not subject to impairment

For financial investments measured at FVTPL which are related to the unit-linked funds insurance and investment contracts, the unit holders bear the credit risk and the Group has no direct credit exposure.

	The Group Maximum exposure to credit risk	
	2022	2021
	$000	$000
Financial assets designated at fair value		
Debt securities	8,622,399	8,554,670
Equity securities	31,040,930	30,930,383

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

The following tables contain an analysis of the movement of ECL allowance.

	The Group-2022				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
FINANCIAL INVESTMENTS – AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 01, 2022	216,939	-	-	-	216,939
New financial assets originated or purchased	15,662	-	-	-	15,662
Financial assets fully derecognised during the period	(7,272)	-	-	-	(7,272)
Changes to inputs used in ECL calculation	(3,514)	-	-	-	(3,514)
Foreign exchange adjustment	(2,165)	-	-	-	(2,165)
Loss Allowance as at December 31, 2022	219,650	-	-	-	219,650

	The Group-2021				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
FINANCIAL INVESTMENTS – AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 01, 2021	203,870	-	-	-	203,870
New financial assets originated or purchased	18,096	-	-	-	18,096
Financial assets fully derecognised during the period	(22,883)	-	-	-	(22,883)
Changes to inputs used in ECL calculation	8,707	-	-	-	8,707
Foreign exchange adjustment	9,149	-	-	-	9,149
Loss Allowance as at December 31, 2021	216,939	-	-	-	216,939

8. Financial Investments (Continued)

Loss allowances (continued)

	The Group-2022				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – FVTOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 01, 2022	233,483	163,620	-	-	397,103
Transfers:					
Transfer from Stage 1 to Stage 2	(4,859)	4,859	-	-	-
Transfer from Stage 2 to Stage 1	29,802	(29,802)	-	-	-
New financial assets originated or purchased	36,944	-	-	-	36,944
Financial assets fully derecognised during the period	(24,259)	(21,051)	-	-	(45,310)
Changes to inputs used in ECL calculation	(37,739)	57,887	-	-	20,148
Foreign exchange adjustment	(1,997)	(2,216)	-	-	(4,213)
Loss Allowance as at December 31, 2022	231,375	173,297	-	-	404,672

	The Group-2021				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – FVTOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 01, 2021	242,181	251,590	405,916	-	899,687
Transfers:					
Transfer from Stage 1 to Stage 2	(44)	44	-	-	-
Transfer from Stage 2 to Stage 1	3	(3)	-	-	-
New financial assets originated or purchased	52,426	-	-	-	52,426
Financial assets fully derecognised during the period	(47,991)	(145,975)	(405,916)	-	(599,882)
Changes to inputs used in ECL calculation	(21,693)	49,777	-	-	28,084
Foreign exchange adjustment	8,601	8,187	-	-	16,788
Loss Allowance as at December 31, 2021	233,483	163,620	-	-	397,103

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

Loss allowances (continued)

The most significant period-end assumptions used for the ECL were as follows:

Economic variable assumptions for exposure in corporate securities

Outlook for the next three (3) years from December 2022:

		2023	2024	2025
S&P 500 Financial Index EPS	Base	60	50	50
	Upside	50	50	50
	Downside	70	50	50
World GDP growth rate	Base	2.7%	3.2%	3.4%
	Upside	4.1%	4.8%	5.1%
	Downside	1.9%	2.3%	2.4%
WTI Oil Prices/10	Base	7.73	7.25	6.86
	Upside	9.35	9.35	9.35
	Downside	3.14	2.95	2.79

Outlook for the next three (3) years from December 2021:

		2022	2023	2024
S&P 500 Financial Index EPS	Base	44	49	49
	Upside	66	74	74
	Downside	29	32	32
World GDP growth rate	Base	4.9%	3.6%	3.4%
	Upside	7.4%	5.4%	5.1%
	Downside	2.6%	2.6%	2.4%
WTI Oil Prices/10	Base	7.36	6.79	6.40
	Upside	9.39	9.39	9.39
	Downside	3.09	2.85	2.69

8. Financial Investments (Continued)

Loss allowances (continued)

Outlook for the next three (3) years from December 2022:

		2023	2024	2025
Jamaica	Base	Stable	Stable	Stable
	Upside	Stable	Positive	Positive
	Downside	Negative	Stable	Stable

Outlook for the next three (3) years from December 2021:

		2022	2023	2024
Jamaica	Base	Negative	Stable	Stable
	Upside	Stable	Stable	Stable
	Downside	Negative	Stable	Stable

Sensitivity analysis at December 2022

The tables below show the sensitivity of the ECL to its various components.

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact of Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	44,491

* See note 2 (f) (vii) for full criteria for staging. The staging for lending products is primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of Increase in value	ECL impact of Decrease in value
Investments – Corporate Debts	52%	(- / + 5) %	25,566	(25,566)
Investments – Sovereign Debts (excluding Government of Barbados and Government of Jamaica)	35%	(- / + 5) %	6,890	(6,890)
Investments – Sovereign Debts (Government of Jamaica)	15%	(- / + 5) %	79,559	(79,559)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of Increase in value	ECL impact of Decrease in value
Investments – excluding Government of Barbados	10% (80% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	19,647	(19,647)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

Loss allowances (continued)

Sensitivity analysis at December 2021

The tables below show the sensitivity of the ECL to its various components.

SICR criteria *	Actual threshold applied	Change in threshold	ECL impact of Change in threshold
Investments	2-notch downgrade since origination	1-notch downgrade since origination	45,580

* See note 2 (f) (vii) for full criteria for staging. The staging for lending products are primarily based on days past due with 30-day used as backstop, thus sensitivity analysis is not performed.

Loss Given Default	Actual value applied	Change in value	ECL impact of Increase in value	ECL impact of Decrease in value
Investments – Corporate Debts	52%	(- /+ 5) %	21,965	(21,965)
Investments – Sovereign Debts (excluding Government of Barbados and Government of Jamaica)	35%	(- /+ 5) %	6,266	(6,266)
Investments – Sovereign Debts (Government of Jamaica)	15%	(- /+ 5) %	89,019	(89,019)

Weighting for downside scenario	Actual value applied	Change in value	ECL impact of Increase in value	ECL impact of Decrease in value
Investments – excluding Government of Barbados	10% (80% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	19,634	(19,634)

8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk

The following tables explain the changes in the maximum credit exposure the beginning and the end of the period due to these factors. For instruments at amortised cost, the gross carrying amount equals the maximum exposure.

	The Group-2022 ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
FINANCIAL INVESTMENTS – AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum exposure to credit risk as at January 01, 2022	119,132,446	-	-	-	119,132,446
New financial assets originated or purchased	36,552,010	-	-	-	36,552,010
Financial assets fully recognized during the period	(56,715,544)	-	-	-	(56,715,544)
Changes in principal and interest	(18,807)	-	-	-	(18,807)
Foreign exchange adjustment	(579,348)	-	-	-	(579,348)
Maximum exposure to credit risk as at December 31, 2022	98,370,757	-	-	-	98,370,757

	The Group-2021 ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
FINANCIAL INVESTMENTS- AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum exposure to credit risk as at January 01, 2021	93,363,145	-	-	-	93,363,145
New financial assets originated or purchased	48,410,470	-	-	-	48,410,470
Financial assets fully recognized during the period	(24,990,072)	-	-	-	(24,990,072)
Changes in principal and interest	(168,032)	-	-	-	(168,032)
Foreign exchange adjustment	2,516,935	-	-	-	2,516,935
Maximum exposure to credit risk as at December 31, 2021	119,132,446	-	-	-	119,132,446

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (continued)

	The Group-2022				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – FVTOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum credit exposure as at January 01, 2022	162,143,549	2,738,789	-	168,278	165,050,616
Transfers:					
Transfer from Stage 1 to Stage 2	(722,233)	722,233	-	-	-
Transfer from Stage 2 to Stage 1	196,294	(196,294)	-	-	-
New financial assets originated or purchased	49,225,186	-	-	-	49,225,186
Financial assets fully recognized during the period	(25,785,313)	(400,739)	-	-	(26,186,052)
Changes in principal and interest	(992,455)	(1,852)	-	(3,183)	(997,490)
Foreign exchange adjustment	(1,565,417)	(41,180)	-	-	(1,606,597)
Maximum credit exposure as at December 31, 2022	182,499,611	2,820,957	-	165,095	185,485,663

	The Group-2021				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
DEBT SECURITIES – FVTOCI	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum credit exposure as at January 01, 2021	150,729,654	3,940,744	579,880	194,871	155,445,149
Transfers:					
Transfer from Stage 1 to Stage 2	(158,042)	158,042	-	-	-
Transfer from Stage 2 to Stage 1	77	(77)	-	-	-
New financial assets originated or purchased	43,757,094	-	-	-	43,757,094
Financial assets fully recognized during the period	(39,059,095)	(1,570,232)	(579,880)	(39,943)	(41,249,150)
Changes in principle and interest	1,625,153	20,358	-	-	1,645,511
Foreign exchange adjustment	5,248,708	189,954	-	13,350	5,452,012
Maximum credit exposure as at December 31, 2021	162,143,549	2,738,789	-	168,278	165,050,616

8. Financial Investments (Continued)

IFRS 9 maximum exposure to credit risk (continued)

	The Company-2022				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
FINANCIAL INVESTMENTS – Amortised Cost	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum exposure to credit risk as at January 01, 2022	1,343,939	-	-	-	1,343,939
New financial assets originated or purchased	6,533,568	-	-	-	6,533,568
Financial assets fully recognized during the period	(7,122,200)	-	-	-	(7,122,200)
Changes in principal and interest	(11,951)	-	-	-	(11,951)
Foreign exchange adjustment	(6,827)	-	-	-	(6,827)
Maximum exposure to credit risk as at December 31, 2022	736,529	-	-	-	736,529

	The Company-2021				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
FINANCIAL INVESTMENTS – AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum exposure to credit risk as at January 01, 2021	1,225,033	-	-	-	1,225,033
New financial assets originated or purchased	1,260,686	-	-	-	1,260,686
Financial assets fully recognized during the period	(1,171,472)	-	-	-	(1,171,472)
Changes in principal and interest	5,270	-	-	-	5,270
Foreign exchange adjustment	24,422	-	-	-	24,422
Maximum exposure to credit risk as at December 31, 2021	1,343,939	-	-	-	1,343,939

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

9. Premiums Due and Unpaid

	2022 $'000	2021 $'000
Gross Premiums	10,025,954	9,454,372
Provisions	(5,138,517)	(5,035,327)
Net Premiums	4,887,437	4,419,045

Current portion of Premiums Due and Unpaid disclosed under Note 48 (d).

Movement in the provision for premiums due and unpaid is as follows:

	Group insurance $'000	Individual insurance $'000	General Insurance $'000	Total $'000
Provision as at 1 January 2021	(320,132)	(3,826,514)	(40,128)	(4,186,774)
Net write-offs during the period	(50,876)	(797,677)	-	(848,553)
Provision as at 31 December 2021	(371,008)	(4,624,191)	(40,128)	(5,035,327)
Net recoveries /(write-offs) during the period	8,876	(112,066)	-	(103,190)
Provision as at 31 December 2022	(362,132)	(4,736,257)	(40,128)	(5,138,517)

Credit risk is managed based on the line of business. Generally, where collection of premiums is considered doubtful, or payment is outstanding for more than 90 days, the insurance regulations stipulate that the outstanding premium should be provided for in full.

Premiums written for individual insurance policies are required to be settled based on modal frequency (monthly, quarterly, semi-annually, or annually). When policies where payments made by means other than salary deduction are outstanding for more than 90 days, the amounts outstanding are provided for in full. When policies where payments made by salary deduction are outstanding for more than 90 but less than 120 days, the outstanding amounts are partially provided for. The remaining policies where payments are outstanding for more than 120 days are provided for in full.

Premiums written for group insurance policies are required to be settled on a monthly basis. Policies where payment is outstanding for more than 90 days are provided for in full. A separate assessment is done on a case-by-case basis for the recoverability of the amounts outstanding for less than 90 days that are not provided for, to determine if a provision is necessary based on any identified significant increases in credit risk of the policyholder.

Premiums written for group annuities are due immediately upon the inception of the contract. Amounts due and unpaid normally exist as at the year end due to the timing of the receipt of the consideration. These amounts due and unpaid are considered to be subject to a low amount of credit risk and therefore any identified provision is immaterial.

10. Loans and Leases, after Allowance for Credit Losses

	The Group 2022 $'000	The Group 2021 $'000
Gross loans and advances	113,660,058	97,235,104
Less: Allowance for credit losses	(1,846,831)	(1,589,777)
	111,813,227	95,645,327
Loan interest receivable	589,523	845,191
	112,402,750	96,490,518
Lease receivables, net of allowance for credit losses	334,079	399,399
	112,736,829	96,889,917

Current portion of Loans and Leases, after Allowance for Credit Losses disclosed under Note 48 (d).

The provision for credit losses determined under Central Bank regulatory requirements was as follows:

	The Group 2022 $'000	The Group 2021 $'000
Specific provision	1,106,178	1,486,783
General provision	1,135,944	973,837
	2,242,122	2,460,620
Excess of regulatory provision over IFRS provision recognized in the Bank reflected in non-distributable loan loss reserve (Note 2(j))	355,464	(858,967)

Lease receivables:

	The Group 2022 $'000	The Group 2021 $'000
Gross investment in finance leases -		
Not later than one year	111,460	149,348
Later than one year and not later than five years	250,040	285,681
	361,500	435,029
Less: Unearned income	(27,344)	(35,412)
Net investment in finance leases	334,156	399,617
Net investment in finance leases -		
Not later than one year	96,347	130,181
Later than one year and not later than five years	237,809	269,436
	334,156	399,617
Less: Provision for credit losses	(77)	(218)
	334,079	399,399

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

10. Loans and Leases, after Allowance for Credit Losses (Continued)

Credit risk exposure- loans and leases subject to impairment

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

	The Group-2022				
	ECL Staging				
Loans and leases – amortised cost	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Credit grade:					
Non-investment	108,964,595	3,542,726	-	-	112,507,321
Default	-	-	2,076,339	-	2,076,339
Gross carrying amount	108,964,595	3,542,726	2,076,339	-	114,583,660
Loss allowance	(868,913)	(103,697)	(874,221)	-	(1,846,831)
Carrying amount	108,095,682	3,439,029	1,202,118	-	112,736,829

	The Group-2021				
	ECL Staging				
Loans and leases – amortised cost	**Stage 1 12-month ECL**	**Stage 2 life-time ECL**	**Stage 3 life-time ECL**	**Purchased credit-impaired**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Credit grade:					
Non-investment	92,423,463	3,681,462	-	-	96,104,925
Default	-	-	2,374,986	-	2,374,986
Gross carrying amount	92,423,463	3,681,462	2,374,986	-	98,479,911
Loss allowance	(657,292)	(73,380)	(859,322)	-	(1,589,994)
Carrying amount	91,766,171	3,608,082	1,515,664	-	96,889,917

Mortgage loans are collaterised by the underlying residential and commercial properties. The values ascribed to these properties have been considered in arriving at the LGDs for each mortgage loan. The total value of the collateral as at year end with respect to mortgage loans that were credit-impaired at the reporting date (stage 3) was $513,000,000 (2021: $599,600,000).

10. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

The following tables contain an analysis of ECL allowances recognized during the period.

	The Group-2022				
	ECL staging				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Purchased credit-impaired**	**Total**
LOANS AND LEASES - AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 01, 2022	657,292	73,380	859,322	-	1,589,994
Transfers:					
Transfer from Stage 1 to Stage 2	(6,924)	6,924	-	-	-
Transfer from Stage 1 to Stage 3	(2,852)	-	2,852	-	-
Transfer from Stage 2 to Stage 1	10,899	(10,899)	-	-	-
Transfer from Stage 2 to Stage 3	-	1,875	(1,875)	-	-
Transfer from Stage 3 to Stage 1	60,521	-	(60,521)	-	-
New financial assets originated or purchased	206,156	9,322	64,122	-	279,600
Financial assets fully derecognised during the period	(74,392)	(5,109)	(398,654)	-	(478,155)
Changes to inputs used in ECL calculation	19,841	29,934	412,244	-	462,019
Foreign exchange adjustment	(1,628)	(1,730)	(3,269)	-	(6,627)
Loss Allowance as at December 31, 2022	868,913	103,697	874,221	-	1,846,831

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

10. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances (continued)

	The Group-2021				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND LEASES - AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Loss Allowance as at January 01, 2021	766,997	130,045	1,062,748	-	1,959,790
Transfers:					
Transfer from Stage 1 to Stage 2	(4,436)	4,436	-	-	-
Transfer from Stage 1 to Stage 3	(4,594)	-	4,594	-	-
Transfer from Stage 2 to Stage 1	17,457	(17,457)	-	-	-
Transfer from Stage 2 to Stage 3	-	(18,639)	18,639	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-	-
Transfer from Stage 3 to Stage 1	60,318	-	(60,318)	-	-
New financial assets originated or purchased	126,537	2,070	16,844	-	145,451
Financial assets fully derecognised during the period	(107,229)	(17,585)	(514,760)	-	(639,574)
Changes to inputs used in ECL calculation	(205,313)	(12,991)	314,863	-	96,559
Foreign exchange adjustment	7,555	3,501	16,712	-	27,768
Loss Allowance as at December 31, 2021	657,292	73,380	859,322	-	1,589,994

The most significant period-end assumptions used for the ECL were as follows:

Sagicor's lending operations in Jamaica have limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

At December 31, 2021

Outlook for lending at December 2021		
Jamaica	**Expected state for the next 12 months**	
Interest rate	Base	Stable
	Upside	Positive
	Downside	Stable
Unemployment rate	Base	Stable
	Upside	Stable
	Downside	Negative

10. Loans and Leases, after Allowance for Credit Losses (Continued)

Loss allowances (continued)

At December 31, 2022

Outlook for lending at December 2022		
Jamaica	**Expected state for the next 12 months**	
Interest rate	Base	Stable
	Upside	Positive
	Downside	Stable
Unemployment rate	Base	Stable
	Upside	Stable
	Downside	Negative

The economic states assigned above are translated into numerical figures.

Sensitivity analysis at December 2022

The tables below show the sensitivity of the ECL to its various components.

			ECL impact of	
Weighting for downside scenario	**Actual value applied**	**Change in value**	**Increase in value**	**Decrease in value**
Lending products	Entertainment and tourism industry: 25% (65% for base scenario and 10% for upside scenario) Other industries: 15% (75% for base scenario and 10% for upside scenario)	(- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	12,459	(12,459)

Sensitivity analysis at December 2021.

			ECL impact of	
Weighting for downside scenario	**Actual value applied**	**Change in value**	**Increase in value**	**Decrease in value**
Lending products	Entertainment and tourism industry: 25% (65% for base scenario and 10% for upside scenario) Other industries: 15% (75% for base scenario and 10% for upside scenario)	- /+ 5) % - keep the weighting for base scenario and adjust the weighting for upside scenario accordingly	14,917	(9,581)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

10. Loans and Leases, after Allowance for Credit Losses (Continued)

IFRS 9 Maximum exposure to credit risk

The following tables explain the changes in the maximum credit exposure the beginning and the end of the period due to these factors. For instruments at amortised cost, the gross carrying amount equals the maximum exposure.

	The Group 2022				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND LEASES - AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum exposure to credit risk as at January 01, 2022	92,423,463	3,681,462	2,374,986	-	98,479,911
Transfers:					
Transfer from Stage 1 to Stage 2	(1,502,932)	1,502,932	-	-	-
Transfer from Stage 1 to Stage 3	(605,250)	-	605,250	-	-
Transfer from Stage 2 to Stage 1	555,797	(555,797)	-	-	-
Transfer from Stage 2 to Stage 3	-	(312,172)	312,172	-	-
Transfer from Stage 3 to Stage 2	-	35,269	(35,269)	-	-
Transfer from Stage 3 to Stage 1	199,286	-	(199,286)	-	-
New financial assets originated or purchased	35,181,128	314,519	124,967	-	35,620,614
Financial assets fully derecognised during the period	(14,158,323)	(233,350)	(955,180)	-	(15,346,853)
Changes in principal and interest	(2,876,382)	(833,789)	(145,365)	-	(3,855,536)
Foreign exchange adjustment	(252,192)	(56,348)	(5,936)	-	(314,476)
Maximum exposure to credit as at December 31, 2022	108,964,595	3,542,726	2,076,339	-	114,583,660

10. Loans and Leases, after Allowance for Credit Losses (Continued)

IFRS 9 Maximum exposure to credit risk (continued)

	The Group 2021				
	ECL staging				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
LOANS AND LEASES - AMORTISED COST	**$000**	**$000**	**$000**	**$000**	**$000**
Maximum exposure to credit as at January 01, 2021	86,842,916	4,469,247	1,809,063	-	93,121,226
Transfers:					
Transfer from Stage 1 to Stage 2	(864,755)	864,755	-	-	-
Transfer from Stage 1 to Stage 3	(662,329)	-	662,329	-	-
Transfer from Stage 2 to Stage 1	568,279	(568,279)	-	-	-
Transfer from Stage 2 to Stage 3	-	(642,595)	642,595	-	-
Transfer from Stage 3 to Stage 2	-	70,852	(70,852)	-	-
Transfer from Stage 3 to Stage 1	150,008	-	(150,008)	-	-
New financial assets originated or purchased	26,286,851	118,170	75,451	-	26,480,472
Financial assets fully derecognised during the period	(14,198,066)	(608,452)	(1,063,976)	-	(15,870,494)
Changes in principal and interest	(7,079,246)	(201,088)	431,108	-	(6,849,226)
Foreign exchange adjustment	1,379,805	178,852	39,276	-	1,597,933
Maximum exposure to credit as at December 31, 2021	92,423,463	3,681,462	2,374,986	-	98,479,911

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

10. Loans and Leases, after Allowance for Credit Losses (Continued)

Concentration of loans and leases

Credit risk is an important risk for the Group's business; management therefore carefully monitors its exposure to credit risk in its lending activities. The group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

	The Group	
Loans and leases	**2022 $'000**	**2021 $'000**
Industry segments		
Agriculture, fishing and mining	1,278,231	1,815,035
Construction and real estate	15,976,768	12,578,664
Distribution	10,728,273	11,083,218
Manufacturing	3,890,799	3,702,898
Personal	48,687,205	40,662,088
Professional and other services	16,370,231	11,239,613
Tourism and entertainment	6,946,151	7,033,605
Transportation, storage and communication	924,009	1,218,376
Other	9,192,470	8,301,223
	113,994,137	97,634,720
Less: Provision for credit losses	(1,846,831)	(1,589,994)
	112,147,306	96,044,726
Interest receivable	589,523	845,191
	112,736,829	96,889,917

11. Pledged Assets

Assets of the Group are pledged as collateral under repurchase agreements with customers and financial institutions. Mandatory cash reserves and investment securities are also held with the regulators, the Bank of Jamaica and the Financial Services Commission.

	The Group		The Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Investment securities pledged as collateral:				
With regulators	153,048	199,168	-	-
Under repurchase agreements (Note 29)	91,413,522	91,968,151	-	-
With bank and other financial institutions	2,642,973	1,468,807	267,294	439,997
	94,209,543	93,636,126	267,294	439,997

12. Investment Properties

	The Group	
	2022 $'000	**2021 $'000**
At beginning of year	1,220,324	1,389,305
Additions during the year	-	193,019
Disposal during the year	-	(430,000)
Fair value gains	234,572	68,000
Transfer from other assets & Property, Plant and Equipment	225,629	-
At end of year	1,680,525	1,220,324

The investment properties as at 31 December 2022 were valued at current market value by Allison Pitter & Company, NIA Jamaica Langford & Brown and DC Tavares Finson qualified property appraisers and valuers.

(i) Transfers during the year related to $36,000,000 which was transferred to Property, plant and equipment, $676,000,000 transferred from other assets and with the remaining amount being transferred to fixed assets deposit as development cost pertaining to the construction of a specific project.

(ii) Rental income and repairs and maintenance expenditure in relation to investment properties are disclosed in Note 37.

(iii) During the year, some of the properties were tenanted and generated rental income. Operating expenses related to the properties which were not tenanted amounted to $NIL (2021: $NIL).

The valuations of investment property have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement' in note 47.

13. Investment in Joint Venture

This relates to the group's investment in Sagicor Costa Rica

	The Group		The Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Balance at 1 January	1,329,797	683,234	414,267	414,267
Share of after tax earnings	439,994	607,764	-	-
Share of movement in other comprehensive income, net of taxation	60,210	38,799	-	-
Balance at 31 December	1,830,001	1,329,797	414,267	414,267

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

13. Investment in Joint Venture (Continued)

The joint venture has share capital consisting solely of common and nominative shares, which is held directly by the Group.

Sagicor Costa Rica, S.A. is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in the joint venture.

Summarised Financial Information of Joint Venture

Set out below are the summarised financial information for Grupo Sagicor GS, G.A. and subsidiary, which is accounted for using the equity method.

Summarised Statement of Financial Position

	The Group	
	2022	**2021**
	$'000	**$'000**
Current assets		
Cash and cash equivalents	178,760	178,263
Other current assets	4,976,506	3,403,701
	5,155,266	3,581,964
Non-current assets		
Investments	1,625,807	2,300,597
Other non-current asset	313,235	186,712
	1,939,042	2,487,309
Total Assets	7,094,308	6,069,273
Current liabilities		
Provision for unearned premiums	2,063,573	1,783,867
Other liabilities	1,367,900	1,063,453
	3,431,473	2,847,320
Non Current liabilities		
Notes and loans payable	-	527,459
Other liabilities	2,833	34,900
	2,833	562,359
Total Liabilities	3,434,306	3,409,679
Net Assets	3,660,002	2,659,594

13. Investment in Joint Venture (Continued)

Summarised Financial Information of Joint Venture (continued)

Summarised statement of comprehensive income

	The Group	
	2022	**2021**
	$'000	**$'000**
Revenue:		
Net premium revenue	3,156,664	5,033,236
Net investment and other income	209,495	488,375
Total revenue, net	3,366,159	5,521,611
Benefits and expenses:		
Benefits	446,870	440,519
Operating expenses	1,775,313	3,287,664
Interest expense	29,900	50,740
Total benefits and expenses	2,252,083	3,778,923
Net profit before taxation	1,114,076	1,742,688
Taxation	(234,087)	(527,159)
Net profit after tax for the period	879,989	1,215,529
Other comprehensive income	201,239	(86,608)
Total comprehensive income	1,081,228	1,128,921

Reconciliation of summarized financial information

Opening net assets at 1 January	2,659,594	1,366,468
Net profit after tax for the period	879,989	1,215,529
Other comprehensive income	201,239	(86,608)
Currency translation	(80,820)	164,205
Closing net assets	3,660,002	2,659,594

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

14. Interest in Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Group. Such interests include holdings of debt or equity securities and investment management agreements. Structured entities are assessed for consolidation as discussed in Note 3(a) (i).

Consolidated Structured Entity
The Group has no consolidated structured entity.

Unconsolidated Structured Entity
The Group established Sagicor Pooled Investment Fund Limited (PIF), Sagicor Sigma Global Unit Trust (twenty-one portfolios), and the Sagicor Select Funds Limited (two portfolios) to provide customers and pension funds with several investment opportunities.

(i) PIF
PIF is a custodian trustee for the assets of the Pooled Pension Investment Funds which are held in trust on behalf of pension funds. The trust has a separate Board of Directors. The administration of the assets in trust is done by one of the Group's subsidiaries, Employee Benefits Administrator Limited. The investment manager of these Funds is also one of the Group's subsidiaries, Sagicor Life Jamaica Limited. Both the administration of the assets and the provision of investment management services entitled the Group to receive management fees based on the assets under management. See critical accounting estimates Note 3 (a) (i) for further details.

The table below shows the total assets of PIF, the Group's exposure in and income arising from involvement with PIF as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the PIF regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis. The Group's exposure to loss arises from the Group's defined benefit pension scheme's investment in units in PIF. The income earned from the Group's interests represents the income earned by the Group's defined benefit pension scheme's investment in units in PIF. Management fees are earned by the Group from its administration and investment management activities.

	The Group	
	2022 $'000	2021 $'000
Total assets of PIF	171,946,402	178,323,806
Maximum exposure to loss	21,657,166	22,797,182
Total (losses)/incomefrom the Group's interests	(1,036,272)	2,022,687
Management Fees earned	2,014,519	1,959,065

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the company in the future.

(ii) Sagicor Sigma Global Unit Trust
The Group established the Sagicor Sigma Global Unit Trust to provide customers with investment opportunities. The Unit Trust comprises twenty-one portfolios. See Note 3 (a) (i) for further details.

14. Interest in Structured Entities (Continued)

(ii) Sagicor Sigma Global Unit Trust (continued)

The Unit Trust has an independent trustee. One of the Group's subsidiaries, Sagicor Investments Jamaica Limited is the investment manager of the Unit Trust and is entitled to receive management fees based on the assets under management. The Group also holds units in the Unit Trust.

The table below shows the total assets of the Unit Trust, the Group's interest in and income arising from involvement with the Unit Trust, the Group's liability to the Unit Trust in relation to repurchase obligations and other borrowings, as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the Unit Trust regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	The Group	
	2022 $'000	2021 $'000
Total assets of the Unit Trust	159,925,587	133,391,341
The Group's interest – Carrying value of units held (included in fair value through profit and Loss – Note 8)	28,623,520	23,601,075
Maximum exposure to loss	(28,623,520)	(23,601,075)
Liability to the Unit Trust in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	16,603,636	26,182,798
Liability to the Unit Trust in relation to the purchase of shares in Advantage General Insurance Company Limited	800,000	3,355,102
Liability to the Unit Trust in relation to Real Estate Developed for Resale	2,400,000	1,666,029
Total income from the Group's interests	2,851,567	2,805,974

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Unit Trust in the future.

(iii) Sagicor Select Funds
Sagicor Select Funds consists of two publicly traded companies listed on Jamaica Stock exchange. They are the Financial Select Fund and the Manufacturing and Distribution Select Fund. The objective of these funds is to provide a low cost and effective means of investing in a diverse pool of companies listed on the stock market.

The table below shows the total assets of the Select Funds, the Group's interest in and income arising from involvement with the entities, the Group's liability to the Funds in relation to repurchase obligations as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the Funds regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis

	2022 $'000	2021 $'000
Total assets of Funds	7,626,920	8,185,651
The Group's interest – Carrying value of equities held (included in fair value through profit and Loss – Note 8)	1,950	148,737
Maximum exposure to loss	(1,950)	(148,737)
Liability in relation to repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	-	62,864
Total income from the Group's interests	24,347	24,814

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Funds in the future.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

15. Investment in Associated Company

Sagicor Group owned 0% (2021 – 0%) of the 134,496,340 shares outstanding by Playa through its subsidiary company, Jamziv (owned by Sagicor Real Estate X Fund Limited). On January 15, 2021, the Group completely disposed of the 14.87% equity interest in Playa. Based on Sagicor Group's level of investment in, and participation in the decision and policy-making at Playa, Sagicor Real Estate X Fund Group accounted for its investment in Playa as an associated company from the date of acquisition as required by IAS 28 up to point of disposal. There were no contingent liabilities relating to the Group's interest in the associated company.

(a) *The investment in associated company is represented as follows:*

	The Group 2021 $'000
Investment at January 1, 2021	15,844,876
Disposal	(15,844,876)
Investment at December 31, 2021	-

Jamziv's interest at December 31, 2020 in Playa decreased by 0.62% to 14.87% from 15.49% at December 31, 2019. In June 2020, Playa issued additional shares which resulted in an effective dilution in the Group's interest. In January 2021, the Group disposed of its holdings in Playa.

The following table shows the breakout of the amounts recorded in the income statement in relation to the prior year's disposal.

	2021 $'000
Group's share of proceeds of sale and new shares issued	13,604,064
Carrying value of the investment in associate deemed to be disposed of	(15,844,876)
Loss on sale/ dilution of investment in associate	(2,240,812)
Items recorded in other comprehensive income recycled upon dilution of investment in associate:	
Interest rate swap	(526,436)
Foreign currency translation adjustments	2,534,160
Total loss on disposal /dilution of investment in associate recorded in income statement	(233,088)

Transfers between reserves and retained earnings in Note 25 include $2,709,000 transferred on dilution of associate and $27,761,000 transferred on sale of the associate.

16. Investment in Subsidiaries

The investment in subsidiaries is represented as follows:

	The Company 2022 $'000
Investment at January 1, 2022	71,860,326
Acquisitions (b)	3,271,873
Disposal/dilution of interest ('c)	(3,305,560)
Investment at December 31, 2022	71,826,639

(a) **Sagicor Securities Jamaica Limited**
On May 1, 2021 Sagicor Securities Jamaica Limited, a wholly owned subsidiary of Sagicor Group Jamaica Limited, was effectively wound up and struck of the Companies Office Register. The Company as at that date no longer forms part of the Group's organizational structure.

(b) **Alliance Financial Services Limited**
On April 1, 2022 SGJ acquired 100 per cent of the outstanding share in Alliance Financial Services Limited. Refer to Note 56 for additional information on the transaction.

(c) **Sagicor Real Estate X Fund Limited**
The Group disposed of its 29.31 % shareholding in Sagicor Real Estate X Fund Limited. This was done through a series of transactions below.

Transaction1 – Sale of 8.56 % for $1,590,499,000 bringing the Group's shareholdings to 20.75%. This transaction did not result in a loss of control and was treated as a transaction between equity holders. The Group recognised directly in retained earnings a gain of $124,576,000 and non-controlling interest increased by $1,465,923,000.

Transaction 2- Sale of the remaining 20.75%, brought the Group's shareholding to NIL resulting in a loss of control. The sales took place in August and September 2022. These transactions generated net cash inflows, a gain was recognised in the income statement and revaluation gains on property, plant and equipment in investment reserves were transferred to retained rarnings. Refer to ii, iii and iv below for further details.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

16. Investment in Subsidiaries (Continued)

(c) **Sagicor Real Estate X Fund Limited (continued)**

Financial information relating to SREX for the period to the date of disposal and the prior period comparatives are set out below.

i. Summarised statement of comprehensive income for the year 2021 and the period January 1 to September 30, 2022.

	2022 $'000	2021 $'000
Revenues		
Investment income	46,298	213,204
Interest expense	(242,559)	(554,677)
Net Investment Income	(196,261)	(341,473)
Hotel revenue	4,659,437	4,418,749
Fees and other income	(111,050)	1,141,916
Total Revenues	4,352,126	5,219,192
Expenses		
Administration expenses	41,796	108,155
Hotel expenses	3,379,914	3,367,407
Depreciation	579,482	811,018
Total Expenses	4,001,192	4,286,580
Gain on sale of the subsidiary after tax (See iii below)	258,208	-
Loss on disposal of interest in an associate	-	(233,088)
Profit before taxation	609,142	699,524
Taxation	(126,722)	(25,627)
Profit from discontinued operation	482,420	673,897
Attributable to:		
Stockholders of the parent company	323,178	587,005
Non-controlling interests	159,242	86,892
	482,420	673,897

16. Investment in Subsidiaries (Continued)

(c) **Sagicor Real Estate X Fund Limited (continued)**

i. Summarised statement of comprehensive income for the year 2021 and the period January 1 to September 30, 2022 (continued)

	2022 $'000	2021 $'000
Profit from discontinued operation	482,420	673,897
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Currency translation of foreign subsidiaries	(184,152)	657,977
Retranslation of foreign operations recycled on sale of subsidiary/associate	(152,490)	(2,534,160)
Share of fair value losses on interest rate swap recycled on sale of associate company	-	526,435
	(336,642)	(1,349,748)
Items that will not be subsequently reclassified to profit or loss		
Unrealised gains on OOP	2,006,928	1,605,919
Total other comprehensive income recognised directly in stockholders'equity, net of taxes	1,670,286	256,171
Total Comprehensive Income from discontinued operation	2,152,706	930,068
Attributable to:		
Stockholders of the parent company	550,484	892,683
Non-controlling interests	1,602,222	37,385
	2,152,706	930,068

ii. *Summarised statement of cash flows*

	2022 $'000	2021 $'000
Cashflows from operating activities:		
Net cash generated by operating activities	1,710,736	1,549,668
Cashflows from investing activities:		
Net cash (used in)/generated by investing activities	(3,613,591)	7,640,042
Cashflows from financing activities:		
Net cash used in financing activities	(332,787)	(3,479,394)
Net (decrease)/increase in cash and cash equivalents	(2,235,642)	5,710,316

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

16. Investment in Subsidiaries (Continued)

(c) **Sagicor Real Estate X Fund Limited (continued)**

iii. Details of the sale of the subsidiary:

	2022 $'000
Consideration received	3,840,307
Carrying amount of net assets sold	(3,734,589)
Gain on sale before income tax and reclassification of foreign currency translation	105,718
Reclassification of foreign currency translation reserve	152,490
Gain on sale after income tax	258,208

Transfers between reserves and retained earnings in Note 25 include $171,092,000 transferred on sale of subsidiary.

iv. Net cash inflow on sale includes:

	2022 $'000
Consideration received	3,840,307
Cash resources of Sagicor Real Estate X Fund at date of sale	(2,108,300)
Net proceeds from sale of discountined operations	1,732,007

17. Intangible Assets

	The Group				
	Goodwill $'000	Contractual Customer Relationship $'000	Trade Names $'000	Computer Software $'000	Total $'000
Cost -					
At 1 January 2021	**3,569,095**	**5,442,499**	**930,433**	**4,041,084**	**13,983,111**
Additions	-	-	-	390,564	390,564
Impairment charge	(614,400)	-	-	-	(614,400)
Translation adjustment	63,285	-	-	-	63,285
At 31 December 2021	**3,017,980**	**5,442,499**	**930,433**	**4,431,648**	**13,822,560**
Arising on acquisition	2,665,612	688,000	10,000	-	3,363,612
Additions	-	-	-	592,580	592,580
Divestitures and disposals	-	(329,000)	-	-	(329,000)
Translation adjustment	(14,519)	-	-	-	(14,519)
At 31 December 2022	5,669,073	5,801,499	940,433	5,024,228	17,435,233
Amortisation -					
At 1 January 2021	**-**	**3,713,968**	**490,704**	**3,120,758**	**7,325,430**
Amortisation charge	-	228,135	16,848	379,793	624,776
Translation adjustment	-	3	-	(91)	(88)
At 31 December 2021	**-**	**3,942,106**	**507,552**	**3,500,460**	**7,950,118**
Divestitures and disposals	-	(60,317)	-	-	(60,317)
Amortisation charge	-	255,918	28,140	392,777	676,835
At 31 December 2022	-	4,137,707	535,692	3,893,237	8,566,636
Net Book Value -					
31 December 2021	**3,017,980**	**1,500,393**	**422,881**	**931,188**	**5,872,442**
31 December 2022	**5,669,073**	**1,663,792**	**404,741**	**1,130,991**	**8,868,597**

	The Company Computer Software $'000
Cost -	
At 1 January 2021	**1,797,638**
Additions	-
At 31 December 2021	**1,797,638**
Additions	22,134
At 31 December 2022	**1,819,772**
Amortisation -	
At 1 January 2021	**1,569,185**
Amortisation charge	85,070
At 31 December 2021	**1,654,255**
Amortisation charge	71,522
At 31 December 2022	**1,725,777**
Net Book Value -	
31 December 2021	**143,383**
31 December 2022	**93,995**

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

17. Intangible Assets (Continued)

(a) The allocation of goodwill to the Group's and the company's Cash Generating Units (CGUs) is as follows:

	The Group	
	2022	**2021**
	$000	**$000**
Sagicor Life Jamaica Individual Lines Division	855,191	855,191
Sagicor Life Jamaica Employee Benefits Division	530,127	530,127
Sagicor Life of the Cayman Islands Individual Lines Division	753,376	767,881
Sagicor Investments Jamaica Limited	186,066	186,066
Travel Cash Jamaica Limited	119,994	119,994
Advantage General Insurance Company	558,707	558,721
Alliance Financial Services Limited	2,665,612	-
	5,669,073	3,017,980

(i) At 31 December 2022, management tested goodwill and the unamortised balance of other purchased intangibles allocated to all the CGUs as listed in the table above.

(ii) Fair values less costs to sell is used to determine the recoverable amounts of:

Sagicor Life Jamaica Individual Lines Division

Sagicor Life Jamaica Employee Benefits Division

Sagicor Life of the Cayman Islands Individual Lines Division

Management has determined the recoverable amount of the life insurance CGUs of the group by assessing the fair value less cost of sell (FVLCS) of the underlying assets. The recoverable amounts are considered to be level 3 in the fair value hierarchy due to the unobservable inputs used in the valuation. No impairment was identified.

Management's approach and the key assumptions used to determine the CGU's FVLCS were as follows:

	The Group							
	2022				2021			
	Earnings Multiple	**Cost to sell**	**Post-tax discount rate**	**Long term Growth Rate**	**Earnings Multiple**	**Cost to sell**	**Post-tax discount rate**	**Long term Growth Rate**
Sagicor Life Jamaica Individual Lines Division	9.4	0.5%	14.68%	4.5%	9.7	0.5%	14.29%	4.5%
Sagicor Life Jamaica Employee Benefits Division	10.3	0.5%	14.26%	5%	10.7	0.5%	13.87%	5%
Sagicor Life of the Cayman Islands Individual Lines Division	7.8	0.5%	14.35%	2%	8.5	0.5%	13.28%	2%

17. Intangible Assets (Continued)

(a) The allocation of goodwill to the Group's and the company's Cash Generating Units (CGUs) is as follows: (continued)

(ii) Fair values less costs to sell is used to determine the recoverable amounts of:

The inputs are determined as follows:

- Earnings multiple represents the inverse of the capitalisation rate that is, 1 divided by post-tax discount rate less long-term growth rate.
- Cost to sell is estimated cost, based on management's experience of the typical incident costs associated with a sale of business such as legal and professional fees as well as statutory charges, to dispose of CGU as a going-concern
- Post-tax discount rate reflects specific risks related to the business, industry and country of operation.
- Long-term growth rate (%) is based on historical/projected financial performance of each CGU, nominal GDP growth rates and factors specific to the industry each CGU operates in.

(iii) Value in use calculations are used to determine the recoverable amount of the non-life CGUs:

Sagicor Investments Jamaica Limited

Sagicor Insurance Managers Limited

Travel Cash Jamaica Limited

Advantage General Insurance Company

Sagicor Real Estate X - Fund Limited

Alliance Financial Services Limited

These calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The Group recorded impairment charges on the following CGUs:

	2021
	$'000
Travel Cash	70,000
Advantage General Insurance Company Limited	500,000
Sagicor Insurance Managers Ltd.[1]	44,400
	614,400

1. This a foreign subsidiary and the goodwill is impacted by movement in the exchange rate.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

17. Intangible Assets (Continued)

(a) The allocation of goodwill to the Group's and the company's Cash Generating Units (CGUs) is as follows: (continued)

Key assumptions used for the impairment calculations are as follows:

	2022		2021	
	Earnings Growth Rate	Discount Rate	Earnings Growth Rate	Discount Rate
Sagicor Bank Jamaica Limited	5.50%	15.23%	5.50%	15.07%
Sagicor Investments Jamaica Limited	5.00%	13.96%	5.00%	12.82%
Sagicor Insurance Managers Ltd.	1.50%	13.80%	1.50%	12.27%
Travel Cash	6.00%	15.52%	6.00%	14.72%
Advantage General Insurance Company Limited	4.50%	14.82%	4.50%	14.04%
Alliance Financial Services Limited	4.50%	11.73%	-	-

18. Property, Plant and Equipment

	The Group				
	Leasehold Buildings & Improvements	Freehold Land & Buildings	Furniture & Equipment	Motor Vehicles	Total
Cost or Valuation -	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2021	**1,579,465**	**15,247,492**	**7,291,714**	**303,014**	**24,421,685**
Additions	55,673	24,012	402,471	27,311	509,467
Revaluation adjustments	-	2,149,765	-	-	2,149,765
Disposals	-	(19,512)	(5,516)	-	(25,028)
Translation adjustment	5,699	1,162,549	239,398	(17,376)	1,390,270
At 31 December 2021	**1,640,837**	**18,564,306**	**7,928,067**	**312,949**	**28,446,159**
Additions	234,750	14,802	649,220	29,300	928,072
Arising on acquisitions	18,209	-	25,637	26,394	70,240
Reclassification	-	36,000	-	-	36,000
Revaluation adjustments	-	2,876,509	-	-	2,876,509
Disposals	-	(17,005,650)	(2,873,117)	(22,950)	(19,901,717)
Translation adjustment	(1,394)	(312,418)	(60,804)	-	(374,616)
At 31 December 2022	**1,892,402**	**4,173,549**	**5,669,003**	345,693	**12,080,647**
Accumulated Depreciation -					
At 1 January 2021	834,758	903,970	4,111,433	170,668	6,020,829
Charges for the year	124,776	362,380	958,490	49,499	1,495,145
Relieved on revalued assets	-	(25,117)	-	-	(25,117)
Relieved on disposals		(160)	(314)	(12,894)	(13,368)
Translation adjustment	5,023	76,153	105,361	-	186,537
At 31 December 2021	**964,557**	**1,317,226**	**5,174,970**	207,273	**7,664,026**
Charges for the year	133,801	288,144	839,104	45,887	1,306,936
Charges on acquisition	17,512	-	23,121	19,192	59,825
Relieved on revalued assets	-	(28,268)	-	-	(28,268)
Relieved on disposals	-	(1,381,310)	(1,860,721)	(22,950)	(3,264,981)
Translation adjustment	(1,285)	(28,275)	(39,810)	-	(69,370)
At 31 December 2022	**1,114,585**	**167,517**	**4,136,664**	**249,402**	**5,668,168**
Net Book Value -					
31 December 2021	**676,280**	**17,247,080**	**2,753,097**	**105,676**	**20,782,133**
31 December 2022	**777,817**	**4,006,032**	**1,532,339**	**96,291**	**6,412,479**

The valuations of Freehold Land and Building have been classified as Level 3 of the fair value hierarchy under IFRS 13, 'Fair Value Measurement'

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

18. Property, Plant and Equipment (Continued)

	The Company			
	Leasehold Improvement	Furniture & Equipment	Motor Vehicle	Total
Cost or Valuation -	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2021	33,646	492,383	35,840	561,869
Additions	-	8,375	-	8,375
Disposal	-	(176)	-	(176)
At 31 December 2021	33,646	500,582	35,840	570,068
Additions	2,774	36,367	11,000	50,141
Disposal	-	(219)	-	(219)
At 31 December 2022	36,420	536,730	46,840	619,990
Accumulated Depreciation -				
At 1 January 2021	10,468	400,821	6,291	417,580
Charges for the year	3,365	46,739	7,168	57,272
Disposal	-	(88)	-	(88)
At 31 December 2021	13,833	447,472	13,459	474,764
Charges for the year	3,535	39,358	8,451	51,344
Disposal		(24)		(24)
At 31 December 2022	17,368	486,806	21,910	526,084
Net Book Value -				
31 December 2021	**19,813**	**53,110**	**22,381**	**95,304**
31 December 2022	**19,052**	**49,924**	**24,930**	**93,906**

In accordance with the Group's policy, owner-occupied properties included in Freehold Land and Buildings were independently revalued during the year by professional real estate valuators. The excess of revalued amount over the carrying value of these property, plant and equipment, amounting to $2,904,772,000 (2021 - $2,174,882,000), has been credited to investment and fair value reserves. If revalued assets of the Group were stated on a historical cost basis, the amounts would be as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Cost	1,714,013	13,375,439
Accumulated depreciation	(176,864)	(1,844,823)
Net book value	1,537,149	11,530,616
Carrying value of revalued assets	4,006,032	17,247,080

Disposal of property, plant and equipment includes derecognition of X Fund's property, plant and equipment on sale.

19. Retirement Benefits

	The Group	
	2022 $'000	**2021 $'000**
Retirement benefit assets -		
Pension scheme	706,137	472,179
Retirement benefit obligations -		
Pension scheme	-	943,916
Other retirement benefits	3,000,585	4,836,665
	3,000,585	5,780,581

Pension schemes comprised the following –

	2022 $'000	**2021 $'000**
Retirement benefit assets	706,137	-
Retirement benefit obligations	-	471,737
	706,137	471,737

The Group operates the following pension plans:

(i) Sagicor Life Jamaica Limited operates a hybrid pension plan for its permanent staff. The plan has two sections – a Defined Contribution (DC) section and a Defined Benefit (DB) section, which is funded. The DB section is closed to new members and includes administrative staff joining the company before August 1, 2009, while the DC section includes eligible sales agents and administrative staff joining Sagicor Life Jamaica Limited on or after August 1, 2009. The assets of the plan are held independently of the company's assets in separate trustee administered funds. The benefits for the DB section are based on service and salary, whereas the DC section benefits are based on contributions made by the members and the company, with interest. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2021) was 108%.

(ii) Sagicor Life of the Cayman Islands Ltd. participates in the Cayman Islands Chamber of Commerce Pension Plan. This plan is a money purchase contributory plan covering all the employees in the Cayman Islands. Contributions are vested immediately. The company contributes at a fixed rate of 7% of pensionable earnings.

(iii) Sagicor Investments Jamaica Limited and Sagicor Bank Jamaica Limited jointly operate an open DC pension plan and a closed DB pension plan covering its permanent employees. The assets of these funded plans are held independently of the companies' assets in separate trustee administered funds. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2019) was 170% and 114% for the DB and DC plan, respectively.

(iv) Sagicor Bank Jamaica Limited has a closed DC plan covering all permanent employees (formerly employed to RBC Jamaica Limited) who are not covered under the DC and DB plans it jointly operates with Sagicor Investments Jamaica Limited. The assets of this funded plan are held independently of the company's assets in separate trustee administered funds. The solvency level (the ratio of assets to past service liabilities) as at the last triennial funding valuation (2019) was 110%.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

19. Retirement Benefits (Continued)

(v) Advantage General Insurance Company Limited sponsors a DB scheme, which is open to all employees who have satisfied certain minimum service requirements. The scheme is funded by employee and employer contributions at varying rates. Retirement and other benefits are based on average salary for the last three years of pensionable service.

The law requires each plan sponsor to be an ordinary annual contributor but does not stipulate a minimum funding rate or solvency level. In absence of guidance from the regulator, the actuaries have agreed on a minimum employer contribution rate of 0.25% of payroll per annum where plan rules do not specify a minimum. The Trustees of the pension schemes ensure benefits are funded, benefits are paid, assets invested to maximise returns subject to acceptable investment risks while considering the liability profile. Any plan surplus or funding deficiency for the defined benefits plans as determined by independent actuaries annually using the Projected Unit Credit Method are recognised fully as a charge to shareholders' equity.

(a) Pension schemes

The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Present value of funded obligations	24,570,993	30,218,160
Fair value of plan assets	(27,167,909)	(29,746,423)
	(2,596,916)	471,737
Impact of minimum funding requirement/asset ceiling	1,890,779	-
(Surplus)/deficit of funded plan	(706,137)	471,737
(Asset)/liability in the balance sheet	(706,137)	471,737

Movement in the present value of the defined benefit obligations recognised in the statement of financial position:

	The Group	
	2022	**2021**
	$'000	**$'000**
Liability at start of year	30,218,160	25,496,152
Current service cost	720,690	652,714
Interest cost	2,278,054	2,257,020
Net expense recognised in income	2,998,744	2,909,734
Re-measurements:		
(Gains)/Losses from changes in financial assumptions	(6,284,435)	1,438,508
(Gains)/Losses from changes in experience	(1,853,988)	398,060
Net (gains)/losses recognised in other comprehensive income	(8,138,423)	1,836,568
Contributions by the members	880,444	830,403
Value of purchased annuities	466,159	1,178,376
Benefits paid	(1,854,091)	(2,033,073)
Net Liability, end of year	24,570,993	30,218,160

19. Retirement Benefits (Continued)

(a) Pension schemes (continued)

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group	
	2022	**2021**
	$'000	**$'000**
Balance at start of year	29,746,423	26,683,400
Contributions made by the employer	622,472	658,132
Contributions by the members	880,444	830,403
Value of purchased annuities	466,159	1,178,376
Benefits paid	(1,854,091)	(2,033,073)
Interest income on plan assets	2,305,461	2,429,414
Re-measurement:		
(Losses)/Gains from changes in financial assumptions	(1,863,773)	139,961
Losses from changes in experience	(3,135,186)	(140,190)
Net losses recognised in other comprehensive income	(4,998,959)	(229)
Balance, end of year	27,167,909	29,746,423

The amounts recognised in the income statement as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Current service cost	720,690	652,714
Interest cost on plan obligation	2,278,054	2,257,020
Interest income on plan assets	(2,305,461)	(2,429,414)
Total, included in staff cost (Note 41 (a))	693,283	480,320

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

19. Retirement Benefits (Continued)

(a) Pension schemes (continued)

The amounts recognised in other comprehensive income is as follows:

	The Group	
	2022	2021
	$'000	$'000
Change in financial assumptions	(4,420,662)	1,298,547
Experience adjustments:		
Funding requirement/asset ceiling	1,890,779	
Pension assets and liabilities	1,281,198	538,250
	(1,248,685)	1,836,797
Deferred tax	282,401	(497,880)
	(966,284)	1,338,917

The principal actuarial assumptions used were as follows:

	The Group	
	2022	2021
Discount rate - J$ benefits	13.00%	8.00%
Discount rate - US$ Indexed benefits	10.00%	5.50%
Inflation	5.50%	5.00%
Expected return on plan assets	4.00%	8.00%
Future salary increases	9.50%	8.00%
Future pension increases	0.50%	0.50%
Minimum Funding Rate (MFR) as a % of payroll	0.50%	0.25%
Average expected remaining working lives (years)	12	13

The weighted average duration of the defined benefit obligation ranges from 31 years (2021 – 31 years) to 39 years (2021 – 41 years).

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65.

19. Retirement Benefits (Continued)

(a) Pension schemes (continued)

Pension plan assets are comprised as follows:

	The Group			
	2022		2021	
	$'000	%	$'000	%
Equities	8,005,728	29	8,690,687	29
GOJ Bonds	352,719	1	2,721	-
Corporate Bonds	-	-	88,912	-
Real Estate	182,548	1	46,338	-
Mortgages and real estate fund	4,318,926	16	4,550,022	15
Money market fund	441,764	2	245,259	1
Fixed income fund	2,170,003	8	3,254,390	11
Foreign currency fund	3,343,650	12	3,922,707	13
Global market fund	683,247	3	1,072,557	5
Diversified investment fund	31,278	-	129,917	-
Inflation-linked (CPI) fund	2,439,428	9	876,099	3
	21,969,291	81	22,879,609	77
Value of purchased annuities	5,198,618	19	6,866,814	23
	27,167,909	100	29,746,423	100

The sensitivity of the defined benefit pension obligation to changes in the principal assumptions is as follows:

	The Group		
	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		2022	2022
		$'000	$'000
Discount rate	1.0%	(357,615)	465,054
Future salary increases	1.0%	(12,445)	23,224
Future pension increases	1.0%	281,106	(175,119)
Life expectancy	1 year	39,517	(42,126)

	The Group		
	Increase/(decrease) in defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		2021	2021
		$'000	$'000
Discount rate	1%	(1,296,046)	1,691,430
Future salary increases	1%	(197,364)	213,199
Future pension increases	1%	2,140,527	(2,135,548)
Life expectancy	1 year	121,396	(125,318)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

19. Retirement Benefits (Continued)

(a) Pension schemes (continued)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

(b) Other retirement benefits

In addition to pension benefits, the Group offers retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries during retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

The amounts recognised in the statement of financial position are determined as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Present value of unfunded obligations	3,262,679	5,079,345
Fair value of plan assets	(262,094)	(242,680)
Liability in the statement of financial position	3,000,585	4,836,665

Movement in the amounts recognised in the statement of financial position:

	The Group	
	2022	**2021**
	$'000	**$'000**
Liability at beginning of year	5,079,345	3,929,008
Current service cost	140,376	99,390
Interest cost	401,052	347,853
Net expense recognised in profit or loss	541,428	447,243
Re-measurement:		
(Gains)/losses from changes in financial assumptions	(2,531,795)	632,332
Losses from changes in experience	313,101	201,526
Net (Gains)/losses recognised in other comprehensive income	(2,218,694)	833,858
Benefits paid	(139,400)	(130,764)
Net Liability, end of year	3,262,679	5,079,345

The principal actuarial assumption used was as follows:

	The Group	
	2022	**2021**
Rate of medical inflation	8.5%	8.0%

19. Retirement Benefits (Continued)

(b) Other retirement benefits (continued)

The amounts recognised in the income statements are as follows:

	The Group	
	2022 $'000	**2021 $'000**
Current service cost	140,376	99,390
Interest cost	401,052	347,853
Interest income on plan assets	(19,414)	(20,038)
Total, included in staff cost (Note 41(a))	522,014	427,205

The amounts recognised in other comprehensive income is as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Change in financial assumptions	(2,531,795)	632,332
Experience adjustments	313,101	201,526
	(2,218,694)	833,858
Deferred tax	630,999	(238,589)
	(1,587,695)	595,269

Movement in the fair value of plan assets recognised in the statement of financial position:

	The Group	
	2022	**2021**
	$'000	**$'000**
Balance	242,680	222,642
Interest income on plan assets	19,414	20,038
Balance, end of year	262,094	242,680

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

19. Retirement Benefits (Continued)

(b) Other retirement benefits (continued)

The sensitivity of the other retirement benefits obligation to changes in the principal assumptions is as follows:

	The Group Increase/(decrease) in other retirement benefits obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		2022 $'000	**2022 $'000**
Discount rate	1%	(343,733)	417,720
Medical cost inflation	1%	393,033	(327,298)
Future salary increases	1%	16,180	(14,156)
Life expectancy	1 year	79,548	(79,544)

	The Group Increase/(decrease) in other retirement benefits obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
		2021 $'000	**2021 $'000**
Discount rate	1%	(596,031)	761,242
Medical cost inflation	1%	783,011	(589,539)
Future salary increases	1%	106,525	(52,718)
Life expectancy	1 year	141,396	(140,318)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

19. Retirement Benefits (Continued)

(c) Plan risks

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks. The Group does not use derivatives to manage its plan risks. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. The Group has not changed the processes used to manage its risks from previous periods.

The most significant of these plan risks are detailed below:

(i) Investment risk
The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform this yield, this will create a deficit.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term assets with maturities that match the benefit payments as they fall due. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations.

(ii) Changes in bond yields
A decrease in Government of Jamaica bond yields will increase plan liability, although this will be partially offset by an increase in the return on plan's assets which are linked to debt investments.

(iii) Salary risk
The present value of the plan liabilities is calculated in reference to the future salaries of members. Therefore, an increase in the salary of members will increase the plan's liability.

(iv) Life expectancy
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

20. Deferred Income Taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using a principal rate of:

(a) 25% for the company (Sagicor Group Jamaica Limited), Sagicor Life Jamaica Limited, Sagicor Property Services Limited and Alliance Financial Services Limited.
(b) 33⅓% for Sagicor Investments Jamaica Limited, Sagicor Bank Jamaica Limited, Employee Benefits Administrator Limited, Sagicor Insurance Brokers Limited, Sagicor Insurance Administrators Limited Sagicor and Advantage General Insurance Company Limited;
(c) 1% for the subsidiaries incorporated in St. Lucia; and
(d) 5.5% for the subsidiaries incorporated in Barbados.

The subsidiaries incorporated in Grand Cayman operate under a zero-tax regime.

Deferred tax assets and liabilities, net recognised on the statement of financial position are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Deferred income tax assets, net	(4,021,850)	(1,980,237)	(225,671)	(225,674)
Deferred income tax liability, net	421,305	2,169,101	-	-

The amounts shown in the statement of financial position included the following:

	The Group			
	Deferred tax assets		Deferred tax liabilities	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Deferred tax assets/liabilities to be recovered after more than 12 months	229,965	(170,714)	355,473	(132,034)

	The Company	
	2022	2021
	$'000	$'000
Deferred tax assets to be recovered after more than 12 months	225,671	224,357

20. Deferred Income Taxes (Continued)

Net deferred income tax assets and liabilities are attributable to the following items:

	The Group			
	Net deferred tax assets		Net deferred tax liabilities	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Deferred income tax assets -				
Property, plant and equipment	(464,272)	(305,211)	-	-
Investment securities - FVTOCI	(2,499,514)	(82,267)	-	
Tax losses unused	(96)	(96)		(476,182)
Unrealised foreign exchange losses	(216,677)	(299,862)	6,809	(24,832)
Impairment losses on loans & investment securities (IFRS 9)	(23,790)	-	-	(89,551)
Pensions and other post-retirement benefits	(654,962)	(1,401,821)	-	(40,697)
Other	(162,539)	(35,358)	-	(18,381)
	(4,021,850)	(2,124,615)	6,809	(649,643)
Deferred income tax liabilities -				
Property, plant and equipment	-	-	4,692	1,577,923
Fair value gains/(losses) (FVTPL and FVTOCI)	-	-	-	1,020,198
Impairment losses on loans	-	144,378	-	-
Customer Relationship and Brand	-	-	404,082	220,623
Other	-	-	5,722	-
	-	144,378	414,496	2,818,744
Net deferred taxation (asset)/liability	(4,021,850)	(1,980,237)	421,305	2,169,101

	The Company	
	2022	2021
	$'000	$'000
Deferred income tax assets		
Property, plant and equipment	(225,671)	(224,357)
Impairment losses on loans & investment securities (IFRS 9)	-	(25)
Interest receivable	-	(1,292)
Net deferred tax asset	(225,671)	(225,674)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

20. Deferred Income Taxes (Continued)

The movement in net deferred tax assets is as follows:

	The Group							
	Property, plant and equipment	Fair value gains/ (losses)	Unused tax losses	Unrealised foreign exchange gains	Loan & investment securities loss provision	Post-employment benefits	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2021	(248,298)	390,196	(96)	(278,461)	(123,581)	(722,279)	(23,007)	(1,005,526)
(Credited)/charged to income statement (Note 43 (a))	(62,709)	(77,890)	-	(21,401)	271,291	(932)	(12,351)	96,008
(Credited)/charged to other comprehensive income (Note 43 (c))	5,796	(394,573)	-	-	(3,332)	(678,610)	-	(1,070,719)
At 31 December 2021	(305,211)	(82,267)	(96)	(299,862)	144,378	(1,401,821)	(35,358)	(1,980,237)
(Credited)/charged to income statement (Note 43 (a))	(177,662)	203,592	-	83,185	(148,149)	(166,541)	(127,181)	(332,756)
(Credited)/charged to other comprehensive income (Note 43 (c))	18,601	(2,620,839)	-	-	(20,019)	913,400	-	(1,708,857)
At 31 December 2022	(464,272)	(2,499,514)	(96)	(216,677)	(23,790)	(654,962)	(162,539)	(4,021,850)

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

20. Deferred Income Taxes (Continued)

The movement in net deferred tax liabilities is as follows:

	Property, plant and equipment	Fair value gains/(losses)	Unused tax losses	Unrealised foreign exchange gains	Loan & investment securities	Pension and other post-retirement benefits	Customer Relationship and Brand	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At January 1, 2021	509,621	2,325,739	(386,406)	(5,972)	-	54,218	254,978	(258,829)	2,493,349
(Credited)/charged to income statement (Note 43 (a))	536,283	77,053	(58,004)	(18,860)	(84,811)	(37,056)	(34,355)	240,818	621,068
(Credited)/chargedto other comprehensive income (Note 43 (c))	423,301	(1,382,594)	-	-	(4,741)	(57,859)	-	-	(1,021,893)
(Credited)/charged directly to equity	108,718	-	(31,772)	-	1	-	-	(370)	76,577
At 31 December 2021	1,577,923	1,020,198	(476,182)	(24,832)	(89,551)	(40,697)	220,623	(18,381)	2,169,101
Assumed on acquisition	4,692	-	-	6,809	-	-	232,667	(1,259)	242,909
Derecognition on sale of subsidiary	(2,254,735)	(53,998)	470,210	10,068	-	-		7,876	(1,820,579)
(Credited)/charged to income statement (Note 43 (a))	133,436	987	-	14,764	89,551	40,697	(49,208)	17,301	247,528
(Credited)/chargedto other comprehensive income (Note 43 (c))	533,486	(967,187)	-	-	-	-	-	-	(433,701)
Foreign exchange	9,890	-	5,972	-	-	-	-	185	16,047
At 31 December 2022	4,692	-	-	6,809	-	-	404,082	5,722	421,305

	The Company	
	2022	2021
	$'000	$'000
As at 1 January	(225,674)	(222,825)
Credited to the income statement	3	(886)
Tax charged to components in other comprehensive income	-	(1,963)
As at 31 December	(225,671)	(225,674)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

21. Taxation Recoverable

Taxes are withheld at 25% from interest payments on Government of Jamaica securities and other local bonds. The Group makes monthly filings to the Tax Administration of Jamaica (TAJ) for recovery. Amounts approved by TAJ are refunded as cash or off-set against liabilities. The amounts are expected to be recovered within one year of the financial statements date.

22. Other Assets

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Due from sales representatives	1,707,088	2,263,676	-	-
Real estate developed for resale (i)	7,248,044	6,639,840	-	-
Due from related parties (Note 23)	290,594	806,823	339,833	6
Service contract assets:				
Due from Government Employees & Other - Administrative Scheme Only Fund and Government Pensioners Administrative Scheme Only Fund	225,232	172,705	-	-
Prepayments and deferred commission	3,068,714	3,127,866	732,504	783,125
Customer settlements accounts/unsettled trades	629,559	2,342,437	-	-
Legal claim (Note 52)	53,686	181,648	-	-
Other receivables	3,041,566	2,656,967	131,311	146,679
	16,264,483	18,191,962	1,203,648	929,810
Provision against doubtful receivables and impairment charge	(7,737)	(48,451)	-	-
	16,256,746	18,143,511	1,203,648	929,810

(i) Real estate developed for sale relates to the construction of residential and commercial complexes.

Current portion of Other Assets disclosed under Note 48 (d).

23. Related Party Balances and Transactions

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

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

(a) The statement of financial position includes the following balances with related parties and companies:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Due from related companies -				
Ultimate parent company	72,886	62,290	-	-
Subsidiaries	-	-	339,833	-
Other related companies	5,967	386,605	-	6
Other managed funds	211,741	357,928	-	-
	290,594	806,823	339,833	6
Due to related companies -				
Ultimate parent company	225,850	156,647	70,655	-
Subsidiaries – other liabilities	-	-	3,872,586	4,213,123
Managed funds	136,313	75,696		-
	362,163	232,343	3,943,241	4,213,123
Financial investments-				
Short term deposits	-	-	136,903	133,024
Securities purchased under resale agreements with SIJL	-	-	309,668	342,962
Bonds issued by Ultimate parent company	1,933,068	1,945,687	-	-
Bonds issued by PanJam Investment Limited	501,441	529,742	-	-
Sagicor Select Funds Units	1,950	148,737	-	-
Sigma Units	28,623,521	23,601,075	-	-
	31,059,980	26,225,241	446,571	475,986
Deposit and Security Liabilities-				
Promissory loans:				
Subsidiaries	-	-	11,098,704	12,003,246
BW Shareholders	23,500	23,500	-	-
Other managed funds	4,701,952	2,466,029	-	-
Repurchase agreements with managed funds	15,097,215	24,921,029	-	-
Customer Deposit with ultimate parent Company	115,888	117,152	-	-
	19,938,555	27,527,710	11,098,704	12,003,246

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

23. Related Party Balances and Transactions (Continued)

(a) The statement of financial position includes the following balances with related parties and companies:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
PanJam Investment Limited -				
Securities sold under agreement to repurchase	-	272,941	-	-
Customer deposits	2,278,058	437,643	-	-
	2,278,058	710,584	-	-

(b) The balances below resulted from transactions with related parties and companies as follows:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Directors, key management and other related parties-				
Securities sold under agreements to repurchase and other loans	(398,025)	(102,960)	-	-
Customer deposits	(6,823,289)	(5,749,870)	-	-
Loans	1,126,297	1,825,578	-	-

(c) The income statatement includes the following transactions with related parties and companies. Income earned from the PIF, attributed to the Group's pension schemes, as well as income earned from the Sagicor Sigma Global Unit Trust and the Sagicor Select Funds are disclosed in Note 14.

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Ultimate parent company				
Interest income	122,256	119,068	-	-
Interest expense	1,267	38,383	-	37,104
Shared service fees	183,206	221,639	-	-
Sagicor Pooled Investment Funds -				
Interest expense	167,168	52,780	-	-
Lease rental expense	116,322	112,934	-	-
Management fee income	2,014,519	1,959,065	-	-
Pension Schemes -				
Management Fees – Self Directed Funds	278,592	284,426	-	-
Management Fees – DA	4,626	13,033	-	-
PanJam Investment Limited				
Interest expense	1,450	25,576	-	22,810
Interest Income	34,250	10,184	-	-
Directors and key management personnel -				
Interest expense	2,418	1,422	-	-
Interest income	11,968	8,353	-	-

23. Related Party Balances and Transactions (Continued)

(c) The income statement includes the following transactions with related parties and companies. Income earned from the PIF, attributed to the Group's pension schemes, as well as income earned from the Sagicor Sigma Global Unit Trust and the Sagicor Select Funds are disclosed in Note 14 (continued).

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Parent Company transactions with subsidiaries -				
Management fees Income	-	-	5,138,881	43,215
Interest expense	-	-	(234,729)	(247,035)
Dividend income	-	-	5,721,610	8,272,192
Interest Income	-	-	74,911	10,795
Transactions with Select and Sigma Fund				
Service fee income	2,875,914	2,830,788	-	-
Interest expense	(418,477)	(108,881)	-	-
Lease expense	(519,509)	(395,578)	-	-
Capital appreciation	(903,235)	337,300	-	-
Key management compensation -				
Salaries and other short-term benefits	876,115	755,771	-	-
Share based payments	243,435	198,326	-	-
Contributions to pensions and insurance schemes	38,043	37,900	-	-
	1,157,593	991,997		
Directors' emoluments -				
Fees	136,433	116,818	38,701	34,700
Other expenses	3,780	1,879	-	-
Management remuneration (included in key management compensation)	515,477	291,962	-	-
	655,690	410,659	38,701	34,700

24. Share Capital

	The Group and The Company	
	2022	2021
	$'000	$'000
Authorised:		
13,598,340,000 (2021 – 13,598,340,000) Ordinary shares		
Issued and fully paid:		
Ordinary stock – January 1	8,816,093	8,991,044
Isssue/(Acquisition) of Treasury shares (Note 26)	182,715	(174,951)
	8,998,808	8,816,093

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

25. Equity Reserves

				The Group
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	$'000	$'000	$'000	$'000
Balance at 31 December 2021	58,353	679,475	7,934,170	8,671,998
Net losses recycled to revenue on disposal and maturity of FVTOCI securities	-	(17,270)	-	(17,270)
Net unrealised losses on FVTOCI securities	-	(19,018,790)	-	(19,018,790)
Net unrealised gains on revaluation of owner-occupied properties	-	870,756	-	870,756
Deferred tax on unrealised capital gains and impairment	-	3,477,245	-	3,477,245
Provision for expected credit losses -IFRS 9 on FVTOCI securities	-	9,772	-	9,772
Expected credit losses recycled to the Income Statement on sale and maturity of FVTOCI securities	-	577	-	577
Shadow accounting	-	2,536,928	-	2,536,928
Currency translation	-	-	(1,771,040)	(1,771,040)
Total comprehensive income for the year	-	(12,140,782)	(1,771,040)	(13,911,822)
Transactions with owners -				
Employee share option scheme -value of services provided	38,252	-	-	38,252
- employee stock grants and options exercised / expired	(19,126)	-	-	(19,126)
Total transactions with owners	19,126	-	-	19,126
Transfers between reserves -				
To retained earnings	-	(171,092)	-	(171,092)
Total transfers between reserves	-	(171,092)	-	(171,092)
Balance at 31 December 2022	77,479	(11,632,399)	6,163,130	(5,391,790)

25. Equity Reserves (Continued)

	The Group			
	Stock Options Reserve	Investment & Fair Value Reserves	Currency Translation Reserve	Equity Owners' Total
	$'000	$'000	$'000	$'000
Balance at 31 December 2020	47,999	4,483,477	6,676,042	11,207,518
Net gains recycled to revenue on disposal and maturity of FVTOCI securities	-	(1,716,784)	-	(1,716,784)
Net unrealised gains on FVTOCI securities	-	(4,130,930)	-	(4,130,930)
Net unrealised losses on revaluation of owner-occupied properties	-	742,370	-	742,370
Retirement Benefit Obligation	-	-	-	-
Net gains on Interest Rate Swap	-	93,832	-	93,832
Deferred tax on unrealised capital gains and impairment	-	1,627,226	-	1,627,226
Provision for expected credit losses -IFRS 9 on FVTOCI securities	-	4,730	-	4,730
Expected credit losses recycled to the Income Statement on sale and maturity of FVTOCI securities	-	(518,297)	-	(518,297)
Shadow accounting	-	121,611	-	121,611
Currency translation	-		1,258,128	1,258,128
Total comprehensive income for the year	-	(3,776,242)	1,258,128	(2,518,114)
Transactions with owners -				
Employee share option scheme -value of services provided	31,122	-	-	31,122
- employee stock grants and options exercised / expired	(20,768)	-	-	(20,768)
Total transactions with owners	10,354	-	-	10,354
Transfers between reserves -				
To retained earnings	-	(27,760)	-	(27,760)
Total transfers between reserves	-	(27,760)	-	(27,760)
Balance at 31 December 2021	58,353	679,475	7,934,170	8,671,998

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

25. Equity Reserves (Continued)

(a) Investment and fair value reserves include the following:

(i) Owner Occupied Properties and Fair value Reserves (FVTOCI) - This represents the unrealised surplus or deficit on the re-measurement of securities classified as FVTOCI and the revaluation of property, plant and equipment.

(ii) Currency Translation Reserve –This represents the unrealised foreign exchange gains and losses on the translation of subsidiaries, associate and joint venture with functional currencies other than the Jamaican dollar.

(b) Special Investment Reserve - This represents a non-distributable reserve under the provisions of the Insurance Regulations, 2001.

(c) Loan Loss Reserve - This is a non-distributable reserve representing the excess of the allowance for impairment losses determined using the Bank of Jamaica's regulatory requirements over the amount determined under IFRS.

(d) Retained earnings reserve - Section 2 of the Banking Act of 1992 permits the transfer of any portion of the Bank's net profit to a retained earnings reserve. This reserve constitutes a part of the capital base for the purpose of determining the maximum level of deposit liabilities and lending to customers. Transfers to the retained earnings reserve are made at the discretion of the subsidiary's Board of Directors. Such transfers must be notified to the Bank of Jamaica.

Reserve fund (included as a part of retained earnings reserve) - This fund is maintained in accordance with the Banking Act 1992 which requires that a minimum of 15% of the net profit of the banking subsidiary as defined by the Act be transferred annually to the reserve fund until the amount of the fund is 50% of the paid-up share capital of the subsidiary, and thereafter 10% of the net profit until the amount of the fund is equal to the paid-up capital of the subsidiary.

(e) The provision of section 62 (1) (d) of The Companies Act 2004, requires the transfer from retained earnings to the capital redemption reserve fund a sum equal to the amount of the redeemable preference shares redeemed otherwise than out of the proceed of a fresh issue.

26. Stock Options and Grants

Long-term Incentive plan
The Group offers stock grants and stock options to senior executives as part of its long-term incentive plan. The Group has set aside 150,000,000 of its authorised but un-issued shares at no par value for the stock grants and stock options.

In January 2007, the Group introduced a new Long-Term Incentive (LTI) plan which replaced the previous Stock Option plan. Under the LTI plan, executives are entitled but not obliged to purchase the Group stock at a pre-specified price at some future date. The options are granted each year on the date of the Board of Directors Human Resources Committee meeting following the performance year at which the stock option awards are approved. Stock options vest in 4 equal installments beginning the first December 31 following the grant date and for the next three December 31st dates thereafter (25% per year). Options are not exercisable after the expiration of 7 years from the date of grant. The number of stock options in each stock option award is calculated based on the LTI opportunity via stock options (percentage of applicable salary) divided by the Black-Scholes value of a stock option of Sagicor Group Jamaica Limited stock on 31 March of the measurement year. The exercise price of the options is the closing bid price on 31 March of the measurement year.

Details of the combined share options outstanding are as follows:

	Sagicor Group Jamaica Limited			
	2022		2021	
	Options (thousands)	Weighted Average exercise price in $ per share	Options (thousands)	Weighted Average exercise price in $ per share
At beginning of year	10,252	33.73	11,033	29.65
Measurement year – 2021 awarded 2022	2,660	51.88	-	-
Measurement year – 2020 awarded 2021	-	-	2,224	52.40
Exercised	(2,386)	25.63	(3,005)	32.58
At end of year	10,526	40.15	10,252	33.73
Exercisable at the end of the period	6,815	38.08	6,575	31.28

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

26. Stock Options and Grants (Continued)

Stock options outstanding at the end of the year have the following expiry dates and exercise prices:

	2022		2021	
Expiry Date	Exercise Price	No. of Outstanding Options 000's	Exercise Price	No. of Outstanding Options 000's
March 2022	-	-	9.50	298
March 2023	10.49	416	10.49	1,115
March 2024	23.65	412	23.65	613
March 2025	34.10	893	34.10	1,187
March 2026	36.45	1,772	36.45	2,149
March 2027	39.99	2,308	39.99	2,666
March 2028	52.40	2,092	52.40	2,224
March 2029	51.88	2,633	-	-
	29.55	10,526	24.82	10,252

For options outstanding at the end of the year, exercise prices range from $10.49-$51.88 (2021 - $9.50 to $52.40). The remaining contractual terms range from 3 months to 7 years (2021 – 3 months to 7 years).

The weighted average share price for options exercised during the year was $51.88 (2021 - $51.39) and the Group's share of the cost of these options was $3,579,730 (2021 - $7,596,000).

The stock options reserve balance at the year-end represents the accumulated fair value of services provided by employees in consideration for shares, as measured by reference to the fair value of the shares. The fair value of the options granted during the year as determined using the Black-Scholes valuation model was $43,468,608 (2021 - $37,557,305). The significant inputs into the model were:

	2022	2021
Share Price	57.44	$51.88
Dividend Yield	2.71%	2.04%
Standard Deviation	29%	29%
Risk Free ratio	5.40%	4.16%
Expected Volatility period	7 years	7 Years

The Sagicor Group Jamaica Limited recognised cumulative expenses of $77,475,104 in the Stock Option Reserves (2021 – $58,349,000) and share options expense of $42,236,751 (2021 - $23,552,000) in the income statement.

In 2019, the Sagicor Group Jamaica Board HR & Compensation Committee approved the amendment to the termination rules in the Sagicor Group Jamaica LTI Plan to conform with those in the SFC Plan. This amendment relates to the Accelerated Vesting under certain circumstances.

The Group also has in place a share purchase plan which enables its administrative and sales staff to purchase a pool of Sagicor Group Jamaica Limited shares at a predetermined discount rate of the closing bid price on December 31 each year. During 2022, the Staff Share Purchase Plan Trust purchased NIL (2021: 5,000,000) shares. The Group recognizes an expense in respect of Staff Share Purchase Plan shares at the point at which the shares are transferred to staff, when the Subsidiary Companies recognize their share of the cost of those shares in the income statement.

The Sagicor Group Jamaica Limited has not been issuing new shares to fulfill its obligations under these plans but instead the LTI and the Staff Share Purchase Plan Trust bought SGJ's shares on the open market. The total number of treasury shares held by the Group at year end was $3,039,507 (2021 - $6,454,495) at a cost of $162,256,228 (2021 - $344,972,000).

27. Dividends

	The Group and Company	
	2022 $'000	2021 $'000
First interim dividend – $1.06 per share (2021 – $0.61 per share)	4,148,956	2,391,811
Second interim dividend – $0.54 per share (2021 – $0.50 per share)	2,109,043	1,939,538
	6,257,999	4,331,349

Dividends represented a dividend per stock unit of $1.60 (2021 - $1.11). There were no dividends declared subsequent to the year end.

28. Net Profit

	2022 $'000	2021 $'000
(i) Net profit attributable to stockholders of Sagicor Group Jamaica Limited, dealt with in the financial statements of:		
The company	6,343,472	7,143,272
Less dividends from subsidiaries	(5,721,610)	(8,272,192)
The subsidiaries, associate and joint venture	15,974,018	18,524,351
	16,595,880	17,395,431

29. Deposit and Security Liabilities

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Securities sold under repurchase agreements	87,385,529	78,334,999	-	-
Shareholders loan – Bailey Williams Limited	23,500	23,500	-	-
Due to banks and other financial institutions (i)	12,917,290	7,803,208	-	-
Customer deposits and other accounts	145,950,107	133,338,645	-	-
Promissory notes (ii)	3,901,952	1,666,029	11,098,704	12,003,246
Derivative (Note 8)	2,378	16,733	-	-
Structured Product (iii)	656,305	668,527	-	-
	250,837,061	221,851,641	11,098,704	12,003,246

Current portion of Deposit and Security Liabilities disclosed under Note 48 (d).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

29. Deposit and Security Liabilities (Continued)

	Interest Rate (%)	Maturity Year	The Group 2022 $'000	The Group 2021 $'000	The Company 2022 $'000	The Company 2021 $'000
(I) Due to banks and other financial institutions:						
Development Bank of Jamaica Limited (a)	various	various	1,269,558	1,446,444	-	-
National Housing Trust (NHT) (b)	various	various	846,472	172,611	-	-
International Financial Corporation (IFC) (c)	3.4	2023	6,106,050	6,184,153	-	-
Bank of Nova Scotia (BNS) (d)	8.33	2023	1,000,465	-	-	-
Other Loans (e)	various	various	3,694,745	-	-	-
			12,917,290	7,803,208	-	-

(a) Development Bank of Jamaica Limited (DBJ)
The agreement allows DBJ, at its absolute discretion, to approve J$ financing to Sagicor Bank Jamaica Limited (SBJ) for on-lending to customers for developmental projects which meet the criteria of DBJ and on such terms and conditions as DBJ may stipulate.

Funds disbursed to SBJ bear interest at DBJ's lending rate prevailing at the date of approval of each disbursement unless otherwise carried by DBJ and are extended to the client at a maximum spread as stipulated by DBJ.

(b) National Housing Trust (NHT)
This is a third-party financing agreement between Sagicor Life Jamaica Limited, Sagicor Bank Jamaica Limited and the National Housing Trust and attracts interest at rates ranging from 0% to 2%. During 2021, the Group early settled its obligation to NHT and recorded gains of $584,530,000.

(c) International Financial Corporation (IFC)
This is a loan agreement between Sagicor Bank Jamaica and International Financial Corporation (IFC) which attracts interest at 3.4%. The Group was compliant with the loan convenants for the financial year ended 31 December 2022.

(d) Bank of Nova Scotia (BNS)
This is a loan agreement between Sagicor Bank Jamaica and Bank of Nova Scotia (BNS) which attracts interest at 8.33%.

(e) Other Loans
These loans issued by individuals and companies with various maturity dates in 2023.

29. Deposit and Security Liabilities (Continued)

(ii) Promissory notes

	The Group 2022 $'000	The Group 2021 $'000	The Company 2022 $'000	The Company 2021 $'000
Sagicor Life Jamaica Limited (i)	-	-	10,174,675	10,661,622
Sagicor Investment Jamaica Limited (ii)	-	-	924,029	1,341,624
Other managed funds (iii)	3,901,952	1,666,029	-	-
	3,901,952	1,666,029	11,098,704	12,003,246

Items (i) to (ii) represent promissory notes that have been issued by the Sagicor Group Jamaica Limited with respect to the corporate reorganisation of the Group.

(i) These promissory notes are due by Sagicor Group Jamaica Limited to a subsidiary, Sagicor Life Jamaica Limited, as consideration for the value of Sagicor Investments Jamaica Limited, Sagicor Life of the Cayman Island, Sagicor Re Insurance Limited and other small subsidiaries whose ownership was transferred from the previous parent company, Sagicor Life Jamaica Limited to the holding company, Sagicor Group Jamaica Limited. The promissory notes are unsecured and attract interest at 2% per annum, maturing in January 2024.

(ii) This promissory note was issued by Sagicor Group Jamaica Limited to Sagicor Investments Jamaica Limited as consideration for the value of Sagicor Bank Jamaica Limited whose ownership was transferred from Sagicor Investment Jamaica Limited to Sagicor Group Jamaica Limited. The promissory note is unsecured with interest at 2% per annum and matures in November 2023.

(iii) This represents funding provided by managed funds to provide work capital support and to cover costs associated with development projects. The loan attacts interest at 8% and 6.5% per annum and matures in June 2023. The balance includes loans issued by Alliance Financial Services Limited (AFSL) to Sigma Global Funds. AFSL exceeded the maximum debt to EBITDA ratio of 5.5x. There were no penalties incurred in respect of the breach.

(iii) Structured product
Principal Protected Notes
Principal protected notes comprise a fixed income element with or without an interest guarantee (included above) and an equity indexed option element disclosed in Note 8. These notes entitle the holders to participate in any positive returns on the equity indexed options and they also include a principal protection feature. If the return on the index is negative, the holder will obtain the principal invested for notes with no interest guarantee and principal invested plus interest for notes with an interest guarantee. The maturity dates of these notes is June 2023.

30. Loans Payable

	The Group 2022 $'000	The Group 2021 $'000	The Company 2022 $'000	The Company 2021 $'000
(a) Mortgage Note	-	6,947,445	-	-
(b) Key Money	-	138,528	-	-
(c) Jamaica Central Securities Depository	2,198,545	2,198,545	-	-
Total loans payable	2,198,545	9,284,518	-	-

Current portion of Loans Payable disclosed under Note 48 (d).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

30. Loans Payable (Continued)

(a) *Mortgage Note (US Dollars)*
The mortgage note was issued by Wells Fargo to subsidiary, X Fund Property LLC. The loan amount of NIL (2021 -US$48,736,586) is recorded at fair value at acquisition and was secured by the investment in hotel property. Interest on the note was paid monthly through to maturity at which time the outstanding principal is due and payable. The subsidiary may prepay the note prior to the maturity date only in conjunction with the sale of a property or as a result of casualty or condemnation. The note is payable on October 6, 2025 and attracts a fixed rate interest of 4.9%.

The mortgage note contains a debt service coverage ratio covenant and, upon failing to meet the debt service coverage ratio, substantially all the cash flows from the hotel must be directed to accounts controlled by the lender. As at December 31, 2021, the subsidiary was in compliance with the debt service coverage ratio covenant. On sale of Sagicor Real Estate X Fund (Note 16), the liability was removed from the Group's Statement of Financial Position.

(b) *Key Money*
This note held by subsidiary, X Fund Property Limited is an interest free loan with annual forgiveness of debt over ten years, if contain conditions are met. On sale of Sagicor Real Estate X Fund (Note 16), the liability was removed from the Group's Statement of Financial Position.

(c) *Jamaica Central Securities Depository*
This loan was issued under tranches and arranged by The Jamaica Central Securities Depository (Trustee) to SIJL. Tranche A was issued on 16 August 2019 amounting to $2.18 billion at an interest rate of 6.75% and is repayable on 16 August 2024. Tranche A was issued to finance the acquisition of Advantage General Insurance. Entities which financed the borrowing include related parties.

31. Other Liabilities

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Legal claim payable (Note 52/53)	54,086	185,548	-	-
Premiums not applied	3,922,172	4,579,669	-	-
Accounts payable and accruals	2,866,976	3,683,662	397,362	31,080
Staff related payable	678,719	979,143	-	-
Dividends payable	275,001	248,651	201,363	174,799
Due to related parties (Note 23)	362,163	232,343	3,943,241	4,213,123
Due to brokers and agents	998,260	1,594,398	-	-
Reinsurance payable	1,654,674	1,653,153	-	-
Mortgage principal and real estate payables	1,338,626	520,107	-	-
Customer settlement accounts	1,570,806	2,792,814	-	-
Regulatory fees and Statutory payables	815,505	925,946	-	-
Items in course of payment	482,084	549,630	-	-
Cheques issued but uncashed	852,384	844,899	-	-
Unearned reinsurance commissions	854,280	763,848	-	-
Miscellaneous	361,126	841,224	-	-
	17,086,862	20,395,035	4,541,966	4,419,002

The analysis of the movement in deferred commission income is as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Balance at the beginning of the year	763,848	677,716
Commission received during the year	1,705,288	1,703,827
Amounts recognised in income during the year	(1,614,856)	(1,617,695)
Balance at end of year	854,280	763,848

Current portion of Other Liabilities disclosed under Note 48 (d).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

32. Life and Health Insurance Contract Liabilities

The note below details the Group's liabilities under insurance contracts arise from the operations of its life insurance subsidiaries.

(a) Composition by line of business is as follows:

	The Group	
	2022	2021
	$'000	$'000
Group and Individual annuities	60,181,915	61,157,286
Group insurance	5,669,173	6,136,905
Individual insurance	26,397,594	30,702,558
Total	92,248,682	97,996,749

Current portion of Life and Health Insurance Contract Liabilities disclosed under Note 48 (d).

(b) Movements in insurance liabilities:

	The Group 2022			
	Group and Individual Annuities	Individual Insurance	Group Insurance	Total
	$'000	$'000	$'000	$'000
Balance at the beginning of the year	61,157,286	30,702,558	6,136,905	97,996,749
Change in assumed investment yields and inflation rate	(2,770,075)	(2,357,586)	(65,624)	(5,193,285)
Change due to the issuance of new policies and the decrements on in-force policies	1,972,720	(803,215)	147,078	1,316,583
Change due to other actuarial assumptions	1,734,012	(1,196,653)	(506,331)	31,028
Normal changes in policyholders' liabilities recorded to incomestatement	936,657	(4,357,454)	(424,877)	(3,845,674)
Changes in actuarial liabilities recorded in Other Comprehensive Income (shadow accounting)	(1,279,756)	(1,257,172)	-	(2,536,928)
Foreign currency translation	(632,272)	1,309,662	(42,855)	634,535
Balance at end of year	60,181,915	26,397,594	5,669,173	92,248,682

32. Life and Health Insurance Contract Liabilities (Continued)

(b) Movements in insurance liabilities (continued)

	The Group 2021			
	Group Annuities	Individual Insurance	Group Insurance	Total
	$'000	$'000	$'000	$'000
Balance at the beginning of the year	55,704,694	30,290,402	4,782,626	90,777,722
Change in assumed investment yields and inflation rate	143,654	673,684	3,001	820,339
Change due to the issuance of new policies and the decrements on in-force policies	5,175,141	5,105,831	1,212,864	11,493,836
Change due to other actuarial assumptions	(2,388,006)	(5,594,487)	(52,484)	(8,034,977)
Normal changes in policyholders' liabilities recorded in income statement:	2,930,789	185,028	1,163,381	4,279,198
Changes in actuarial liabilities recorded in Other Comprehensive Income (shadow accounting)	35,724	(157,336)	-	(121,612)
Foreign currency translation	2,486,079	384,464	190,898	3,061,441
Balance at end of year	61,157,286	30,702,558	6,136,905	97,996,749

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

32. Life and Health Insurance Contract Liabilities (Continued)

(c) Policy assumptions

At each date for valuation of actuarial liabilities, the appointed Actuary of each insurer reviews the assumptions made at the last valuation date. The Appointed Actuary tests the validity of each assumption by reference to current data, the Group's experience and where appropriate, changes the assumptions for the current valuation.

Insurance and investment contract liabilities have two major assumptions, best estimate assumptions and provisions for adverse deviation assumptions.

A similar process of review and assessment is conducted in the determination of margins for adverse deviations.

Life Insurance and Annuity Contracts

(i) Best estimate assumptions
Assumptions cover the lifetime of the policies and are made for many variables including mortality, morbidity, investment yields, rates of policy termination (lapse and persistency), operating expenses and certain taxes.

(ii) Mortality and morbidity
The assumptions are based on past Group and industry experience. For individual life policies the Group bases its assumption on the Canadian Institute of Actuaries 97-04 male and female aggregate mortality tables which are 21 year select and ultimate mortality tables. For accidental death and dismemberment benefits the Group bases its assumptions on the 1959 Accidental Death Benefit table for rider benefits and the Canadian Population Accident 1990-1992 sex distinct table for coupon products. Critical illness incidence rates are based on British population sex-distinct incidence rates developed by the Institute of Actuaries. Group annuitant mortality is based on the Society of Actuaries 1994 Group Annuitant male and female basic mortality tables with projection scale AA for improvements in mortality. Individual Annuitant mortality is based on the Society of Actuaries 2012 Individual Annuitant male and female Period mortality tables with projection scale G2 beyond 2012 for improvements in mortality.

(iii) Investment yields
The Group broadly matches assets and liabilities by line of business. The projected cash flows from these assets are combined with future reinvestment rates derived from the current economic outlook and the Group's investment policy to determine expected rates of return on these assets for all future years. The gross long-term ultimate reinvestment rate (after 20 years) is based on expectations of risk-free government bond yields. The gross rate is adjusted to take into account investment expenses and asset default. Assumptions taking into account inflation are that real returns after 40 years will be between 2.0% and 4.0% (2021: 2.0% and 3.3%).

32. Life and Health Insurance Contract Liabilities (Continued)

(iv) Lapses and persistency
Lapses relate to termination of policies due to non-payment of premiums. Surrender and withdrawals relate to voluntary termination of policies by policyholders. Policy termination assumptions are based on the Group's own experience and vary by type of product. Lapse rates in the first year of a policy range between 3.5% and 29% of insurance amounts issued. Lapse rates after 20 policy years are assumed to be between 0% and 9.5% of insurance amounts in force. Partial withdrawal rates average about 15.0% (2021: 15.0%) of fund values available from policies in force.

(v) Policy expenses
Policy maintenance expenses are derived from the Group's own internal cost studies projected into the future with an allowance for inflation. All expenses, including overhead, are functionally allocated by line of business, between the administration of the business and the acquisition of the business. All expenses related to the administration of the business are used to determine the policy maintenance unit costs. No expenses related to the acquisition of the business are included in the unit expense assumption used in the valuation of the actuarial liabilities. Interest sensitive and Universal life policies are assumed to be twice as costly to administer as traditional life policies. The inflation assumption is kept consistent with the investment assumption. The initial inflation rate declines over the life of the policies such that real returns after 40 years are between 2.0% and 4.0% (2021: 2.0% and 3.3%).

(vi) Provision for adverse deviation assumptions
To recognize the uncertainty in establishing best estimate assumptions, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the Appointed Actuary is required to include a margin for adverse deviation in each assumption. The impact of these margins is to increase reserves and so decrease the income that would recognized on inception of the policy. The Canadian Institute of Actuaries standards indicate that margins are to be between 5% and 20% of the best estimate assumptions or between 2% and 8% of annuitant mortality best estimate assumptions. The Group uses margins for each assumption at the middle of the range, taking into account the risk profiles of the business.

(vii) Changes in assumptions
Every financial year, the expectations of the Group with respect to the best estimate assumptions and the margins for adverse deviation described above are reviewed. All assumptions are updated as appropriate to reflect the circumstances of the Group.

Health Insurance Contracts
The outstanding liabilities for health insurance claims incurred but not yet reported and for claims reported but not yet paid are determined by statistical methods using expected loss ratios which have been derived from recent historical data. No material claim settlements are anticipated after one year from the statement of financial position date.

33. Investment Contract Liabilities

	The Group	
	2022	**2021**
Amortised cost -	**$'000**	**$'000**
Amounts on deposit	18,083,616	17,193,242
Deposit administration fund	1,469,504	1,501,644
Other investment contracts	611,100	661,599
	20,164,220	19,356,485

Current portion of Investment Contract Liabilities is disclosed under Note 48 (d).

The maturity value of these financial liabilities is determined by the fair value of the linked assets, at maturity date. There will be no difference between the carrying amount and the maturity amount at the maturity date.

The fair value of financial liabilities at amortised cost is based on a discounted cash flow valuation technique. This discount rate is determined by current market assessment of the time value of money and risk specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

34. Property and Casualty Insurance Contract and Other Policy Liabilities

	The Group					
	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Life and health claims payable	5,378,155	(588,700)	4,789,455	5,445,507	(784,167)	4,661,340
Property and casualty claims payable and IBNR	2,976,485	(927,591)	2,048,894	3,304,019	(834,174)	2,469,845
Total Policy Benefit Payable	8,354,640	(1,516,291)	6,838,349	8,749,526	(1,618,341)	7,131,185
Provision for unearned premiums	3,844,083	(2,556,048)	1,288,035	3,259,469	(2,070,739)	1,188,730
Policy dividends and other funds on deposit	1,180,587	-	1,180,587	1,142,752	-	1,142,752
Balance at 31 December	13,379,310	(4,072,339)	9,306,971	13,151,747	(3,689,080)	9,462,667

Movement in policy benefit payable:

	The Group					
	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January	8,749,526	(1,618,341)	7,131,185	7,868,228	(1,716,891)	6,151,337
Policy benefits incurred	38,510,213	(1,374,259)	37,135,954	36,429,580	(1,376,292)	35,053,288
Policy benefits paid	(38,896,935)	1,473,716	(37,423,219)	(35,598,947)	1,497,866	(34,101,081)
Effect of exchange rates	(8,164)	2,593	(5,571)	50,665	(23,024)	27,641
Balance at 31 December	8,354,640	(1,516,291)	6,838,349	8,749,526	(1,618,341)	7,131,185

34. Property and Casualty Insurance Contract and Other Policy Liabilities (Continued)

Movement in provision for unearned premiums:

	The Group					
	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January	3,259,469	(2,070,739)	1,188,730	2,755,496	(1,683,928)	1,071,568
Premiums written during the year	7,891,776	(5,677,755)	2,214,021	6,587,945	(4,415,866)	2,172,079
Premiums earned during the year	(7,303,109)	5,188,580	(2,114,529)	(6,099,701)	4,043,992	(2,055,709)
Effects of exchange rate changes	(4,053)	3,866	(187)	15,729	(14,937)	792
Balance at 31 December	3,844,083	(2,556,048)	1,288,035	3,259,469	(2,070,739)	1,188,730

Analysis of unearned premium and property and casualty claims payable and IBNR:

	The Group							
	2022				2021			
	Unearned premiums		Property and casualty claim payable and IBNR		Unearned premiums		Property and casualty claim payable and IBNR	
	$'000' Gross	$'000 Net Reinsured	$'000 Gross	$'000 Net Reinsured	$'000 Gross	$'000 Net Reinsured	$'000 Gross	$'000 Net Reinsured
Liability	257,416	47,851	9,794	9,540	178,301	46,248	73,690	73,273
Motor	2,139,263	1,063,901	2,805,008	1,998,746	2,121,270	1,068,355	3,174,403	2,386,900
Property	1,447,404	176,283	161,683	40,608	959,898	74,127	55,926	9,672
	3,844,083	1,288,035	2,976,485	2,048,894	3,259,469	1,188,730	3,304,019	2,469,845

35. Collateralised Reversed Repurchase Agreements

At December 31, 2022, the Group held $5,036,501,000 (2021 – $10,948,898,000) of securities, mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements. None of the collateral for reverse repurchase agreements for the Group was repledged.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

36. Premium Income

	2022		
	Gross Premiums	Reinsurance Premiums	Net premiums
	$'000	$'000	$'000
Group insurance -			
Group health	12,790,773	(471,167)	12,319,606
Group life	4,576,630	(169,050)	4,407,580
Group annuities	4,272,432	-	4,272,432
	21,639,835	(640,217)	20,999,618
Individual insurance -			
Individual life	32,824,649	(433,155)	32,391,494
Individual health	651,143	-	651,143
Individual annuities	395,640	-	395,640
	33,871,432	(433,155)	33,438,277
Property and casualty	7,303,109	(5,188,580)	2,114,529
Net premiums	62,814,376	(6,261,952)	56,552,424

	2021		
	Gross Premiums	Reinsurance Premiums	Net premiums
Group insurance -			
Group health	11,474,799	(586,747)	10,888,052
Group life	3,856,618	(121,754)	3,734,864
Group annuities	5,085,776	-	5,085,776
	20,417,193	(708,501)	19,708,692
Individual insurance -			
Individual life	30,557,581	(390,873)	30,166,708
Individual health	579,389	-	579,389
Individual annuities	274,092	-	274,092
	31,411,062	(390,873)	31,020,189
Property and casualty			
Net premiums	6,099,701	(4,043,992)	2,055,709
	57,927,956	(5,143,366)	52,784,590

37. Net Investment Income

	The Group		
	2022	2022	2022
	Amortised cost assets	FVTOCI assets	Total
	$'000	$'000	$'000
Interest income -			
Debt securities	7,047,286	9,170,822	16,218,108
Mortgage loans	1,319,430		1,319,430
Policy loans	104,297		104,297
Loans and finance leases	8,677,745		8,677,745
Securities purchased for re-sale	317,962		317,962
Deposits	164,704		164,704
Total Interest Income	17,631,424	9,170,822	26,802,246
Net gain on de-recognition of financial assets measured at FVTOCI			49,581
Net gain on derecognition of financial assets measured at amortised cost			579,060
			27,430,887
FVTPL investments:			
Interest income			489,727
Dividend income			273,705
Unrealised losses on financial assets			(4,060,125)
Net losses on de-recognition of financial assets			(112,011)
			(3,408,704)
Investment properties:			
Unrealised gains			234,572
Rental Income			57,043
			291,615

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

36. Net Investment Income (Continued)

Other investment income and expense:	
Other investment income	25,375
Other direct investment expense	(34,483)
	(9,108)
Income earned and capital gains/(losses) from assets measured at FVTPL and other investment income	(3,126,197)
Total Investment Income	24,304,690
Interest expense -	
Investment contracts	(792,034)
Customer deposits	(1,412,202)
Repurchase liabilities	(2,954,409)
Insurance contracts and other items	(21,408)
Due to banks and other financial institutions	(559,201)
Lease liabilities	(160,027)
Loans payable	(411,783)
	(6,311,064)
Credit impairment losses	(614,765)
Net investment income	17,378,861

37. Net Investment Income (Continued)

	The Company		
	2022	**2022**	**2022**
	Amortised cost assets	**FVTOCI assets**	**Total**
	$'000	**$'000**	**$'000**
Interest income -			
Debt securities	648	-	648
Securities purchased for re-sale	74,911	-	74,911
Deposits	22,189	-	22,189
Total interest income	97,748	-	97,748
Dividend income			5,721,610
Net gains on de-recognition of financial assets on measured at FVTOCI			546
			5,819,904
Interest expense -			
Promissory notes			(234,729)
Net investment income			5,585,175

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

37. Net Investment Income (Continued)

	The Group		
	2021	2021	2021
	Amortised cost assets	FVTOCI assets	Total
	$'000	$'000	$'000
Interest income -			
Debt securities	6,633,283	7,685,868	14,319,151
Mortgage loans	1,149,031	-	1,149,031
Policy loans	91,772	-	91,772
Loans and finance leases	7,932,278	-	7,932,278
Securities purchased for re-sale	140,654	-	140,654
Deposits	87,496	-	87,496
Total Interest Income	16,034,514	7,685,868	23,720,382
Net gain on de-recognition of financial assets measured at FVTOCI			2,663,679
Net gain on derecognition of financial assets measured at amortised cost			3,292,396
			29,676,457
FVTPL investments:			
Interest income			399,245
Dividend income			169,636
Unrealised losses on financial assets			2,113,275
Net gain on de-recognition of financial assets			828,160
			3,510,316
Investment properties:			
Unrealised gains			68,000
Realised losses			(43,600)
Rental Income			66,058
			90,458

37. Net Investment Income (Continued)

Other investment income and expense:	
Investment income	92,615
Direct investment expense	(41,063)
	51,552
Income earned and capital losses from assets measured at FVTPL & Other Investment Income	3,652,326
Total Investment Income	33,328,783
Interest expense -	
Investment contracts	
Customer deposits	(745,686)
Repurchase liabilities	(1,215,376)
Insurance contracts and other items	(1,792,359)
Due to banks and other financial institutions	(26,191)
Lease liabilities	(451,706)
Loans payable	(182,898)
	(707,636)
	(5,121,852)
Credit impairment losses	
Net investment income	(245,288)
	27,961,643

	The Company		
	2021	2021	2021
	Amortised cost assets	FVTOCI assets	Total
	$'000	$'000	$'000
Interest income -			
Debt securities	4,396	178	4,574
Securities purchased for re-sale	10,795	-	10,795
Deposits	20,583	-	20,583
Total interest income	35,774	178	35,952
Dividend income			8,272,192
Net gains on de-recognition of financial assets on measured at FVTOCI			1,233
			8,309,377
Interest expense -			
Promissory notes			(309,709)
Net investment income			7,999,668

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

38. Results from Hotel Operations

Hotel revenues and expenses relate to X Fund Properties LLC, operators of Double Tree Orlando.

	2022 $'000	2021 $'000
Hotel Revenues:		
Rooms	3,208,817	3,194,370
Food and beverage	1,066,879	735,869
Other departments	304,902	416,482
Other income	78,839	72,028
	4,659,437	4,418,749
Hotel Expenses:		
Rooms	397,669	317,154
Food and beverage	421,553	328,687
Property operations	100,614	95,687
Franchise expense	171,161	167,502
Sales and marketing	267,636	268,921
Other operated departments	772,806	1,136,305
Staff costs:		
Salaries and benefits	1,217,733	1,007,696
Payroll taxes	30,742	45,455
	3,379,914	3,367,407

39. Fees and Other Income

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Service contract revenue	11,699,358	10,350,405	-	-
Commission income on insurance and reinsurance contracts	1,816,509	1,794,612	-	-
Foreign exchange (losses)/gains	(61,433)	1,123,830	(21,282)	54,623
Other fees and commission income	4,732,644	3,418,325		-
Management fees	-	-	5,138,881	43,215
Gain on sale of disposal of subsidiary	-	-	615,195	-
Conditional Payment - AFSL	116,723	-	116,723	-
Miscellaneous fees & other income	209,760	708,525	1,852	360
	18,513,561	17,395,697	5,851,369	98,198

40. Insurance Benefits and Claims

	The Group			
	2022			2021
	Gross incurred $'000	Reinsured $'000	Net Claims $'000	Net Claims $'000
Life insurance benefits	17,669,946	(31,907)	17,638,039	16,600,970
Annuities benefits	6,067,254	-	6,067,254	5,997,601
Health insurance	12,384,994	(305,260)	12,079,734	10,800,743
Property and casualty	2,388,019	(1,037,092)	1,350,927	1,653,974
	38,510,213	(1,374,259)	37,135,954	35,053,288

41. Administration Expenses

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Auditors' remuneration	283,742	260,440	34,498	13,497
Office accommodation	1,231,633	1,194,491	44,303	2,370
Communication and technology	3,507,686	3,468,531	294,771	120,334
Advertising and branding	1,318,611	1,108,941	366,420	340,363
Sales convention and incentives	348,785	219,041	14,340	-
Postage, printing and office supplies	294,843	350,875	8,733	91
Policy stamp duties and reimbursements	108,084	103,418	-	-
Regulators fees	363,553	365,049	11,526	10,267
Directors costs	136,433	139,092	38,701	34,700
Legal and professional fees	1,059,953	749,242	253,558	175,515
Services outsourced	1,021,221	1,048,535	-	705
Electronic channels charges	2,433,210	2,145,613	-	-
Commission and fees	58,945	44,474	-	-
Insurance	435,177	282,948	1,082	989
Travel and entertainment	198,358	102,783	37,390	598
Bank charges and cash transport	562,064	442,385	1,506	1,190
Other expenses	811,339	699,850	90,824	97,323
Staff costs (a)	13,971,701	11,695,789	3,448,277	15,196
	28,145,338	24,421,497	4,645,929	813,138

(a) Staff costs

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Salaries	10,205,351	8,676,065	3,018,645	-
Payroll taxes	1,174,599	999,018	335,153	-
Pension costs (Note 19)	693,283	480,320	-	-
Other post-retirement benefits (Note 19)	522,014	427,205	-	-
Share based compensation	165,225	247,530	44,375	-
Restructuring costs	117,997	22,871	-	-
Other	1,093,232	842,780	50,104	15,196
	13,971,701	11,695,789	3,448,277	15,196

Other staff costs incurred by the Group associated with its hotel operations are disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

42. Commission and Sales Expense

Amount represents commission and bonuses paid to sales representatives in the Life companies.

43. Taxation

(a) Tax is computed as follows:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current year taxation -				
Dividend income tax @ 15%	3,059	2,127	-	-
Income tax at 33 ⅓%	2,582,294	3,106,702	-	-
Income tax at 25%	2,834,632	2,624,054	324,277	-
	5,419,985	5,732,883	324,277	-
Deferred income tax (Note 20) -				
Deferred tax charge/(credit) relating to the origination and reversal of temporary differences	(85,228)	717,076	-	(886)
Taxation	5,334,757	6,449,959	324,277	(886)
Other taxes:				
Asset tax @ 0.25%	892,860	830,582	-	-
Withholding tax	420	185	-	-
Other taxes	893,280	830,767	-	-

(b) Tax is computed as follows:

Income tax:

1. Income tax at 33⅓% is payable on taxable profits of Sagicor Investments Jamaica Limited, Sagicor Bank Jamaica Limited, Employee Benefits Administrator Limited, Sagicor Insurance Brokers Limited, Advantage General Insurance Company and Sagicor International Administrators Limited.

2. Income tax at 25% is payable on taxable profits of Sagicor Life Jamaica Limited, Sagicor Group Jamaica Limited, Alliance Financial Services Limited and Sagicor Property Services Limited.

Other taxes:

1. Asset taxes
   I. Life and General Insurance Companies
   These companies are subjected to asset tax at a rate of 0.25%(2021 - 0.25%) of total assets less required capital specified by the Financial Services Commission and withholding tax receivables owed by the Commissioner General of Tax Administration Jamaica.

   II. Bank of Jamaica Regulated Companies
   Commercial Banks, Building Societies and other deposit taking institutions are subjected to tax of 0.25% (2021 – 0.25%) of total assets less loan loss reserves, withholding tax receivables owed by the Commissioner General of Tax Administration Jamaica and Regulated Capital required by the Bank of Jamaica.

   III. Non- Regulated Entities
   These entities are subjected to a fixed rate based on the total value of assets.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

43. Taxation (Continued)

Tax losses:

Subject to the agreement of the Taxpayer Audit and Assessment Department, losses of certain subsidiary companies, available for set off against future taxable profits amount to approximately $NIL (2021 – $770,700,000).

(c) Reconciliation of applicable tax charges to effective tax charge:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Investment income tax - Dividend income	20,391	14,177	-	-
Tax at 15%	3,059	2,127	-	-
Income tax - Profit before taxation	21,930,637	24,093,047	6,667,749	7,142,386
Tax at 1%, 21%, 25% & 33⅓%	6,100,942	5,919,699	1,666,937	1,785,597
Adjusted for:				
Income not subject to income tax (i)	(2,285,331)	(2,439,589)	(1,261,958)	(2,076,038)
Asset tax not deductible for tax purposes	328,643	343,849	-	-
Expenses not deductible for tax purposes (ii)	1,845,429	2,290,039	74,883	105,236
Subsidiaries taxed at zero rate	(420,786)	(428,082)	-	-
Prior year under provision	19,753	4,148	-	-
Net effect of other charges and allowances	(256,952)	757,768	(155,585)	184,319
	5,331,698	6,447,832	324,277	(886)
Taxation expense	5,334,757	6,449,959	324,277	(886)

(i) This includes income from Annuities, earnings from associated company and joint venture.
(ii) This includes expenses relating to annuities, interest charges, impairment and share of loss from associated company.

43. Taxation (Continued)

(c) The tax (charge)/credit relating to components of other comprehensive income is as follows:

	The Group					
	2022			2021		
	Before tax $'000	Tax (charge)/ credit $'000	After tax $'000	Before tax $'000	Tax (charge)/ credit $'000	After tax $'000
Fair value losses on OCI, net amounts recycled to income on disposal and maturity of FVTOCI securities	(19,100,449)	3,588,026	(15,512,423)	(5,867,826)	1,777,168	(4,090,658)
Provision for expected credit losses -IFRS 9 on FVTOCI securities, net of amounts recycled to the Income Statement on sale and maturity of FVTOCI securities	9,086	20,019	29,105	(515,077)	8,072	(507,005)
Shadow accounting reserve	2,536,928	-	2,536,928	121,612	-	121,612
Re-measurement of post-employment benefits	3,467,379	(913,400)	2,553,979	(2,670,655)	736,469	(1,934,186)
Unrealised gains on owner-occupied properties:	2,904,777	(552,087)	2,352,690	2,174,882	(429,097)	1,745,785
Share of fair value losses on interest rate swap recycled on dilution of associate company	-	-	-	526,436	-	526,436
Retranslation of foreign operations recycle on dilution of subsidiary	(152,490)	-	(152,490)	(2,534,160)	-	(2,534,160)
Retranslation of foreign operations	(1,761,043)	-	(1,761,043)	2,174,989	-	2,174,989
Other comprehensive income Deferred income taxes (Note 20)	(12,095,812)	2,142,558	(9,953,254)	(6,589,799)	2,092,612	(4,497,187)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

44. Leases

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Right-of-use assets		
Buildings	1,767,944	2,098,959
Land	55,260	56,158
	1,823,204	2,155,117
Lease liabilities		
Current	605,806	617,644
Non-current	1,537,995	1,904,146
	2,143,801	2,521,790

Additions to the right-of-use assets during the 2022 financial year were $361,653,000 (2021- $302,580,000).

(b) Amounts recognised in the profit or loss statement

The income statement shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Amortization charge of right-of-use assets	621,075	599,365
Interest expense (included in Interest and other interest expense – note 37)	160,027	182,898
Expense relating to short-term leases (included in administration expenses)	64,517	69,587

(c) The total cash outflow for leases in 2022 was $773,219,099 (2021 - $714,049,815).

(d) As at 31 December 2022, potential future cash outflows of $42,174,000 (2021- $87,852,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

(e) During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $209,118,332 (2021- $266,252,516).

45. Earnings per Stock Unit

(i) Basic earnings per stock unit are calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary shares in issue during the year.

	The Group 2022	The Group 2021
Net profit attributable to stockholders ($'000)	16,378,634	17,395,431
Weighted average number of ordinary stock units in issue ('000)	3,906,079	3,900,751
Basic earnings per stock unit ($)	4.19	4.46

(ii) Diluted earnings per stock unit is calculated adjusting the weighted average number of ordinary stock units outstanding to assume conversion of all dilutive potential ordinary shares under the following schemes:

(a) An Employee Share Ownership Plan.

(b) Group LTIs - Effective 1 May 2003, the Group instituted a share-based compensation plan for Executives. A new LTI Plan was put in place from January 2007. Shares amounting to 150,000,000 have been set aside to cover share grants and options to Executives.

The Group adopted a policy not to issue new shares to satisfy the benefits promised under the above schemes. Instead, the required shares are being purchased over the Jamaica Stock Exchange in the name of the Staff Share Purchase Trust or the Long-term Incentive Plan.

	The Group 2022	The Group 2021
Net profit attributable to stockholders ($'000)	16,378,634	17,395,431
Weighted average number of ordinary stock units in issue ('000)	3,913,572	3,904,935
Fully diluted earnings per stock unit ($)	4.19	4.46

(iii) The weighted average number of ordinary stock units used in the basic and diluted earnings per stock unit computations may be reconciled as follows:

	The Group 2022 '000	The Group 2021 '000
Weighted average number of ordinary stock units for the purposes of the computation of basic earnings per stock unit	3,906,010	3,900,751
Effect of dilutive potential ordinary stock units – stock options	7,569	4,184
Weighted average number of ordinary stock units for the purposes of the computation of diluted earnings per stock unit	3,913,579	3,904,935

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

46. Cash Flows

(a) Adjustments to reconcile net profit to net cash provided by operating activities

		The Group		The Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Adjustments for non-cash items, interest and dividends:					
Depreciation and amortisation	17/ 18	2,604,846	2,719,286	122,866	142,342
Interest and dividend income	37	(27,565,678)	(24,289,263)	(5,819,358)	(8,308,144)
Interest expense and finance costs	37	6,311,064	5,121,852	234,729	309,709
Income tax	43	5,334,757	6,449,959	324,277	(886)
Other tax expense	43	892,860	830,582	-	-
Gains on disposal of investment securities	37	(516,630)	(6,784,235)	(546)	(1,233)
Fair value losses/(gains) on trading securities	37	4,060,125	(2,113,275)	-	-
Gain on disposal of mortgage portfolio	29	-	(584,530)		
Credit impairment losses	37	614,765	245,288	-	-
Loss on disposal on Investment property		-	43,600	-	-
Impairment charge on land developed for resale		310,664	168,000	-	-
Interest and gains on disposal of Real Estate Developed for Resale		(608,697)	(79,453)	-	-
Gains on revaluation of investment properties	13	(234,572)	(68,000)	-	-
Conditional Payment - AFSL	56	(116,723)	-	(116,723)	-
Losses on disposal of property, plant and equipment		-	16,315	195	88
Increase in policyholders' funds		1,192,140	2,914,905	-	-
Net movement in actuarial liabilities	32	(3,845,674)	4,279,198	-	-
Retirement benefit obligations		453,425	118,637	-	-
Effect of exchange gains on foreign currency balances		61,423	(1,123,830)	1,325	(50,847)
Loss on disposal of interest in associate	15	-	233,088	-	-
Gain on disposal of subsidiary	16	(258,208)	-	(615,195)	-
Impairment charge on goodwill	17	-	614,400	-	-
Share of profits from joint venture		(439,994)	(607,764)	-	-
		(11,750,107)	(11,895,240)	(5,868,430)	(7,908,971)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

46. Cash Flows (Continued)

(a) Adjustments to reconcile net profit to net cash provided by operating activities (continued)

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Changes in other operating assets and liabilities:				
Statutory reserves at Bank of Jamaica and restricted cash	(1,213,130)	(681,910)	-	-
Structured products	485	675,240	-	-
Stock options and grants	19,126	10,354	19,126	10,354
Reinsurance contracts	(389,717)	(250,302)	-	-
Due from related parties	51,617	113,642	-	-
Premium due and unpaid	(473,023)	(267,733)	-	-
Other assets	3,224	(7,185,807)	(297,170)	(84,202)
Other liabilities	(2,636,243)	4,821,018	123,860	614,739
	(4,637,661)	(2,765,498)	(154,184)	540,891

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Net investment purchases:				
Proceeds on sale of investment securities	102,073,524	271,308,537	590,510	462,675
Purchase of investment securities	(131,238,498)	(275,987,977)	(3,007)	(797,012)
Repurchase agreements and deposits	1,838,963	(3,938,264)	-	-
Loans	(16,877,900)	(4,002,844)	-	-
Lease receivables	65,320	(77,390)	-	-
	(44,138,591)	(12,697,938)	587,503	(334,337)
	(60,526,359)	(27,358,676)	(5,435,111)	(7,702,417)

(b) Net acquisition of property, plant and equipment

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**
Purchases	18	(928,071)	(509,467)	(50,141)	(8,375)
Proceeds from disposal		-	12,722	-	-
		(928,071)	(496,745)	(50,141)	(8,375)

46. Cash Flows (Continued)

(c) Net debt reconciliation
The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash. Financing activities represent bank and other loans, excluding bank overdrafts and amounts included as cash and cash equivalents:

		The Group	
		2022	**2021**
		$'000	**$'000**
Deposit and security liabilities	29	250,837,061	221,851,641
Loans payable	30	2,198,545	9,284,518
Lease liabilities	44	2,143,801	2,521,790
		255,179,407	233,657,949

	The Group	
	2022	**2021**
	$'000	**$'000**
At January 1	233,657,949	220,829,088
Interest Payable	(703,955)	(615,922)
Bank Overdraft classified as cash and cash equivalent	-	(62,885)
	232,953,994	220,150,281
Drawdown, net of repayments:		
Deposits and securities liabilities excluding structured products (i)	27,383,942	4,282,146
Derivative	-	16,733
Loan payable	(153,573)	(2,065,939)
Lease repayments	(667,729)	(525,324)
Structured products	-	675,240
Non-Cash Movements:		
Assumed on acquisition (AFSL) (note 56)	1,008,568	-
Loan extinguishment on sale of subsidiary (XFUND)	(6,767,862)	-
Recognition of reverse repurchase agreement on sale of subsidiary	2,754,191	-
Derivative	(14,355)	-
New leases	285,387	266,254
Foreign Exchange Impact	(2,786,425)	10,136,963
Amortization of loan cost	22,074	52,624
Amortization of principal	-	(34,984)
Interest payable	1,161,195	703,955
At December 31	255,179,407	233,657,949

i)

	2021
	$'000
Deposits and securities liabilities excluding structured products	4,282,146
Gain on disposal of mortgage portfolio	584,530
	4,866,676

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

46. Cash Flows (Continued)

(c) Net debt reconciliation (continued)

	The Company	
	2022	**2021**
	$'000	**$'000**
At January 1	12,003,246	15,685,639
Interest Payable	(61,405)	(55,703)
	11,941,841	15,629,936
Dividend payable converted to promissory notes	-	(3,023,377)
Loan repayments	(887,126)	
Non-Cash Movements:		
Cancelled loan	-	(664,718)
Interest payable	43,989	61,405
At December 31	11,098,704	12,003,246

47. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities at FVTPL are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items.

(ii) Investment securities classified as FVTOCI are measured at fair value by reference to quoted market prices or dealer quotes when available (level 1). If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques. (level 3) Investments in unit trusts are based on prices quoted by the fund managers.(level 2)

(iii) The fair value of the equity indexed options and the exchange traded funds that are shorted are based on quoted prices (level 1).

(iv) The fair value of demand deposits and customer accounts with no specific maturity is assumed to be the amount payable on demand at the year-end date. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new deposits (level 3).

(v) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

(vi) Loans are net of provision for impairment. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received (level 3). Expected cash flows are discounted at current market rates to determine fair value.

Differences between the fair values and the carrying values are accounted for in determining the amount of policyholders' liabilities that must be set aside each year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

47. Fair Values of Financial Instruments (Continued)

The table below summaries the carrying amount and fair value of financial assets and financial liabilities not presented on the Group's statement of financial position at their fair value:

	The Group			
	Carrying Value 2022 $000	Fair Value 2022 $000	Carrying Value 2021 $000	Fair Value 2021 $000
Financial Assets				
Investments at amortised cost (loans and receivables)	98,151,107	103,900,640	118,915,507	134,529,961
Loans & leases, after allowance for credit losses	112,736,829	111,464,342	96,889,917	97,047,906
Financial Liabilities (Note 29)				
Securities sold under agreements to repurchase	87,385,529	87,385,529	78,334,999	78,334,999
Customer deposits and other accounts	145,950,107	145,955,724	133,338,645	133,683,605
Due to banks and other financial institutions	12,940,790	12,928,260	7,803,208	7,803,208
Loans Payable	2,198,545	2,176,559	9,284,518	9,836,268

	The Company			
	Carrying Value 2022 $000	Fair Value 2022 $000	Carrying Value 2021 $000	Fair Value 2021 $000
Financial Assets				
Financial investments – loans and receivables	736,529	736,529	1,342,989	1,343,930

47. Fair Values of Financial Instruments (Continued)

(i) Level 1 – unadjusted quoted prices in active markets for identical instruments

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Group considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(ii) Level 2 – inputs that are observable for the instrument, either directly or indirectly

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

In estimating the fair value of non-traded financial assets, the Group uses a variety of methods such as obtaining dealer quotes and using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are discounted at market derived rates for government securities in the same country of issue as the security, considering factors such as tenor and currency; for non-government securities, an interest spread is added to the derived rate for a similar government security rate according to the perceived additional risk of the non-government security.

In assessing the fair value of non-traded financial liabilities, the Group uses a variety of methods including obtaining dealer quotes for specific or similar instruments and the use of internally developed pricing models, such as the use of discounted cash flows. If the non-traded liability is backed by a pool of assets, then its value is equivalent to the value of the underlying assets.

Certain of the Group's liabilities are unit linked, i.e. derive their value from a pool of assets which are carried at fair value. The Group assigns a fair value hierarchy of Level 2 to the contract liability if the liability represents the unadjusted fair value of the underlying pool of assets.

(iii) Level 3 – inputs for the instrument that are not based on observable market data

A financial instrument is classified as Level 3 if:

- The fair value is derived from quoted prices of similar instruments that are observable and which would be classified as Level 2; or
- The fair value is derived from inputs that are not based on observable market data.

Level 3 FVTOCI securities include corporate and government agency debt instruments. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

Level 3 assets designated as FVTPL include debt securities and equities for which the full income return and capital returns accrue to holders of unit linked liabilities. These assets are valued with inputs other than observable market data.

The techniques and methods described in the preceding section (ii) for non-traded financial assets and liabilities may also be used in determining the fair value of Level 3 instruments.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

47. Fair Values of Financial Instruments (Continued)

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at 31 December 2022, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	The Group 2022			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial Assets				
Financial investments	65,398,023	150,934,201	773,602	217,105,826
Non-Financial Assets				
Property, plant & equipment	-	-	4,006,032	4,006,032
Investment properties	-	-	1,680,525	1,680,525
	65,398,023	150,934,201	6,460,159	222,792,383

	The Group 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial investments	66,461,915	146,267,466	736,547	213,465,928
Non-Financial Assets				
Property, plant & equipment	-	-	17,247,080	17,247,080
Investment properties	-	-	1,220,324	1,220,324
	66,461,915	146,267,466	19,203,951	231,933,332

47. Fair Values of Financial Instruments (Continued)

The following table summarizes the quantitative information about the significant unobservable inputs used to measure the Group's Level 3 financial instruments:

The Group						
Description	Fair value at		Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2022	2021		2022	2021	
	$'000	$'000		$'000	$'000	
Investment properties (Note 12)	1,680,525	1,220,324	Comparable sale	5%	5%	Increases in comparable sale prices will have direct correlation to the fair value.
Property, plant & equipment (Note 18)	4,006,032	17,247,080	Comparable sale	5%	5%	Increases in comparable sale prices will have a direct correlation to fair value.
Unquoted ordinary equity	773,602	736,547	Adjustments to net assets	10%	10%	Increases in adjusted net assets of the underlying entities will have a direct correlation to fair value.
	6,460,159	19,203,951				

Reconciliation of level 3 unquoted ordinary equity –

	The Group 2022	The Group 2021
	$'000	$'000
Balance at beginning of year	736,547	833,616
Total gains/(losses) – income statement	83,061	(149,024)
Purchases	63,927	90,190
Settlements	(109,933)	(38,235)
Balance at end of year	773,602	736,547

The gains or losses recorded in the profit or loss statement are included in Note 37.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

47. Fair Values of Financial Instruments (Continued)

The fair values for all other financial instruments approximate their carrying values and also fall within Level 2 based on the following:

- The fair value of liquid assets and other assets maturing within one year (such as cash and balances at Central Banks and amounts due from other banks) is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;
- The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the date of the statement of financial position; and
- The fair value of variable rate loans is assumed to approximate their carrying amounts and management does not believe that, after deduction of provision for credit losses, there is any significant difference between the fair value of fixed rate loans and their carrying values as interest rates approximate current market rates offered on similar loans.

48. Insurance and Financial Risk Management

The Group's activities expose it to a variety of financial risks and those activities necessitate the analysis, evaluation, control and/or acceptance of some degree of risk or combination of risks. Taking various types of risk is core to the financial services business and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group has a risk management framework with clear terms of reference. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board of Directors to Executive Management committees and senior managers. Policy frameworks which set out the risk profiles for the Group's risk management, control and business conduct standards for the Group's operations have been put in place. Each policy has a member of Executive Management charged with overseeing compliance with that policy.

The Board of Directors is ultimately responsible for the establishment and oversight of the risk management framework. The Board of Directors has established committees/departments/structures for managing and monitoring risks, as indicated below. Management of the Group's insurance and financial risk for this financial year has been impacted by COVID-19. The changes to the Group's risk management as a result of COVID-19 are discussed for each category of risk.

48. Insurance and Financial Risk Management (Continued)

(i) Board Audit Committee
The Board Audit Committee comprises independent directors. The Committee:

- Oversees how management monitors internal controls, compliance with the Group's risk management policies and adequacy of the risk management framework to risks faced by the Group;
- Reviews the Group's annual and quarterly financial statements, related policies and assumptions and any accompanying reports or statements; and
- Reviews the internal audit function as well as the external auditor's independence, objectivity and effectiveness.

The Board Audit Committee is assisted in its oversight role by the Internal Audit Department. The Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

(ii) Board Capital Allocation and Investment Committee
The Board Capital Allocation and Investment Committee comprises mainly of independent directors. As part of its Terms of Reference, the Committee:

- Oversees the solvency position of regulated entities in the Group
- Oversees the return on capital employed
- Decides on the allocation of capital within the group
- Considers new capital funding options
- Oversees the Group's financial risk management framework.
- Approves the investment policies within which the Group's investment portfolios are managed;
- Reviews the performance of the Group's investment portfolios;
- Ensures adherence to prudent standards in making investment and lending decisions and in managing investments and loans; and
- Approves new investment projects over certain thresholds, ensuring the required rates of returns are considered.

(iii) Asset/Liability Management (ALM) Committee
The Group has in place an Asset/Liability Management (ALM) Committee. This Committee:

- Monitors the profile of the Group's assets and liabilities;
- Plans, directs and monitors various financial risks including, interest rate risk, equity risk, liquidity risk, currency risk and country risk;
- Provides guidance to the Investment Managers with regards to the appropriateness of investments assigned or purchased to support the liabilities of the various lines of business; and
- Monitors market interest rates and establishes the credited rate for various investment contracts.

(iv) Anti-Money Laundering (AML)
The Group has assigned responsibility for AML and anti-fraud to a designated department. The responsibilities of this department include:

- Maintaining and communicating the AML and Anti-fraud policies and procedures;
- Interrogating financial transactions to identify suspicious and threshold reportable items;
- Coordinating information received from operating departments on reportable items;
- Ensuring that adequate anti-fraud controls are in place; and
- Filing required reports with Management, Board of Directors and Regulatory bodies.

(v) Regulatory Compliance
The Board has assigned responsibility for monitoring regulatory compliance to a designated department. This department maintains a catalogue of all required regulatory filings and follows-up the respective departments to ensure timely submissions. The Department files the required performance reports with management and the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(vi) Enterprise Risk Management
The Group utilises an Enterprise Risk Management (ERM) framework, including policies and procedures designed to identify, measure and control risk in all business activities. The policies and procedures are reviewed periodically by senior managers and the Board of Directors.

The framework provides for quarterly evaluation of risks by senior management, with reporting to the Board Audit Committee. The risk exposures are prioritised each year and the top twenty (20) risks reported on.

Boards of subsidiary companies and management teams carry similar operating structures where applicable.

The most important types of risk facing the Group are insurance risk, reinsurance risk, credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

(a) Insurance risk
The Group issues both short term and long-term contracts that transfer insurance risk or financial risk or both.

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

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

With scientific understanding of the COVID-19 virus, medical response, and actions by governments and organisations evolving rapidly, the situation remains fluid. While high correlation in life and health insurance losses is a feature of pandemic risk, the impact of the virus on long term mortality and morbidity risk is not yet quantified. A characteristic of the pandemic is that losses will materialize over time. Sagicor continues to examine its processes for underwriting, product pricing and product management at the policy level, and evaluate and refine internal models and scenario analyses to measure and manage the implied outcomes.

Long term insurance contracts
Long-term contracts are typically for a minimum period of 5 years and a maximum period which is determined by the remaining life of the insured. In addition to the estimated benefits which may be payable under the contract, the insurer has to assess the cash flows which may be attributable to the contract. The process of underwriting may also be undertaken and may include specific medical tests and other enquiries which affect the insurer's assessment of the risk. The insurer assesses the likely benefits and cash flows both in establishing the amount of premium payable under the contract and in estimating the statement of financial position liability arising from the contract.

For long-term contracts in-force, the Group has adopted a policy of investing in assets with cash flow characteristics that closely match the cash flow characteristics of its policy liabilities. The primary purpose of this matching is to ensure that cash flows from these assets are synchronised with the timing and the amounts of payments that must be paid to policyholders.

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Long term insurance contracts

(i) Frequency and severity of claims (continued)
For contracts where death is the insured risk the most significant factors that could increase the overall frequency and severity of claims are epidemics and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factors that could increase longevity are improvements in medical science and social conditions. At present, these risks do not vary significantly in relation to the location of the risk insured by the group. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. For contracts with fixed and guaranteed benefits and fixed return premiums, there are no mitigating terms and conditions that reduce the insurance risk accepted.

The table below presents the Insurance companies' concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described below in Note 48 (b). (These tables do not include annuity contracts, for which a separate analysis is reported in following pages).

Individual Life Benefits Assured per Life ($'000)	The Group-2022 Total Benefits Insured			
	Before Reinsurance	**%**	**After Reinsurance**	**%**
	$'000		**$'000**	
0 – 200	150,268,124	7	128,617,123	6
200 - 400	145,570,866	7	125,411,900	6
400 - 800	175,964,209	8	160,249,015	8
800 - 1000	137,446,782	6	133,531,056	6
More than 1,000	1,570,774,527	72	1,535,957,060	74
Total	2,180,024,508	100	2,083,766,154	100

Individual Life Benefits Assured per Life ($'000)	The Group-2021 Total Benefits Insured			
	Before Reinsurance	**%**	**After Reinsurance**	**%**
	$'000		**$'000**	
0 – 200	155,048,225	8	134,486,239	7
200 - 400	154,219,870	8	135,730,933	7
400 - 800	209,239,616	10	196,228,387	10
800 - 1000	219,469,433	11	214,987,135	11
More than 1,000	1,279,229,173	63	1,251,370,501	65
Total	2,017,206,317	100	1,932,803,195	100

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Long term insurance contracts (continued)

(i) Frequency and severity of claims (continued)
The table below represents the Insurance company's concentration of insured benefits across five bands of insured benefits per group individual life assured. The benefit insured figured are shown gross and net of reinsurance.

Group Life Benefits Assured per Life ($'000)	The Group-2022 Total Benefits Insured Before Reinsurance $'000	%	After Reinsurance $'000	%
0 - 200	33,899,220	3	22,419,576	2
200 - 400	5,049,634	-	3,372,356	-
400 - 800	1,310,001	-	718,532	-
800 - 1,000	13,690	-	13,690	-
More than 1,000	1,197,000,319	97	1,179,875,787	98
	1,237,272,864	100	1,206,399,941	100

Group Life Benefits Assured per Life ($'000)	The Group-2021 Total Benefits Insured Before Reinsurance $'000	%	After Reinsurance $'000	%
0 - 200	35,460,874	3	23,777,017	2
200 - 400	5,245,996	-	3,586,800	-
400 - 800	1,186,757	-	583,883	-
800 - 1,000	18,250	-	18,250	-
More than 1,000	1,048,717,864	97	1,035,732,212	98
	1,090,629,741	100	1,063,698,162	100

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Long term insurance contracts (continued)

(i) Frequency and severity of claims (continued)
The following tables for the Insurance companies' annuity contracts illustrate the concentration of risk based on five bands that group these contracts in relation to the amount payable per annum as if the annuity was in payment at the year end. The greatest risk concentration remains at the highest band, which is consistent with the prior year. The Group does not hold any reinsurance contracts against the liabilities carried for these contracts.

Annuity Payable per annum per annuitant ($'000)	The Group Total Benefits Insured 2022 $'000	%	2021 $'000	%
0 – 20	116,682	2	114,783	2
20 - 40	125,969	2	120,264	2
40 - 80	105,766	2	99,393	2
80 - 100	48,719	1	51,159	1
More than 100	5,472,561	93	5,216,719	93
Total	5,869,697	100	5,602,318	100

For interest-sensitive and unit-linked contracts the Group charges for mortality risks on a monthly basis for all insurance contracts and has the right to alter these charges based on mortality experience and hence to minimise its exposure to mortality risk. Delays in implementing increases in charges, and market or regulatory restraints over the extent of any increases may reduce this mitigating effect.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

The Group manages these risks through its underwriting strategy and reinsurance arrangements.

(i) Frequency and severity of claims (continued)
The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. The Group reinsures the excess of the insured benefit for new business for standard risks under an excess of loss reinsurance arrangement. Medically impaired lives are reinsured at a higher cost than standard risks. The Group does not place any reinsurance for contracts that insure survival risk. Insurance risk for contracts is also affected by the policyholders' rights to pay reduced or no future premiums, to terminate the contract completely, or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to the policyholders' behaviour. On the assumption that the policyholders will make decisions rationally, overall risk can be assumed to be heightened by such behaviour.

The Group has factored the impact of policyholders' behaviour into the assumptions used to measure these liabilities.

(ii) Sources of uncertainty in the estimation of future benefit payments and premium payments
Uncertainty in the estimation of future benefit payments and premium receipts for long term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in the policyholder behaviour.

The Group uses appropriate base tables of standard mortality according to the type of contract being written. An investigation as to the actual experience of the Group is carried out, and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. The best estimate of future mortality is based on standard industry tables adjusted for the group's overall experience. For contracts that insure survival, an adjustment is made for future mortality improvements based on the mortality investigations performed by independent actuarial bodies. The Group maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates to be used for the best estimate assumption.

(iii) Process used in deriving assumptions
The assumptions for short term life contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

For long-term insurance contracts, at the reporting date, the Group determines current best estimate assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. The best estimate assumptions are determined based on experience studies and the current circumstances of the business. A margin for adverse deviation based on expected deterioration or mis-estimation of the mean, is added to the best estimate assumptions to derive the valuation assumptions which are used for calculating the liabilities arising under the insurance contracts.

See Note 32 (d) for detail policy assumptions.

Short-duration life and health insurance contracts
Short-term contracts are typically for one year's coverage, with an option to renew under terms that may be amended by the insurer. In determining the premium payable under the contract, the insurer considers the nature and amount of the risk assumed, and recent experience and industry statistics of the benefits payable. This is the process of underwriting, which establishes appropriate pricing guidelines, and may include specific tests and enquiries which determine the insurer's assessment of the risk. Insurers may also establish deductibles to limit amounts of potential losses incurred.

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)
Policy benefits payable under short-term contracts are generally triggered by an insurable event, i.e. a medical expense or a death claim. Settlement of these benefits is expected generally within one year. However, some benefits are settled over a longer duration.

The principal risks arising from short-term insurance contracts are premium risk, claims risk and reinsurance risk (See Note 48(b)).

Premium risk is the risk that the premium rate has been set too low for the risk being assumed.

Claims risk is the risk that:
- the number of claims may exceed expectations
- the severity of claims incurred may exceed expectations
- the claim amount may develop during the interval between occurrence and settlement.

For the Group life and health insurance contracts, significant risk exposures arise from mortality and morbidity experience.

(i) Frequency and severity of claims
These contracts are mainly issued to employers to insure their commitments to their employees in terms of their employee benefit plans. This risk is affected by the nature of the industry in which the employer operates. The risk of death and disability will vary by industry. Undue concentration of risk by industry will therefore increase the risk of a change in the underlying average mortality or morbidity of employees in a given industry, with significant effects on the overall insurance risk.

Insurance risk under disability contracts is also dependent on economic conditions in the industry. The Group attempts to manage this risk through its underwriting, claims handling and reinsurance policy. Excess of loss reinsurance contracts have been purchased by the Group to limit the maximum loss on any one life and health claims, see Note 48(b) for retention limits.

(ii) Sources of uncertainty in the estimation of future claim payments
There is no need to estimate mortality rates or morbidity rates for future years because these contracts have short duration.

(iii) Process used in deriving assumptions
The assumptions for short-duration life contracts and the process used in deriving these assumptions have remained substantially unchanged since the previous year.

See Note 32(d) for detail policy assumptions.

The process to derive the assumptions for short-duration life contracts is similar to long-term insurance contracts. However, the short-term nature of the mortality risk underwritten makes the Group's estimate of the liability covering death benefit payments less uncertain than in the case of long-term contracts.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Property and casualty insurance risk

Advantage General Insurance Company Limited (AGI)
The primary insurance activity carried out by the subsidiary is the transfer of risk from persons or entities that are directly subject to the risk, by means of the sale of insurance policies. As such the Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these policies.

The principal types of policy written by AGI are:
- Motor insurance
- Property insurance
- Liability insurance

The management team is responsible for the execution of the Insurance Risk Management policies established and monitored directly by the Board of Directors. AGI manages its insurance risk through its underwriting and claims policies that include inter alia, authority limits, approval procedures for transactions that exceed set limits, pricing guidelines and the centralised management of reinsurance. AGI actively monitors insurance risk exposures both for individual and portfolio types of risks. These methods include internal risk measurement, portfolio modeling and scenario analyses.

Underwriting strategy
Insurance companies assume risk through the insurance contracts they underwrite and the exposures are associated with both the perils covered by the specific line of insurance and the specific processes associated with the conduct of the insurance business. AGI manages the individual risk through its Underwriting Risk Management Policy to determine the insurability of risks and exposure to large claims. AGI follows detailed, uniform underwriting practices and procedures designed to properly assess and quantify risks before issuing coverage. AGI's underwriting guidelines also outline acceptance limits and the appropriate levels of authority for acceptance of risks.

Reinsurance strategy
A comprehensive reinsurance programme is critical to the financial stability of the organisation and a detailed analysis of AGI's exposures, reinsurance needs and quality of reinsurance securities is conducted by the Board and Senior Management.

AGI's exposures are continually evaluated by Management to ensure that its reinsurances remain adequate and mechanisms are in place to continually monitor the reinsurance counterparties to ensure that they maintain "A ratings, in keeping with AGI's Board approved Reinsurance Risk Management Policy. Credit risk on reinsurance is discussed in more detail later in Note 48 (b).

Terms and conditions of general insurance contracts and factors affecting cash flows:
The table below provides an overview of the terms and conditions of general insurance contracts written by AGI and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend:

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Type of insurance contract	Terms and conditions	Key factors affecting future cash flows
Motor	Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle, bodily injuries sustained and a policy limit in respect of third-party damage.	In general, claims reporting lags are minor and claims complexity is relatively low except with respect to bodily injury claims. Bodily injury claims tend to be more difficult to estimate due to uncertainties with respect to the value at which they will be ultimately settled, and the timeframe within which they will be settled.
Property	Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage.	The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property. The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (as for fire and burglary) and the cause is easily determinable. Therefore, claims are generally notified promptly and can be settled without delay. Property business is therefore classified as "short-tailed" and expense deterioration and investment return is of less importance in estimating provisions. The cost of repairing or rebuilding assets, of replacement or indemnity for contents and the time taken to restart or resume operations to original levels for business interruption losses are the key factors influencing the level of claims under these policies.
Liability	Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposure is in relation to bodily injury.	The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions. Although bodily injury claims have a relatively long tail, the majority of bodily injury claims are settled in full within three to five years. In general, these contracts involve higher estimation uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Management of risks relating to Insurance contracts

Motor contracts:
The risks relating to motor contracts are managed primarily through the pricing and selection process. Management monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims appeals.

Property contracts:
The risks relating to property contracts are managed primarily through the pricing and selection processes. AGI uses strict underwriting criteria to ensure that the risk of losses is acceptable. Furthermore, AGI accepts property insurance risks for one year so that each contract can be re-priced on renewal to reflect the continually evolving risk profile.

Liability contracts:
Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, adopting an appropriate investment strategy, rating and reinsurance. Management monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten. In pricing contracts, AGI makes assumptions that costs will increase in line with the latest available research.

Risk exposure and concentrations of risk:
The table in note 34 shows management's exposure to general insurance risk (based on the carrying value of insurance provisions at the reporting date) per major category of business. Management has its largest risk concentration in the motor line.

Development Claim Liabilities
In addition to sensitivity analysis, the development of insurance liabilities provides a measure of ability to estimate the ultimate value of claims. The table below illustrates how management's estimate of the ultimate claims liability for accident years 2017 – 2022 has changed at successive year ends, up to 2022. Updated unpaid claims and adjustment expenses (UCAE) and IBNR estimates in each successive year, as well as amounts paid to date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the development calculations.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

The development of an insurer's claims in the course of settlement provides a measure of its ability to estimate the ultimate value of claims incurred. In the table below, the estimate of total claims incurred for each year is provided at successive year ends. The most recent estimate is then reconciled to the liability recognised in the statement of financial position.

	The Group						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Gross	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Estimate of ultimate claims incurred:							
At the end of the reporting year	2,147,757	2,366,194	2,381,008	1,700,600	1,604,252	1,881,335	
One year later	2,512,465	2,603,621	2,423,211	1,786,758	1,832,944		
Two years later	2,736,195	2,713,092	2,530,613	1,853,994			
Three years later	2,879,541	2,884,722	2,612,056				
Four years later	2,991,305	2,924,408					
Five years later	2,975,312						
Current estimate of cumulative claims	2,975,312	2,924,408	2,612,056	1,853,994	1,832,944	1,881,335	14,080,049
Cumulative payments to date	(2,791,008)	(2,638,350)	(2,277,992)	(1,590,495)	(1,486,211)	(830,313)	(11,614,369)
Liability recognised in the statement of financial position	184,304	286,058	334,064	263,499	346,733	1,051,022	2,465,680
Liability in respect of prior years and ULAE							510,805
Total liability							2,976,485

Reinsurers' share	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Estimate of ultimate claims incurred:							
At the end of the reporting year	14,076	12,505	144,540	750,832	896,918	989,375	
One year later	12,720	15,199	256,792	801,057	915,432		
Two years later	28,673	15,573	265,100	817,645			
Three years later	29,968	15,018	268,425				
Four years later	30,569	15,877					
Five years later	32,581						
Current estimate of cumulative claims	32,581	15,877	268,425	817,645	915,432	989,375	3,039,335
Cumulative payments to date	(3,434)	(13,849)	(245,745)	(709,060)	(746,279)	(417,018)	(2,135,385)
Recoverable recognised in the statement of financial position	29,147	2,028	22,680	108,585	169,153	572,357	903,950
Recoverable in respect of prior years							23,641
Total recoverable from reinsurers							927,591

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

	The Group						
Gross	**2016 $'000**	**2017 $'000**	**2018 $'000**	**2019 $'000**	**2020 $'000**	**2021 $'000**	**Total $'000**
Estimate of ultimate claims incurred:							
At the end of the reporting year	2,175,548	2,147,757	2,366,194	2,381,008	1,700,600	1,604,252	
One year later	2,705,893	2,512,465	2,603,621	2,423,211	1,786,758		
Two years later	2,788,710	2,736,195	2,713,092	2,530,613			
Three years later	2,886,877	2,879,541	2,884,722				
Four years later	2,966,119	2,991,305					
Five years later	3,031,384						
Current estimate of cumulative claims	3,031,384	2,991,305	2,884,722	2,530,613	1,786,758	1,604,252	14,829,034
Cumulative payments to date	(2,880,163)	(2,704,837)	(2,489,888)	(2,066,958)	(1,359,402)	(650,062)	(12,151,310)
Liability recognised in the statement of financial position	151,221	286,468	394,834	463,655	427,356	954,190	2,677,724
Liability in respect of prior years and ULAE							626,295
Total liability							3,304,019

The reinsurers' share of the amounts in the following table is set out below.

Reinsurers' share	**2016 $'000**	**2017 $'000**	**2018 $'000**	**2019 $'000**	**2020 $'000**	**2021 $'000**	**Total $'000**
Estimate of ultimate claims incurred:							
At the end of the reporting year	276,482	14,076	12,505	144,540	750,832	896,918	
One year later	275,424	12,720	15,199	256,792	801,057		
Two years later	269,053	28,673	15,573	265,100			
Three years later	269,182	29,968	15,018				
Four years later	269,365	30,569					
Five years later	269,243						
Current estimate of cumulative claims	269,243	30,569	15,018	265,100	801,057	896,918	2,277,905
Cumulative payments to date	(269,243)	(30,473)	(13,671)	(221,895)	(605,071)	(324,569)	(1,464,922)
Recoverable recognised in the statement of financial position	-	96	1,347	43,205	195,986	572,349	812,983
Recoverable in respect of prior years							21,191
Total recoverable from reinsurers							834,174

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity Analysis of Actuarial Liabilities

The determination of actuarial liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results.

In applying the noted methodologies, the following assumptions were made:

(i) The claims inflation rate implicitly used in the valuation is equivalent to that rate which is part of the historical data. To the extent that this has raised the average factors on which future development expectations are based, the valuation contains implicit provision for future inflationary shocks, which we believe is appropriate;

(ii) With respect to the analysis of the incurred claims development history, the level of case reserve adequacy is relatively consistent (in inflation adjusted terms) over the experience period;

(iii) With respect to the Bornhuetter-Ferguson method, the average on-level ultimate net loss ratios are representative of recent historical loss ratios. There is no evident trend in the historical net loss ratios adjusted for rate changes and cost changes;

(iv) With respect to the analysis of the gross and net paid claims development history, the rate of payment of ultimate incurred losses for the more recent years is indicative of future settlement patterns. This assumption was based on our discussion with management and the change in AGI's claims settlement practices in recent years; and

(v) Claims are expressed at their estimated ultimate undiscounted value, in accordance with the requirement of the Insurance Act, 2001.

A 10% increase in the future development assumptions increases the net total claims liability by $61,719,000 (2021 - $84,796,000) while a 10% decrease, decreases the net liability by $64,796,000 (2021 - $87,942,000).

Provision for adverse deviation assumptions
The basic assumptions made in establishing insurance reserves are best estimates for a range of possible outcomes. To recognise the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the appointed actuary is required to include a margin for adverse deviation in each assumption.

Sagicor Re Insurance Company Limited
Certain casualty risks for the Group and its affiliates are covered through the subsidiary, Sagicor Re Insurance Company Limited.

The frequency and severity of casualty claims can be affected by several factors. The most significant casualty risks under the professional indemnity, directors and officers liability, medical malpractice, contractors all risk, employer's liability and public liability policies are slip and fall accidents at the insured premises, and damage to areas occupied or contents at the insured premises due to blocked drains or burst pipes. In addition, increasing level of awards, the increasing number of cases coming to court and inflation all impact on ultimate claims costs. The Group manages these risks through its underwriting strategy and proactive claims handling. The underwriting strategy concentrates on fully reinsuring the exposures to casualty risks.

Property insurance risks (Sagicor Re)

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, river flooding, hurricanes, etc.) and their consequences (for example, subsidence claims). For certain contracts, there is a maximum amount payable for claims in any policy year.

48. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sagicor Re has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. The cost of rebuilding properties, of replacement or indemnity for contents are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from storm or flood damage.

All of the property and casualty risks insured by Sagicor Re are reinsured, while only some of risks insured by AGI are reinsured. However, in the event that these reinsurers are unable to meet their obligations under the reinsurance agreements, the Group would be liable to pay the claims subject to deductibles and a "catch all clause". The Group mitigates the risks associated with failure of its reinsurers by transacting only with well-established and rated insurance/reinsurance companies. These are primarily international reinsurers, however, a portion of reinsurance is placed with local and regional insurers.

(b) Reinsurance risk

To limit its exposure of potential loss on an insurance policy, the insurer may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have established capability to meet their contractual obligations and which generally have high credit ratings. The credit ratings of reinsurers are monitored.

For its property risks, the Group uses Treaty reinsurance - Quota Share, Excess of Loss - and Facultative reinsurance arrangements to cover single events and multiple claims arising from catastrophes. The insurer may be required to pay an additional premium to reinstate the reinsurance coverage where a claim exhausts the reinsurance limit.

For other insurance risks, insurers limit their exposure by event or per person by excess of loss or quota share treaties.

Retention limits represent the level of risk retained by the insurer. The Board of Directors approved policy retention limits. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit. The retention programs used by the Group are summarised below

Type of insurance contract-2022	Retention by insurers
Health insurance contracts with groups	Retention per individual to a maximum J$2,500,000.
Life insurance contracts with individuals	Retention per individual to a maximum of J$35,000,000 and US$500,000
Life insurance contracts with groups	Retention per individual to a maximum of J$35,000,000 and US$100,000
General Insurance - Property Q/S Treaty Commercial	Retention – 15% of the sum insured per risk or US$1,200,000
General Insurance - Property Q/S Treaty - Homeowners and Condominium	Retention – 25% of the sum insured per risk or US$2,000,000
General Insurance - Engineering & Construction Q/S Treaty	Retention – 10% of the sum insured per risk or US$500,000
Catastrophe Excess of Loss	Retention – 10% of the sum insured per risk or US$500,000
General Insurance – Motor Excess of Loss	Retention – US$500,000.
General Insurance – Property Excess of Loss	Retention – US$500,000.

Type of insurance contract-2021	Retention by insurers
Health insurance contracts with groups	Retention per individual to a maximum J$2,500,000.
Life insurance contracts with individuals	Retention per individual to a maximum of J$35,000,000 and US$500,000
Life insurance contracts with groups	Retention per individual to a maximum of J$35,000,000 and US$100,000
General Insurance - Property Q/S Treaty	Retention – 10% of the sum insured per risk or US$800,000.
Catastrophe Excess of Loss	Retention – 10% of the sum insured per risk or US$500,000
General Insurance – Motor Excess of Loss	Retention – US$500,000.
General Insurance – Property Excess of Loss	Retention – US$500,000.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(c) Cash flow and fair value interest rate risk

Cash flow risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Interest rate changes may also result in losses if asset and liability cash flows are not closely matched with respect to timing and amount. The Asset and Liability Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored at least quarterly. Resulting from the financial effects of COVID 19, the Group enhanced its monitoring of its investment portfolios to determine if any action was required to protect its financial position. The Group improved its liquidity by shortening the duration of its portfolios early in the year and, post June 2021, observed improvements in cash flow and interest rate risk.

The return on investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Group monitors interest rate risk by calculating the mean duration of the investment portfolio and the liabilities issued. The mean duration is an indicator of the sensitivity of the assets and liabilities to change in current interest rates. The mean duration of the liabilities is determined by means of projecting expected cash flows from the contracts using best estimate assumptions.

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

(i) Long term traditional insurance contracts and some investment contracts
Insurance and investment contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at the inception of the contract. The financial components of these benefits may include a guaranteed fixed interest rate and hence the Group's primary financial risk on these contracts is the risk that interest income and capital redemptions from the financial assets backing the liabilities is insufficient to fund the guaranteed benefits payable.

(ii) Long term insurance contracts and investment contracts without fixed terms
For unit-linked contracts the Group matches all the assets on which the unit prices are based with assets in the portfolio. There is no price, currency, credit, or interest rate risk for these contracts.

The Group's primary exposure to financial risk for these contracts is the risk of volatility in asset management fees due to the impact of interest rate and market price movements on the fair value of the assets held in the linked funds, on which investment management fees are based.

A decrease of 10% in the value of the assets would reduce the asset management fees to $404,939,000 (2021 - $397,676,000) per annum.

Unit-linked and interest-sensitive universal life type contracts have embedded surrender options. These embedded derivatives vary in response to the change in a financial variable (such as equity prices and interest rates). At year end, all embedded derivatives within insurance liabilities were closely related to the host contract and did not require separation.

For short term insurance contracts, the Group has matched the insurance liabilities with a portfolio of debt securities. The financial assets in this portfolio are characterised by interest rate risk.

Short term liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest bearing.

48. Insurance and Financial Risk Management (Continued)

(c) Cash flow and fair value interest rate risk (continued)

The following tables summarise carrying amounts of statement of financial position assets, financial liabilities and insurance liabilities in order to arrive at the Group and company's interest rate gap based on earlier of contractual repricing or maturity dates.

The disclosures provided in this note are based on the Group and company's investment portfolio as at 31 December 2022 and 2021.

	The Group				
	2022				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Assets					
Cash resources	6,697,695	-	-	15,554,975	22,252,670
Cash reserve at Bank of Jamaica	-	-	-	12,091,812	12,091,812
Financial investments and pledged assets	57,424,984	36,137,372	177,662,066	44,034,889	315,259,311
Loans & leases, after allowance for credit losses	111,109,841	867,063	286,995	472,930	112,736,829
Reinsurance contracts	-	-	-	1,516,291	1,516,291
Premiums due and unpaid	-	-	-	4,887,437	4,887,437
Other assets	-	53,686	-	6,113,096	6,166,782
Total assets	**175,232,520**	**37,058,121**	**177,949,061**	**84,671,430**	**474,911,132**
Liabilities					
Deposit and security liabilities	242,231,549	7,068,281	905,226	632,005	250,837,061
Loan Payable	-	2,180,000	-	18,545	2,198,545
Other liabilities	-	53,686	-	16,059,340	16,113,026
Lease liabilities	601,720	1,032,872	504,788	4,421	2,143,801
Insurance contracts liabilities	6,048,019	26,018,103	56,323,974	3,858,586	92,248,682
Investment contracts liabilities	16,624,191	3,540,029	-	-	20,164,220
Other policy liabilities	1,161,962	-	-	8,373,265	9,535,227
Total liabilities	266,667,441	39,892,971	57,733,988	28,946,162	393,240,562
On statement of financial position interest sensitivity gap	(91,434,921)	(2,834,850)	120,215,073	55,725,268	
Cumulative interest sensitivity gap	(91,434,921)	(94,269,771)	25,945,302	81,670,570	

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(c) Cash flow and fair value interest rate risk (continued)

	The Group				
	2021				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Total assets	163,871,261	45,585,912	186,406,704	82,485,140	478,349,017
Total liabilities	234,711,515	47,051,589	66,064,290	32,617,421	380,444,815
On statement of financial position interest sensitivity gap	(70,840,254)	(1,465,677)	120,342,414	49,867,719	97,904,202
Cumulative interest sensitivity gap	(70,840,254)	(72,305,931)	48,036,483	97,904,202	

	The Company				
	2022				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Assets					
Cash Resources	655,852	-	-	-	655,852
Financial Investments and pledged assets	736,529	-	-	-	736,529
Other Assets	-	-	-	471,144	471,144
Total assets	**1,392,381**	**-**	**-**	**471,144**	**1,863,525**
Liabilities					
Deposits and security liabilities	-	11,098,704	-	-	11,098,704
Other Liabilities	-	-	-	4,541,966	4,541,966
Total liabilities	-	11,098,704	-	4,541,966	15,640,670
On statement of financial position interest sensitivity gap	**1,392,381**	**(11,098,704)**	**-**	**(4,070,822)**	**(13,777,145)**
Cumulative interest sensitivity gap	**1,392,381**	**(9,706,323)**	**(9,706,323)**	**(13,777,145)**	

48. Insurance and Financial Risk Management (Continued)

(c) Cash flow and fair value interest rate risk (continued)

	The Company				
	2021				
	Within 1 year	1-5 years	Over 5 years	Non-Interest bearing	Total
	$000	$000	$000	$000	$000
Total assets	1,218,311	51,541	499,147	151,852	1,920,851
Total liabilities	-	11,941,842	-	4,480,406	16,422,248
On statement of financial position interest sensitivity gap	1,218,311	(11,890,301)	499,147	(4,328,554)	(14,501,397)
Cumulative interest sensitivity gap	1,218,311	(10,671,990)	(10,172,843)	(14,501,397)	

The table summarises the average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group					
	2022					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	8.7	5.1	8.2	4.9	3.3	7.6
Loans	9.7	8.1	6.8	6.8	2.8	8.7
Mortgages (2)	-	9.9	8.6	9.5	7.1	8.8
Bank overdraft	48	-	-	-	-	-
Deposits	1.2	3.8	4.3	4.2	-	1.73

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(c) Cash flow and fair value interest rate risk (continued)

	The Group					
	2021					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	4.18	4.18	2.46	4.96	7.87	6.46
Loans	10.06	8.18	7.11	7.03	7.00	8.97
Mortgages (2)	-	7.58	7.58	7.58	7.58	7.58
Bank Overdraft	2.50	-	-	-	-	2.50
Deposits	1.06	3.02	2.44	4.85	-	1.40

	The Company					
	2022					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	-	4	-	-	-	-
Deposits	-	4.50	5.50	-	-	-

	The Company					
	2021					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Weighted Average
	%	%	%	%	%	%
Investments (1)	4.29	4.29	3.00	1.79	8.5	5.65
Deposits	-	4.5	3	-	-	3.75

48. Insurance and Financial Risk Management (Continued)

(c) Cash flow and fair value interest rate risk (continued)

(1) Yields are based on book values and contractual interest adjusted for amortization of premiums and discounts.

(2) Yields are based on book values, net of allowances for impairment and contractual interest rates.

Sensitivity
The Group's sensitivity to interest rate risk is disclosed in Note 49.

(d) Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Group is exposed to daily calls on their available cash resources from, insurance benefits payments, working capital requirements, overnight placement of funds, maturing placement of funds, loan draw-downs and guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

COVID-19 was expected to have resulted in increased liability run-offs; Sagicor's experience has so far indicated that the impact is moderate. Early in the year the Group improved its liquidity position, thereby enabling the Group to meet its contractual and regulatory obligations. The Group has been cautious in deploying liquidity in client segments considered particularly vulnerable to the impact of the pandemic. We continue to prudently manage liquidity across the group by maintaining adequate cash resources and investment in highly marketable instruments. This ensures that there are always resources available to meet planned and unplanned liquidity needs.

Liquidity risk management process
The Group's liquidity management process, as carried out within the Group and monitored by the Treasury Department, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit and optimising cash returns on investments;

(iv) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of loss.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(d) Liquidity risk (continued)
Liquidity risk management process (continued)

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Certain investment portfolios within the Group contain securities which can only be disposed of over a period of time. In such instances, the Group generally maintains higher levels of short term instruments to compensate for the relative illiquidity of the aforementioned securities.

The disclosures provided in this note are based on the Group's and the company's investment portfolio as at 31 December 2022 and 2021.

The tables below present the undiscounted cash flows payable (both interest and principal cash flows) of the Group's financial based on contractual repayment obligations. The Group expects that many policyholders/customers will not request repayment on the earliest date the Group could be required to pay. The expected maturity dates of liabilities are based on estimates made by management as determined by retention history. Liquidity risk tables are shown for insurance liabilities and financial liabilities.

	The Group			
	within 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Undiscounted Financial Liabilities- 31 December 2022				
Deposit and security liability	251,865,681	2,358,394	1,531,067	255,755,142
Loans Payable	147,956	2,290,866	-	2,438,822
Other liabilities	16,194,854	53,686	-	16,248,540
Lease liabilities	751,678	1,248,556	746,232	2,746,466
Investment contracts liabilities	16,624,192	4,062,071	-	20,686,263
Total undiscounted liabilities	285,584,361	10,013,573	2,277,299	297,875,233

	Within 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Undiscounted Financial Liabilities - 31 December 2021				
Deposit and security liability	212,680,151	10,894,311	943,911	224,518,373
Loans Payable	647,895	10,288,046	-	10,935,941
Other liabilities	19,435,422	181,648	-	19,617,070
Lease liabilities	755,692	1,719,799	644,483	3,119,974
Investment contracts liabilities	16,129,573	3,322,455	-	19,452,028
Total undiscounted liabilities	249,648,733	26,406,259	1,588,394	277,643,386

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(d) Liquidity risk (continued)

	The Company 2022			
	Within 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Undiscounted Financial Liabilities				
Promissory notes	-	11,351,012	-	11,351,012
Other Liabilities	4,471,311	-	-	4,471,311
Total undiscounted liabilities	4,471,311	11,351,012	-	15,822,323

	The Company 2021			
	Within 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Undiscounted Financial Liabilities				
Promissory notes	-	12,481,841	-	12,481,841
Other Liabilities	4,419,002	-	-	4,419,002
Total undiscounted liabilities	4,419,002	12,481,841	-	16,900,843

Off-balance sheet items

The tables below show the contractual expiry by maturity of commitments.

	The Group			
	No later than 1 year $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
At December 31, 2022				
Credit commitments	11,882,296	2,523,253	94,268	14,499,817
Guarantees, acceptances and other financial facilities	3,187,168	889,319	1,508,453	5,584,940
Operating lease commitments	24,875	-	-	24,875
	15,094,339	3,412,572	1,602,721	20,109,632
At December 31, 2021				
Credit commitments	6,751,638	672,960	152,111	7,576,709
Guarantees, acceptances and other financial facilities	2,740,109	1,019,058	1,336,168	5,095,335
Operating lease commitments	48,551	-	-	48,551
	9,540,298	1,692,018	1,488,279	12,720,595

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(d) Liquidity risk (continued)

The tables below reflect the expected maturities of the Group's discounted financial assets and liabilities at the year-end date.

	The Group			
	2022			
	Within 1 Year	1-5 years	Over 5 years	Total
Financial Assets	$000	$000	$000	$000
Cash resources	22,252,670	-	-	22,252,670
Cash reserve at Bank of Jamaica	12,091,812	-	-	12,091,812
Financial investments & pledged assets excluding equities	60,312,545	36,137,372	178,610,000	275,059,917
Loans and leases, after allowance for credit losses	30,105,806	42,235,983	40,395,040	112,736,829
Reinsurance contracts	1,417,271	-	99,020	1,516,291
Premium receivable and unpaid	4,887,437	-	-	4,887,437
Other assets	6,113,096	53,686	-	6,166,782
Total financial assets	137,180,637	78,427,041	219,104,060	434,711,738
Financial Liabilities				
Deposit and securities liability	242,611,513	7,267,107	958,441	250,837,061
Loan payable	18,545	2,180,000	-	2,198,545
Other liabilities	16,059,340	53,686	-	16,113,026
Investment contract	6,048,013	26,018,103	60,182,566	92,248,682
Insurance contracts liabilities	16,624,191	3,540,029	-	20,164,220
Lease liabilities	605,806	1,033,207	504,788	2,143,801
Other policy liabilities	8,012,837	1,235,010	287,380	9,535,227
Total financial liabilities	289,980,245	41,327,142	61,933,175	393,240,562
On statement of financial position interest sensitivity gap	(152,799,608)	37,099,899	157,170,885	
Cumulative interest sensitivity gap	(152,799,608)	(115,699,709)	41,471,176	

	2021			
	Within 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Total assets	134,579,254	82,241,464	223,071,053	439,891,771
Total liabilities	261,850,402	48,316,535	70,277,878	380,444,815
On statement of financial position interest sensitivity gap	(127,271,148)	33,924,929	152,793,175	59,446,956
Cumulative interest sensitivity gap	(127,271,148)	(93,346,219)	59,446,956	

Equities securities balance of $40,253,025,000 (2021-$38,457,246,000) held within underlying assets is excluded from the table above.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(d) Liquidity risk (continued)

The tables below reflect the expected maturities of the Group's discounted financial assets at the year-end date (continued).

	The Company			
	2022			
	Within 1 year	1-5 years	Over 5 years	Total
Assets	$000	$000	$000	$000
Cash resources	655,852	-	-	655,852
Financial investments & pledged assets	736,529	-	-	736,529
Other assets	131,317	-	-	131,317
Total assets	1,523,698	-	-	1,523,698
Liabilities				
Promissory notes	924,029	10,174,675		11,098,704
Other liabilities	4,471,311	-	-	4,471,311
Total liabilities	5,395,340	10,174,675	-	15,570,015
On statement of financial position interest sensitivity gap	(3,871,642)	(10,174,675)	-	
Cumulative interest sensitivity gap	(3,871,642)	(14,046,317)	(14,046,317)	

	2021			
	Within 1 year	1-5 years	Over 5 years	Total
	$000	$000	$000	$000
Total assets	1,370,163	51,540	499,148	1,920,851
Total liabilities	4,419,002	12,003,246	-	16,422,248
On statement of financial position interest sensitivity gap	(3,048,839)	(11,951,706)	499,148	(14,501,397)
Cumulative interest sensitivity gap	(3,048,839)	(15,000,545)	(14,501,397)	

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, central bank balances, items in the course of collection, investment securities and other eligible bills, loans and advances to banks, and loans and advances to customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt securities and treasury and other bills have been pledged to secure liabilities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from other financing institutions.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

48. Insurance and Financial Risk Management (Continued)

(e) Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Investment department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

The Group's investment portfolios were impacted by the widening of credit spreads and resulted in significant fall-off in asset prices. The Group has continually monitored its portfolios to determine if any further action would have been needed to protect the Group's balance sheet and have re-balanced portfolios where necessary. The investment portfolios across the group, particularly in the main asset classes (fixed income, equities and real estate) were positively impacted in the recovery both locally and internationally.

(i) Price risk

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

The Group is exposed to equity securities price risk because of investments held by the Group and classified as FVTOCI or at FVTPL. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's investments in equity securities are publicly traded on the Jamaica Stock Exchange (JSE), the National Association of Securities Dealers Automated Quotation System (NASDAQ) and the New York Stock Exchange (NYSE). The Group's sensitivity to equity securities price risk is disclosed in Note 49.

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Group takes an open position in a currency. To control this exchange risk the Asset and Liability Committee (ALCO) has approved limits for net open position in each currency for both intra-day and overnight position. This limit may vary from time to time as determined by ALCO.

The Group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

The Group's operations in the Cayman Islands, Costa Rica and United States of America (USA) create two additional sources of currency risk:

- The operating results of the Group's foreign subsidiaries in the Group financial statements are translated at the average exchange rate prevailing during the period.
- The equity investment in the foreign subsidiaries is translated into Jamaican dollars using the closing exchange rate.

Concentrations of currency risk

The Group and the company are most sensitive to currency risk in its operating currencies which float against the United States dollar.

48. Insurance and Financial Risk Management (Continued)

(e) Market risk (continued)

(ii) Currency risk (continued)

The following tables summarise the exposure of the Group and the company to foreign currency exchange rate risk. Included in the tables are the Group's financial and insurance assets and liabilities at carrying amounts categorised by currency.

	The Group			
	2022			
	Jamaican $	US$	Other	Total
	$'000	$'000	$'000	$'000
Financial assets				
Cash resources	8,443,675	11,480,965	2,328,030	22,252,670
Cash reserve at Bank of Jamaica	4,057,352	7,749,817	284,643	12,091,812
Financial investments and pledged assets	162,757,364	151,311,063	1,188,506	315,256,933
Loans & leases, after allowance for credit losses	92,531,141	20,205,688	-	112,736,829
Reinsurance contracts	1,387,137	129,154	-	1,516,291
Premium receivable and unpaid	4,562,986	212,201	112,250	4,887,437
Other assets	4,211,949	1,952,598	2,235	6,166,782
Total Financial assets	277,951,604	193,041,486	3,915,664	474,908,754
Financial liabilities				
Deposit and security liabilities	127,922,026	120,322,096	2,592,939	250,837,061
Loans Payable	2,198,545	-	-	2,198,545
Other liabilities	13,468,887	2,395,875	248,264	16,113,026
Insurance contracts	51,104,491	37,245,877	3,898,314	92,248,682
Investment contracts liabilities	12,894,589	7,165,748	103,883	20,164,220
Lease liabilities	2,143,801	-	-	2,143,801
Other policy liabilities	8,574,500	361,673	599,054	9,535,227
Total financial liabilities	218,306,839	167,491,269	7,442,454	393,240,562
Net on statement of financial position interest sensitivity gap	59,644,765	25,550,217	(3,526,790)	81,668,192

	The Group			
	2021			
	Jamaican $	US$	Other	Total
	$'000	$'000	$'000	$'000
Total assets	269,283,057	205,511,107	3,554,853	478,349,017
Total liabilities	201,631,748	168,564,361	10,248,706	380,444,815
Net on statement of financial position	67,651,309	36,946,746	(6,693,853)	97,904,202

As of December 31, 2022, the Company's maximum exposure to foreign currency exchange rate risk pertains to financial investments, pledged assets and cash resources amounting to J$423,097,000 (2021: J$430,254,000), denominated in US dollars.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

49. Sensitivity Analysis

Actuarial liabilities for the Group's life and health insurance contracts comprise 73.32% (2021 –75.09%) of total Policyholders' Funds. The determination of actuarial liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results.

(i) Sensitivity arising from the valuation of life insurance and annuity contracts

In summary, the valuation of actuarial liabilities of life insurance and annuity contracts is sensitive to:

- the economic scenario,
- the investments allocated to back the liabilities,
- the underlying assumptions used, and
- the margins for adverse deviations.

The Appointed Actuary tests the actuarial liabilities under several economic scenarios. These tests have been done and the liabilities have been derived from the scenarios which produce the worst results.

The assumption for future investment yields has a significant impact on actuarial liabilities. The other assumptions to which the actuarial liabilities of the Group are most sensitive, are in descending order of impact:

- Mortality and morbidity
- Operating expenses and taxes
- Lapse rates

(ii) Dynamic capital adequacy testing (DCAT)

DCAT is a technique used to assess the adequacy of an insurer's future financial condition in the light of different future economic and policy experience scenarios. DCAT assesses the impact over the next 5 years on the insurer's financial position and financial condition under specific scenarios.

The financial position of an insurer is reflected by the amounts of assets, liabilities and equity in the statement of financial position at a given date.

The financial condition of an insurer at a particular date is its prospective ability at that date to meet its future obligations, especially obligations to policyholders, those to whom it owes benefits and to its shareholders.

The purpose of the DCAT is:

- to develop an understanding of the sensitivity of the total equity of the insurer and future financial condition to changes in various experience factors and management policies;
- to alert management and the Board to material, plausible and imminent threats to the insurer's solvency; and
- to describe possible courses of action to address these threats.

The DCAT does not test any correlation that may exist between assumptions. The use of differing sensitivity rates by insurers reflects differences in the insurers' environment.

The following table represents the impact of changes in the assumptions to net actuarial liabilities for the Group resulting from changes in the variables listed below. The table below shows the impact on the insurance liability at the end of the year, based on the respective variable changes, and is not reflective of the results of the DCAT assessment.

		The Group	
Variable	**Change in Variable**	**2022 Change in Liability $'000**	**2021 Change in Liability $'000**
Worsening of mortality/morbidity	+10%.	7,821,042	7,570,789
Improvement in annuitant mortality	-10%.	1,371,097	1,450,417
Lowering of investment return	-1%.	8,271,746	9,394,381
Worsening of base renewal expense and inflation rate	+10%	1,461,231	1,360,778
Worsening of lapse rate	+10%	1,801,756	1,506,678
Higher interest rates	+1%.	(6,351,048)	(7,447,858)

49. Sensitivity Analysis (Continued)

(iii) Sensitivity arising from a decline in equity prices

The Group is sensitive to fair value risk on its financial assets at FVTPL and FVTOCI equity securities. The effects of an increase by 10% and a decrease by 5% in equity prices at the year-end date are set out below.

	The Group		
	Carrying Value $'000	**Effect of 6% decrease at 31 December 2022 $'000**	**Effect of 6% increase at 31 December 2022 $'000**
Financial assets at fair value through profit or loss and other comprehensive income equity securities:			
Listed on Jamaica Stock Exchange	6,783,097	(406,986)	406,986
Listed on US stock exchanges	4,174,096	(250,446)	250,446
Other	29,239,823	(1,754,389)	1,754,389
	40,197,016	(2,411,821)	2,411,821

(iv) Sensitivity arising from currency risk

The Group and the Company is most sensitive to currency risk in its operating currencies which float against the United States dollar.

The effect of further depreciation and appreciation in the Jamaican dollar (JMD) relative to the United States dollar (USD) at the year-end date is considered in the following tables.

	The Group					
	2022			2021		
	Balances Denominated in other than JMD $'000	**Effect of a 4% depreciation at 31 December 2022 $'000**	**Effect of a 1% appreciation at 31 December 2022 $'000**	**Balances Denominated in other than JMD $'000**	**Effect of a 6% depreciation at 31 December 2021 $'000**	**Effect of a 2% appreciation at 31 December 2021 $'000**
Statement of financial position:						
Assets	196,957,150	189,078,864	198,926,722	209,065,959	196,522,003	213,247,280
Liabilities	174,933,723	167,936,374	176,683,060	178,813,067	168,084,283	182,389,328
Net position	22,023,427	21,142,490	22,243,662	30,252,892	28,437,720	30,857,952
Impact on Net Profit Other comprehensive Income		(880,937)	220,235		(1,815,173)	605,059

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

49. Sensitivity Analysis (Continued)

(iv) Sensitivity arising from currency risk (continued)

	The Company					
	2022			2021		
	Balances Denominated in other than JMD $'000	Effect of a 4% depreciation at 31 December 2022 $'000	Effect of a 1% appreciation at 31 December 2022 $'000	Balances Denominated in other than JMD $'000	Effect of a 6% depreciation at 31 December 2021 $'000	Effect of a 2% appreciation at 31 December 2021 $'000
Statement of financial position:						
Assets	423,097	406,173	427,328	430,254	440,439	438,859
Impact on Net Profit Other comprehensive Income		(16,924)	4,231		(25,815)	8,605

(v) Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss and other components of equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on the floating rate of non-trading financial assets and financial liabilities. The sensitivity of other components of equity is calculated by revaluing fixed rate FVOCI for the effects of the assumed changes in interest rates.

	The Group			
	Effect on Net Profit Before Tax 2022 $'000	Effect on Other Comprehensive Income 2022 $'000	Effect on Net Profit Before Tax 2021 $'000	Effect on Other Comprehensive Income 2021 $'000
Change in basis points:				
Decrease – JMD- 50 and USD- 50 (2021- JMD- 100 and USD-100)	(2,905,009)	(2,864,451)	10,793,004	8,197,356
Increase – JMD – 100 and USD-100 (2021- JMD- 100 and USD- 100)	3,371,178	(5,321,303)	(8,846,481)	(10,609,565)

The Company is not exposed to changes in interest rates.

50. Capital Management

The capital adequacy of the principal operating entities within the Group is set out below.

(i) To comply with capital requirements established by insurance, banking and other financial intermediary regulatory authorities;

(ii) To comply with internationally recognised capital requirements for insurance, where local regulations do not require these international standards;

(iii) To safeguard its ability to meet future obligations to policyholders, depositors, note-holders and stockholders;

(iv) To provide adequate returns to stockholders by pricing insurance, investment and other contracts commensurately with the level of risk; and

(v) To maintain a strong capital base which is sufficient for the future development of the Group's operations.

The Group deploys its capital resources to activities carried out through various lines of business in operating companies which are either insurance entities or provide other financial services. The capital is deployed in such a manner as to ensure that each line of business generates the desired return on capital employed, that the operating companies have adequate and sufficient capital resources to carry out their activities and to meet regulatory requirements.

Required capital adequacy information is computed for regulated entities of the Group on a monthly basis and assessed by Management. These metrics are reported to Boards of Directors quarterly, and are filed with the Regulators in Jamaica monthly, in Cayman annually and in Costa Rica monthly.

The capital adequacy of the principal operating entities within the Group is set out below.

(a) Sagicor Life Jamaica Limited
Capital adequacy is managed at the operating company level. It is calculated monthly by the Appointed Actuary and reviewed by Executive Management and the Board of Directors. In addition, Sagicor Life Jamaica Limited seeks to maintain internal capital adequacy at levels higher than the regulatory requirements. To assist in evaluating the current business and strategy opportunities, a risk-based capital approach is one of the core measures of financial performance. The risk-based assessment measure which has been adopted is the Minimum Continuing Surplus and Capital Requirement (MCCSR) standard as per the Insurance Regulations, 2001. The minimum standard required Insurance Regulations 2001 at the year-end date is an MCCSR of 150%. Sagicor Life Jamaica Limited as at 31 December 2022 had met the standard required.

(b) Sagicor Life of the Cayman Islands Ltd.
During 2014, the Cayman Islands Insurance (Capital and Solvency) (Class A Insurers) Regulations became effective. The minimum capital requirement (MCR) for a local Class A insurer was established as the greater of US$300,000, or the square root of the sum of the square of five risk components – assets, policy liabilities, subsidiaries, catastrophe exposure and foreign exchange. Additionally, the prescribed capital for a local Class A insurer must be at least 125% of the minimum capital requirement. The MCR for the Sagicor Life of the Cayman Islands Ltd as at 31 December 2022 satisfied the regulatory capital requirements.

(c) Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited

The Bank's objectives in managing their capital are:

(i) To comply with the capital requirements set by the Regulators of the financial market in Jamaica.

(ii) To provide adequate returns to shareholders commensurate with the level of risk undertaken and adequate benefits to staff and other stakeholders.

(iii) To safeguard the Banks' ability to meet its obligations to depositors, note-holders and other stakeholders.

(iv) To safeguard the Banks' ability to continue as solvent going concerns.

(v) To maintain an appropriate capital base to support the growth and development of its business.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

50. Capital Management (Continued)

Capital adequacy, capital management ratios and the financial statements of the Bank and Investment Company are monitored monthly by management. These are reviewed quarterly by the Boards of Directors. Capital is managed based on prudent best practices and employing techniques and guidelines developed by the Financial Services Commission (FSC), the Bank of Jamaica (BOJ), Basel II and the Board of Directors Risk Management Committees. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

The BOJ and the FSC require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and

(ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and revaluation on property, plant and equipment.

Any investment in subsidiaries is deducted from Tier 1 and Tier 2 capital to arrive at the regulated capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited at the year-end were compliant with the regulatory capital requirements.

The subsidiary AGI manages capital to:
(i) Comply with the capital requirements set by the FSC; and
(ii) Safeguard the company's ability to continue as a going concern.

For Jamaican property and casualty companies, the Minimum Capital Test (MCT) is used as a measure of capital with a minimum ratio of 250%. AGI was compliant with the regulatory capital requirements as at 31 December 2022.

51. Fiduciary Risk

Certain subsidiaries in the Group provide custody, trustee, corporate administration, investment management or advisory services to third parties which may involve these subsidiaries making allocation and purchase and sale decisions in relation to a wide range of financial instruments. These assets are not included in these financial statements.

52. Contingent Liabilities

Legal proceedings
The Group and the company are subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended, cannot be reasonably estimated or will result in exposure to the Group which is immaterial to both the financial position and results of operations.

Significant matters are as follows:

(a) Suit has been filed by a customer against one of the Group's subsidiaries for breach of contract, and breach of trust in the amount of US$8,928,500, being loss allegedly suffered as a result of what the claimants say is the unlawful withholding of insurance proceeds by the subsidiary. No provision was made in these financial statements for this claim as the matter has not been heard.

(b) Suit has been filed by an independent contractor against one of the Group's subsidiaries for breach of contract arising from an alleged contractual agreement. The Claimant alleges that the subsidiary failed to pursue initiatives contemplated by the contract with a third party and that by not doing so, it caused the Claimant company significant losses which they have estimated at over US$300,000,000. No provision was made in these financial statements for this claim as the claim has been stayed to accommodate arbitration as required under the Agreement between the parties.

53. Litigation

YP Seaton, Earthcrane Haulage Ltd and YP Seaton and Associates v Sagicor Bank Jamaica Limited

On March 17, 2014 the Supreme Court of Jamaica granted judgement in favour of a claimant in a case brought against Sagicor Bank Jamaica Limited (formerly RBC Royal Bank Jamaica Limited). This claim pre-dated the acquisition of the Bank by Sagicor Group Jamaica Limited, and also predated the acquisition of control of the Bank by RBTT from Finsac Limited ("Finsac") in 2001.

By virtue of the Share Sale Agreement entered into between Finsac, RBTT Financial Holdings Limited and RBTT International Limited, Finsac agreed to fully indemnify RBTT International Limited against any loss the bank may suffer in this matter. As the current owner of Sagicor Bank Jamaica Limited, Sagicor Group is the current beneficiary of the Indemnity. The Indemnity from Finsac is further supported by a Government of Jamaica Guarantee on a full indemnity basis.

Sagicor appealed the Supreme Court decision and Judgment was delivered on July 31, 2018 which ruled that the award previously awarded to the Claimant be reduced with costs to the Claimant subject to an accounting exercise to determine the apportionment of costs between the parties. This reduced award took into account lower interest rates applying simple interest rather than compounding interest. The issue of costs remains to be determined by the courts following a subsequent application to amend the judgment which was delivered in January 2019. The amount previously awarded to the Claimant has been recorded as payable to the claimant with accrued interest and correspondingly receivable from Finsac/Government of Jamaica.

On July 1, 2019 the Claimant filed an application for conditional leave to appeal to the Privy Council on the issue of interest with final leave to appeal being granted by the Court of Appeal on October 26, 2020.

The Privy Council heard the matter in May 2022 and delivered its judgment December 8, 2022. They invited the parties to make submissions as to costs. We are awaiting their final ruling.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

53. Litigation (Continued)

Sagicor Investments Jamaica Limited v Cornerstone Financial Holdings Limited.

A suit has been filed by Sagicor Investments Jamaica (SIJL) against Cornerstone Financial Holdings Limited (CFHL), a company registered in Barbados, for damages suffered as a result of a rights issue being offered to only those shareholders that had participated in the rights issue of an affiliated company. In July 2020, Cornerstone United Holdings Limited (CUHL), a company registered in Jamaica, offered a rights issue to raise US$21 million at US$1.40 per share. SIJL chose not to participate in this rights issue. CFHL subsequently allotted shares to the shareholders that participated in the CUHL rights issue at a price of less than one cent per share when the shares had a book value of approximately US$7.80 per share. This had the effect of reducing the value of SIJL's shareholding in CFHL by approximately US$4 million and SIJL's shareholding was diluted from 4.5% to 3.47%. CFHL has argued this was justifiable because of an agreement to maintain similar shareholding structures. A second rights issue was completed on a similar basis thus reducing the company's shareholding to 2.82%. Based on legal opinion the company has a high probability of success in this matter. No adjustment to the carrying value of the holdings has been recorded in the financial statements in respect of this suit as at 31 December 2022.

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54. Offsetting Financial Assets and Financial Liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

	The Group						
	2022						
				Related amounts not set off in the statement of financial position			
	Gross amounts of financial assets $'000	Gross amounts set off on the balance sheet $'000	Net amounts of financial assets presented on the balance sheet $'000	Impact of master netting agreements $'000	Cash collateral $'000	Financial instruments collateral $'000	Net amounts $'000
Assets							
Cash resources	34,344,482	-	34,344,482	-	-	-	34,344,482
Financial investments	427,993,762	-	427,993,762	(88,511,127)	-	(155,426)	339,327,209
	462,338,244	-	462,338,244	(88,511,127)	-	(155,426)	373,671,691
Liabilities							
Due to banks and other financial institutions	250,834,683	-	250,834,683	(89,044,677)	-	-	161,790,006
Derivative financial instruments	2,378	-	2,378	-	-	(2,378)	-
	250,837,061	-	250,837,061	(89,044,677)	-	(2,378)	161,790,006
	2021						
Assets							
Cash resources	34,468,878	-	34,468,878	-	(941,626)	-	33,527,252
Financial investments	429,271,352	-	429,271,352	(93,436,958)	-	(215,901)	335,618,493
	463,740,230	-	463,740,230	(93,436,958)	(941,626)	(215,901)	369,145,745
Liabilities							
Due to banks and other financial institutions	221,834,908	-	221,834,908	(79,003,526)	-	-	142,831,382
Derivative financial instruments	16,733	-	16,733	-	-	(16,733)	
	221,851,641		221,851,641	(79,003,526)	-	(16,733)	142,831,382

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

54. Offsetting Financial Assets and Financial Liabilities (Continued)

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements.

	The Company						
	2022						
					Related amounts not set off in the statement of financial position		
	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Impact of master netting agreements	Cash collateral	Financial instruments collateral	Net amounts
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash resources	655,852	-	655,852	-	-	-	655,852
Financial investments	736,529	-	736,529	-	-	(267,294)	469,235
	1,392,381	-	1,392,381	-	-	(267,294)	1,125,087
Liabilities							
Due banks and other financial institutions	11,098,704	-	11,098,704	-	-	-	11,098,704
	11,098,704	-	11,098,704	-	-	-	11,098,704
	2021						
Assets							
Cash resources	431,177	-	431,177	-	-	-	431,177
Financial investments	1,342,989	-	1,342,989	-	-	(439,997)	902,992
	1,774,166	-	1,774,166	-	-	(439,997)	1,334,169
Liabilities							
Due banks and other financial institutions	12,003,246	-	12,003,246	-	-	-	12,003,246
	12,003,246	-	12,003,246	-	-	-	12,003,246

55. Non-Controlling Interest

The non-controlling interests represent the share of net assets and net profit not attributed to Sagicor Group. The amounts were calculated as follows:

	2022				
	Travel Cash	SREX	AGI	Bailey Williams	Total
	$'000	$'000	$'000	$'000	$'000
Total assets	1,132,248	-	13,178,922	3,628,162	
Total liabilities	(306,347)	-	(9,713,873)	(3,568,522)	
Net Assets	825,901	-	3,465,049	59,640	
Non-controlling interest	477,701	-	1,556,900	17,892	2,052,493
Revenue	246,103	4,352,126	4,321,305	288	
Net profit for the period	141,539	224,213	303,090	(1,183)	
Other comprehensive income	-	59,769	102,076	-	
Total comprehensive income	141,539	283,982	405,166	(1,183)	
Non-controlling interest	69,354	159,241	82,205	(93,554)	217,246
Cashflows from operating activities	111,972	1,710,735	(2,463,933)	(547,625)	
Cashflows from investing activities	(1,480)	(3,613,590)	(295,653)	-	
Cashflows from financing activities	-	(332,786)	-	733,970	
Net increase/ (decrease) in cash and cash equivalents	110,492	(2,235,641)	(2,759,586)	186,345	

Non-Controlling Interest in SREX

	2022
	$'000
Jamziv (i)	5,767,620
SREX (ii)	15,211,297
	20,988,917

i). Non-controlling interest cancelled on wind up of Jamziv. Refer to note 1b(i) for additional details.
ii). Non-controlling interest removed from the balance sheet on sale of X Fund. Refer to note 16 for additional details.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

55. Non-Controlling Interest (Continued)

	2021				
	Travel Cash	SREX	AGI	Bailey Williams	Total
	$'000	$'000	$'000	$'000	$'000
Total assets	975,044	31,265,465	12,505,766	1,809,932	
Total liabilities	(290,681)	(8,942,794)	(9,241,731)	(1,749,109)	
Net Assets	684,363	22,322,671	3,264,035	60,823	
Non-controlling interest	408,347	17,920,772	1,515,526	111,446	19,956,091
Revenue	290,472	5,219,189	4,315,531	4,366	
Net profit/(loss) for the period	157,965	673,891	429,425	3,410	
Other comprehensive income	-	256,236	(112,741)	-	
Total comprehensive income	157,965	930,127	316,684	3,410	
Non-controlling interest	77,403	86,892	132,739	(49,377)	247,657
Cashflows from operating activities	29,005	1,549,668	(575,192)	95,697	
Cashflows from investing activities	(53)	7,640,042	276,000	(57,666)	
Cashflows from financing activities	-	(3,479,394)	-	-	
Net increase/ (decrease) in cash and cash equivalents	28,952	5,710,316	(299,192)	38,031	

The information above represents amounts before intercompany eliminations.

56. Business Combination

On 1 April 2022, the Group acquired 100% of the share capital of Alliance Financial Services Limited.

The acquired business contributed post acquisition revenues and net profits of $697,358,000and $68,743,000 for the year ended 31 December 2022. Had the company been acquired at the beginning of the year, it would have contributed revenues of approximately $637,191,000 and net losses of approximately $1,516,562,000 to the Group for the year ended 31 December 2022.

Details of the net assets acquired, purchase consideration and goodwill, determined on a provisional basis, were as follows:

	Fair Values
	$'000
Net assets arising on the acquisition:	
Financial investments (Note 8)	465,446
Intangibles assets	698,000
Property, plant and equipment (Note 18)	10,415
Right- of- use assets	3,778
Other assets	459,224
Cash resources	271,803
Deferred income taxes	(242,909)
Deposits and securities liabilities	(1,004,215)
Lease liabilities	(4,353)
Other liabilities	(50,928)
	606,261

	$'000
Purchase consideration – Cash (i)	3,271,873
Net asset acquired	(606,261)
Goodwill (Note 17)	2,665,612
Cash paid (i)	3,155,150
Cash and cash equivalents included in net assets acquired	(530,717)
Net cash outflow on acquisition	2,624,434

(i) The purchase consideration includes an initial cash consideration and contingent cash consideration based on specified performance criteria. Cash consideration and contingent consideration at acquisition were $3,271,873,000. The actual payment made in respect of the acquisition was $3,155,150,000 and the difference of $116,723,000 was recorded to the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

56. Business Combination (Continued)

(ii) Goodwill encompasses the following factors:

- Access to customers using the network of sub-agents (distribution network). The agents of AFSL will allow Sagicor access to a wider customer base.
- Life Span of the Firm -The company has a good brand name, good customer experience and a loyal customer base
- Nature of product - The company provides Remittance and Cambio services which are in demand daily. The remittance sector is the second highest foreign exchange earner in Jamaica
- Buyer-specific synergies which include but not limited to expanding product offerings to SGJ clients, the ability to move into new business segments, and cost synergies.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

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CORPORATE DIRECTORY

SAGICOR LIFE

MAURICE MCDONALD
Branch Manager
SPANISH TOWN
16 Burke Road,
Spanish Town Business Centre
888-SAGICOR
Fax: 984-8474

ROAAN BROWN
Branch Manager
BELMONT DUKES
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

RAMOTH WATSON
Branch Manager
OCHO RIOS
2 Newlin Street,
Ocho Rios Business Centre
888-SAGICOR
Fax: 974-1818

MEILA MCKITTY PLUMMER
Branch Manager
CORPORATE CIRCLE
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

DERRICK LEWIS
Branch Manager
LIGUANEA
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 978-7404

DALE GREAVES-SMITH
Branch Manager
MANDEVILLE
59 Main Street,
Mandeville Business Centre
888-SAGICOR
Fax: 962-3788

DAVE HILL
General Manager
SAGICOR INSURANCE BROKERS LIMITED
R. Danny Williams Building
28 – 48 Barbados Avenue
Kingston 5
888-SAGICOR
Fax: (876) 929-4730

CHRISTOPHER LAWE
Senior Branch Manager
HOLBORN
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

MICHAEL FORBES
Branch Manager
NEW KINGSTON
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

LESLIE FRANCIS
Branch Manager
KNUTSFORD
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

PATRICK SINCLAIR
Senior Branch Manager
MONTEGO BAY
Shop #10, 17 East Harbour Circle
Montego Bay
St. James
888-SAGICOR
Fax: 982-7578

ODINE DACOSTA
Branch Manager
HALF WAY TREE
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

MARK LINDSAY
Branch Manager
SENATORS
35 Trafalgar Road,
Kingston 5
888-SAGICOR
Fax: 968-0762

TATIANA BROWN
Branch Manager
SAGICOR LIFE OF THE CAYMAN ISLANDS LTD.
1st Floor Sagicor House
198 North Church Street,
George Town
Grand Cayman KY1-1102
Cayman Islands
888-SAGICOR
Fax: (345) 949-8262

OTHER SAGICOR LIFE LOCATIONS:

MAY PEN
44 Main Street
May Pen, Clarendon
888-SAGICOR
Fax: 75 -1804

TRENCH TOWN
85 West Road
Kingston 12
888-SAGICOR
Fax: 754-1804

SAGICOR BANK

JOYCE GORDON
(Relief Branch Manager)
Branch Manager
DOMINICA DRIVE
17 Dominica Drive, Kingston 5
888-SAGICOR

CLEMENT ELLINGTON
Branch Manager
DUKE & TOWER STREET
17a Duke Street, Kingston
888-SAGICOR
Fax: 922-2937

LAUREL WEBSTER
Branch Manager
LIGUANEA & MANOR PARK
LIGUANEA
106 Hope Road, Kingston 6
888-SAGICOR
Fax: 978-7404
MANOR PARK
Manor Park Extension Plaza
184 Constant Spring Rd,
Kingston 8

CLAUDETTE RAMDANIE
Branch Manager
HOPE ROAD
Block C, 85 Hope Road,
Kingston 6
888-SAGICOR
Fax: 946-9989

NURSITA GRAY BARRIFFE
Branch Manger
TROPICAL PLAZA
Shop #25,
12 1/2 – 14 Constant Spring
Road, Kingston 10
888-SAGICOR
Fax: 968-0870

BRENT JOHNSON (ACTING)
Branch Manager
UP PARK CAMP
South Camp Road, Kingston 5
888-SAGICOR
Fax: 968-0670

WENDY BERNARD
Branch Manager
MONTEGO BAY
Commercial Shopping Centre,
Howard Cooke Boulevard,
Montego Bay, St. James
888-SAGICOR
Fax: 979-5274

SUZETTE BLACK
Branch Manager
FAIRVIEW
Shop B8,
21B Fairview Shopping Centre,
Bogue Estates, Montego Bay
888-SAGICOR
Fax: 953-6373

DOREEN PINDLING-WILLIAMS
Branch Manger
OCHO RIOS
Units 5 & 6 Eight Rivers
Towne Center Buckfield
Ocho Rios, St. Ann
Tele: 974-8833

RICARDO MAHABEER
Branch Manager
SAVANNA-LA-MAR
56 Great George Street,
Savanna-la-Mar, Westmoreland
888-SAGICOR
Fax: 955-2972

LOVEN MCCOOK
Regional Manager
Retail Banking (Western Region)
Lot 2 Bloomfield Street
Mandeville
Manchester
876 975 – 6845/ 888 SAGICOR

NATALIE BUDDAN
Branch Manager
MAY PEN
6b Manchester Avenue,
May Pen, Clarendon
888-SAGICOR
Fax: 986-9409

VILMA BARRETT GUNTER
Branch Manager
BLACK RIVER
Corner High and School Streets,
Black River, St. Elizabeth
888-SAGICOR
Fax: 965-2385

KAVON WALKER
Branch Manager
MANDEVILLE
5-7 Ward Avenue, Mandeville,
Manchester
888-SAGICOR
Fax: 962-7361

GLENROY MORGAN
Branch Manager
PORTMORE
Shop #34 Portmore Pines Plaza
Portmore, St. Catherine
888-SAGICOR
Fax: 989-0214

SAGICOR INVESTMENTS

CARLOS GORDON
Regional Manager
Investment Client Services
(Central & North)
5-7 Ward Avenue,
Mandeville, Manchester
888-SAGICOR
Fax: 962-7361

BIANCA NAM
Assistant Vice President
Wealth Management
85 Hope Road, Kingston 6
888-SAGICOR
Fax: 978-1870

SHELLY-ANN MORGAN
Manager
Investment Client Services
(Kingston Metropolitan Area)
17 Dominica Drive, Kingston 5
888-SAGICOR
Fax: 968-8194

ANTHONY HOWARD
Manager
Investment Client Services (KMA
– Liguanea & Hope Road)
85 Hope Road, Kingston 6
888-SAGICOR
Fax: 968-8194

KAREN RICHARDS
Assistant Vice President
Investment Client Services
17 Dominica Drive, Kingston 5
888-SAGICOR
Fax: 968-8194

MELICIA JONES
Regional Manager
Investment Client Services (West)
Shop B8,
21B Fairview Shopping Centre,
Bogue Estates, Montego Bay
888-SAGICOR
Fax: 979-8693

DISCLOSURE OF SHAREHOLDINGS

SHAREHOLDINGS OF THE TEN LARGEST SHAREHOLDERS

AT 31 DECEMBER 2022

	LIST OF SHAREHOLDERS		TOTAL NO. OF SHARES	%
1.a	Sagicor Life Inc	650,663,398	1,918,137,454	49.11%
	LOJ Holdings Limited - connected company	1,267,474,056		
1.b	(Sagicor Pooled Equity Fund - connected company)	94,437,659	99,214,980	2.54%
	(Trustee Sagicor Long-Term Incentive Plan - connected company)	3,119,064		
	(Sagicor Life Jamaica Share Purchase Plan 2003)	222,339		
	(Trustee of the SLJ of Employee Share Purchase Plan)	1,435,918		
	(Trustee SIJL of Employee Share Inv Trust)	-		
2	PanJam Investment Limited	1,179,742,497	1,180,501,476	30.23%
	(C. B. Facey Foundation - Connected Company)	718,400		
	(Orange Hall Estates - Connected Company)	40,579		
3	National Insurance Fund		47,611,210	1.22%
4	SJIML 3119		47,416,703	1.21%
5	Ideal Portfolio Services Ltd	34,054,394	39,220,371	1.00%
	(Ideal Global/Ideal Group/Ideal Betting/Ideal Finance - Con. Co.)	5,165,977		
6	ATL Group Pension Fund Trustee Nominee Limited		28,755,022	0.74%
7	GraceKennedy Pension Fund Custodian Ltd. for GraceKennedy Pension Scheme		28,243,819	0.72%
8	JCSD Trustee Services Ltd - Sigma Equity		22,991,919	0.59%
9	*Donwis Ltd*	19,567,360	22,895,477	0.59%
	(Donovan/Gertrude/Kathryn/Luke Lewis - connected persons)	3,317,200		
	(DALK - connected company)	10,917		
10	*Prime Asset Management - JPS Employees' Superannuation Fund*	16,597,480	21,678,054	0.56%
	(JPS Co. Ltd. (Original 1973) EMPL. Pension Plan PAM - Fund Managers - connected company)	5,080,574		
	Total		**3,456,666,485**	88.50%
	Others		**448,968,431**	11.50%
	Total Issued Shares		**3,905,634,916**	100.00%

5% AND MORE

AT 31 DECEMBER 2022

	LIST OF SHAREHOLDERS	TOTAL NO. OF SHARES	%
1	LOJ Holdings Limited	1,267,474,056	32.45%
2	PanJam Investment Limited	1,179,742,497	30.21%
3	Sagicor Life Inc	650,663,398	16.66%
	Total	**3,097,879,951**	79.32%
	Others	**807,754,965**	20.68%
	Total Issued Shares	**3,905,634,916**	100.00%

Disclosure of Shareholdings (Cont'd)

SHAREHOLDINGS OF DIRECTORS

AT 31 DECEMBER 2022

	LIST OF DIRECTORS		NO OF SHARES	%
1	Peter Melhado - Chairman		Nil	0.00%
2	Christopher Zacca - President & CEO	2,233,376	2,233,436	0.06%
	(Karen E. Zacca - connected person)	Nil		
	(Edward Zacca - connected person)	60		
3	Dr. The Hon R. Danny Williams	Nil		
	(Ravers Limited - connected company)	12,500,000	12,500,000	0.32%
4	Dr. Dodridge D. Miller		25,389	0.00%
5	Dr. Marjorie Fyffe-Campbell		25,000	0.00%
6	Paul Facey	Nil	1,280,000	0.03%
	(Heather Facey - connected person)			
	(Robert A Facey - connected person)	500,000		
	(Angela G. Nathan - connected person)	780,000		
7	Stephen Facey	1,027,791	1,135,254	0.03%
	(Wendy Facey - connected person)			
	(Alexander & Matthew Facey - connected person)	107,463		
8	Paul Hanworth		49,799	0.00%
9	Peter Clarke		Nil	0.00%
10	Dr. Jacqueline D Coke-Lloyd		43,375	0.00%
11	Stephen McNamara		Nil	0.00%
12	Lisa Lake		Nil	0.00%
13	Mahmood Khimji		Nil	0.00%
14	Gilbert Plater		Nil	0.00%
15	Janice Grant Taffe (Company Secretary)		2,046,968	0.05%
	(Joseph Taffe - connected person)			

SHAREHOLDINGS OF LEADERSHIP TEAM

AT 31 DECEMBER 2022

	LIST OF LEADERSHIP TEAM		NO OF SHARES	%
1	Christopher Zacca - President & CEO	2,233,376	2,233,436	0.06%
	(Karen E. Zacca - connected person)	Nil		
	(Edward Zacca - connected person)	60		
2	Andre Ho Lung		135,065	0.00%
3	Mark Chisholm		3,304,485	0.08%
	(Te-Anne Chisholm - connected person)			
	(Sharo Anne Chisholm - connected person)			
	(Joneel Chisholm - connected person)			
4	*Willard Brown*		977,520	0.03%
5	Karl Williams		1,687,847	0.04%
6	Chorvelle Johnson		158,215	0.00%
7	Tara Nunes		774,694	0.02%
	(Kelly A. Nunes- connected person)			
	(Brooke M. Nunes - connected person)			
8	*Donnette Scarlett*		600,000	0.02%
	(Merrick Scarlett - connected person)			
	(Monique Scarlett - connected person)			
9	*Caren Scott-Dixon*		Nil	0.00%
10	*Omar Brown*		9,252	0.00%
	(Polliana M. Brown - connected person)			

NOTES

SAGICOR GROUP JAMAICA

FORM OF PROXY

Sagicor Group Jamaica

I____of ____

being a member of Sagicor Group Jamaica Limited hereby appoint____

of____________________________________ or failing him____________________________________

of ____________________________________ as my proxy to vote for me on my behalf at the Annual General Meeting of the Company to be held at The Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5, Saint Andrew on the 26th day of May 2023 at 3:00 p.m. and at any adjournment thereof.

The Proxy will vote on the undermentioned resolutions as indicated:

Resolutions	For	Against
1. "That the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2022 be and are hereby adopted."		
2. To elect Directors "That the election of directors be made en bloc."		
3. To elect Directors. **a)** In accordance with Article 98 Stephen Facey Dr. Marjorie Fyffe Campbell Gilbert Palter Dr. Jacqueline Coke Lloyd **b)** In accordance with Article 100 Andre Mousseau Joanna Banks		
4. To fix the remuneration of Directors.		
5. To appoint and authorize the Directors to fix the remuneration of the Auditors.		
6. To ratify interim dividends and declare them final.		

NOTE: If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

As witness my hand this ________ day of ____________________2023

Signature ____________________________________

____

NOTE: (I) If the appointer is a Corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized.

(2) To be valid, this proxy must be lodged with the Secretary of the Company, 28-48 Barbados Avenue, Kingston 5, not less than 48 hours before the time appointed for holding the meeting.
A proxy need not be a member of the Company.

$100.00 Stamp to be affixed

Connect with us!

We welcome your feedback. Please use these convenient channels to keep up to date on developments at our company or to send us your comments and queries.

SHAREHOLDERS →	Connection Points
Contact our Registrar for: • Dividends • Change in share registration and address • Lost share certificates • Estate transfers • General shareholder requests	**Corporate Trust** Ground Floor R. Danny Williams Building 28-48 Barbados Avenue Kingston 5 sbj_registrar@sagicor.com sgj_legalcounsel@sagicor.com (876) 929-5583 ext. 2215 - 7 and 2221-2 (876) 764-0356 (876) 920-5804
To obtain additional printed copies of the Annual Report or make enquiries about company news and initiatives	**Investor Relations** sbj_InvestorRelations@sagicor.com (876) 929-5583

CLIENTS →	Connection Points
Get general information on the company's activities, policies, products and services.	**Client Relations** infoja@sagicor.com 888-SAGICOR (724-4267)
View information on Sagicor Group Jamaica online	**Website** sagicor.com
Receive the latest company news or learn more about Sagicor Group Jamaica	**Public Relations** sgj_publicrelations@sagicor.com
Call toll free	Within Jamaica - 888-SAGICOR (724-4267) From Canada & USA - 1-800-SAGICOR From Canada 1-800-947-7886 From U.S.A 1-800-550-7886 From the U.K. 1-800-895-903

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